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15  
16 **UNITED STATES BANKRUPTCY COURT**  
17 **NORTHERN DISTRICT OF CALIFORNIA**  
18 **SAN FRANCISCO DIVISION**

19 **In re:**  
20 **PG&E CORPORATION,**  
21 **- and -**  
22 **PACIFIC GAS AND ELECTRIC COMPANY,**  
23 **Debtors.**

Bankruptcy Case  
No. 19-30088 (DM)

Chapter 11

(Lead Case)  
(Jointly Administered)

**DEBTORS' AND SHAREHOLDER  
PROONENTS' JOINT CHAPTER 11 PLAN OF  
REORGANIZATION DATED JUNE 19, 2020**

24  Affects PG&E Corporation  
25  Affects Pacific Gas and Electric Company  
26  Affects both Debtors  
\* All papers shall be filed in the Lead Case, No. 19-30088 (DM).

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1 PG&E Corporation and Pacific Gas and Electric Company, the above-captioned debtors and  
 2 debtors in possession, certain funds and accounts managed or advised by Abrams Capital  
 3 Management, L.P., and certain funds and accounts managed or advised by Knighthead Capital  
 4 Management, LLC (together, the “**Shareholder Proponents**,” and, collectively with the Debtors, the  
 5 “**Plan Proponents**”), as plan proponents within the meaning of section 1129 of the Bankruptcy Code,  
 propose the following joint chapter 11 plan of reorganization pursuant to section 1121(a) of the  
 Bankruptcy Code.<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to  
 such terms in Article I of the Plan.

## 6 ARTICLE I.

### 7 DEFINITIONS, INTERPRETATION AND CONSENTS

8 **DEFINITIONS.** The following terms used herein shall have the respective meanings defined  
 9 below (such meanings to be equally applicable to both the singular and plural):

10 **1.1 2001 Utility Exchange Claim** means any Claim against the Utility arising  
 11 solely from (a) amounts due to the CAISO, PX, and/or various market participants based on  
 12 purchases or sales of electricity, capacity, or ancillary services by the Utility and other market  
 13 participants in markets operated by the CAISO and the PX that are subject to determination by  
 14 FERC in refund proceedings bearing FERC Docket Nos. EL00-95-000 and EL00-98-000 and  
 15 related subdockets, and (b) amounts due under any settlement agreements, allocation  
 agreements, escrow agreements, letter agreements, other written agreements, or court orders  
 (including orders entered in the chapter 11 case styled *In re California Power Exchange*  
*Corporation*, Case No. LA 01-16577 ES) that expressly relate thereto.

16 **1.2 503(b)(9) Claim** means a Claim against a Debtor or any portion thereof entitled  
 17 to administrative expense priority pursuant to section 503(b)(9) of the Bankruptcy Code, which  
 Claim was timely filed and Allowed pursuant to the 503(b)(9) Procedures Order.

18 **1.3 503(b)(9) Procedures Order** means the *Amended Order Pursuant to 11 U.S.C.*  
 19 *§§ 503(b)(9) and 105(a) Establishing Procedures for the Assertion, Resolution, and*  
*Satisfaction of Claims Asserted Pursuant to 11 U.S.C. § 503(b)(9)* [Docket No. 725].

20 **1.4 Administrative Expense Claim** means any cost or expense of administration  
 21 of any of the Chapter 11 Cases arising on or before the Effective Date that is allowable under  
 22 section 503(b) of the Bankruptcy Code and entitled to priority under sections 364(c)(1), 503(b)  
 23 (including 503(b)(9) Claims), 503(c), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code  
 24 that has not already been paid, including, (a) any actual and necessary costs and expenses of  
 preserving the Debtors’ estates, any actual and necessary costs and expenses of operating the  
 Debtors’ businesses, any indebtedness or obligations incurred or assumed by one or more of

25 <sup>1</sup> The Plan and the Plan Supplement may be amended or supplemented, as necessary, to include  
 26 relevant information contained in the submissions made by the Utility in connection with the  
 27 proceeding regarding the Plan currently pending before the CPUC (Investigation (I).19-09-016),  
 including but not limited to certain governance-related commitments.

1 the Debtors, as a debtor in possession, during the Chapter 11 Cases, including, for the  
2 acquisition or lease of property or an interest in property or the performance of services, or any  
3 fees or charges assessed against the estates of the Debtors under section 1930 of chapter 123  
4 of title 28 of the United States Code, (b) any DIP Facility Claim, (c) any Professional Fee  
5 Claim, and (d) any Intercompany Claim authorized pursuant to the Cash Management Order.

6 **1.5 Aggregate Backstop Commitment Amount** means the aggregate amount of  
7 all backstop commitments, if any, under all Backstop Commitment Letters; *provided*, however,  
8 that if the backstop commitments under all Backstop Commitment Letters shall be \$0, then all  
9 consent and other rights hereunder shall no longer apply.

10 **1.6 Aggregate Fire Victim Consideration** means the aggregate consideration used  
11 to fund the Fire Victim Trust of (a) \$5.4 billion in cash to be contributed on the Effective Date,  
12 (b) \$1.35 billion consisting of (i) \$650 million to be paid in cash on or before January 15, 2021  
13 pursuant to the Tax Benefits Payment Agreement, and (ii) \$700 million to be paid in cash on  
14 or before January 15, 2022 pursuant to the Tax Benefits Payment Agreement; (c) \$6.75 billion  
15 in New HoldCo Common Stock (issued at Fire Victim Equity Value), which shall not be less  
16 than 20.9% of the New HoldCo Common Stock based on the number of fully diluted shares of  
17 Reorganized HoldCo (calculated using the treasury stock method (using an Effective Date  
18 equity value equal to Fire Victim Equity Value)) that will be outstanding as of the Effective  
19 Date (assuming all equity offerings and all other equity transactions specified in the Plan,  
20 including without limitation, equity issuable upon the exercise of any rights or the conversion  
21 or exchange of or for any other securities, are consummated and settled on the Effective Date,  
22 but excluding any future equity issuance not specified by the Plan) assuming the Utility's  
23 allowed return on equity as of the date of the Tort Claimants RSA and reasonable registration  
24 rights consistent with the recommendations of the Debtors' equity underwriter and tax rules  
25 and regulations; (d) the assignment by the Debtors and Reorganized Debtors to the Fire Victim  
26 Trust of the Assigned Rights and Causes of Action; and (e) assignment of rights, other than  
27 the rights of the Debtors to be reimbursed under the 2015 Insurance Policies for claims  
28 submitted to and paid by the Debtors prior to the Petition Date, under the 2015 Insurance  
Policies to resolve any claims related to Fires in those policy years. For the avoidance of doubt,  
the Aggregate Fire Victim Consideration shall not include any amounts for the Public Entities  
Settlement which shall be satisfied from other Plan financing sources but not from the  
Aggregate Fire Victim Consideration.

1 **1.7 Allowed** means, with reference to any Claim against a Debtor or Interest: (a)  
2 any Claim listed in the Debtors' Schedules, as such Schedules may be amended from time to  
3 time in accordance with Bankruptcy Rule 1009, as liquidated, non-contingent, and undisputed,  
4 and for which no contrary proof of Claim has been filed; (b) any Claim or Interest expressly  
5 allowed hereunder; (c) any Claim (other than a Subrogation Wildfire Claim) or Interest to  
6 which a Debtor and the holder of such Claim or Interest agree to the amount and priority of the  
7 Claim or Interest, which agreement is approved by a Final Order; (d) any individual  
8 Subrogation Wildfire Claim (not held by a Consenting Creditor or a party to the Subrogation  
9 Wildfire Claim Allocation Agreement) to which the Subrogation Wildfire Trustee and the  
10 holder of such Claim agree to the amount of such Claim; (e) any Claim or Interest that is  
11 compromised, settled or otherwise resolved or Allowed pursuant to a Final Order (including

1 any omnibus or procedural Final Order relating to the compromise, settlement, resolution, or  
 2 allowance of any Claims) or under the Plan; or (f) any Claim or Interest arising on or before  
 3 the Effective Date as to which no objection to allowance has been interposed within the time  
 4 period set forth in the Plan; *provided*, that notwithstanding the foregoing, unless expressly  
 5 waived by the Plan, the Allowed amount of Claims or Interests shall be subject to, and shall  
 6 not exceed the limitations or maximum amounts permitted by, the Bankruptcy Code, including  
 7 sections 502 or 503 of the Bankruptcy Code, to the extent applicable. The Reorganized  
 8 Debtors shall retain all Claims and defenses with respect to Allowed Claims that are Reinstated  
 9 or otherwise Unimpaired under the Plan.

7 **1.8 Assigned Rights and Causes of Action** means any and all rights, claims,  
 8 causes of action, and defenses related thereto relating directly or indirectly to any of the Fires  
 9 that the Debtors may have against vendors, suppliers, third party contractors and consultants  
 10 (including those who provided services regarding the Debtors' electrical system, system  
 11 equipment, inspection and maintenance of the system, and vegetation management), former  
 12 directors and officers of the Debtors solely to the extent of any directors and officers' Side B  
 13 Insurance Coverage, and others as mutually agreed upon by the Plan Proponents and identified  
 14 in the Schedule of Assigned Rights and Causes of Action.

12 **1.9 Avoidance Action** means any action commenced, or that may be commenced,  
 13 before or after the Effective Date pursuant to chapter 5 of the Bankruptcy Code including  
 14 sections 544, 545, 547, 548, 549, 550, or 551 of the Bankruptcy Code.

14 **1.10 Backstop Approval Order** means an order of the Bankruptcy Court, approving  
 15 the Backstop Commitment Letters, which order shall be in form and substance satisfactory to  
 16 the Debtors and the Backstop Parties.

16 **1.11 Backstop Commitment Letters** means those certain letter agreements, as may  
 17 be amended or modified from time to time in accordance with the terms thereof and the  
 18 Backstop Approval Order, pursuant to which the Backstop Parties have agreed to purchase  
 19 shares of New HoldCo Common Stock on the terms and subject to the conditions thereof.

19 **1.12 Backstop Parties** means the parties that have agreed to purchase shares of New  
 20 HoldCo Common Stock on the terms and subject to the conditions of the Backstop  
 21 Commitment Letters and the Backstop Approval Order.

21 **1.13 Ballot** means the form(s) distributed to holders of impaired Claims or Interests  
 22 on which the acceptance or rejection of the Plan is to be indicated.

23 **1.14 Bankruptcy Code** means title 11 of the United States Code, as applicable to  
 24 the Chapter 11 Cases.

25 **1.15 Bankruptcy Court** means the United States Bankruptcy Court for the Northern  
 26 District of California, having subject matter jurisdiction over the Chapter 11 Cases and, to the  
 27 extent of any reference withdrawal made under section 157(d) of title 28 of the United States  
 28 Code, the District Court.

1           **1.16 Bankruptcy Rules** means the Federal Rules of Bankruptcy Procedure as  
2 promulgated by the United States Supreme Court under section 2075 of title 28 of the United  
3 States Code, applicable to the Chapter 11 Cases, and any Local Rules of the Bankruptcy Court.

4           **1.17 Business Day** means any day other than a Saturday, a Sunday, or any other day  
5 on which banking institutions in New York, New York are required or authorized to close by  
6 law or executive order.

7           **1.18 CAISO** means the California Independent System Operator Corporation.

8           **1.19 Cash** means legal tender of the United States of America.

9           **1.20 Cash Management Order** means the *Final Order Pursuant to 11 U.S.C. §§*  
10 *105(a), 345(b), 363(b), and 363(c), and Fed. R. Bankr. P.6003 and 6004 (i) Authorizing*  
11 *Debtors to (a) Continue Their Existing Cash Management System, (b) Honor Certain*  
12 *Prepetition Obligations Related to the Use Thereof, (c) Continue Intercompany Arrangements,*  
13 *(d) Continue to Honor Obligations Related to Joint Infrastructure Projects, and (e) Maintain*  
14 *Existing Bank Accounts and Business Forms; and (ii) Waiving the Requirements of 11 U.S.C.*  
15 *§ 345(b), dated March 13, 2019 [Docket No. 881].*

16           **1.21 Cause of Action** means, without limitation, any and all actions, class actions,  
17 proceedings, causes of action, controversies, liabilities, obligations, rights, rights of setoff,  
18 recoupment rights, suits, damages, judgments, accounts, defenses, offsets, powers, privileges,  
19 licenses, franchises, Claims, Avoidance Actions, counterclaims, cross-claims, affirmative  
20 defenses, third-party claims, Liens, indemnity, contribution, guaranty, and demands of any  
21 kind or character whatsoever, whether known or unknown, asserted or unasserted, reduced to  
22 judgment or otherwise, liquidated or unliquidated, fixed or contingent, matured or unmatured,  
23 disputed or undisputed, suspected or unsuspected, foreseen or unforeseen, direct or indirect,  
24 choate or inchoate, secured or unsecured, assertable directly or derivatively, existing or  
25 hereafter arising, in contract or in tort, in law, in equity, or otherwise, whether arising under  
26 the Bankruptcy Code or any applicable nonbankruptcy law, based in whole or in part upon any  
27 act or omission or other event occurring on or prior to the Petition Date or during the course  
28 of the Chapter 11 Cases, including through the Effective Date. Without limiting the generality  
of the foregoing, when referring to Causes of Action of the Debtors or their estates, Causes of  
Action shall include (a) all rights of setoff, counterclaim, or recoupment and Claims for breach  
of contracts or for breaches of duties imposed by law or equity; (b) the right to object to any  
Claim or Interest; (c) Claims (including Avoidance Actions) pursuant to section 362 and  
chapter 5 of the Bankruptcy Code, including sections 510, 542, 543, 544 through 550, or 553;  
(d) Claims and defenses such as fraud, mistake, duress, usury, and any other defenses set forth  
in section 558 of the Bankruptcy Code; and (e) any Claims under any state or foreign law,  
including any fraudulent transfer or similar claims.

**1.22 Channeling Injunction** means the permanent injunction provided for in  
Section 10.7 of the Plan with respect to Fire Claims to be issued pursuant to, and included in,  
the Confirmation Order.

1           **1.23 Chapter 11 Cases** means the jointly administered cases under chapter 11 of the  
2 Bankruptcy Code commenced by the Debtors on the Petition Date in the Bankruptcy Court  
3 and currently styled *In re PG&E Corporation and Pacific Gas and Electric Company*, Ch. 11  
4 Case No. 19-30088 (DM) (Jointly Administered).

5           **1.24 Charging Lien** means any Lien or other priority in payment to which a Funded  
6 Debt Trustee is entitled pursuant to the applicable Funded Debt Documents or any equivalent  
7 indemnification or reimbursement rights arising under the applicable Funded Debt Documents.

8           **1.25 Claim** has the meaning set forth in section 101(5) of the Bankruptcy Code.

9           **1.26 Claims Resolution Procedures** means, collectively, the Fire Victim Claims  
10 Resolution Procedures and the Subrogation Wildfire Claim Allocation Agreement.

11           **1.27 Class** means any group of Claims or Interests classified herein pursuant to  
12 sections 1122 and 1123(a)(1) of the Bankruptcy Code.

13           **1.28 Collateral** means any property or interest in property of the estate of any Debtor  
14 subject to a Lien, charge, or other encumbrance to secure the payment or performance of a  
15 Claim, which Lien, charge, or other encumbrance is not subject to a Final Order ordering the  
16 remedy of avoidance on any such lien, charge, or other encumbrance under the Bankruptcy  
17 Code.

18           **1.29 Collective Bargaining Agreements** means, collectively, (a) the IBEW  
19 Collective Bargaining Agreements, (b) the Collective Bargaining Agreement currently in place  
20 between the Utility and the Engineers and Scientists of California Local 20, IFPTE, and (c) the  
21 Collective Bargaining Agreement currently in place between the Utility and the Service  
22 Employees International Union.

23           **1.30 Confirmation Date** means the date on which the Clerk of the Bankruptcy Court  
24 enters the Confirmation Order.

25           **1.31 Confirmation Hearing** means the hearing to be held by the Bankruptcy Court  
26 regarding confirmation of the Plan, as such hearing may be adjourned or continued from time  
27 to time.

28           **1.32 Confirmation Order** means the order of the Bankruptcy Court confirming the  
Plan pursuant to section 1129 of the Bankruptcy Code and approving the transactions  
contemplated thereby, which shall be in form and substance acceptable to the Debtors.

**1.33 Consenting Creditors** has the meaning set forth in Subrogation Claims RSA.

**1.34 Consenting Fire Claimant Professionals** has the meaning set forth in the Tort  
Claimants RSA.

**1.35 Consenting Noteholders** has the meaning set forth in the Noteholder RSA.

1           **1.36** CPUC means the California Public Utilities Commission.

2           **1.37** CPUC Approval means all necessary approvals, authorizations and final  
3 orders from the CPUC to implement the Plan, and to participate in the Go-Forward Wildfire  
4 Fund, including: (a) satisfactory provisions pertaining to authorized return on equity and  
5 regulated capital structure (it being acknowledged that the provisions included in the CPUC's  
6 final decision dated December 19, 2019 in the 2020 Cost of Capital Proceeding are satisfactory  
7 for purposes of this provision); (b) a disposition of proposals for certain potential changes to  
8 the Utility's corporate structure and authorizations to operate as a utility; (c) satisfactory  
9 resolution of claims for monetary fines or penalties under the California Public Utilities Code  
10 for prepetition conduct; (d) approval (or exemption from approval) of the financing structure  
11 and securities to be issued under Article VI of the Plan; and (e) any approvals or determinations  
12 with respect to the Plan and related documents that may be required by the Wildfire Legislation  
13 (A.B. 1054).

14           **1.38** Creditors Committee means the statutory committee of unsecured creditors  
15 appointed by the U.S. Trustee in the Chapter 11 Cases pursuant to section 1102 of the  
16 Bankruptcy Code.

17           **1.39** Cure Amount means the payment of Cash or the distribution of other property  
18 (as the parties may agree or the Bankruptcy Court may order) as necessary to (a) cure a  
19 monetary default, as required by section 365(a) of the Bankruptcy Code by the Debtors in  
20 accordance with the terms of an executory contract or unexpired lease of the Debtors, and (b)  
21 permit the Debtors to assume or assume and assign such executory contract or unexpired lease  
22 under section 365(a) of the Bankruptcy Code. Such Cure Amount will include interest at the  
23 applicable contract rate, or in the event no contract rate exists, at the applicable statutory rate  
24 from the Petition Date through the date of distribution.

25           **1.40** D&O Liability Insurance Policies means all directors', managers', and  
26 officers' liability insurance policies (including any "tail policy") of either of the Debtors.

27           **1.41** Debtors means, collectively, HoldCo and the Utility.

28           **1.42** DIP Facilities means the senior secured postpetition credit facilities approved  
pursuant to the DIP Facility Order, as the same may be amended, modified, or supplemented  
from time to time through the Effective Date in accordance with the terms of the DIP Facility  
Documents and the DIP Facility Order.

**1.43** DIP Facility Agents means JPMorgan Chase Bank, N.A., solely in its capacity  
as administrative agent under the DIP Facility Documents, and Citibank, N.A., solely in its  
capacity as collateral agent under the DIP Facility Documents, and their respective successors,  
assigns, or any replacement agents appointed pursuant to the terms of the DIP Facility  
Documents.

**1.44** DIP Facility Claim means any Claim arising under, or related to, the DIP  
Facility Documents.

1           **1.45 DIP Facility Credit Agreement** means that certain Senior Secured  
2 Superpriority Debtor-In-Possession Credit, Guaranty and Security Agreement, dated as of  
3 February 1, 2019, by and among the Utility as borrower, HoldCo as guarantor, the DIP Facility  
4 Agents, and the DIP Facility Lenders, as the same has been or may be further amended,  
5 modified, or supplemented from time to time.

6           **1.46 DIP Facility Documents** means, collectively, the DIP Facility Credit  
7 Agreement and all other “Loan Documents” (as defined therein), and all other agreements,  
8 documents, and instruments delivered or entered into pursuant thereto or entered into in  
9 connection therewith (including any collateral documentation) (in each case, as amended,  
10 supplemented, restated, or otherwise modified from time to time).

11           **1.47 DIP Facility Lenders** means the lenders under the DIP Facility Credit  
12 Agreement and each other party that becomes a lender thereunder from time to time in  
13 accordance with the terms of the DIP Facility Credit Agreement.

14           **1.48 DIP Facility Order** means the *Final Order Pursuant to 11 U.S.C. §§ 105, 362,*  
15 *363, 503 and 507, Fed. R. Bankr. P. 2002, 4001, 6004 and 9014 and (i) Authorizing the*  
16 *Debtors to Obtain Senior Secured, Superpriority, Postpetition Financing, (ii) Granting Liens*  
17 *and Superpriority Claims, (iii) Modifying the Automatic Stay, and (iv) Granting Related Relief*  
18 *[Docket No. 1091], dated March 27, 2019, as may be amended, modified, or supplemented*  
19 *from time to time through the Effective Date.*

20           **1.49 DIP Letters of Credit** means any letters of credit issued by a DIP Facility  
21 Lender pursuant to the DIP Facility Credit Agreement.

22           **1.50 Disallowed** means a Claim, or any portion thereof, (a) that has been disallowed  
23 by a Final Order, agreement between the holder of such Claim and the applicable Debtor, or  
24 the Plan; (b) that is listed in the Debtors’ Schedules, as such Schedules may be amended,  
25 modified, or supplemented from time to time in accordance with Bankruptcy Rule 1009, at  
26 zero (\$0) dollars or as contingent, disputed, or unliquidated and as to which no proof of Claim  
27 has been filed by the applicable deadline or deemed timely filed with the Bankruptcy Court  
28 pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or  
applicable law; or (c) that is not listed in the Debtors’ Schedules and as to which no proof of  
Claim has been timely filed by the applicable deadline or deemed timely filed with the  
Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy  
Court or under applicable law.

**1.51 Disbursing Agent** means the Utility (or such Entity designated by the Debtors  
and without the need for any further order of the Bankruptcy Court) in its capacity as a  
disbursing agent pursuant to Section 5.6 hereof.

**1.52 Disclosure Statement** means the disclosure statement relating to the Plan,  
including, all schedules, supplements, and exhibits thereto, as approved by the Bankruptcy  
Court pursuant to section 1125 of the Bankruptcy Code.

1           **1.53 Disclosure Statement Order** means a Final Order finding that the Disclosure  
2 Statement contains adequate information pursuant to section 1125 of the Bankruptcy Code.

3           **1.54 Disputed** means with respect to a Claim against a Debtor or any portion thereof  
4 (a) that is neither Allowed nor Disallowed under the Plan or a Final Order, nor deemed Allowed  
5 under sections 502, 503, or 1111 of the Bankruptcy Code; (b) that has not been Allowed and  
6 is listed as unliquidated, contingent, or disputed in the Schedules; (c) that is a Subrogation  
7 Wildfire Claim not held by a Consenting Creditor that is also a party to the Subrogation  
8 Wildfire Claim Allocation Agreement; or (d) for which a proof of Claim has been filed and  
9 related to which the Debtors or any other party in interest has interposed a timely objection or  
10 request for estimation, and such objection or request for estimation has not been withdrawn or  
11 determined by a Final Order.

12           **1.55 Distribution Record Date** means the Effective Date, unless otherwise  
13 provided in the Plan or designated by the Bankruptcy Court. The Distribution Record Date  
14 shall not apply to Securities of the Debtors deposited with DTC, the holders of which shall  
15 receive a distribution in accordance with Article V of this Plan and, as applicable, the  
16 customary procedures of DTC.

17           **1.56 District Court** means the United States District Court for the Northern District  
18 of California having subject matter jurisdiction over the Chapter 11 Cases.

19           **1.57 DTC** means the Depository Trust Company.

20           **1.58 Effective Date** means a Business Day on or after the Confirmation Date  
21 selected by the Debtors, on which the conditions to the effectiveness of the Plan specified in  
22 Section 9.2 hereof have been satisfied or effectively waived in accordance with the terms  
23 hereof.

24           **1.59 Eligible Offeree** has the meaning set forth in the Rights Offering Procedures,  
25 if applicable.

26           **1.60 Employee Benefit Plans** means any written contracts, agreements, policies,  
27 programs, and plans (including any related trust or other funding vehicle) governing any  
28 obligations relating to compensation, reimbursement, indemnity, health care benefits,  
disability benefits, deferred compensation benefits, travel benefits, vacation and sick leave  
benefits, savings, severance benefits, retirement benefits, welfare benefits, relocation  
programs, life insurance, and accidental death and dismemberment insurance, including  
written contracts, agreements, policies, programs, and plans for bonuses and other incentives  
or compensation for the current and former directors, officers, and employees, as applicable,  
of any of the Debtors.

**1.61 Entity** has the meaning set forth in section 101(15) of the Bankruptcy Code.

1           **1.62 Environmental Claim** means any Claim under any Environmental Law;  
2 provided, however, that Environmental Claims shall not include (x) any Claim for personal  
3 injury (including, but not limited to, sickness, disease or death) or (y) any Fire Claim.

4           **1.63 Environmental Law** means all federal, state and local statutes, regulations,  
5 ordinances and similar provisions having the force or effect of law, all judicial and  
6 administrative judgments, orders, agreements, permits, licenses, tariffs, determinations, and all  
7 common law, in each case concerning, in whole or in part, pollution, hazardous substances or  
8 waste, water quality, conservation or other protection of the environment, human health, safety,  
9 and welfare.

10           **1.64 Environmental Performance Obligation** means an obligation or requirement  
11 arising from any consent decree, permit, license, tariff, Cause of Action, agreement, injunction,  
12 cleanup and abatement order, cease and desist order, or any other administrative or judicial  
13 judgment, order or decree under any Environmental Law that is not a Claim and does not arise  
14 from any Fire.

15           **1.65 Exculpated Parties** means collectively, and, in each case, in their capacities as  
16 such: (a) the Debtors and Reorganized Debtors; (b) the DIP Facility Agents; (c) the DIP  
17 Facility Lenders; (d) the Exit Financing Agents; (e) the Exit Financing Lenders; (f) the Funded  
18 Debt Trustees; (g) the HoldCo Revolver Lenders; (h) the HoldCo Term Loan Lenders; (i) the  
19 Utility Revolver Lenders; (j) the Utility Term Loan Lenders; (k) the underwriters, initial  
20 purchasers, and any agents under or in connection with any underwritten primary or secondary  
21 offering of, or private placement of, or direct investment in, any equity securities, equity  
22 forward contracts or other equity-linked securities issued or entered into in connection with the  
23 Plan Funding; (l) the Public Entities Releasing Parties; (m) the Statutory Committees; (n) the  
24 Backstop Parties; (o) the Consenting Creditors; (p) the Shareholder Proponents; (q) the  
25 Consenting Noteholders; and (r) with respect to each of the foregoing entities (a) through (q),  
26 such entities' predecessors, successors, assigns, subsidiaries, affiliates, managed accounts and  
27 funds, current and former officers and directors, principals, equity holders, members, partners,  
28 managers, employees, subcontractors, agents, advisory board members, restructuring advisors,  
financial advisors, attorneys, accountants, investment bankers, consultants, representatives,  
management companies, fund advisors (and employees thereof), and other professionals, and  
such entities' respective heirs, executors, estates, servants, and nominees, in each case in their  
capacity as such.

**1.66 Exit Financing** means, collectively, the Exit Revolver Facility, and all other  
indebtedness to be incurred by the Reorganized Debtors on or about the Effective Date as part  
of the Plan Funding.

**1.67 Exit Financing Agents** means, collectively, the Exit Revolver Facility Agent  
and any other facility agent or indenture trustee acting in such capacity under the Exit  
Financing Documents.

**1.68 Exit Financing Documents** means, collectively, the Exit Revolver Facility  
Documents and all other agreements, indentures, documents, and instruments delivered or

1 entered into pursuant to or in connection with the Exit Financing (including any guarantee  
2 agreements and collateral documentation) (in each case, as amended, supplemented, restated,  
or otherwise modified from time to time).

3 **1.69 Exit Financing Lenders** means, collectively, the Exit Revolver Facility  
4 Lenders and all other lenders or holders (as applicable) under the Exit Financing Documents.

5 **1.70 Exit Financing Term Sheets** means those certain term sheets that shall be  
6 included in the Plan Supplement that set forth the principal terms of the Exit Financing.

7 **1.71 Exit Revolver Facility** means any revolving loan facility provided to the  
8 Reorganized Utility or Reorganized HoldCo, pursuant to the Exit Revolver Facility  
Documents, including the Exit Revolver Facility Credit Agreement, as contemplated by, and  
which shall be consistent with, the Exit Financing Term Sheets.

9 **1.72 Exit Revolver Facility Agent** means the administrative agent or collateral  
10 agent (if applicable) under the Exit Revolver Facility Credit Agreement, its successors, assigns,  
or any replacement agent appointed pursuant to the terms of the Exit Revolver Facility  
11 Documents.

12 **1.73 Exit Revolver Facility Credit Agreement** means the credit agreement  
13 providing for the Exit Revolver Facility, including all agreements, notes, instruments, and any  
other documents delivered pursuant thereto or in connection therewith (in each case, as  
14 amended, supplemented, restated, or otherwise modified from time to time), as contemplated  
by, and which shall be consistent with, the Exit Financing Term Sheets.

15 **1.74 Exit Revolver Facility Documents** means, collectively, the Exit Revolver  
16 Facility Credit Agreement and all other agreements, documents, and instruments delivered or  
entered into pursuant thereto or in connection therewith (including any guarantee agreements  
17 and collateral documentation) (in each case, as amended, supplemented, restated, or otherwise  
18 modified from time to time), each of which shall be, to the extent applicable, consistent with  
the Exit Financing Term Sheets.

19 **1.75 Exit Revolver Facility Lenders** means each person who on the Effective Date  
20 shall become a lender under the Exit Revolver Facility Documents.

21 **1.76 Federal Judgment Rate** means the interest rate of 2.59% as provided under 28  
22 U.S.C. § 1961(a), calculated as of the Petition Date.

23 **1.77 Final Order** means an order or judgment of the Bankruptcy Court entered by  
24 the Clerk of the Bankruptcy Court on the docket in the Chapter 11 Cases which has not been  
reversed, vacated, or stayed and as to which (a) the time to appeal, petition for certiorari, or  
25 move for a new trial, reargument, or rehearing has expired and as to which no appeal, petition  
for certiorari, or other proceeding for a new trial, reargument, or rehearing shall then be  
26 pending, or (b) if an appeal, writ of certiorari, new trial, reargument, or rehearing thereof has  
been sought, such order or judgment of the Bankruptcy Court shall have been affirmed by the  
27  
28

1 highest court to which such order was appealed, or certiorari shall have been denied, or a new  
 2 trial, reargument, or rehearing shall have been denied or resulted in no modification of such  
 3 order, and the time to take any further appeal, petition for certiorari, or move for a new trial,  
 4 reargument, or rehearing shall have expired; *provided*, that no order or judgment shall fail to  
 5 be a Final Order solely because of the possibility that a motion under Rule 60 of the Federal  
 Rules of Civil Procedure has been or may be filed with respect to such order or judgment. The  
 susceptibility of a Claim to a challenge under section 502(j) of the Bankruptcy Code shall not  
 render a Final Order not a Final Order.

6 **1.78 Fire Claim** means any Claim against the Debtors in any way arising out of the  
 7 Fires, including, but not limited to, any Claim resulting from the Fires for (a) general and/or  
 8 specific damages, including any Claim for personal injury, wrongful death, emotional distress  
 9 and similar claims, pavement fatigue, damage to culverts, ecosystem service losses, municipal  
 10 budget adjustments/reallocation, lost revenue and tax impacts, local share of reimbursed fire  
 11 clean-up costs, future estimated infrastructure costs, water service losses, lost landfill capacity,  
 12 costs related to unmet housing (e.g., housing market impact due to the Fires and adjustments  
 13 for increased homeless population), and/or hazard mitigation costs (including, watershed  
 14 restoration and hazardous tree removal expenses); (b) damages for repair, depreciation and/or  
 15 replacement of damaged, destroyed, and/or lost personal and/or real property; (c) damages for  
 16 loss of the use, benefit, goodwill, and enjoyment of real and/or personal property; (d) damages  
 17 for loss of wages, earning capacity and/or business profits and/or any related displacement  
 18 expenses; (e) economic losses; (f) damages for wrongful injuries to timber, trees, or underwood  
 19 under California Civil Code § 3346; (g) damages for injuries to trees under California Code of  
 20 Civil Procedure § 733; (h) punitive and exemplary damages under California Civil Code §§  
 21 733 and 3294, California Public Utilities Code § 2106, or otherwise, (i) restitution; (j) fines or  
 22 penalties; (k) any and all costs of suit, including all attorneys' fees and expenses, expert fees,  
 23 and related costs, including all attorneys and other fees under any theory of inverse  
 24 condemnation; (l) for prejudgment and/or postpetition interest; (m) other litigation costs  
 25 stemming from the Fires; and (n) declaratory and/or injunctive relief. For avoidance of doubt  
 26 and without prejudice to the Debtors' right to object to any such Claim, "Fire Claim" shall not  
 27 include any (x) Claim for substantial contribution under section 503(b) of the Bankruptcy  
 28 Code, (y) Subordinated Debt Claim, HoldCo Common Interest or HoldCo Rescission or  
 Damage Claim, or (z) Ghost Ship Fire Claim. The Fire Claims shall not include claims arising  
 from any fire other than the Fires (including, without limitation, the Kincade Fire or any  
 postpetition fire) or any Administrative Expense Claims.

21 **1.79 Fire Victim Claim** means any Fire Claim that is not a Public Entities Wildfire  
 22 Claim, Subrogation Wildfire Claim, or a Subrogation Butte Fire Claim.

23 **1.80 Fire Victim Claims Resolution Procedures** means the procedures for the  
 24 resolution, liquidation, and payment of Fire Victim Claims by the Fire Victim Trust,  
 25 substantially in the form included in the Plan Supplement, which shall comply with Section  
 4.25(f)(ii) hereof.

26 **1.81 Fire Victim Equity Value** means 14.9 multiplied by the Normalized Estimated  
 27 Net Income as of a date to be agreed upon among the parties to the Tort Claimants RSA.

1           **1.82 Fire Victim Trust** means one or more trusts established on the Effective Date,  
2 in accordance with Section 6.7 of the Plan to, among other purposes, administer, process, settle,  
3 resolve, satisfy, and pay Fire Victim Claims, and prosecute or settle the Assigned Rights and  
4 Causes of Action.

5           **1.83 Fire Victim Trust Agreement** means that certain trust agreement or  
6 agreements by and among the Debtors, the Fire Victim Trust, and the Fire Victim Trustee,  
7 substantially in the form included in the Plan Supplement.

8           **1.84 Fire Victim Trustee** means the Person or Persons selected by the Consenting  
9 Fire Claimant Professionals and the Tort Claimants Committee, subject to the approval of the  
10 Bankruptcy Court, and identified in the Plan Supplement, to serve as the trustee(s) of the Fire  
11 Victim Trust, and any successor thereto, appointed pursuant to the Fire Victim Trust  
12 Agreement.

13           **1.85 Fire Victim Trust Oversight Committee** means the oversight committee  
14 appointed by the Consenting Fire Claimant Professionals and the Tort Claimants Committee  
15 to oversee the Fire Victim Trust in accordance with the Plan and the Fire Victim Trust  
16 Agreement.

17           **1.86 Fires** means the fires that occurred in Northern California, listed on **Exhibit A**  
18 annexed hereto.

19           **1.87 Funded Debt Claims** means, collectively, the HoldCo Funded Debt Claims  
20 and the Utility Funded Debt Claims.

21           **1.88 Funded Debt Documents** means, collectively, the HoldCo Revolver  
22 Documents, the HoldCo Term Loan Documents, the PC Bond Loan Documents, the PC Bond  
23 LOC Documents, the PC Bond (2008 F and 2010 E) Documents, the Utility Revolver  
24 Documents, the Utility Term Loan Documents, and the Utility Senior Notes Documents.

25           **1.89 Funded Debt Trustees** means, collectively, the HoldCo Revolver Agent, the  
26 HoldCo Term Loan Agent, the Utility Revolver Agent, the Utility Term Loan Agent, the Utility  
27 Senior Notes Trustee, the PC Bond Trustee, and each Utility Issuing Lender.

28           **1.90 General Unsecured Claim** means any Claim against a Debtor, other than a  
DIP Facility Claim, Administrative Expense Claim, Professional Fee Claim, Priority Tax  
Claim, Other Secured Claim, Priority Non-Tax Claim, Funded Debt Claim, Workers'  
Compensation Claim, 2001 Utility Exchange Claim, Fire Claim, Ghost Ship Fire Claim,  
Intercompany Claim, Utility Senior Note Claim, Utility PC Bond (2008 F and 2010 E) Claim,  
Environmental Claim or Subordinated Debt Claim, that is not entitled to priority under the  
Bankruptcy Code or any Final Order. General Unsecured Claims shall include any (a)  
Prepetition Executed Settlement Claim, including but not limited to settlements relating to  
Subrogation Butte Fire Claims; and (b) Claim for damages resulting from or otherwise based  
on the Debtors' rejection of an executory contract or unexpired lease.

1           **1.91 Ghost Ship Fire** means the fire known as the “Ghost Ship Fire” which occurred  
2 in Oakland, California on December 2, 2016.

3           **1.92 Ghost Ship Fire Claim** means any Claim related to or arising from the Ghost  
4 Ship Fire.

5           **1.93 Go-Forward Wildfire Fund** means a long-term, state-wide fund established,  
6 pursuant to section 3292(a) of the California Public Utilities Code and the Wildfire Legislation  
(A.B. 1054), to pay for certain future wildfire obligations, the terms of which are set forth in  
7 the Wildfire Legislation (A.B. 1054).

8           **1.94 Governmental Unit** has the meaning set forth in section 101(27) of the  
9 Bankruptcy Code.

10           **1.95 HoldCo** means Debtor PG&E Corporation, a California corporation.

11           **1.96 HoldCo Common Interest** means any HoldCo Interest which results or arises  
12 from the existing common stock of HoldCo.

13           **1.97 HoldCo Fire Victim Claim** means any Fire Victim Claim against HoldCo.

14           **1.98 HoldCo Environmental Claim** means any Environmental Claim against  
15 HoldCo.

16           **1.99 HoldCo Funded Debt Claims** means, collectively, the HoldCo Revolver  
17 Claims and the HoldCo Term Loan Claims.

18           **1.100 HoldCo General Unsecured Claim** means any General Unsecured Claim  
19 against HoldCo.

20           **1.101 HoldCo Ghost Ship Fire Claim** means any Ghost Ship Fire Claim against  
21 HoldCo.

22           **1.102 HoldCo Intercompany Claim** means any Intercompany Claim against  
23 HoldCo.

24           **1.103 HoldCo Interest** means any Interest in HoldCo immediately prior to the  
25 Effective Date.

26           **1.104 HoldCo Other Interest** means any HoldCo Interest that is not a HoldCo  
27 Common Interest.

28           **1.105 HoldCo Other Secured Claim** means any Other Secured Claim against  
HoldCo.

**1.106 HoldCo Priority Non-Tax Claim** means any Priority Non-Tax Claim against  
HoldCo.

1           **1.107 HoldCo Public Entities Wildfire Claim** means any Public Entities Wildfire  
2 Claim against HoldCo.

3           **1.108 HoldCo Rescission or Damage Claim** means any Claim against HoldCo  
4 subject to subordination pursuant to section 510(b) of the Bankruptcy Code arising from or  
related to the common stock of HoldCo.

5           **1.109 HoldCo Rescission or Damage Claim Share** means, with respect to an  
6 Allowed HoldCo Rescission or Damage Claim, a number of shares of New HoldCo Common  
7 Stock equal to the sum of following: (a) the portion of such Allowed HoldCo Rescission or  
8 Damage Claim relating to purchases of common stock of HoldCo on or before October 13,  
9 2017, *less* the Insurance Deduction on account of such portion of such Allowed HoldCo  
10 Rescission or Damage Claim, *divided by* 65.00; and (b) the portion of such Allowed HoldCo  
11 Rescission or Damage Claim relating to purchases of common stock of HoldCo from October  
12 14, 2017, through and including December 20, 2017, *less* the Insurance Deduction on account  
13 of such portion of such Allowed HoldCo Rescission or Damage Claim, *divided by* 46.50; and  
14 (c) the portion of such Allowed HoldCo Rescission or Damage Claim relating to purchases of  
common stock of HoldCo from December 21, 2017, through and including May 25, 2018, *less*  
15 the Insurance Deduction on account of such portion of such Allowed HoldCo Rescission or  
16 Damage Claim, *divided by* 37.25; and (d) the portion of such Allowed HoldCo Rescission or  
17 Damage Claim relating to purchases of common stock of HoldCo from May 26, 2018, through  
18 and including November 15, 2018, *less* the Insurance Deduction on account of such portion of  
19 such Allowed HoldCo Rescission or Damage Claim, *divided by* 32.50.

20           **1.110 HoldCo Revolver Agent** means such entity or entities acting as administrative  
21 agent under the HoldCo Revolver Documents, and any of their respective successors, assigns,  
22 or replacement agents appointed pursuant to the terms of the HoldCo Revolver Documents.

23           **1.111 HoldCo Revolver Claim** means any Claim arising under, or related to, the  
24 HoldCo Revolver Documents.

25           **1.112 HoldCo Revolver Credit Agreement** means that certain Second Amended and  
26 Restated Credit Agreement, dated as of April 27, 2015, by and among HoldCo, the HoldCo  
27 Revolver Agent, and the HoldCo Revolver Lenders, as amended, supplemented, restated, or  
28 otherwise modified from time to time.

**1.113 HoldCo Revolver Documents** means, collectively, the HoldCo Revolver  
Credit Agreement and all other “Loan Documents” (as defined therein), and all other  
agreements, documents, and instruments delivered or entered into pursuant thereto or entered  
into in connection therewith (in each case, as amended, supplemented, restated, or otherwise  
modified from time to time).

**1.114 HoldCo Revolver Lenders** means the lenders under the HoldCo Revolver  
Credit Agreement and each other party that becomes a lender thereunder from time to time in  
accordance with the terms of the HoldCo Revolver Credit Agreement.

1           **1.115 HoldCo Subordinated Debt Claim** means any Claim against HoldCo that is  
2 subject to subordination under section 510(b) of the Bankruptcy Code, including any Claim  
3 for reimbursement, indemnification or contribution, but excluding any HoldCo Rescission or  
4 Damage Claims.

5           **1.116 HoldCo Subrogation Wildfire Claim** means any Subrogation Wildfire Claim  
6 against HoldCo.

7           **1.117 HoldCo Term Loan Agent** means Mizuho Bank, Ltd. solely in its capacity as  
8 administrative agent under the HoldCo Term Loan Documents, its successors, assigns, or any  
9 replacement agent appointed pursuant to the terms of the HoldCo Term Loan Documents.

10           **1.118 HoldCo Term Loan Claim** means any Claim arising under, or related to, the  
11 HoldCo Term Loan Documents.

12           **1.119 HoldCo Term Loan Credit Agreement** means that certain Term Loan  
13 Agreement, dated as of April 16, 2018, by and among HoldCo, as borrower, the HoldCo Term  
14 Loan Agent, and the HoldCo Term Loan Lenders, as amended, supplemented, restated, or  
15 otherwise modified from time to time.

16           **1.120 HoldCo Term Loan Documents** means, collectively, the HoldCo Term Loan  
17 Credit Agreement and all other “Loan Documents” (as defined therein), including all other  
18 agreements, documents, and instruments delivered or entered into pursuant thereto or entered  
19 into in connection therewith (in each case, as amended, supplemented, restated, or otherwise  
20 modified from time to time).

21           **1.121 HoldCo Term Loan Lenders** means the lenders under the HoldCo Term Loan  
22 Credit Agreement and each other party that becomes a lender thereunder from time to time in  
23 accordance with the terms of the HoldCo Term Loan Credit Agreement.

24           **1.122 HoldCo Workers’ Compensation Claim** means any Workers’ Compensation  
25 Claim against HoldCo.

26           **1.123 IBEW Agreement** means the agreements between the Debtors and IBEW  
27 Local 1245 contained in **Exhibit B** annexed hereto.

28           **1.124 IBEW Collective Bargaining Agreements** means, collectively, the two (2)  
Collective Bargaining Agreements currently in place between the Utility and IBEW Local  
1245: (i) the IBEW Physical Agreement, and (ii) the IBEW Clerical Agreement, as such  
agreements will, subject to the occurrence of the Effective Date, be further amended,  
supplemented or modified in a manner consistent with the IBEW Agreement.

**1.125 IBEW Local 1245** means Local Union No. 1245 of the International  
Brotherhood of Electrical Workers.

1           **1.126 Impaired** means, with respect to a Claim, Interest, or Class of Claims or  
2 Interests, “impaired” within the meaning of sections 1123(a)(4) and 1124 of the Bankruptcy  
3 Code.

4           **1.127 Indemnification Obligation** means each of the Debtors’ indemnification  
5 obligations existing or outstanding prior to the Effective Date, whether arising by statute,  
6 agreement, in the bylaws, certificates of incorporation or formation, limited liability company  
7 agreements, other organizational or formation documents, board resolutions, management or  
8 indemnification agreements, or employment or other contracts, for their current and former  
9 directors, officers, managers, employees, attorneys, accountants, restructuring advisors,  
10 financial advisors, investment bankers, and other professionals and agents of the Debtors, as  
11 applicable.

12           **1.127A Insurance Deduction** means any cash payments received from an Insurance  
13 Policy (other than cash payments received from a Side A Policy) on account of all or any  
14 portion of an Allowed HoldCo Rescission or Damage Claim, to be applied proportionally in  
15 accordance with subparagraphs (a) through (d) of the definition of “HoldCo Rescission or  
16 Damage Claim Share” above.

17           **1.128 Insurance Policies** means any insurance policies issued prior to the Effective  
18 Date to any of the Debtors or under which the Debtors have sought or may seek coverage,  
19 including the D&O Liability Insurance Policies.

20           **1.129 Intercompany Claim** means any Claim against a Debtor held by either another  
21 Debtor or by a non-Debtor affiliate which is controlled by a Debtor (excluding any Claims of  
22 an individual).

23           **1.130 Interest** means (a) any equity security (as defined in section 101(16) of the  
24 Bankruptcy Code) of a Debtor, including all units, shares, common stock, preferred stock,  
25 partnership interests, or other instrument evidencing any fixed or contingent ownership interest  
26 in any Debtor, including any option, warrant, or other right, contractual or otherwise, to acquire  
27 any such interest in a Debtor, whether or not transferable and whether fully vested or vesting  
28 in the future, that existed immediately before the Effective Date and (b) any Claim against any  
Debtor subject to subordination pursuant to section 510(b) of the Bankruptcy Code arising  
from or related to any of the foregoing.

**1.131 Interim Compensation Order** means the *Order Pursuant to 11 U.S.C. §§ 331  
and 105(a) and Fed. R. Bankr. P. 2016 for Authority to Establish Procedures for Interim  
Compensation and Reimbursement of Expenses of Professionals* [Docket No. 701].

**1.132 Kincade Fire** means the wildfire which started on October 23, 2019 in the area  
northeast of Geyserville, in Sonoma County, California.

**1.133 Lien** has the meaning set forth in section 101(37) of the Bankruptcy Code.

1           **1.134 Management Incentive Plan** means the post-emergence management  
2 incentive plan for certain of the Reorganized Debtors' employees on the terms set forth in the  
3 Management Incentive Plan Term Sheet that may be established and implemented at the  
4 discretion of the New Board on or after the Effective Date.

5           **1.135 Management Incentive Plan Term Sheet** means that certain term sheet that  
6 sets forth the principal terms of the Management Incentive Plan.

7           **1.136 New Board** means, on and as of the Effective Date, the board of directors of  
8 Reorganized HoldCo, and the board of directors of the Reorganized Utility, as applicable.

9           **1.137 New HoldCo Common Stock** means the common stock of Reorganized  
10 HoldCo issued in connection with the implementation of the Plan.

11           **1.138 New Organizational Documents** means, if applicable, the forms of articles of  
12 incorporation or other forms of organizational documents and bylaws, as applicable, of the  
13 Reorganized Debtors, substantially in the form included in the Plan Supplement and which  
14 shall be in form and substance acceptable to the Debtors.

15           **1.139 New Utility Funded Debt Exchange Notes** means, collectively, (i) \$1,949  
16 million in new senior secured notes to be issued by the Reorganized Utility on the Effective  
17 Date that shall bear interest at the rate of 3.15%, mature on the 66 month anniversary of the  
18 Effective Date, and otherwise have the same terms and conditions of the Reference Short-Term  
19 Senior Note Documents; and (ii) \$1,949 million in new senior secured notes to be issued by  
20 the Reorganized Utility on the Effective Date that shall bear interest at the rate of 4.50%,  
21 mature on the anniversary of the Effective Date in 2040, and otherwise have the same terms  
22 and conditions of the Reference Long-Term Senior Note Documents.

23           **1.140 New Utility Long-Term Notes** means, collectively, (i) \$3.1 billion in new  
24 senior secured notes to be issued by the Reorganized Utility on the Effective Date that shall  
25 bear interest at the rate of 4.55%, mature on the anniversary of the Effective Date in 2030, and  
26 otherwise have the same terms and conditions of the Reference Long-Term Senior Note  
27 Documents; and (ii) \$3.1 billion in new senior secured notes to be issued by the Reorganized  
28 Utility on the Effective Date that shall bear interest at the rate of 4.95%, mature on the  
anniversary of the Effective Date in 2050, and otherwise have the same terms and conditions  
of the Reference Long-Term Senior Note Documents.

**1.141 New Utility Short-Term Notes** means, collectively, (i) \$875 million in new  
senior secured notes to be issued by the Reorganized Utility on the Effective Date that shall  
bear interest at the rate of 3.45%, mature on the anniversary of the Effective Date in 2025, and  
otherwise have the same terms and conditions as the Reference Short-Term Senior Note  
Documents; and (ii) \$875 million in new senior secured notes to be issued by the Reorganized  
Utility on the Effective Date that shall bear interest at the rate of 3.75%, mature on the  
anniversary of the Effective Date in 2028 and otherwise have substantially similar terms and  
conditions as the Reference Short-Term Senior Notes Documents.

1           **1.142 Non-cash Recovery** has the meaning set forth in the Subrogation Claims RSA.

2           **1.143 Normalized Estimated Net Income** shall mean, in each case with respect to  
3 the estimated year 2021, (a) on a component-by-component basis (*e.g.*, distribution,  
4 generation, gas transmission and storage, and electrical transmission), the sum of (i) the  
5 Utility's estimated earning rate base for such component, *times* (ii) the equity percentage of  
6 the Utility's authorized capital structure, *times* (iii) the Utility's authorized rate of return on  
7 equity for such component, *less* (b) the projected post-tax difference in interest expense or  
8 preferred dividends for the entire company and the authorized interest expense or preferred  
9 dividends expected to be collected in rates based on the capital structure in the approved Plan,  
10 if any, *less* (c) the amount of the Utility's post-tax annual contribution to the Go-Forward  
11 Wildfire Fund.

12           **1.144 North Bay Public Entities** means, collectively, (a) the City of Clearlake, a  
13 California municipal corporation duly organized and existing by virtue of the laws of the State  
14 of California; (b) the City of Napa, a California municipal corporation duly organized and  
15 existing by virtue of the laws of the State of California; (c) the City of Santa Rosa, a California  
16 municipal corporation duly organized and existing by virtue of the laws of the State of  
17 California; (d) the County of Lake, a general law county and political subdivision of the State  
18 of California duly organized and existing by virtue of the laws of the State of California; (e)  
19 Lake County Sanitation District, a sanitary district organized under the laws of the State of  
20 California; (f) the County of Mendocino, a general law county and political subdivision of the  
21 State of California, duly organized and existing by virtue of the laws of the State of California;  
22 (g) Napa County, a general law county and political subdivision of the State of California, duly  
23 organized and existing by virtue of the laws of the State of California; (h) the County of  
24 Nevada, a general law county and political subdivision of the State of California, duly  
25 organized and existing by virtue of the laws of the State of California; (i) the County of  
26 Sonoma, a general law county and political subdivision of the State of California, duly  
27 organized and existing by virtue of the laws of the State of California; (j) the Sonoma County  
28 Agricultural Preservation and Open Space District, a public agency formed pursuant to the  
Public Resources code sections 5500, et seq.; (k) Sonoma County Community Development  
Commission, a public and corporate entity pursuant to section 34110 of the California Health  
& Safety Code; (l) Sonoma County Water Agency, a public agency of the State of California;  
(m) Sonoma Valley County Sanitation District, a sanitary district organized under the laws of  
the State of California; and (n) the County of Yuba, a general law county and political  
subdivision of the State of California, duly organized and existing by virtue of the laws of the  
State of California.

1           **1.145 Noteholder RSA** means that certain Restructuring Support Agreement, dated  
2 as of January 22, 2020, and as approved by the Order of the Bankruptcy Court dated  
3 February 5, 2020 [Docket No. 5637], by and among the Debtors, the Shareholder Proponents,  
4 and the Consenting Noteholders, as amended, supplemented, restated, or otherwise modified  
5 from time to time, in accordance with its terms.

6           **1.146 Ordinary Course Professionals Order** means the *Order Pursuant to 11*  
7 *U.S.C. §§ 105(a), 327, 328, and 330 Authorizing the Debtors to Employ Professionals Used in*

1 *the Ordinary Course of Business Nunc Pro Tunc to the Petition Date*, dated February 28, 2019  
2 [Docket No. 707].

3 **1.147 Other Secured Claim** means a Secured Claim that is not a DIP Facility Claim  
4 or Priority Tax Claim.

5 **1.148 PC Bond Documents** means, collectively, the PC Bond Loan Documents and  
6 the PC Bond LOC Documents.

7 **1.149 PC Bond (2008 F and 2010 E) Documents** means each of the following loan  
8 agreements, as amended, supplemented, restated, or otherwise modified from time to time,  
9 (a) Amended and Restated Loan Agreement between California Infrastructure and Economic  
10 Development Bank and the Utility, dated September 1, 2010 (Series 2008F); and (b) Loan  
11 Agreement between the California Infrastructure and Economic Development Bank and the  
12 Utility, dated April 1, 2010 (Series 2010 E).

13 **1.150 PC Bond Loan Documents** means each of the following loan agreements, as  
14 amended, supplemented, restated, or otherwise modified from time to time, (a) Loan  
15 Agreement between the California Infrastructure and Economic Development Bank and the  
16 Utility, dated August 1, 2009 (Series 2009 A); (b) Loan Agreement between the California  
17 Infrastructure and Economic Development Bank and the Utility, dated August 1, 2009 (Series  
18 2009 B); (c) Loan Agreement between the California Pollution Control Financing Authority  
19 and the Utility, dated September 1, 1997 (1997 Series B-C); (d) First Supplemental Loan  
20 Agreement between the California Pollution Control Financing Authority and the Utility, dated  
21 December 1, 2003 (1997 Series B); (e) Loan Agreement between the California Pollution  
22 Control Financing Authority and the Utility, dated May 1, 1996 (1996 Series A-G); (f) First  
23 Supplemental Loan Agreement between the California Pollution Control Financing Authority  
24 and the Utility, dated July 1, 1998 (1996 Series A-G); and (g) Third Supplemental Loan  
25 Agreement between the California Pollution Control Financing Authority and the Utility, dated  
26 December 1, 2003 (1996 Series C, E, F).

27 **1.151 PC Bond LOC Documents** means each of the following reimbursement  
28 agreements, as assigned, amended, supplemented, restated, or otherwise modified from time  
to time: (a) Reimbursement Agreement (Series 2009A) between the Utility and Union Bank,  
N.A., dated June 5, 2014; (b) Reimbursement Agreement (Series 2009B) between the Utility  
and Union Bank, N.A., dated June 5, 2014; (c) Reimbursement Agreement between the Utility  
and Canadian Imperial Bank of Commerce, New York Branch relating to California Pollution  
Control Financing Authority Pollution Control Refunding Revenue Bonds (Pacific Gas and  
Electric Company) 1997 Series B, dated December 1, 2015; (d) Reimbursement Agreement  
between the Utility and Mizuho Bank Ltd. relating to California Pollution Control Financing  
Authority Pollution Control Refunding Revenue Bonds (Pacific Gas and Electric Company)  
1996 Series C, dated December 1, 2015; (e) Reimbursement Agreement between the Utility  
and Sumitomo Mitsui Banking Corporation relating to California Pollution Control Financing  
Authority Pollution Control Refunding Revenue Bonds (Pacific Gas and Electric Company)  
1996 Series E, dated December 1, 2015; and (f) Reimbursement Agreement between the Utility  
and TD Bank N.A. relating to California Pollution Control Financing Authority Pollution

1 Control Refunding Revenue Bonds (Pacific Gas and Electric Company) 1996 Series F, dated  
2 December 1, 2015.

3 **1.152 PC Bond Trustee** means, as applicable, Deutsche Bank National Trust  
4 Company or Deutsche Bank Trust Company Americas, solely in their capacity as indenture  
5 trustee or successor indenture trustee under Indentures for pollution control bonds issued in  
6 connection with the PC Bond Loan Documents or the PC Bond (2008 F and 2010 E)  
7 Documents.

8 **1.153 Person** has the meaning set forth in section 101(41) of the Bankruptcy Code.

9 **1.154 Petition Date** means January 29, 2019, the date on which the Debtors  
10 commenced the Chapter 11 Cases.

11 **1.155 Plan** means this chapter 11 plan, as the same may be amended, supplemented,  
12 or modified from time to time in accordance with the provisions of the Bankruptcy Code and  
13 the terms hereof.

14 **1.156 Plan Document** means any of the documents, other than this Plan, to be  
15 executed, delivered, assumed, or performed in connection with the occurrence of the Effective  
16 Date, including the documents to be included in the Plan Supplement, all of which shall be in  
17 form and substance as provided herein and acceptable to the Plan Proponents.

18 **1.157 Plan Funding** means, collectively, (a) the proceeds from the incurrence of the  
19 Exit Financing, (b) the proceeds of any Rights Offering, if implemented, (c) any other sources  
20 of funding used for distributions under the Plan, including from any underwritten primary or  
21 secondary equity offering, a direct equity investment, and/or other equity-linked securities, and  
22 (d) Cash on hand. For the avoidance of doubt, Plan Funding does not include any Claim that  
23 has been Reinstated pursuant to the Plan.

24 **1.158 Plan Supplement** means the forms of certain documents effectuating the  
25 transactions contemplated herein, which documents shall be filed with the Clerk of the  
26 Bankruptcy Court no later than fourteen (14) days prior to the deadline set to file objections to  
27 the confirmation of the Plan, including, but not limited to: (a) the Schedule of Rejected  
28 Contracts; (b) the Wildfire Trust Agreements; (c) the New Organizational Documents (to the  
extent such New Organizational Documents reflect material changes from the Debtors' existing articles of incorporation and bylaws); (d) to the extent known, information required to be disclosed in accordance with section 1129(a)(5) of the Bankruptcy Code; (e) the Exit Financing Term Sheets; (f) the Fire Victim Claims Resolution Procedures; and (g) the Schedule of Assigned Rights and Causes of Action. Such documents shall be consistent with the terms hereof, *provided*, that, through the Effective Date, the Plan Proponents shall have the right to amend, modify, or supplement documents contained in, and exhibits to, the Plan Supplement in accordance with the terms of the Plan.

**1.159 Prepetition Executed Settlement Claim** means any liquidated Claim against  
a Debtor, other than a 2001 Utility Exchange Claim, arising from a binding award, agreement,

1 or settlement fully effective prior to the Petition Date, which for the purposes of the Plan shall  
2 be Allowed in the amount set forth in the applicable award, agreement or settlement.

3 **1.160 Priority Non-Tax Claim** means any Claim against a Debtor, other than an  
4 Administrative Expense Claim or a Priority Tax Claim, entitled to priority in payment as  
5 specified in section 507(a)(3), (4), (5), (6), (7), or (9) of the Bankruptcy Code.

6 **1.161 Priority Tax Claim** means any Claim of a Governmental Unit against a Debtor  
7 of the kind entitled to priority in payment as specified in sections 502(i) and 507(a)(8) of the  
8 Bankruptcy Code.

9 **1.162 Professional** means an Entity, excluding those Entities entitled to  
10 compensation pursuant to the Ordinary Course Professionals Order that is retained in the  
11 Chapter 11 Cases pursuant to an order of the Bankruptcy Court in accordance with sections  
12 327, 363, or 1103 of the Bankruptcy Code and that is entitled to be compensated for services  
13 rendered and expenses incurred pursuant to sections 327, 328, 329, 330, 331, and 363 of the  
14 Bankruptcy Code.

15 **1.163 Professional Fee Claim** means any Administrative Expense Claim for the  
16 compensation of a Professional and the reimbursement of expenses incurred by such  
17 Professional through and including the Effective Date to the extent such fees and expenses  
18 have not been paid pursuant to any Final Order (including, but not limited to, any fees of a  
19 Professional held back in accordance with the Interim Compensation Order or otherwise). To  
20 the extent the Bankruptcy Court denies or reduces by a Final Order any amount of a  
21 Professional's requested fees and expenses (whether or not paid pursuant to an order granting  
22 interim allowance), then the amount by which such fees or expenses are reduced or denied  
23 shall reduce the applicable Professional Fee Claim.

24 **1.164 Professional Fee Escrow Account** means an interest-bearing account in an  
25 amount equal to the Professional Fee Reserve Amount and funded by the Debtors in Cash on  
26 the Effective Date, pursuant to Section 2.2(b) of the Plan.

27 **1.165 Professional Fee Reserve Amount** means the total amount of Professional Fee  
28 Claims estimated in accordance with Section 2.2(c) of the Plan.

**1.166 Public Entities** means, collectively, (a) the North Bay Public Entities; (b) the  
Town of Paradise; (c) the County of Butte; (d) the Paradise Park and Recreation District; (e)  
the County of Yuba; and (f) the Calaveras County Water District.

**1.167 Public Entities Operative Complaints** means all complaints filed by the  
Public Entities in relation to the Fires, including the complaints filed in *Calaveras County  
Water District v. PG&E*, No. 34-2018-00238630 (Cal. Super. Ct. Sacramento Cty), the Public  
Entity Master Complaint filed in Judicial Council Coordination Proceeding No. 4853, *Butte  
Fire Cases*, No. JCCP 4853 (Cal. Super. Ct. Sacramento Cty.), *City of Clearlake v. PG&E  
Corp. et al.*, No. CV419398 (Cal. Super. Ct. Lake Cty.), *City of Napa v. PG&E Corp. et al.*,  
No. 19CV000148 (Cal. Super. Ct. Napa Cty.), *City of Santa Rosa v. Pacific Gas and Electric*

1 *Company, et al.*, No. SCV-262772 (Cal. Super. Ct. Sonoma Cty.), *County of Lake v. PG&E*  
 2 *Corp. et al.*, No. CV-419417 (Cal. Super. Ct. Lake Cty.), *Mendocino County v. PG&E*  
 3 *Corporation et al.*, No. SCUk-CVPO-18-70440 (Cal. Super. Ct. Mendocino Cty.), *Napa*  
 4 *County v. PG&E Corporation et al.*, No. 18CV000238 (Cal. Super. Ct. Napa Cty.), *County of*  
 5 *Nevada v. PG&E Corp. et al.*, No. CU19-083418 (Cal. Super. Ct. Nevada Cty.), *County of*  
 6 *Sonoma v. PG&E Corporation et al.*, No. SCV-262045 (Cal. Super. Ct. Sonoma Cty.), *County*  
 7 *of Yuba v. PG&E Corp. et al.*, No. CVCV19-00045 (Cal. Super. Ct. Yuba Cty.), the Public  
 Entity Master Complaint filed in Judicial Council Coordination Proceeding No. 4955  
 (*California North Bay Fire Cases*, No. JCCP 4955 (Cal. Super. Ct. San Francisco Cty.), *Butte*  
*County v. PG&E Corp et al.*, No. 19CV00151 (Cal. Super. Ct. Butte Cty.) and *Town of*  
*Paradise v. PG&E Corporation et al.*, No. 19CV00259 (Cal. Super. Ct. Butte Cty.).

8 **1.168 Public Entities Plan Support Agreements** means the Plan Support  
 9 Agreements as to Plan Treatment of Public Entities' Wildfire Claims, each dated June 18,  
 2019, by and between the Debtors and the Public Entities.

10 **1.169 Public Entities Releasing Parties** means the Public Entities and any  
 11 subsidiary, affiliate, department, agency, political subdivision, or instrumentality thereof.

12 **1.170 Public Entities Segregated Defense Fund** means a segregated fund  
 13 established for the benefit of the Public Entities in the amount of \$10 million, which funds  
 14 shall be used by the Reorganized Debtors solely to reimburse the Public Entities for any and  
 15 all legal fees and costs associated with the defense or resolution of any Public Entities Third  
 Party Claims against a Public Entity, in accordance with the Public Entities Plan Support  
 Agreements.

16 **1.171 Public Entities Settlement** means the settlement of the Public Entities Wildfire  
 17 Claims pursuant to the terms of the Public Entities Plan Support Agreements and this Plan.

18 **1.172 Public Entities Settlement Distribution Protocol** means the \$1.0 billion in  
 19 Cash, to be deposited in a trust account and distributed in accordance with the Plan and the  
 Public Entities Plan Support Agreements, to satisfy the Public Entities Wildfire Claims.

20 **1.173 Public Entities Third Party Claims** means any past, present, or future Claim  
 21 held by entities or individuals other than the Debtors or the Public Entities against the Public  
 22 Entities that in any way arises out of or relates to the Fires, including but not limited to any  
 Claim held by individual plaintiffs or subrogated insurance carriers against the Public Entities  
 for personal injuries, property damage, reimbursement of insurance payments, and/or wrongful  
 death that in any way arises out of or relates to the Fires.

23 **1.174 Public Entities Wildfire Claim** means any Fire Claim against the Debtors,  
 24 including any Claim pleaded or asserted or that could have been pleaded or asserted based on  
 25 the factual allegations set forth in the Public Entities Operative Complaints or that were filed  
 26 or could be filed by the Public Entities in connection with the Chapter 11 Cases whether arising  
 27 under California law or any other applicable law of the United States (state or federal) or any  
 28 other jurisdiction, in each case whether such claims are absolute or contingent, direct or

1 indirect, known or unknown, foreseen or unforeseen, in contract, tort or in equity, under any  
2 theory of law.

3 **1.175 PX** means the California Power Exchange Corporation.

4 **1.176 Reference Long-Term Senior Note Documents** means the Indenture  
5 governing the 3.95% Senior Notes due December 1, 2047 referred to in clause (jj) in the  
6 definition of Utility Senior Notes, including all agreements, notes, instruments, and any other  
7 documents delivered pursuant thereto or in connection therewith (in each case, as amended,  
8 supplemented, restated, or otherwise modified from time to time solely with respect to the  
9 3.95% Senior Notes due December 1, 2047).

10 **1.177 Reference Short-Term Senior Note Documents** means the Indenture  
11 governing the 6.05% Senior Notes due March 1, 2034 referred to in clause (o) in the definition  
12 of Utility Senior Notes, including all agreements, notes, instruments, and any other documents  
13 delivered pursuant thereto or in connection therewith (in each case, as amended, supplemented,  
14 restated, or otherwise modified from time to time solely with respect to the 6.05% Senior Notes  
15 due March 1, 2034).

16 **1.178 Reinstatement** means (a) leaving unaltered the legal, equitable, and contractual  
17 rights to which a Claim or Interest entitles the holder of such Claim or Interest in accordance  
18 with section 1124 of the Bankruptcy Code, or (b) if applicable under section 1124 of the  
19 Bankruptcy Code, with respect to any class of Claims or Interests, (i) curing all prepetition and  
20 postpetition defaults other than defaults specified in section 365(b)(2) of the Bankruptcy Code;  
21 (ii) reinstating the maturity date of the Claim or Interest as such maturity existed before the  
22 default; (iii) compensating the holder of such Claim or Interest for damages incurred as a result  
23 of its reasonable reliance on a contractual provision or such applicable law allowing the  
24 Claim's acceleration; (iv) compensating the holder of such Claim or Interest (other than the  
25 Debtors or insiders of the Debtors) for actual pecuniary losses incurred by such holder arising  
26 from the failure to perform a nonmonetary obligation; and (v) not otherwise altering the legal,  
27 equitable or contractual rights to which the Claim or Interest entitles the holder thereof. For  
28 the avoidance of doubt, such Claims or Interests are **Reinstated** when the requirements for  
Reinstatement have been met by the Debtors in accordance with section 1124 of the  
Bankruptcy Code.

**1.179 Released Parties** means, collectively, and in each case in their capacities as  
such: (a) the Debtors and Reorganized Debtors; (b) the Tort Claimants Committee; (c) the DIP  
Facility Agents; (d) the DIP Facility Lenders; (e) the Exit Financing Agents; (f) the Exit  
Financing Lenders; (g) the Backstop Parties; (h) the Public Entities Releasing Parties; (i) the  
Consenting Creditors (solely in their capacity as holders of Subrogation Wildfire Claims); (j)  
the Shareholder Proponents; (k) the Consenting Noteholders; (l) the Funded Debt Trustees;  
and (m) with respect to each of the foregoing entities (a) through (l), such entities'  
predecessors, successors, assigns, subsidiaries, affiliates, managed accounts and funds, current  
and former officers and directors, principals, equity holders, members, partners, managers,  
employees, subcontractors, agents, advisory board members, restructuring advisors, financial  
advisors, attorneys, accountants, investment bankers, consultants, representatives,

1 management companies, fund advisors (and employees thereof), and other professionals, and  
2 such entities' respective heirs, executors, estates, servants, and nominees, in each case in their  
3 capacity as such.

4 **1.180 Releasing Parties** means, collectively, and, in each case, in their capacities as  
5 such: (a) the Debtors; (b) the Reorganized Debtors, (c) any holder of a Claim or Interest that  
6 is solicited and voluntarily indicates on a duly completed Ballot submitted on or before the  
7 Voting Deadline that such holder opts into granting the releases set forth in Section 10.9(b) of  
8 the Plan to the extent permitted by applicable law, *provided that* for the avoidance of doubt  
9 any such a holder who does not indicate on their Ballot that they opt into granting such releases  
10 shall not be a Releasing Party, *provided further* that such holder's decision to opt-in or not to  
11 the releases shall not in any way affect the classification or treatment of such Claim or Interest;  
12 (d) the DIP Facility Agents; (e) the DIP Facility Lenders; (f) the Exit Financing Agents; (g) the  
13 Exit Financing Lenders; (h) the Funded Debt Trustees; (i) the HoldCo Revolver Lenders; (j)  
14 the HoldCo Term Loan Lenders; (k) the Utility Revolver Lenders; (l) the Utility Term Loan  
15 Lenders; (m) the holders of Utility Senior Note Claims; (n) the Public Entities Releasing  
16 Parties; (o) the Tort Claimants Committee; (p) the Backstop Parties; (q) the Consenting  
17 Creditors; (r) the Consenting Noteholders; and (s) with respect to each of the foregoing entities  
18 (a) through (r), such entities' predecessors, successors, assigns, subsidiaries, affiliates,  
19 managed accounts and funds, current and former officers and directors, principals, equity  
20 holders, members, partners, managers, employees, subcontractors, agents, advisory board  
21 members, restructuring advisors, financial advisors, attorneys, accountants, investment  
22 bankers, consultants, representatives, management companies, fund advisors (and employees  
23 thereof), and other professionals, and such entities' respective heirs, executors, estates,  
24 servants, and nominees, in each case in their capacity as such.

25 **1.181 Reorganized Debtors** means each of the Debtors, or any successor thereto, as  
26 reorganized, pursuant to and under the Plan, on and after the Effective Date.

27 **1.182 Reorganized HoldCo** means HoldCo as reorganized, pursuant to and under the  
28 Plan, on and after the Effective Date.

**1.183 Reorganized Utility** means the Utility as reorganized, pursuant to and under  
the Plan, on and after the Effective Date.

**1.184 Restructuring** means the restructuring of the Debtors, the principal terms of  
which are set forth in the Plan, the Plan Documents and the Plan Supplement.

**1.185 Restructuring Transactions** has the meaning set forth in Section 6.2(a) of the  
Plan.

**1.186 Rights Offering** means, if implemented, an offering pursuant to which each  
Eligible Offeree is entitled to receive subscription rights to acquire shares of New HoldCo  
Common Stock in accordance with the Plan, the Rights Offering Procedures, and the Backstop  
Commitment Letters.

1           **1.187 Requisite Consenting Creditors** has the meaning set forth in Subrogation  
2 Claims RSA.

3           **1.188 Rights Offering Procedures** means, if applicable, the procedures governing  
4 and for the implementation of the Rights Offering, as approved by the Bankruptcy Court.

5           **1.189 Schedule of Assigned Rights and Causes of Action** means the schedule to be  
6 included in the Plan Supplement that is consistent in all respects with the definition of Assigned  
7 Rights and Causes of Action.

8           **1.190 Schedule of Rejected Contracts** means the schedule of executory contracts  
9 and unexpired leases to be rejected by the Debtors pursuant to the Plan, to be filed as part of  
10 the Plan Supplement.

11           **1.191 Schedules** means the schedules of assets and liabilities and the statements of  
12 financial affairs filed by the Debtors under section 521 of the Bankruptcy Code, Bankruptcy  
13 Rule 1007, and the Official Bankruptcy Forms of the Bankruptcy Rules as such schedules and  
14 statements have been or may be amended, supplemented, or modified from time to time.

15           **1.192 Secured Claim** means any Claim against a Debtor secured by a Lien on  
16 property in which a Debtor's estate has an interest or that is subject to setoff under section 553  
17 of the Bankruptcy Code, to the extent of the value of the Claim holder's interest in such estate's  
18 interest in such property or to the extent of the amount subject to setoff, as applicable, as  
19 determined pursuant to sections 506(a) and, if applicable, 1129(b) of the Bankruptcy Code.

20           **1.193 Securities Act** means the Securities Act of 1933, as amended from time to time.

21           **1.194 Security** has the meaning set forth in section 101(49) of the Bankruptcy Code.

22           **1.194A Side A Policy** means insurance maintained exclusively for the Debtors'  
23 directors and officers and payable if and only if the D&O Liability Insurance Policies with  
24 coverage that is shared by the Debtors and the directors and officers have been first exhausted  
25 or are otherwise unavailable and there is a covered non-indemnified loss, consistent with the  
26 terms and conditions of the applicable policies.

27           **1.195 Side B Insurance Coverage** means all director and officer insurance policy  
28 proceeds paid by any insurance carrier to reimburse the Debtors for amounts paid pursuant to  
their indemnification obligations to their former directors and officers in connection with any  
Assigned Rights or Causes of Action under Section 1.8 hereof.

**1.196 Statutory Committees** means collectively, the Creditors Committee and the  
Tort Claimants Committee.

**1.197 Subordinated Debt Claim** means any HoldCo Subordinated Debt Claim and  
any Utility Subordinated Debt Claim.

1           **1.198 Subrogation Butte Fire Claim** means any Fire Claim arising from the Butte  
2 Fire (2015) that arises from subrogation (whether such subrogation is contractual, equitable,  
3 or statutory), assignment (whether such assignment is contractual, equitable, or statutory), or  
4 otherwise in connection with payments made or to be made by the applicable insurer to insured  
5 tort victims, and whether arising as a matter of state or federal law, including, without  
6 limitation, under section 509 of the Bankruptcy Code, including attorneys' fees and interest.  
7 Subrogation Butte Fire Claims shall not include the claims of any Governmental Unit (as  
8 defined in section 101(27) of the Bankruptcy Code).

9           **1.199 Subrogation Claims RSA** means that certain Restructuring Support  
10 Agreement, dated as of September 22, 2019, by and among the Debtors and the Consenting  
11 Creditors, as amended, supplemented, restated, or otherwise modified from time to time, in  
12 accordance with its terms.

13           **1.200 Subrogation Claims RSA Approval Order** means the order of the Bankruptcy  
14 Court, dated December 19, 2019, approving the Subrogation Claims RSA and the Allowance  
15 of the Utility Subrogation Wildfire Claims as provided therein [Docket No. 5173].

16           **1.201 Subrogation Wildfire Claim** means any Fire Claim (other than a Fire Claim  
17 arising from the Butte Fire (2015)) that arises from subrogation (whether such subrogation is  
18 contractual, equitable, or statutory), assignment (whether such assignment is contractual,  
19 equitable, or statutory), or otherwise in connection with payments made or to be made by the  
20 applicable insurer to insured tort victims, and whether arising as a matter of state or federal  
21 law, including, without limitation, under section 509 of the Bankruptcy Code, including  
22 attorneys' fees and interest. For the avoidance of doubt, Subrogation Wildfire Claims shall  
23 include both "Paid" and "Reserved" claims, each as defined in the Subrogation Claims RSA.  
24 Subrogation Wildfire Claims shall not include (a) the claims of any Governmental Unit  
25 (as defined in section 101(27) of the Bankruptcy Code) or (b) any Fire Claim asserting direct  
26 injury to a fire victim, regardless of whether the claimant is an insured and has received or will  
27 receive a recovery from their insurer, and any such claims are not the subject of, or  
28 compromised under, the Subrogation Claims RSA.

**1.202 Subrogation Wildfire Claim Allocation Agreement** means the agreement  
entered into by and among certain holders of Subrogation Wildfire Claims, and which  
describes the procedures for the payment of Subrogation Wildfire Claims by the Subrogation  
Wildfire Trust, consistent with the terms of the Subrogation Claims RSA.

**1.203 Subrogation Wildfire Trust** means one or more trusts established on the  
Effective Date, in accordance with Section 6.4 of the Plan, to administer, process, settle,  
resolve, liquidate, satisfy and pay all Subrogation Wildfire Claims.

**1.204 Subrogation Wildfire Trust Advisory Board** means the advisory board  
appointed by the holders of Subrogation Wildfire Claims in accordance with the Subrogation  
Wildfire Claim Allocation Agreement to oversee the Subrogation Wildfire Trust in accordance  
with the Plan, the Subrogation Wildfire Trust Agreement, and the Subrogation Wildfire Claim  
Allocation Agreement.

1           **1.205 Subrogation Wildfire Trust Agreement** means that certain trust agreement or  
2 agreements substantially in the form included in the Plan Supplement, which shall be in form  
3 and substance satisfactory to the Ad Hoc Subrogation Group (as defined in the Subrogation  
4 Claims RSA) in accordance with the Subrogation Wildfire Claim Allocation Agreement, and  
5 the Debtors (whose consent will not be unreasonably withheld).

6           **1.206 Subrogation Wildfire Trustee** means the Person selected by the holders of  
7 Subrogation Wildfire Claims in accordance with the Subrogation Wildfire Claim Allocation  
8 Agreement to serve as the trustee or trustees of the Subrogation Wildfire Trust, and any  
9 successor thereto, in each case, appointed pursuant to the Subrogation Wildfire Trust  
10 Agreement; *provided that*, in the event the Debtors intend that a Subrogation Wildfire Trust  
11 will be funded (at least in part) through the issuance of tax-exempt bonds, the identity of the  
12 Person or Persons to be selected to serve as the trustee of such Subrogation Wildfire Trust shall  
13 not impair the use of tax-exempt financing.

14           **1.207 Tax Benefits** mean the difference between the income taxes actually paid by  
15 the Reorganized Utility and the income taxes that the Reorganized Utility would have paid to  
16 the taxing authorities for such taxable year absent the net operating losses of the Utility and  
17 any deductions arising from the payment of Fire Victim Claims and Subrogation Wildfire  
18 Claims.

19           **1.208 Tax Benefits Payment Agreement** means an agreement between the  
20 Reorganized Utility and the Fire Victim Trust pursuant to which the Reorganized Utility agrees  
21 (a) to pay to the Fire Victim Trust an amount of cash equal to (i) up to \$650 million of Tax  
22 Benefits for fiscal year 2020 to be paid on or before January 15, 2021 (the “**First Payment  
23 Date**”); and (ii) up to \$700 million of Tax Benefits for fiscal year 2021 to be paid on or before  
24 January 15, 2022 (the “**Final Payment Date**”) plus the amount of any shortfall of the payments  
25 owed on the First Payment Date and the Final Payment Date so that on the Final Payment Date,  
26 the Fire Victim Trust shall have received payments under the Tax Benefits Payment Agreement  
27 in an aggregate cash amount of \$1.350 billion from Tax Benefits or draws upon letters of credit  
28 under the terms of this definition or otherwise; (b) in the event that Tax Benefits in fiscal year  
2020 exceed \$650 million, the Reorganized Utility shall use such excess Tax Benefits to  
prepay, on or before the First Payment Date the amount of Tax Benefits to be paid for fiscal  
year 2021; (c) in the event that payments from the Tax Benefits Payment Agreement received  
on or before the First Payment Date are less than \$650 million for any reason (a “**First  
Payment Shortfall**”), the Reorganized Utility shall deliver to the Fire Victim Trust an  
unconditional, standby letter of credit, payable at sight (with no approval or confirmation from  
the Reorganized Utility or other drawing conditions) and otherwise in form and substance  
satisfactory to the Fire Victim Trustee, naming the Fire Victim Trust as beneficiary the  
 (“**LOC**”), from an institution acceptable to the Fire Victim Trust within fifteen (15) business  
days of the First Payment Date (the “**LOC Issuance Date**”) in an amount to cover such First  
Payment Shortfall, which may be presented to the issuing bank for payment to the Fire Victim  
Trust on January 18, 2022 to the extent that any amounts remain owing to the Fire Victim Trust  
under the Tax Benefits Payment Agreement on that date; (d) if the Reorganized Utility has not  
delivered such letter of credit within ten (10) days of the LOC Issuance Date, then the Fire  
Victim Trust shall have the right to file a stipulated judgment against the Reorganized Utility,

1 which executed stipulated judgment shall be an exhibit to the Tax Benefits Payment  
2 Agreement, in the amount of the First Payment Shortfall based on a declaration by the Fire  
3 Victim Trustee of the Reorganized Utility's failure to comply with this requirement of the Tax  
4 Benefits Payment Agreement; (e) in the event that payments from the Tax Benefits Payment  
5 Agreement and LOC received on or before the Final Payment Date are less than \$1.350 billion  
6 for any reason (a "**Final Payment Shortfall**") then on February 9, 2022, the Fire Victim Trust  
7 shall have the right to file a stipulated judgment against the Reorganized Utility, which  
8 executed stipulated judgment shall be an exhibit to the Tax Benefits Payment Agreement, in  
9 the amount of the Final Payment Shortfall based on a declaration by the Fire Victim Trustee  
10 of the Reorganized Utility's failure to comply with this requirement of the Tax Benefits  
11 Payment Agreement; (f) in the event there is a change of control as defined within the meaning  
12 of Section of 382 of the Internal Revenue Code after and other than as a result of the occurrence  
13 of the Effective Date, if any, all such payments provided for in (a)(i) and (ii) shall become  
14 automatically due and payable within fifteen days of such change in control (and the letter of  
15 credit, if issued, may be drawn); and (g) in the event that the Reorganized Utility obtains  
16 financing that monetizes or is otherwise secured by any Tax Benefits, the Reorganized Utility  
17 shall use the first \$1.350 billion in proceeds of such financing to make all payments in (a)(i)  
18 and (ii) above to the Fire Victim Trust on January 15, 2021.

12 **1.209 Tax Code** means title 26 of the United States Code, as amended from time to  
13 time.

14 **1.210 Tort Claimants Committee** means the official committee of tort claimants  
15 appointed by the U.S. Trustee in the Chapter 11 Cases pursuant to section 1102 of the  
16 Bankruptcy Code.

17 **1.211 Tort Claimants RSA** means that certain Restructuring Support Agreement,  
18 dated December 6, 2019, by and among the Debtors, the Tort Claimants Committee, the  
19 Consenting Fire Claimant Professionals, and the Shareholder Proponents, as amended,  
20 supplemented, restated, or otherwise modified from time to time, in accordance with its terms.

21 **1.212 Trading Order** means the *Final Order Pursuant to Sections 105(a) and 362 of  
22 the Bankruptcy Code Establishing (1) Notification Procedures and Certain Restrictions  
23 Regarding Ownership and Acquisitions of Stock of the Debtors and (2) a Record Date  
24 Regarding the Ownership of Claims Against the Debtors with Respect to Certain Notification  
25 and Sell-Down Procedures and Requirements*, dated March 27, 2019 [Docket No. 1094].

26 **1.213 U.S. Trustee** means Andrew S. Vara, Acting United States Trustee for  
27 Regions 3 and 9, or such other person appointed to serve as the United States Trustee in respect  
28 of the Chapter 11 Cases.

29 **1.214 Unimpaired** means, with respect to a Claim, Interest, or Class of Claims or  
30 Interests, not "impaired" within the meaning of section 1124 of the Bankruptcy Code.

31 **1.215 Utility** means Debtor Pacific Gas and Electric Company, a California  
32 corporation.

1           **1.216 Utility Common Interest** means any Interest in the Utility that is not a Utility  
2 Preferred Interest.

3           **1.217 Utility Environmental Claim** means any Environmental Claim against the  
4 Utility.

5           **1.218 Utility Fire Victim Claim** means any Fire Victim Claim against the Utility.

6           **1.219 Utility Funded Debt Claim** means any Claim arising under, or related to, the  
7 Utility Funded Debt Documents.

8           **1.220 Utility Funded Debt Claim Interest and Charges Amount** means the sum of  
9 (i) interest on the applicable Utility Funded Debt Claim Principal Amount that was accrued  
10 and unpaid prior to the Petition Date calculated using the applicable non-default contract rate,  
11 (ii) reasonable fees and charges and other obligations owed as of the Petition Date to the extent  
12 provided in the applicable Utility Funded Debt Document, (iii) reasonable attorneys' fees and  
13 expenses of counsel to the agents and certain lenders under the Utility Revolver Documents  
14 and Utility Term Loan Documents and certain holders of claims under PC Bond LOC  
15 Documents solely to the extent provided in the applicable Utility Funded Debt Document, not  
16 to exceed \$7 million in the aggregate; and (iv) interest calculated using the Federal Judgment  
17 Rate on the sum of the applicable Utility Funded Debt Claim Principal Amount plus the  
18 amounts in clauses (i) and (ii) of this definition for the period commencing on the day after the  
19 Petition Date (or with respect to a Utility Funded Debt Claim based upon a PC Bond LOC  
20 Document, the later of the day after the Petition Date and the date on which such  
21 reimbursement obligation was actually paid) and ending on the Effective Date.

22           **1.221 Utility Funded Debt Claim Principal Amount** means the portion of an Utility  
23 Funded Debt Claim consisting of principal outstanding as of the Petition Date, or, with respect  
24 to claims under a PC Bond LOC Document, the reimbursement obligation, actually paid under  
25 such PC Bond LOC Document.

26           **1.222 Utility Funded Debt Documents** means, collectively, the (i) Utility Revolver  
27 Documents, (ii) Utility Term Loan Documents, and (iii) PC Bond Documents.

28           **1.223 Utility General Unsecured Claim** means any General Unsecured Claim  
against the Utility.

**1.224 Utility Ghost Ship Fire Claim** means any Ghost Ship Fire Claim against the  
Utility.

**1.225 Utility Impaired Senior Note Claim Interest Amount** means the sum of  
(i) interest on the applicable Utility Impaired Senior Note Claim Principal Amount that was  
accrued and unpaid prior to the Petition Date calculated using the applicable non-default  
contract rate plus (ii) interest calculated using the Federal Judgment Rate on the sum of the  
applicable principal of an Utility Impaired Senior Note Claim plus the amount in clause (i) of

1 this definition for the period commencing on the day after the Petition Date and ending on the  
2 Effective Date.

3 **1.226 Utility Impaired Senior Note Claim Principal Amount** means the portion of  
4 an Utility Impaired Senior Note Claim consisting of principal outstanding as of the Petition  
Date.

5 **1.227 Utility Impaired Senior Note Claims** means any Claim arising under, or  
6 related to, the Utility Impaired Senior Note Documents.

7 **1.228 Utility Impaired Senior Note Documents** means, collectively, the Utility  
8 Senior Notes Indentures governing the Utility Impaired Senior Notes, including all agreements,  
9 notes, instruments, and any other documents delivered pursuant thereto or in connection  
therewith (in each case, as amended, supplemented, restated, or otherwise modified from time  
to time).

10 **1.229 Utility Impaired Senior Notes** means, collectively, the following series of  
11 notes issued by the Utility pursuant to the Utility Senior Notes Indentures: (a) 6.05% Senior  
12 Notes due 2034; (b) 5.80% Senior Notes due March 1, 2037; (c) 6.35% Senior Notes due  
February 15, 2038; (d) 6.25% Senior Notes due March 1, 2039; (e) 5.40% Senior Notes due  
January 15, 2040; and (f) 5.125% Senior Notes due November 15, 2043.

13 **1.230 Utility Intercompany Claim** means any Intercompany Claim against the  
14 Utility.

15 **1.231 Utility Issuing Lender** means an Issuing Lender (as defined in the Utility  
16 Revolver Credit Agreement).

17 **1.232 Utility Letters of Credit** means any letters of credit issued by a Utility  
18 Revolver Lender pursuant to the Utility Revolver Documents.

19 **1.233 Utility Other Secured Claim** means any Other Secured Claim against the  
Utility.

20 **1.234 Utility PC Bond (2008 F and 2010 E) Claim** means any Claim arising under,  
21 or related to, the PC Bond (2008 F and 2010 E) Documents.

22 **1.235 Utility Preferred Interest** means any Interest in the Utility which results or  
arises from preferred stock issued by the Utility.

23 **1.236 Utility Priority Non-Tax Claim** means any Priority Non-Tax Claim against  
24 the Utility.

25 **1.237 Utility Public Entities Wildfire Claim** means any Public Entities Wildfire  
26 Claim against the Utility.

1           **1.238 Utility Reinstated Senior Note Claims** means any Claim arising under, or  
2 related to, the Utility Reinstated Senior Note Documents.

3           **1.239 Utility Reinstated Senior Note Documents** means, collectively, the Utility  
4 Senior Notes Indentures governing the Utility Reinstated Senior Notes, including all  
5 agreements, notes, instruments, and any other documents delivered pursuant thereto or in  
6 connection therewith (in each case, as amended, supplemented, restated, or otherwise modified  
7 from time to time).

8           **1.240 Utility Reinstated Senior Notes** means, collectively, all notes issued by the  
9 Utility under the Utility Senior Notes Indentures that (a) will not have matured in accordance  
10 with their terms as of September 30, 2020; and (b) are not (x) Utility Impaired Senior Notes or  
11 (y) Utility Short-Term Senior Notes.

12           **1.241 Utility Revolver Agent** means Citibank, N.A., solely in its capacity as  
13 administrative agent under the Utility Revolver Documents, its successors, assigns, or any  
14 replacement agent appointed pursuant to the terms of the Utility Revolver Documents.

15           **1.242 Utility Revolver Credit Agreement** means that certain Second Amended and  
16 Restated Credit Agreement, dated as of April 27, 2015, by and among Utility, the Utility  
17 Revolver Agent, and the Utility Revolver Lenders, as amended, supplemented, restated, or  
18 otherwise modified from time to time.

19           **1.243 Utility Revolver Documents** means, collectively, the Utility Revolver Credit  
20 Agreement and all other “Loan Documents” (as defined therein), including all other  
21 agreements, documents, and instruments delivered or entered into pursuant thereto or entered  
22 into in connection therewith (in each case, as amended, supplemented, restated, or otherwise  
23 modified from time to time).

24           **1.244 Utility Revolver Lenders** means the lenders under the Utility Revolver Credit  
25 Agreement and each other party that becomes a lender thereunder from time to time in  
26 accordance with the terms of the Utility Revolver Credit Agreement.

27           **1.245 Utility Senior Note Claim** means, collectively, Utility Impaired Senior Note  
28 Claims, Utility Reinstated Senior Note Claims, and Utility Short-Term Senior Note Claims.

**1.246 Utility Senior Notes** means, collectively, the following series of notes issued  
by the Utility pursuant to the Utility Senior Notes Indentures: (a) 3.50% Senior Notes due  
October 1, 2020; (b) 4.25% Senior Notes due May 15, 2021; (c) 3.25% Senior Notes due  
September 15, 2021; (d) 2.45% Senior Notes due August 15, 2022; (e) 3.25% Senior Notes  
due June 15, 2023; (f) 4.25% Senior Notes due August 1, 2023; (g) 3.85% Senior Notes due  
November 15, 2023; (h) 3.75% Senior Notes due February 15, 2024; (i) 3.40% Senior Notes  
due August 15, 2024; (j) 3.50% Senior Notes due June 15, 2025, (k) 2.95% Senior Notes due  
March 1, 2026; (l) 3.30% Senior Notes due March 15, 2027; (m) 3.30% Senior Notes due  
December 1, 2027; (n) 4.65% Senior Notes due August 1, 2028; (o) 6.05% Senior Notes due  
March 1, 2034; (p) 5.80% Senior Notes due March 1, 2037; (q) 6.35% Senior Notes due

1 February 15, 2038; (r) 6.25% Senior Notes due March 1, 2039; (s) 5.40% Senior Notes due  
2 January 15, 2040; (t) 4.50% Senior Notes due December 15, 2041; (u) 4.45% Senior Notes due  
3 April 15, 2042; (v) 3.75% Senior Notes due August 15, 2042; (w) 4.60% Senior Notes due  
4 June 15, 2043; (x) 5.125% Senior Notes due November 15, 2043; (y) 4.75% Senior Notes due  
5 February 15, 2044; (z) 4.30% Senior Notes due March 15, 2045; (aa) 4.25% Senior Notes due  
6 March 15, 2046; (bb) 4.00% Senior Notes due December 1, 2046; and (cc) 3.95% Senior Notes  
7 due December 1, 2047.

8  
9 **1.247 Utility Senior Notes Documents** means, collectively, the Utility Senior Notes  
10 Indentures, the Utility Senior Notes, and all other agreements, documents, and instruments  
11 delivered or entered into pursuant thereto or entered into in connection therewith (in each case,  
12 as amended, restated, modified, or supplemented from time to time).

13 **1.248 Utility Senior Notes Indentures** means, the following senior notes indentures  
14 and supplemental indentures, between the Utility, as issuer, and the Utility Senior Notes  
15 Trustee, governing the Utility Senior Notes, including all agreements, notes, instruments, and  
16 any other documents delivered pursuant thereto or in connection therewith (in each case, as  
17 amended, supplemented, restated, or otherwise modified from time to time): (a) Indenture,  
18 Dated as of April 22, 2005, Supplementing, Amending and Restating the Indenture of  
19 Mortgage, dated as of March 11, 2004, as supplemented by a First Supplemental Indenture,  
20 dated as of March 23, 2004 and a Second Supplemental Indenture, dated as of April 12, 2004  
21 (“**Amended and Restated Indenture, dated as of April 22, 2005**”); (b) First Supplemental  
22 Indenture, Dated as of March 13, 2007 – Supplement to the Amended and Restated Indenture  
23 Dated as of April 22, 2005; (c) Third Supplemental Indenture, Dated as of March 3, 2008 –  
24 Supplement to the Amended and Restated Indenture, Dated as of April 22, 2005; (d) Sixth  
25 Supplemental Indenture, Dated as of March 6, 2009 – Supplement to the Amended and  
26 Restated Indenture, Dated as of April 22, 2005; (e) Seventh Supplemental Indenture, Dated as  
27 of June 11, 2009 – Supplement to the Amended and Restated Indenture, Dated as of April 22,  
28 2005 (f) Eighth Supplemental Indenture Dated as of November 18, 2009 – Supplement to the  
Amended and Restated Indenture Dated as of April 22, 2005; (g) Ninth Supplemental  
Indenture, Dated as of April 1, 2010 – Supplement to the Amended and Restated Indenture,  
Dated as of April 22, 2005; (h) Tenth Supplemental Indenture, Dated as of September 15, 2010  
– Supplement to the Amended and Restated Indenture, Dated as of April 22, 2005; (i) Twelfth  
Supplemental Indenture, Dated as of November 18, 2010 – Supplement to the Amended and  
Restated Indenture, Dated as of April 22, 2005; (j) Thirteenth Supplemental Indenture Dated  
as of May 13, 2011 – Supplement to the Amended and Restated Indenture Dated as of April  
22, 2005; (k) Fourteenth Supplemental Indenture Dated as of September 12, 2011 –  
Supplement to the Amended and Restated Indenture Dated as of April 22, 2005; (l) Sixteenth  
Supplemental Indenture, Dated as of December 1, 2011 – Supplement to the Amended and  
Restated Indenture, Dated as of April 22, 2005; (m) Seventeenth Supplemental Indenture,  
Dated as of April 16, 2012 – Supplement to the Amended and Restated Indenture, Dated as of  
April 22, 2005; (n) Eighteenth Supplemental Indenture, Dated as of August 16, 2012 –  
Supplement to the Amended and Restated Indenture, Dated as of April 22, 2005;  
(o) Nineteenth Supplemental Indenture, Dated as of June 14, 2013 – Supplement to the  
Amended and Restated Indenture, Dated as of April 22, 2005; (p) Twentieth Supplemental

1 Indenture, Dated as of November 12, 2013 – Supplement to the Amended and Restated  
2 Indenture, Dated as of April 22, 2005; (q) Twenty-First Supplemental Indenture, Dated as of  
3 February 21, 2014 – Supplement to the Amended and Restated Indenture, Dated as of April  
4 22, 2005; (r) Twenty-Third Supplemental Indenture, Dated as of August 18, 2014 –  
5 Supplement to the Amended and Restated Indenture, Dated as of April 22, 2005; (s) Twenty-  
6 Fourth Supplemental Indenture, Dated as of November 6, 2014 – Supplement to the Amended  
7 and Restated Indenture, Dated as of April 22, 2005; (t) Twenty-Fifth Supplemental Indenture,  
8 Dated as of June 12, 2015 – Supplement to the Amended and Restated Indenture, Dated as of  
9 April 22, 2005; (u) Twenty-Sixth Supplemental Indenture, Dated as of November 5, 2015 –  
10 Supplement to the Amended and Restated Indenture, Dated as of April 22, 2005; (v) Twenty-  
11 Seventh Supplemental Indenture, Dated as of March 1, 2016 – Supplement to the Amended  
12 and Restated Indenture, Dated as of April 22, 2005; (w) Twenty-Eighth Supplemental  
13 Indenture, Dated as of December 1, 2016 – Supplement to the Amended and Restated  
14 Indenture, Dated as of April 22, 2005; (x) Twenty-Ninth Supplemental Indenture, Dated as of  
15 March 10, 2017 – Supplement to the Amended and Restated Indenture, Dated as of April 22,  
16 2005; (y) Indenture, Dated as of November 29, 2017; (z) Indenture, Dated as of August 6,  
17 2018; and (aa) First Supplemental Indenture Dated as of August 6, 2018, to Indenture, Dated  
18 as of August 6, 2018.

12 **1.249 Utility Senior Notes Trustee** means BOKF, N.A., as successor indenture  
13 trustee to The Bank of New York Mellon Trust Company solely in its capacity as indenture  
14 trustee under the Utility Senior Notes Indentures for the applicable Utility Senior Notes, and  
15 their successors and assigns.

15 **1.250 Utility Short-Term Senior Note Claims** means any Claim arising under, or  
16 related to, the Utility Short-Term Senior Note Documents.

16 **1.251 Utility Short-Term Senior Note Claim Interest Amount** means the sum of  
17 (i) interest on the applicable Utility Short-Term Senior Note Claim Principal Amount that was  
18 accrued and unpaid prior to the Petition Date calculated using the applicable non-default  
19 contract rate plus (ii) interest calculated using the Federal Judgment Rate on the sum of the  
20 applicable principal of an Utility Short-Term Senior Note Claim plus the amount in clause (i)  
21 of this definition for the period commencing on the day after the Petition Date and ending on  
22 the Effective Date.

21 **1.252 Utility Short-Term Senior Note Claim Principal Amount** means the portion  
22 of an Utility Short-Term Senior Note Claim consisting of principal outstanding as of the  
23 Petition Date.

23 **1.253 Utility Short-Term Senior Note Documents** means, collectively, the Utility  
24 Senior Notes Indentures governing Utility Short-Term Senior Notes, including all agreements,  
25 notes, instruments, and any other documents delivered pursuant thereto or in connection  
26 therewith (in each case, as amended, supplemented, restated, or otherwise modified from time  
27 to time).

1           **1.254 Utility Short-Term Senior Notes** means, collectively, the following series of  
2 notes issued by the Utility pursuant to the Utility Senior Notes Indentures: (a) 3.50% Senior  
3 Notes due October 1, 2020; (b) 4.25% Senior Notes due May 15, 2021; (c) 3.25% Senior Notes  
4 due September 15, 2021; and (d) 2.45% Senior Notes due August 15, 2022.

5           **1.255 Utility Subordinated Debt Claim** means any Claim against the Utility that is  
6 subject to subordination under section 510(b) of the Bankruptcy Code, including any Claim  
7 for reimbursement, indemnification or contribution.

8           **1.256 Utility Subrogation Wildfire Claim** means any Subrogation Wildfire Claim  
9 against the Utility.

10           **1.257 Utility Term Loan Agent** means The Bank of Tokyo- Mitsubishi UFJ, Ltd.,  
11 solely in its capacity as administrative agent under the Utility Term Loan Documents, its  
12 successors, assigns, or any replacement agent appointed pursuant to the terms of the Utility  
13 Term Loan Documents.

14           **1.258 Utility Term Loan Credit Agreement** means that certain Term Loan  
15 Agreement, dated as of February 23, 2018, by and among the Utility as borrower, the Utility  
16 Term Loan Agent, and the Utility Term Loan Lenders, as amended, supplemented, restated, or  
17 otherwise modified from time to time.

18           **1.259 Utility Term Loan Documents** means, collectively, the Utility Term Loan  
19 Credit Agreement and all other “Loan Documents” (as defined therein), including all other  
20 agreements, documents, and instruments delivered or entered into pursuant thereto or entered  
21 into in connection therewith (in each case, as amended, supplemented, restated, or otherwise  
22 modified from time to time).

23           **1.260 Utility Term Loan Lenders** means the lenders under the Utility Term Loan  
24 Credit Agreement and each other party that becomes a lender thereunder from time to time in  
25 accordance with the terms of the Utility Term Loan Credit Agreement.

26           **1.261 Utility Workers’ Compensation Claim** means any Workers’ Compensation  
27 Claim against the Utility.

28           **1.262 Voting Deadline** means May 15, 2020 at 4:00 p.m. (Prevailing Pacific Time)  
or such other date set by the Bankruptcy Court by which all completed Ballots must be  
received.

**1.263 Wildfire Assistance Program** means the Wildfire Assistance Program  
established and administered pursuant to the Wildfire Assistance Program Orders.

**1.264 Wildfire Assistance Program Orders** means, collectively, the *Order*  
*Authorizing Debtors to Establish and Fund Program to Assist Wildfire Claimants with*  
*Alternative Living Expenses and Other Urgent Needs and (b) Granting Related Relief*, dated  
May 24, 2019 [Docket No. 2223], the *Supplemental Order (a) Approving Appointment of*  
*Administrator and Establishing Guidelines for the Wildfire Assistance Program and (b)*

1 *Granting Related Relief*, dated June 5, 2019 [Docket No. 2409], and the *Order (a) Establishing*  
2 *Qualified Settlement Fund for the Wildfire Assistance Program and (b) Authorizing QSF*  
3 *Administrator*, dated July 17, 2019 [Docket No. 3026].

4 **1.265 Wildfire Insurance Policy** means any Insurance Policy that was issued or  
5 allegedly issued that does or may afford the Debtors rights, benefits, indemnity, or insurance  
6 coverage with respect to any Fire Claim.

7 **1.266 Wildfire Insurance Proceeds** means any proceeds received by the Debtors  
8 under a Wildfire Insurance Policy.

9 **1.267 Wildfire Legislation (A.B. 1054)** means A.B. 1054, 2019 Assemb. (Cal. 2019).

10 **1.268 Wildfire Trust Agreements** means, collectively, the Subrogation Wildfire  
11 Trust Agreement and the Fire Victim Trust Agreement.

12 **1.269 Wildfire Trusts** means, collectively, the Subrogation Wildfire Trust and the  
13 Fire Victim Trust.

14 **1.270 Workers' Compensation Claims** means any Claim against the Debtors by an  
15 employee of the Debtors for the payment of workers' compensation benefits under applicable  
16 law.  
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**INTERPRETATION; APPLICATION OF DEFINITIONS AND RULES OF CONSTRUCTION.**

For purposes herein: (a) the words “herein,” “hereof,” “hereto,” “hereunder,” and other words of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained therein; (b) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (c) except as otherwise provided, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (d) the words “include” and “including,” and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words “without limitation;” (e) a term used herein that is not defined herein or by cross reference shall have the meaning assigned to that term in the Bankruptcy Code; (f) the rules of construction contained in section 102 of the Bankruptcy Code shall apply to the Plan; (g) the headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof; (h) in the event that a particular term of the Plan (including any exhibits or schedules hereto) conflicts with a particular term of the definitive documentation required to be implemented pursuant to the terms of the Plan or any settlement or other agreement contemplated hereunder, the Plan shall control; *provided*, for the avoidance of doubt, to the extent the Confirmation Order conflicts with the Plan, the Confirmation Order shall control for all purposes; (i) except as otherwise provided, any reference herein to an existing document or exhibit having been filed or to be filed shall mean that document or exhibit, as it may thereafter be amended, restated, supplemented, or otherwise modified in accordance with the terms of the Plan; (j) any effectuating provisions may be interpreted by the Reorganized Debtors in a manner consistent with the overall purpose and intent of the Plan and the Confirmation Order; (k) any effectuating provisions relating to the Fire Victim Claims, Fire Victim Trust, Subrogation Wildfire Claims, or Subrogation Wildfire Trust may be interpreted by the Fire Victim Trustee or the Subrogation Wildfire Trustee, as applicable, in a manner consistent with the overall purpose and intent of the Plan, all without further notice to or action, order, or approval of the court or any other entity, and such interpretation shall control in all respects to the extent permitted by the Fire Victim Trust Agreement, Fire Victim Claims Resolution Procedures, Subrogation Wildfire Trust Agreement, and Subrogation Wildfire Claim Allocation Agreement, as applicable; (l) except as otherwise provided, any reference to the Effective Date shall mean the Effective Date or as soon as reasonably practicable thereafter; and (m) any docket number references in the Plan shall refer to the docket number of any document filed with the Bankruptcy Court in the Chapter 11 Cases.

**CERTAIN CONSENT RIGHTS.**

Notwithstanding anything in the Plan to the contrary, and without limiting the Debtors’ fiduciary duties, any and all consent rights of any party set forth in the Public Entities Plan Support Agreements, the Backstop Commitment Letters, the Subrogation Claims RSA, the Tort Claimants RSA, the Noteholder RSA, or any other plan support agreement that the Debtors hereafter enter into with any other parties with respect to the form and substance of this Plan, the Plan Supplement, the Plan Documents, including any amendments, restatements, supplements, or other modifications to such documents, and any consents, waivers, or other deviations under or from any such documents, shall be incorporated herein by this reference (including to the applicable definitions in Article I

1 hereof) and fully enforceable as if stated in full herein until such time as the Public Entities Plan  
2 Support Agreements, the Backstop Commitment Letters, the Subrogation Claims RSA, the Tort  
3 Claimants RSA, the Noteholder RSA, or, as applicable, such other plan support agreements, are  
4 terminated in accordance with their terms.

## 5 **ARTICLE II.**

### 6 **ADMINISTRATIVE EXPENSE CLAIMS, PRIORITY TAX CLAIMS AND OTHER** 7 **UNCLASSIFIED CLAIMS**

8 **2.1 Administrative Expense Claims.** In full and final satisfaction, settlement,  
9 release, and discharge of any Allowed Administrative Expense Claim against a Debtor, except to the  
10 extent the Debtors or Reorganized Debtors, as applicable, and a holder of an Allowed Administrative  
11 Expense Claim against a Debtor agrees to a less favorable treatment of such Administrative Expense  
12 Claim, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed  
13 Administrative Expense Claim shall receive, in full and final satisfaction, settlement, and discharge of  
14 such Allowed Administrative Expense Claim, an amount in Cash equal to the Allowed amount of such  
15 Administrative Expense Claim; *provided that* any Allowed Administrative Expense Claim that is not  
16 due and payable prior to the Effective Date, shall be paid by the Debtors or the Reorganized Debtors,  
17 as applicable, in the ordinary course of business, consistent with past practice and in accordance with  
18 the terms and subject to the conditions of any orders or agreements governing, instruments evidencing,  
19 or other documents establishing, such liabilities. For the avoidance of doubt, no Administrative  
20 Expense Claims shall be discharged pursuant to the Plan, other than Allowed Administrative Expense  
21 Claims that have been paid in Cash or otherwise satisfied in the ordinary course in an amount equal to  
22 the Allowed amount of such Claim on or prior to the Effective Date.

### 23 **2.2 Professional Fee Claims.**

24 (a) All final requests for the payment of Professional Fee Claims against a Debtor,  
25 including any Professional Fee Claim incurred during the period from the Petition Date through and  
26 including the Effective Date, must be filed and served on the Reorganized Debtors no later than sixty  
27 (60) days after the Effective Date. All such final requests will be subject to approval by the Bankruptcy  
28 Court after notice and a hearing in accordance with the procedures established by the Bankruptcy  
Code, the Interim Compensation Order, and any other prior orders of the Bankruptcy Court regarding  
the payment of Professionals in the Chapter 11 Cases, and once approved by the Bankruptcy Court,  
promptly paid in Cash in the Allowed amount from the Professional Fee Escrow Account. If the  
Professional Fee Escrow Account is insufficient to fund the full Allowed amount of all Professional  
Fee Claims, remaining unpaid Allowed Professional Fee Claims will be allocated among and paid in  
full in Cash directly by the Reorganized Debtors.

(b) Prior to the Effective Date, the Debtors shall establish and fund the Professional  
Fee Escrow Account with Cash equal to the Professional Fee Reserve Amount. Such funds shall not  
be considered property of the estates of the Debtors or the Reorganized Debtors. Any amounts  
remaining in the Professional Fee Escrow Account after payment in full of all Allowed Professional  
Fee Claims shall promptly be paid to the Reorganized Debtors without any further action or order of  
the Bankruptcy Court.

1 (c) No later than ten (10) Business Days prior to the Effective Date, each  
2 Professional shall provide the restructuring advisors for the Debtors with an estimate of its unpaid  
3 Professional Fee Claims incurred in rendering services to the Debtors or their estates before and as of  
4 the Effective Date; *provided*, that such estimate shall not be deemed to limit the amount of fees and  
5 expenses that are the subject of the Professional's final request for payment of its Professional Fee  
6 Claims whether from the Professional Fee Escrow Account or, if insufficient, from the Reorganized  
7 Debtors. If a Professional does not timely provide an estimate as set forth above, the Debtors or  
8 Reorganized Debtors shall estimate the unpaid and unbilled fees and expenses of such Professional  
for purposes of funding the Professional Fee Escrow Account. The total amount of Professional Fee  
Claims estimated pursuant to this Section shall comprise the Professional Fee Reserve Amount. The  
Professional Fee Reserve Amount, as well as the return of any excess funds in the Professional Fee  
Escrow Account after all Allowed Professional Fee Claims have been paid in full, shall be allocated  
to the applicable Debtor for whose benefit such Professional Fees Claims were incurred.

9 (d) Except as otherwise specifically provided in the Plan, from and after the  
10 Effective Date, the Reorganized Debtors shall, in the ordinary course of business and without any  
11 further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and  
12 documented legal, professional, or other fees and expenses incurred by the Reorganized Debtors.  
13 Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331,  
14 363, and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered  
after such date shall terminate, and the Reorganized Debtors may employ and pay any professional in  
the ordinary course of business without any further notice to or action, order, or approval of the  
Bankruptcy Court.

15 **2.3 DIP Facility Claims.** In full and final satisfaction, settlement, release, and  
16 discharge of the Allowed DIP Facility Claims against the Debtors (subject to the last sentence of this  
17 Section 2.3), on the Effective Date, such Allowed DIP Facility Claims shall be paid in full in Cash by  
18 the Debtors in the Allowed amount of such DIP Facility Claims and all commitments under the DIP  
19 Facility Documents shall terminate. On the Effective Date, any DIP Letters of Credit outstanding shall  
20 be replaced or canceled and returned to the issuing DIP Facility Lender in accordance with the terms  
21 of the applicable DIP Letter of Credit and the DIP Facility Documents. Upon the indefeasible payment  
22 or satisfaction in full in Cash of the DIP Facility Claims (other than any DIP Facility Claims based on  
the Debtors' contingent obligations under the DIP Facility Documents not yet due and payable), the  
termination of all commitments thereunder, and the replacement, return, collateralization or backstop  
of all outstanding DIP Letters of Credit in accordance with the terms of this Plan, on the Effective  
Date, all Liens granted to secure such obligations automatically shall be terminated and of no further  
force and effect.

23 **2.4 Priority Tax Claims.** In full and final satisfaction, settlement, release, and  
24 discharge of any Allowed Priority Tax Claim against a Debtor, except to the extent that the Debtors  
25 or Reorganized Debtors, as applicable, and a holder of an Allowed Priority Tax Claim agree to a less  
26 favorable treatment of such Claim, each holder of an Allowed Priority Tax Claim shall receive, at the  
27 option of the Debtors or Reorganized Debtors, (a) Cash in an amount equal to such Allowed Priority  
28 Tax Claim on the Effective Date or as soon as reasonably practicable thereafter, or (b) Cash, in equal  
semi-annual installments and continuing over a period not exceeding five (5) years from and after the  
Petition Date, together with interest accrued thereon at the applicable nonbankruptcy rate, which as to

1 any Allowed Priority Tax Claim of the Internal Revenue Service on behalf of the United States shall  
2 be the applicable rate specified by the Tax Code, as of the Confirmation Date, applied pursuant to  
3 section 511 of the Bankruptcy Code, subject to the sole option of the Reorganized Debtors to prepay  
4 the entire amount of the Allowed Priority Tax Claim. Any Allowed Priority Tax Claim that is not due  
and payable on or before the Effective Date shall be paid in the ordinary course of business as such  
obligation becomes due, together with any interest due at the applicable nonbankruptcy rate.

### 5 **ARTICLE III.**

#### 6 **CLASSIFICATION OF CLAIMS AND INTERESTS**

7 **3.1 Classification in General.** A Claim or Interest is placed in a particular Class  
8 for all purposes, including voting, confirmation, and distribution under the Plan and under sections  
9 1122 and 1123(a)(1) of the Bankruptcy Code; *provided that* a Claim or Interest is placed in a particular  
10 Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim  
or Interest is an Allowed Claim or Allowed Interest in that Class and such Allowed Claim or Allowed  
Interest has not been satisfied, released, or otherwise settled prior to the Effective Date.

#### 11 **3.2 Summary of Classification.**

12 (a) The following table designates the Classes of Claims against, and Interests in,  
13 the Debtors and specifies which of those Classes are (i) Impaired or Unimpaired by the Plan,  
14 (ii) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy  
Code, and (iii) presumed to accept or deemed to reject the Plan. In accordance with section 1123(a)(1)  
15 of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims have not been  
classified.

<u>Class</u>	<u>Designation</u>	<u>Impairment</u>	<u>Entitled to Vote</u>
<b>Claims Against and Interests in HoldCo</b>			
Class 1A	HoldCo Other Secured Claims	Unimpaired	No (presumed to accept)
Class 2A	HoldCo Priority Non-Tax Claims	Unimpaired	No (presumed to accept)
Class 3A	HoldCo Funded Debt Claims	Unimpaired	No (presumed to accept)
Class 4A	HoldCo General Unsecured Claims	Unimpaired	No (presumed to accept)
Class 5A-I	HoldCo Public Entities Wildfire Claims	Impaired	Yes
Class 5A-II	HoldCo Subrogation Wildfire Claims	Impaired	Yes
Class 5A-III	HoldCo Fire Victim Claims	Impaired	Yes
Class 5A-IV	HoldCo Ghost Ship Fire Claims	Unimpaired	No (presumed to accept)
Class 6A	HoldCo Workers' Compensation Claims	Unimpaired	No (presumed to accept)
Class 7A	HoldCo Environmental Claims	Unimpaired	No (presumed to accept)
Class 8A	HoldCo Intercompany Claims	Unimpaired	No (presumed to accept)
Class 9A	HoldCo Subordinated Debt Claims	Unimpaired	No (presumed to accept)
Class 10A-I	HoldCo Common Interests	Impaired	Yes
Class 10A-II	HoldCo Rescission or Damage Claims	Impaired	Yes
Class 11A	HoldCo Other Interests	Unimpaired	No (presumed to accept)
<b>Claims Against and Interests in the Utility</b>			
Class 1B	Utility Other Secured Claims	Unimpaired	No (presumed to accept)
Class 2B	Utility Priority Non-Tax Claims	Unimpaired	No (presumed to accept)
Class 3B-I	Utility Impaired Senior Note Claims	Impaired	Yes
Class 3B-II	Utility Reinstated Senior Note Claims	Unimpaired	No (presumed to accept)
Class 3B-III	Utility Short-Term Senior Note Claims	Impaired	Yes
Class 3B-IV	Utility Funded Debt Claims	Impaired	Yes
Class 3B-V	Utility PC Bond (2008 F and 2010 E) Claims	Unimpaired	No (presumed to accept)
Class 4B	Utility General Unsecured Claims	Unimpaired	No (presumed to accept)
Class 5B-I	Utility Public Entities Wildfire Claims	Impaired	Yes
Class 5B-II	Utility Subrogation Wildfire Claims	Impaired	Yes
Class 5B-III	Utility Fire Victim Claims	Impaired	Yes
Class 5B-IV	Utility Ghost Ship Fire Claims	Unimpaired	No (presumed to accept)
Class 6B	Utility Workers' Compensation Claims	Unimpaired	No (presumed to accept)
Class 7B	2001 Utility Exchange Claims	Unimpaired	No (presumed to accept)
Class 8B	Utility Environmental Claims	Unimpaired	No (presumed to accept)
Class 9B	Utility Intercompany Claims	Unimpaired	No (presumed to accept)
Class 10B	Utility Subordinated Debt Claims	Unimpaired	No (presumed to accept)
Class 11B	Utility Preferred Interests	Unimpaired	No (presumed to accept)
Class 12B	Utility Common Interests	Unimpaired	No (presumed to accept)

**3.3 Separate Classification of Other Secured Claims.** Each Other Secured Claim, to the extent secured by a Lien on Collateral different from the Collateral securing another Other Secured Claim, shall be treated as being in a separate sub-Class for the purposes of receiving distributions under this Plan.

**3.4 Nonconsensual Confirmation.** In the event any Impaired Class of Claims or Interests entitled to vote on the Plan does not accept the Plan by the requisite statutory majority under

1 section 1126(c) of the Bankruptcy Code, then the Debtors reserve the right to undertake to have the  
2 Bankruptcy Court confirm the Plan under section 1129(b) of the Bankruptcy Code.

3 **3.5 Debtors' Rights in Respect of Unimpaired Claims.** Except as otherwise  
4 provided in this Plan, nothing under this Plan shall affect the rights of the Reorganized Debtors in  
5 respect of any Claim that is not "impaired" (within the meaning of such term in section 1124 of the  
6 Bankruptcy Code), including all rights in respect of legal and equitable defenses to, or setoffs or  
7 recoupments against, any such Claim.

## 8 **ARTICLE IV.**

### 9 **TREATMENT OF CLAIMS AND INTERESTS**

#### 10 **4.1 Class 1A – HoldCo Other Secured Claims.**

11 (a) Treatment: In full and final satisfaction, settlement, release, and discharge of  
12 any Allowed HoldCo Other Secured Claim, except to the extent that the Debtors or Reorganized  
13 Debtors, as applicable, and a holder of an Allowed HoldCo Other Secured Claim agree to a less  
14 favorable treatment of such Claim, each holder of an Allowed HoldCo Other Secured Claim shall, at  
15 the option of the Debtors or Reorganized Debtors, (i) retain its HoldCo Other Secured Claim and the  
16 Collateral securing such Claim; (ii) receive Cash in an amount equal to such Allowed Claim, including  
17 the payment of any interest due and payable under section 506(b) of the Bankruptcy Code, on the  
18 Effective Date or as soon as reasonably practicable thereafter, but in no event later than thirty (30)  
19 days after the later to occur of (A) the Effective Date and (B) the date such Claim becomes an Allowed  
20 Claim; or (iii) receive treatment of such Allowed HoldCo Other Secured Claim in any other manner  
21 that is necessary to satisfy the requirements of section 1124 of the Bankruptcy Code. In the event a  
22 HoldCo Other Secured Claim is treated under clause (ii) of this Section 4.1(a), the Liens securing such  
23 Other Secured Claim shall be deemed released immediately upon payment.

24 (b) Impairment and Voting: The HoldCo Other Secured Claims are Unimpaired,  
25 and the holders of HoldCo Other Secured Claims are presumed to have accepted the Plan.

#### 26 **4.2 Class 2A – HoldCo Priority Non-Tax Claims.**

27 (a) Treatment: In full and final satisfaction, settlement, release, and discharge of  
28 any Allowed HoldCo Priority Non-Tax Claim, except to the extent that the Debtors or Reorganized  
Debtors, as applicable, and a holder of an Allowed HoldCo Priority Non-Tax Claim agree to a less  
favorable treatment of such Claim, each holder of an Allowed HoldCo Priority Non-Tax Claim shall  
receive, at the option of the Debtors or Reorganized Debtors, as applicable (i) Cash in an amount equal  
to such Allowed HoldCo Priority Non-Tax Claim, including interest through the Effective Date  
calculated at the Federal Judgment Rate, payable on the Effective Date or as soon as reasonably  
practicable thereafter, or (ii) such other treatment consistent with the provisions of section 1129(a)(9)  
of the Bankruptcy Code.

1 (b) Impairment and Voting: The HoldCo Priority Non-Tax Claims are  
2 Unimpaired, and the holders of HoldCo Priority Non-Tax Claims are presumed to have accepted the  
3 Plan.

4 **4.3 Class 3A: HoldCo Funded Debt Claims.**

5 (a) Treatment: In full and final satisfaction, settlement, release, and discharge of  
6 any Allowed HoldCo Funded Debt Claim, except to the extent that the Debtors or Reorganized  
7 Debtors, as applicable, and a holder of an Allowed HoldCo Funded Debt Claim agree to a less  
8 favorable treatment of such Claim, on the Effective Date or as soon as reasonably practicable  
9 thereafter, each holder of an Allowed HoldCo Funded Debt Claim shall receive Cash in an amount  
10 equal to (i) the principal amount outstanding as of the Petition Date of such holder's HoldCo Funded  
11 Debt Claim plus all accrued and unpaid interest owed as of the Petition Date at the non-default contract  
12 rate; (ii) all interest accrued from the Petition Date through the Effective Date at the Federal Judgment  
13 Rate; and (iii) fees and charges and other obligations owed through the Effective Date, solely to the  
14 extent provided for under the HoldCo Term Loan Documents or the HoldCo Revolver Documents, as  
15 applicable.

16 (b) Impairment and Voting: The HoldCo Funded Debt Claims are Unimpaired,  
17 and the holders of HoldCo Funded Debt Claims are presumed to have accepted the Plan.

18 **4.4 Class 4A: HoldCo General Unsecured Claims.**

19 (a) Treatment: In full and final satisfaction, settlement, release, and discharge of  
20 any Allowed HoldCo General Unsecured Claim, except to the extent that the Debtors or the  
21 Reorganized Debtors, as applicable, and a holder of an Allowed HoldCo General Unsecured Claim  
22 agree to a less favorable treatment of such Claim, on the Effective Date or as soon as reasonably  
23 practicable thereafter, but in no event later than thirty (30) days after the later to occur of (i) the  
24 Effective Date and (ii) the date such Claim becomes an Allowed Claim, each holder of an Allowed  
25 HoldCo General Unsecured Claim shall receive Cash in an amount equal to such holder's Allowed  
26 HoldCo General Unsecured Claim. The Allowed amount of any HoldCo General Unsecured Claim  
27 shall include all interest accrued from the Petition Date through the date of distribution at the Federal  
28 Judgment Rate.

(b) Impairment and Voting: The HoldCo General Unsecured Claims are  
Unimpaired, and holders of HoldCo General Unsecured Claims are presumed to have accepted the  
Plan.

**4.5 Class 5A-I – HoldCo Public Entities Wildfire Claims.**

(a) Treatment: On the Effective Date, all HoldCo Public Entities Wildfire Claims  
shall be deemed satisfied, settled, released and discharged through the treatment provided to Utility  
Public Entities Wildfire Claims. HoldCo Public Entities Wildfire Claims shall be satisfied solely from  
the Cash amount of \$1.0 billion and the Public Entities Segregated Defense Fund, as described in  
Section 4.24(a) of the Plan.

1 (b) Impairment and Voting: The HoldCo Public Entities Wildfire Claims are  
2 Impaired, and holders of HoldCo Public Entities Wildfire Claims are entitled to vote to accept or reject  
the Plan.

3 **4.6 Class 5A-II – HoldCo Subrogation Wildfire Claims.**

4 (a) Treatment: On the Effective Date, all HoldCo Subrogation Wildfire Claims  
5 shall be deemed satisfied, settled, released and discharged through the treatment provided to Utility  
6 Subrogation Wildfire Claims. Pursuant to the Channeling Injunction, each holder of a HoldCo  
7 Subrogation Wildfire Claim shall have its Claim permanently channeled to the Subrogation Wildfire  
8 Trust, and such Claim shall be asserted exclusively against the Subrogation Wildfire Trust in  
accordance with its terms, with no recourse to the Debtors, the Reorganized Debtors, or their respective  
assets and properties.

9 (b) Impairment and Voting: The HoldCo Subrogation Wildfire Claims are  
10 Impaired, and holders of HoldCo Subrogation Wildfire Claims are entitled to vote to accept or reject  
the Plan.

11 **4.7 Class 5A-III – HoldCo Fire Victim Claims.**

12 (a) Treatment: On the Effective Date, all HoldCo Fire Victim Claims shall be  
13 deemed satisfied, settled, released and discharged through the treatment provided to Utility Fire Victim  
14 Claims. Pursuant to the Channeling Injunction, each holder of a HoldCo Fire Victim Claim shall have  
its Claim permanently channeled to the Fire Victim Trust, and such Claim shall be asserted exclusively  
15 against the Fire Victim Trust in accordance with its terms, with no recourse to the Debtors, the  
Reorganized Debtors, or their respective assets and properties.

16 (b) Impairment and Voting: The HoldCo Fire Victim Claims are Impaired, and  
17 holders of HoldCo Fire Victim Claims are entitled to vote to accept or reject the Plan.

18 **4.8 Class 5A-IV – HoldCo Ghost Ship Fire Claims.**

19 (a) Treatment: On and after the Effective Date, each holder of a HoldCo Ghost Ship  
20 Fire Claim shall be entitled to pursue its Claim against Reorganized HoldCo as if the Chapter 11 Cases  
had not been commenced, *provided that* as provided in the Bankruptcy Court's *Order Re: Motion for*  
21 *Relief From Automatic Stay to Permit the Courts of the State of California to Conduct a Jury Trial*  
*and Related Pretrial and Post Trial Matters in Connection with the Ghost Ship Fire Cases* [Docket  
22 No. 5280] any recovery or payment with respect to the HoldCo Ghost Ship Fire Claims shall be limited  
solely to amounts available under the Debtors' Insurance (as such term is defined in such Order,  
23 including any remaining Self Insured Retention that may still be available at the time of any settlement  
or final judgment). Under no circumstances shall any holder of a HoldCo Ghost Ship Fire Claim be  
24 entitled to receive any recovery from the Debtors or Reorganized Debtors, or their respective assets or  
properties other than as provided in the immediately preceding sentence.

25 (b) Impairment and Voting: The HoldCo Ghost Ship Fire Claims are Unimpaired,  
26 and the holders of HoldCo Ghost Ship Fire Claims are presumed to have accepted the Plan.

1                   **4.9     Class 6A – HoldCo Workers’ Compensation Claims.**

2                   (a)     Treatment: On and after the Effective Date, each holder of a HoldCo Workers’  
3 Compensation Claim shall be entitled to pursue its Claim against Reorganized HoldCo as if the  
4 Chapter 11 Cases had not been commenced.

5                   (b)     Impairment and Voting: The HoldCo Workers’ Compensation Claims are  
6 Unimpaired, and holders of HoldCo Workers’ Compensation Claims are presumed to have accepted  
7 the Plan.

8                   **4.10    Class 7A – HoldCo Environmental Claims.**

9                   (a)     Treatment: On and after the Effective Date, each holder of a HoldCo  
10 Environmental Claim shall be entitled to pursue its Claim against Reorganized HoldCo as if the  
11 Chapter 11 Cases had not been commenced, and each Environmental Performance Obligation against  
12 HoldCo shall also survive the Effective Date as if the Chapter 11 Cases had not been commenced.

13                   (b)     Impairment and Voting: The HoldCo Environmental Claims are Unimpaired,  
14 and holders of HoldCo Environmental Claims are presumed to have accepted the Plan.

15                   **4.11    Class 8A – HoldCo Intercompany Claims.**

16                   (a)     Treatment: On the Effective Date, all Allowed HoldCo Intercompany Claims  
17 shall either be (i) cancelled (or otherwise eliminated) and receive no distribution under the Plan or (ii)  
18 Reinstated, in each case as determined in the sole discretion of the Debtors or the Reorganized Debtors,  
19 as applicable.

20                   (b)     Impairment and Voting: The HoldCo Intercompany Claims are Unimpaired,  
21 and the holders of HoldCo Intercompany Claims are presumed to have accepted the Plan.

22                   **4.12    Class 9A – HoldCo Subordinated Debt Claims.**

23                   (a)     Treatment: In full and final satisfaction, settlement, release, and discharge of  
24 any HoldCo Subordinated Debt Claim, except to the extent that the Debtors or the Reorganized  
25 Debtors, as applicable, and a holder of an Allowed HoldCo Subordinated Debt Claim agree to a less  
26 favorable treatment of such Claim, on the Effective Date or as soon as reasonably practicable  
27 thereafter, each holder of an Allowed HoldCo Subordinated Debt Claim shall receive Cash in an  
28 amount equal to such holder’s Allowed HoldCo Subordinated Debt Claim.

                  (b)     Impairment and Voting: The HoldCo Subordinated Debt Claims are  
Unimpaired, and the holders of HoldCo Subordinated Debt Claims are presumed to have accepted the  
Plan.

**4.13    Class 10A-I – HoldCo Common Interests.**

                  (a)     Treatment: On the Effective Date, subject to the New Organizational  
Documents, each holder of a HoldCo Common Interest shall retain such Interest subject to dilution

1 from any New HoldCo Common Stock, or securities linked to New HoldCo Common Stock, issued  
2 pursuant to the Plan and, if applicable, shall receive a pro rata distribution of any subscription rights  
to be distributed to holders of HoldCo Common Interests in connection with a Rights Offering.

3 (b) Impairment and Voting: The HoldCo Common Interests are Impaired, and the  
4 holders of HoldCo Common Interests are entitled to vote to accept or reject the Plan.

5 **4.14 Class 10A-II – HoldCo Rescission or Damage Claims.**

6 (a) Treatment: In full and final satisfaction, settlement, release, and discharge of  
7 any HoldCo Rescission or Damage Claim, except to the extent that the Debtors or the Reorganized  
8 Debtors, as applicable, and a holder of an Allowed HoldCo Rescission or Damage Claim agree to a  
9 less favorable treatment of such Claim, on the Effective Date or as soon as reasonably practicable  
10 thereafter but in no event later than thirty (30) days after the later to occur of (i) the Effective Date and  
(ii) the date such Claim becomes an Allowed Claim, each holder of an Allowed HoldCo Rescission or  
Damage Claim shall receive a number of shares of New HoldCo Common Stock equal to such holder's  
HoldCo Rescission or Damage Claim Share.

11 (b) Impairment and Voting: The HoldCo Rescission or Damage Claims are  
12 Impaired, and the holders of HoldCo Rescission or Damage Claims are entitled to vote to accept or  
reject the Plan.

13 **4.15 Class 11A – HoldCo Other Interests.**

14 (a) Treatment: On the Effective Date, each holder of a HoldCo Other Interest shall  
15 have such holder's HoldCo Other Interest Reinstated.

16 (b) Impairment and Voting: The HoldCo Other Interests are Unimpaired, and the  
17 holders of HoldCo Other Interests are presumed to have accepted the Plan.

18 **4.16 Class 1B – Utility Other Secured Claims.**

19 (a) Treatment: In full and final satisfaction, settlement, release, and discharge of  
20 any Allowed Utility Other Secured Claim, except to the extent that the Debtors or Reorganized  
21 Debtors, as applicable, and a holder of an Allowed Utility Other Secured Claim agree to a less  
22 favorable treatment of such Claim, each holder of an Allowed Utility Other Secured Claim shall, at  
23 the option of the Debtors or Reorganized Debtors, (i) retain its Utility Other Secured Claim and the  
24 Collateral securing such Claim; (ii) receive Cash in an amount equal to such Allowed Claim, including  
25 the payment of any interest due and payable under section 506(b) of the Bankruptcy Code, on the  
26 Effective Date or as soon as reasonably practicable thereafter, but in no event later than thirty (30)  
27 days after the later to occur of (A) the Effective Date and (B) the date such Claim becomes an Allowed  
28 Claim; or (iii) receive treatment of such Allowed Utility Other Secured Claim in any other manner  
that is necessary to satisfy the requirements of section 1124 of the Bankruptcy Code. In the event a  
Utility Other Secured Claim is treated under clause (ii) of this Section 4.16(a), the Liens securing such  
Other Secured Claim shall be deemed released immediately upon payment.

1 (b) Impairment and Voting: The Utility Other Secured Claims are Unimpaired,  
2 and the holders of Utility Other Secured Claims are presumed to have accepted the Plan.

3 **4.17 Class 2B – Utility Priority Non-Tax Claims.**

4 (a) Treatment: In full and final satisfaction, settlement, release, and discharge of  
5 any Allowed Utility Priority Non-Tax Claim, except to the extent that the Debtors or Reorganized  
6 Debtors, as applicable, and a holder of an Allowed Utility Priority Non-Tax Claim agree to a less  
7 favorable treatment of such Claim, each holder of an Allowed Utility Priority Non-Tax Claim shall  
8 receive, at the option of the Debtors or the Reorganized Debtors, as applicable (i) Cash in an amount  
9 equal to such Allowed Utility Priority Non-Tax Claim, including interest through the Effective Date  
10 calculated at the Federal Judgment Rate, payable on the Effective Date or as soon as reasonably  
11 practicable thereafter, or (ii) such other treatment consistent with the provisions of section 1129(a)(9)  
12 of the Bankruptcy Code.

13 (b) Impairment and Voting: The Utility Priority Non-Tax Claims are Unimpaired,  
14 and the holders of Utility Priority Non-Tax Claims are presumed to have accepted the Plan.

15 **4.18 Class 3B-I – Utility Impaired Senior Note Claims.**

16 (a) Treatment: On the Effective Date, holders of Utility Impaired Senior Note  
17 Claims shall receive Cash equal to their Utility Impaired Senior Note Claim Interest Amount and equal  
18 amounts of each issue of the New Utility Long-Term Notes in an aggregate amount equal to such  
19 holder's Utility Impaired Senior Note Claim Principal Amount.

20 (b) Impairment and Voting: The Utility Impaired Senior Note Claims are Impaired,  
21 and holders of Utility Impaired Senior Note Claims are entitled to vote to accept or reject the Plan.

22 **4.19 Class 3B-II – Utility Reinstated Senior Note Claims.**

23 (a) Treatment: On the Effective Date, each holder of a Utility Reinstated Senior  
24 Note Claim shall have such holder's Utility Reinstated Senior Note Claim Reinstated.

25 (b) Impairment and Voting: The Utility Reinstated Senior Note Claims are  
26 Unimpaired, and holders of Utility Reinstated Senior Note Claims are presumed to have accepted the  
27 Plan.

28 **4.20 Class 3B-III – Utility Short-Term Senior Note Claims.**

(a) Treatment: On the Effective Date, holders of Utility Short-Term Senior Note  
Claims shall receive Cash equal to their Utility Short-Term Senior Note Claim Interest Amount and  
equal amounts of each issue of New Utility Short-Term Notes in an aggregate amount equal to such  
holder's Utility Short-Term Senior Note Claim Principal Amount.

(b) Impairment and Voting: The Utility Short-Term Senior Note Claims are  
Impaired, and the holders of Utility Short-Term Senior Note Claims are entitled to vote to accept or  
reject the Plan.

1                   **4.21    Class 3B-IV: Utility Funded Debt Claims.**

2                   (a)    Treatment: On the Effective Date, holders of Utility Funded Debt Claims shall  
3 receive Cash equal to their Utility Funded Debt Claim Interest and Charges Amount and equal amounts  
4 of each issue of the New Utility Funded Debt Exchange Notes in an aggregate amount equal to such  
5 holder's Utility Funded Debt Claim Principal Amount. On the Effective Date, any Utility Letters of  
6 Credit outstanding shall be replaced or canceled and returned to the issuing Utility Revolver Lender  
7 in accordance with the terms of the applicable Utility Letter of Credit and the Utility Revolver  
8 Documents.

9                   (b)    Impairment and Voting: The Utility Funded Debt Claims are Impaired, and  
10 holders of Utility Funded Debt Claims are entitled to vote to accept or reject the Plan.

11                   **4.22    Class 3B-V: Utility PC Bond (2008 F and 2010 E) Claims.**

12                   (a)    Treatment: In full and final satisfaction, settlement, release, and discharge of  
13 any Allowed Utility PC Bond (2008 F and 2010 E) Claim, except to the extent that the Debtors or  
14 Reorganized Debtors, as applicable, and a holder of an Allowed Utility PC Bond (2008 F and 2010 E)  
15 Claim agree to a less favorable treatment of such Claim, on the Effective Date or as soon as reasonably  
16 practicable thereafter, each holder of an Allowed Utility PC Bond (2008 F and 2010 E) Claim shall  
17 receive Cash in an amount equal to (i) the principal amount outstanding as of the Petition Date of such  
18 holder's Utility PC Bond (2008 F and 2010 E) Claim plus all accrued and unpaid interest owed as of  
19 the Petition Date at the non-default contract rate; (ii) all interest accrued from the Petition Date through  
20 the Effective Date at the Federal Judgment Rate; and (iii) fees and charges and other obligations owed  
21 through the Effective Date, solely to the extent provided for under the applicable PC Bond (2008 F  
22 and 2010 E) Documents.

23                   (b)    Impairment and Voting: The Utility PC Bond (2008 F and 2010 E) Claims are  
24 Unimpaired, and the holders of Utility PC Bond (2008 F and 2010 E) Claims are presumed to have  
25 accepted the Plan.

26                   **4.23    Class 4B: Utility General Unsecured Claims.**

27                   (a)    Treatment: In full and final satisfaction, settlement, release, and discharge of  
28 any Allowed Utility General Unsecured Claim, except to the extent that the Debtors or Reorganized  
Debtors, as applicable, and a holder of an Allowed Utility General Unsecured Claim agree to a less  
favorable treatment of such Claim, on the Effective Date or as soon as reasonably practicable  
thereafter, but in no event later than thirty (30) days after the later to occur of (i) the Effective Date  
and (ii) the date such Claim becomes an Allowed Claim, each holder of an Allowed Utility General  
Unsecured Claim shall receive Cash in an amount equal to such holder's Allowed Utility General  
Unsecured Claim. The Allowed amount of any Utility General Unsecured Claim shall reflect all  
interest accrued from the Petition Date through the date of distribution at the Federal Judgment Rate.

(b)    Impairment and Voting: The Utility General Unsecured Claims are  
Unimpaired, and the holders of Utility General Unsecured Claims are presumed to have accepted the  
Plan.

1                   **4.24    Class 5B-I – Utility Public Entities Wildfire Claims.**

2                   (a)    Treatment: In full and final satisfaction, settlement, release, and discharge of  
3 all Allowed Utility Public Entities Wildfire Claims, on the Effective Date, or as soon as reasonably  
4 practicable thereafter, but in no event later than thirty (30) days after the Effective Date, the Public  
5 Entities shall receive an aggregate Cash amount of \$1.0 billion, as provided in the Public Entities Plan  
6 Support Agreements, to be distributed in accordance with the Public Entities Settlement Distribution  
7 Protocol. The Reorganized Debtors shall also establish the Public Entities Segregated Defense Fund,  
8 in accordance with the terms of the Public Entities Plan Support Agreements. Utility Public Entities  
9 Wildfire Claims shall be satisfied solely from the Cash amount of \$1.0 billion and the Public Entities  
10 Segregated Defense Fund, as described above.

11                   (b)    Impairment and Voting: The Utility Public Entities Wildfire Claims are  
12 Impaired, and holders of the Utility Public Entities Wildfire Claims are entitled to vote to accept or  
13 reject the Plan.

14                   **4.25    Class 5B-II – Utility Subrogation Wildfire Claims.**

15                   The Utility Subrogation Wildfire Claims shall be treated as follows:

16                   (a)    Allowance: For purposes of this Plan, and in accordance with the Subrogation  
17 Claims RSA Approval Order, the Utility Subrogation Wildfire Claims shall be settled and Allowed in  
18 the aggregate amount of \$11 billion.

19                   (b)    Treatment: On the Effective Date or as soon as reasonably practicable  
20 thereafter, the Reorganized Debtors shall fund the Subrogation Wildfire Trust with Cash in the amount  
21 of \$11 billion. No postpetition, and pre-Effective Date, interest shall be paid with respect to the Utility  
22 Subrogation Wildfire Claims as Allowed pursuant to the immediately preceding clause (a). All Utility  
23 Subrogation Wildfire Claims shall be satisfied solely from the assets funded to the Subrogation  
24 Wildfire Trust. The Plan may be amended prior to the entry of the Disclosure Statement Order in  
25 accordance with the Subrogation Claims RSA to replace a portion of the Cash consideration with  
26 Non-cash Recovery.

27                   (c)    Professional Fees: On the Effective Date, the Reorganized Debtors shall pay  
28 the reasonable, documented, and contractual professional fees of the Ad Hoc Professionals (as such  
term is defined in the Subrogation Claims RSA) up to an aggregate amount of \$55 million (inclusive  
of all such fees and expenses paid by the Debtors prior to the Effective Date, and which shall include  
success fees, transaction fees or other similar fees). The Reorganized Debtors are authorized to pay  
the professional fees and expenses of Rothschild & Co US Inc., Kekst and Company Incorporated  
d/b/a Kekst CNC, and Wilson Public Affairs, in each case subject to, and in accordance with, the  
Subrogation Claims RSA without the necessity of filing formal fee applications. Solely with respect  
to fees and expenses for professional services rendered by Willkie Farr & Gallagher LLP and Diemer  
& Wei LLP, the Reorganized Debtors are authorized to pay such fees and expenses ten (10) business  
after the receipt by the Debtors and the U.S. Trustee (the “**Review Period**”) of invoices therefor (the  
“**Invoiced Fees**”) and without the necessity of filing formal fee applications. The invoices for such  
Invoiced Fees shall include the number of hours billed and the aggregate expenses incurred by the

1 applicable professional firm; *provided, however*, that any such invoice (i) may be limited and/or  
2 redacted to protect privileged, confidential, or proprietary information and (ii) shall not be required to  
3 contain individual time detail (provided that such invoice shall contain summary data regarding hours  
4 worked by each timekeeper for the applicable professional and such timekeepers' hourly rates). The  
5 Reorganized Debtors and the U.S. Trustee may object to any portion of the Invoiced Fees (the  
6 "**Disputed Invoiced Fees**") within the Review Period by filing with the Court a motion or other  
7 pleading, on at least ten days' prior written notice (but no more than 30 days' notice) of any hearing  
8 on such motion or other pleading, setting forth the specific objections to the Disputed Invoiced Fees  
9 in reasonable narrative detail and the bases for such objections; provided that the Reorganized Debtors  
10 shall pay all amounts that are not the subject of such objection upon the expiration of the Review  
11 Period and shall pay the balance following resolution of any such objection or upon an order of the  
12 Bankruptcy Court.

13 (d) Distributions and Discharge: Funding of the Subrogation Wildfire Trust as  
14 provided above shall be in restitution and in full and final satisfaction, release, and discharge of all  
15 Subrogation Wildfire Claims. Each holder of a Subrogation Wildfire Claim that is party to the  
16 Subrogation Wildfire Claim Allocation Agreement shall receive payment as determined in accordance  
17 with the Subrogation Wildfire Claim Allocation Agreement. Holders of Disputed Subrogation  
18 Wildfire Claims as of the Effective Date shall not receive any payment unless and until such claims  
19 either are resolved consensually as between such holders and the Subrogation Wildfire Trustee or  
20 become Allowed Claims.

21 (e) Channeling Injunction: On the Effective Date, the Debtors' liability for all  
22 Utility Subrogation Wildfire Claims shall be fully assumed by, and be the sole responsibility of, the  
23 Subrogation Wildfire Trust, and all such Claims shall be satisfied solely from the assets of the  
24 Subrogation Wildfire Trust. Pursuant to the Channeling Injunction, each holder of a Utility  
25 Subrogation Wildfire Claim shall have its Claim permanently channeled to the Subrogation Wildfire  
26 Trust, and such Claim shall be asserted exclusively against the Subrogation Wildfire Trust in  
27 accordance with its terms, with no recourse to the Debtors, the Reorganized Debtors, or their respective  
28 assets and properties.

(f) In accordance with the provisions of the Subrogation Claims RSA, the Confirmation Order shall contain the following findings and order:

(i) the resolution of the Debtors' insolvency proceeding provides funding or establishes reserves for, provides for assumption of, or otherwise provides for satisfying any prepetition wildfire claims asserted against the Debtors in the insolvency proceeding in the amounts agreed upon in any pre-insolvency proceeding settlement agreements or any post-insolvency settlement agreements, authorized by the court through an estimation process or otherwise allowed by the court, and

(ii) except with respect to any settlement or other agreement regarding the Fire Victim Claims asserted by Adventist Health System/West and Feather River Hospital d/b/a Adventist Health Feather River, any settlement or other agreement with any holder or holders of a Fire Victim Claim that fixes the amount or terms for satisfaction of such Claim, including by a post-Effective Date trust established for the resolution and payment of such

1 Claim, shall contain as a condition to such settlement or other agreement that the holder or  
2 holders of such Claim contemporaneously execute and deliver a release and waiver of any  
3 potential made-whole claims against present and former holders of Subrogation Wildfire  
Claims, which release shall be substantially in the form attached hereto as Exhibit C.

4 (g) Impairment and Voting: The Utility Subrogation Wildfire Claims are Impaired,  
and holders of Utility Subrogation Wildfire Claims are entitled to vote to accept or reject the Plan.

5 **4.26 Class 5B-III – Utility Fire Victim Claims.**

6 (a) Treatment: In accordance with the requirements of section 3292 of the Wildfire  
7 Legislation (A.B. 1054), on the Effective Date or as soon as reasonably practicable thereafter, the  
8 Reorganized Debtors shall establish and fund the Fire Victim Trust with the Aggregate Fire Victim  
Consideration. Utility Fire Victim Claims shall be satisfied solely from the Fire Victim Trust.

9 (b) Funding of the Fire Victim Trust as provided above shall be in restitution and  
10 full and final satisfaction, release, and discharge of all Fire Victim Claims. Each holder of a Fire  
Victim Claim shall receive payment as determined in accordance with the Fire Victim Claims  
11 Resolution Procedures.

12 (c) On the Effective Date, the Debtors' liability for all Utility Fire Victim Claims  
13 shall be fully assumed by, and be the sole responsibility of the Fire Victim Trust, and all such Claims  
shall be satisfied solely from the assets of the Fire Victim Trust. Pursuant to the Channeling  
14 Injunction, each holder of a Utility Fire Victim Claim shall have its Claim permanently channeled to  
the Fire Victim Trust, and such Claim shall be asserted exclusively against the Fire Victim Trust in  
15 accordance with its terms, with no recourse to the Debtors, the Reorganized Debtors, or their respective  
assets and properties.

16 (d) Impairment and Voting: The Utility Fire Victim Claims are Impaired, and  
17 holders of Utility Fire Victim Claims are entitled to vote to accept or reject the Plan.

18 **4.27 Class 5B-IV – Utility Ghost Ship Fire Claims.**

19 (a) Treatment: On and after the Effective Date, each holder of a Utility Ghost Ship  
20 Fire Claim shall be entitled to pursue its Claim against the Reorganized Utility as if the Chapter 11  
Cases had not been commenced, *provided that* as provided in the Bankruptcy Court's *Order Re:*  
21 *Motion for Relief From Automatic Stay to Permit the Courts of the State of California to Conduct a*  
*Jury Trial and Related Pretrial and Post Trial Matters in Connection with the Ghost Ship Fire Cases*  
22 [Docket No. 5280] any recovery or payment with respect to the Utility Ghost Ship Fire Claims shall  
be limited solely to amounts available under the Debtors' Insurance (as such term is defined in such  
23 Order, including any remaining Self Insured Retention that may still be available at the time of any  
settlement or final judgment). Under no circumstances shall any holder of a Utility Ghost Ship Fire  
24 Claim be entitled to receive any recovery from the Debtors or Reorganized Debtors, or their respective  
assets or properties other than as provided in the immediately preceding sentence.  
25  
26  
27  
28

1 (b) Impairment and Voting: The Utility Ghost Ship Fire Claims are Unimpaired,  
2 and the holders of Utility Ghost Ship Fire Claims are presumed to have accepted the Plan.

3 **4.28 Class 6B – Utility Workers’ Compensation Claims.**

4 (a) Treatment: On and after the Effective Date, each holder of a Utility Workers’  
5 Compensation Claim shall be entitled to pursue its Claim against the Reorganized Utility as if the  
6 Chapter 11 Cases had not been commenced.

7 (b) Impairment and Voting: The Utility Workers’ Compensation Claims are  
8 Unimpaired, and holders of Utility Workers’ Compensation Claims are presumed to have accepted the  
9 Plan.

10 **4.29 Class 7B – 2001 Utility Exchange Claims.**

11 (a) Treatment: On and after the Effective Date, each holder of a 2001 Utility  
12 Exchange Claim shall be entitled to pursue its Claim against the Reorganized Utility as if the Chapter  
13 11 Cases had not been commenced.

14 (b) Impairment and Voting: The 2001 Utility Exchange Claims are Unimpaired,  
15 and holders of 2001 Utility Exchange Claims are presumed to have accepted the Plan.

16 **4.30 Class 8B – Utility Environmental Claims.**

17 (a) Treatment: On and after the Effective Date, each holder of a Utility  
18 Environmental Claim shall be entitled to pursue its Claim against the Reorganized Utility as if the  
19 Chapter 11 Cases had not been commenced, and each Environmental Performance Obligation against  
20 the Utility shall also survive the Effective Date as if the Chapter 11 Cases had not been commenced.

21 (b) Impairment and Voting: The Utility Environmental Claims are Unimpaired, and  
22 holders of Utility Environmental Claims are presumed to have accepted the Plan.

23 **4.31 Class 9B – Utility Intercompany Claims.**

24 (a) Treatment: On the Effective Date, all Allowed Utility Intercompany Claims  
25 shall either be (i) cancelled (or otherwise eliminated) and receive no distribution under the Plan or  
26 (ii) Reinstated, in each case as determined in the sole discretion of the Debtors or the Reorganized  
27 Debtors, as applicable.

28 (b) Impairment and Voting: The Utility Intercompany Claims are Unimpaired, and  
holders of Utility Intercompany Claims are presumed to have accepted the Plan.

**4.32 Class 10B – Utility Subordinated Debt Claims.**

(a) Treatment: In full and final satisfaction, settlement, release, and discharge of  
any Utility Subordinated Debt Claim, except to the extent that the Debtors or the Reorganized Debtors,  
as applicable, and a holder of an Allowed Utility Subordinated Debt Claim agree to a less favorable

1 treatment of such Claim, on the Effective Date or as soon as reasonably practicable thereafter, each  
2 holder of an Allowed Utility Subordinated Debt Claim shall receive Cash in an amount equal to such  
holder's Allowed Utility Subordinated Debt Claim.

3 (b) Impairment and Voting: The Utility Subordinated Debt Claims are  
4 Unimpaired, and the holders of Utility Subordinated Debt Claims are presumed to have accepted the  
Plan.

5 **4.33 Class 11B – Utility Preferred Interests.**

6 (a) Treatment: On the Effective Date, all Utility Preferred Interests shall be  
7 Reinstated.

8 (b) Impairment and Voting: The Utility Preferred Interests are Unimpaired, and  
9 holders of Utility Preferred Interests are presumed to have accepted the Plan.

10 **4.34 Class 12B – Utility Common Interests.**

11 (a) Treatment: On the Effective Date, all Utility Common Interests shall be  
12 Reinstated.

13 (b) Impairment and Voting: The Utility Common Interests are Unimpaired, and  
the holders of Utility Common Interests are presumed to have accepted the Plan.

14 **ARTICLE V.**

15 **PROVISIONS GOVERNING DISTRIBUTIONS**

16 **5.1 Distributions Generally.** Except as otherwise provided in the Plan, the  
17 Wildfire Trust Agreements, or the Claims Resolution Procedures the Disbursing Agent shall make all  
18 distributions to the appropriate holders of Allowed Claims, or such other persons designated by this  
Plan, in accordance with the terms of this Plan.

19 **5.2 Plan Funding.** Except as otherwise provided in the Plan, the Wildfire Trust  
20 Agreements, or the Claims Resolution Procedures, distributions of Cash shall be funded from the  
proceeds of the Plan Funding or the Wildfire Insurance Proceeds as of the applicable date of such  
21 distribution as set forth herein.

22 **5.3 No Postpetition or Default Interest on Claims.** Except as otherwise  
23 specifically provided for in this Plan or the Confirmation Order, or another order of the Bankruptcy  
Court or required by the Bankruptcy Code, postpetition and/or default interest shall not accrue or be  
24 paid on any Claims, and no holder of a Claim shall be entitled to interest accruing on such Claim on  
or after the Petition Date.

25 **5.4 Date of Distributions.** Unless otherwise provided in this Plan, the Wildfire  
26 Trust Agreements, or the Claims Resolution Procedures, any distributions and deliveries to be made  
under this Plan shall be made on the Effective Date or as soon as reasonably practicable thereafter;  
27  
28

1 *provided*, that the Reorganized Debtors may implement periodic distribution dates to the extent they  
2 determine appropriate. Holders of Fire Claims subject to the Claims Resolution Procedures shall  
3 receive distributions in accordance with the applicable Claims Resolution Procedures.

4 **5.5 Distribution Record Date.** Except as otherwise provided in the Wildfire Trust  
5 Agreements or the Claims Resolution Procedures, as of the close of business on the Distribution  
6 Record Date, the various lists of holders of Claims and Interests in each Class, as maintained by the  
7 Debtors or their agents, shall be deemed closed, and there shall be no further changes in the record  
8 holders of any Claims or Interests after the Distribution Record Date. None of the Debtors, the  
9 Reorganized Debtors, or the Disbursing Agent shall have any obligation to recognize any transfer of  
10 a Claim or Interest occurring after the close of business on the Distribution Record Date. In addition,  
11 with respect to the reconciliation of any Cure Amounts or disputes over any Cure Amounts, none of  
12 the Debtors, the Reorganized Debtors, or the Disbursing Agent shall have any obligation to recognize  
13 or deal with any party other than the non-Debtor party to the applicable executory contract or  
14 unexpired lease, even if such non-Debtor party has sold, assigned, or otherwise transferred its Claim  
15 for a Cure Amount; *provided, however* that a distribution on account of any Claim for a Cure Amount  
16 that has been duly and properly sold, assigned, or otherwise transferred prior to the Distribution Record  
17 Date (on appropriate notice and otherwise in accordance with applicable Bankruptcy and non-  
18 Bankruptcy law) shall be made to the purchaser, assignee, or transferee of such Claim for a Cure  
19 Amount as set forth in the Official Claims Register for these Chapter 11 Cases.

20 **5.6 Disbursing Agent.** Except as otherwise provided in the Plan or the Wildfire  
21 Trust Agreements, all distributions under this Plan shall be made by the Disbursing Agent, on behalf  
22 of the applicable Debtor, on and after the Effective Date as provided herein. The Disbursing Agent  
23 shall not be required to give any bond or surety or other security for the performance of its duties. The  
24 Debtors or the Reorganized Debtors, as applicable, shall use commercially reasonable efforts to  
25 provide the Disbursing Agent (if other than the Reorganized Debtors) with the amounts of Claims and  
26 the identities and addresses of holders of Claims, in each case, as set forth in the Debtors' or  
27 Reorganized Debtors' books and records. The Debtors or the Reorganized Debtors, as applicable,  
28 shall cooperate in good faith with the Disbursing Agent (if other than the Reorganized Debtors) to  
comply with the reporting and withholding requirements outlined in Section 5.15 of this Plan. Fire  
Claims subject to the Channeling Injunction shall not be administered by the Disbursing Agent and  
shall instead be administered by the Wildfire Trusts. Notwithstanding any provision of the Plan to the  
contrary, distributions to holders of Allowed Funded Debt Claims and Allowed Utility Senior Note  
Claims shall be made to or at the direction of the applicable Funded Debt Trustee, which shall, to the  
extent directed by the applicable Funded Debt Trustee, act as Disbursing Agent for distributions to the  
respective Holders of Allowed Funded Debt Claims and Allowed Utility Senior Note Claims under  
the applicable Funded Debt Documents. The Funded Debt Trustees, as applicable, may transfer such  
distributions or direct the transfer of such distributions by the Debtors or through the facilities of DTC  
(whether by means of book-entry exchange, free delivery, or otherwise) and will be entitled to  
recognize and deal for all purposes under the Plan with holders of Allowed Funded Debt Claims or  
Allowed Utility Senior Note Claims to the extent consistent with the customary practices of DTC or  
the customary practices for administrative agents under syndicated credit facilities (as applicable).  
Distributions in respect of Allowed Funded Debt Claims and Allowed Utility Senior Notes Claims  
shall be subject in all respects to the right of the applicable Funded Debt Trustee to assert its Charging

1 Lien, if any, against such distributions. All distributions to be made to holders of Allowed Utility  
2 Senior Note Claims shall be eligible to be distributed through the facilities of DTC and as provided  
3 for under the applicable Funded Debt Documents.

### 3 **5.7 Delivery of Distributions.**

4 (a) Except as otherwise provided in the Plan, the Wildfire Trust Agreements, or the  
5 Claims Resolution Procedures, the Disbursing Agent will make the applicable distribution under this  
6 Plan and, subject to Bankruptcy Rule 9010, will make all distributions to any holder of an Allowed  
7 Claim as and when required by this Plan at: (i) the address of such holder on the books and records  
8 of the Debtors or their agents, (ii) the address in the most recent proof of claim filed by such holder,  
9 or (iii) the address in any written notice of address change delivered to the Debtors or the Disbursing  
10 Agent, including any addresses included on any transfers of Claim filed pursuant to Bankruptcy Rule  
11 3001. In the event that any distribution to any holder is returned as undeliverable, no distribution or  
12 payment to such holder shall be made unless and until the Disbursing Agent has been notified of the  
13 then current address of such holder, at which time or as soon thereafter as reasonably practicable, such  
14 distribution shall be made to such holder without interest.

15 (b) The Disbursing Agent, with the Funded Debt Trustees' cooperation and  
16 consistent with Section 5.6 of this Plan, shall make any distributions on account of the Allowed Funded  
17 Debt Claims and Utility Senior Note Claims. At the request of the Debtors or Reorganized Debtors,  
18 each Funded Debt Trustee shall provide a copy of any registry or list of beneficial owners maintained  
19 by the Funded Debt Trustees to the Debtors or Reorganized Debtors, as applicable, as soon as  
20 reasonably practicable following such request and, to the extent specifically requested by the Debtors  
21 or Reorganized Debtors, such Funded Debt Trustee shall freeze such registry on a date specified by  
22 the Debtors or Reorganized Debtors for purposes of permitting distributions to be made pursuant to  
23 this Plan. If the applicable Funded Debt Document so provides, the Disbursing Agent may make  
24 distributions on account of the Allowed Funded Debt Claims, Utility Senior Note Claims, or Utility  
25 PC Bond (2008 F and 2010 E) Claims to the applicable Funded Debt Trustee. The Funded Debt  
26 Trustees shall have no duties or responsibility relating to any form of distribution that is not DTC  
27 eligible and the Disbursing Agent, the Debtors, or the Reorganized Debtors, as applicable, shall seek  
28 the cooperation of DTC so that any distribution on account of an Allowed Funded Debt Claim, Utility  
29 Senior Note Claim, or Utility PC Bond (2008 F and 2010 E) Claim that is held in the name of, or by a  
30 nominee of, DTC, shall be made through the facilities of DTC on the Effective Date or as soon as  
31 practicable thereafter. The Reorganized Debtors shall reimburse the Funded Debt Trustees for any  
32 reasonable and documented fees and expenses (including the reasonable and documented fees and  
33 expenses of its counsel and agents) incurred after the Effective Date solely in connection with actions  
34 explicitly requested by the Reorganized Debtors necessary for implementation of the Plan; *provided*,  
35 that, for the avoidance of doubt, nothing in the Plan or Confirmation Order shall be considered or  
36 construed as an explicit request by the Reorganized Debtors authorizing the incurrence of fees and  
37 expenses by the Funded Debt Trustees.

38 **5.8 Unclaimed Property.** For distributions other than from the Wildfire Trusts, all  
39 distributions payable on account of Claims or Interests that are not deliverable, or have not responded  
40 to a request for information to make such delivery, and remain unclaimed shall be deemed unclaimed  
41 property under section 347(b) of the Bankruptcy Code and shall revert to the Reorganized Debtors or

1 their successors or assigns one year from the later of (a) the Effective Date and (b) the date that is ten  
2 (10) Business Days after the date a Claim is first Allowed, and all claims of any other Entity (including  
3 the holder of a Claim in the same Class) to such distribution shall be discharged and forever barred.  
4 The Reorganized Debtors and the Disbursing Agent shall have no obligation to attempt to locate any  
holder of an Allowed Claim other than by reviewing the Debtors' books and records and filings with  
the Bankruptcy Court.

5 **5.9 Satisfaction of Claims.** Unless otherwise provided herein, any distributions  
6 and deliveries to be made on account of Allowed Claims under this Plan shall be in complete and final  
satisfaction, settlement, and discharge of and exchange for such Allowed Claims.

7 **5.10 Fractional Stock.** No fractional shares or Interests of New HoldCo Common  
8 Stock shall be distributed. If any distributions of New HoldCo Common Stock pursuant to the Plan  
9 or the Plan Documents would result in the issuance of a fractional share or Interest of New HoldCo  
10 Common Stock, then the number of shares or Interests of New HoldCo Common Stock to be issued  
11 in respect of such distribution shall be calculated to one decimal place and rounded up or down to the  
12 closest whole share or Interest (with a half share or Interest or greater rounded up and less than a half  
13 share or Interest rounded down). The total number of shares or Interests of New HoldCo Common  
14 Stock, as applicable, to be distributed in connection with the Plan shall be adjusted as necessary to  
15 account for the rounding provided for in this Section 5.10. No consideration shall be provided in lieu  
of fractional shares or Interests that are rounded down. Neither the Reorganized Debtors nor the  
Disbursing Agent shall have any obligation to make a distribution that is less than (1) share or Interest  
of New HoldCo Common Stock. Any New HoldCo Common Stock that is not distributed in  
accordance with this Section 5.10 shall be returned to, and ownership thereof shall vest in, Reorganized  
HoldCo.

16 **5.11 Manner of Payment under Plan.** Except as specifically provided herein, at  
17 the option of the Debtors or the Reorganized Debtors, as applicable, any Cash payment to be made  
18 under this Plan may be made by check, ACH, wire transfer, or any other method agreed between the  
Debtors or Reorganized Debtors and the holder of the Claim.

19 **5.12 No Distribution in Excess of Amount of Allowed Claim.** Notwithstanding  
20 anything to the contrary in this Plan, no holder of an Allowed Claim shall receive, on account of such  
21 Allowed Claim, distributions in excess of the Allowed amount of such Claim, except to the extent that  
payment of postpetition interest on such Claim is specifically provided for by the Plan, the  
Confirmation Order, or another order of the Bankruptcy Court or required by the Bankruptcy Code.

22 **5.13 Setoffs and Recoupments.** Each Debtor or Reorganized Debtor, as applicable,  
23 or such Entity's successor or designee, may, pursuant to section 553 of the Bankruptcy Code or  
24 applicable nonbankruptcy law, offset or recoup against any Allowed Claim and the distributions to be  
25 made pursuant to this Plan on account of such Allowed Claim any and all Claims, rights, and Causes  
26 of Action that such Debtor or Reorganized Debtor or its successors may hold against the holder of  
27 such Allowed Claim; *provided*, that neither the failure to effect a setoff or recoupment nor the  
28 allowance of any Claim hereunder will constitute a waiver or release by a Debtor or Reorganized  
Debtor or its successor of any Claims, rights, or Causes of Action that any such entity or its successor  
or designee may possess against such holder.

1                   **5.14    Rights and Powers of Disbursing Agent.**

2                   (a)       The Disbursing Agent shall be empowered to: (i) effect all actions and execute  
3 all agreements, instruments, and other documents necessary to perform its duties under this Plan;  
4 (ii) make all applicable distributions or payments provided for under this Plan; (iii) employ  
5 professionals to represent it with respect to its responsibilities; and (iv) exercise such other powers  
6 (A) as may be vested in the Disbursing Agent by order of the Bankruptcy Court (including any order  
7 issued after the Effective Date) or pursuant to this Plan or (B) as deemed by the Disbursing Agent to  
8 be necessary and proper to implement the provisions of this Plan.

9                   (b)       To the extent the Disbursing Agent is an Entity other than a Debtor or  
10 Reorganized Debtor, except as otherwise ordered by the Bankruptcy Court, the amount of any  
11 reasonable fees and expenses incurred by the Disbursing Agent on or after the Effective Date  
12 (including taxes) and any reasonable compensation and expense reimbursement Claims (including for  
13 reasonable attorneys' and other professional fees and expenses) made by the Disbursing Agent shall  
14 be paid in Cash by the Reorganized Debtors.

15                   **5.15    Withholding and Reporting Requirements.**

16                   (a)       In connection with this Plan and all distributions made hereunder, the  
17 Reorganized Debtors and the Disbursing Agent shall comply with all applicable withholding and  
18 reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all  
19 distributions under this Plan shall be subject to any such withholding or reporting requirements. In  
20 the case of a non-Cash distribution that is subject to withholding, the distributing party may withhold  
21 an appropriate portion of such distributed property and sell such withheld property to generate Cash  
22 necessary to pay over the withholding tax. Any amounts withheld pursuant to the preceding sentence  
23 shall be deemed to have been distributed to and received by the applicable recipient for all purposes  
24 of this Plan.

25                   (b)       Notwithstanding the above, each holder of an Allowed Claim that is to receive  
26 a distribution under this Plan shall have the sole and exclusive responsibility for the satisfaction and  
27 payment of any tax obligations imposed on such holder by any federal, state, local, or foreign taxing  
28 authority, including income, withholding, and other tax obligations, on account of such distribution.  
The Reorganized Debtors and the Disbursing Agent have the right, but not the obligation, to not make  
a distribution until such holder has made arrangements satisfactory to any issuing or disbursing party  
for payment of any such tax obligations.

                  (c)       The Reorganized Debtors and the Disbursing Agent may require, as a condition  
to receipt of a distribution, that the holder of an Allowed Claim provide any information necessary to  
allow the distributing party to comply with any such withholding and reporting requirements imposed  
by any federal, state, local, or foreign taxing authority. If the Reorganized Debtors or the Disbursing  
Agent make such a request and the holder fails to comply before the date that is 180 days after the  
request is made, the amount of such distribution shall irrevocably revert to the applicable Reorganized  
Debtor and any Claim in respect of such distribution shall be discharged and forever barred from  
assertion against such Reorganized Debtor or its respective property.

1           **5.16 Credit for Distributions under Wildfire Assistance Program.** If a holder of  
2 an Allowed Fire Claim has received or will receive any distribution from the Wildfire Assistance  
3 Program, such distribution shall be credited against any distribution to be made on account of such  
4 holder's Fire Claim under this Plan and in accordance with the terms of the Wildfire Trust Agreements.

## ARTICLE VI.

### MEANS FOR IMPLEMENTATION AND EXECUTION OF THE PLAN

#### 6.1 [Reserved.]

#### 6.2 Restructuring Transactions; Effectuating Documents.

8           (a) Following the Confirmation Date or as soon as reasonably practicable  
9 thereafter, the Debtors or the Reorganized Debtors, as applicable, may take all actions as may be  
10 necessary or appropriate to effectuate any transaction described in, approved by, contemplated by, or  
11 necessary to effectuate the Plan or to obtain any of the Plan Funding (collectively, the "**Restructuring  
12 Transactions**"), including (i) the execution and delivery of appropriate agreements or other  
13 documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer,  
14 arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are  
15 consistent with the terms of the Plan, (ii) the execution and delivery of appropriate instruments of  
16 transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or  
17 obligation on terms consistent with the terms of the Plan, (iii) the filing of appropriate certificates or  
18 articles of incorporation, reincorporation, merger, consolidation, conversion, amalgamation,  
19 arrangement, continuance, or dissolution pursuant to applicable state or federal law, (iv) the execution  
20 and delivery of the Plan Documents, (v) the issuance of securities, all of which shall be authorized and  
21 approved in all respects in each case without further action being required under applicable law,  
22 regulation, order, or rule (except such filings, approvals and authorizations as may be required,  
23 necessary or desirable for offerings of securities not exempt from the Securities Act pursuant to section  
24 1145 of the Bankruptcy Code), (vi) such other transactions that are necessary or appropriate to  
25 implement the Plan in the most tax efficient manner, (vii) the cancellation of existing securities, and  
26 (viii) all other actions that the applicable Entities determine to be necessary or appropriate, including  
27 making filings or recordings that may be required by applicable law.

28           (b) Each officer, or member of the board of directors, of the Debtors is (and each  
29 officer, or member of the board of directors of the Reorganized Debtors shall be) authorized to issue,  
30 execute, deliver, file, or record such contracts, securities, instruments, releases, indentures, and other  
31 agreements or documents and take such actions as may be necessary or appropriate to effectuate,  
32 implement, and further evidence the terms and conditions of the Plan and the securities issued pursuant  
33 to the Plan in the name of and on behalf of the Reorganized Debtors, all of which shall be authorized  
34 and approved in all respects, in each case, without the need for any approvals, authorization, consents,  
35 or any further action required under applicable law, regulation, order, or rule (including any action by  
36 the stockholders or directors of the Debtors or the Reorganized Debtors) except for those expressly  
37 required pursuant to the Plan.

1 (c) All matters provided for herein involving the corporate structure of the Debtors  
2 or Reorganized Debtors, or any corporate action required by the Debtors or Reorganized Debtors in  
3 connection herewith shall be deemed to have occurred and shall be in effect, without any requirement  
4 of further action by the stockholders or directors of the Debtors or Reorganized Debtors, and with like  
effect as though such action had been taken unanimously by the stockholders of the Debtors or  
Reorganized Debtors.

5 **6.3 Continued Corporate Existence.** Except as otherwise provided in this Plan  
6 (including pursuant to the Restructuring Transactions), the Debtors shall continue to exist after the  
7 Effective Date as Reorganized Debtors in accordance with the applicable laws of the respective  
8 jurisdictions in which they are incorporated or organized. On and after the Effective Date, without  
9 prejudice to the rights of any party to a contract or other agreement with any Debtor, each Reorganized  
10 Debtor may, in its sole discretion, take such action as permitted by applicable law and such  
11 Reorganized Debtor's organizational documents, as such Reorganized Debtor may determine is  
12 reasonable and appropriate, including: (i) changing the legal name of a Reorganized Debtor; (ii)  
13 closing the applicable Chapter 11 Case; and (iii) amending its charter so as to prevent the acquisition,  
sale, or other transaction of any class or classes of stock of Reorganized HoldCo, other than pursuant  
to the Plan, for the purpose of preserving the tax benefits of the Reorganized Debtors if such  
acquisition, sale, or other transaction would result in an increase in the amount of stock of Reorganized  
HoldCo beneficially owned (as determined for applicable tax purposes) by any person or group of  
persons that owns, or as a result of such acquisition, sale, or other transaction would own, at least  
4.75% of any class or classes of stock of Reorganized HoldCo.

14 **6.4 The Subrogation Wildfire Trust.**

15 (a) On or before the Effective Date, the Subrogation Wildfire Trust shall be  
16 established by the Subrogation Wildfire Trustee and on the Effective Date or as soon as reasonably  
17 practicable thereafter, the Debtors shall fund the Subrogation Wildfire Trust as provided in Section  
18 4.25(b) hereof. In accordance with the Subrogation Wildfire Trust Agreement and the Subrogation  
19 Wildfire Claim Allocation Agreement, each of which shall become effective as of the Effective Date,  
the Subrogation Wildfire Trust shall administer, process, settle, resolve, liquidate, satisfy, and pay all  
Subrogation Wildfire Claims. All Subrogation Wildfire Claims shall be channeled to the Subrogation  
Wildfire Trust and shall be subject to the Channeling Injunction.

20 (b) Each trust comprising the Subrogation Wildfire Trust is intended to be treated,  
21 and shall be reported, as a "qualified settlement fund" for U.S. federal income tax purposes and shall  
22 be treated consistently for state and local tax purposes, to the extent applicable; *provided*, however,  
23 that the Reorganized Debtors may elect to treat any trust comprising the Subrogation Wildfire Trust  
24 as a "grantor trust" for U.S. federal income tax purposes, in which case each such trust shall be treated  
25 consistently for state and local tax purposes, to the extent applicable. The Subrogation Wildfire Trustee  
26 and all holders of Subrogation Wildfire Claims shall report consistently with the foregoing. The  
27 Subrogation Wildfire Trustee shall be the "administrator," within the meaning of Treasury Regulations  
28 Section 1.468B-2(k)(3), of the Subrogation Wildfire Trust and, in such capacity, the Subrogation  
Wildfire Trustee shall be responsible for filing all tax returns of the Subrogation Wildfire Trust and,  
out of the assets of the Subrogation Wildfire Trust, the payment of any taxes due with respect to trust  
assets or otherwise imposed on the Subrogation Wildfire Trust (including any tax liability arising in

1 connection with the distribution of trust assets), and shall be permitted to sell any assets of the  
2 Subrogation Wildfire Trust to the extent necessary to satisfy such tax liability (including any tax  
liability arising in connection with such sale).

3 (c) Except as otherwise provided in the Subrogation Wildfire Trust Agreement, or  
4 the Subrogation Wildfire Claim Allocation Agreement, the Subrogation Wildfire Trustee will make  
5 the applicable distribution under the Subrogation Wildfire Trust Agreement and, subject to Bankruptcy  
6 Rule 2002, at: (i) the address of such holder on the books and records of the Debtors or their agents;  
7 (ii) the address provided by such holder on its most recent proof of claim, or (iii) the address in any  
8 written notice of address change delivered to the Debtors prior to the Effective Date, or the  
9 Subrogation Wildfire Trustee after the Effective Date, including any addresses included on any  
10 transfers of Claim filed pursuant to Bankruptcy Rule 3001. In the event that any distribution to any  
holder is returned as undeliverable, no distribution or payment to such holder shall be made unless and  
11 until the Subrogation Wildfire Trustee has been notified of the then-current address of such holder, at  
12 which time or as soon as reasonably practicable thereafter, such distribution shall be made to such  
holder without interest.

(d) The Subrogation Wildfire Trustee may request an expedited determination of  
11 taxes under section 505(b) of the Bankruptcy Code for all tax returns filed by or on behalf of the  
12 Subrogation Wildfire Trust through the termination of the Subrogation Wildfire Trust.

### 13 **6.5 Subrogation Wildfire Trustee.**

14 (a) Powers and Duties of Trustee. The powers and duties of the Subrogation  
15 Wildfire Trustee shall include, but shall not be limited to, those responsibilities vested in the  
16 Subrogation Wildfire Trustee pursuant to the terms of the Subrogation Wildfire Trust Agreement, or  
17 as may be otherwise necessary and proper to (i) make distributions to holders of Subrogation Wildfire  
18 Claims in accordance with the terms of the Plan, Subrogation Wildfire Trust Agreement, and  
19 Subrogation Wildfire Claim Allocation Agreement and (ii) carry out the provisions of the Plan relating  
to the Subrogation Wildfire Trust and the Subrogation Wildfire Claims. The Subrogation Wildfire  
Trustee shall maintain good and sufficient books and records relating to each Subrogation Wildfire  
Claim, including the identity of the owner of each Subrogation Wildfire Claim and the amount and  
date of all Distributions made on account of each such Subrogation Wildfire Claim.

20 (b) The Subrogation Wildfire Trustee shall cooperate fully with the Reorganized  
21 Debtors in connection with the preparation and filing by the Reorganized Debtors of any tax returns,  
22 claims for refunds, or other tax filings, and any tax proceedings, to the extent relating to any transfers  
to, distributions by, or the operations of the Subrogation Wildfire Trust.

### 23 **6.6 Subrogation Wildfire Trust Advisory Board.**

24 (a) Appointment of Subrogation Wildfire Trust Advisory Board. The Subrogation  
25 Wildfire Trust Advisory Board shall consist of three (3) initial members selected by holders of  
26 Subrogation Wildfire Claims in accordance with the Subrogation Wildfire Trust Agreement and the  
Subrogation Wildfire Claim Allocation Agreement.

1           (b) Powers and Duties of Subrogation Trust Advisory Board. The Subrogation  
2 Trust Advisory Board shall, as and when requested by the Subrogation Wildfire Trustee, or as is  
3 otherwise either (i) required under the Plan, the Confirmation Order, the Subrogation Wildfire Trust  
4 Agreement or (ii) contemplated by the Subrogation Wildfire Claim Allocation Agreement, consult  
5 with and advise the Subrogation Wildfire Trustee as to the administration and management of the  
6 Subrogation Wildfire Trust in accordance with the terms of this Plan, the Confirmation Order, and/or  
7 the Subrogation Trust Agreement.

8           (c) The Subrogation Wildfire Trust Advisory Board shall be appointed on the  
9 Effective Date. The rights and responsibilities of the Subrogation Wildfire Trust Advisory Board shall  
10 be set forth in the Subrogation Wildfire Trust Agreement.

#### 11           **6.7    The Fire Victim Trust.**

12           (a) On or before the Effective Date, the Fire Victim Trust shall be established. In  
13 accordance with the Plan, the Confirmation Order, the Fire Victim Trust Agreement and the Fire  
14 Victim Claims Resolution Procedures, the Fire Victim Trust shall, among other tasks described in this  
15 Plan or the Fire Victim Trust Agreement, administer, process, settle, resolve, liquidate, satisfy, and  
16 pay all Fire Victim Claims, and prosecute or settle all Assigned Rights and Causes of Action. All Fire  
17 Victim Claims shall be channeled to the Fire Victim Trust and shall be subject to the Channeling  
18 Injunction. The Fire Victim Trust shall be funded with the Aggregate Fire Victim Consideration. To  
19 the extent, if any, a holder of a Fire Victim Claim asserts damages against the Debtors or the Fire  
20 Victim Trust for amounts covered by a policy of insurance, the Fire Victim Trust may receive a credit  
21 against the Fire Victim Claim of any such holder, its predecessor, successor, or assignee, for insurance  
22 coverage amounts as provided in the Fire Victim Trust Agreement. In addition, coverage provisions  
23 of any insurance policy for losses resulting from a Fire and any funds received by any holder of a Fire  
24 Victim Claim, net of attorney's fees, shall satisfy, to the extent applicable, any amounts of restitution  
25 the Debtors or Reorganized Debtors might be subject to under Cal. Penal Code § 1202.4

26           (b) Each trust comprising the Fire Victim Trust is intended to be treated, and shall  
27 be reported, as a "qualified settlement fund" for U.S. federal income tax purposes and shall be treated  
28 consistently for state and local tax purposes, to the extent applicable; provided, however, that the  
Reorganized Debtors may elect to treat any trust comprising the Fire Victim Trust as a "grantor trust"  
for U.S. federal income tax purposes, in which case each such trust shall be treated consistently for  
state and local tax purposes, to the extent applicable. The Fire Victim Trustee and all holders of Fire  
Victim Claims shall report consistently with the foregoing. The Fire Victim Trustee shall be the  
"administrator," within the meaning of Treasury Regulations Section 1.468B-2(k)(3), of the Fire  
Victim Trust and, in such capacity, the Fire Victim Trustee shall be responsible for filing all tax returns  
of the Fire Victim Trust and, out of the assets of the Fire Victim Trust, the payment of any taxes due  
with respect to trust assets or otherwise imposed on the Fire Victim Trust (including any tax liability  
arising in connection with the distribution of trust assets), shall be permitted to sell any assets of the  
Fire Victim Trust to the extent necessary to satisfy such tax liability (including any tax liability arising  
in connection with such sale).

          (c) On the Effective Date, the Fire Victim Claims Resolution Procedures shall  
become effective.

1 (d) No parties other than holders of Fire Victim Claims shall have a right, or  
2 involvement in, the Fire Victim Claims Resolution Procedures, the Fire Victim Trust Agreement, the  
3 administration of the Fire Victim Trust, the selection of a Fire Victim Trustee, settlement fund  
4 administrator, claims administrator, or the Fire Victim Trust Oversight Committee. The Fire Victim  
5 Claims shall be administered by a Fire Victim Trust and the Fire Victim Trust Oversight Committee  
6 independent of the Debtors. The Fire Victim Claims shall be administered, allocated and distributed  
7 in accordance with applicable ethical rules and subject to adequate informed consent procedures. The  
8 Fire Victim Trustee shall receive settlement allocations consistent with Rule 1.8(g) of the Model Rules  
9 of Professional Conduct. The rules and procedures governing the administration and allocation of the  
10 funds from the Fire Victim Trust shall be objectively applied and transparent. No party other than  
11 holders of Fire Victim Claims, including but not limited to the Debtors, the Reorganized Debtors, and  
12 any holders of Claims or Interests other than holders of Fire Victim Claims, shall have any rights to  
13 any of the proceeds in the Fire Victim Trust, or any clawback or reversionary interest of any of the  
14 consideration (whether Cash or otherwise) allocated to any of the holders of Fire Victim Claims  
15 generally or in the total amount funded to the Fire Victim Trust.

## 10 **6.8 Fire Victim Trustee**

11 (a) Powers and Duties of Trustee. The powers and duties of the Fire Victim Trustee  
12 shall include, but shall not be limited to, those responsibilities vested in the Fire Victim Trustee  
13 pursuant to the terms of the Fire Victim Trust Agreement, or as may be otherwise necessary and proper  
14 to (i) make distributions to holders of Fire Victim Claims in accordance with the terms of the Plan and  
15 the Fire Victim Trust Agreement and (ii) carry out the provisions of the Plan relating to the Fire Victim  
16 Trust and the Fire Victim Claims, including but not limited to prosecuting or settling all Assigned  
17 Rights and Causes of Action in his or her capacity as a trustee for the benefit of Fire Victims. On the  
18 Effective Date, pursuant to this Plan and sections 1123, 1141, and 1146(a) of the Bankruptcy Code,  
19 the Debtors, on behalf of their estates, and the Fire Victim Trustee, will be authorized and directed to,  
20 and will execute the Fire Victim Trust Agreement in substantially the form that will be attached to the  
21 Plan Supplement, and will be further authorized and directed to, and will, take all such actions as  
22 required to transfer the Assigned Rights and Causes of Action from the Debtors to the Fire Victim  
23 Trust. The Fire Victim Trustee shall maintain good and sufficient books and records relating to each  
24 Fire Victim Claim, including the identity of the owner of each Fire Victim Claim and the amount and  
25 date of all Distributions made on account of each such Fire Victim Claim. In addition to all powers  
26 enumerated in the Fire Victim Trust Agreement, in this Plan, and in the Confirmation Order, from and  
27 after the Effective Date, the Fire Victim Trust shall succeed to all of the rights and standing of the  
28 Debtors with respect to the Assigned Rights and Causes of Action in its capacity as a trust  
administering assets for the benefit of Fire Victims.

(b) The Fire Victim Trustee will be appointed as the representative of each of the  
Debtors' estates pursuant to sections 1123(a)(5), (a)(7), and (b)(3)(B) of the Bankruptcy Code and as  
such will be vested with the authority and power (subject to the Fire Victim Trust Agreement and the  
Plan) to, among other things: (i) administer, object to or settle Fire Victim Claims; (ii) make  
distributions to holders of Fire Victim Claims in accordance with the terms of the Plan and the Fire  
Victim Trust Agreement, and (iii) carry out the provisions of the Plan related to the Fire Victim Trust  
and the Fire Victim Claims, including but not limited to prosecuting or settling all Assigned Rights  
and Causes of Action in his or her capacity as a trustee for the benefit of holders of Fire Victim Claims.

1 As the representative of the Debtors' estates, in his or her capacity as a trustee for the benefit of Fire  
2 Victims, the Fire Victim Trustee will succeed to all of the rights and powers of the Debtors and their  
3 estates with respect to all Assigned Rights and Causes of Action assigned and transferred to the Fire  
4 Victim Trust, and the Fire Victim Trustee will be substituted and will replace the Debtors, their estates,  
any official committee appointed in these cases if applicable, in all such Assigned Rights and Causes  
of Action, whether or not such claims are pending in filed litigation.

5 (c) The Fire Victim Trustee shall cooperate fully with the Reorganized Debtors in  
6 connection with the preparation and filing by the Reorganized Debtors of any tax returns, claims for  
7 refunds, or other tax filings, and any tax proceedings, to the extent relating to any transfers to,  
distributions by, or the operations of the Fire Victim Trust.

8 (d) Except as otherwise provided in the Fire Victim Trust Agreement, or the Fire  
9 Victim Claims Resolution Procedures, the Fire Victim Trustee will make the applicable distribution  
10 under the Fire Victim Trust Agreement and, subject to Bankruptcy Rule 2002, at: (i) the address of  
11 such holder on the books and records of the Debtors or their agents; (ii) the address provided by such  
12 holder on its most recent proof of claim, or (iii) the address in any written notice of address change  
13 delivered to the Debtors prior to the Effective Date, or the Fire Victim Trustee after the Effective Date,  
14 including any addresses included on any transfers of Claim filed pursuant to Bankruptcy Rule 3001.  
15 In the event that any distribution to any holder is returned as undeliverable, no distribution or payment  
16 to such holder shall be made unless and until the Fire Victim Trustee has been notified of the then-  
17 current address of such holder, at which time or as soon as reasonably practicable thereafter, such  
distribution shall be made to such holder without interest.

18 (e) The Fire Victim Trust Oversight Committee shall be appointed on the Effective  
19 Date. The Fire Victim Trust Oversight Committee shall consist of members selected and appointed  
20 by the Consenting Fire Claimant Professionals and the Tort Claimants Committee. The rights and  
21 responsibilities of the Fire Victim Trust Oversight Committee shall be set forth in the Fire Victim  
Trust Agreement.

22 (f) Unless otherwise expressly provided under this Plan, on the Effective Date, all  
23 Assigned Rights and Causes of Action will vest in the Fire Victim Trust. On and after the Effective  
24 Date, the transfer of the Assigned Rights and Causes of Action to the Fire Victim Trust will be deemed  
25 final and irrevocable and distributions may be made from the Fire Victim Trust. The Confirmation  
26 Order will provide the Fire Victim Trustee with express authority and standing necessary to take all  
27 actions to prosecute or settle any and all Assigned Rights and Causes of Action.

28 (g) The Fire Victim Trustee may request an expedited determination of taxes under  
section 505(b) of the Bankruptcy Code for all tax returns filed by or on behalf of the Fire Victim Trust  
through the termination of the Fire Victim Trust.

#### 24 **6.9 Public Entities Segregated Defense Fund.**

25 (a) On the Effective Date, the Reorganized Debtors shall fund the Public Entities  
26 Segregated Defense Fund in accordance with the terms of the Public Entities Plan Support  
27 Agreements.  
28

1 (b) The Public Entities Segregated Defense Fund shall be maintained by the  
2 Reorganized Debtors until the later of (i) the expiration of the applicable statute of limitations period  
3 for any and all Public Entities Third Party Claims and (ii) the conclusion of all litigation, including  
4 appeals, involving all Public Entities Third Party Claims.

4 **6.10 Go-Forward Wildfire Fund.**

5 (a) On the Effective Date, the Debtors shall contribute, in accordance with the  
6 Wildfire Legislation (A.B. 1054), an initial contribution of approximately \$4.8 billion and first annual  
7 contribution of approximately \$193 million, to the Go-Forward Wildfire Fund in order to secure the  
8 participation of the Reorganized Debtors therein.

8 (b) The Reorganized Debtors shall also be responsible for ongoing funding  
9 commitments to the Go-Forward Wildfire Fund as required by the terms thereof and the Wildfire  
10 Legislation (A.B. 1054).

10 **6.11 Officers and Board of Directors.**

11 (a) The New Boards for HoldCo and the Utility will, among other things, satisfy  
12 the requirements of the Wildfire Legislation (A.B. 1054) and other applicable law, including with  
13 respect to directors having appropriate experience in safety, finance and utility operations. The  
14 composition of the New Boards shall be disclosed in accordance with section 1129(a)(5) of the  
15 Bankruptcy Code.

14 (b) Except as otherwise provided in the Plan Supplement, the officers of the  
15 respective Debtors immediately before the Effective Date, as applicable, shall serve as the initial  
16 officers of each of the respective Reorganized Debtors on and after the Effective Date.

16 (c) Except to the extent that a member of the board of directors of a Debtor  
17 continues to serve as a director of the respective Reorganized Debtor on and after the Effective Date,  
18 the members of the board of directors of each Debtor prior to the Effective Date, in their capacities as  
19 such, shall have no continuing obligations to the Reorganized Debtors on or after the Effective Date  
20 and each such director will be deemed to have resigned or shall otherwise cease to be a director of the  
21 applicable Debtor on the Effective Date.

20 (d) Commencing on the Effective Date, the directors of each of the Reorganized  
21 Debtors shall be elected and serve pursuant to the terms of the applicable organizational documents of  
22 such Reorganized Debtor and may be replaced or removed in accordance with such organizational  
23 documents.

23 **6.12 Management Incentive Plan.** On or after the Effective Date, the Management  
24 Incentive Plan may be established and implemented at the discretion of the New Board and in  
25 compliance with the Wildfire Legislation (A.B. 1054).  
26  
27  
28

1                   **6.13    Cancellation of Existing Securities and Agreements.**

2                   (a)       Except for the purpose of enabling holders of Allowed Claims to receive a  
3 distribution under the Plan as provided herein and except as otherwise set forth in this Plan, the Plan  
4 Supplement or the Confirmation Order, on the Effective Date, all agreements, instruments, and other  
5 documents evidencing any prepetition Claim or any rights of any holder in respect thereof shall be  
6 deemed cancelled, discharged, and of no force or effect. For the avoidance of doubt, in accordance  
7 with Sections 4.13, 4.15, 4.19, 4.33, and 4.34 of the Plan, none of the HoldCo Common Interests, the  
8 HoldCo Other Interests, the Utility Reinstated Senior Note Documents, the Utility Preferred Interests,  
or the Utility Common Interests shall be cancelled pursuant to the Plan. The holders of, or parties to,  
such cancelled instruments, Securities, and other documentation shall have no rights arising from or  
related to such instruments, Securities, or other documentation or the cancellation thereof, except the  
rights provided for pursuant to this Plan.

9                   (b)       Except as otherwise set forth in the Plan, the Funded Debt Trustees shall be  
10 released and discharged from all duties and responsibilities under the applicable Funded Debt  
11 Documents; *provided that*; notwithstanding the releases in Article X of the Plan, entry of the  
12 Confirmation Order or the occurrence of the Effective Date, each of the Funded Debt Documents or  
13 agreement that governs the rights of the holder of a Claim shall continue in effect to the extent  
14 necessary to: (i) enforce the rights, Claims, and interests of the Funded Debt Trustees thereto vis-a-  
15 vis any parties other than the Released Parties; (ii) allow the holders of Allowed Funded Debt Claims,  
16 Utility Senior Note Claims, or Utility PC Bond (2008 F and 2010 E) Claim, as applicable, to receive  
17 distributions under the Plan, to the extent provided for under the Plan; (iii) appear to be heard in the  
18 Chapter 11 Cases or in any proceedings in this Court or any other court; (iv) preserve any rights of the  
19 Funded Debt Trustees to payment of fees, expenses, and indemnification obligations from or on any  
money or property to be distributed in respect of the Allowed Funded Debt Claims, Utility Senior Note  
Claims and Utility PC Bond (2008 F and 2010 E) Claims, solely to the extent provided in the Plan,  
including permitting the Funded Debt Trustees to maintain, enforce, and exercise a Charging Lien  
against such distributions; and (v) enforce any obligation owed to the Funded Debt Trustees under the  
Plan. For the avoidance of doubt, on and after the Effective Date, the Utility Senior Notes Trustee  
shall not be released from any duty or responsibility under or arising from the Utility Reinstated Senior  
Note Documents.

20                   **6.14    Cancellation of Certain Existing Security Agreements.** Promptly following  
21 the payment in full or other satisfaction of an Allowed Other Secured Claim, the holder of such  
22 Allowed Other Secured Claim shall deliver to the Debtors or Reorganized Debtors, as applicable, any  
23 Collateral or other property of a Debtor held by such holder, together with any termination statements,  
instruments of satisfaction, or releases of all security interests with respect to its Allowed Other  
Secured Claim that may be reasonably required to terminate any related financing statements,  
mortgages, mechanics' or other statutory Liens, or lis pendens, or similar interests or documents.

24                   **6.15    Issuance of Equity and Equity-Linked Securities.** On and after the  
25 Confirmation Date, HoldCo and Reorganized HoldCo, as applicable, shall be authorized to offer, sell,  
26 distribute, and issue, or cause to be offered, sold, distributed and issued, subject to or substantially  
27 concurrent with the occurrence of the Effective Date, any equity securities, equity forward contracts  
28 or other equity-linked securities that are issued to obtain Plan Funding, all without the need for any

1 further corporate, limited liability company, or shareholder action, and to authorize and reserve for  
2 issuance New HoldCo Common Stock to be issued pursuant to any such transaction or upon the  
3 exercise, conversion or settlement of any such equity forward contracts or other equity-linked  
4 securities. All of the New HoldCo Common Stock distributable under the Plan or pursuant to any  
instrument or document entered into in connection with the Plan Funding shall be duly authorized,  
validly issued, and fully paid and non-assessable.

5 **6.16 Exit Financing.** On the Effective Date, the Exit Financing Documents shall be  
6 executed and delivered. The Reorganized Debtors shall be authorized to execute, deliver, and enter  
7 into and perform under the Exit Financing Documents and to consummate the Exit Financing without  
the need for any further corporate action and without further action by the holders of Claims or  
Interests.

8 **6.17 Rights Offering.** If applicable, following approval by the Bankruptcy Court of  
9 the Rights Offering Procedures and, if the offer, issuance and distribution of Securities pursuant to the  
10 Rights Offering is to be registered under the Securities Act, effectiveness of an appropriate registration  
11 statement registering such offer, issuance and distribution under the Securities Act, the Debtors shall,  
12 if they determine to implement the same, commence and consummate the Rights Offering in  
13 accordance therewith. New HoldCo Common Stock shall be issued to each Eligible Offeree that  
14 exercises its respective subscription rights pursuant to the Rights Offering Procedures and the Plan.  
15 The consummation of the Rights Offering shall be conditioned on the occurrence of the Effective Date,  
and any other condition specified in the Backstop Commitment Letters. Amounts held by the  
subscription agent with respect to the Rights Offering prior to the Effective Date shall not be entitled  
to any interest on account of such amounts and no Eligible Offeree participating in the Rights Offering  
shall have any rights in New HoldCo Common Stock until the Rights Offering is consummated.

16 **6.18 Plan Proponent Reimbursement.** On the Effective Date, the Reorganized  
17 Debtors shall reimburse the Shareholder Proponents for their out-of-pocket expenses (excluding any  
18 professional fees) incurred in connection with the furtherance of the Debtors' reorganization, which  
in the aggregate shall not exceed \$150,000.

19 **6.19 Securities Act Registrations or Exemptions.**

20 (a) The offer, issuance and distribution of the New HoldCo Common Stock and  
21 other Securities as provided hereunder may be exempt from registration under (i) the Securities Act  
22 of 1933 and all rules and regulations promulgated thereunder and (ii) any state or local law requiring  
23 registration for the offer, issuance, or distribution of Securities, pursuant to section 1145 of the  
24 Bankruptcy Code, without further act or action by any Entity, pursuant to another available exemption  
25 from registration, such as section 4(a)(2) of the Securities Act and/or Regulation D promulgated  
26 thereunder, or pursuant to Article III of the Securities Act, or such offer, issuance and distribution may  
27 be registered under the Securities Act pursuant to an appropriate registration statement. Any offer,  
28 issuance and distribution of Securities pursuant to any Backstop Commitment Letter may be exempt  
from registration pursuant to section 4(a)(2) of the Securities Act and/or Regulation D promulgated  
thereunder.

1 (b) Under section 1145 of the Bankruptcy Code, any securities issued under the  
2 Plan that are exempt from such registration pursuant to section 1145(a) of the Bankruptcy Code will  
3 be freely tradable by the recipients thereof, subject to (i) the provisions of section 1145(b)(1) of the  
4 Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act  
5 of 1933, (ii) compliance with any rules and regulations of the Securities and Exchange Commission,  
6 if any, applicable at the time of any future transfer of such securities or instruments, (iii) the  
7 restrictions, if any, on the transferability of such securities and instruments, including any restrictions  
8 on the transferability under the terms of the New Organizational Documents, (iv) any applicable  
9 procedures of DTC, and (v) applicable regulatory approval.

## 7 ARTICLE VII.

### 8 PROCEDURES FOR DISPUTED CLAIMS

9 7.1 **Objections to Claims.** Except as otherwise provided herein, in the Claims  
10 Resolution Procedures, the Subrogation Claims RSA, and in the Wildfire Trust Agreements, the  
11 Reorganized Debtors shall be entitled to object to Claims. The Subrogation Wildfire Trustee shall be  
12 entitled to object to Subrogation Wildfire Claims. The Fire Victim Trustee shall be entitled to object  
13 to Fire Victim Claims. Except as otherwise set forth in the Plan, any objections to Claims shall be  
14 served and filed on or before the later of (i) one-hundred and eighty (180) days after the Effective Date  
15 and (ii) such later date as may be fixed by the Bankruptcy Court (as the same may be extended by the  
16 Bankruptcy Court for cause shown). Fire Victim Claims, other than those Claims arising out of the  
2015 Butte fires that were the subject of fully executed prepetition settlement agreements with the  
Debtor(s) and any other Fire Victim Claim that is settled or Allowed by order of the Bankruptcy Court  
prior to the Effective Date, are treated as unliquidated Disputed Claims for purposes of the Fire Victim  
Trust and shall be subject to resolution by the Fire Victim Trust in accordance with the Fire Victim  
Claims Resolution Procedures.

17 7.2 **Resolution of Disputed Administrative Expense Claims and Disputed**  
18 **Claims.** Except as otherwise provided for in the Plan, in the Claims Resolution Procedures, the  
19 Subrogation Claims RSA, or in the Wildfire Trust Agreements, on and after the Effective Date, the  
20 Reorganized Debtors shall have the authority to compromise, settle, otherwise resolve, or withdraw  
21 any objections to Disputed Administrative Expense Claims or Disputed Claims and to compromise,  
22 settle, or otherwise resolve any Disputed Administrative Expense Claims and Disputed Claims without  
23 approval of the Bankruptcy Court, other than with respect to any Professional Fee Claims. On and  
24 after the Effective Date, the Subrogation Wildfire Trustee shall have the authority to compromise,  
25 settle, otherwise resolve, or withdraw any objections to Disputed Subrogation Wildfire Claims without  
26 approval of the Bankruptcy Court. On and after the Effective Date, the Fire Victim Trustee shall have  
27 the authority to compromise, settle, otherwise resolve, or withdraw any objections to Disputed Fire  
28 Victim Claims without approval of the Bankruptcy Court. Notwithstanding the foregoing, and for the  
avoidance of doubt, Subrogation Wildfire Claims and Fire Victim Claims may only be compromised,  
settled, or resolved pursuant to the applicable Claims Resolution Procedures and Wildfire Trust  
Agreement.

26 7.3 **Payments and Distributions with Respect to Disputed Claims.**  
27 Notwithstanding anything herein to the contrary, if any portion of a Claim is a Disputed Claim, no  
28

1 payment or distribution provided hereunder shall be made on account of such Claim (including on  
2 account of the non-Disputed portion of such Claim) unless and until such Disputed Claim becomes an  
3 Allowed Claim.

4 **7.4 Distributions After Allowance.** After such time as a Disputed Claim becomes,  
5 in whole but not in part, an Allowed Claim, the holder thereof shall be entitled to distributions, if any,  
6 to which such holder is then entitled as provided in this Plan, including any interest accrued in respect  
7 of such Allowed Claim from the Petition Date through the date of such distributions on account of  
8 such Allowed Claim, at the applicable rate provided for in such Claim's treatment pursuant to this  
9 Plan. Such distributions shall be made as soon as practicable after the date that the order or judgment  
10 of the Bankruptcy Court allowing such Disputed Claim (or portion thereof) becomes a Final Order.

11 **7.5 Disallowance of Claims.** Any Claims held by an Entity from which property  
12 is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a  
13 transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy  
14 Code, as determined by a Final Order, shall be deemed disallowed pursuant to section 502(d) of the  
15 Bankruptcy Code, and holders of such Claims may not receive any distributions on account of such  
16 Claims until such time as such Causes of Action against that Entity have been settled or a Final Order  
17 with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been  
18 turned over or paid to the Debtors or the Reorganized Debtors. Except as otherwise provided herein  
19 or by an order of the Bankruptcy Court, all proofs of Claim filed after the Effective Date shall be  
20 disallowed and forever barred, estopped, and enjoined from assertion, and shall not be enforceable  
21 against any Reorganized Debtor, without the need for any objection by the Reorganized Debtors or  
22 any further notice to or action, order, or approval of the Bankruptcy Court, other than a claim for  
23 damages arising from the rejection of an executory contract or unexpired lease.

24 **7.6 Estimation.** Except as otherwise provided in the Plan, the Claims Resolution  
25 Procedures, the Subrogation Claims RSA, and the Wildfire Trust Agreements, the Debtors or the  
26 Reorganized Debtors (or the Subrogation Wildfire Trustee solely with respect to Disputed Subrogation  
27 Wildfire Claims and the Fire Victim Trustee solely with respect to Disputed Fire Victim Claims) may  
28 determine, resolve and otherwise adjudicate all contingent Claims or unliquidated Claims in the  
Bankruptcy Court or such other court of the Debtors', Reorganized Debtors', the Subrogation Wildfire  
Trustee's or the Fire Victim Trustee's choice having jurisdiction over the validity, nature or amount  
thereof. The Debtors or the Reorganized Debtors (or the Subrogation Wildfire Trustee solely with  
respect to Disputed Subrogation Wildfire Claims and the Fire Victim Trustee solely with respect to  
Disputed Fire Victim Claims) may at any time request that the Bankruptcy Court estimate any  
contingent Claims or unliquidated Claims pursuant to section 502(c) of the Bankruptcy Code for any  
reason or purpose, regardless of whether any of the Debtors or the Reorganized Debtors (or the  
Subrogation Wildfire Trustee solely with respect to Disputed Subrogation Wildfire Claims and the  
Fire Victim Trustee solely with respect to Disputed Fire Victim Claims) have previously objected to  
such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court  
shall retain jurisdiction to estimate any Claim at any time during litigation concerning any objection  
to any Claim, including, during the pendency of any appeal relating to any such objection. If the  
Bankruptcy Court estimates any contingent Claim or unliquidated Claim, that estimated amount shall  
constitute the maximum limitation on such Claim, and the Debtors or the Reorganized Debtors (or the  
Subrogation Wildfire Trustee solely with respect to Disputed Subrogation Wildfire Claims and the

1 Fire Victim Trustee solely with respect to Disputed Fire Victim Claims) may pursue supplementary  
2 proceedings to object to the ultimate allowance of such Claim; *provided*, that such limitation shall not  
3 apply to Claims requested by the Debtors to be estimated for voting purposes only. All of the  
4 aforementioned objection, estimation and resolution procedures are cumulative and not exclusive of  
5 one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved  
6 by any mechanism approved by the Bankruptcy Court. Notwithstanding section 502(j) of the  
7 Bankruptcy Code, in no event shall any holder of a Claim that has been estimated pursuant to section  
8 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such Claim unless  
9 the holder of such Claim has filed a motion requesting the right to seek such reconsideration on or  
10 before twenty (20) calendar days after the date such Claim is estimated by the Bankruptcy Court.  
11 Notwithstanding the foregoing, and for the avoidance of doubt, Subrogation Wildfire Claims and Fire  
12 Victim Claims may only be compromised, settled, or resolved pursuant to terms of the applicable  
13 Wildfire Trust Agreement.

## 9 **ARTICLE VIII.**

### 10 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

#### 11 **8.1 General Treatment.**

12 (a) As of, and subject to, the occurrence of the Effective Date and the payment of  
13 any applicable Cure Amount, all executory contracts and unexpired leases of the Reorganized Debtors  
14 shall be deemed assumed, unless such executory contract or unexpired lease (i) was previously  
15 assumed or rejected by the Debtors, pursuant to a Final Order, (ii) previously expired or terminated  
16 pursuant to its own terms or by agreement of the parties thereto, (iii) is the subject of a motion to  
17 assume, assume and assign, or reject filed by the Debtors on or before the Confirmation Date, or (iv) is  
18 specifically designated as an executory contract or unexpired lease to be rejected on the Schedule of  
19 Rejected Contracts.

20 (b) Notwithstanding the foregoing, as of and subject to the occurrence of the  
21 Effective Date and the payment of any applicable Cure Amount, all power purchase agreements,  
22 renewable energy power purchase agreements, and Community Choice Aggregation servicing  
23 agreements of the Debtors shall be deemed assumed.

24 (c) Subject to the occurrence of the Effective Date, entry of the Confirmation Order  
25 by the Bankruptcy Court shall constitute approval of the assumptions, assumptions and assignments,  
26 or rejections provided for in this Plan pursuant to sections 365(a) and 1123 of the Bankruptcy Code.  
27 Each executory contract and unexpired lease assumed pursuant to this Plan shall vest in, and be fully  
28 enforceable by, the applicable Reorganized Debtor in accordance with its terms, except as modified  
by the provisions of this Plan, any order of the Bankruptcy Court authorizing and providing for its  
assumption or assumption and assignment, or applicable law.

#### 25 **8.2 Determination of Cure Disputes and Deemed Consent.**

26 (a) Any defaults under an assumed or assumed and assigned executory contract or  
27 unexpired lease, shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment  
28

1 of the default amount, as reflected in the applicable cure notice, in Cash on the Effective Date, subject  
2 to the limitations described below, or on such other terms as the parties to such executory contracts or  
unexpired leases and the Debtors may otherwise agree.

3 (b) At least fourteen (14) days before the deadline set to file objections to  
4 confirmation of the Plan, the Debtors shall distribute, or cause to be distributed, assumption and cure  
5 notices to the applicable third parties. **Any objection by a counterparty to an executory contract  
6 or unexpired lease to the proposed assumption, assumption and assignment, or related Cure  
Amount must be filed, served, and actually received by the Debtors before the deadline set to  
7 file objections to confirmation of the Plan.** Any counterparty to an executory contract or unexpired  
8 lease that fails to object timely to the proposed assumption, assumption and assignment, or Cure  
9 Amount will be deemed to have assented to such assumption, assumption and assignment, or Cure  
10 Amount. Notwithstanding anything herein to the contrary, (i) in the event that any executory contract  
11 or unexpired lease is removed from the Schedule of Rejected Contracts after such fourteen (14)-day  
12 deadline, a cure notice with respect to such executory contract or unexpired lease will be sent promptly  
13 to the counterparty thereof and a noticed hearing set to consider whether such executory contract or  
14 unexpired lease can be assumed or assumed and assigned, as applicable, and (ii) the right of any  
15 counterparty or holder of a Claim for a Cure Amount to investigate and/or challenge the calculation  
16 of interest with respect to any applicable Cure Amount, consistent with the Plan, is preserved.

17 (c) In the event of an unresolved dispute regarding (i) any Cure Amount, (ii) the  
18 ability of the Reorganized Debtors or any assignee to provide “adequate assurance of future  
19 performance” (within the meaning of section 365 of the Bankruptcy Code) under the executory  
20 contract or unexpired lease to be assumed, or (iii) any other matter pertaining to assumption,  
21 assumption and assignment, or the Cure Amounts required by section 365(b)(1) of the Bankruptcy  
22 Code, such dispute shall be resolved by a Final Order (which order may be the Confirmation Order).

23 (d) If the Bankruptcy Court makes a determination regarding any of the matters set  
24 forth in Section 8.2(c) above with respect to any executory contract or unexpired lease (including,  
25 without limitation that the Cure Amount is greater than the amount set forth in the applicable cure  
26 notice), as set forth in Section 8.8(a) below, the Debtors or Reorganized Debtors, as applicable, shall  
27 have the right to alter the treatment of such executory contract or unexpired lease, including, without  
28 limitation, to add such executory contract or unexpired lease to the Schedule of Rejected Contracts, in  
which case such executory contract or unexpired lease shall be deemed rejected as of the Effective  
Date.

(e) Assumption or assumption and assignment of any executory contract or  
unexpired lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any  
defaults by any Debtor arising under any assumed executory contract or unexpired lease at any time  
before the date that the Debtors assume or assume and assign such executory contract or unexpired  
lease to the fullest extent permitted under applicable law.

**8.3 Rejection Damages Claims.** In the event that the rejection of an executory  
contract or unexpired lease hereunder results in damages to the other party or parties to such contract  
or lease, any Claim for such damages, if not heretofore evidenced by a timely filed proof of Claim,  
shall be forever barred and shall not be enforceable against the Debtors or the Reorganized Debtors,

1 or their respective estates, properties or interests in property, unless a proof of Claim is filed with the  
2 Bankruptcy Court and served upon the Debtors or the Reorganized Debtors, as applicable, no later  
3 than thirty (30) days after the later of (i) the Confirmation Date or (ii) the effective date of the rejection  
4 of such executory contract or unexpired lease, as set forth on the Schedule of Rejected Contracts or  
order of the Bankruptcy Court. The Confirmation Order shall constitute the Bankruptcy Court's  
approval of the rejection of all the leases and contracts identified in the Schedule of Rejected Contracts.

5 **8.4 Survival of the Debtors' Indemnification Obligations.** Any and all  
6 obligations of the Debtors pursuant to their corporate charters, agreements, bylaws, limited liability  
7 company agreements, memorandum and articles of association, or other organizational documents  
8 (including all Indemnification Obligations) to indemnify current and former officers, directors, agents,  
9 or employees with respect to all present and future actions, suits, and proceedings against the Debtors  
10 or such officers, directors, agents, or employees based upon any act or omission for or on behalf of  
11 the Debtors shall remain in full force and effect to the maximum extent permitted by applicable law  
12 and shall not be discharged, impaired, or otherwise affected by this Plan. All such obligations shall  
13 be deemed and treated as executory contracts that are assumed by the Debtors under this Plan and shall  
14 continue as obligations of the Reorganized Debtors. Any Claim based on the Debtors' obligations in  
15 this Section 8.4 herein shall not be a Disputed Claim or subject to any objection, in either case, by  
16 reason of section 502(e)(1)(B) of the Bankruptcy Code or otherwise.

17 **8.5 Assumption of Employee Benefit Plans.**

18 (a) On the Effective Date, all Employee Benefit Plans are deemed to be, and shall  
19 be treated as, executory contracts under this Plan and, on the Effective Date, shall be assumed pursuant  
20 to sections 365 and 1123 of the Bankruptcy Code. All outstanding payments which are accrued and  
21 unpaid as of the Effective Date pursuant to the Employee Benefit Plans shall be made by the  
22 Reorganized Debtors on the Effective Date or as soon as practicable thereafter.

23 (b) The deemed assumption of the Employee Benefit Plans pursuant to this Section  
24 8.5 shall result in the full release and satisfaction of any Claims and Causes of Action against any  
25 Debtor or defaults by any Debtor arising under any Employee Benefit Plan at any time before the  
26 Effective Date. Any proofs of Claim filed with respect to an Employee Benefit Plan shall be deemed  
27 disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy  
28 Court.

(c) Notwithstanding anything to the contrary in the Plan, the Reorganized Debtors  
shall continue and assume the Pacific Gas and Electric Company Retirement Plan ("**Defined Benefit  
Plan**") subject to the Employee Retirement Income Security Act, the Internal Revenue Code, and any  
other applicable law, including (i) the minimum funding standards in 26 U.S.C. §§ 412, 430, and 29  
U.S.C. §§ 1082, 1083 and (ii) premiums under 29 U.S.C. §§ 1306 and 1307. All proofs of claim filed  
by the Pension Benefit Guaranty Corporation with respect to the Defined Benefit Plan are deemed  
withdrawn on the Effective Date.

1                   **8.6     Collective Bargaining Agreements.**

2                   (a)     On or prior to the Effective Date, and subject to the occurrence of the Effective  
3 Date, the Reorganized Debtors shall assume the Collective Bargaining Agreements. The prepetition  
4 grievance claims set out in the letter from the Debtors to IBEW Local 1245 dated May 15, 2020 shall  
5 be resolved in the ordinary course of business in accordance with the terms of the Collective  
6 Bargaining Agreements, and all parties reserve their rights with respect thereto.

7                   **8.7     Insurance Policies.**

8                   (a)     All Insurance Policies (including all D&O Liability Insurance Policies and tail  
9 coverage liability insurance), surety bonds, and indemnity agreements entered into in connection with  
10 surety bonds to which any Debtor is a party as of the Effective Date shall be deemed to be and treated  
11 as executory contracts and shall be assumed by the applicable Debtors or Reorganized Debtor and  
12 shall continue in full force and effect thereafter in accordance with their respective terms.

13                   **8.8     Reservation of Rights.**

14                   (a)     The Debtors may amend the Schedule of Rejected Contracts and any cure notice  
15 until the later of (i) 4:00 p.m. (Pacific Time) on the Business Day immediately prior to the  
16 commencement of the Confirmation Hearing or (ii) if Section 8.2(d) is applicable, the Business Day  
17 that is seven (7) Business Days following the determination by the Bankruptcy Court, in order to add,  
18 delete, or reclassify any executory contract or unexpired lease; *provided*, that if the Confirmation  
19 Hearing is adjourned for a period of more than two (2) consecutive calendar days, the Debtors' right  
20 to amend such schedules and notices shall be extended to 4:00 p.m. (Pacific Time) on the Business  
21 Day immediately prior to the adjourned date of the Confirmation Hearing, with such extension  
22 applying in the case of any and all subsequent adjournments of the Confirmation Hearing.

23                   (b)     Neither the exclusion nor the inclusion by the Debtors of any contract or lease  
24 on any exhibit, schedule, or other annex to this Plan or in the Plan Supplement, nor anything contained  
25 in this Plan or in the Plan Documents, will constitute an admission by the Debtors that any such  
26 contract or lease is or is not an executory contract or unexpired lease or that the Debtors or the  
27 Reorganized Debtors or their respective affiliates has any liability thereunder.

28                   (c)     Except as explicitly provided in this Plan, nothing herein shall waive, excuse,  
limit, diminish, or otherwise alter any of the defenses, claims, Causes of Action, or other rights of the  
Debtors or the Reorganized Debtors under any executory or non-executory contract or unexpired or  
expired lease.

(d)     Nothing in this Plan will increase, augment, or add to any of the duties,  
obligations, responsibilities, or liabilities of the Debtors or the Reorganized Debtors, as applicable,  
under any executory or non-executory contract or unexpired or expired lease.

**8.9     Modifications, Amendments, Supplements, Restatements, or Other**  
**Agreements.** Unless otherwise provided in the Plan, each executory contract or unexpired lease that  
is assumed shall include all modifications, amendments, supplements, restatements, or other

1 agreements that in any manner affect such executory contract or unexpired lease, and executory  
 2 contracts and unexpired leases related thereto, if any, including easements, licenses, permits, rights,  
 3 privileges, immunities, options, rights of first refusal, and any other interests, unless any of the  
 4 foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the  
 5 Plan.

## ARTICLE IX.

### EFFECTIVENESS OF THE PLAN

6  
 7 **9.1 Conditions Precedent to Confirmation of the Plan.** The following are  
 8 conditions precedent to confirmation of the Plan:

- 9 (a) The Disclosure Statement Order has been entered by the Bankruptcy Court;
- 10 (b) The Bankruptcy Court shall have entered the Confirmation Order in form and  
 11 substance acceptable to the Debtors;
- 12 (c) The Debtors have received the CPUC Approval, other than the approval  
 13 referred to in Section 1.37(c) of the Plan;
- 14 (d) The Subrogation Claims RSA shall be in full force and effect;
- 15 (e) The Tort Claimants RSA shall be in full force and effect;
- 16 (f) The Noteholder RSA shall be in full force and effect; and
- 17 (g) The Backstop Commitment Letters, if necessary for the Plan Funding, shall be  
 18 in full force and effect and binding on all parties thereto, and shall not have been terminated by the  
 19 parties thereto.

20 **9.2 Conditions Precedent to the Effective Date.** The following are conditions  
 21 precedent to the Effective Date of the Plan:

- 22 (a) The Confirmation Order shall have been entered by the Bankruptcy Court no  
 23 later than the June 30, 2020 date set forth in section 3292(b) of the Wildfire Legislation (A.B. 1054)  
 24 or any extension of such date and such order shall be in full force and effect, and no stay thereof shall  
 25 be in effect;
- 26 (b) The Subrogation Claims RSA shall be in full force and effect;
- 27 (c) The Tort Claimants RSA shall be in full force and effect;
- 28 (d) The Noteholder RSA shall be in full force and effect;
- (e) The adversary proceeding commenced by the Tort Claimants Committee  
 against the Ad Hoc Group of Subrogation Claim Holders (Complaint for Declaratory Judgment

1 Subordinating and Disallowing Claims and For an Accounting, *Official Comm. of Tort Claimants v.*  
2 *Ad Hoc Grp. of Subrogation Claim Holders*, Adv. Pro. No. 19-3053 (N.D. Cal. Nov. 8, 2019), ECF.  
No. 1) shall have been dismissed with prejudice;

3 (f) The Tax Benefits Payment Agreement shall be in full force and effect, and shall  
4 have received any necessary approvals;

5 (g) The Debtors shall have implemented all transactions contemplated by this Plan;

6 (h) All documents and agreements necessary to consummate the Plan shall have  
7 been effected or executed;

8 (i) The Bankruptcy Court approval for the Debtors to participate in and fund the  
Go-Forward Wildfire Fund shall be in full force and effect;

9 (j) The Debtors shall have obtained the Plan Funding;

10 (k) The Debtors shall have received all authorizations, consents, legal and  
11 regulatory approvals, rulings, letters, no-action letters, opinions, or documents that are necessary to  
12 implement and consummate the Plan and the Plan Funding and that are required by law, regulation,  
or order;

13 (l) The CPUC Approval shall be in full force and effect;

14 (m) The Subrogation Wildfire Trust shall have been established and the Subrogation  
15 Wildfire Trustee shall have been appointed;

16 (n) The Fire Victim Trust shall have been established, the Fire Victim Trustee shall  
17 have been appointed and the Tax Benefits Payment Agreement shall have been fully executed; and

18 (o) The Plan shall not have been materially amended, altered or modified from the  
19 Plan as confirmed by the Confirmation Order, unless such material amendment, alteration or  
modification has been made in accordance with Section 12.6 of the Plan.

20 **9.3 Satisfaction of Conditions.** Except as otherwise provided herein, any actions  
21 required to be taken on the Effective Date shall take place and shall be deemed to have occurred  
22 simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other  
23 such action. If the Debtors determine that any of the conditions precedent set forth in Sections 9.1 or  
9.2 hereof cannot be satisfied and the occurrence of such conditions is not waived pursuant to Section  
9.4, then the Debtors shall file a notice of the failure of the Effective Date with the Bankruptcy Court.

24 **9.4 Waiver of Conditions.** The conditions set forth in Sections 9.1 or 9.2 may be  
25 waived or modified only by the Plan Proponents with the consent of the Backstop Parties holding a  
26 majority of the Aggregate Backstop Commitment Amount (such consent not to be unreasonably  
27 withheld, conditioned or delayed), without notice, leave, or order of the Bankruptcy Court or any  
28 formal action other than proceedings to confirm or consummate the Plan; *provided* that for Sections  
9.1(d) and 9.2(b) of the Plan only, the consent of the Requisite Consenting Creditors shall also be

1 required; *provided further* that for Sections 9.1(e) and 9.2(c) of the Plan only, the consent of the  
2 Requisite Consenting Fire Claimant Professionals (as such term is defined in the Tort Claimants RSA)  
shall also be required.

3 **9.5 Effect of Non-Occurrence of Effective Date.** If the Effective Date does not  
4 occur on or before December 31, 2020, then: (a) the Plan will be null and void in all respects; and  
5 (b) nothing contained in the Plan or the Disclosure Statement shall: (i) constitute a waiver or release  
6 of any Claims, Interests, or Causes of Action by any Entity; (ii) prejudice in any manner the rights of  
any Debtor or any other Entity; or (iii) constitute an admission, acknowledgment, offer, or undertaking  
of any sort by any Debtor or any other Entity.

## 7 **ARTICLE X.**

### 8 **EFFECT OF CONFIRMATION**

9 **10.1 Binding Effect.** Except as otherwise provided in section 1141(d)(3) of the  
10 Bankruptcy Code, and subject to the occurrence of the Effective Date, on and after the entry of the  
11 Confirmation Order, the provisions of this Plan shall bind every holder of a Claim against or Interest  
12 in any Debtor and inure to the benefit of and be binding on such holder's respective successors and  
assigns, regardless of whether the Claim or Interest of such holder is Impaired under this Plan and  
whether such holder has accepted this Plan.

13 **10.2 Vesting of Assets.** Upon the Effective Date, pursuant to sections 1141(b) and  
14 (c) of the Bankruptcy Code, all assets and property of the Debtors shall vest in the Reorganized  
15 Debtors, as applicable, free and clear of all Claims, Liens, charges, and other interests, except as  
16 otherwise provided herein. The Reorganized Debtors may operate their businesses and use, acquire,  
17 and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and  
in all respects as if there were no pending cases under any chapter or provision of the Bankruptcy  
Code, except as otherwise provided herein.

18 **10.3 Discharge of Debtors.** Upon the Effective Date and in consideration of the  
19 distributions to be made hereunder, except as otherwise expressly provided herein, the Debtors shall  
20 be discharged to the fullest extent permitted by section 1141 of the Bankruptcy Code; *provided,*  
21 *however,* that any liability of the Debtors arising from any fire or any other act or omission occurring  
22 after the Petition Date, including the Kincade Fire, that has not been satisfied in full as of the Effective  
23 Date shall not be discharged, waived, or released. In addition, (a) from and after the Effective Date  
24 neither the automatic stay nor any other injunction entered by the Bankruptcy Court shall restrain the  
25 enforcement or defense of any claims for fires or any other act or omission occurring after the Petition  
26 Date, including the Kincade Fire or the Lafayette fire, in any court that would otherwise have  
jurisdiction if the Chapter 11 Cases had not been filed and (b) no claims for fires or any other act or  
omission or motions for allowance of claims for fires or any act or omission occurring after the Petition  
Date need to be filed in the Chapter 11 Cases. Upon the Effective Date, all holders of Claims against  
or Interests in the Debtors shall be forever precluded and enjoined, pursuant to section 524 of the  
Bankruptcy Code, from prosecuting or asserting any such discharged Claim against or Interest in the  
Debtors.

1           **10.4 Term of Injunctions or Stays.** Unless otherwise provided herein or in a Final  
2 Order, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 105  
3 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain  
4 in full force and effect until the later of the Effective Date and the date indicated in the order providing  
5 for such injunction or stay. The Trading Order shall remain enforceable as to transfers through the  
Effective Date with respect to those persons having “beneficial ownership” of “PG&E Stock” (as such  
terms are defined in Trading Order). Accordingly, the Trading Order has no applicability or effect  
with respect to the trading of stock of Reorganized HoldCo after the Effective Date.

6           **10.5 Injunction Against Interference with Plan.** Upon entry of the Confirmation  
7 Order, all holders of Claims against or Interests in the Debtors and other parties in interest, along with  
8 their respective present or former employees, agents, officers, directors, principals, and affiliates, shall  
9 be enjoined from taking any actions to interfere with the implementation or consummation of the Plan;  
10 *provided, that* nothing herein or in the Confirmation Order shall preclude, limit, restrict or prohibit  
any party in interest from seeking to enforce the terms of the Plan, the Confirmation Order, or any  
other agreement or instrument entered into or effectuated in connection with the consummation of the  
Plan.

11           **10.6 Injunction.**

12           (a) Except as otherwise provided in this Plan or in the Confirmation Order, as of  
13 the entry of the Confirmation Order but subject to the occurrence of the Effective Date, all Entities  
14 who have held, hold, or may hold Claims or Interests are, with respect to any such Claim or Interest,  
15 permanently enjoined after the entry of the Confirmation Order from: (i) commencing, conducting, or  
16 continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind  
17 (including, any proceeding in a judicial, arbitral, administrative, or other forum) against or affecting,  
18 directly or indirectly, a Debtor, a Reorganized Debtor, or an estate or the property of any of the  
19 foregoing, or any direct or indirect transferee of any property of, or direct or indirect successor in  
20 interest to, any of the foregoing Persons mentioned in this subsection (i) or any property of any such  
21 transferee or successor; (ii) enforcing, levying, attaching (including any prejudgment attachment),  
22 collecting, or otherwise recovering in any manner or by any means, whether directly or indirectly, any  
23 judgment, award, decree, or order against a Debtor, a Reorganized Debtor, or an estate or its property,  
24 or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any  
25 of the foregoing Persons mentioned in this subsection (ii) or any property of any such transferee or  
26 successor; (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any  
27 encumbrance of any kind against a Debtor, a Reorganized Debtor, or an estate or any of its property,  
28 or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing  
Persons mentioned in this subsection (iii) or any property of any such transferee or successor;  
(iv) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply  
with the provisions of this Plan to the full extent permitted by applicable law; and (v) commencing or  
continuing, in any manner or in any place, any action that does not comply with or is inconsistent with  
the provisions of this Plan; *provided, that* nothing contained herein shall preclude such Entities who  
have held, hold, or may hold Claims against a Debtor or an estate from exercising their rights, or  
obtaining benefits, pursuant to and consistent with the terms of this Plan, the Confirmation Order, or  
any other agreement or instrument entered into or effectuated in connection with the consummation  
of the Plan.

1 (b) By accepting distributions pursuant to this Plan, each holder of an Allowed  
 2 Claim will be deemed to have affirmatively and specifically consented to be bound by this Plan,  
 including, the injunctions set forth in this Section.

3 **10.7 Channeling Injunction.**

4 (a) **The sole source of recovery for holders of Subrogation Wildfire Claims and**  
 5 **Fire Victim Claims shall be from the Subrogation Wildfire Trust and the Fire Victim Trust, as**  
 6 **applicable. The holders of such Claims shall have no recourse to or Claims whatsoever against**  
 7 **the Debtors or Reorganized Debtors or their assets and properties. Consistent with the**  
 8 **foregoing, all Entities that have held or asserted, or that hold or assert any Subrogation Wildfire**  
 9 **Claim or Fire Victim Claim shall be permanently and forever stayed, restrained, and enjoined**  
 from taking any action for the purpose of directly or indirectly collecting, recovering, or  
 receiving payments, satisfaction, or recovery from any Debtor or Reorganized Debtor or its  
 assets and properties with respect to any Fire Claims, including all of the following actions:

10 (i) **commencing, conducting, or continuing, in any manner, whether**  
 11 **directly or indirectly, any suit, action, or other proceeding of any kind in any forum with**  
 12 **respect to any such Fire Claim, against or affecting any Debtor or Reorganized Debtor,**  
 or any property or interests in property of any Debtor or Reorganized Debtor with  
 respect to any such Fire Claim;

13 (ii) **enforcing, levying, attaching, collecting or otherwise recovering, by**  
 14 **any manner or means, or in any manner, either directly or indirectly, any judgment,**  
 15 **award, decree or other order against any Debtor or Reorganized Debtor or against the**  
 property of any Debtor or Reorganized Debtor with respect to any such Fire Claim;

16 (iii) **creating, perfecting, or enforcing in any manner, whether directly**  
 17 **or indirectly, any Lien of any kind against any Debtor or Reorganized Debtor or the**  
 property of any Debtor or Reorganized Debtor with respect to any such Fire Claims;

18 (iv) **asserting or accomplishing any setoff, right of subrogation,**  
 19 **indemnity, contribution, or recoupment of any kind, whether directly or indirectly,**  
 20 **against any obligation due to any Debtor or Reorganized Debtor or against the property**  
 of any Debtor or Reorganized Debtor with respect to any such Fire Claim; and

21 (v) **taking any act, in any manner, in any place whatsoever, that does**  
 22 **not conform to, or comply with, the provisions of the Plan Documents, with respect to**  
 any such Fire Claim.

23 (b) **Reservations.** Notwithstanding anything to the contrary in this Section 10.7 of  
 24 the Plan, this Channeling Injunction shall not enjoin:

25 (i) the rights of holders of Subrogation Wildfire Claims and Fire Victim  
 26 Claims to the treatment afforded them under the Plan, including the right to assert such Claims

1 in accordance with the applicable Wildfire Trust Agreements solely against the applicable  
2 Wildfire Trust whether or not there are funds to pay such Fire Claims; and

3 (ii) the Wildfire Trusts from enforcing their rights under the Wildfire Trust  
4 Agreements.

5 (c) **Modifications.** There can be no modification, dissolution, or termination of  
6 the Channeling Injunction, which shall be a permanent injunction.

7 (d) **No Limitation on Channeling Injunction.** Nothing in the Plan, the  
8 Confirmation Order, or the Wildfire Trust Agreements shall be construed in any way to limit the scope,  
9 enforceability, or effectiveness of the Channeling Injunction provided for herein and in the  
10 Confirmation Order.

11 (e) **Bankruptcy Rule 3016 Compliance.** The Debtors' compliance with the  
12 requirements of Bankruptcy Rule 3016 shall not constitute an admission that the Plan provides for an  
13 injunction against conduct not otherwise enjoined under the Bankruptcy Code.

14 **10.8 Exculpation.** Notwithstanding anything herein to the contrary, and to the  
15 maximum extent permitted by applicable law, and except for the Assigned Rights and Causes of  
16 Action solely to the extent preserved by Section 10.9(g), no Exculpated Party shall have or incur,  
17 and each Exculpated Party is hereby released and exculpated from, any Claim, Interest,  
18 obligation, suit, judgment, damage, demand, debt, right, Cause of Action, loss, remedy, or  
19 liability for any claim (including, but not limited to, any claim for breach of any fiduciary duty  
20 or any similar duty) in connection with or arising out of the administration of the Chapter 11  
21 Cases; the negotiation and pursuit of the Public Entities Plan Support Agreements, the Backstop  
22 Commitment Letters, the Subrogation Claims RSA, the Tort Claimants RSA, the Noteholder  
23 RSA, the Exit Financing Documents, the Plan Funding, the DIP Facilities, the Disclosure  
24 Statement, the Plan, the Restructuring Transactions, the Wildfire Trusts (including the Plan  
25 Documents, the Claims Resolution Procedures and the Wildfire Trust Agreements), or any  
26 agreement, transaction, or document related to any of the foregoing, or the solicitation of votes  
27 for, or confirmation of, this Plan; the funding of this Plan; the occurrence of the Effective Date;  
28 the administration of this Plan or the property to be distributed under this Plan; any  
membership in (including, but not limited to, on an *ex officio* basis), participation in, or  
involvement with the Statutory Committees; the issuance of Securities under or in connection  
with this Plan; or the transactions in furtherance of any of the foregoing; except for Claims  
related to any act or omission that is determined in a Final Order by a court of competent  
jurisdiction to have constituted actual fraud or willful misconduct, but in all respects such  
Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties  
and responsibilities pursuant to this Plan. The Exculpated Parties and each of their respective  
affiliates, agents, directors, officers, employees, advisors, and attorneys have acted in compliance  
with the applicable provisions of the Bankruptcy Code with regard to the solicitation and  
distributions pursuant to this Plan and, therefore, are not, and on account of such distributions  
shall not be, liable at any time for the violation of any applicable law, rule, or regulation  
governing the solicitation of acceptances or rejections of this Plan or such distributions made  
pursuant to this Plan, including the issuance of Securities thereunder. This exculpation shall be

1 in addition to, and not in limitation of, all other releases, indemnities, exculpations, and any  
2 other applicable law or rules protecting such Exculpated Parties from liability.

3 **10.9 Releases.**

4 (a) *Releases by the Debtors.* As of and subject to the occurrence of the Effective  
5 Date, except for the rights that remain in effect from and after the Effective Date to enforce this  
6 Plan and the Plan Documents, and except for the Assigned Rights and Causes of Action solely  
7 to the extent preserved by Section 10.9(g), for good and valuable consideration, the adequacy of  
8 which is hereby confirmed, including, the service of the Released Parties to facilitate the  
9 reorganization of the Debtors, the implementation of the Restructuring, and except as otherwise  
10 provided in this Plan or in the Confirmation Order, the Released Parties are deemed forever  
11 released and discharged, to the maximum extent permitted by law and unless barred by law, by  
12 the Debtors, the Reorganized Debtors, and the Debtors' estates, in each case on behalf of  
13 themselves and their respective successors, assigns, and representatives and any and all other  
14 Entities who may purport to assert any Cause of Action derivatively, by or through the foregoing  
15 Entities, from any and all claims, interests, obligations, suits, judgments, damages, demands,  
16 debts, rights, Causes of Action, losses, remedies, or liabilities whatsoever, including any  
17 derivative claims, asserted or assertable on behalf of the Debtors, the Reorganized Debtors, or  
18 the Debtors' estates, whether known or unknown, foreseen or unforeseen, existing or hereinafter  
19 arising, in law, equity, or otherwise, that the Debtors, the Reorganized Debtors, or the Debtors'  
20 estates would have been legally entitled to assert in their own right (whether individually or  
21 collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or  
22 relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11  
23 Cases, the Fires, the purchase, sale, or rescission of the purchase or sale of any Security of the  
24 Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving  
25 rise to, any Claim or Interest that is treated in this Plan, the business or contractual  
26 arrangements between any Debtor and any Released Party, the DIP Facilities, the Plan Funding,  
27 the Restructuring, the restructuring of any Claim or Interest before or during the Chapter 11  
28 Cases, the Restructuring Transactions, the Public Entities Plan Support Agreements, the  
Backstop Commitment Letters, the Subrogation Claims RSA, the Tort Claimants RSA, the  
Noteholder RSA, the Exit Financing Documents, the negotiation, formulation, or preparation of  
the Disclosure Statement and this Plan and related agreements, instruments, and other  
documents (including the Plan Documents, the Claims Resolution Procedures, the Wildfire  
Trust Agreements, Public Entities Plan Support Agreements, the Backstop Commitment  
Letters, the Subrogation Claims RSA, the Tort Claimants RSA, the Noteholder RSA, and the  
Exit Financing Documents), the solicitation of votes with respect to this Plan, any membership  
(including, but not limited to, on an *ex officio* basis), participation in, or involvement with the  
Statutory Committees, or any other act or omission, transaction, agreement, event, or other  
occurrence, and in all respects such Entities shall be entitled to reasonably rely upon the advice  
of counsel with respect to their duties and responsibilities pursuant to this Plan.

(b) *Releases by Holders of Claims and Interests.* As of and subject to the  
occurrence of the Effective Date, except for the rights that remain in effect from and after the  
Effective Date to enforce the Plan and the Plan Documents, and except for the Assigned Rights  
and Causes of Action solely to the extent preserved by Section 10.9(g), for good and valuable

1 consideration, the adequacy of which is hereby confirmed, including, the service of the Released  
2 Parties to facilitate the reorganization of the Debtors and the implementation of the  
3 Restructuring, and except as otherwise provided in the Plan or in the Confirmation Order, the  
4 Released Parties, are deemed forever released and discharged, to the maximum extent permitted  
5 by law and unless barred by law, by the Releasing Parties from any and all claims, interests,  
6 obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses,  
7 remedies, and liabilities whatsoever, including any derivative claims, asserted or assertable on  
8 behalf of the Debtors, and any claims for breach of any fiduciary duty (or any similar duty),  
9 whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law,  
10 equity, or otherwise, that such holders or their affiliates (to the extent such affiliates can be  
11 bound) would have been legally entitled to assert in their own right (whether individually or  
12 collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or  
13 relating to, or in any manner arising from, in whole or in part, the Debtors, the Fires, the  
14 Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any Security of the  
15 Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving  
16 rise to, any Claim or Interest that is treated in the Plan, the business or contractual  
17 arrangements between any Debtor and any Released Party, the DIP Facilities, the Plan Funding,  
18 the Restructuring, the restructuring of any Claim or Interest before or during the Chapter 11  
19 Cases, the Restructuring Transactions, the Public Entities Plan Support Agreement, the  
20 Backstop Commitment Letters, the Subrogation Claims RSA, the Tort Claimants RSA, the  
21 Noteholder RSA, the Exit Financing Documents, the negotiation, formulation, or preparation of  
22 the Disclosure Statement, the Plan and related agreements, instruments, and other documents  
23 (including the Plan Documents, the Claims Resolution Procedures, the Wildfire Trust  
24 Agreements, Public Entities Plan Support Agreements, the Backstop Commitment Letters, the  
25 Subrogation Claims RSA, the Tort Claimants RSA, the Noteholder RSA, and the Exit Financing  
26 Documents), the solicitation of votes with respect to the Plan, any membership in (including, but  
27 not limited to, on an *ex officio* basis), participation in, or involvement with the Statutory  
28 Committees, or any other act or omission, transaction, agreement, event, or other occurrence,  
and in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel  
with respect to their duties and responsibilities pursuant to the Plan. Notwithstanding the above,  
the holders of Environmental Claims, Workers' Compensation Claims and 2001 Utility  
Exchange Claims retain the right to assert such Claims against the Reorganized Debtors in  
accordance with the terms of the Plan; and nothing herein shall be deemed to impose a release  
by holders of Fire Victim Claims of insurance claims arising under their insurance policies  
against holders of Subrogation Wildfire Claims, other than any rights such holder may elect to  
release as part of any settlement as set forth in Section 4.25(f)(ii) hereof.

22 (c) *Only Consensual Non-Debtor Releases.* Except as set forth under Section  
23 4.25(f)(ii) hereof, for the avoidance of doubt, and notwithstanding any other provision of this  
24 Plan, nothing in the Plan is intended to, nor shall the Plan be interpreted to, effect a  
25 nonconsensual release, satisfaction, compromise, settlement or discharge of a holder of a Claim  
26 or Cause of Action in favor of a party that is not a Debtor, it being acknowledged that such  
27 holder shall be deemed to have released, or to effectuate a satisfaction, compromise, settlement  
28 or discharge of, a party that is not a Debtor under the Plan solely to the extent that such holder  
consensually elects to provide such Plan release in accordance with the opt-in release procedures

1 set forth herein or in any applicable Ballot. The holder of a Claim shall receive the same amount  
2 of consideration under the Plan whether or not such holder elects to release a party that is not a  
3 Debtor in accordance with the opt-in release procedures set forth herein or in any applicable  
4 Ballot.

5 (d) ***Release of Liens.*** Except as otherwise specifically provided in the Plan or  
6 in any contract, instrument, release, or other agreement or document created pursuant to the  
7 Plan, including the Exit Financing Documents, on the Effective Date and concurrently with the  
8 applicable distributions made pursuant to the Plan and, in the case of a Secured Claim,  
9 satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date,  
10 all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of  
11 the estates shall be fully released and discharged, and all of the right, title, and interest of any  
12 holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert  
13 to the Reorganized Debtors and their successors and assigns, in each case, without any further  
14 approval or order of the Bankruptcy Court and without any action or filing being required to  
15 be made by the Debtors.

16 (e) ***Waiver of Statutory Limitations on Releases.*** Each Releasing Party in any  
17 general release contained in the Plan expressly acknowledges that although ordinarily a general  
18 release may not extend to claims which the Releasing Party does not know or suspect to exist in  
19 his favor, which if known by it may have materially affected its settlement with the party  
20 released, each Releasing Party has carefully considered and taken into account in determining  
21 to enter into the above releases the possible existence of such unknown losses or claims. Without  
22 limiting the generality of the foregoing, and solely with respect to any general release under this  
23 Plan, each Releasing Party expressly waives any and all rights conferred upon it by any statute  
24 or rule of law which provides that a release does not extend to claims which the claimant does  
25 not know or suspect to exist in its favor at the time of executing the release, which if known by  
26 it may have materially affected its settlement with the released party, including the provisions  
27 of California Civil Code section 1542. The releases contained in this Article X of the Plan are  
28 effective regardless of whether those released matters are presently known, unknown, suspected  
or unsuspected, foreseen or unforeseen.

19 (f) **Injunction Related to Releases and Exculpation.** The Confirmation Order  
20 shall permanently enjoin the commencement or prosecution by any Person or Entity, whether directly,  
21 derivatively, or otherwise, of any Claims, obligations, suits, judgments, damages, demands, debts,  
22 rights, Causes of Action, losses, or liabilities released pursuant to this Plan, including, the claims,  
23 obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, and liabilities  
24 released or exculpated in this Plan. For the avoidance of doubt, this injunction shall not apply to the  
25 rights of the Fire Victim Trust to prosecute and settle any Assigned Rights and Causes of Action solely  
26 to the extent provided for in the Plan. Notwithstanding the above, the holders of Environmental  
27 Claims, Workers' Compensation Claims and 2001 Utility Exchange Claims retain the right to assert  
28 such Claims against the Reorganized Debtors in accordance with the terms of the Plan.

26 (g) **No Release or Exculpation of Assigned Rights and Causes of Action.**  
27 Notwithstanding any other provision of the Plan, including anything in Section 10.8 and/or 10.9, the

1 releases, discharges, and exculpations contained in this Plan shall not release, discharge, or exculpate  
2 any Person from the Assigned Rights and Causes of Action.

3 **10.10 Subordination.** The allowance, classification, and treatment of all Allowed  
4 Claims and Interests and the respective distributions and treatments thereof under this Plan take into  
5 account and conform to the relative priority and rights of the Claims and Interests in each Class in  
6 connection with any contractual, legal, and equitable subordination rights relating thereto, whether  
7 arising under general principles of equitable subordination, sections 510(a), 510(b), or 510(c) of the  
8 Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors reserve  
9 the right to reclassify any Allowed Claim (other than any DIP Facility Claims) or Interest in  
10 accordance with any contractual, legal, or equitable subordination relating thereto.

11 **10.11 Retention of Causes of Action/Reservation of Rights.**

12 (a) Except as otherwise provided in Section 10.9 hereof, nothing herein or in the  
13 Confirmation Order shall be deemed to be a waiver or the relinquishment of any rights or Causes of  
14 Action that the Debtors or the Reorganized Debtors may have or which the Reorganized Debtors may  
15 choose to assert on behalf of their respective estates under any provision of the Bankruptcy Code or  
16 any applicable nonbankruptcy law, including (i) any and all Claims against any Person or Entity, to  
17 the extent such Person or Entity asserts a crossclaim, counterclaim, and/or Claim for setoff which  
18 seeks affirmative relief against the Debtors, the Reorganized Debtors, or their officers, directors, or  
19 representatives and (ii) for the turnover of any property of the Debtors' estates.

20 (b) Nothing herein or in the Confirmation Order shall be deemed to be a waiver or  
21 relinquishment of any rights or Causes of Action, right of setoff, or other legal or equitable defense  
22 that the Debtors had immediately prior to the Petition Date, against or with respect to any Claim left  
23 Unimpaired by the Plan. The Reorganized Debtors shall have, retain, reserve, and be entitled to assert  
24 all such claims, Causes of Action, rights of setoff, and other legal or equitable defenses that they had  
25 immediately prior to the Petition Date fully as if the Chapter 11 Cases had not been commenced, and  
26 all of the Reorganized Debtors' legal and equitable rights with respect to any Claim left Unimpaired  
27 by the Plan may be asserted after the Confirmation Date to the same extent as if the Chapter 11 Cases  
28 had not been commenced.

(c) The Reorganized Debtors reserve and shall retain the applicable Causes of  
Action notwithstanding the rejection of any executory contract or unexpired lease during the Chapter  
11 Cases or pursuant to the Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code, any  
Causes of Action that a Debtor may hold against any Entity shall vest in the Reorganized Debtors in  
accordance with the terms hereof. The Reorganized Debtors shall have the exclusive right, authority,  
and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise,  
release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the  
foregoing without the consent or approval of any third party or further notice to or action, order, or  
approval of the Bankruptcy Court.

(d) Notwithstanding anything to the contrary in the Plan, no claims shall be brought  
under Section 547 of the Bankruptcy Code to recover any payments made to any Person or Entity as  
a result of damages caused by wildfires.

1           **10.12 Preservation of Causes of Action.** No Entity may rely on the absence of a  
2 specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action  
3 against them as any indication that the Debtors or the Reorganized Debtors will not pursue any and all  
4 available Causes of Action against them. The Debtors and the Reorganized Debtors expressly reserve  
all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly  
provided herein.

5           **10.13 Special Provisions for Governmental Units.** Solely with respect to  
6 Governmental Units, nothing herein shall limit or expand the scope of discharge, release, or injunction  
7 to which the Debtors or the Reorganized Debtors are entitled under the Bankruptcy Code. Further,  
8 nothing herein, including Sections 10.8 and 10.9 hereof, shall discharge, release, enjoin, or otherwise  
9 bar (a) any liability of the Debtors or the Reorganized Debtors to a Governmental Unit arising on or  
10 after the Confirmation Date, (b) any liability to a Governmental Unit that is not a Claim, (c) any  
11 affirmative defense, valid right of setoff or recoupment of a Governmental Unit, (d) any police or  
12 regulatory action by a Governmental Unit (except with respect to any monetary amount related to any  
13 matter arising prior to the Petition Date), (e) any action to exercise the power of eminent domain and  
14 any related or ancillary power or authority of a Governmental Unit, (f) any environmental liability to  
15 a Governmental Unit that the Debtors, the Reorganized Debtors, any successors thereto, or any other  
16 Person or Entity may have as an owner or operator of real property after the Confirmation Date, or (g)  
17 any liability to a Governmental Unit on the part of any Persons or Entities other than the Debtors or  
18 the Reorganized Debtors, except that nothing in this Section 10.13 shall affect the exculpation in  
19 Section 10.8 hereof or the Debtors' releases in Section 10.9 hereof. Nothing herein shall enjoin or  
20 otherwise bar any Governmental Unit from asserting or enforcing, outside the Bankruptcy Court, any  
of the matters set forth in clauses (a) through (g) above. Nothing herein shall affect the treatment of  
Environmental Claims and Environmental Performance Obligations as specified in Sections 4.10 and  
4.30 hereof.

21           **10.14 Document Retention and Cooperation with the Fire Victim Trust.** On and  
22 after the Effective Date, the Reorganized Debtors may maintain documents in accordance with the  
23 Debtors' standard document retention policy, as may be altered, amended, modified, or supplemented  
24 by the Reorganized Debtors. The Debtors and the Reorganized Debtors shall respond to reasonable  
25 requests of the Fire Victim Trust for any non-privileged information and documents related to the  
26 Assigned Rights and Causes of Action and the Fire Victim Claims or as reasonably necessary for the  
27 administration of the Fire Victim Trust.

28           **10.15 Solicitation of Plan.** As of the Confirmation Date: (a) the Debtors shall be  
deemed to have solicited acceptances of the Plan in good faith and in compliance with the applicable  
provisions of the Bankruptcy Code, including sections 1125(a) and (e) of the Bankruptcy Code, and  
any applicable non-bankruptcy law, rule, or regulation governing the adequacy of disclosure in  
connection with such solicitation and (b) the Debtors and each of their respective directors, officers,  
employees, affiliates, agents, restructuring advisors, financial advisors, investment bankers,  
professionals, accountants, and attorneys shall be deemed to have participated in good faith and in  
compliance with the applicable provisions of the Bankruptcy Code in the offer and issuance of any  
securities under the Plan, and therefore are not, and on account of such offer, issuance, and solicitation  
shall not be, liable at any time for any violation of any applicable law, rule, or regulation governing

1 the solicitation of acceptances or rejections of the Plan or the offer and issuance of any securities under  
2 the Plan.

3 **ARTICLE XI.**

4 **RETENTION OF JURISDICTION**

5 **11.1 Jurisdiction of Bankruptcy Court.** On and after the Effective Date, the  
6 Bankruptcy Court shall retain jurisdiction (without prejudice to the rights of any Entity to assert that  
7 such jurisdiction is exclusive) of all matters arising under, arising out of, or related to the Chapter 11  
8 Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy  
9 Code and for, among other things, the following purposes:

10 (a) To hear and determine motions for and any disputes involving the assumption,  
11 assumption and assignment, or rejection of executory contracts or unexpired leases and the allowance  
12 of Claims resulting therefrom, including the determination of any Cure Amount;

13 (b) To determine any motion, adversary proceeding, application, contested matter,  
14 and other litigated matter pending on or commenced before or after the Confirmation Date, including,  
15 any proceeding with respect to a Cause of Action or Avoidance Action;

16 (c) To ensure that distributions to holders of Allowed Claims are accomplished as  
17 provided herein;

18 (d) To consider Claims or the allowance, classification, priority, compromise,  
19 estimation, or payment of any Claim, including any Administrative Expense Claims;

20 (e) To enter, implement, or enforce such orders as may be appropriate in the event  
21 the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

22 (f) To issue injunctions, enter and implement other orders, and take such other  
23 actions as may be necessary or appropriate to restrain interference by any Entity with the  
24 consummation, implementation, or enforcement of the Plan, the Confirmation Order, or any other  
25 order, judgment or ruling of the Bankruptcy Court, including enforcement of the releases,  
26 exculpations, and the Channeling Injunction;

27 (g) To hear and determine any application to modify the Plan in accordance with  
28 section 1127 of the Bankruptcy Code and to remedy any defect or omission or reconcile any  
inconsistency in the Plan, the Disclosure Statement, or any order of the Bankruptcy Court, including  
the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects  
thereof;

(h) To hear and determine all applications under sections 330, 331, and 503(b) of  
the Bankruptcy Code for awards of compensation for services rendered and reimbursement of  
expenses incurred prior to the Effective Date;

1 (i) To hear and determine disputes arising in connection with or related to the  
2 interpretation, implementation, or enforcement of the Plan, the Confirmation Order, any transactions  
3 or payments contemplated herein, or any agreement, instrument, or other document governing or  
relating to any of the foregoing;

4 (j) To hear and determine disputes arising in connection with Disputed Claims;

5 (k) To take any action and issue such orders as may be necessary to construe,  
6 enforce, implement, execute, and consummate the Plan or to maintain the integrity of the Plan  
following consummation;

7 (l) To recover all assets of the Debtors and property of the Debtors' estates,  
8 wherever located;

9 (m) To determine such other matters and for such other purposes as may be provided  
10 in the Confirmation Order;

11 (n) To hear and determine matters concerning state, local, and federal taxes in  
12 accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including the expedited  
determination of taxes under section 505(b) of the Bankruptcy Code);

13 (o) To enforce all orders previously entered by the Bankruptcy Court;

14 (p) To hear and determine any other matters related hereto and not inconsistent with  
the Bankruptcy Code and title 28 of the United States Code;

15 (q) To resolve any disputes concerning whether a Person or Entity had sufficient  
16 notice of the Chapter 11 Cases, the Disclosure Statement, any solicitation conducted in connection  
17 with the Chapter 11 Cases, any bar date established in the Chapter 11 Cases, or any deadline for  
18 responding or objecting to a Cure Amount, in each case, for the purpose for determining whether a  
Claim or Interest is discharged hereunder or for any other purpose;

19 (r) To determine any other matters or adjudicate any disputes that may arise in  
20 connection with or are related to the Plan, the Disclosure Statement, the Confirmation Order, the Plan  
21 Supplement, or any document related to the foregoing; *provided*, that the Bankruptcy Court shall not  
retain jurisdiction over disputes concerning documents contained in the Plan Supplement that have a  
jurisdictional, forum selection or dispute resolution clause that refers disputes to a different court;

22 (s) To hear and determine all disputes involving the existence, nature, or scope of  
23 the Debtors' discharge;

24 (t) To hear and determine any rights, claims, or Causes of Action held by or  
25 accruing to the Debtors, the Reorganized Debtors, or the Fire Victim Trust pursuant to the Bankruptcy  
Code or any federal or state statute or legal theory;

26 (u) To hear and determine any dispute involving the Wildfire Trusts, including but  
27 not limited to the interpretation of the Wildfire Trust Agreements;

1 (v) To hear any other matter not inconsistent with the Bankruptcy Code; and

2 (w) To enter a final decree closing the Chapter 11 Cases.

3 To the extent that the Bankruptcy Court is not permitted under applicable law to preside over  
4 any of the forgoing matters, the reference to the “Bankruptcy Court” in this Article XI shall be deemed  
5 to be replaced by the “District Court.” Nothing in this Article XI shall expand the exclusive  
6 jurisdiction of the Bankruptcy Court beyond that provided by applicable law.

## 7 **ARTICLE XII.**

### 8 **MISCELLANEOUS PROVISIONS**

9 **12.1 Dissolution of Statutory Committees.** On the Effective Date, the Statutory  
10 Committees shall dissolve, the current and former members of the Statutory Committees, including  
11 any *ex officio* members, and their respective officers, employees, counsel, advisors and agents, shall  
12 be released and discharged of and from all further authority, duties, responsibilities and obligations  
13 related to and arising from and in connection with the Chapter 11 Cases, except for the limited purpose  
14 of (i) prosecuting requests for allowances of compensation and reimbursement of expenses incurred  
15 prior to the Effective Date and objecting to any such requests filed by other Professionals, including  
16 any appeals in connection therewith, (ii) having standing and a right to be heard in connection with  
17 any pending litigation, including appeals, to which such committee is a party, or (iii) prosecuting any  
18 appeals of the Confirmation Order.

19 **12.2 Substantial Consummation.** On the Effective Date, the Plan shall be deemed  
20 to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

21 **12.3 Exemption from Transfer Taxes.** Pursuant to section 1146(a) of the  
22 Bankruptcy Code, the issuance, transfer, or exchange of any Security or property hereunder or in  
23 connection with the transactions contemplated hereby, the creation, filing, or recording of any  
24 mortgage, deed of trust, or other security interest, the making, assignment, filing, or recording of any  
25 lease or sublease, or the making or delivery of any deed, bill of sale, or other instrument of transfer  
26 under, in furtherance of, or in connection with the Plan, or any agreements of consolidation, deeds,  
27 bills of sale, or assignments executed in connection with any of the transactions contemplated herein,  
28 shall constitute a “transfer under a plan” within the purview of section 1146 of the Bankruptcy Code  
and shall not be subject to or taxed under any law imposing a stamp tax or similar tax, to the maximum  
extent provided by section 1146(a) of the Bankruptcy Code. To the maximum extent provided by  
section 1146(a) of the Bankruptcy Code and applicable nonbankruptcy law, the Restructuring  
Transactions shall not be taxed under any law imposing a stamp tax or similar tax.

**12.4 Expedited Tax Determination.** The Reorganized Debtors may request an  
expedited determination of taxes under section 505(b) of the Bankruptcy Code for all returns filed for  
or on behalf of the Debtors or the Reorganized Debtors for all taxable periods of the Debtors through  
the Effective Date.

1           **12.5 Payment of Statutory Fees.** On the Effective Date, and thereafter as may be  
2 required, each of the Debtors shall pay all the respective fees payable pursuant to section 1930 of  
3 chapter 123 of title 28 of the United States Code, together with interest, if any, pursuant to section  
4 3717 of title 31 of the United States Code, until the earliest to occur of the entry of (i) a final decree  
5 closing such Debtor's Chapter 11 Case, (ii) a Final Order converting such Debtor's Chapter 11 Case  
6 to a case under chapter 7 of the Bankruptcy Code, or (iii) a Final Order dismissing such Debtor's  
7 Chapter 11 Case.

8           **12.6 Plan Modifications and Amendments.** Subject to the Certain Consent Rights  
9 set forth in Article I of this Plan, the Plan may be amended, modified, or supplemented by the Plan  
10 Proponents, in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise  
11 permitted by law without additional disclosure pursuant to section 1125 of the Bankruptcy Code,  
12 except as the Bankruptcy Court may otherwise direct, so long as such action does not materially and  
13 adversely affect the treatment of holders of Claims or Interests hereunder. The Plan Proponents may  
14 institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any  
15 inconsistencies in the Plan or the Confirmation Order with respect to such matters as may be necessary  
16 to carry out the purposes and effects of the Plan and any holder of a Claim or Interest that has accepted  
17 the Plan shall be deemed to have accepted the Plan as so amended, modified, or supplemented. Prior  
18 to the Effective Date, the Plan Proponents may make appropriate technical adjustments and  
19 modifications to the Plan without further order or approval of the Bankruptcy Court; *provided*, that  
20 such technical adjustments and modifications do not materially and adversely affect the treatment of  
21 holders of Claims or Interests.

22           **12.7 Revocation or Withdrawal of Plan.** The Plan Proponents may revoke,  
23 withdraw, or delay consideration of the Plan prior to the Confirmation Date, either entirely or with  
24 respect to one or more of the Debtors, and to file subsequent amended plans of reorganization. If the  
25 Plan is revoked, withdrawn, or delayed with respect to fewer than all of the Debtors, such revocation,  
26 withdrawal, or delay shall not affect the enforceability of the Plan as it relates to the Debtors for which  
27 the Plan is not revoked, withdrawn, or delayed. If the Plan Proponents revoke the Plan in its entirety,  
28 the Plan shall be deemed null and void. In such event, nothing herein shall be deemed to constitute a  
waiver or release of any Claim by or against the Debtors or any other Entity or to prejudice in any  
manner the rights of the Debtors or any other Entity in any further proceedings involving the Debtors.

**12.8 Courts of Competent Jurisdiction.** If the Bankruptcy Court abstains from  
exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter  
arising out of the Plan, such abstention, refusal, or failure of jurisdiction shall have no effect upon and  
shall not control, prohibit, or limit the exercise of jurisdiction by any other court having competent  
jurisdiction with respect to such matter.

**12.9 Severability.** If, prior to entry of the Confirmation Order, any term or provision  
of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy  
Court, in each case at the election and request of the Debtors may alter and interpret such term or  
provision to make it valid or enforceable to the maximum extent practicable, consistent with the  
original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or  
provision shall then be applicable as altered or interpreted. Notwithstanding any such holding,  
alteration, or interpretation, the remainder of the terms and provisions of the Plan shall remain in full

1 force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration,  
 2 or interpretation. The Confirmation Order shall constitute a judicial determination and provide that  
 3 each term and provision hereof, as it may have been altered or interpreted in accordance with the  
 4 foregoing, is (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be  
 deleted or modified except in accordance with the terms of the Plan; and (c) nonseverable and mutually  
 dependent.

5 **12.10 Governing Law.** Except to the extent the Bankruptcy Code or other U.S.  
 6 federal law is applicable, or to the extent a schedule hereto, or a schedule in the Plan Supplement  
 7 expressly provides otherwise, the rights, duties, and obligations arising hereunder shall be governed  
 8 by, and construed and enforced in accordance with, the laws of the State of California, without giving  
 effect to the principles of conflicts of law thereof to the extent they would result in the application of  
 the laws of any other jurisdiction.

9 **12.11 Schedules and Exhibits.** The schedules and exhibits to the Plan and the Plan  
 Supplement are incorporated into, and are part of, the Plan as if set forth herein.

10 **12.12 Successors and Assigns.** All the rights, benefits, and obligations of any Person  
 11 named or referred to herein shall be binding on, and inure to the benefit of, the heirs, executors,  
 12 administrators, successors, and/or assigns of such Person.

13 **12.13 Time.** In computing any period of time prescribed or allowed herein, unless  
 14 otherwise set forth herein or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule  
 9006 shall apply.

15 **12.14 Notices.** To be effective, all notices, requests, and demands to or upon the  
 16 Debtors shall be in writing (including by facsimile or electronic transmission) and, unless otherwise  
 17 expressly provided herein, shall be deemed to have been duly given or made when actually delivered,  
 or in the case of notice by facsimile transmission, when received and telephonically confirmed,  
 addressed as follows:

18  
 19 **If to the Debtors, to:**

20 PG&E Corporation and Pacific Gas and  
 21 Electric Company  
 22 77 Beale Street  
 San Francisco, CA 94105  
 23 Attn: Janet Loduca, Senior Vice President and  
 General Counsel  
 24 E-mail: janet.loduca@pge.com

Cravath, Swaine & Moore LLP  
 Worldwide Plaza  
 825 Eighth Avenue  
 New York, NY 10019-7475  
 Attn: Kevin J. Orsini, Paul H. Zumbro  
 Telephone: (212) 474-1000  
 Email: korsini@cravath.com,  
 pzumbro@cravath.com

25 Weil, Gotshal & Manges LLP  
 26 767 Fifth Avenue  
 New York, New York 10153  
 27 Attn: Stephen Karotkin, Ray C. Schrock,

Keller Benvenuti Kim LLP  
 650 California Street, Suite 1900  
 San Francisco, CA 94108

1	Jessica Liou and Matthew Goren Telephone: (212) 310-8000	Attn: Tobias S. Keller, Peter J. Benvenuti, Jane Kim
2	E-mail: stephen.karotkin@weil.com, ray.schrock@weil.com,	Telephone: (415) 496-6723
3	jessica.liou@weil.com, matthew.goren@weil.com	Facsimile: (650) 636-9251
4		Email: tkeller@kbkllp.com, pbenvenuti@kbkllp.com, jkim@kbkllp.com

**If to the Shareholder Proponents, to:**

5  
6 Jones Day  
7 555 South Flower Street  
8 Fiftieth Floor  
9 Los Angeles, CA 90071-2300  
10 Attn: Bruce S. Bennett, Joshua M. Mester  
11 and James O. Johnston  
12 Telephone: (213) 489-3939  
13 E-mail: bbennett@jonesday.com,  
14 jmester@jonesday.com,  
15 jjohnston@jonesday.com

**If to the Creditors Committee, to:**

12	Milbank LLP	Milbank LLP
13	55 Hudson Yards	2029 Century Park East, 33rd Floor
14	New York, New York 10001-2163	Los Angeles, CA US 90067-3019
15	Attn: Dennis F. Dunne	Attn: Thomas A. Kreller
16	Telephone: (212) 530-5000	Telephone: (424) 386-4000
17	Email: ddunne@milbank.com	Email: tkreller@milbank.com

**If to the Tort Claimants Committee, to:**

17	Baker & Hostetler LLP	Baker & Hostetler LLP
18	600 Montgomery Street, Suite 3100	11601 Wilshire Boulevard, Suite 1400
19	San Francisco, CA 94111	Los Angeles, CA 90025
20	Attn: Robert Julian and Cecily A. Dumas	Attn: Eric E. Sagerman and Lauren T. Attard
21	Telephone: (628) 208 6434	Telephone (310) 820 8800
22	Email: rjulian@bakerlaw.com and	Email: esagerman@bakerlaw.com,
23	cdumas@bakerlaw.com	lattard@bakerlaw.com

**If to the U.S. Trustee, to:**

United States Department of Justice  
Office of the U.S. Trustee  
450 Golden Gate Avenue, Suite 05-0153  
San Francisco, CA 94102  
Attn: Andrew R. Vara and Timothy S.  
Laffredi  
Telephone: (415) 705-3333  
Email: Andrew.R.Vara@usdoj.gov and  
Timothy.S.Laffredi@usdoj.gov

After the occurrence of the Effective Date, the Reorganized Debtors have authority to send a notice to Entities that in order to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entities must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the occurrence of the Effective Date, the Reorganized Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities that have filed such renewed requests.

**12.15 Reservation of Rights.** Except as otherwise provided herein, this Plan shall be of no force or effect unless the Bankruptcy Court enters the Confirmation Order. None of the filing of this Plan, any statement or provision of this Plan, or the taking of any action by the Debtors with respect to this Plan shall be or shall be deemed to be an admission or waiver of any rights of the Debtors with respect to any Claims or Interests prior to the Effective Date.

1 Dated: June 19, 2020  
2 San Francisco, California

3 Respectfully submitted,

4 PG&E CORPORATION

5  
6 By:   
7 Name: Jason P. Wells  
8 Title: Executive Vice President and Chief Financial  
9 Officer

10 PACIFIC GAS AND ELECTRIC COMPANY

11 By: \_\_\_\_\_  
12 Name: David S. Thomason  
13 Title: Vice President, Chief Financial Officer and  
14 Controller

15 SHAREHOLDER PROPONENTS

16 Abrams Capital Management, L.P.,  
17 On behalf of certain funds and accounts it manages or  
18 advises  
19 By: Abrams Capital Management LLC, its general partner

20 By: \_\_\_\_\_  
21 Name:  
22 Title:

23 Knighthead Capital Management, LLC  
24 On behalf of certain funds and accounts it manages or  
25 advises

26 By: \_\_\_\_\_  
27 Name:  
28 Title:

Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, NY 10153-0119

1 Dated: June 19, 2020  
2 San Francisco, California

3 Respectfully submitted,

4  
5 PG&E CORPORATION

6 By: \_\_\_\_\_  
7 Name: Jason P. Wells  
8 Title: Executive Vice President and Chief Financial  
9 Officer

10 PACIFIC GAS AND ELECTRIC COMPANY

11 By: David Thomason  
12 Name: David S. Thomason  
13 Title: Vice President, Chief Financial Officer and  
14 Controller

15 SHAREHOLDER PROPONENTS

16 Abrams Capital Management, L.P.,  
17 On behalf of certain funds and accounts it manages or  
18 advises  
19 By: Abrams Capital Management LLC, its general partner

20 By: \_\_\_\_\_  
21 Name:  
22 Title:

23 Knighthead Capital Management, LLC  
24 On behalf of certain funds and accounts it manages or  
25 advises

26 By: \_\_\_\_\_  
27 Name:  
28 Title:

1 Dated: June 19, 2020  
2 San Francisco, California

3 Respectfully submitted,

4  
5 PG&E CORPORATION

6 By: \_\_\_\_\_

7 Name: Jason P. Wells

8 Title: Executive Vice President and Chief Financial  
9 Officer

10 PACIFIC GAS AND ELECTRIC COMPANY

11 By: \_\_\_\_\_

12 Name: David S. Thomason

13 Title: Vice President, Chief Financial Officer and  
14 Controller

15 SHAREHOLDER PROPONENTS

16 Abrams Capital Management, L.P.,

17 On behalf of certain funds and accounts it manages or  
18 advises

19 By: Abrams Capital Management LLC, its general partner

20 By: David Abrams

21 Name:

22 Title:

23 Knighthead Capital Management, LLC

24 On behalf of certain funds and accounts it manages or  
25 advises

26 By: \_\_\_\_\_

27 Name:

28 Title:

1 Dated: June 19, 2020  
2 San Francisco, California

3 Respectfully submitted,

4  
5 PG&E CORPORATION

6 By: \_\_\_\_\_

7 Name: Jason P. Wells

8 Title: Executive Vice President and Chief Financial  
9 Officer

10 PACIFIC GAS AND ELECTRIC COMPANY

11 By: \_\_\_\_\_

12 Name: David S. Thomason

13 Title: Vice President, Chief Financial Officer and  
14 Controller

15 SHAREHOLDER PROPONENTS

16 Abrams Capital Management, L.P.,

17 On behalf of certain funds and accounts it manages or  
18 advises

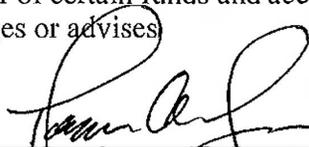
19 By: Abrams Capital Management LLC, its general partner

20 By: \_\_\_\_\_

21 Name:

22 Title:

23 Knighthead Capital Management, LLC,  
24 on behalf of certain funds and accounts  
25 it manages or advises

26 By:  \_\_\_\_\_

27 Name: Thomas A. Wagner

28 Title: Managing Member

Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, NY 10153-0119

## **Exhibit A**

### **Fires**

1. Butte Fire (2015)
2. North Bay Wildfires (2017)
  - a. LaPorte
  - b. McCourtney
  - c. Lobo
  - d. Honey
  - e. Redwood / Potter Valley
  - f. Sulphur
  - g. Cherokee
  - h. 37
  - i. Blue
  - j. Pocket
  - k. Atlas
  - l. Cascade
  - m. Nuns
  - n. Adobe
  - o. Norrbom
  - p. Pressley
  - q. Partrick
  - r. Pythian / Oakmont
  - s. Maacama
  - t. Tubbs
  - u. Point
  - v. Sullivan
3. Camp Fire (2018)

## Exhibit B

### **IBEW Agreement**

1. The IBEW Collective Bargaining Agreements (as defined in the Plan) that were extended by Letter of Agreement 18-09 shall be further extended through and including 12/31/25.
2. In conjunction with the extension of the IBEW Collective Bargaining Agreements, a 3.75% General Wage Increase shall be applied on the January 1st of each year of the extension (i.e., 2022, 2023, 2024 and 2025).
3. The Summary Plan Description (SPD), also referred to as the Summary of Benefits Handbook, and the Plan Document shall be extended through and including 12/31/25.<sup>2</sup> The Reorganized Debtors and IBEW Local 1245 shall use the SPD to provide negotiated benefits information to IBEW Local 1245-represented employees and further agree that the Medical, Dental and Vision Benefit Agreement and Benefit Agreement covering Life Insurance, Long Term Disability, Retirement, Savings Fund Plan and TRASOP and PAYSOP Plans effective January 1, 1994; letter agreements negotiated between the parties; and items agreed to during general negotiations will provide the basis of bargaining history and in case of conflict, will prevail as the governing documents.
4. Health Reimbursement Accounts, deductibles, out of pocket maximums, co-payments, and employee premium contributions for all eligible IBEW Local 1245-represented employees pursuant to the Benefits Agreements remain at the 2020 amounts in dollar terms and are extended through and including 12/31/25.
5. The Reorganized Debtors shall not implement involuntary lay-offs of IBEW Local 1245-represented employees (except for cause) unless agreed to by IBEW Local 1245.

---

<sup>2</sup> Per Letter of Agreement 01-25-PGE, there are three types of documents describing IBEW-represented employee benefits: 1) the Collective Bargaining Agreement (including all applicable letters of agreements) negotiated by the parties, 2) the Summary Plan Description (SPD), also referred to as the Summary of Benefits Handbook, and 3) the Plan Document (collectively, the “**Benefits Agreements**”).

6. The Reorganized Debtors' management and IBEW Local 1245 leadership agree to work together for the mutual benefit of all parties and will focus their attention and skills on improving safety and the safety culture at the Reorganized Debtors.
7. The Reorganized Debtors will continue to operate the Diablo Canyon Power Plant through the term of the current operating licenses.

## Exhibit C

### MUTUAL MADE WHOLE RELEASE

The terms “Claimant” and “Insurer,” are defined in Paragraph G. below.

\_\_\_\_\_, Trustee of the Fire Victim Trust, the undersigned party or personal representative (referred to herein as “Claimant”), individually and on behalf of the estate of the Claimant, and the Insurer (collectively, the “Parties” or “Releasees”) agree as follows:

- A. Whereas, the Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization dated \_\_\_\_\_ (the “Plan”), was confirmed by an order of the United States Bankruptcy Court for the Northern District of California entered on \_\_\_\_\_, 2020, and the Plan became effective on \_\_\_\_\_, 2020.
- B. Whereas the Plan provides for the treatment of all allowed Fire Victim Claims (as defined in the Plan) against the Debtors through the Fire Victim Trust (as defined in the Plan) and for the discharge of the Debtors from any further or other liability on account of all Fire Victim Claims.
- C. Whereas the Plan provides for the treatment of all allowed Subrogation Wildfire Claims (as defined in the Plan) against the Debtors through the Subrogation Wildfire Trust (as defined in the Plan) and for the discharge of the Debtors from any further or other liability on account of all Subrogation Wildfire Claims.
- D. Whereas, the Plan provides that the Fire Victim Claims are administered by a Fire Victim Trust and a Fire Victim Trustee who operates independent from the Debtors, holders of the Fire Subrogation Claims, and the Insurer. Neither the Debtors, holders of the Fire Subrogation Claims, nor the Insurer shall have any right to participate in the administration of the Fire Victim Trust, review any allocation or distribution decision of the Trustee or Trust Oversight Committee, including that of the Claimant, or make any claim for money against the Trust or the Trustee in any way or at any time.
- E. Whereas, the Trustee and Fire Victim Trust Oversight Committee have reviewed and advised the Claimant of (a) the total amount paid into the Fire Victim Trust available for compensation to the Fire Victims, (b) the total number of claims made against the Fire Victim Trust, (c) the process by which trust funds will be allocated and distributed, and (d) the total allocated amount from the Fire Victim Trust to the Claimant (“Total Allocation Award”).

- F. Whereas, the Claimant has reviewed the Total Allocation Award.
- G. Whereas, the Plan provides the Claimant and the Insurer execute a mutual limited release after the Claimant has reviewed the Total Allocation Award wherein the Claimant agrees to release only their claim against the Insurer under the Made Whole Doctrine (see Paragraph 1) and no other claim, cause of action, defense or remedy against the Insurer, and the Insurer agrees to release the Claimant as described herein in Paragraph 3. For the purpose of this Release, "Claimant" includes the Claimant's heirs, legal representatives, successor or assigns and "Insurer" includes the Claimants' insurance carriers, their past and present holders of insurance subrogation claims against the Debtors (and their direct and indirect assignors or assignees), and each of their directors, officers, agents, consultants, financial advisers, employees, attorneys, predecessors, successors and assigns.
- H. Whereas, nothing in this Release is an affirmation, representation, or an acknowledgment that the Claimant has in fact been fully compensated for their damages covered by the contract of insurance between the Insurer and the Claimant. The parties agree that Court's approval of the Plan and the Claimants' acceptance of the Total Allocation Award does not establish that the Claimant has been fully compensated under California law for their compensable damages as a result of the fire to the extent those damages are covered by insurance.
- I. Whereas, the Insurer has agreed to the terms, provisions, and agreements of this Mutual Release in a separate agreement dated \_\_\_\_\_, 20\_\_, affirming, adopting, and attaching a copy of this Mutual Release ("Insurer Adoption Agreement"). This Mutual Release is conditioned upon the Insurer, or the Insurer's successor on behalf of the Insurer, filing in the Chapter 11 case the Insurer Adoption Agreement, which states the Insurer releases, as to the Made Whole Doctrine only, each Claimant who signs and agrees to the terms of this Mutual Release. The terms, provisions, and agreements of the Insurer Adoption Agreement are incorporated herein by reference. Insurer's consent and agreement to the terms, provisions, and agreements of this Mutual Release shall be effective upon the signature of the Claimant.
- J. Whereas, this release is not required for the Trustee to allocate and distribute preliminary awards to individuals on a case by case basis for humanitarian or urgent needs.

NOW, THEREFORE, in consideration for the agreements described in this Release and other good and valuable consideration, the Claimant and the Insurer agree as follows:

1. By accepting the Total Allocation Award, the Claimant hereby waives and releases their rights, known or unknown, to assert the Made Whole Doctrine against the Insurer. Claimant is not waiving or releasing any other claim, cause of action, defense, or remedy against Insurer. Also, by signing this agreement, the Claimant is not agreeing as a factual matter that the Claimant has been fully compensated for each and every category of their damages under California law.

2. The Claimant is not releasing any claims the Claimant may have against the Insurer other than the Claimant's foregoing waiver set forth in Paragraph 1. The Parties to this Release further agree and acknowledge that the Claimant is not releasing any claims, except and only to the extent set forth above, they might have against the Insurer, including but not limited to those claims or causes of action related to: (1) the policy of insurance and what is still owed or to be paid under the policy terms and conditions; (2) the right to pursue claims already made or to make new or continued claims under the policy; (3) claims handling issues; (4) delay in paying claims under the policy; (5) inadequate or untimely communication relating to the claim; (6) unreasonable positions taken relating to coverage, payment of the claim, acknowledging coverage, or day-to-day claims decisions; (7) actions or inactions of insurance agents or brokers in underwriting, securing, adjusting, calculating or recommending coverage; (8) coverage issues over policy language; (9) any action for bad faith or breach of the covenant of good faith and fair dealing; (10) any claims to reform or modify the terms of any policy; (11) any rights to recover damages for breach of contract or tort (including punitive damages), penalties or equitable relief; (12) any claims of violations of statutory or regulatory obligations; or (13) any claim for unfair business acts or practices.

3. The Insurer agrees to release and waive any right to make claim for any amount paid to the Claimant pursuant to the Fire Victim Trust or to assert as a defense, offset or reduction, the money paid to the Claimant from the Fire Victim Trust, which belongs solely to the Claimant. The Claimant agrees to make no claim on the money paid to the Insurer from the Subrogation Wildfire Trust. In agreeing to this limited release, Insurer is not releasing any claim, cause of action, defense, or remedy it may have against the Claimant other than Claimant's foregoing release of any Made Whole Doctrine claim.

4. The Insurer is not releasing any claims the Insurer may have against Claimant other than the Insurer's foregoing waiver set forth in Paragraph 3. The Parties to this Release further agree and acknowledge that the Insurer is not releasing any claims, except and only to the extent set forth above, it might have against the Claimant, including but not limited to those claims related to: (1) the policy of insurance and what is still owed or to be paid under the policy terms and conditions; (2) defenses to garden variety claims handling issues unrelated to the Made Whole Doctrine; (3) defenses related to delay in paying claims under the policy; (4) defenses to alleged inadequate or untimely communication relating to the claim; (5) defenses to alleged unreasonable positions taken relating to coverage, payment of the claim, acknowledging coverage, or day-to-day claims decisions; (6) defenses to actions or inactions of insurance agents or brokers in securing coverage; (7) coverage issues over policy language unrelated to Made Whole Doctrine; or (8) defenses to any common law action for bad faith unrelated to Made Whole Doctrine.

5. The Insurer further agrees that the Total Allocation Award shall not be the subject of discovery or mentioned in any pleadings in any state or federal court action or admissible in evidence in any state or federal court action for any of the causes of action or claims for relief identified in Paragraphs 2 or 4. Claimant agrees that the amount paid to Insurer from the Subrogation Wildfire Trust shall not be the subject of discovery or mentioned in any pleadings in any state or federal court action or admissible in evidence in any state or federal court action.

6. To the extent that the Claimant brings a claim for breach of contract, wrongful denial of coverage and/or bad faith against the Insurer, the Insurer shall not assert in any way or at any time that the Claimant should have or could have pursued that claim against the Debtors, the Fire Victim Trust, or any other party. The Insurer agrees that that it will not assert in any action or proceeding covered under Paragraph 2 or 4 that the Claimant has been compensated as a result of the Claimant's settlement with the Debtors.

7. Both the Claimant and the Insurer agree that this Release gives the parties released the status of third-party beneficiary of the Release, and such Releasees may enforce this Release and any rights or remedies set forth herein.

8. This Release contains the entire agreement between the parties as to the subject matter hereof and is effective immediately upon signing. Likewise the release in Paragraph 1 is effective immediately upon signing. If there is a conflict between this Release and any other prior or contemporaneous agreement between the parties concerning the subject matter of the Release, the Release controls.

9. The law of the State of California shall govern the interpretation of this Release. The Bankruptcy Court has jurisdiction to resolve any disputes under this agreement.

10. Each Releasor states that he, she, or it is of legal age, with no mental disability of any kind, is fully and completely competent, and is duly authorized to execute this Release on Releasor's own behalf. Releasor further states that this Release has been explained to Releasor and that Releasor knows the contents as well as the effect thereof. Releasor further acknowledges that Releasor executed this Release after consulting with Releasor's attorney or the opportunity to consult with an attorney.

11. For avoidance of doubt, the Made Whole Doctrine is described herein. Subrogation is a doctrine that permits an insurance company, or its assignees, to assert the rights and remedies of an insured against a third party tortfeasor. The Made Whole Doctrine is a common law exception to insurer's right of subrogation. The Made Whole Doctrine, under certain circumstances, could preclude an insurer from recovering any third-party funds unless and until the insured has been made whole for the loss. Both the Claimant and Insurer agree that this Release does not modify, abrogate or affect any prior release or waiver between the Parties arising from the Fire.

12. Consistent with the foregoing, it is expressly understood and agreed by claimant that claimant is waiving and releasing all known or unknown claims under the Made Whole Doctrine. It is expressly understood and agreed by insurer that insurer is waiving and releasing all known or unknown claims under the Made Whole Doctrine as to claimant.

Executed on this [●] day of [●], 20[●].

**BY CLAIMANT [Add Name]:**

\_\_\_\_\_  
Signature of Claimant or Representative

\_\_\_\_\_  
Printed Name of Signator

\_\_\_\_\_  
Capacity of Signator



Signed and Filed: June 20, 2020

1 WEIL, GOTSHAL & MANGES LLP  
2 Stephen Karotkin (*pro hac vice*)  
3 (stephen.karotkin@weil.com)  
4 Theodore E. Tsekerides (*pro hac vice*)  
5 (theodore.tsekerides@weil.com)  
6 Richard W. Slack (*pro hac vice*)  
7 (richard.slack@weil.com)  
8 Jessica Liou (*pro hac vice*)  
9 (jessica.liou@weil.com)  
10 Matthew Goren (*pro hac vice*)  
11 (matthew.goren@weil.com)  
12 767 Fifth Avenue  
13 New York, NY 10153-0119  
14 Tel: 212 310 8000  
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16 KELLER BENVENUTTI KIM LLP  
17 Tobias S. Keller (#151445)  
18 (tkeller@kbkllp.com)  
19 Jane Kim (#298192)  
20 (jkim@kbkllp.com)  
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UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

**In re:**

**PG&E CORPORATION,**

**- and -**

**PACIFIC GAS AND ELECTRIC  
COMPANY,**

**Debtors.**

Affects PG&E Corporation  
 Affects Pacific Gas and Electric Company  
 Affects both Debtors  
\* All papers shall be filed in the Lead Case,  
No. 19-30088 (DM).

Bankruptcy Case  
No. 19-30088 (DM)  
Chapter 11  
(Lead Case)  
(Jointly Administered)

**ORDER CONFIRMING DEBTORS'  
AND SHAREHOLDER PROPONENTS'  
JOINT CHAPTER 11 PLAN OF  
REORGANIZATION DATED JUNE 19,  
2020**

1           WHEREAS, on March 16, 2020, PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and  
2 Electric Company (the “**Utility**” and together with PG&E Corp., the “**Debtors**”), as debtors and  
3 debtors in possession in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), and certain  
4 funds and accounts managed or advised by Abrams Capital Management, L.P. and certain funds  
5 and accounts managed or advised by Knighthead Capital Management, LLC (the “**Shareholder**  
6 **Proponents**”), collectively as “proponents of the plan” within the meaning of section 1129 of title  
7 11 of the United States Code (the “**Bankruptcy Code**”), filed the *Debtors’ and Shareholder*  
8 *Proponents Joint Plan of Chapter 11 Reorganization Dated March 16, 2020* [Docket No. 6320] (as  
9 thereafter amended on May 22, 2020 [Docket No. 7521], June 19, 2020 [Docket No. 8048], and as  
10 may be further modified, amended, or supplemented from time to time, and together with all exhibits  
11 and schedules thereto, the “**Plan**”);<sup>1</sup>

12           WHEREAS, on February 10, 2020, Prime Clerk LLC (the “**Solicitation Agent**”) on behalf  
13 of the Plan Proponents, caused the Fire Victim Plan Solicitation Directive to be transmitted to  
14 certain law firms as set forth in the *Certificate of Service* of Craig E. Johnson regarding the Fire  
15 Victim Plan Solicitation Directive [Docket No. 5839] (the “**Solicitation Directive Certification**”);

16           WHEREAS, by Order dated February 11, 2020 [Docket No. 5732] (the “**Scheduling**  
17 **Order**”), the Court, among other things, established (i) May 27, 2020, as the date for the  
18 commencement of the hearing to consider confirmation of the Plan (the “**Confirmation Hearing**”),  
19 and (ii) May 15, 2020, at 4:00 p.m. (Prevailing Pacific Time) as the deadline for (a) filing and  
20 serving objections to confirmation of the Plan (the “**Plan Objection Deadline**”) and (b) impaired  
21 creditors and interest holders in the voting Classes to submit votes to accept or reject the Plan (the  
22 “**Voting Deadline**”);

23           WHEREAS, on March 16, 2020, the Court entered (i) an Order [Docket No. 6321] (the  
24 “**Equity Backstop Approval Order**”), which among other things, (a) approved the terms of, and  
25 the Debtors’ entry into and performance under, the Backstop Commitment Letters with the Backstop

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26 <sup>1</sup> Capitalized terms used herein not otherwise defined have the meanings given to them in the Plan,  
27 a copy of which is annexed hereto as **Exhibit A**, or the Confirmation Memorandum (defined below),  
28 as applicable.

1 Parties, and (b) authorized the incurrence, payment and allowance of all Equity Backstop  
2 Obligations (as defined in the Equity Backstop Approval Order) as administrative expense claims,  
3 and (ii) an Order [Docket No. 6323] (the “**Debt Backstop Approval Order**”), which among other  
4 things, (a) approved the terms of, and the Debtors’ entry into and performance under, the Debt  
5 Financing Commitment Letters (as defined in the Debt Backstop Approval Order), and  
6 (b) authorized the incurrence, payment and allowance of all Debt Commitment Obligations (as  
7 defined in the Debt Backstop Approval Order) as administrative expense claims;

8 WHEREAS, on June 16, 2020, the Court entered an Order [Docket No. 7972] (the “**Amended**  
9 **Equity Backstop Approval Order**”), which among other things, (i) approved the terms of, and the  
10 Debtors’ entry into and performance under, the Amended Equity Backstop Commitment Documents  
11 (as defined in the Motion, dated June 9, 2020 [Docket No. 7848] (the “**Amended Equity Backstop**  
12 **Approval Motion**”)) with the Backstop Parties, and (ii) authorized the incurrence, payment and  
13 allowance of the Additional Backstop Commitment Share Premium (as defined in the Amended  
14 Equity Backstop Approval Motion) as an administrative expense claim;

15 WHEREAS, on March 17, 2020, the Court entered an Order [Docket No. 6340] (together  
16 with all schedules and exhibits thereto, the “**Disclosure Statement and Solicitation Procedures**  
17 **Order**”), which among other things, (i) approved the *Disclosure Statement for Debtors’ and*  
18 *Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization* (a solicitation version of which  
19 is filed at Docket No. 6353, including any exhibits and schedules thereto and as further amended,  
20 supplemented, or modified, the “**Disclosure Statement**”) as containing adequate information as  
21 provided under section 1125 of the Bankruptcy Code, (ii) approved the form and manner of notice  
22 of hearing on the proposed Disclosure Statement, (iii) approved the procedures for (a) soliciting and  
23 tabulating votes to accept or reject the Plan, including procedures for the solicitation of votes from  
24 the holders of Fire Victim Claims and the establishment of a Record Date for voting on the Plan and  
25 serving related notices, and (b) voting to accept or reject the Plan, including procedures for the  
26 solicitation of votes from holders of Fire Victim Claims and the electronic submission of votes,  
27 (iv) approved (a) the forms of Ballots and Solicitation Packages (each as defined in the Disclosure  
28

1 Statement and Solicitation Procedures Order) and procedures for the distribution thereof, including  
2 the form of master ballot for the submission of votes to accept or reject the Plan by attorneys  
3 representing multiple holders of Fire Victim Claims and related solicitation directive form and  
4 solicitation procedures for holders of Fire Victim Claims, and (b) the form of Notice of Non-Voting  
5 Status to be sent to holders of Claims and Interests that are Unimpaired under the Plan and who are,  
6 pursuant to section 1126(f) of the Bankruptcy Code, conclusively presumed to accept the Plan or  
7 are otherwise deemed not entitled to vote on the Plan, and (v) approving the form and manner of  
8 the Confirmation Hearing Notice (as defined in the Disclosure Statement and Solicitation  
9 Procedures Order);

10 WHEREAS, on March 25, 2020, the Court entered an Order approving the *Supplement to*  
11 *Disclosure Statement for Debtors' and Shareholder Proponents' Joint Chapter 11 Plan of*  
12 *Reorganization* [Docket No. 6483] (the “**Disclosure Statement Supplement**”);

13 WHEREAS, commencing on March 30, 2020, the Solicitation Agent, on behalf of the Plan  
14 Proponents, caused the Solicitation Packages (as defined in the Disclosure Statement and  
15 Solicitation Procedures Order) to be transmitted to all creditors and interest holders in strict  
16 compliance with the Solicitation Procedures as set forth in the *Certificate of Service* of Christina  
17 Pullo regarding the Plan, Disclosure Statement, Disclosure Statement Supplement, Solicitation  
18 Packages, and notice of the Confirmation Hearing [Docket No. 6893] and supplemental Certificates  
19 of Service filed at Docket Nos. 7059, 7082, 7084, 7114, 7123, 7184, 7342, 7348, and 7426  
20 (collectively, the “**Solicitation Certifications**”), and the foregoing service, including, without  
21 limitation, the service of Solicitation Packages, Ballots, Direct Fire Victim Ballots, and Fire Victim  
22 Master Ballots to the holders of Fire Victim Claims and HoldCo Rescission or Damage Claims, as  
23 applicable, is adequate as provided by Rule 3017 of the Federal Rules of Bankruptcy Procedure (the  
24 “**Bankruptcy Rules**”);

25 WHEREAS, the Debtors caused the Confirmation Hearing Notice to be served on all parties  
26 in accordance with the applicable provisions of the Bankruptcy Code and Bankruptcy Rules and as  
27 set forth in the Disclosure Statement and Solicitation Procedures Order, as evidenced by the

1 Solicitation Certifications and the *Affidavit of Publication* of Christina Pullo regarding publication  
2 of the Confirmation Hearing Notice [Docket No. 6935] (the “**Publication Affidavit**”);

3 WHEREAS, the Debtors caused the Confirmation Hearing Notice to be published once in  
4 each of: *The Wall Street Journal (National Edition)*, *USA Today*, *The Los Angeles Times*, *San*  
5 *Francisco Chronicle*, *The Bakersfield Californian*, *The Fresno Bee*, *The Modesto Bee*, *The*  
6 *Sacramento Bee*, *The Press Democrat*, *The San Jose Mercury News*, *The East Bay Times*, *The*  
7 *Record*, *The Paradise Post*, *The Chico Enterprise Record*, *The San Francisco Examiner*, *The Record*  
8 *Searchlight*, *The Red Bluff Daily News*, *The Times Standard*, *The Ukiah Daily Journal*, *The Union*,  
9 *The Napa Valley Register*, *The Trinity Journal in Weaverville*, *The Mad River Union in Arcata*, *The*  
10 *Del Norte Triplicate in Crescent City*, *The Mount Shasta Herald in Mount Shasta*, *The Siskiyou*  
11 *Daily News in Yreka*, *The Modoc County Record in Alturas*, *The Ferndale Enterprise in Fortuna*,  
12 and *The Marin Independent Journal*; and posted an electronic copy of the Confirmation Hearing  
13 Notice on the Case Website, all in accordance with the Disclosure and Solicitation Procedures  
14 Order, as evidenced by the Publication Affidavit;

15 WHEREAS, on April 9, 2020, the Court entered the *Order Pursuant to 11 U.S.C. §§ 105 and*  
16 *363 and Fed. R. Bankr. P. 9019 (I) Approving Case Resolution Contingency Process and (II)*  
17 *Granting Related Relief* [Docket No. 6721], which was amended and superseded by the Order  
18 entered on April 24, 2020 [Docket No. 6937] (the “**CRCP Order**”);

19 WHEREAS, on May 1, 2020, the Debtors filed their Plan Supplement in connection with the  
20 Plan [Docket No. 7037] (together with all exhibits and schedules thereto, as supplemented on May  
21 22, 2020 [Docket No. 7503], May 24, 2020 [Docket No. 7563], June 2, 2020 [Docket No. 7712],  
22 June 5, 2020 [Docket No. 7810], June 8, 2020 [Docket No. 7841], June 10, 2020 [Docket No. 7879],  
23 June 11, 2020 [Docket No. 7894], and June 12, 2020 [Docket No. 7929], and as it may be further  
24 amended, modified, or supplemented from time to time, the “**Plan Supplement**”);

25 WHEREAS, the Debtors transmitted or caused to be transmitted notices of the proposed  
26 treatment of executory contracts and unexpired leases under the Plan to all applicable contract and  
27 lease counterparties, as evidenced by the *Certificate of Service* of Jamie B. Herszaft [Docket No.

1 7085], the *Certificate of Service* of Andrew G. Vignali [Docket No. 7639], the *Certificate of Service*  
2 of Sonia Akter [Docket No. 7883], and the *Certificate of Service* of Alain B. Francoeur [Docket No.  
3 7906], and the *Certificate of Service* of Andrew G. Vignali [Docket No. 7982];

4 WHEREAS, on May 22, 2020, the Plan Proponents filed their *Joint Memorandum of Law*  
5 *and Omnibus Response in Support of Confirmation of Debtors' and Shareholder Proponents' Joint*  
6 *Chapter 11 Plan of Reorganization* [Docket No. 7528] (the “**Confirmation Memorandum**”);

7 WHEREAS, the Confirmation Hearing was held on May 27, 2020, May 28, 2020, May 29,  
8 2020, June 1, 2020, June 3, 2020, June 4, 2020, June 5, 2020, June 8, 2020, and June 19, 2020;

9 WHEREAS, the Court has considered all the proceedings held before the Court, the  
10 compromises and settlements embodied in and contemplated by the Plan, including without  
11 limitation, the settlements embodied in the Public Entities Plan Support Agreements, the  
12 Subrogation Claims RSA, the Tort Claimants RSA, the Noteholder RSA, the Federal Agency  
13 Settlement and the State Agency Settlement (collectively, the “**Plan Settlements**”), the process  
14 contained in the CRCP Order, and the evidence regarding confirmation of the Plan, and taken  
15 judicial notice of the documents and pleadings filed in these Chapter 11 Cases;

16 WHEREAS, the Court made certain findings of fact and conclusions of law on the record of  
17 the Confirmation Hearing, and such findings and conclusions will be deemed to be incorporated  
18 herein in their entirety;

19 WHEREAS, on June 11, 2020, the Court entered the *Order Approving Plan Funding*  
20 *Transactions and Documents in Connection with Confirmation of Debtors' and Shareholder*  
21 *Proponents' Joint Chapter 11 Plan of Reorganization Dated May 22, 2020* [Docket No. 7909] (the  
22 “**Financing Approval Order**”), which is part of and fully incorporated into this Confirmation  
23 Order;

24 WHEREAS, on June 12, 2020, the Court entered the *Order Approving the Parties' Joint*  
25 *Stipulation Regarding the Registration Rights Agreement and Related Agreements of the Fire Victim*  
26  
27  
28

1 *Trust (Docket No. 7913)* [Docket No. 7918], which is part of and fully incorporated into this  
2 Confirmation Order;

3 WHEREAS, on June 12, 2020, the Court entered the *Order Approving the Parties' Joint*  
4 *Stipulation Regarding Normalized Estimated Net Income (Docket No. 7914)* [Docket No. 7919],  
5 which is part of and fully incorporated into this Confirmation Order;

6 WHEREAS, on June 17, 2020, the Court entered the *Memorandum Decision – Confirmation*  
7 *of Debtors' and Shareholders' Joint Chapter 11 Plan of Reorganization* [Docket No. 8001] (the  
8 “**Memorandum Decision**”),<sup>2</sup> which is part of and fully incorporated into this Confirmation Order;

9 WHEREAS, the Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157  
10 and 1334, the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General  
11 Order 24 (N.D. Cal. Feb. 22, 2016), and Bankruptcy Local Rule 5011-1(a); and this is a core  
12 proceeding pursuant to 28 U.S.C. § 157(b); and venue is proper before the Court pursuant to  
13 28 U.S.C. §§ 1408 and 1409; and

14 WHEREAS, the Court takes judicial notice of the official docket of the Chapter 11 Cases  
15 maintained by the Clerk of the Court and/or its duly appointed agent, including, without limitation,  
16 all pleadings and other documents filed, all orders entered, and the evidence and arguments made,  
17 proffered, or adduced at the hearings held before the Court during the pendency of the Chapter 11  
18 Cases, including, but not limited to, the hearings to consider the adequacy of the Disclosure  
19 Statement, the Disclosure Statement Supplement, the Solicitation Procedures, the Solicitation  
20 Packages, and the Disclosure Statement and Solicitation Procedures Order entered in connection  
21 therewith.

22 **NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED**  
23 **THAT:**

24 1. Confirmation.

25 a. The Plan, annexed hereto as **Exhibit A**, is approved, as modified herein, and

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26 <sup>2</sup> The reference in the Memorandum Decision to the *Memorandum on Objection of Adventist Health,*  
27 *AT&T, Paradise Entities and Comcast to Trust Documents* entered on May 26, 2020 [Docket No.  
28 7597] refers to such decision as it was supplemented on the record of the hearing on June 11, 2020.

1 confirmed under section 1129 of the Bankruptcy Code. The terms of the Plan, all exhibits thereto,  
2 the Plan Supplement, the Financing Approval Order, and the Memorandum Decision are  
3 incorporated by reference into and are an integral part of the Plan and this Confirmation Order.

4 b. The documents contained in the Plan Supplement and exhibits to the Plan, and any  
5 amendments, modifications, and supplements thereto, and the execution, delivery, and performance  
6 thereof by the Debtors, are authorized and approved. The parties to the documents contained in the  
7 Plan Supplement and exhibits to the Plan may exchange signature pages prior to the Effective Date,  
8 as necessary or appropriate, to be held in escrow on the condition that such signature pages shall  
9 not be released from escrow until the Effective Date.

10 c. All documents necessary to implement the Plan, including without limitation, the  
11 exhibits to the Plan, the Plan Supplement, the Plan Documents, the Plan Funding Documents, and  
12 all other relevant and necessary documents shall, upon completion of documentation and execution,  
13 be valid, binding, and enforceable agreements and not be in conflict with any federal or state law.

14 2. Plan Modifications and Amendments.

15 a. All modifications and amendments made to the Plan and on the record at the  
16 Confirmation Hearing do not materially and adversely affect the treatment of holders of Claims or  
17 Interests under the Plan and comply with section 1127 of the Bankruptcy Code, and therefore, no  
18 additional disclosure or further solicitation is required. The Plan Proponents may institute  
19 proceedings in the Court to remedy any defect or omission or reconcile any inconsistencies in the  
20 Plan or this Confirmation Order with respect to such matters as may be necessary to carry out the  
21 purposes and effects of the Plan and any holder of a Claim or Interest that has accepted the Plan  
22 shall be deemed to have accepted the Plan as so amended, modified, or supplemented. Prior to the  
23 Effective Date, the Plan Proponents may make appropriate technical adjustments and modifications  
24 to the Plan and the documents contained in the Plan Supplement without further order or approval  
25 of the Bankruptcy Court; *provided*, that such technical adjustments and modifications do not  
26 materially and adversely affect the treatment of holders of Claims and Interests; *provided, further*,  
27 that no party may make material modifications or amendments to the Plan and the documents

1 contained in the Plan Supplement (as amended, modified or supplemented) that are inconsistent  
2 with the Plan, this Confirmation Order, or the Bankruptcy Code without approval of the Bankruptcy  
3 Court.

4 b. Notwithstanding anything to the contrary in the Plan or this Confirmation Order, the  
5 Plan or Plan Documents, including any amendments or modifications thereto, shall be in form and  
6 substance acceptable to the Governor of the State of California (the “**Governor’s Office**”) as of the  
7 Effective Date.

8 3. Compromises and Settlements. The compromises and settlements set forth in the Plan  
9 and/or described in the Confirmation Memorandum, including, without limitation, the Plan  
10 Settlements, the Public Entities Plan Support Agreements and the Wildfire OII Settlement, are the  
11 product of good faith, arm’s-length negotiations, and to the extent not already approved, are  
12 approved and will be effective immediately and binding on all parties in interest.

13 4. Wildfire Legislation (A.B. 1054) Compliance.

14 a. The Debtors’ insolvency proceeding is resolved pursuant to the Plan and is not subject  
15 to a stay.

16 b. The resolution of these proceedings provides funding or establishes reserves for,  
17 provides for assumption of, or otherwise provides for satisfying all prepetition wildfire claims  
18 asserted against the Debtors in the Chapter 11 Cases in the amounts agreed upon in any pre-  
19 insolvency proceeding settlement agreements or any post-insolvency settlement agreements,  
20 authorized by the Court through an estimation process or otherwise allowed by the Court, in  
21 satisfaction of California Public Utilities Code section 3292(b)(1)(B), enacted through Wildfire  
22 Legislation (A.B. 1054), through the payment of the consideration on account of the Fire Victim  
23 Claims as provided in the Plan and in the Tort Claimants RSA, payment of the consideration on  
24 account of the Subrogation Wildfire Claims as provided in the Plan and in the Subrogation Claims  
25 RSA, and payment of the consideration on account of the Public Entities Wildfire Claims as  
26 provided in the Plan and in the Public Entities Plan Support Agreements, in each case in restitution  
27 and in full and final satisfaction, settlement, release, and discharge of such claims. The foregoing  
28

1 settlements embodied in the Plan were accepted by the relevant holders of Fire Claims in Classes  
2 5A-I (HoldCo Public Entities Wildfire Claims), 5A-II (HoldCo Subrogation Wildfire Claims), 5A-  
3 III (HoldCo Fire Victim Claims), 5B-I (Utility Public Entities Wildfire Claims), 5B-II (Utility  
4 Subrogation Wildfire Claims), and 5B-III (Utility Fire Victim Claims).

5 5. Plan Classification Controlling. The classification of Claims and Interests for  
6 purposes of the distributions to be made under the Plan shall be governed solely by the terms of the  
7 Plan. For the avoidance of doubt, any Claims arising out of the 2015 Butte fires that are the subject  
8 of fully effective, valid and enforceable prepetition settlement agreements with the Debtor(s) are,  
9 and shall be treated as, Prepetition Executed Settlement Claims under the Plan.

10 6. Solicitation of Votes. Based on the record before the Court in these Chapter 11 Cases,  
11 the Plan Proponents and their directors, officers, employees, members, agents, advisors, and  
12 professionals have acted in “good faith” within the meaning of section 1125(e) of the Bankruptcy  
13 Code and in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy  
14 Rules, and the Disclosure Statement and Solicitation Procedures Order, in connection with all their  
15 respective activities relating to the solicitation of acceptances or rejections of the Plan (including,  
16 without limitation, with respect to the solicitation of votes of holders of Fire Victim Claims and  
17 HoldCo Rescission or Damage Claims) and their participation in the activities described in section  
18 1125 of the Bankruptcy Code, and are entitled to the protections afforded by section 1125(e) of the  
19 Bankruptcy Code. Such solicitation, including with respect to the third-party injunction, Channeling  
20 Injunction, third-party release, and exculpation provisions of the Plan, also satisfies the requirements  
21 of due process.

22 7. Binding Effect. Except as otherwise provided in section 1141(d)(3) of the Bankruptcy  
23 Code, and subject to the occurrence of the Effective Date, on and after the entry of this Confirmation  
24 Order, the provisions of the Plan shall bind every holder of a Claim against or Interest in any Debtor  
25 and inure to the benefit of and be binding on such holder’s respective successors and assigns,  
26 regardless of whether the Claim or Interest of such holder is Impaired under this Plan and whether  
27 such holder has accepted the Plan.

1           8.     Vesting of Assets. Pursuant to Section 10.2 of the Plan, upon the Effective Date,  
2 pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all assets and property of the Debtors  
3 shall vest in the Reorganized Debtors, as applicable, free and clear of all Claims, Liens, charges,  
4 and other interests, except as otherwise provided in the Plan or in this Confirmation Order. The  
5 Reorganized Debtors may operate their businesses and use, acquire, and dispose of property free of  
6 any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were  
7 no pending cases under any chapter or provision of the Bankruptcy Code, except as otherwise  
8 provided in the Plan or this Confirmation Order.

9           9.     Distributions. Pursuant to Section 5.1 of the Plan, except as otherwise provided in the  
10 Plan or in this Confirmation Order, the Wildfire Trust Agreements, or the Claims Resolution  
11 Procedures, the Disbursing Agent shall make all distributions to the appropriate holders of Allowed  
12 Claims, or such other persons designated by the Plan, in accordance with the terms of the Plan.  
13 Pursuant to Section 5.6 of the Plan, Fire Claims subject to the Channeling Injunction shall not be  
14 administered by the Disbursing Agent and shall instead be administered by the Wildfire Trusts.

15           10.    No Postpetition or Default Interest on Claims. Pursuant to Section 5.3 of the Plan,  
16 except as otherwise specifically provided for in the Plan or this Confirmation Order, or another  
17 order of the Court or required by the Bankruptcy Code, postpetition and/or default interest shall not  
18 accrue or be paid on any Claims, and no holder of a Claim shall be entitled to interest accruing on  
19 such Claim on or after the Petition Date.

20           11.    Date of Distributions. Pursuant to Section 5.4 of the Plan, unless otherwise provided  
21 in the Plan, the Wildfire Trust Agreements, or the Claims Resolution Procedures, any distributions  
22 and deliveries to be made under the Plan shall be made on the Effective Date or as soon as reasonably  
23 practicable thereafter; *provided*, that the Reorganized Debtors may implement periodic distribution  
24 dates to the extent they determine appropriate. Holders of Fire Claims subject to the Claims  
25 Resolution Procedures shall receive distributions in accordance with the applicable Claims  
26 Resolution Procedures.

27           12.    Disbursing Agent. Pursuant to Section 5.6 of the Plan, except as otherwise provided  
28

1 in the Plan or the Wildfire Trust Agreements, all distributions under the Plan shall be made by the  
2 Disbursing Agent, on behalf of the applicable Debtor, on and after the Effective Date as provided  
3 therein. Pursuant to Section 5.14 of the Plan, the Disbursing Agent shall be empowered to (i) effect  
4 all actions and execute all agreements, instruments, and other documents necessary to perform its  
5 duties under the Plan; (ii) make all applicable distributions or payments provided for under the Plan;  
6 (iii) employ professionals to represent it with respect to its responsibilities; and (iv) exercise such  
7 other powers (A) as may be vested in the Disbursing Agent by further order of the Court (including  
8 any order issued after the Effective Date) or pursuant to the Plan or (B) as deemed by the Disbursing  
9 Agent to be necessary and proper to implement the provisions of this Plan.

10 13. Satisfaction of Claims. Unless otherwise provided by the Plan, any distributions and  
11 deliveries made on account of Allowed Claims under the Plan shall be in complete and final  
12 satisfaction, settlement, and discharge of and exchange for such Allowed Claims.

13 14. Setoffs and Recoupment.

14 a. Pursuant to Section 5.13 of the Plan, each Debtor or Reorganized Debtor, as  
15 applicable, or such Entity's successor or designee, may, pursuant to section 553 of the Bankruptcy  
16 Code or applicable nonbankruptcy law, offset or recoup against any Allowed Claim and the  
17 distributions to be made pursuant to the Plan on account of such Allowed Claim any and all Claims,  
18 rights, and Causes of Action that such Debtor or Reorganized Debtor or its successors may hold  
19 against the holder of such Allowed Claim; provided, that neither the failure to effect a setoff or  
20 recoupment nor the allowance of any Claim under the Plan will constitute a waiver or release by a  
21 Debtor or Reorganized Debtor or its successor of any Claims, rights, or Causes of Action that any  
22 such entity or its successor or designee may possess against such holder.

23 b. Except as provided in Section 10.7 of the Plan, any rights of setoff or recoupment or  
24 defenses thereto held by any Entity are expressly retained and preserved, subject to any applicable  
25 limitations of the Bankruptcy Code.

26 15. Restructuring Transactions; Effectuating Documents.

27 a. Following the Confirmation Date or as soon as reasonably practicable thereafter, the  
28

1 Debtors or the Reorganized Debtors, as applicable, may take all actions as may be necessary or  
2 appropriate to effectuate any transaction described in, approved by, contemplated by, or necessary  
3 to effectuate the Plan or to obtain any of the Plan Funding and Exit Financing (collectively, the  
4 “**Restructuring Transactions**”), including (i) the execution and delivery of appropriate agreements  
5 or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition,  
6 transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that  
7 are consistent with the terms of the Plan, (ii) the execution and delivery of appropriate instruments  
8 of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or  
9 obligation on terms consistent with the terms of the Plan, (iii) the amendment, restatement, and, to  
10 the extent applicable, the filing of appropriate certificates or articles of incorporation,  
11 reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or  
12 dissolution, or bylaws pursuant to applicable state or federal law, (iv) the execution and delivery of  
13 the Plan Documents, (v) the issuance of securities (including, without limitation, pursuant to the  
14 Plan Funding Transactions (as defined in the Financing Approval Order)), all of which shall be  
15 authorized and approved in all respects in each case without further action being required under  
16 applicable law, regulation, order, or rule (except such filings, approvals and authorizations as may  
17 be required, necessary or desirable for offerings of securities not exempt from the Securities Act  
18 pursuant to section 1145 of the Bankruptcy Code), (vi) such other transactions that are necessary or  
19 appropriate to implement the Plan in a tax efficient manner, (vii) the cancellation of existing  
20 securities, (viii) the negotiation, preparation, execution, delivery of and performance under the Plan  
21 Funding Documents, prior to, on or after the Effective Date, to the extent necessary or appropriate  
22 to effectuate any of the Plan Funding Transactions, in each case without notice, hearing, or further  
23 order of the Court, and (ix) all other actions that the applicable Entities determine to be necessary  
24 or appropriate, including making filings or recordings that may be required by applicable law.

25 b. The Indenture of Mortgage, entered into by Pacific Gas and Electric Company and  
26 The Bank of New York Mellon Trust Company, N.A., as trustee, as may be amended or  
27 supplemented from time to time (the “**FMB Indenture**”) shall (i) describe the properties to be

1 encumbered by the lien of the FMB Indenture by any of the following methods: Assessor's Parcel  
2 Number, or by Instrument Number (or Book and Page Number) of the instrument conveying such  
3 property to Debtor (or its predecessor), or by metes and bounds, or by reference to a parcel map, or  
4 by other legally sufficient means; (ii) be presented to the various Recorders' Offices in the California  
5 counties where property of the Debtor is to be encumbered by the lien of the Indenture; and  
6 (iii) when so presented to such Recorders' Offices, then such Recorders' Offices are instructed and  
7 directed to accept such FMB Indenture for recording, and such Indenture shall be recorded and  
8 indexed against the subject properties in the appropriate real property records maintained by such  
9 Recorders' Offices.

10 c. Each officer, or member of the board of directors, of the Debtors is (and each officer,  
11 or member of the board of directors of the Reorganized Debtors shall be) authorized to issue,  
12 execute, deliver, file, or record such contracts, securities, instruments, releases, indentures, and other  
13 agreements or documents and take such actions as may be necessary or appropriate to effectuate,  
14 implement, and further evidence the terms and conditions of the Plan, the securities issued pursuant  
15 to the Plan and any Plan Funding Transactions in the name of and on behalf of the Reorganized  
16 Debtors, all of which shall be authorized and approved in all respects, in each case, without the need  
17 for any approvals, authorization, consents, or any further action required under applicable law,  
18 regulation, order, or rule (including any action by the stockholders or directors of the Debtors or the  
19 Reorganized Debtors) except for those expressly required pursuant to the Plan.

20 d. Any of the (i) respective chairperson of the board of directors, president, any vice  
21 president and (ii) any of the respective corporate secretary, chief financial officer, treasurer or any  
22 assistant secretary or assistant secretary of each Debtor are authorized to sign and file with the  
23 California Secretary of State an officer's certificate with respect to the amended and restated articles  
24 of incorporation of such Debtor, substantially in the form provided in Exhibits B-1 and C-1 of the  
25 Plan Supplement filed on June 8, 2020 [Docket No. 7841] (the "New Articles") without the need  
26 for any further action of the respective board of directors or shareholders of the Debtors.

27 e. All matters provided for in the Plan involving the corporate structure of the Debtors

1 or Reorganized Debtors, or any corporate action required by the Debtors or Reorganized Debtors in  
2 connection therewith, including, but not limited to, (i) the amendment and restatement of the articles  
3 of incorporation of each of the Debtors or Reorganized Debtors, substantially in the form set forth  
4 in the New Articles, (ii) the amendment and restatement of the bylaws of each of the Debtors or  
5 Reorganized Debtors, substantially in the form set forth in Exhibits B-2 and C-2 of the Plan  
6 Supplement filed on June 8, 2020 [Docket No. 7841] (the “**New Bylaws**”), (iii) the establishment  
7 of a classified board of directors as substantially set forth in the New Bylaws, (iv) the establishment  
8 of restrictions on the transfer of certain securities of the Debtors and Reorganized Debtors (the  
9 “**NOL Transfer Restrictions**”), substantially in the form set forth in the New Articles (which NOL  
10 Transfer Restrictions may be implemented with like effectiveness in either the New Articles or New  
11 Bylaws on or prior to the Effective Date), and, (v) pursuant to and subject to Paragraph 21 below,  
12 the selection and appointment of the New Board, shall be deemed to have occurred and shall be in  
13 effect, without any requirement of further action by the stockholders or directors of the Debtors or  
14 Reorganized Debtors, and with like effect as though such action had been taken unanimously by the  
15 stockholders of the Debtors and Reorganized Debtors.

16 f. Upon the certification of the New Articles by the California Secretary of State, the  
17 Debtors (or, if applicable, the Reorganized Debtors) shall provide notice of the NOL Transfer  
18 Restrictions to all registered holders of shares of common stock of each of the Debtors in accordance  
19 with California Corporation Code Section 422(c) and California Commercial Code Section 8204(2).  
20 Upon receipt of such notice, the NOL Transfer Restrictions shall become binding and effective with  
21 respect to all shares of common stock of each of the Debtors held by such registered holders.

22 16. Continued Corporate Existence and Certain CPUC Matters.

23 a. Pursuant to Section 6.3 of the Plan, except as otherwise provided in the Plan or in this  
24 Confirmation Order, the Debtors shall continue to exist after the Effective Date as Reorganized  
25 Debtors in accordance with the applicable laws of the respective jurisdictions in which they are  
26 incorporated or organized. On and after the Effective Date, without prejudice to the rights of any  
27 party to a contract or other agreement with any Debtor, each Reorganized Debtor may, in its sole  
28

1 discretion, take such action as permitted by applicable law and such Reorganized Debtor's  
2 organizational documents, as such Reorganized Debtor may determine is reasonable and  
3 appropriate. The Reorganized Debtors shall not amend their articles of incorporation, bylaws, or  
4 other governing documents in any manner inconsistent with the Plan or this Confirmation Order.  
5 The first annual meeting of the shareholders of the Reorganized Debtors shall be held on a date and  
6 at a time that is within fifteen (15) months of the certification of their respective amended and  
7 restated articles of incorporation by the California Secretary of State, as such date and time shall be  
8 designated by the New Boards of the respective Reorganized Debtors.

9       b. The Utility will comply with and implement the provisions of the CPUC Assigned  
10 Commissioner's Ruling dated February 18, 2020 ("ACR"), to the extent adopted by, and as  
11 modified by, the decision of the California Public Utilities Commission (the "CPUC" or the  
12 "Commission") in I.19-09-016 approving the Plan (the "CPUC Decision") (except insofar as such  
13 provisions are in the future waived, modified or terminated by the CPUC). Except as expressly  
14 stated in the CPUC Decision or this paragraph, the provisions of the ACR regarding selection of  
15 members of the Boards,<sup>3</sup> responsibilities of Board committees,<sup>4</sup> and Board approvals of senior  
16 management,<sup>5</sup> will in any event expire on the earliest of (i) a continuous period of five years in  
17 which the Reorganized Utility has not entered Part II of the Enhanced Regulatory Oversight and  
18 Enforcement Process (as set forth in Appendix A to the CPUC Decision), (ii) a continuous period  
19 of two years in which the Reorganized Utility, having exited Part II of the Enhanced Regulatory  
20 Oversight and Enforcement Process, has not re-entered Part II, or (iii) the date on which the CPUC  
21 has approved a change in control of the Reorganized Debtors and associated termination of the  
22 Enhanced Regulatory Oversight and Enforcement Process. Notwithstanding the foregoing, the  
23 provision in the ACR regarding residency of directors<sup>6</sup> shall apply to the directors as of the Effective  
24 Date.

25 \_\_\_\_\_  
<sup>3</sup> ACR Proposal 4.

26 <sup>4</sup> ACR Proposals 2, 3, 10.

27 <sup>5</sup> ACR Proposals 1, 5.

28 <sup>6</sup> ACR Proposal 4.

1 c. Pursuant to the CPUC Decision, the Utility will seek to implement a regional  
2 restructuring plan. The Utility will file an application with the CPUC by June 30, 2020 regarding  
3 its proposed restructuring, and will take interim steps in furtherance of its proposed regional  
4 restructuring.

5 17. Subrogation Wildfire Trust.

6 a. Establishment of the Subrogation Wildfire Trust. (i) The Plan Proponents are  
7 authorized to establish and implement the Subrogation Wildfire Trust in accordance with the terms  
8 of this Confirmation Order, the Plan, and the Subrogation Wildfire Trust Agreement, and (ii) the  
9 Subrogation Wildfire Trustee is authorized to carry out the purposes of the Subrogation Wildfire  
10 Trust, as set forth in and subject to the Plan and the Subrogation Wildfire Trust Agreement. Funding  
11 of the Subrogation Wildfire Trust as provided herein and in the Plan shall be in restitution and in  
12 full and final satisfaction, release, and discharge of all Subrogation Wildfire Claims. In accordance  
13 with the Subrogation Wildfire Trust Agreement and the Subrogation Wildfire Claim Allocation  
14 Agreement, each of which shall become effective as of the Effective Date, the Subrogation Wildfire  
15 Trust shall administer, process, settle, resolve, liquidate, satisfy, and pay all Subrogation Wildfire  
16 Claims. On the Effective Date, all Subrogation Wildfire Claims shall be channeled to the  
17 Subrogation Wildfire Trust and shall be subject to the Channeling Injunction.

18 b. Qualified Settlement Fund. Each trust comprising the Subrogation Wildfire Trust is  
19 intended to be treated, and shall be reported, as a “qualified settlement fund” for U.S. federal income  
20 tax purposes and shall be treated consistently for state and local tax purposes, to the extent  
21 applicable; *provided, however*, that the Reorganized Debtors may elect to treat any trust comprising  
22 the Subrogation Wildfire Trust as a “grantor trust” for U.S. federal income tax purposes, in which  
23 case each such trust shall be treated consistently for state and local tax purposes, to the extent  
24 applicable. The Subrogation Wildfire Trustee and all holders of Subrogation Wildfire Claims shall  
25 report consistently with the foregoing. The Subrogation Wildfire Trustee shall be the  
26 “administrator,” within the meaning of Treasury Regulations Section 1.468B-2(k)(3), of the  
27 Subrogation Wildfire Trust and, in such capacity, the Subrogation Wildfire Trustee shall be

1 responsible for filing all tax returns of the Subrogation Wildfire Trust and, out of the assets of the  
2 Subrogation Wildfire Trust, the payment of any taxes due with respect to trust assets or otherwise  
3 imposed on the Subrogation Wildfire Trust (including any tax liability arising in connection with  
4 the distribution of trust assets), and shall be permitted to sell any assets of the Subrogation Wildfire  
5 Trust to the extent necessary to satisfy such tax liability (including any tax liability arising in  
6 connection with such sale).

7 c. Subrogation Wildfire Trustee. The Subrogation Wildfire Trust shall be governed by  
8 the Subrogation Wildfire Trust Agreement and administered by the Subrogation Wildfire Trustee.  
9 The powers and duties of the Subrogation Wildfire Trustee shall be as described in Section 6.5 of  
10 the Plan and shall include, but shall not be limited to, those responsibilities vested in the Subrogation  
11 Wildfire Trustee pursuant to the terms of the Subrogation Wildfire Trust Agreement, or as may be  
12 otherwise necessary and proper to (i) make distributions to holders of Subrogation Wildfire Claims  
13 in accordance with the terms of the Plan, this Confirmation Order, the Subrogation Wildfire Trust  
14 Agreement, and the Subrogation Wildfire Claim Allocation Agreement, and (ii) carry out the  
15 provisions of the Plan and this Confirmation Order relating to the Subrogation Wildfire Trust and  
16 the Subrogation Wildfire Claims.

17 d. Subrogation Wildfire Trust Advisory Board. The Subrogation Wildfire Trust  
18 Advisory Board shall be appointed on the Effective Date. The rights and responsibilities of the  
19 Subrogation Wildfire Trust Advisory Board shall be set forth in the Subrogation Wildfire Trust  
20 Agreement and Section 6.6 of the Plan. The Subrogation Wildfire Trust Advisory Board shall, as  
21 and when requested by the Subrogation Wildfire Trustee, or as is otherwise either (i) required under  
22 the Plan, this Confirmation Order, or the Subrogation Wildfire Trust Agreement, or  
23 (ii) contemplated by the Subrogation Wildfire Claim Allocation Agreement, consult with and advise  
24 the Subrogation Wildfire Trustee as to the administration and management of the Subrogation  
25 Wildfire Trust in accordance with the terms of the Plan, this Confirmation Order, and/or the  
26 Subrogation Wildfire Trust Agreement.

27 e. Costs and Expenses of the Subrogation Wildfire Trust. The Subrogation Wildfire  
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1 Trust shall pay all expenses of the Subrogation Wildfire Trust from the assets of the Subrogation  
2 Wildfire Trust, as provided in the Subrogation Wildfire Trust Agreement.

3 f. Assignment of Rights. Nothing in this Confirmation Order, the Plan, or any of the  
4 Plan Documents shall be construed as addressing the merits of any purported assignment of rights to  
5 insurance policy proceeds, and each insurer's rights and defenses with respect to (a) any assignment  
6 of any insurance policies, and (b) any entitlements to insurance proceeds, are hereby expressly  
7 reserved.

8 g. Subrogation Wildfire Trust Escrow Agreement. The Debtors and Ad Hoc  
9 Subrogation Group have agreed as follows, which agreement is hereby approved by the Court, and  
10 the Debtors are hereby authorized and directed to take all actions set forth below to implement such  
11 agreement:

12 i. Within two (2) business days of the Confirmation Date, the Debtors shall  
13 advance \$5,000,000 in cash (the "**Trustee Advance**") of the \$11,000,000,000 subrogation claims  
14 recovery by wire transfer to Willkie Farr & Gallagher LLP ("**Willkie**"), pursuant to wiring  
15 instructions to be provided by Willkie. Willkie shall use the Trustee Advance solely to pay the fees  
16 and expenses of the future Subrogation Wildfire Trustee incurred prior to the Effective Date of the  
17 Plan, and any unused portion of the Trustee Advance will be transferred to the Subrogation Wildfire  
18 Trust on the Effective Date of the Plan. If the Effective Date of the Plan does not occur, then such  
19 unused portion shall be returned to the Debtors.

20 ii. On the Effective Date of the Plan, the Debtors shall (i) fund \$100,000,000 to  
21 the Subrogation Wildfire Trust, and (ii) place the remaining \$10,895,000,000 (the "**Subrogation**  
22 **Escrow Funds**") in a segregated escrow or similar account (the "**Subrogation Escrow Account**"),  
23 established and owned by the Subrogation Wildfire Trust for the benefit of holders of Subrogation  
24 Wildfire Claims, which will be held at a financial institution reasonably acceptable to the Ad Hoc  
25 Subrogation Group and the Debtors (the "**Subrogation Escrow Agent**"), subject to an escrow  
26 agreement mutually acceptable to the Ad Hoc Subrogation Group and the Debtors (the  
27 "**Subrogation Escrow Agreement**"). The Subrogation Escrow Funds shall be held in the

1 Subrogation Escrow Account in trust for the Subrogation Wildfire Trust beneficiaries and shall not  
2 be subject to any claim, lien or encumbrance of any kind.

3           iii.     The Subrogation Escrow Funds shall be held in the Subrogation Escrow  
4 Account for the lesser of (i) fifteen (15) calendar days, or (ii) the amount of time needed to earn an  
5 amount in interest or appreciation on the Subrogation Escrow Funds equal to \$3,986,950 (the  
6 “**Holding Period**”). The Subrogation Escrow Agent shall provide the Subrogation Trustee with  
7 written notice of the termination of the Holding Period within one (1) business day thereof.  
8 Immediately upon the conclusion of the Holding Period and without further action or notice required  
9 to be provided by the Reorganized Debtors or the Ad Hoc Subrogation Group, the Subrogation  
10 Escrow Agent shall transfer \$10,895,000,000, plus any interest or appreciation accrued or earned in  
11 excess of \$3,986,950 (the “**Butte Settlement Payment**”) to the Subrogation Wildfire Trust. The  
12 remaining balance of the Subrogation Escrow Funds shall be paid by the Subrogation Escrow Agent  
13 in accordance with the Court’s *Order Pursuant to 11 U.S.C. §§ 105(a) and 363(b) and Fed. R.*  
14 *Bankr. P. 9019 Approving (I) Debtors’ Agreement and Settlement with People of the State of*  
15 *California and (II) Granting Related Relief* [Docket No. 6785]. In the event the remaining balance  
16 of the Subrogation Escrow Funds is insufficient to pay the Butte Settlement Payment in full, the  
17 Reorganized Debtors shall be solely responsible for any such shortfall, and under no circumstances  
18 shall less than \$10,895,000,000 be transferred to the Subrogation Wildfire Trust at the conclusion  
19 of the Holding Period in accordance with the Subrogation Escrow Agreement.

20           iv.     The Subrogation Escrow Funds may only be invested in U.S. Federal  
21 Government securities with a term of one year or less or other short-term fixed income assets as  
22 approved by the Ad Hoc Subrogation Group in its sole discretion. The Reorganized Debtors shall  
23 be solely responsible for the payment of any and all fees, expenses, taxes or other costs associated  
24 with the Subrogation Escrow Funds and the Escrow Agent and no such fees, expenses, taxes or  
25 other costs shall be deducted from the Escrow Funds (or any interest or appreciation earned thereon).

26           18.     Fire Victim Trust.

27           a.     Establishment of the Fire Victim Trust. (i) The Plan Proponents are authorized to  
28



1 within the meaning of Treasury Regulations Section 1.468B-2(k)(3), of the Fire Victim Trust and,  
2 in such capacity, the Fire Victim Trustee shall be responsible for filing all tax returns of the Fire  
3 Victim Trust and, out of the assets of the Fire Victim Trust, the payment of any taxes due with  
4 respect to trust assets or otherwise imposed on the Fire Victim Trust (including any tax liability  
5 arising in connection with the distribution of trust assets), shall be permitted to sell any assets of the  
6 Fire Victim Trust to the extent necessary to satisfy such tax liability (including any tax liability  
7 arising in connection with such sale).

8 c. Fire Victim Trust Documents. On the Effective Date, the Fire Victim Trust  
9 Documents shall become effective.

10 d. Fire Victim Trust Administration. No parties other than holders of Fire Victim Claims  
11 shall have a right or involvement in the Fire Victim Trust Documents, the administration of the Fire  
12 Victim Trust, the selection of the Fire Victim Trustee, settlement fund administrator, claims  
13 administrator, or the Fire Victim Trust Oversight Committee. The Fire Victim Claims shall be  
14 administered by the Fire Victim Trustee, Claims Administrator, and the Fire Victim Trust Oversight  
15 Committee, as set forth in the Fire Victim Trust Documents, the Plan, and this Confirmation Order,  
16 independent of the Debtors and/or Reorganized Debtors, as applicable. The Fire Victim Claims  
17 shall be administered, allocated and distributed in accordance with applicable ethical rules and  
18 subject to adequate informed consent procedures. The Fire Victim Trustee shall receive settlement  
19 allocations consistent with Rule 1.8(g) of the Model Rules of Professional Conduct. The rules and  
20 procedures governing the administration and allocation of the funds from the Fire Victim Trust shall  
21 be objectively and consistently applied and transparent. No party other than holders of Fire Victim  
22 Claims, including but not limited to the Debtors, the Reorganized Debtors, and any holders of  
23 Claims or Interests other than holders of Fire Victim Claims, shall have any rights to any of the  
24 proceeds in the Fire Victim Trust, or any clawback or reversionary interest of any of the  
25 consideration (whether Cash or otherwise) allocated to any of the holders of Fire Victim Claims  
26 generally or in the total amount funded to the Fire Victim Trust.

27 e. Fire Victim Trustee and Claims Administrator.

1           i.       From and after the entry of this Confirmation Order, the beneficial interests in the Fire  
2 Victim Trust held by Beneficial Owners (as defined in the Fire Victim Trust Agreement), including  
3 a Fire Victim Claim, are not negotiable and shall be non-transferable other than if transferred by  
4 will, intestate succession, or otherwise by operation of law. Additionally, the holder of any interest  
5 in the Fire Victim Trust may assign, convey or otherwise transfer its interest in the Fire Victim  
6 Trust, including a Fire Victim Claim, to its successor by merger, consolidation, or by purchase or  
7 transfer of substantially all of the assets of the holder of the interests in the Fire Victim Trust.  
8 Moreover, any and all Fire Victim Trust Interests (as defined in the Fire Victim Trust Agreement)  
9 shall not be listed for trading on any national securities exchange and the Fire Victim Trustee shall  
10 not take any action the purpose of which is, or which would be in support of, the establishment of  
11 an active trading market in the beneficial interests in the Fire Victim Trust. No voluntary transfer  
12 of a beneficial interest in the Fire Victim Trust shall be effective or binding upon the Fire Victim  
13 Trust or the Fire Victim Trustee for any purpose, except as otherwise set forth in the Fire Victim  
14 Trust Agreement. In the case of a deceased individual Beneficial Owner, his or her executor or  
15 administrator shall provide written notice to the Fire Victim Trustee and deliver to the Fire Victim  
16 Trustee such documentation necessary to evidence the transfer by operation of law and identify the  
17 proper Person to succeed to such decedent's interests. The Fire Victim Trustee may fully rely on  
18 any such evidence provided by a purported executor or administrator and shall have no duty to  
19 investigate.

20           ii.       The Fire Victim Trust shall be governed by the Fire Victim Trust Documents, the Plan  
21 and this Confirmation Order, and administered by the Fire Victim Trustee, Claims Administrator,  
22 and Fire Victim Trust Oversight Committee. The power, rights, and responsibilities of the Fire  
23 Victim Trustee, Claims Administrator, and Fire Victim Trust Oversight Committee shall be as  
24 provided in the Fire Victim Trust Agreement and consistent with Sections 6.7 and 6.8 of the Plan  
25 and shall include the authority and responsibility to, among other things, take the actions set forth  
26 in Sections 6.7 and 6.8 of the Plan. Notwithstanding anything to the contrary in the Fire Victim  
27 Trust Documents, the Parties to the State Agency Settlement [Docket No. 7399-2] and the Federal  
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1 Agency Settlement [Docket No. 7399-1] shall not be required to execute a Claimant Release and  
2 Indemnification in Connection with the Fire Victim Trust Award (as defined in the Fire Victim  
3 Trust Agreement).

4 iii. The Fire Victim Trustee will be appointed as the representative of each of the Debtors'  
5 estates pursuant to section 1123(a)(5), (a)(7), and (b)(3)(B) of the Bankruptcy Code and as such will  
6 be vested with the authority and power (subject to the Fire Victim Trust Agreement, the Plan, and  
7 this Confirmation Order) to, among other things: (i) administer, object to or settle Fire Victim  
8 Claims; (ii) make distributions to holders of Fire Victim Claims in accordance with the terms of the  
9 Fire Victim Trust Documents, the Plan, and this Confirmation Order; and (iii) carry out the  
10 provisions of the Plan and this Confirmation Order related to the Fire Victim Trust and the Fire  
11 Victim Claims, including but not limited to prosecuting or settling all Assigned Rights and Causes  
12 of Action in his or her capacity as a trustee for the benefit of holders of Fire Victim Claims.

13 iv. Justice John K. Trotter, Jr. shall be the Fire Victim Trustee and Cathy Yanni shall be  
14 the Claims Administrator in accordance with the Fire Victim Trust Documents.

15 f. Fire Victim Trust Oversight Committee. The Fire Victim Trust Oversight Committee  
16 shall be appointed on or before the Effective Date and will be announced in a filing by the Fire  
17 Victim Trust with the Court and by a post on the Fire Victim Trust's website. The Fire Victim Trust  
18 Oversight Committee shall consist of members selected and appointed by the Consenting Fire  
19 Claimant Professionals and the Tort Claimants Committee. The rights and responsibilities of the  
20 Fire Victim Trust Oversight Committee shall be as set forth in Section VI of the Fire Victim Trust  
21 Agreement.

22 g. Assigned Rights and Causes of Action. Unless otherwise expressly provided under  
23 the Plan, on the Effective Date, all Assigned Rights and Causes of Action will vest in the Fire Victim  
24 Trust. On and after the Effective Date, the transfer of the Assigned Rights and Causes of Action to  
25 the Fire Victim Trust will be deemed final and irrevocable and distributions may be made from the  
26 Fire Victim Trust. The Fire Victim Trustee shall have the express authority and standing necessary  
27 to take all actions to prosecute or settle, as set forth in the Fire Victim Trust Documents, the Plan,  
28

1 and this Confirmation Order, any and all Assigned Rights and Causes of Action, including the ability  
2 to seek non-privileged discovery from the Reorganized Debtors in accordance with applicable law  
3 and consistent with the terms of Section 10.14 of the Plan. The definition of Assigned Rights and  
4 Causes of Action in the Plan controls in any conflict between that definition and the Schedule of  
5 Retained Rights and Causes of Action previously filed as part of the Plan Supplement [Docket No.  
6 7037]. The Court shall retain jurisdiction post-confirmation to resolve any dispute that may arise  
7 regarding the Schedule of Assigned Rights and Causes of Action and the Schedule of Retained  
8 Rights and Causes of Action. All rights and defenses of any Entity with respect to any Assigned  
9 Right and Cause of Action asserted by the Fire Victim Trust against such Entity may be asserted  
10 against the Fire Victim Trust, including seeking discovery from the Reorganized Debtors in  
11 accordance with applicable law. If the Effective Date has not occurred by August 29, 2020, and if  
12 the Tort Claimants RSA's automatic termination that is triggered by such an event has been waived  
13 pursuant to Section 3(a)(ii) of the Tort Claimants RSA, the Fire Victim Trustee shall be granted  
14 standing by the Debtors, so long as such waiver is in effect, to pursue any and all Assigned Rights  
15 and Causes of Action prior to the Effective Date. Immediately upon termination of such waiver,  
16 such standing shall terminate and all rights to pursue the Assigned Rights and Causes of Action  
17 shall automatically revert to the Debtors.

18 h. Funding on the Effective Date. On the Effective Date of the Plan: (i) the Debtors shall  
19 fund \$5.4 billion in cash less any amounts as provided in the orders appointing Cathy Yanni and  
20 Justice John K. Trotter, entered at Docket Nos. 6759 and 6760 respectively, to the Fire Victim Trust  
21 by wiring instructions to be provided to the Debtors by the Fire Victim Trustee no less than two (2)  
22 business days prior to the Effective Date; and (ii) the Debtors or Reorganized Debtors, as applicable,  
23 shall transfer to the Fire Victim Trust the New HoldCo Common Stock as provided in Sections 4.7  
24 and 4.26 of the Plan. Justice John K. Trotter may take such action prior to the Effective Date as he  
25 determines necessary or appropriate to allow the Fire Victim Trust to be able to receive the foregoing  
26 funding on the Effective Date, including, without limitation, filing the certificate of trust and other  
27 documentation with the appropriate governmental entities, obtaining a tax identification number,

1 and completing “Know Your Customer” documentation at the applicable financial institutions.

2 i. Offsets for Fire Victim Insurance Recoveries. For the reasons set forth in the  
3 *Memorandum on Objection of Adventist Health, AT&T, Paradise Entities and Comcast to Trust*  
4 *Documents* entered on May 26, 2020 [Docket No. 7597], the process for assessing future offsets for  
5 available insurance recoveries set forth in Section 2.6 of the Fire Victim Trust Agreement is  
6 reasonable, proper and necessary and is approved in all respects.

7 j. Approval of Tax Benefit Payment Agreement. On and after the Confirmation Date,  
8 the Debtors and the Reorganized Debtors, as applicable, shall be authorized to execute, deliver,  
9 enter into, and perform under the Tax Benefit Payment Agreement.

10 k. Court Review of Claims. Notwithstanding anything to the contrary in the Plan, this  
11 Confirmation Order, or the Fire Victim Trust Documents, only the parties who timely submitted an  
12 objection to the Fire Victim Trust Documents as noted herein<sup>7</sup> shall have the right to seek court  
13 review in accordance with Section IX of the Fire Victim Claims Resolution Procedures.

14 l. Modifications to Fire Victim Trust Documents. Notwithstanding anything to the  
15 contrary in the Plan, this Confirmation Order or the Fire Victim Trust Documents, any material  
16 amendment or modification of the Fire Victim Trust Documents that is inconsistent with the terms  
17 of the Plan, this Confirmation Order or the Bankruptcy Code, shall be subject to approval of the  
18 Court.

19 m. Attorneys’ Fees. Notwithstanding anything to the contrary in the Plan, this  
20 Confirmation Order or the Fire Victim Trust Documents, nothing shall preclude a holder of a Fire  
21 Victim Claim from recovering attorneys’ fees in accordance with California law in connection with

22 \_\_\_\_\_  
23 <sup>7</sup> The parties who timely submitted objections to the Fire Victim Trust Documents are listed as  
24 follows: Adventist Health System/West and Feather River d/b/a Adventist Health Feather River,  
25 Paradise Unified School District, Northern Recycling and Waste Services, LLC/Northern Holdings,  
26 LLC, Napa County Recycling & Waste Services, LLC/Napa Recycling & Waste Services, LLC,  
27 Christian & Missionary Alliance Church of Paradise, d/b/a Paradise Alliance Church, Paradise  
28 Irrigation District, AT&T Corp. and all affiliates, and Comcast Cable Communications, LLC and  
all affiliates [Docket Nos. 7072 and 7121], Butte County Mosquito and Vector Control District  
[Docket No. 7145], Eric and Julie Carlson [Docket Nos. 7207 and 7363], Karl Knight [Docket No.  
7366], and Mary Kim Wallace [Docket No. 7367].

1 its Fire Victim Claim asserted against the Fire Victim Trust.

2 n. Assumed Executory Contracts. The Fire Victim Trust shall not have any rights of the  
3 Debtors or Reorganized Debtors under any executory contract or unexpired lease that is assumed  
4 under section 365 of the Bankruptcy Code pursuant to the Plan or during the Chapter 11 Cases,  
5 except to the extent that an Assigned Right or Cause of Action arises under such an assumed  
6 executory contract or assumed unexpired lease. The Debtors' or Reorganized Debtors' assumption  
7 of an executory contract or unexpired lease shall not impair or diminish an Assigned Right or Cause  
8 of Action that arises under such assumed executory contract or assumed unexpired lease.

9 o. Costs and Expenses of the Fire Victim Trust. Except as otherwise provided in  
10 Subparagraph h of this Paragraph 18, the Fire Victim Trust shall pay all expenses of the Fire Victim  
11 Trust from the assets of the Fire Victim Trust, as provided in the Fire Victim Trust Documents and  
12 under no circumstances shall any such expenses be paid by the Reorganized Debtors.

13 19. Public Entities Segregated Defense Fund. On the Effective Date, the Reorganized  
14 Debtors shall fund the Public Entities Segregated Defense Fund in accordance with the terms of the  
15 Public Entities Plan Support Agreements. The Public Entities Segregated Defense Fund shall be  
16 maintained by the Reorganized Debtors until the later of (i) the expiration of the applicable statute  
17 of limitations period for any and all Public Entities Third Party Claims and (ii) the conclusion of all  
18 litigation, including appeals, involving the Public Entities Third Party Claims.

19 20. Go-Forward Wildfire Fund.

20 a. On or about the Effective Date, the Debtors shall contribute, in accordance with the  
21 Wildfire Legislation (A.B. 1054), an initial contribution of approximately \$4.8 billion and first  
22 annual contribution of approximately \$193 million, to the Go-Forward Wildfire Fund in order to  
23 secure the participation of the Reorganized Debtors therein.

24 b. The Reorganized Debtors shall also be responsible for ongoing funding commitments  
25 to the Go-Forward Wildfire Fund as required by the terms thereof and the Wildfire Legislation (A.B.  
26 1054).

27 21. Officers and Boards of Directors.

1 a. The composition of the New Boards has been disclosed in accordance with section  
2 1129(a)(5) of the Bankruptcy Code.

3 b. Except as otherwise provided in the Plan Supplement, or disclosed to the Court at the  
4 Confirmation Hearing, the officers of the respective Debtors immediately before the Effective Date,  
5 as applicable, shall serve as the initial officers of each of the respective Reorganized Debtors on and  
6 after the Effective Date.<sup>8</sup>

7 c. Except to the extent that a member of the board of directors of a Debtor continues to  
8 serve as a director of the respective Reorganized Debtor on and after the Effective Date, the  
9 members of the board of directors of each Debtor prior to the Effective Date, in their capacities as  
10 such, shall have no continuing obligations to the Reorganized Debtors on or after the Effective Date  
11 and each such director will be deemed to have resigned or shall otherwise cease to be a director of  
12 the applicable Debtor on the Effective Date.

13 d. Commencing on the Effective Date, the directors of each of the Reorganized Debtors  
14 shall be elected and serve pursuant to the terms of the applicable organizational documents of such  
15 Reorganized Debtor and may be replaced or removed in accordance with such organizational  
16 documents.

17 22. Management Incentive Plan. On or after the Effective Date, the Management  
18 Incentive Plan may be established and implemented at the discretion of the New Board and in  
19 compliance with the Wildfire Legislation (A.B. 1054).

20 23. Cancellation of Existing Securities and Agreements.

21 a. Pursuant to Section 6.13 of the Plan, except for the purpose of enabling holders of  
22 Allowed Claims to receive a distribution under the Plan as provided therein and except as otherwise  
23 set forth in the Plan, the Plan Supplement or this Confirmation Order, on the Effective Date, all  
24 agreements, instruments, and other documents evidencing any prepetition Claim or any rights of  
25 any holder in respect thereof shall be deemed cancelled, discharged, and of no force or effect. For

26 \_\_\_\_\_  
27 <sup>8</sup> The identities of the Chief Safety Officer and the Chief Risk Officer of the Reorganized Debtors  
28 must be acceptable to the Governor's Office as of the Effective Date.

1 the avoidance of doubt, in accordance with Sections 4.13, 4.15, 4.19, 4.33, and 4.34 of the Plan,  
2 none of the HoldCo Common Interests, the HoldCo Other Interests, the Utility Reinstated Senior  
3 Note Documents, the Utility Preferred Interests, or the Utility Common Interests shall be cancelled  
4 pursuant to the Plan. The holders of, or parties to, such cancelled instruments, Securities, and other  
5 documentation shall have no rights arising from or related to such instruments, Securities, or other  
6 documentation or the cancellation thereof, except the rights provided for pursuant to the Plan.

7 b. Except as otherwise set forth in the Plan or in this Confirmation Order, the Funded  
8 Debt Trustees shall be released and discharged from all duties and responsibilities under the  
9 applicable Funded Debt Documents; provided that, notwithstanding the releases in Article X of the  
10 Plan, entry of this Confirmation Order, or the occurrence of the Effective Date, each of the Funded  
11 Debt Documents or agreements that governs the rights of the holder of a Claim shall continue in  
12 effect to the extent necessary to: (i) enforce the rights, Claims, and interests of the Funded Debt  
13 Trustees thereto vis-a-vis any parties other than the Released Parties; (ii) allow the holders of  
14 Allowed Funded Debt Claims, Utility Senior Note Claims, or Utility PC Bond (2008 F and 2010 E)  
15 Claim, as applicable, to receive distributions under the Plan, to the extent provided for under the  
16 Plan; (iii) appear to be heard in the Chapter 11 Cases or in any proceedings in the Court or any other  
17 court; (iv) preserve any rights of the Funded Debt Trustees to payment of fees, expenses, and  
18 indemnification obligations from or on any money or property to be distributed in respect of the  
19 Allowed Funded Debt Claims, Utility Senior Note Claims and Utility PC Bond (2008 F and 2010  
20 E) Claims, solely to the extent provided in the Plan, including permitting the Funded Debt Trustees  
21 to maintain, enforce, and exercise a Charging Lien against such distributions; and (v) enforce any  
22 obligation owed to the Funded Debt Trustees under the Plan. For the avoidance of doubt, on and  
23 after the Effective Date, the Utility Senior Notes Trustee shall not be released from any duty or  
24 responsibility under or arising from the Utility Reinstated Senior Note Documents.

25 c. On the Effective Date, the DIP Facility Agents and the DIP Facility Lenders, and their  
26 respective agents, successors, and assigns shall be automatically and fully discharged of all of their  
27 duties and obligations associated with the DIP Facility Documents (other than any cooperation  
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1 obligations customarily contained in pay-off letters or similar arrangements, to the extent  
2 applicable). The commitments and obligations, if any, of the DIP Facility Lenders to extend any  
3 further or future credit or financial accommodations to any of the Debtors, any of their respective  
4 subsidiaries, or any of their respective successors or assigns under the DIP Credit Agreement shall  
5 fully terminate and be of no further force or effect on the Effective Date. To the extent that any  
6 provision of the DIP Facility Documents or DIP Facility Order are of a type that survives repayment  
7 of the subject indebtedness, such provisions shall remain in effect notwithstanding satisfaction of  
8 the DIP Facility Claims.

9       24. Cancellation of Certain Existing Security Agreements. Promptly following the  
10 payment in full or other satisfaction of an Allowed Other Secured Claim, the holder of such Allowed  
11 Other Secured Claim shall deliver to the Debtors or Reorganized Debtors, as applicable, any  
12 Collateral or other property of a Debtor held by such holder, together with any termination  
13 statements, instruments of satisfaction, or releases of all security interests with respect to its Allowed  
14 Other Secured Claim that may be reasonably required to terminate any related financing statements,  
15 mortgages, mechanics' or other statutory Liens, or lis pendens, or similar interests or documents.

16       25. Issuance of New HoldCo Common Stock. On and after the Confirmation Date,  
17 HoldCo and Reorganized HoldCo, as applicable, shall be authorized to issue, or cause to be issued,  
18 subject to the occurrence of the Effective Date, the New HoldCo Common Stock in accordance with  
19 the Plan and the Plan Documents, including, without limitation, all New HoldCo Common Stock  
20 contemplated to be issued in connection with the Plan Funding Transactions, all without the need  
21 for any further corporate or shareholder action. All of the New HoldCo Common Stock so issued  
22 shall be duly authorized, validly issued, and fully paid and non-assessable.

23       26. Approval of Rights Offering Procedures. The Rights Offering Procedures,  
24 substantially in the form attached hereto as **Exhibit B**, and the execution, delivery, and performance  
25 thereof by the Debtors, are authorized and approved.

26       27. Approval of Rights Offering. If applicable, following effectiveness of an appropriate  
27 registration statement registering the offer, issuance and distribution of Securities pursuant to the  
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1 Rights Offering under the Securities Act, the Debtors shall, if they determine to implement the same,  
2 commence and consummate the Rights Offering in accordance therewith. New HoldCo Common  
3 Stock shall be issued to each holder of subscription rights that exercises its respective subscription  
4 rights pursuant to the Rights Offering Procedures and the Plan. The consummation of the Rights  
5 Offering shall be conditioned on the occurrence of the Effective Date. Amounts held by the  
6 subscription agent with respect to the Rights Offering prior to the Effective Date shall not be entitled  
7 to any interest on account of such amounts and no holder of subscription rights participating in the  
8 Rights Offering shall have any rights in New HoldCo Common Stock until the Rights Offering is  
9 consummated.

10 28. Plan Proponent Reimbursement. On the Effective Date, the Reorganized Debtors  
11 shall reimburse the Shareholder Proponents for their out-of-pocket expenses (excluding any  
12 professional fees) incurred in connection with the furtherance of the Debtors' reorganization, which  
13 in the aggregate shall not exceed \$150,000.

14 29. Treatment of Utility Senior Note Trustee. Notwithstanding anything to the contrary  
15 in the Plan, on the Effective Date, the Reorganized Debtors shall pay to the Utility Senior Note  
16 Trustee, \$5,000,000 (the "**Utility Senior Note Trustee Fee Payment**") in satisfaction of fees, costs,  
17 expenses, charges, disbursements, advancements and indemnities incurred by the Utility Senior  
18 Note Trustee in accordance with the Utility Senior Note Documents through the Effective Date of  
19 the Plan (the "**Utility Senior Note Trustee Fees**"). To the extent that the Utility Senior Note Trustee  
20 Fee Payment does not satisfy all Utility Senior Note Trustee Fees in full, the Utility Senior Note  
21 Trustee is authorized and permitted to recover and satisfy all remaining Utility Senior Note Trustee  
22 Fees through its Charging Lien against distributions on account of the Utility Impaired Senior Note  
23 Claims and Utility Short-Term Senior Note Claims, in accordance with the Plan and the Utility  
24 Impaired Senior Note Documents and the Utility Short-Term Senior Note Documents, respectively.  
25 The Plan Proponents shall not contest, challenge, dispute or object to the Utility Senior Note Trustee  
26 Fees, or directly or indirectly, cause any person or entity to object to or challenge, the Utility Senior  
27 Note Trustee Fees, for any reason or on any grounds, including but not limited to the reasonableness

1 of such Utility Senior Note Trustee Fees.

2 30. Securities Act Registrations or Exemptions.

3 a. Pursuant to Section 6.19 of the Plan, the offer, sale, distribution and issuance of (a)  
4 the New HoldCo Common Stock (to be issued (A) to the Fire Victim Trust, (B) as Equity  
5 Commitment Premium as defined in and pursuant to the Backstop Commitment Letters, or (C) as  
6 Additional Backstop Commitment Share Premium as defined in and pursuant to the Amended  
7 Equity Backstop Commitment Documents), New Utility Funded Debt Exchange Notes, New Utility  
8 Long-Term Notes and New Utility Short-Term Notes, shall be exempt from registration under (i)  
9 the Securities Act of 1933 and all rules and regulations promulgated thereunder and (ii) any state or  
10 local law requiring registration for the offer, issuance, or distribution of Securities (collectively, the  
11 “**Registration Requirements**”), pursuant to section 1145 of the Bankruptcy Code, without further  
12 act or action by any Entity, (b) any Securities issued in a private transaction shall be exempt from  
13 the Registration Requirements pursuant to section 4(a)(2) of the Securities Act and/or Regulation D  
14 promulgated thereunder and (c) (w) New Holdco Common Stock pursuant to a Rights Offering or  
15 underwritten primary or secondary public equity offering, (x) equity-linked securities pursuant to a  
16 public offering, (y) the First Mortgage Bonds (as defined in the Plan Supplement [Docket No. 7037])  
17 and (z) the Secured Notes (as defined in the Plan Supplement [Docket No. 7037]) shall be registered  
18 under the Securities Act pursuant to an appropriate registration statement. Any offer, issuance and  
19 distribution of Securities pursuant to any Backstop Commitment Letter shall be exempt from  
20 registration pursuant to section 4(a)(2) of the Securities Act and/or Regulation D promulgated  
21 thereunder.

22 b. Pursuant to section 1145 of the Bankruptcy Code, any securities issued under the Plan  
23 that are exempt from such registration pursuant to section 1145(a) of the Bankruptcy Code will be  
24 freely tradable by the recipients thereof, subject to (i) the provisions of section 1145(b)(1) of the  
25 Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities  
26 Act of 1933, (ii) compliance with any rules and regulations of the Securities and Exchange  
27 Commission, if any, applicable at the time of any future transfer of such securities or instruments,

1 (iii) the restrictions, if any, on the transferability of such securities and instruments, including any  
2 restrictions on the transferability under the terms of the New Organizational Documents, (iv) any  
3 applicable procedures of DTC, and (v) applicable regulatory approval.

4 31. Claims Resolution Procedures Approved. Except as otherwise provided herein, the  
5 procedures for resolving Disputed Claims set forth in Article VII of the Plan are fair and reasonable  
6 and are hereby approved. On and after the Effective Date, the Subrogation Wildfire Trustee shall  
7 have the authority to compromise, settle, otherwise resolve, or withdraw any objections to Disputed  
8 Subrogation Wildfire Claims without approval of the Court pursuant to the Subrogation Wildfire  
9 Trust Agreement and the Subrogation Wildfire Claim Allocation Agreement. On and after the  
10 Effective Date, the Fire Victim Trustee shall have the authority to compromise, settle, otherwise  
11 resolve, or withdraw any objections to Disputed Fire Victim Claims without approval of the Court  
12 pursuant to the Fire Victim Trust Documents.

13 32. Assumption or Rejection of Executory Contracts and Unexpired Leases.

14 a. Pursuant to Section 8.1 of the Plan, as of and subject to the occurrence of the Effective  
15 Date and the payment of any applicable Cure Amount, all executory contracts and unexpired leases  
16 to which any of the Debtors are parties shall be deemed assumed, unless such executory contract or  
17 unexpired lease (i) was previously assumed or rejected by the Debtors, pursuant to a Final Order,  
18 (ii) previously expired or terminated pursuant to its own terms or by agreement of the parties thereto,  
19 (iii) is the subject of a motion to assume, assume and assign, or reject filed by the Debtors on or  
20 before the Confirmation Date, or (iv) is specifically designated as an executory contract or  
21 unexpired lease to be rejected on the Schedule of Rejected Contracts.

22 b. Pursuant to section 8.1(b) of the Plan, as of and subject to the occurrence of the  
23 Effective Date and the payment of any applicable Cure Amount, all power purchase agreements,  
24 renewable energy power purchase agreements, and Community Choice Aggregation servicing  
25 agreements of the Debtors shall be deemed assumed.

26 c. Except with respect to any timely filed Contract Assumption or Rejection Dispute that  
27 remains unresolved as of the date hereof, and subject to the occurrence of the Effective Date, entry

1 of this Confirmation Order shall constitute approval of the assumptions, assumptions and  
2 assignments, or rejections provided for in the Plan pursuant to sections 365(a) and 1123 of the  
3 Bankruptcy Code. Each executory contract and unexpired lease assumed pursuant to the Plan shall  
4 vest in, and be fully enforceable by, the applicable Reorganized Debtor in accordance with its terms,  
5 except as modified by the provisions of the Plan, any order of the Bankruptcy Court authorizing and  
6 providing for its assumption or assumption and assignment, or applicable law.

7 d. Notwithstanding Section 8.8(a) of the Plan, the Debtors shall have thirty (30) calendar  
8 days from the Confirmation Date to file amendments to the Schedule of Assumed Contracts (as  
9 defined in the Plan Supplement) and Schedule of Rejected Contracts, to remove executory contracts  
10 and unexpired leases previously listed on the Schedule of Assumed Contracts and to add executory  
11 contracts and unexpired leases to the Schedule of Rejected Contracts. Any objection of a  
12 counterparty to an executory contract or unexpired lease that is added to the Schedule of Rejected  
13 Contracts or removed from the Schedule of Assumed Contracts pursuant to this subparagraph shall  
14 have thirty (30) calendar days from the date on which notice of such removal or addition is served  
15 on the counterparty to file an objection thereto, which objection may be resolved either consensually  
16 without further order of the Court, or, after notice and an opportunity to be heard, by a Final Order  
17 of the Court, with any rejection deemed approved as of the Effective Date. The rejection of any  
18 executory contract or unexpired lease added to the Schedule of Rejected Contracts pursuant to this  
19 subparagraph shall be deemed approved by the Court as of the Effective Date if an objection to the  
20 addition of such executory contract or unexpired lease is not timely filed as provided above. For  
21 the avoidance of doubt, the counterparty to an executory contract or unexpired lease that is added  
22 to the Schedule of Rejected Contracts shall have thirty (30) calendar days to file a claim for rejection  
23 damages following the later of (i) the Effective Date and (ii) if a timely objection to rejection is filed  
24 and is not consensually resolved by the parties, the entry of an order approving the rejection of such  
25 executory contract or unexpired lease. Nothing in this Paragraph 32(d) shall amend, modify, or  
26 supersede the provisions of Section 8.1(b) of the Plan or Paragraph 43 of this Confirmation Order.

27 33. Cure Payments and Cure Notices. Pursuant to Section 8.2 of the Plan, any defaults  
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1 under an assumed or assumed and assigned executory contract or unexpired lease, shall be satisfied,  
2 pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount, as  
3 reflected in the applicable cure notice, in Cash on the Effective Date, subject to the limitations  
4 described in Section 8.2 of the Plan, or on such other terms as the parties to such executory contracts  
5 or unexpired leases and the Debtors may otherwise agree. Pursuant to Section 8.2(b) of the Plan,  
6 the Debtors distributed, or caused to be distributed, at least fourteen (14) days before the deadline  
7 set to file objections to confirmation of the Plan, assumption and cure notices to the applicable third  
8 parties. Any counterparty to an executory contract or unexpired lease that failed to object timely to  
9 the proposed assumption, assumption and assignment, or Cure Amount, is hereby deemed to have  
10 assented to such assumption, assumption and assignment, or Cure Amount. Notwithstanding  
11 anything herein or in the Plan to the contrary, (i) in the event that any executory contract or  
12 unexpired lease is removed from the Schedule of Rejected Contracts, a cure notice with respect to  
13 such executory contract or unexpired lease will be sent promptly to the counterparty thereof and a  
14 noticed hearing set to consider whether such executory contract or unexpired lease can be assumed  
15 or assumed and assigned, as applicable, and (ii) the right of any counterparty or holder of a Claim  
16 for a Cure Amount to investigate and/or challenge the calculation of interest with respect to any  
17 applicable Cure Amount, consistent with the Plan, is preserved.

18 34. Determination of Cure Disputes.

19 a. Pursuant to Section 8.2(c) of the Plan, in the event of an unresolved dispute regarding  
20 (i) any Cure Amount, (ii) the ability of the Reorganized Debtors or any assignee to provide  
21 “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy  
22 Code) under the executory contract or unexpired lease to be assumed, or (iii) any other matter  
23 pertaining to assumption, assumption and assignment, or the Cure Amounts required by section  
24 365(b)(1) of the Bankruptcy Code (each, a “**Cure Dispute**”), such Cure Dispute shall be resolved  
25 by a Final Order of the Court, which may be entered after the Effective Date.

26 b. Except as otherwise provided in this Confirmation Order, any issues with respect to  
27 timely filed Cure Disputes will be preserved and may be resolved in due course either consensually  
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1 without further order of the Court, or, after notice and an opportunity to be heard, by a Final Order  
2 of the Court, which may be entered after the Effective Date.

3 c. If the Court makes a determination regarding any Cure Dispute (including, without  
4 limitation that the Cure Amount is greater than the amount set forth in the applicable cure notice),  
5 as set forth in Section 8.8(a) of the Plan, the Debtors or Reorganized Debtors, as applicable, shall  
6 have the right to alter the treatment of such executory contract or unexpired lease, including, without  
7 limitation, to add such executory contract or unexpired lease to the Schedule of Rejected Contracts,  
8 in which case such executory contract or unexpired lease shall be deemed rejected as of the Effective  
9 Date.

10 d. Pursuant to Section 8.2(e) of the Plan, assumption or assumption and assignment of  
11 any executory contract or unexpired lease pursuant to the Plan or otherwise shall result in the full  
12 release and satisfaction of any defaults by any Debtor arising under any assumed executory contract  
13 or unexpired lease at any time before the date that the Debtors assume or assume and assign such  
14 executory contract or unexpired lease to the fullest extent permitted under applicable law.

15 35. Rejection Damages Claims.

16 a. Pursuant to Section 8.3 of the Plan, in the event that the rejection of an executory  
17 contract or unexpired lease under the Plan results in damages to the other party or parties to such  
18 contract or lease, any Claim for such damages, if not evidenced by a timely filed proof of Claim  
19 prior to the Plan Proponents' filing of the Plan, shall be forever barred and shall not be enforceable  
20 against the Debtors or the Reorganized Debtors, or their respective estates, properties or interests in  
21 property, unless a proof of Claim is filed with the Court and served upon the Debtors or the  
22 Reorganized Debtors, as applicable, no later than thirty (30) days after the later of (i) the  
23 Confirmation Date or (ii) the effective date of the rejection of such executory contract or unexpired  
24 lease, as set forth on the Schedule of Rejected Contracts or order of the Court.

25 b. Except with respect to the objection filed by the City of Lafayette [Docket No. 7269]  
26 (the "**Lafayette Rejection Dispute**" and, together with the Cure Disputes, collectively, the  
27 "**Contract Assumption or Rejection Disputes**") and the unexpired leases and executory contracts

1 added to the Schedule of Rejected Contracts pursuant to Paragraph 32(d) hereof, the rejection of all  
2 leases and contracts identified in the Schedule of Rejected Contracts is hereby approved. The  
3 Lafayette Rejection Dispute shall either be consensually resolved by the parties or submitted to the  
4 Court for resolution pursuant to a Final Order, after appropriate notice and an opportunity to be  
5 heard, and all parties' rights are reserved with respect thereto.

6 36. D&O Indemnification Obligations. Pursuant to Section 8.4 of the Plan, any and all  
7 obligations of the Debtors pursuant to their corporate charters, agreements, bylaws, limited liability  
8 company agreements, memorandum and articles of association, or other organizational documents  
9 (including all Indemnification Obligations) to indemnify current and former officers, directors,  
10 agents, or employees with respect to all present and future actions, suits, and proceedings against  
11 the Debtors or such officers, directors, agents, or employees based upon any act or omission for or  
12 on behalf of the Debtors shall remain in full force and effect to the maximum extent permitted by  
13 applicable law and shall not be discharged, impaired, or otherwise affected by this Plan. All such  
14 obligations shall be deemed and treated as executory contracts that are assumed by the Debtors  
15 under the Plan and shall continue as obligations of the Reorganized Debtors. Any Claim based on  
16 the Debtors' obligations in Section 8.4 of the Plan shall not be a Disputed Claim or subject to any  
17 objection, in either case, by reason of section 502(e)(1)(B) of the Bankruptcy Code or otherwise.

18 37. Treatment of Certain Claims and Obligations.

19 a. Paragraph 13 of the Notice of the Schedule of Assumed Contracts (as defined in the  
20 Plan Supplement) filed with the Plan Supplement on May 1, 2020 [Docket No. 7037] shall be  
21 deleted.

22 b. A claim asserted by a provider of goods and services, whether or not a counterparty  
23 to an assumed executory contract, that suffered damages from the Fires (as defined in Section 1.86  
24 of the Plan), is impaired and should be channeled to the Fire Victim Trust. If its damages were not  
25 caused by or "in any way arising out of the Fires" (*See* Section 1.78 of the Plan), but arise out of the  
26 rejection of an executory contract or are part of the cure of an assumed one, they should be dealt  
27 with under Article VIII of the Plan and section 365 of the Bankruptcy Code.

1           38.    Employee Benefit Plans.

2           a.       Pursuant to Section 8.5 of the Plan, as of the Effective Date, all Employee Benefit  
3 Plans are deemed to be, and shall be treated as, executory contracts under the Plan and, on the  
4 Effective Date, shall be assumed pursuant to sections 365 and 1123 of the Bankruptcy Code. All  
5 outstanding payments which are accrued and unpaid as of the Effective Date pursuant to the  
6 Employee Benefit Plans shall be made by the Reorganized Debtors on the Effective Date or as soon  
7 as practicable thereafter.

8           b.       The deemed assumption of the Employee Benefit Plans pursuant to Section 8.5 of the  
9 Plan shall result in the full release and satisfaction of any Claims and Causes of Action against any  
10 Debtor or defaults by any Debtor arising under any Employee Benefit Plan at any time before the  
11 Effective Date. Any proofs of Claim filed with respect to an Employee Benefit Plan shall be deemed  
12 disallowed and expunged, without further notice to or action, order, or approval of the Court.

13           c.       Notwithstanding anything to the contrary in the Plan or this Confirmation Order, the  
14 Reorganized Debtors shall continue and assume the Pacific Gas and Electric Company Retirement  
15 Plan (the “**Defined Benefit Plan**”) subject to the Employee Retirement Income Security Act, the  
16 Internal Revenue Code, and any other applicable law, including (i) the minimum funding standards  
17 in 26 U.S.C. §§ 412, 430, and 29 U.S.C. §§ 1082, 1083 and (ii) premiums under 29 U.S.C. §§ 1306  
18 and 1307. All proofs of claim filed by the Pension Benefit Guaranty Corporation with respect to  
19 the Defined Benefit Plan are deemed withdrawn on the Effective Date.

20           d.       Collective Bargaining Agreements. Pursuant to Section 8.6 of the Plan, on or prior to  
21 the Effective Date, and subject to the occurrence of the Effective Date, the Debtors shall assume the  
22 Collective Bargaining Agreements. The prepetition grievance claims set out in the letter from the  
23 Debtors to IBEW Local 1245 dated May 15, 2020 shall be resolved in the ordinary course of  
24 business in accordance with the terms of the Collective Bargaining Agreements, and all parties  
25 reserve their rights with respect thereto.

26           39.    Worker’s Compensation Insurance Program. The Reorganized Debtors have elected  
27 to self-insure their workers’ compensation liabilities with the authority of the Director (the  
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1 “**Director**”) of the Department of Industrial Relations (in accordance with section 3701 of the  
2 California Labor Code) (the “**Self-Insurance Program**”) and participate in the Alternative Security  
3 Plan (as established pursuant to section 3701.8 of the California Labor Code) (the “**ASP**”) upon  
4 emergence from these Chapter 11 Cases. The Director and CSISF have authorized such  
5 participation contingent on the Reorganized Debtors’ ongoing compliance with the foregoing  
6 provisions of the California Labor Code. The following provisions of this Confirmation Order shall  
7 govern the Reorganized Debtors’ transition from participation in accordance with the agreements  
8 and orders reflected in paragraph 4 of the DIP Facility Order to participation in the Self-Insurance  
9 Program and the ASP in accordance with applicable law under the foregoing provisions of the  
10 California Labor Code after the occurrence of the Effective Date:

11 a. Notwithstanding the entry of this Confirmation Order, until the occurrence of the  
12 Effective Date, the provisions of the DIP Facility Order shall continue to govern and the “CSISF  
13 Liens” as defined in the DIP Facility Order and the CSISF Cash Collateral posted pursuant to  
14 paragraphs 4(b)(i) and (iv) of the DIP Facility Order shall remain in place.

15 b. Upon the occurrence of the Effective Date, and upon the posting of the required  
16 amount of the security deposit, if any, as determined by the Director and CSISF in accordance with  
17 section 3701 of the California Labor Code, the CSISF Liens shall be automatically released in  
18 accordance with paragraph (b)(vi) of the DIP Facility Order. All CSISF Cash Collateral currently  
19 held by CSISF and the Director shall be maintained and shall be applied toward the security deposit,  
20 if any, required to be posted by the Reorganized Debtors. To the extent such CSISF Cash Collateral  
21 is in excess of the amount of such security deposit, such excess shall be promptly returned to the  
22 Reorganized Debtors. Neither the Plan nor this Confirmation Order alters the rights of CSISF and  
23 the Director with respect to the Reorganized Debtors’ continued participation in the Self-Insurance  
24 Program and the ASP after the Effective Date.

25 40. Insurance Policies. Pursuant to Section 8.7 of the Plan, all Insurance Policies  
26 (including D&O Liability Insurance Policies and tail coverage liability insurance), surety bonds,  
27 and indemnity agreements entered into in connection with surety bonds to which any Debtor is a  
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1 party as of the Effective date shall be deemed to be and treated as executory contracts and shall be  
2 assumed by the applicable Debtors or Reorganized Debtors and shall continue in full force and  
3 effect thereafter in accordance with their respective terms.

4 41. Insurance Neutrality.

5 a. Nothing contained in the Plan, the Plan Documents, or this Confirmation Order shall  
6 in any way operate to impair, alter, supplement, change, expand, decrease, or modify, or have the  
7 effect of, impairing, altering, supplementing, changing, expanding, decreasing, or modifying, (i) the  
8 rights, obligations, or defenses of any of the Insurers<sup>9</sup> under any Insurance Policy, including but not  
9 limited to any duty that an Insurer has to pay claims and any right of an Insurer to seek payment or  
10 reimbursement from the Debtors or the Reorganized Debtors in connection with any claims paid  
11 pursuant to the Insurance Policies, irrespective of whether such claims arose, or any facts and  
12 circumstances in connection with such claims occurred, prior to the Effective Date, or (ii) the rights,  
13 obligations, or defenses of the Debtors or Reorganized Debtors or any other insureds under any  
14 Insurance Policy, including but not limited to any right to the payment of claims by an Insurer and  
15 any defense to an Insurer seeking payment or reimbursement from the Debtors or Reorganized  
16 Debtors in connection with any claims paid pursuant to the Insurance Policies, irrespective of  
17 whether such claims arose, or any facts and circumstances in connection with such claims occurred,  
18 prior to the Effective Date. For all issues relating to insurance coverage, the provisions, terms,  
19 conditions, and limitations of the Insurance Policies and governing law shall control.

20 b. None of (i) the Court's approval of the Plan or the Plan Documents, (ii) this  
21 Confirmation Order or any findings and conclusions entered with respect to confirmation, nor (iii)  
22 any estimation or valuation of any Fire Claims, either individually or in the aggregate in the Chapter  
23 11 Cases, shall, with respect to any Insurer, constitute a trial or hearing on the merits or an  
24 adjudication or judgment with respect to any Fire Claim or Insurance Policy.

25 42. Underwriters Proofs of Claim. Nothing in the Plan, the Plan Supplement (including,  
26 without limitation, paragraph 13 of the notice of the Schedule of Assumed Contracts (as defined in

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27 <sup>9</sup> "Insurer" shall have the meaning set forth in section 23 of the California Insurance Code.

1 the Plan Supplement [Docket No. 7037]), the Plan Documents, or this Confirmation Order shall be  
2 deemed to disallow or constitute an objection to the proofs of claim (collectively, the “**Underwriter**  
3 **Proofs of Claim**”) filed by or on behalf of the non-debtor parties (collectively, the “**Underwriters**”) to (i) that certain Underwriting Agreement dated as of February 23, 2016 among Pacific Gas and  
4 Electric Company and the representatives party thereto, as representatives of the underwriters  
5 named therein, relating to \$600,000,000 aggregate principal amount of 2.95% Senior Notes due  
6 March 1, 2026, (ii) that certain Underwriting Agreement dated as of November 28, 2016 among  
7 Pacific Gas and Electric Company and the representatives party thereto, as representatives of the  
8 underwriters named therein, relating to \$400,000,000 aggregate principal amount of 4.00% Senior  
9 Notes due December 1, 2046 and \$250,000,000 aggregate principal amount of Floating Rate Senior  
10 Notes due November 30, 2017 and (iii) that certain Underwriting Agreement dated as of March 7,  
11 2017 among Pacific Gas and Electric Company and the representatives party thereto, as  
12 representatives of the underwriters named therein, relating to \$400,000,000 aggregate principal  
13 amount of 3.30% Senior Notes due March 15, 2027 and \$200,000,000 aggregate principal amount  
14 of 4.00% Senior Notes due December 1, 2046, provided, however, that all rights and defenses of (i)  
15 the Underwriters with respect to the Underwriter Proofs of Claim and (ii) the Debtors or  
16 Reorganized Debtors with respect to the Underwriter Proofs of Claim, are, in each case, preserved.  
17 For the avoidance of doubt, no objection may be asserted to the Underwriter Proofs of Claim based  
18 on the contention that the Plan, the Plan Supplement (including, without limitation, paragraph 13 of  
19 the notice of the Schedule of Assumed Contracts [Docket No. 7037]), the Plan Documents or this  
20 Confirmation Order had disallowed the Underwriter Proofs of Claim.

21  
22 43. Energy Procurement Agreements. On the Effective Date, all Energy Procurement  
23 Agreements are hereby assumed pursuant to Article VIII of the Plan. Notwithstanding the  
24 assumption of any Energy Procurement Agreement<sup>10</sup> pursuant to Article VIII of the Plan, the rights

25 \_\_\_\_\_  
26 <sup>10</sup> For the purposes of this Confirmation Order, “**Energy Procurement Agreement**” means any (i)  
27 power purchase agreements; (ii) interconnection, transmission, or metering and related agreements;  
28 (iii) an agreement for the supply, transportation or storage of natural gas; (iv) an agreement with

1 of the Debtors or Reorganized Debtors, as applicable, and any non-Debtor party to an Energy  
2 Procurement Agreement arising under any Energy Procurement Agreement with respect to the  
3 resolution of disputes, claims or adjustments, including with respect to inadvertent overpayments  
4 and set-off and recoupment rights, regardless of whether such invoices or disputes relate to the  
5 period prior to or after the Effective Date, shall not be discharged, released, or deemed satisfied and  
6 shall be unaffected by the Plan or this Confirmation Order and remain in full force and effect  
7 between the parties thereto. The parties to any such Energy Procurement Agreements shall attempt  
8 to resolve any Claims, Causes of Action or defaults in the ordinary course; provided that if no such  
9 resolution is reached within forty-five (45) days following the entry of the Confirmation Order,  
10 either party may submit the dispute to the Court; provided further, that the failure of either party to  
11 submit to the Court any such dispute following the expiration of such 45 day period shall not result  
12 in the discharge, release, or deemed satisfaction of the disputed amount. The parties agree to submit  
13 to the jurisdiction of the Court to resolve any Claims, Causes of Action or defaults relating to the  
14 assumption of Energy Procurement Agreements by the Debtors; provided, however, that the  
15 exercise of any such jurisdiction shall not extend to any future disputes or claims arising under or  
16 related to any Energy Procurement Agreements that are unrelated to the assumption by the Debtors  
17 of such Energy Procurement Agreements and curing of any defaults as a result thereof.

18 a. Henrietta D Energy Storage LLC. Notwithstanding anything in the Plan or this  
19 Confirmation Order to the contrary, the rights of the Debtors and Henrietta D Energy Storage LLC  
20 (“**Henrietta**”) with respect to that certain Energy Storage Agreement, dated November 4, 2015 (the  
21 “**ESA**”), by and between Henrietta and the Utility shall not be diminished, modified, or altered in  
22 any way by reason of the Plan or entry of this Confirmation Order, including with respect to any

23 \_\_\_\_\_  
24 providers of renewable portfolio standard shaping and firming; (v) capacity storage agreements; (vi)  
25 agreements for electrical standby service, (vii) generator facilities agreements; (viii) agreements to  
26 purchase or sell renewable energy credits, resource adequacy or renewable energy from or to the  
27 Debtors; or (ix) any other agreement related to the procurement or provision of products,  
28 commodities, and services related to electricity or natural gas to customers or gas-fired power plants  
(including agreements with electric generators and renewable energy generators), as well as all  
amendments, supplements, schedules and exhibits to each of the foregoing agreements.

1 determination regarding the validity and amount of proof of Claim No. 79294 filed by Henrietta  
2 (the “**Henrietta Claim**”). In accordance with the Court’s Order Approving Corrected Stipulation  
3 Between Debtor Pacific Gas and Electric Company and Henrietta D Energy Storage LLC for  
4 Limited Relief from the Automatic Stay, dated January 10, 2020 [Docket No. 5349] (the  
5 “**Stipulated Order**”), the parties shall utilize the dispute resolution processes articulated in Article  
6 22 of the ESA to resolve their dispute regarding the validity of the Henrietta Claim and the outcome  
7 of that process will be binding upon the Parties. In accordance with the Stipulated Order, in the  
8 event that the dispute resolution processes articulated in Article 22 of the ESA, or a settlement,  
9 results in Henrietta having a claim against the Utility, that claim shall be treated as an allowed  
10 general unsecured claim in the Utility’s chapter 11 case and receive payment as such in accordance  
11 with the terms of the Plan.

12 44. Ruby Transportation Service Agreement. Ruby Pipeline, L.L.C. (“**Ruby**”) and the  
13 Utility are parties to Transportation Service Agreement (“**TSA**”) No. 61009000 and TSA No.  
14 61014000, both dated December 11, 2009, and applicable to Rate Schedule FT of Ruby’s FERC  
15 Gas Tariff (the “**Ruby Agreements**”) which Ruby Agreements, subject to the occurrence of the  
16 Effective Date, shall be assumed under, and in accordance with, the terms of the Plan and this  
17 Confirmation Order and, pending approval from the CPUC and FERC, shall be modified by  
18 agreement of the parties. Notwithstanding anything in the Plan that could be construed to the  
19 contrary, it is the intention of Ruby and the Utility that all claims and defenses of each of the parties  
20 related to the credit support issues and most favored nations provisions raised pre-petition and as  
21 set forth in that certain standstill letter dated January 23, 2019 are preserved pending CPUC and  
22 FERC’s approval of the modifications to the Ruby Agreements.

23 45. Debtors’ Reservation of Rights.

24 a. Except as explicitly provided in the Plan or in this Confirmation Order, nothing herein  
25 or in the Plan shall waive, excuse, limit, diminish, or otherwise alter any of the defenses, claims,  
26 Causes of Action, or other rights of the Debtors or the Reorganized Debtors under any executory or  
27 non-executory contract or unexpired or expired lease.



1 c. The Debtors shall comply with the following additional commitments agreed to in  
2 connection with the *Case Resolution Contingency Process Motion* [Docket No. 6398] (the “**CRCP**  
3 **Motion**”). In particular:

- 4 i. Reorganized HoldCo shall not pay common dividends until it has recognized  
5 \$6.2 billion in Non-GAAP Core Earnings<sup>11</sup> after the Effective Date. The first  
6 \$6.2 billion in Non-GAAP Core Earnings after the Effective Date shall be used  
7 to make capital investments or to permanently repay outstanding debt of the  
8 Reorganized Debtors.
- 9 ii. The Reorganized Utility shall not seek to recover Fire Victims Claims Costs  
10 in rates other than through its proposed Securitization (as defined in the CRCP  
11 Motion).
- 12 iii. If, pursuant to the Enhanced Regulatory Oversight and Enforcement Process,  
13 the Commission revokes the Utility’s certificate of public convenience and  
14 necessity (“**CPCN**”) for the provision of electrical and gas service, then the  
15 state of California (acting itself or through its designee) shall have the right to  
16 purchase all of the issued and outstanding equity interests of the Reorganized  
17 Utility (including common stock and any options or other equity awards issued  
18 or granted by the Reorganized Utility) or any of its successors. In that event,  
19 the Reorganized Debtors (or any successors) and the shareholders of the  
20 Reorganized Debtors are authorized and directed to cooperate in and to  
21 transfer such equity interests to the State of California (acting itself or through  
22 its designee), at an aggregate price to the holders of such equity interests equal  
23 to (i) the estimated one-year forward income computed by reference to rate  
24 base times equity ratio times return on equity (in each case as authorized by  
the CPUC and FERC), multiplied by (ii) the average one-year forward Price  
to Earnings ratio of the utilities then comprising the Philadelphia Utilities  
Index (“**PHLX**”), multiplied by 0.65 (the “**Purchase Price**”). The  
Reorganized Debtors (their successors and shareholders) are authorized and  
directed to complete such transfer as soon as the Purchase Price is deposited  
as provided under the applicable law of the State of California and all  
applicable requirements of law are met.
- iv. The Reorganized Utility shall use the cash flows resulting from use of the net  
operating losses that result from payment of wildfire claims under the Plan in  
connection with the Securitization; however, if the Securitization is not  
approved or consummated, the Reorganized Utility shall use these cash flows  
to amortize the \$6 billion in Temporary Utility Debt (as defined in the CRCP  
Motion).

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25 <sup>11</sup> “**Non-GAAP Core Earnings**” means GAAP earnings adjusted for those non-core items  
26 identified in the Disclosure Statement. Exhibit B, p. 168 [Docket No. 6353]. The non-core items  
27 identified in the Disclosure Statement are Bankruptcy and Legal Costs; Investigation Remedies and  
28 Delayed Cost Recovery; GT&S Capital Audit; Amortization of Wildfire Insurance Fund  
Contribution; and Net Securitization Inception Charge. *Id.* at 174.

1 v. Until the sunset date set forth in the CPUC Decision, the Reorganized Debtors  
2 shall use the skills matrix for nominating director candidates for election to  
3 the respective boards of directors, and in the event the Reorganized Debtors  
4 wish to modify the skills matrix, shall file a Tier 2 advice letter, giving the  
5 CPUC the opportunity to disapprove any such amendment.

6 vi. As a condition to the occurrence of the Effective Date, which condition may  
7 be waived with the consent of the Plan Proponents and the Governor's Office,  
8 the secured debt to be issued in connection with the funding of the Plan shall  
9 receive an investment grade rating from at least one of Standard & Poor's or  
10 Moody's by the Effective Date.

11 48. Releases, Exculpations, and Injunctions.

12 a. The Court has core jurisdiction under sections 157(a) and (b) and 1334(a) and (b) of  
13 title 28 of the United States Code and authority under sections 105 and 1141 of the Bankruptcy  
14 Code to approve the injunctions, stays, releases, and exculpations set forth in the Plan, including in  
15 Sections 4.6, 4.7, 4.25, 4.26, and 10.3-10.9 of the Plan, and in this Confirmation Order.

16 b. Based upon the record of the Chapter 11 Cases, the representations of the parties,  
17 and/or the evidence proffered, adduced, and/or, presented at the Confirmation Hearing, the release,  
18 stay, exculpation, and injunction (including the Channeling Injunction) provisions contained in the  
19 Plan, including those set forth in Sections 4.6, 4.7, 4.25, 4.26, and 10.3-10.9 thereof, and in this  
20 Confirmation Order, are fair and equitable, consistent with the Bankruptcy Code and applicable law,  
21 are given for valuable consideration, and are in the best interests of the Debtors and their chapter 11  
22 estates, and are approved and shall be effective and binding on all persons and entities.

23 c. The Channeling Injunction contained in Sections 4.6, 4.7, 4.25, 4.26, and 10.7 of the  
24 Plan, and in this Confirmation Order, which was adequately disclosed and explained on the relevant  
25 Ballots, in the Disclosure Statement, and in the Plan, is essential to effectuate the Plan and essential  
26 to the Debtors' reorganization efforts and is to be implemented in accordance with the Plan, the  
27 Subrogation Claims RSA, the Tort Claimants RSA, and this Confirmation Order. Pursuant to the  
28 Channeling Injunction set forth in Sections 4.6, 4.7, 4.25, 4.26, and 10.7 of the Plan, and section  
105(a) of the Bankruptcy Code, and as more fully set forth in Section 10.7 of the Plan and in this  
Confirmation Order, all Entities that have held or asserted, or that hold or assert any Subrogation  
Wildfire Claim or Fire Victim Claim shall be permanently and forever stayed, restrained, and

1 enjoined from taking any action for the purpose of directly or indirectly collecting, recovering, or  
2 receiving payments, satisfaction, or recovery from any Debtor or Reorganized Debtor or its assets  
3 and properties with respect to any Fire Claims.

4 49. **Discharge of the Debtors.** Upon the Effective Date and in consideration of the  
5 distributions to be made under the Plan, except as otherwise expressly provided in the Plan  
6 or in this Confirmation Order, the Debtors shall be discharged to the fullest extent permitted  
7 by section 1141 of the Bankruptcy Code; *provided, however*, that any liability of the Debtors  
8 arising from any fire or any other act or omission occurring after the Petition Date, including  
9 the Kincade Fire, that has not been satisfied in full as of the Effective Date shall not be  
10 discharged, waived, or released. In addition, (a) from and after the Effective Date neither the  
11 automatic stay nor any other injunction entered by the Bankruptcy Court shall restrain the  
12 enforcement or defense of any claims for fires or any other act or omission occurring after the  
13 Petition Date, including the Kincade Fire or the Lafayette fire, in any court that would  
14 otherwise have jurisdiction if the Chapter 11 Cases had not been filed and (b) no claims for  
15 fires or any other act or omission or motions for allowance of claims for fires or any act or  
16 omission occurring after the Petition Date need to be filed in the Chapter 11 Cases. Upon the  
17 Effective Date, all holders of Claims against or Interests in the Debtors shall be forever  
18 precluded and enjoined, pursuant to section 524 of the Bankruptcy Code, from prosecuting  
19 or asserting any such discharged Claim against or Interest in the Debtors.

20 50. **Term of Injunctions or Stays.** Unless otherwise provided in the Plan, this  
21 Confirmation Order, or another Final Order, all injunctions or stays arising under or entered during  
22 the Chapter 11 Cases under section 105 or 362 of the Bankruptcy Code, or otherwise, and in  
23 existence on the Confirmation Date, shall remain in full force and effect until the later of the  
24 Effective Date and the date indicated in the order providing for such injunction or stay. The Trading  
25 Order shall remain enforceable as to transfers through the Effective Date with respect to those  
26 persons having “beneficial ownership” of “PG&E Stock” (as such terms are defined in Trading  
27 Order). Accordingly, the Trading Order has no applicability or effect with respect to the trading of  
28

1 stock of Reorganized HoldCo on and after the Effective Date.

2 51. **Injunction Against Interference with the Plan.** Upon entry of this Confirmation  
3 Order, all holders of Claims against or Interests in the Debtors and other parties in interest,  
4 along with their respective present or former employees, agents, officers, directors, principals,  
5 and affiliates, shall be enjoined from taking any actions to interfere with the implementation  
6 or consummation of the Plan; provided, that nothing in the Plan or in this Confirmation Order  
7 shall preclude, limit, restrict or prohibit any party in interest from seeking to enforce the  
8 terms of the Plan, this Confirmation Order, or any other agreement or instrument entered  
9 into or effectuated in connection with the consummation of the Plan.

10 52. **Injunction.**

11 a. Except as otherwise provided in the Plan or in this Confirmation Order, as of the  
12 entry of this Confirmation Order but subject to the occurrence of the Effective Date, all  
13 Entities who have held, hold, or may hold Claims or Interests are, with respect to any such  
14 Claim or Interest, permanently enjoined after the entry of the Confirmation Order from: (i)  
15 commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action,  
16 or other proceeding of any kind (including, any proceeding in a judicial, arbitral,  
17 administrative, or other forum) against or affecting, directly or indirectly, a Debtor, a  
18 Reorganized Debtor, or an estate or the property of any of the foregoing, or any direct or  
19 indirect transferee of any property of, or direct or indirect successor in interest to, any of the  
20 foregoing Persons mentioned in this subsection (i) or any property of any such transferee or  
21 successor; (ii) enforcing, levying, attaching (including any prejudgment attachment),  
22 collecting, or otherwise recovering in any manner or by any means, whether directly or  
23 indirectly, any judgment, award, decree, or order against a Debtor, a Reorganized Debtor, or  
24 an estate or its property, or any direct or indirect transferee of any property of, or direct or  
25 indirect successor in interest to, any of the foregoing Persons mentioned in this subsection (ii)  
26 or any property of any such transferee or successor; (iii) creating, perfecting, or otherwise  
27 enforcing in any manner, directly or indirectly, any encumbrance of any kind against a

1 Debtor, a Reorganized Debtor, or an estate or any of its property, or any direct or indirect  
2 transferee of any property of, or successor in interest to, any of the foregoing Persons  
3 mentioned in this subsection (iii) or any property of any such transferee or successor; (iv)  
4 acting or proceeding in any manner, in any place whatsoever, that does not conform to or  
5 comply with the provisions of the Plan to the full extent permitted by applicable law; and (v)  
6 commencing or continuing, in any manner or in any place, any action that does not comply  
7 with or is inconsistent with the provisions of the Plan; provided, that nothing contained herein  
8 shall preclude such Entities who have held, hold, or may hold Claims against a Debtor or an  
9 estate from exercising their rights, or obtaining benefits, pursuant to and consistent with the  
10 terms of the Plan, this Confirmation Order, or any other agreement or instrument entered  
11 into or effectuated in connection with the consummation of the Plan.

12 b. By accepting distributions pursuant to the Plan, each holder of an Allowed Claim  
13 or Interest will be deemed to have affirmatively and specifically consented to be bound by this  
14 Plan, including the injunctions set forth in the immediately preceding paragraph hereof.

15 c. For the avoidance of doubt, nothing in Section 10.6 of the Plan shall enjoin the  
16 continued prosecution or resolution of *In re PG&E Corp. Securities Litigation*, No. 18-3509 (N.D.  
17 Cal.) (the “**Securities Action**”) against any non-Debtor defendant, except (a) with respect to any  
18 claim by any Releasing Party, and (b) to the extent that some or all of the claims asserted in the  
19 Securities Action are determined by an unstayed order of a court of competent jurisdiction to be  
20 derivative claims belonging to the Debtors, such argument and any opposition thereto being fully  
21 preserved.

22 53. **CHANNELING INJUNCTION.**

23 a. The sole source of recovery for holders of Subrogation Wildfire Claims and Fire  
24 Victim Claims shall be from the Subrogation Wildfire Trust and the Fire Victim Trust, as  
25 applicable. The holders of such Claims shall have no recourse to or Claims whatsoever against  
26 the Debtors or the Reorganized Debtors or their assets and properties. Consistent with the  
27 foregoing, all Entities that have held or asserted, or that hold or assert any Subrogation

1 **Wildfire Claim or Fire Victim Claim shall be permanently and forever stayed, restrained, and**  
2 **enjoined from taking any action for the purpose of directly or indirectly collecting, recovering,**  
3 **or receiving payments, satisfaction, or recovery from any Debtor or Reorganized Debtor or**  
4 **its assets and properties with respect to any Fire Claims, including all of the following actions:**

5 i. **commencing, conducting, or continuing, in any manner, whether directly or**  
6 **indirectly, any suit, action, or other proceeding of any kind in any forum with respect to any**  
7 **such Fire Claim, against or affecting any Debtor or Reorganized Debtor, or any property or**  
8 **interests in property of any Debtor or Reorganized Debtor with respect to any such Fire**  
9 **Claim;**

10 ii. **enforcing, levying, attaching, collecting or otherwise recovering, by any manner**  
11 **or means, or in any manner, either directly or indirectly, any judgment, award, decree or**  
12 **other order against any Debtor or Reorganized Debtor or against the property of any Debtor**  
13 **or Reorganized Debtor with respect to any such Fire Claim;**

14 iii. **creating, perfecting, or enforcing in any manner, whether directly or indirectly,**  
15 **any Lien of any kind against any Debtor or Reorganized Debtor or the property of any Debtor**  
16 **or Reorganized Debtor with respect to any such Fire Claims;**

17 iv. **asserting or accomplishing any setoff, right of subrogation, indemnity,**  
18 **contribution, or recoupment of any kind, whether directly or indirectly, against any obligation**  
19 **due to any Debtor or Reorganized Debtor or against the property of any Debtor or**  
20 **Reorganized Debtor with respect to any such Fire Claim; and**

21 v. **taking any act, in any manner, in any place whatsoever, that does not conform**  
22 **to, or comply with, the provisions of the Plan Documents, with respect to any such Fire Claim.**

23 b. Reservations. Notwithstanding anything to the contrary in Section 10.7 of the Plan,  
24 this Channeling Injunction shall not enjoin:

25 i. the rights of holders of Subrogation Wildfire Claims and Fire Victim Claims to the  
26 treatment afforded them under the Plan, including the right to assert such Claims in accordance with  
27 the applicable Wildfire Trust Agreements solely against the applicable Wildfire Trust whether or

1 not there are funds to pay such Fire Claims; and

2 ii. the Wildfire Trusts from enforcing their rights under the Wildfire Trust Agreements.

3 c. **Modifications.** There can be no modification, dissolution, or termination of the  
4 **Channeling Injunction, which shall be a permanent injunction.**

5 d. **No Limitation on Channeling Injunction.** Nothing in the Plan, this Confirmation  
6 **Order, or the Wildfire Trust Agreements shall be construed in any way to limit the scope,**  
7 **enforceability, or effectiveness of the Channeling Injunction provided for in the Plan and in**  
8 **this Confirmation Order.**

9 e. **Bankruptcy Rule 3016 Compliance.** The Debtors' compliance with the requirements  
10 of Bankruptcy Rule 3016 shall not constitute an admission that the Plan provides for an injunction  
11 against conduct not otherwise enjoined under the Bankruptcy Code.

12 54. **Exculpation.** Pursuant to Section 10.8 of the Plan, notwithstanding anything in  
13 **the Plan or this Confirmation Order to the contrary, and to the maximum extent permitted**  
14 **by applicable law, and except for the Assigned Rights and Causes of Action solely to the extent**  
15 **preserved by Section 10.9(g), no Exculpated Party<sup>12</sup> shall have or incur, and each Exculpated**  
16 **Party is hereby released and exculpated from, any Claim, Interest, obligation, suit, judgment,**  
17 **damage, demand, debt, right, Cause of Action, loss, remedy, or liability for any claim**  
18 **(including, but not limited to, any claim for breach of any fiduciary duty or any similar duty)**  
19 **in connection with or arising out of the administration of the Chapter 11 Cases; the negotiation**  
20 **and pursuit of the Public Entities Plan Support Agreements, the Backstop Commitment**  
21 **Letters, the Subrogation Claims RSA, the Tort Claimants RSA, the Noteholder RSA, the Exit**  
22 **Financing Documents, the Plan Funding, the DIP Facilities, the Disclosure Statement, the**  
23 **Plan, the Restructuring Transactions, the Wildfire Trusts (including the Plan Documents, the**  
24 **Claims Resolution Procedures and the Wildfire Trust Agreements), or any agreement,**  
25 **transaction, or document related to any of the foregoing, or the solicitation of votes for, or**

26 <sup>12</sup> For the avoidance of doubt, the defined terms “Exculpated Parties” and “Released Parties” each  
27 include, in addition to current and former directors, the directors named on Exhibit A of the Plan  
28 Supplement filed on June 10, 2020 [Docket No. 7879].

1 confirmation of, this Plan; the funding of this Plan; the occurrence of the Effective Date; the  
2 administration of the Plan or the property to be distributed under the Plan; any membership  
3 in (including, but not limited to, on an *ex officio* basis), participation in, or involvement with  
4 the Statutory Committees; the issuance of Securities under or in connection with this Plan; or  
5 the transactions in furtherance of any of the foregoing; except for Claims related to any act  
6 or omission that is determined in a Final Order by a court of competent jurisdiction to have  
7 constituted actual fraud or willful misconduct, but in all respects such Entities shall be entitled  
8 to reasonably rely upon the advice of counsel with respect to their duties and responsibilities  
9 pursuant to this Plan. The Exculpated Parties and each of their respective affiliates, agents,  
10 directors, officers, employees, advisors, and attorneys have acted in compliance with the  
11 applicable provisions of the Bankruptcy Code with regard to the solicitation and distributions  
12 pursuant to this Plan and, therefore, are not, and on account of such distributions shall not  
13 be, liable at any time for the violation of any applicable law, rule, or regulation governing the  
14 solicitation of acceptances or rejections of this Plan or such distributions made pursuant to  
15 this Plan, including the issuance of Securities thereunder. This exculpation shall be in addition  
16 to, and not in limitation of, all other releases, indemnities, exculpations, and any other  
17 applicable law or rules protecting such Exculpated Parties from liability.

18 55. Releases by the Debtors. As of and subject to the occurrence of the Effective  
19 Date, except for the rights that remain in effect from and after the Effective Date to enforce  
20 the Plan and the Plan Documents, and except for the Assigned Rights and Causes of Action  
21 solely to the extent preserved by Section 10.9(g) of the Plan, for good and valuable  
22 consideration, the adequacy of which is hereby confirmed, including, the service of the  
23 Released Parties to facilitate the reorganization of the Debtors, the implementation of the  
24 Restructuring, and except as otherwise provided in the Plan or in this Confirmation Order,  
25 the Released Parties are deemed forever released and discharged, to the maximum extent  
26 permitted by law and unless barred by law, by the Debtors, the Reorganized Debtors, and the  
27 Debtors' estates, in each case on behalf of themselves and their respective successors, assigns,

1 and representatives and any and all other Entities who may purport to assert any Cause of  
2 Action derivatively, by or through the foregoing Entities, from any and all claims, interests,  
3 obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses,  
4 remedies, or liabilities whatsoever, including any derivative claims, asserted or assertable on  
5 behalf of the Debtors, the Reorganized Debtors, or the Debtors' estates, whether known or  
6 unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise,  
7 that the Debtors, the Reorganized Debtors, or the Debtors' estates would have been legally  
8 entitled to assert in their own right (whether individually or collectively) or on behalf of the  
9 holder of any Claim or Interest or other Entity, based on or relating to, or in any manner  
10 arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the Fires, the purchase,  
11 sale, or rescission of the purchase or sale of any Security of the Debtors or the Reorganized  
12 Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or  
13 Interest that is treated in the Plan, the business or contractual arrangements between any  
14 Debtor and any Released Party, the DIP Facilities, the Plan Funding, the Restructuring, the  
15 restructuring of any Claim or Interest before or during the Chapter 11 Cases, the  
16 Restructuring Transactions, the Public Entities Plan Support Agreements, the Backstop  
17 Commitment Letters, the Subrogation Claims RSA, the Tort Claimants RSA, the Noteholder  
18 RSA, the Exit Financing Documents, the negotiation, formulation, or preparation of the  
19 Disclosure Statement and the Plan and related agreements, instruments, and other documents  
20 (including the Plan Documents, the Claims Resolution Procedures, the Wildfire Trust  
21 Agreements, Public Entities Plan Support Agreements, the Backstop Commitment Letters,  
22 the Subrogation Claims RSA, the Tort Claimants RSA, the Noteholder RSA, and the Exit  
23 Financing Documents), the solicitation of votes with respect to the Plan, any membership  
24 (including, but not limited to, on an *ex officio* basis), participation in, or involvement with the  
25 Statutory Committees, or any other act or omission, transaction, agreement, event, or other  
26 occurrence, and in all respects such Entities shall be entitled to reasonably rely upon the  
27 advice of counsel with respect to their duties and responsibilities pursuant to the Plan.



1 Procedures, the Wildfire Trust Agreements, Public Entities Plan Support Agreements, the  
2 Backstop Commitment Letters, the Subrogation Claims RSA, the Tort Claimants RSA, the  
3 Noteholder RSA, and the Exit Financing Documents), the solicitation of votes with respect to  
4 the Plan, any membership in (including, but not limited to, on an *ex officio* basis), participation  
5 in, or involvement with the Statutory Committees, or any other act or omission, transaction,  
6 agreement, event, or other occurrence, and in all respects such Entities shall be entitled to  
7 reasonably rely upon the advice of counsel with respect to their duties and responsibilities  
8 pursuant to the Plan. Notwithstanding the above, the holders of Environmental Claims,  
9 Workers' Compensation Claims and 2001 Utility Exchange Claims retain the right to assert  
10 such Claims against the Reorganized Debtors in accordance with the terms of the Plan; and  
11 nothing in the Plan or this Confirmation Order shall be deemed to impose a release by holders  
12 of Fire Victim Claims of insurance claims arising under their insurance policies against  
13 holders of Subrogation Wildfire Claims, other than any rights such holder may elect to release  
14 as part of any settlement as set forth in Section 4.25(f)(ii) of the Plan.

15 57. **Made-Whole Agreement.** Except with respect to any settlement or other  
16 agreement regarding the Fire Victim Claims asserted by Adventist Health System/West,  
17 Feather River Hospital d/b/a Adventist Health Feather River and the parties to the State  
18 Agency Settlement [Docket No. 7399-2] and the Federal Agency Settlement [Docket No.  
19 7399-1], any settlement or other agreement with any holder or holders of a Fire Victim Claim  
20 that fixes the amount or terms for satisfaction of such Claim, including by a post-Effective  
21 Date trust established for the resolution and payment of such Claim, shall contain as a  
22 condition to such settlement or other agreement that the holder or holders of such Claim  
23 contemporaneously execute and deliver a release and waiver of any potential made-whole  
24 claims against present and former holders of Subrogation Wildfire Claims, which release shall  
25 be substantially in the form attached to the Plan as Exhibit C thereto.

26 58. **Release of Liens.** Except as otherwise specifically provided in the Plan, this  
27 Confirmation Order, or in any contract, instrument, release, or other agreement or document  
28

1 created pursuant to the Plan, including the Exit Financing Documents, on the Effective Date  
2 and concurrently with the applicable distributions made pursuant to the Plan and, in the case  
3 of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as  
4 of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests  
5 against any property of the estates shall be fully released and discharged, and all of the right,  
6 title, and interest of any holder of such mortgages, deeds of trust, Liens, pledges, or other  
7 security interests shall revert to the Reorganized Debtors and their successors and assigns, in  
8 each case, without any further approval or order of the Court and without any action or filing  
9 being required to be made by the Debtors.

10 59. Effectiveness of Releases. As further provided in Section 10.9(e) of the Plan, the  
11 releases contained in Article X of the Plan are effective regardless of whether those released  
12 matters are presently known, unknown, suspected or unsuspected, foreseen or unforeseen.

13 60. Injunction Related to Releases and Exculpation. The commencement or  
14 prosecution by any Person or Entity, whether directly, derivatively, or otherwise, of any  
15 Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action,  
16 losses, or liabilities released pursuant to the Plan, including, the claims, obligations, suits,  
17 judgments, damages, demands, debts, rights, Causes of Action, and liabilities released or  
18 exculpated in the Plan shall be permanently enjoined. For the avoidance of doubt, this  
19 injunction shall not apply to the rights of the Fire Victim Trust to prosecute and settle any  
20 Assigned Rights and Causes of Action solely to the extent provided for in the Plan.  
21 Notwithstanding the above, the holders of Environmental Claims, Workers' Compensation  
22 Claims and 2001 Utility Exchange Claims retain the right to assert such Claims against the  
23 Reorganized Debtors in accordance with the terms of the Plan.

24 61. No Release or Exculpation of Assigned Rights and Causes of Action.  
25 Notwithstanding any other provision of the Plan, including anything in Section 10.8 and/or 10.9  
26 thereof, the releases, discharges, and exculpations contained in this Plan shall not release, discharge,  
27 or exculpate any Person from the Assigned Rights and Causes of Action.



1 c. The Reorganized Debtors reserve and shall retain the applicable Causes of Action  
2 notwithstanding the rejection of any executory contract or unexpired lease during the Chapter 11  
3 Cases or pursuant to the Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code, any  
4 Causes of Action that a Debtor may hold against any Entity shall vest in the Reorganized Debtors  
5 in accordance with the terms of the Plan. The Reorganized Debtors shall have the exclusive right,  
6 authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle,  
7 compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to  
8 do any of the foregoing without the consent or approval of any third party or further notice to or  
9 action, order, or approval of the Bankruptcy Court.

10 d. Notwithstanding anything to the contrary in the Plan, no claims shall be brought under  
11 section 547 of the Bankruptcy Code to recover any payments made to any Person or Entity as a  
12 result of damages caused by wildfires.

13 64. AT&T.

14 a. Notwithstanding anything in the Plan or the Channeling Injunction to the contrary,  
15 but subject to the limitations under the Bankruptcy Code, any right of setoff or recoupment that  
16 AT&T Corporation or its affiliates (“AT&T”) may be entitled to assert against the Debtors or  
17 Reorganized Debtors shall be preserved, and all rights of the Debtors and Reorganized Debtors to  
18 object to or challenge the assertion of any such right by AT&T shall be preserved.

19 b. Any executory contracts or unexpired leases between the Debtors and AT&T shall be  
20 deemed assumed on the Effective Date pursuant to Section 8.1 of the Plan; *provided, however,*  
21 notwithstanding the provisions of Section 8.2 of the Plan, AT&T shall have until the date that is  
22 forty-five (45) calendar days following entry of this Confirmation Order (or such later date agreed  
23 to by the Plan Proponents (or following the Effective Date, the Reorganized Debtors) and AT&T)  
24 to object to the proposed Cure Amount with respect to any such executory contracts or unexpired  
25 leases (and any such Cure Dispute shall be governed by, and be subject to, the provisions of Article  
26 VIII of the Plan).

27 65. Special Provisions for Governmental Units.

1 a. Solely with respect to Governmental Units, nothing in the Plan or this Confirmation  
2 Order shall limit or expand the scope of discharge, release, or injunction to which the Debtors or  
3 the Reorganized Debtors are entitled under the Bankruptcy Code. Further, nothing in the Plan or  
4 this Confirmation Order, including Sections 10.8 and 10.9 of the Plan, shall discharge, release,  
5 enjoin, or otherwise bar (i) any liability of the Debtors or the Reorganized Debtors to a  
6 Governmental Unit arising on or after the Confirmation Date, (ii) any liability to a Governmental  
7 Unit that is not a Claim, (iii) any affirmative defense, valid right of setoff or recoupment of a  
8 Governmental Unit, (iv) any police or regulatory action by a Governmental Unit (except with  
9 respect to any monetary amount related to any matter arising prior to the Petition Date), (v) any  
10 action to exercise the power of eminent domain and any related or ancillary power or authority of a  
11 Governmental Unit, (vi) any environmental liability to a Governmental Unit that the Debtors, the  
12 Reorganized Debtors, any successors thereto, or any other Person or Entity may have as an owner  
13 or operator of real property after the Confirmation Date, or (vii) any liability to a Governmental  
14 Unit on the part of any Persons or Entities other than the Debtors or the Reorganized Debtors, except  
15 that nothing in Section 10.13 of the Plan or in this Paragraph 65 shall affect the exculpation in  
16 Section 10.8 of the Plan and Paragraph 54 of this Confirmation Order or the Debtors' releases in  
17 Section 10.9 of the Plan and Paragraph 55 of this Confirmation Order. Nothing in the Plan or this  
18 Confirmation Order shall enjoin or otherwise bar any Governmental Unit from asserting or  
19 enforcing, outside the Bankruptcy Court, any of the matters set forth in clauses (i) through (vii)  
20 above. Nothing in the Plan or this Confirmation Order shall affect the treatment of Environmental  
21 Claims and Environmental Performance Obligations as specified in Sections 4.10 and 4.30 of the  
22 Plan.

23 b. The identification of amounts paid under the Plan and this Confirmation Order as  
24 "restitution" does not preempt the California Franchise Tax Board's rights of review and  
25 determination as to the deductibility of such amounts as having been paid in restitution for California  
26 franchise tax purposes.

27 66. Special Provisions for CPUC. Notwithstanding anything in the Plan or this  
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1 Confirmation Order to the contrary, any Claim of the CPUC shall be deemed satisfied and  
2 discharged as of the Effective Date in consideration of the distributions to be made under the Plan,  
3 provided that (a) confirmation and consummation of the Plan shall not affect any CPUC proceeding  
4 or investigation regarding pre-petition conduct that is pending as of the Plan Confirmation Date and  
5 listed on the Schedule of Pending Investigations (attached as Exhibit C hereto), or (b) any CPUC  
6 proceeding or investigation regarding postpetition conduct, or (c) any proceeding or investigation  
7 with respect to the Kincade Fire (it being understood that, in connection with such proceeding or  
8 investigation, the CPUC may investigate pre-petition and post-petition conduct, but the CPUC may  
9 impose penalties only for post-petition acts or omissions), whether or not pending as of the Plan  
10 Confirmation Date, including any adjudication or disposition thereof, and any liability of the  
11 Debtors or Reorganized Debtors, as applicable, arising therefrom shall not be discharged, waived,  
12 or released pursuant to the Plan or this Confirmation Order.

13 67. Governmental Performance Obligations.

14 a. Nothing in this Confirmation Order, the Plan or the Plan Documents discharges,  
15 exculpates, absolves or releases the Debtors, the Reorganized Debtors, any Released Party, any non-  
16 debtor, or any other Person from any Environmental Claims held by any Governmental Unit or  
17 Environmental Performance Obligations to any Governmental Unit or impairs the ability of any  
18 Governmental Unit to pursue any Environmental Claims or Environmental Performance  
19 Obligations, or any claim, liability, right, defense, or Cause of Action under any Environmental Law  
20 against any Debtor, Reorganized Debtor, any Released Party, or any other Person.

21 b. All Environmental Claims held by any Governmental Unit or Environmental  
22 Performance Obligations to any Governmental Unit shall survive the Chapter 11 Cases as if they  
23 had not been commenced and be determined in the ordinary course of business, including in the  
24 manner and by the administrative or judicial tribunals in which such Environmental Claims or  
25 Environmental Performance Obligations would have been resolved or adjudicated if the Chapter 11  
26 Cases had not been commenced; *provided*, that nothing in this Confirmation Order, the Plan, or the  
27 Plan Documents shall alter any legal or equitable rights or defenses of the Debtors or the

1 Reorganized Debtors under non-bankruptcy law with respect to any such Environmental Claims or  
2 Environmental Performance Obligations. For the avoidance of doubt, the Debtors and the  
3 Reorganized Debtors shall not raise the discharge injunction as a defense to the Environmental  
4 Claims or Environmental Performance Obligations.

5 c. Nothing in this Confirmation Order, the Plan, or the Plan Documents authorizes the  
6 transfer or sale of any governmental licenses, permits, registrations, authorizations or approvals, or  
7 the discontinuation of any obligation thereunder, without compliance with all applicable legal  
8 requirements under the law governing such transfers.

9 d. Notwithstanding anything in this Confirmation Order, the Plan, or the Plan  
10 Documents, the listing of a matter as an “executory contract” or an “unexpired lease” in the Debtors’  
11 schedules or Plan Documents (a “**Potentially Assumed Contract/Lease**”) is without prejudice to  
12 any contention by any Governmental Unit that the matter is not in fact an executory contract or  
13 unexpired lease as set forth in section 365 of the Bankruptcy Code. With respect to any Cure  
14 Amount for a Potentially Assumed Contract/Lease for which the United States or any department,  
15 agency, or instrumentality of the State of California (collectively, the “**Governmental Parties**”) is  
16 listed as the Non-Debtor Counterparty, all parties reserve all rights to dispute such Cure Amount.  
17 If any Governmental Party disputes (i) that any Potentially Assumed Contract/Lease is in fact an  
18 executory contract or unexpired lease or (ii) any Cure Amount, such Governmental Party shall have  
19 no later than ninety (90) days after the Confirmation Date (or such later date as may be mutually  
20 agreed upon between the applicable Governmental Party and the Debtors or Reorganized Debtors)  
21 to file and serve an objection setting forth such dispute, and any such dispute shall be resolved by  
22 the Bankruptcy Court.

23 e. Nothing in this Confirmation Order, the Plan, or the Plan Documents shall affect or  
24 impair the United States’ or any department, agency, or instrumentality of the State of California’s  
25 rights and defenses of setoff and recoupment, or their ability to assert setoff or recoupment against  
26 the Debtors or the Reorganized Debtors and such rights and defenses are expressly preserved, all  
27 subject to the limitations in the Bankruptcy Code, if any.

1 f. Nothing in this Confirmation Order, the Plan, or the Plan Documents impairs,  
2 precludes, resolves, exculpates, enjoins or releases any obligation or liability to a Governmental  
3 Unit on the part of any non-Debtor.

4 g. Nothing in this Confirmation Order, the Plan, or Plan Documents shall discharge,  
5 release, enjoin, or otherwise bar (i) any obligation or liability to a Governmental Unit that is not a  
6 Claim, or (ii) any liability of the Debtors or the Reorganized Debtors to a Governmental Unit arising  
7 on or after the Confirmation Date. Notwithstanding any other provision in this Confirmation Order,  
8 the Plan, or the Plan Documents, nothing relieves the Debtors or the Reorganized Debtors from their  
9 obligations to comply with the Communications Act of 1934, as amended, and the rules, regulations  
10 and orders promulgated thereunder by the Federal Communications Commission (“FCC”). No  
11 transfer of any FCC license or authorization held by the Debtors or transfer of control of the Debtors  
12 or transfer of control of an FCC licensee controlled by the Debtors shall take place prior to the  
13 issuance of FCC regulatory approval for such transfer pursuant to applicable FCC regulations. The  
14 FCC’s rights and powers to take any action pursuant to its regulatory authority including, but not  
15 limited to, imposing any regulatory conditions on any of the above described transfers, are fully  
16 preserved, and nothing herein shall proscribe or constrain the FCC’s exercise of such power or  
17 authority.

18 h. Nothing in this Confirmation Order, the Plan or the Plan Documents relieves the  
19 Debtors or the Reorganized Debtors from their obligations to comply with the Atomic Energy Act  
20 of 1954, as amended, and the rules, regulations and orders promulgated thereunder by the United  
21 States Nuclear Regulatory Commission (the “NRC”).

22 i. The rights, duties and obligations of the Debtors under the 2003 Watershed Lands  
23 Obligations<sup>13</sup> shall be preserved and are unaffected by the Plan or this Confirmation Order,

24 \_\_\_\_\_  
25 <sup>13</sup> “**2003 Watershed Lands Obligations**” means the outstanding obligations of the Utility pursuant  
26 to the *Order Confirming Plan of Reorganization Under Chapter 11 of the Bankruptcy Code for*  
27 *Pacific Gas and Electric Company Proposed by Pacific Gas and Electric Company, PG&E*  
*Corporation and the Official Committee of Unsecured Creditors Dated July 31, 2003, as Modified*  
28 *[Docket No. 14272], entered on December 22, 2003, in In re Pacific Gas and Electric Company,*

1 notwithstanding anything to the contrary contained therein or herein.

2 j. To the extent that any non-Debtor party to the FERC Tariff Rate Proceedings<sup>14</sup> is  
3 entitled to a refund from the Debtors or Reorganized Debtors pursuant to such proceedings, such  
4 refund obligation shall be an ongoing regulatory obligation of the Reorganized Debtors not subject  
5 to discharge or release by the Plan or this Confirmation Order, notwithstanding anything to the  
6 contrary contained therein or herein. All rights of such non-Debtor parties, the Debtors and/or the  
7 Reorganized Debtors to prosecute, defend, or appeal a finding of the FERC Tariff Rate Proceedings  
8 are preserved and may be exercised as if the Chapter 11 Cases had not been commenced.

9 k. The proceeds of the DWR Bond Charge<sup>15</sup> do not constitute property of the Debtors’

10 \_\_\_\_\_  
11 Case No. 01-30923 DM (Bankr. N.D. Cal.) to permanently protect the beneficial public values  
12 associated with certain land identified in that certain Settlement Agreement, dated December 19,  
13 2003 and approved in CPUC Decision 03-12-035, among the Debtors and CPUC, and the related  
14 Stipulation Resolving Issues Regarding the Land Conservation Commitment that has not been made  
15 subject to a conservation easement or donated in accordance with the obligations set forth therein,  
16 which includes, for the avoidance of doubt, the Watershed Lands (as defined in and identified by  
17 the Settlement Agreement).

18 <sup>14</sup> “**FERC Tariff Rate Proceedings**” means the pending TO Rate Revision Cases filed by PG&E  
19 at FERC seeking increases to its proposed electricity transmission rates in 2016, 2017, and 2018  
20 and bearing FERC Docket Nos. ER16-2320-000, ER17-2154-000, and ER19-13-000, respectively,  
21 in which certain non-Debtor parties may receive refunds in amounts to be later determined by  
22 FERC.

23 <sup>15</sup> “**DWR Bond Charge**” means the charge imposed by the CPUC upon customers in the service  
24 areas of California’s investor-owned utilities, as more fully defined in CPUC-DWR Rate  
25 Agreement, which is based on an estimate of the revenue needed to pay for DWR Bond Related  
26 Costs and the aggregate amount of electric power used by customers. The DWR Bond Charge is  
27 the property of DWR for all purposes under California law, and any funds the Utility received from  
28 customers as the billing and collection agent for the DWR Bond Charge are held in trust for the  
benefit of DWR, as provided by and consistent with Section 5.1(b) of the CPUC-DWR Rate  
Agreement, California Water Code section 80112, and applicable CPUC decisions and orders. The  
DWR Bond Charge does not include the Wildfire Fund Charge that the Utility collects from  
customers and remits to DWR, as more fully defined by the CPUC in its Decision on October 24,  
2019 in D1910056, and other applicable CPUC decisions and orders.

“**DWR Bond Related Costs**” means the Bond Related Costs described in the CPUC-DWR Rate  
Agreement.

“**CPUC-DWR Rate Agreement**” means the agreement dated March 8, 2002 between the CPUC  
and DWR relating to the establishment of DWR’s revenue requirements and charges in connection  
with power sold by DWR under Division 27, commencing with section 80000, of the California  
Water Code.

“**DWR**” means the California Department of Water Resources.

1 estates. Notwithstanding anything in the Plan or this Confirmation Order to the contrary, DWR  
2 shall be entitled to pursue any Claim against or otherwise exercise any rights against the Debtors  
3 and Reorganized Debtors in respect of the proceeds of the DWR Bond Charge as if the Chapter 11  
4 Cases had not been commenced; *provided that* any such action shall be subject to the terms of the  
5 CPUC-DWR Rate Agreement, applicable CPUC decisions and orders, the California Water Code,  
6 and any other applicable law.

7 68. Exchange Operators. The rights, duties and obligations of the Utility and the  
8 Reorganized Utility, as applicable, under its agreements with the California Independent System  
9 Operator Corporation and ICE NGX Canada Inc. (and certain of its affiliates and subsidiaries) and  
10 any tariffs incorporated therein, regardless of whether arising prior to or after the Petition Date or  
11 the Effective Date, shall be unaffected by the Plan or this Confirmation Order notwithstanding  
12 anything to the contrary contained therein.

13 69. Exemption from Transfer Taxes. Pursuant to section 1146(a) of the Bankruptcy Code,  
14 the issuance, transfer, or exchange of any Security or property under the Plan or in connection with  
15 the transactions contemplated thereby, the creation, filing, or recording of any mortgage, deed of  
16 trust, or other security interest, the making, assignment, filing, or recording of any lease or sublease,  
17 or the making or delivery of any deed, bill of sale, or other instrument of transfer under, in  
18 furtherance of, or in connection with the Plan, or any agreements of consolidation, deeds, bills of  
19 sale, or assignments executed in connection with any of the transactions contemplated in the Plan,  
20 shall constitute a “transfer under a plan” within the purview of section 1146 of the Bankruptcy Code  
21 and shall not be subject to or taxed under any law imposing a stamp tax or similar tax, to the  
22 maximum extent provided by section 1146(a) of the Bankruptcy Code. To the maximum extent  
23 provided by section 1146(a) of the Bankruptcy Code and applicable nonbankruptcy law, the  
24 Restructuring Transactions shall not be taxed under any law imposing a stamp tax or similar tax.

25 70. Final Fee Applications.

26 a. Pursuant to Section 2.2 of the Plan, all final requests for the payment of Professional  
27 Fee Claims against a Debtor, including any Professional Fee Claim incurred during the period from  
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1 the Petition Date through and including the Effective Date, must be filed and served on the  
2 Reorganized Debtors no later than sixty (60) days after the Effective Date. All such final requests  
3 will be subject to approval by the Court after notice and a hearing in accordance with the procedures  
4 established by the Bankruptcy Code, the Interim Compensation Order, and any other prior orders  
5 of the Court regarding the payment of Professionals in the Chapter 11 Cases, and once approved by  
6 the Bankruptcy Court, promptly paid in Cash in the Allowed amount from the Professional Fee  
7 Escrow Account. If the Professional Fee Escrow Account is insufficient to fund the full Allowed  
8 amount of all Professional Fee Claims, remaining unpaid Allowed Professional Fee Claims will be  
9 allocated among and paid in full in Cash directly by the Reorganized Debtors.

10 b. Prior to the Effective Date, the Debtors shall establish and fund the Professional Fee  
11 Escrow Account with Cash equal to the Professional Fee Reserve Amount. Such funds shall not be  
12 considered property of the estates of the Debtors or the Reorganized Debtors. Any amounts  
13 remaining in the Professional Fee Escrow Account after payment in full of all Allowed Professional  
14 Fee Claims shall promptly be paid to the Reorganized Debtors without any further action or order  
15 of the Court.

16 c. No later than ten (10) Business Days prior to the Effective Date, each Professional  
17 shall provide the restructuring advisors for the Debtors with an estimate of its unpaid Professional  
18 Fee Claims incurred in rendering services to the Debtors or their estates before and as of the  
19 Effective Date; *provided*, that such estimate shall not be deemed to limit the amount of fees and  
20 expenses that are the subject of the Professional's final request for payment of its Professional Fee  
21 Claims whether from the Professional Fee Escrow Account or, if insufficient, from the Reorganized  
22 Debtors. If a Professional does not timely provide an estimate as set forth above, the Debtors or  
23 Reorganized Debtors shall estimate the unpaid and unbilled fees and expenses of such Professional  
24 for purposes of funding the Professional Fee Escrow Account. The total amount of Professional  
25 Fee Claims estimated pursuant to this Section shall comprise the Professional Fee Reserve Amount.  
26 The Professional Fee Reserve Amount, as well as the return of any excess funds in the Professional  
27 Fee Escrow Account after all Allowed Professional Fee Claims have been paid in full, shall be

1 allocated to the applicable Debtor for whose benefit such Professional Fees Claims were incurred.

2 d. Except as otherwise specifically provided in the Plan or in this Confirmation Order,  
3 from and after the Effective Date, the Reorganized Debtors shall, in the ordinary course of business  
4 and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash  
5 the reasonable and documented legal, professional, or other fees and expenses incurred by the  
6 Reorganized Debtors. Upon the Effective Date, any requirement that Professionals comply with  
7 sections 327 through 331, 363, and 1103 of the Bankruptcy Code in seeking retention or  
8 compensation for services rendered after such date shall terminate, and the Reorganized Debtors  
9 may employ and pay any professional in the ordinary course of business without any further notice  
10 to or action, order, or approval of the Bankruptcy Court.

11 71. Fair and Equitable; No Unfair Discrimination. Although section 1129(a)(8) of the  
12 Bankruptcy Code has not been satisfied with respect to Class 10A-II (HoldCo Rescission or Damage  
13 Claims), the Plan is confirmable because the Plan satisfies section 1129(b) of the Bankruptcy Code  
14 with respect to such Class. Based on the Disclosure Statement, the Disclosure Statement  
15 Supplement, the Confirmation Memorandum, the *Declaration of Jason P. Wells in Support of the*  
16 *Debtors' and Shareholder Proponents' Joint Chapter 11 Plan of Reorganization* [Docket No.  
17 7510], the *Plan Proponents' Joint Submission of Amended Plan and Confirmation Order Language*  
18 *Partially Resolving Confirmation Objection of the Public Employee Retirement Association of New*  
19 *Mexico* [Docket No. 8016], the *Notice of Withdrawal of Securities Lead Plaintiff's Objections to*  
20 *Confirmation Except for the Determination of the Appropriate Insurance Deduction to be Applied*  
21 *to Allowed HoldCo Rescission or Damage Claims* [Docket No. 8017], the record of the  
22 Confirmation Hearing held on June 19, 2020, and the evidence proffered, adduced, or presented by  
23 the Debtors at the Confirmation Hearing, the Plan does not discriminate unfairly and is fair and  
24 equitable with respect to Class 10A-II (HoldCo Rescission or Damage Claims) as required by  
25 section 1129(b) of the Bankruptcy Code. Accordingly, upon confirmation of the Plan and the  
26 occurrence of the Effective Date, the Plan shall be binding on the members of Class 10A-II (HoldCo  
27 Rescission or Damage Claims).

1           72.    Effectiveness of Order Upon Entry. Notwithstanding the applicability of Bankruptcy  
2 Rule 3020(e), the terms and conditions of the Confirmation Order shall be immediately effective  
3 and enforceable upon its entry.

4           73.    Actions Taken Prior to Reversal or Modification of Order. If any or all of the  
5 provisions of the Confirmation Order are hereafter reversed, modified, or vacated by subsequent  
6 order of the Bankruptcy Court or any other court, such reversal, modification, or vacatur shall not  
7 affect the validity of the acts or obligations incurred or undertaken pursuant to, under, or in  
8 connection with the Plan prior to the Debtors' receipt of written notice of such Order.  
9 Notwithstanding any such reversal, modification, or vacatur of the Confirmation Order, any such  
10 act or obligation incurred or undertaken pursuant to, and in reliance on, the Confirmation Order  
11 prior to the effective date of such reversal, modification, or vacatur shall be governed in all respects  
12 by the provisions of the Confirmation Order and the Plan and all related documents or any  
13 amendments or modifications thereto.

14           74.    Non-Occurrence of the Effective Date. If the Effective Date does not occur on or  
15 before December 31, 2020, then: (a) the Plan will be null and void in all respects; and (b) nothing  
16 contained in the Plan or the Disclosure Statement shall: (i) constitute a waiver or release of any  
17 Claims, Interests, or Causes of Action by any Entity; (ii) prejudice in any manner the rights of any  
18 Debtor or any other Entity; or (iii) constitute an admission, acknowledgment, offer, or undertaking  
19 of any sort by any Debtor or any other Entity.

20           75.    Substantial Consummation. On the Effective Date, the Plan shall be deemed to be  
21 substantially consummated under sections 1101 and 1127 of the Bankruptcy Code.

22           76.    Dissolution of Statutory Committees. Pursuant to Section 12.1 of the Plan, on the  
23 Effective Date, the Statutory Committees shall dissolve, the current and former members of the  
24 Statutory Committees, including any ex officio members, and their respective officers, employees,  
25 counsel, advisors and agents, shall be released and discharged of and from all further authority,  
26 duties, responsibilities and obligations related to and arising from and in connection with the  
27 Chapter 11 Cases, except for the limited purpose of (i) prosecuting requests for allowances of  
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1 compensation and reimbursement of expenses incurred prior to the Effective Date and objecting to  
2 any such requests filed by other Professionals, including any appeals in connection therewith, (ii)  
3 having standing and a right to be heard in connection with any pending litigation, including appeals,  
4 to which such committee is a party, or (iii) prosecuting any appeals of this Confirmation Order.

5 77. Service of Notice of the Confirmation Order. Pursuant to Bankruptcy Rules  
6 2002(f)(7) and 3020(c), the Plan Proponents are directed to serve promptly after the occurrence of  
7 the Effective Date, a notice of the entry of this Confirmation Order, which shall include notice of  
8 this Confirmation Order and notice of the Effective Date (the “**Notice of Effective Date**”), on all  
9 parties that received notice of the Confirmation Hearing; provided, however, that the Plan  
10 Proponents shall be obligated to serve the Notice of Effective Date only on the record holders of  
11 Claims or Interests as of the Confirmation Date; provided, further, that the Plan Proponents shall  
12 not be required to serve the Notice of Effective Date on any holder of Claims or Interests where the  
13 prior service of the notice of the Confirmation Hearing was returned as undeliverable and no  
14 forwarding address has been provided.

15 78. Jurisdiction. The Court shall retain jurisdiction with respect to all matters arising from  
16 or related to the implementation of this Confirmation Order and as provided in Section 11.1 of the  
17 Plan.

18 79. Severability. Each term and provision of the Plan, as it may have been altered or  
19 interpreted in accordance with the foregoing, is (a) valid and enforceable pursuant to its terms; (b)  
20 integral to the Plan and may not be deleted or modified except in accordance with the terms of the  
21 Plan; and (c) nonseverable and mutually dependent.

22 80. Conflict Between Plan and Confirmation Order. If there is any direct conflict between  
23 the terms of the Plan and the Confirmation Order, the terms of the Confirmation Order shall control.

24 81. Reference. The failure specifically to include or reference any particular provision of  
25 the Plan or any related agreement in this Confirmation Order shall not diminish or impair the  
26 efficacy of such provision or related agreement, it being the intent of the Court that the Plan is  
27 confirmed in its entirety, the Plan and such related agreements are approved in their entirety, and  
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the Plan Supplement is incorporated herein by reference.

**\*\*END OF ORDER\*\***

**Exhibit A**

**Debtors' and Shareholder Proponents Joint Plan of Chapter 11 Reorganization Dated June 19, 2020**

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15  
16 **UNITED STATES BANKRUPTCY COURT**  
17 **NORTHERN DISTRICT OF CALIFORNIA**  
18 **SAN FRANCISCO DIVISION**

19 **In re:**  
20 **PG&E CORPORATION,**  
21 **- and -**  
22 **PACIFIC GAS AND ELECTRIC COMPANY,**  
23 **Debtors.**

Bankruptcy Case  
No. 19-30088 (DM)

Chapter 11

(Lead Case)  
(Jointly Administered)

**DEBTORS' AND SHAREHOLDER  
PROONENTS' JOINT CHAPTER 11 PLAN OF  
REORGANIZATION DATED JUNE 19, 2020**

- 24  Affects PG&E Corporation  
25  Affects Pacific Gas and Electric Company  
26  Affects both Debtors

\* All papers shall be filed in the Lead Case, No. 19-30088 (DM).

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1 PG&E Corporation and Pacific Gas and Electric Company, the above-captioned debtors and  
 2 debtors in possession, certain funds and accounts managed or advised by Abrams Capital  
 3 Management, L.P., and certain funds and accounts managed or advised by Knighthead Capital  
 4 Management, LLC (together, the “**Shareholder Proponents**,” and, collectively with the Debtors, the  
 5 “**Plan Proponents**”), as plan proponents within the meaning of section 1129 of the Bankruptcy Code,  
 propose the following joint chapter 11 plan of reorganization pursuant to section 1121(a) of the  
 Bankruptcy Code.<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to  
 such terms in Article I of the Plan.

## 6 ARTICLE I.

### 7 DEFINITIONS, INTERPRETATION AND CONSENTS

8 **DEFINITIONS.** The following terms used herein shall have the respective meanings defined  
 9 below (such meanings to be equally applicable to both the singular and plural):

10 **1.1 2001 Utility Exchange Claim** means any Claim against the Utility arising  
 11 solely from (a) amounts due to the CAISO, PX, and/or various market participants based on  
 12 purchases or sales of electricity, capacity, or ancillary services by the Utility and other market  
 13 participants in markets operated by the CAISO and the PX that are subject to determination by  
 14 FERC in refund proceedings bearing FERC Docket Nos. EL00-95-000 and EL00-98-000 and  
 15 related subdockets, and (b) amounts due under any settlement agreements, allocation  
 agreements, escrow agreements, letter agreements, other written agreements, or court orders  
 (including orders entered in the chapter 11 case styled *In re California Power Exchange*  
*Corporation*, Case No. LA 01-16577 ES) that expressly relate thereto.

16 **1.2 503(b)(9) Claim** means a Claim against a Debtor or any portion thereof entitled  
 17 to administrative expense priority pursuant to section 503(b)(9) of the Bankruptcy Code, which  
 Claim was timely filed and Allowed pursuant to the 503(b)(9) Procedures Order.

18 **1.3 503(b)(9) Procedures Order** means the *Amended Order Pursuant to 11 U.S.C.*  
 19 *§§ 503(b)(9) and 105(a) Establishing Procedures for the Assertion, Resolution, and*  
*Satisfaction of Claims Asserted Pursuant to 11 U.S.C. § 503(b)(9)* [Docket No. 725].

20 **1.4 Administrative Expense Claim** means any cost or expense of administration  
 21 of any of the Chapter 11 Cases arising on or before the Effective Date that is allowable under  
 22 section 503(b) of the Bankruptcy Code and entitled to priority under sections 364(c)(1), 503(b)  
 23 (including 503(b)(9) Claims), 503(c), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code  
 24 that has not already been paid, including, (a) any actual and necessary costs and expenses of  
 preserving the Debtors’ estates, any actual and necessary costs and expenses of operating the  
 Debtors’ businesses, any indebtedness or obligations incurred or assumed by one or more of

25 <sup>1</sup> The Plan and the Plan Supplement may be amended or supplemented, as necessary, to include  
 26 relevant information contained in the submissions made by the Utility in connection with the  
 27 proceeding regarding the Plan currently pending before the CPUC (Investigation (I).19-09-016),  
 including but not limited to certain governance-related commitments.

1 the Debtors, as a debtor in possession, during the Chapter 11 Cases, including, for the  
2 acquisition or lease of property or an interest in property or the performance of services, or any  
3 fees or charges assessed against the estates of the Debtors under section 1930 of chapter 123  
4 of title 28 of the United States Code, (b) any DIP Facility Claim, (c) any Professional Fee  
5 Claim, and (d) any Intercompany Claim authorized pursuant to the Cash Management Order.

6 **1.5 Aggregate Backstop Commitment Amount** means the aggregate amount of  
7 all backstop commitments, if any, under all Backstop Commitment Letters; *provided*, however,  
8 that if the backstop commitments under all Backstop Commitment Letters shall be \$0, then all  
9 consent and other rights hereunder shall no longer apply.

10 **1.6 Aggregate Fire Victim Consideration** means the aggregate consideration used  
11 to fund the Fire Victim Trust of (a) \$5.4 billion in cash to be contributed on the Effective Date,  
12 (b) \$1.35 billion consisting of (i) \$650 million to be paid in cash on or before January 15, 2021  
13 pursuant to the Tax Benefits Payment Agreement, and (ii) \$700 million to be paid in cash on  
14 or before January 15, 2022 pursuant to the Tax Benefits Payment Agreement; (c) \$6.75 billion  
15 in New HoldCo Common Stock (issued at Fire Victim Equity Value), which shall not be less  
16 than 20.9% of the New HoldCo Common Stock based on the number of fully diluted shares of  
17 Reorganized HoldCo (calculated using the treasury stock method (using an Effective Date  
18 equity value equal to Fire Victim Equity Value)) that will be outstanding as of the Effective  
19 Date (assuming all equity offerings and all other equity transactions specified in the Plan,  
20 including without limitation, equity issuable upon the exercise of any rights or the conversion  
21 or exchange of or for any other securities, are consummated and settled on the Effective Date,  
22 but excluding any future equity issuance not specified by the Plan) assuming the Utility's  
23 allowed return on equity as of the date of the Tort Claimants RSA and reasonable registration  
24 rights consistent with the recommendations of the Debtors' equity underwriter and tax rules  
25 and regulations; (d) the assignment by the Debtors and Reorganized Debtors to the Fire Victim  
26 Trust of the Assigned Rights and Causes of Action; and (e) assignment of rights, other than  
27 the rights of the Debtors to be reimbursed under the 2015 Insurance Policies for claims  
28 submitted to and paid by the Debtors prior to the Petition Date, under the 2015 Insurance  
Policies to resolve any claims related to Fires in those policy years. For the avoidance of doubt,  
the Aggregate Fire Victim Consideration shall not include any amounts for the Public Entities  
Settlement which shall be satisfied from other Plan financing sources but not from the  
Aggregate Fire Victim Consideration.

21 **1.7 Allowed** means, with reference to any Claim against a Debtor or Interest: (a)  
22 any Claim listed in the Debtors' Schedules, as such Schedules may be amended from time to  
23 time in accordance with Bankruptcy Rule 1009, as liquidated, non-contingent, and undisputed,  
24 and for which no contrary proof of Claim has been filed; (b) any Claim or Interest expressly  
25 allowed hereunder; (c) any Claim (other than a Subrogation Wildfire Claim) or Interest to  
26 which a Debtor and the holder of such Claim or Interest agree to the amount and priority of the  
27 Claim or Interest, which agreement is approved by a Final Order; (d) any individual  
28 Subrogation Wildfire Claim (not held by a Consenting Creditor or a party to the Subrogation  
Wildfire Claim Allocation Agreement) to which the Subrogation Wildfire Trustee and the  
holder of such Claim agree to the amount of such Claim; (e) any Claim or Interest that is  
compromised, settled or otherwise resolved or Allowed pursuant to a Final Order (including

1 any omnibus or procedural Final Order relating to the compromise, settlement, resolution, or  
 2 allowance of any Claims) or under the Plan; or (f) any Claim or Interest arising on or before  
 3 the Effective Date as to which no objection to allowance has been interposed within the time  
 4 period set forth in the Plan; *provided*, that notwithstanding the foregoing, unless expressly  
 5 waived by the Plan, the Allowed amount of Claims or Interests shall be subject to, and shall  
 6 not exceed the limitations or maximum amounts permitted by, the Bankruptcy Code, including  
 7 sections 502 or 503 of the Bankruptcy Code, to the extent applicable. The Reorganized  
 8 Debtors shall retain all Claims and defenses with respect to Allowed Claims that are Reinstated  
 9 or otherwise Unimpaired under the Plan.

7 **1.8 Assigned Rights and Causes of Action** means any and all rights, claims,  
 8 causes of action, and defenses related thereto relating directly or indirectly to any of the Fires  
 9 that the Debtors may have against vendors, suppliers, third party contractors and consultants  
 10 (including those who provided services regarding the Debtors' electrical system, system  
 11 equipment, inspection and maintenance of the system, and vegetation management), former  
 12 directors and officers of the Debtors solely to the extent of any directors and officers' Side B  
 13 Insurance Coverage, and others as mutually agreed upon by the Plan Proponents and identified  
 14 in the Schedule of Assigned Rights and Causes of Action.

12 **1.9 Avoidance Action** means any action commenced, or that may be commenced,  
 13 before or after the Effective Date pursuant to chapter 5 of the Bankruptcy Code including  
 14 sections 544, 545, 547, 548, 549, 550, or 551 of the Bankruptcy Code.

14 **1.10 Backstop Approval Order** means an order of the Bankruptcy Court, approving  
 15 the Backstop Commitment Letters, which order shall be in form and substance satisfactory to  
 16 the Debtors and the Backstop Parties.

16 **1.11 Backstop Commitment Letters** means those certain letter agreements, as may  
 17 be amended or modified from time to time in accordance with the terms thereof and the  
 18 Backstop Approval Order, pursuant to which the Backstop Parties have agreed to purchase  
 19 shares of New HoldCo Common Stock on the terms and subject to the conditions thereof.

19 **1.12 Backstop Parties** means the parties that have agreed to purchase shares of New  
 20 HoldCo Common Stock on the terms and subject to the conditions of the Backstop  
 21 Commitment Letters and the Backstop Approval Order.

21 **1.13 Ballot** means the form(s) distributed to holders of impaired Claims or Interests  
 22 on which the acceptance or rejection of the Plan is to be indicated.

23 **1.14 Bankruptcy Code** means title 11 of the United States Code, as applicable to  
 24 the Chapter 11 Cases.

25 **1.15 Bankruptcy Court** means the United States Bankruptcy Court for the Northern  
 26 District of California, having subject matter jurisdiction over the Chapter 11 Cases and, to the  
 27 extent of any reference withdrawal made under section 157(d) of title 28 of the United States  
 28 Code, the District Court.

1           **1.16 Bankruptcy Rules** means the Federal Rules of Bankruptcy Procedure as  
2 promulgated by the United States Supreme Court under section 2075 of title 28 of the United  
3 States Code, applicable to the Chapter 11 Cases, and any Local Rules of the Bankruptcy Court.

4           **1.17 Business Day** means any day other than a Saturday, a Sunday, or any other day  
5 on which banking institutions in New York, New York are required or authorized to close by  
6 law or executive order.

7           **1.18 CAISO** means the California Independent System Operator Corporation.

8           **1.19 Cash** means legal tender of the United States of America.

9           **1.20 Cash Management Order** means the *Final Order Pursuant to 11 U.S.C. §§*  
10 *105(a), 345(b), 363(b), and 363(c), and Fed. R. Bankr. P.6003 and 6004 (i) Authorizing*  
11 *Debtors to (a) Continue Their Existing Cash Management System, (b) Honor Certain*  
12 *Prepetition Obligations Related to the Use Thereof, (c) Continue Intercompany Arrangements,*  
13 *(d) Continue to Honor Obligations Related to Joint Infrastructure Projects, and (e) Maintain*  
14 *Existing Bank Accounts and Business Forms; and (ii) Waiving the Requirements of 11 U.S.C.*  
15 *§ 345(b), dated March 13, 2019 [Docket No. 881].*

16           **1.21 Cause of Action** means, without limitation, any and all actions, class actions,  
17 proceedings, causes of action, controversies, liabilities, obligations, rights, rights of setoff,  
18 recoupment rights, suits, damages, judgments, accounts, defenses, offsets, powers, privileges,  
19 licenses, franchises, Claims, Avoidance Actions, counterclaims, cross-claims, affirmative  
20 defenses, third-party claims, Liens, indemnity, contribution, guaranty, and demands of any  
21 kind or character whatsoever, whether known or unknown, asserted or unasserted, reduced to  
22 judgment or otherwise, liquidated or unliquidated, fixed or contingent, matured or unmatured,  
23 disputed or undisputed, suspected or unsuspected, foreseen or unforeseen, direct or indirect,  
24 choate or inchoate, secured or unsecured, assertable directly or derivatively, existing or  
25 hereafter arising, in contract or in tort, in law, in equity, or otherwise, whether arising under  
26 the Bankruptcy Code or any applicable nonbankruptcy law, based in whole or in part upon any  
27 act or omission or other event occurring on or prior to the Petition Date or during the course  
28 of the Chapter 11 Cases, including through the Effective Date. Without limiting the generality  
of the foregoing, when referring to Causes of Action of the Debtors or their estates, Causes of  
Action shall include (a) all rights of setoff, counterclaim, or recoupment and Claims for breach  
of contracts or for breaches of duties imposed by law or equity; (b) the right to object to any  
Claim or Interest; (c) Claims (including Avoidance Actions) pursuant to section 362 and  
chapter 5 of the Bankruptcy Code, including sections 510, 542, 543, 544 through 550, or 553;  
(d) Claims and defenses such as fraud, mistake, duress, usury, and any other defenses set forth  
in section 558 of the Bankruptcy Code; and (e) any Claims under any state or foreign law,  
including any fraudulent transfer or similar claims.

**1.22 Channeling Injunction** means the permanent injunction provided for in  
Section 10.7 of the Plan with respect to Fire Claims to be issued pursuant to, and included in,  
the Confirmation Order.

1           **1.23 Chapter 11 Cases** means the jointly administered cases under chapter 11 of the  
2 Bankruptcy Code commenced by the Debtors on the Petition Date in the Bankruptcy Court  
3 and currently styled *In re PG&E Corporation and Pacific Gas and Electric Company*, Ch. 11  
4 Case No. 19-30088 (DM) (Jointly Administered).

5           **1.24 Charging Lien** means any Lien or other priority in payment to which a Funded  
6 Debt Trustee is entitled pursuant to the applicable Funded Debt Documents or any equivalent  
7 indemnification or reimbursement rights arising under the applicable Funded Debt Documents.

8           **1.25 Claim** has the meaning set forth in section 101(5) of the Bankruptcy Code.

9           **1.26 Claims Resolution Procedures** means, collectively, the Fire Victim Claims  
10 Resolution Procedures and the Subrogation Wildfire Claim Allocation Agreement.

11           **1.27 Class** means any group of Claims or Interests classified herein pursuant to  
12 sections 1122 and 1123(a)(1) of the Bankruptcy Code.

13           **1.28 Collateral** means any property or interest in property of the estate of any Debtor  
14 subject to a Lien, charge, or other encumbrance to secure the payment or performance of a  
15 Claim, which Lien, charge, or other encumbrance is not subject to a Final Order ordering the  
16 remedy of avoidance on any such lien, charge, or other encumbrance under the Bankruptcy  
17 Code.

18           **1.29 Collective Bargaining Agreements** means, collectively, (a) the IBEW  
19 Collective Bargaining Agreements, (b) the Collective Bargaining Agreement currently in place  
20 between the Utility and the Engineers and Scientists of California Local 20, IFPTE, and (c) the  
21 Collective Bargaining Agreement currently in place between the Utility and the Service  
22 Employees International Union.

23           **1.30 Confirmation Date** means the date on which the Clerk of the Bankruptcy Court  
24 enters the Confirmation Order.

25           **1.31 Confirmation Hearing** means the hearing to be held by the Bankruptcy Court  
26 regarding confirmation of the Plan, as such hearing may be adjourned or continued from time  
27 to time.

28           **1.32 Confirmation Order** means the order of the Bankruptcy Court confirming the  
Plan pursuant to section 1129 of the Bankruptcy Code and approving the transactions  
contemplated thereby, which shall be in form and substance acceptable to the Debtors.

**1.33 Consenting Creditors** has the meaning set forth in Subrogation Claims RSA.

**1.34 Consenting Fire Claimant Professionals** has the meaning set forth in the Tort  
Claimants RSA.

**1.35 Consenting Noteholders** has the meaning set forth in the Noteholder RSA.

1           **1.36** CPUC means the California Public Utilities Commission.

2           **1.37** CPUC Approval means all necessary approvals, authorizations and final  
3 orders from the CPUC to implement the Plan, and to participate in the Go-Forward Wildfire  
4 Fund, including: (a) satisfactory provisions pertaining to authorized return on equity and  
5 regulated capital structure (it being acknowledged that the provisions included in the CPUC's  
6 final decision dated December 19, 2019 in the 2020 Cost of Capital Proceeding are satisfactory  
7 for purposes of this provision); (b) a disposition of proposals for certain potential changes to  
8 the Utility's corporate structure and authorizations to operate as a utility; (c) satisfactory  
9 resolution of claims for monetary fines or penalties under the California Public Utilities Code  
10 for prepetition conduct; (d) approval (or exemption from approval) of the financing structure  
11 and securities to be issued under Article VI of the Plan; and (e) any approvals or determinations  
12 with respect to the Plan and related documents that may be required by the Wildfire Legislation  
13 (A.B. 1054).

14           **1.38** Creditors Committee means the statutory committee of unsecured creditors  
15 appointed by the U.S. Trustee in the Chapter 11 Cases pursuant to section 1102 of the  
16 Bankruptcy Code.

17           **1.39** Cure Amount means the payment of Cash or the distribution of other property  
18 (as the parties may agree or the Bankruptcy Court may order) as necessary to (a) cure a  
19 monetary default, as required by section 365(a) of the Bankruptcy Code by the Debtors in  
20 accordance with the terms of an executory contract or unexpired lease of the Debtors, and (b)  
21 permit the Debtors to assume or assume and assign such executory contract or unexpired lease  
22 under section 365(a) of the Bankruptcy Code. Such Cure Amount will include interest at the  
23 applicable contract rate, or in the event no contract rate exists, at the applicable statutory rate  
24 from the Petition Date through the date of distribution.

25           **1.40** D&O Liability Insurance Policies means all directors', managers', and  
26 officers' liability insurance policies (including any "tail policy") of either of the Debtors.

27           **1.41** Debtors means, collectively, HoldCo and the Utility.

28           **1.42** DIP Facilities means the senior secured postpetition credit facilities approved  
pursuant to the DIP Facility Order, as the same may be amended, modified, or supplemented  
from time to time through the Effective Date in accordance with the terms of the DIP Facility  
Documents and the DIP Facility Order.

**1.43** DIP Facility Agents means JPMorgan Chase Bank, N.A., solely in its capacity  
as administrative agent under the DIP Facility Documents, and Citibank, N.A., solely in its  
capacity as collateral agent under the DIP Facility Documents, and their respective successors,  
assigns, or any replacement agents appointed pursuant to the terms of the DIP Facility  
Documents.

**1.44** DIP Facility Claim means any Claim arising under, or related to, the DIP  
Facility Documents.

1           **1.45 DIP Facility Credit Agreement** means that certain Senior Secured  
2 Superpriority Debtor-In-Possession Credit, Guaranty and Security Agreement, dated as of  
3 February 1, 2019, by and among the Utility as borrower, HoldCo as guarantor, the DIP Facility  
4 Agents, and the DIP Facility Lenders, as the same has been or may be further amended,  
5 modified, or supplemented from time to time.

6           **1.46 DIP Facility Documents** means, collectively, the DIP Facility Credit  
7 Agreement and all other “Loan Documents” (as defined therein), and all other agreements,  
8 documents, and instruments delivered or entered into pursuant thereto or entered into in  
9 connection therewith (including any collateral documentation) (in each case, as amended,  
10 supplemented, restated, or otherwise modified from time to time).

11           **1.47 DIP Facility Lenders** means the lenders under the DIP Facility Credit  
12 Agreement and each other party that becomes a lender thereunder from time to time in  
13 accordance with the terms of the DIP Facility Credit Agreement.

14           **1.48 DIP Facility Order** means the *Final Order Pursuant to 11 U.S.C. §§ 105, 362,*  
15 *363, 503 and 507, Fed. R. Bankr. P. 2002, 4001, 6004 and 9014 and (i) Authorizing the*  
16 *Debtors to Obtain Senior Secured, Superpriority, Postpetition Financing, (ii) Granting Liens*  
17 *and Superpriority Claims, (iii) Modifying the Automatic Stay, and (iv) Granting Related Relief*  
18 *[Docket No. 1091], dated March 27, 2019, as may be amended, modified, or supplemented*  
19 *from time to time through the Effective Date.*

20           **1.49 DIP Letters of Credit** means any letters of credit issued by a DIP Facility  
21 Lender pursuant to the DIP Facility Credit Agreement.

22           **1.50 Disallowed** means a Claim, or any portion thereof, (a) that has been disallowed  
23 by a Final Order, agreement between the holder of such Claim and the applicable Debtor, or  
24 the Plan; (b) that is listed in the Debtors’ Schedules, as such Schedules may be amended,  
25 modified, or supplemented from time to time in accordance with Bankruptcy Rule 1009, at  
26 zero (\$0) dollars or as contingent, disputed, or unliquidated and as to which no proof of Claim  
27 has been filed by the applicable deadline or deemed timely filed with the Bankruptcy Court  
28 pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or  
applicable law; or (c) that is not listed in the Debtors’ Schedules and as to which no proof of  
Claim has been timely filed by the applicable deadline or deemed timely filed with the  
Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy  
Court or under applicable law.

**1.51 Disbursing Agent** means the Utility (or such Entity designated by the Debtors  
and without the need for any further order of the Bankruptcy Court) in its capacity as a  
disbursing agent pursuant to Section 5.6 hereof.

**1.52 Disclosure Statement** means the disclosure statement relating to the Plan,  
including, all schedules, supplements, and exhibits thereto, as approved by the Bankruptcy  
Court pursuant to section 1125 of the Bankruptcy Code.

1           **1.53 Disclosure Statement Order** means a Final Order finding that the Disclosure  
2 Statement contains adequate information pursuant to section 1125 of the Bankruptcy Code.

3           **1.54 Disputed** means with respect to a Claim against a Debtor or any portion thereof  
4 (a) that is neither Allowed nor Disallowed under the Plan or a Final Order, nor deemed Allowed  
5 under sections 502, 503, or 1111 of the Bankruptcy Code; (b) that has not been Allowed and  
6 is listed as unliquidated, contingent, or disputed in the Schedules; (c) that is a Subrogation  
7 Wildfire Claim not held by a Consenting Creditor that is also a party to the Subrogation  
8 Wildfire Claim Allocation Agreement; or (d) for which a proof of Claim has been filed and  
9 related to which the Debtors or any other party in interest has interposed a timely objection or  
10 request for estimation, and such objection or request for estimation has not been withdrawn or  
11 determined by a Final Order.

12           **1.55 Distribution Record Date** means the Effective Date, unless otherwise  
13 provided in the Plan or designated by the Bankruptcy Court. The Distribution Record Date  
14 shall not apply to Securities of the Debtors deposited with DTC, the holders of which shall  
15 receive a distribution in accordance with Article V of this Plan and, as applicable, the  
16 customary procedures of DTC.

17           **1.56 District Court** means the United States District Court for the Northern District  
18 of California having subject matter jurisdiction over the Chapter 11 Cases.

19           **1.57 DTC** means the Depository Trust Company.

20           **1.58 Effective Date** means a Business Day on or after the Confirmation Date  
21 selected by the Debtors, on which the conditions to the effectiveness of the Plan specified in  
22 Section 9.2 hereof have been satisfied or effectively waived in accordance with the terms  
23 hereof.

24           **1.59 Eligible Offeree** has the meaning set forth in the Rights Offering Procedures,  
25 if applicable.

26           **1.60 Employee Benefit Plans** means any written contracts, agreements, policies,  
27 programs, and plans (including any related trust or other funding vehicle) governing any  
28 obligations relating to compensation, reimbursement, indemnity, health care benefits,  
disability benefits, deferred compensation benefits, travel benefits, vacation and sick leave  
benefits, savings, severance benefits, retirement benefits, welfare benefits, relocation  
programs, life insurance, and accidental death and dismemberment insurance, including  
written contracts, agreements, policies, programs, and plans for bonuses and other incentives  
or compensation for the current and former directors, officers, and employees, as applicable,  
of any of the Debtors.

**1.61 Entity** has the meaning set forth in section 101(15) of the Bankruptcy Code.

1           **1.62 Environmental Claim** means any Claim under any Environmental Law;  
2 provided, however, that Environmental Claims shall not include (x) any Claim for personal  
3 injury (including, but not limited to, sickness, disease or death) or (y) any Fire Claim.

4           **1.63 Environmental Law** means all federal, state and local statutes, regulations,  
5 ordinances and similar provisions having the force or effect of law, all judicial and  
6 administrative judgments, orders, agreements, permits, licenses, tariffs, determinations, and all  
7 common law, in each case concerning, in whole or in part, pollution, hazardous substances or  
8 waste, water quality, conservation or other protection of the environment, human health, safety,  
9 and welfare.

10           **1.64 Environmental Performance Obligation** means an obligation or requirement  
11 arising from any consent decree, permit, license, tariff, Cause of Action, agreement, injunction,  
12 cleanup and abatement order, cease and desist order, or any other administrative or judicial  
13 judgment, order or decree under any Environmental Law that is not a Claim and does not arise  
14 from any Fire.

15           **1.65 Exculpated Parties** means collectively, and, in each case, in their capacities as  
16 such: (a) the Debtors and Reorganized Debtors; (b) the DIP Facility Agents; (c) the DIP  
17 Facility Lenders; (d) the Exit Financing Agents; (e) the Exit Financing Lenders; (f) the Funded  
18 Debt Trustees; (g) the HoldCo Revolver Lenders; (h) the HoldCo Term Loan Lenders; (i) the  
19 Utility Revolver Lenders; (j) the Utility Term Loan Lenders; (k) the underwriters, initial  
20 purchasers, and any agents under or in connection with any underwritten primary or secondary  
21 offering of, or private placement of, or direct investment in, any equity securities, equity  
22 forward contracts or other equity-linked securities issued or entered into in connection with the  
23 Plan Funding; (l) the Public Entities Releasing Parties; (m) the Statutory Committees; (n) the  
24 Backstop Parties; (o) the Consenting Creditors; (p) the Shareholder Proponents; (q) the  
25 Consenting Noteholders; and (r) with respect to each of the foregoing entities (a) through (q),  
26 such entities' predecessors, successors, assigns, subsidiaries, affiliates, managed accounts and  
27 funds, current and former officers and directors, principals, equity holders, members, partners,  
28 managers, employees, subcontractors, agents, advisory board members, restructuring advisors,  
financial advisors, attorneys, accountants, investment bankers, consultants, representatives,  
management companies, fund advisors (and employees thereof), and other professionals, and  
such entities' respective heirs, executors, estates, servants, and nominees, in each case in their  
capacity as such.

**1.66 Exit Financing** means, collectively, the Exit Revolver Facility, and all other  
indebtedness to be incurred by the Reorganized Debtors on or about the Effective Date as part  
of the Plan Funding.

**1.67 Exit Financing Agents** means, collectively, the Exit Revolver Facility Agent  
and any other facility agent or indenture trustee acting in such capacity under the Exit  
Financing Documents.

**1.68 Exit Financing Documents** means, collectively, the Exit Revolver Facility  
Documents and all other agreements, indentures, documents, and instruments delivered or

1 entered into pursuant to or in connection with the Exit Financing (including any guarantee  
2 agreements and collateral documentation) (in each case, as amended, supplemented, restated,  
or otherwise modified from time to time).

3 **1.69 Exit Financing Lenders** means, collectively, the Exit Revolver Facility  
4 Lenders and all other lenders or holders (as applicable) under the Exit Financing Documents.

5 **1.70 Exit Financing Term Sheets** means those certain term sheets that shall be  
6 included in the Plan Supplement that set forth the principal terms of the Exit Financing.

7 **1.71 Exit Revolver Facility** means any revolving loan facility provided to the  
8 Reorganized Utility or Reorganized HoldCo, pursuant to the Exit Revolver Facility  
Documents, including the Exit Revolver Facility Credit Agreement, as contemplated by, and  
which shall be consistent with, the Exit Financing Term Sheets.

9 **1.72 Exit Revolver Facility Agent** means the administrative agent or collateral  
10 agent (if applicable) under the Exit Revolver Facility Credit Agreement, its successors, assigns,  
or any replacement agent appointed pursuant to the terms of the Exit Revolver Facility  
11 Documents.

12 **1.73 Exit Revolver Facility Credit Agreement** means the credit agreement  
13 providing for the Exit Revolver Facility, including all agreements, notes, instruments, and any  
other documents delivered pursuant thereto or in connection therewith (in each case, as  
14 amended, supplemented, restated, or otherwise modified from time to time), as contemplated  
by, and which shall be consistent with, the Exit Financing Term Sheets.

15 **1.74 Exit Revolver Facility Documents** means, collectively, the Exit Revolver  
16 Facility Credit Agreement and all other agreements, documents, and instruments delivered or  
entered into pursuant thereto or in connection therewith (including any guarantee agreements  
17 and collateral documentation) (in each case, as amended, supplemented, restated, or otherwise  
18 modified from time to time), each of which shall be, to the extent applicable, consistent with  
the Exit Financing Term Sheets.

19 **1.75 Exit Revolver Facility Lenders** means each person who on the Effective Date  
20 shall become a lender under the Exit Revolver Facility Documents.

21 **1.76 Federal Judgment Rate** means the interest rate of 2.59% as provided under 28  
22 U.S.C. § 1961(a), calculated as of the Petition Date.

23 **1.77 Final Order** means an order or judgment of the Bankruptcy Court entered by  
24 the Clerk of the Bankruptcy Court on the docket in the Chapter 11 Cases which has not been  
reversed, vacated, or stayed and as to which (a) the time to appeal, petition for certiorari, or  
25 move for a new trial, reargument, or rehearing has expired and as to which no appeal, petition  
for certiorari, or other proceeding for a new trial, reargument, or rehearing shall then be  
26 pending, or (b) if an appeal, writ of certiorari, new trial, reargument, or rehearing thereof has  
been sought, such order or judgment of the Bankruptcy Court shall have been affirmed by the  
27  
28

1 highest court to which such order was appealed, or certiorari shall have been denied, or a new  
2 trial, reargument, or rehearing shall have been denied or resulted in no modification of such  
3 order, and the time to take any further appeal, petition for certiorari, or move for a new trial,  
4 reargument, or rehearing shall have expired; *provided*, that no order or judgment shall fail to  
5 be a Final Order solely because of the possibility that a motion under Rule 60 of the Federal  
Rules of Civil Procedure has been or may be filed with respect to such order or judgment. The  
susceptibility of a Claim to a challenge under section 502(j) of the Bankruptcy Code shall not  
render a Final Order not a Final Order.

6 **1.78 Fire Claim** means any Claim against the Debtors in any way arising out of the  
7 Fires, including, but not limited to, any Claim resulting from the Fires for (a) general and/or  
8 specific damages, including any Claim for personal injury, wrongful death, emotional distress  
9 and similar claims, pavement fatigue, damage to culverts, ecosystem service losses, municipal  
10 budget adjustments/reallocation, lost revenue and tax impacts, local share of reimbursed fire  
11 clean-up costs, future estimated infrastructure costs, water service losses, lost landfill capacity,  
12 costs related to unmet housing (e.g., housing market impact due to the Fires and adjustments  
13 for increased homeless population), and/or hazard mitigation costs (including, watershed  
14 restoration and hazardous tree removal expenses); (b) damages for repair, depreciation and/or  
15 replacement of damaged, destroyed, and/or lost personal and/or real property; (c) damages for  
16 loss of the use, benefit, goodwill, and enjoyment of real and/or personal property; (d) damages  
17 for loss of wages, earning capacity and/or business profits and/or any related displacement  
18 expenses; (e) economic losses; (f) damages for wrongful injuries to timber, trees, or underwood  
19 under California Civil Code § 3346; (g) damages for injuries to trees under California Code of  
20 Civil Procedure § 733; (h) punitive and exemplary damages under California Civil Code §§  
21 733 and 3294, California Public Utilities Code § 2106, or otherwise, (i) restitution; (j) fines or  
22 penalties; (k) any and all costs of suit, including all attorneys' fees and expenses, expert fees,  
23 and related costs, including all attorneys and other fees under any theory of inverse  
24 condemnation; (l) for prejudgment and/or postpetition interest; (m) other litigation costs  
25 stemming from the Fires; and (n) declaratory and/or injunctive relief. For avoidance of doubt  
26 and without prejudice to the Debtors' right to object to any such Claim, "Fire Claim" shall not  
27 include any (x) Claim for substantial contribution under section 503(b) of the Bankruptcy  
28 Code, (y) Subordinated Debt Claim, HoldCo Common Interest or HoldCo Rescission or  
Damage Claim, or (z) Ghost Ship Fire Claim. The Fire Claims shall not include claims arising  
from any fire other than the Fires (including, without limitation, the Kincade Fire or any  
postpetition fire) or any Administrative Expense Claims.

21 **1.79 Fire Victim Claim** means any Fire Claim that is not a Public Entities Wildfire  
22 Claim, Subrogation Wildfire Claim, or a Subrogation Butte Fire Claim.

23 **1.80 Fire Victim Claims Resolution Procedures** means the procedures for the  
24 resolution, liquidation, and payment of Fire Victim Claims by the Fire Victim Trust,  
25 substantially in the form included in the Plan Supplement, which shall comply with Section  
4.25(f)(ii) hereof.

26 **1.81 Fire Victim Equity Value** means 14.9 multiplied by the Normalized Estimated  
27 Net Income as of a date to be agreed upon among the parties to the Tort Claimants RSA.

1           **1.82 Fire Victim Trust** means one or more trusts established on the Effective Date,  
2 in accordance with Section 6.7 of the Plan to, among other purposes, administer, process, settle,  
3 resolve, satisfy, and pay Fire Victim Claims, and prosecute or settle the Assigned Rights and  
4 Causes of Action.

5           **1.83 Fire Victim Trust Agreement** means that certain trust agreement or  
6 agreements by and among the Debtors, the Fire Victim Trust, and the Fire Victim Trustee,  
7 substantially in the form included in the Plan Supplement.

8           **1.84 Fire Victim Trustee** means the Person or Persons selected by the Consenting  
9 Fire Claimant Professionals and the Tort Claimants Committee, subject to the approval of the  
10 Bankruptcy Court, and identified in the Plan Supplement, to serve as the trustee(s) of the Fire  
11 Victim Trust, and any successor thereto, appointed pursuant to the Fire Victim Trust  
12 Agreement.

13           **1.85 Fire Victim Trust Oversight Committee** means the oversight committee  
14 appointed by the Consenting Fire Claimant Professionals and the Tort Claimants Committee  
15 to oversee the Fire Victim Trust in accordance with the Plan and the Fire Victim Trust  
16 Agreement.

17           **1.86 Fires** means the fires that occurred in Northern California, listed on **Exhibit A**  
18 annexed hereto.

19           **1.87 Funded Debt Claims** means, collectively, the HoldCo Funded Debt Claims  
20 and the Utility Funded Debt Claims.

21           **1.88 Funded Debt Documents** means, collectively, the HoldCo Revolver  
22 Documents, the HoldCo Term Loan Documents, the PC Bond Loan Documents, the PC Bond  
23 LOC Documents, the PC Bond (2008 F and 2010 E) Documents, the Utility Revolver  
24 Documents, the Utility Term Loan Documents, and the Utility Senior Notes Documents.

25           **1.89 Funded Debt Trustees** means, collectively, the HoldCo Revolver Agent, the  
26 HoldCo Term Loan Agent, the Utility Revolver Agent, the Utility Term Loan Agent, the Utility  
27 Senior Notes Trustee, the PC Bond Trustee, and each Utility Issuing Lender.

28           **1.90 General Unsecured Claim** means any Claim against a Debtor, other than a  
DIP Facility Claim, Administrative Expense Claim, Professional Fee Claim, Priority Tax  
Claim, Other Secured Claim, Priority Non-Tax Claim, Funded Debt Claim, Workers'  
Compensation Claim, 2001 Utility Exchange Claim, Fire Claim, Ghost Ship Fire Claim,  
Intercompany Claim, Utility Senior Note Claim, Utility PC Bond (2008 F and 2010 E) Claim,  
Environmental Claim or Subordinated Debt Claim, that is not entitled to priority under the  
Bankruptcy Code or any Final Order. General Unsecured Claims shall include any (a)  
Prepetition Executed Settlement Claim, including but not limited to settlements relating to  
Subrogation Butte Fire Claims; and (b) Claim for damages resulting from or otherwise based  
on the Debtors' rejection of an executory contract or unexpired lease.

1           **1.91 Ghost Ship Fire** means the fire known as the “Ghost Ship Fire” which occurred  
2 in Oakland, California on December 2, 2016.

3           **1.92 Ghost Ship Fire Claim** means any Claim related to or arising from the Ghost  
4 Ship Fire.

5           **1.93 Go-Forward Wildfire Fund** means a long-term, state-wide fund established,  
6 pursuant to section 3292(a) of the California Public Utilities Code and the Wildfire Legislation  
(A.B. 1054), to pay for certain future wildfire obligations, the terms of which are set forth in  
7 the Wildfire Legislation (A.B. 1054).

8           **1.94 Governmental Unit** has the meaning set forth in section 101(27) of the  
9 Bankruptcy Code.

10           **1.95 HoldCo** means Debtor PG&E Corporation, a California corporation.

11           **1.96 HoldCo Common Interest** means any HoldCo Interest which results or arises  
12 from the existing common stock of HoldCo.

13           **1.97 HoldCo Fire Victim Claim** means any Fire Victim Claim against HoldCo.

14           **1.98 HoldCo Environmental Claim** means any Environmental Claim against  
15 HoldCo.

16           **1.99 HoldCo Funded Debt Claims** means, collectively, the HoldCo Revolver  
17 Claims and the HoldCo Term Loan Claims.

18           **1.100 HoldCo General Unsecured Claim** means any General Unsecured Claim  
19 against HoldCo.

20           **1.101 HoldCo Ghost Ship Fire Claim** means any Ghost Ship Fire Claim against  
21 HoldCo.

22           **1.102 HoldCo Intercompany Claim** means any Intercompany Claim against  
23 HoldCo.

24           **1.103 HoldCo Interest** means any Interest in HoldCo immediately prior to the  
25 Effective Date.

26           **1.104 HoldCo Other Interest** means any HoldCo Interest that is not a HoldCo  
27 Common Interest.

28           **1.105 HoldCo Other Secured Claim** means any Other Secured Claim against  
HoldCo.

**1.106 HoldCo Priority Non-Tax Claim** means any Priority Non-Tax Claim against  
HoldCo.

1           **1.107 HoldCo Public Entities Wildfire Claim** means any Public Entities Wildfire  
2 Claim against HoldCo.

3           **1.108 HoldCo Rescission or Damage Claim** means any Claim against HoldCo  
4 subject to subordination pursuant to section 510(b) of the Bankruptcy Code arising from or  
related to the common stock of HoldCo.

5           **1.109 HoldCo Rescission or Damage Claim Share** means, with respect to an  
6 Allowed HoldCo Rescission or Damage Claim, a number of shares of New HoldCo Common  
7 Stock equal to the sum of following: (a) the portion of such Allowed HoldCo Rescission or  
8 Damage Claim relating to purchases of common stock of HoldCo on or before October 13,  
9 2017, *less* the Insurance Deduction on account of such portion of such Allowed HoldCo  
10 Rescission or Damage Claim, *divided by* 65.00; and (b) the portion of such Allowed HoldCo  
11 Rescission or Damage Claim relating to purchases of common stock of HoldCo from October  
12 14, 2017, through and including December 20, 2017, *less* the Insurance Deduction on account  
13 of such portion of such Allowed HoldCo Rescission or Damage Claim, *divided by* 46.50; and  
14 (c) the portion of such Allowed HoldCo Rescission or Damage Claim relating to purchases of  
common stock of HoldCo from December 21, 2017, through and including May 25, 2018, *less*  
15 the Insurance Deduction on account of such portion of such Allowed HoldCo Rescission or  
16 Damage Claim, *divided by* 37.25; and (d) the portion of such Allowed HoldCo Rescission or  
17 Damage Claim relating to purchases of common stock of HoldCo from May 26, 2018, through  
18 and including November 15, 2018, *less* the Insurance Deduction on account of such portion of  
19 such Allowed HoldCo Rescission or Damage Claim, *divided by* 32.50.

20           **1.110 HoldCo Revolver Agent** means such entity or entities acting as administrative  
21 agent under the HoldCo Revolver Documents, and any of their respective successors, assigns,  
22 or replacement agents appointed pursuant to the terms of the HoldCo Revolver Documents.

23           **1.111 HoldCo Revolver Claim** means any Claim arising under, or related to, the  
24 HoldCo Revolver Documents.

25           **1.112 HoldCo Revolver Credit Agreement** means that certain Second Amended and  
26 Restated Credit Agreement, dated as of April 27, 2015, by and among HoldCo, the HoldCo  
27 Revolver Agent, and the HoldCo Revolver Lenders, as amended, supplemented, restated, or  
28 otherwise modified from time to time.

29           **1.113 HoldCo Revolver Documents** means, collectively, the HoldCo Revolver  
30 Credit Agreement and all other “Loan Documents” (as defined therein), and all other  
31 agreements, documents, and instruments delivered or entered into pursuant thereto or entered  
32 into in connection therewith (in each case, as amended, supplemented, restated, or otherwise  
33 modified from time to time).

34           **1.114 HoldCo Revolver Lenders** means the lenders under the HoldCo Revolver  
35 Credit Agreement and each other party that becomes a lender thereunder from time to time in  
36 accordance with the terms of the HoldCo Revolver Credit Agreement.

1           **1.115 HoldCo Subordinated Debt Claim** means any Claim against HoldCo that is  
2 subject to subordination under section 510(b) of the Bankruptcy Code, including any Claim  
3 for reimbursement, indemnification or contribution, but excluding any HoldCo Rescission or  
4 Damage Claims.

5           **1.116 HoldCo Subrogation Wildfire Claim** means any Subrogation Wildfire Claim  
6 against HoldCo.

7           **1.117 HoldCo Term Loan Agent** means Mizuho Bank, Ltd. solely in its capacity as  
8 administrative agent under the HoldCo Term Loan Documents, its successors, assigns, or any  
9 replacement agent appointed pursuant to the terms of the HoldCo Term Loan Documents.

10           **1.118 HoldCo Term Loan Claim** means any Claim arising under, or related to, the  
11 HoldCo Term Loan Documents.

12           **1.119 HoldCo Term Loan Credit Agreement** means that certain Term Loan  
13 Agreement, dated as of April 16, 2018, by and among HoldCo, as borrower, the HoldCo Term  
14 Loan Agent, and the HoldCo Term Loan Lenders, as amended, supplemented, restated, or  
15 otherwise modified from time to time.

16           **1.120 HoldCo Term Loan Documents** means, collectively, the HoldCo Term Loan  
17 Credit Agreement and all other “Loan Documents” (as defined therein), including all other  
18 agreements, documents, and instruments delivered or entered into pursuant thereto or entered  
19 into in connection therewith (in each case, as amended, supplemented, restated, or otherwise  
20 modified from time to time).

21           **1.121 HoldCo Term Loan Lenders** means the lenders under the HoldCo Term Loan  
22 Credit Agreement and each other party that becomes a lender thereunder from time to time in  
23 accordance with the terms of the HoldCo Term Loan Credit Agreement.

24           **1.122 HoldCo Workers’ Compensation Claim** means any Workers’ Compensation  
25 Claim against HoldCo.

26           **1.123 IBEW Agreement** means the agreements between the Debtors and IBEW  
27 Local 1245 contained in **Exhibit B** annexed hereto.

28           **1.124 IBEW Collective Bargaining Agreements** means, collectively, the two (2)  
Collective Bargaining Agreements currently in place between the Utility and IBEW Local  
1245: (i) the IBEW Physical Agreement, and (ii) the IBEW Clerical Agreement, as such  
agreements will, subject to the occurrence of the Effective Date, be further amended,  
supplemented or modified in a manner consistent with the IBEW Agreement.

**1.125 IBEW Local 1245** means Local Union No. 1245 of the International  
Brotherhood of Electrical Workers.

1           **1.126 Impaired** means, with respect to a Claim, Interest, or Class of Claims or  
2 Interests, “impaired” within the meaning of sections 1123(a)(4) and 1124 of the Bankruptcy  
3 Code.

4           **1.127 Indemnification Obligation** means each of the Debtors’ indemnification  
5 obligations existing or outstanding prior to the Effective Date, whether arising by statute,  
6 agreement, in the bylaws, certificates of incorporation or formation, limited liability company  
7 agreements, other organizational or formation documents, board resolutions, management or  
8 indemnification agreements, or employment or other contracts, for their current and former  
9 directors, officers, managers, employees, attorneys, accountants, restructuring advisors,  
10 financial advisors, investment bankers, and other professionals and agents of the Debtors, as  
11 applicable.

12           **1.127A Insurance Deduction** means any cash payments received from an Insurance  
13 Policy (other than cash payments received from a Side A Policy) on account of all or any  
14 portion of an Allowed HoldCo Rescission or Damage Claim, to be applied proportionally in  
15 accordance with subparagraphs (a) through (d) of the definition of “HoldCo Rescission or  
16 Damage Claim Share” above.

17           **1.128 Insurance Policies** means any insurance policies issued prior to the Effective  
18 Date to any of the Debtors or under which the Debtors have sought or may seek coverage,  
19 including the D&O Liability Insurance Policies.

20           **1.129 Intercompany Claim** means any Claim against a Debtor held by either another  
21 Debtor or by a non-Debtor affiliate which is controlled by a Debtor (excluding any Claims of  
22 an individual).

23           **1.130 Interest** means (a) any equity security (as defined in section 101(16) of the  
24 Bankruptcy Code) of a Debtor, including all units, shares, common stock, preferred stock,  
25 partnership interests, or other instrument evidencing any fixed or contingent ownership interest  
26 in any Debtor, including any option, warrant, or other right, contractual or otherwise, to acquire  
27 any such interest in a Debtor, whether or not transferable and whether fully vested or vesting  
28 in the future, that existed immediately before the Effective Date and (b) any Claim against any  
Debtor subject to subordination pursuant to section 510(b) of the Bankruptcy Code arising  
from or related to any of the foregoing.

**1.131 Interim Compensation Order** means the *Order Pursuant to 11 U.S.C. §§ 331  
and 105(a) and Fed. R. Bankr. P. 2016 for Authority to Establish Procedures for Interim  
Compensation and Reimbursement of Expenses of Professionals* [Docket No. 701].

**1.132 Kincade Fire** means the wildfire which started on October 23, 2019 in the area  
northeast of Geyserville, in Sonoma County, California.

**1.133 Lien** has the meaning set forth in section 101(37) of the Bankruptcy Code.

1           **1.134 Management Incentive Plan** means the post-emergence management  
2 incentive plan for certain of the Reorganized Debtors' employees on the terms set forth in the  
3 Management Incentive Plan Term Sheet that may be established and implemented at the  
4 discretion of the New Board on or after the Effective Date.

5           **1.135 Management Incentive Plan Term Sheet** means that certain term sheet that  
6 sets forth the principal terms of the Management Incentive Plan.

7           **1.136 New Board** means, on and as of the Effective Date, the board of directors of  
8 Reorganized HoldCo, and the board of directors of the Reorganized Utility, as applicable.

9           **1.137 New HoldCo Common Stock** means the common stock of Reorganized  
10 HoldCo issued in connection with the implementation of the Plan.

11           **1.138 New Organizational Documents** means, if applicable, the forms of articles of  
12 incorporation or other forms of organizational documents and bylaws, as applicable, of the  
13 Reorganized Debtors, substantially in the form included in the Plan Supplement and which  
14 shall be in form and substance acceptable to the Debtors.

15           **1.139 New Utility Funded Debt Exchange Notes** means, collectively, (i) \$1,949  
16 million in new senior secured notes to be issued by the Reorganized Utility on the Effective  
17 Date that shall bear interest at the rate of 3.15%, mature on the 66 month anniversary of the  
18 Effective Date, and otherwise have the same terms and conditions of the Reference Short-Term  
19 Senior Note Documents; and (ii) \$1,949 million in new senior secured notes to be issued by  
20 the Reorganized Utility on the Effective Date that shall bear interest at the rate of 4.50%,  
21 mature on the anniversary of the Effective Date in 2040, and otherwise have the same terms  
22 and conditions of the Reference Long-Term Senior Note Documents.

23           **1.140 New Utility Long-Term Notes** means, collectively, (i) \$3.1 billion in new  
24 senior secured notes to be issued by the Reorganized Utility on the Effective Date that shall  
25 bear interest at the rate of 4.55%, mature on the anniversary of the Effective Date in 2030, and  
26 otherwise have the same terms and conditions of the Reference Long-Term Senior Note  
27 Documents; and (ii) \$3.1 billion in new senior secured notes to be issued by the Reorganized  
28 Utility on the Effective Date that shall bear interest at the rate of 4.95%, mature on the  
anniversary of the Effective Date in 2050, and otherwise have the same terms and conditions  
of the Reference Long-Term Senior Note Documents.

**1.141 New Utility Short-Term Notes** means, collectively, (i) \$875 million in new  
senior secured notes to be issued by the Reorganized Utility on the Effective Date that shall  
bear interest at the rate of 3.45%, mature on the anniversary of the Effective Date in 2025, and  
otherwise have the same terms and conditions as the Reference Short-Term Senior Note  
Documents; and (ii) \$875 million in new senior secured notes to be issued by the Reorganized  
Utility on the Effective Date that shall bear interest at the rate of 3.75%, mature on the  
anniversary of the Effective Date in 2028 and otherwise have substantially similar terms and  
conditions as the Reference Short-Term Senior Notes Documents.

1           **1.142 Non-cash Recovery** has the meaning set forth in the Subrogation Claims RSA.

2           **1.143 Normalized Estimated Net Income** shall mean, in each case with respect to  
3 the estimated year 2021, (a) on a component-by-component basis (*e.g.*, distribution,  
4 generation, gas transmission and storage, and electrical transmission), the sum of (i) the  
5 Utility's estimated earning rate base for such component, *times* (ii) the equity percentage of  
6 the Utility's authorized capital structure, *times* (iii) the Utility's authorized rate of return on  
7 equity for such component, *less* (b) the projected post-tax difference in interest expense or  
8 preferred dividends for the entire company and the authorized interest expense or preferred  
9 dividends expected to be collected in rates based on the capital structure in the approved Plan,  
10 if any, *less* (c) the amount of the Utility's post-tax annual contribution to the Go-Forward  
11 Wildfire Fund.

12           **1.144 North Bay Public Entities** means, collectively, (a) the City of Clearlake, a  
13 California municipal corporation duly organized and existing by virtue of the laws of the State  
14 of California; (b) the City of Napa, a California municipal corporation duly organized and  
15 existing by virtue of the laws of the State of California; (c) the City of Santa Rosa, a California  
16 municipal corporation duly organized and existing by virtue of the laws of the State of  
17 California; (d) the County of Lake, a general law county and political subdivision of the State  
18 of California duly organized and existing by virtue of the laws of the State of California; (e)  
19 Lake County Sanitation District, a sanitary district organized under the laws of the State of  
20 California; (f) the County of Mendocino, a general law county and political subdivision of the  
21 State of California, duly organized and existing by virtue of the laws of the State of California;  
22 (g) Napa County, a general law county and political subdivision of the State of California, duly  
23 organized and existing by virtue of the laws of the State of California; (h) the County of  
24 Nevada, a general law county and political subdivision of the State of California, duly  
25 organized and existing by virtue of the laws of the State of California; (i) the County of  
26 Sonoma, a general law county and political subdivision of the State of California, duly  
27 organized and existing by virtue of the laws of the State of California; (j) the Sonoma County  
28 Agricultural Preservation and Open Space District, a public agency formed pursuant to the  
Public Resources code sections 5500, et seq.; (k) Sonoma County Community Development  
Commission, a public and corporate entity pursuant to section 34110 of the California Health  
& Safety Code; (l) Sonoma County Water Agency, a public agency of the State of California;  
(m) Sonoma Valley County Sanitation District, a sanitary district organized under the laws of  
the State of California; and (n) the County of Yuba, a general law county and political  
subdivision of the State of California, duly organized and existing by virtue of the laws of the  
State of California.

1           **1.145 Noteholder RSA** means that certain Restructuring Support Agreement, dated  
2 as of January 22, 2020, and as approved by the Order of the Bankruptcy Court dated  
3 February 5, 2020 [Docket No. 5637], by and among the Debtors, the Shareholder Proponents,  
4 and the Consenting Noteholders, as amended, supplemented, restated, or otherwise modified  
5 from time to time, in accordance with its terms.

6           **1.146 Ordinary Course Professionals Order** means the *Order Pursuant to 11*  
7 *U.S.C. §§ 105(a), 327, 328, and 330 Authorizing the Debtors to Employ Professionals Used in*

1 *the Ordinary Course of Business Nunc Pro Tunc to the Petition Date*, dated February 28, 2019  
2 [Docket No. 707].

3 **1.147 Other Secured Claim** means a Secured Claim that is not a DIP Facility Claim  
4 or Priority Tax Claim.

5 **1.148 PC Bond Documents** means, collectively, the PC Bond Loan Documents and  
6 the PC Bond LOC Documents.

7 **1.149 PC Bond (2008 F and 2010 E) Documents** means each of the following loan  
8 agreements, as amended, supplemented, restated, or otherwise modified from time to time,  
9 (a) Amended and Restated Loan Agreement between California Infrastructure and Economic  
10 Development Bank and the Utility, dated September 1, 2010 (Series 2008F); and (b) Loan  
11 Agreement between the California Infrastructure and Economic Development Bank and the  
12 Utility, dated April 1, 2010 (Series 2010 E).

13 **1.150 PC Bond Loan Documents** means each of the following loan agreements, as  
14 amended, supplemented, restated, or otherwise modified from time to time, (a) Loan  
15 Agreement between the California Infrastructure and Economic Development Bank and the  
16 Utility, dated August 1, 2009 (Series 2009 A); (b) Loan Agreement between the California  
17 Infrastructure and Economic Development Bank and the Utility, dated August 1, 2009 (Series  
18 2009 B); (c) Loan Agreement between the California Pollution Control Financing Authority  
19 and the Utility, dated September 1, 1997 (1997 Series B-C); (d) First Supplemental Loan  
20 Agreement between the California Pollution Control Financing Authority and the Utility, dated  
21 December 1, 2003 (1997 Series B); (e) Loan Agreement between the California Pollution  
22 Control Financing Authority and the Utility, dated May 1, 1996 (1996 Series A-G); (f) First  
23 Supplemental Loan Agreement between the California Pollution Control Financing Authority  
24 and the Utility, dated July 1, 1998 (1996 Series A-G); and (g) Third Supplemental Loan  
25 Agreement between the California Pollution Control Financing Authority and the Utility, dated  
26 December 1, 2003 (1996 Series C, E, F).

27 **1.151 PC Bond LOC Documents** means each of the following reimbursement  
28 agreements, as assigned, amended, supplemented, restated, or otherwise modified from time  
to time: (a) Reimbursement Agreement (Series 2009A) between the Utility and Union Bank,  
N.A., dated June 5, 2014; (b) Reimbursement Agreement (Series 2009B) between the Utility  
and Union Bank, N.A., dated June 5, 2014; (c) Reimbursement Agreement between the Utility  
and Canadian Imperial Bank of Commerce, New York Branch relating to California Pollution  
Control Financing Authority Pollution Control Refunding Revenue Bonds (Pacific Gas and  
Electric Company) 1997 Series B, dated December 1, 2015; (d) Reimbursement Agreement  
between the Utility and Mizuho Bank Ltd. relating to California Pollution Control Financing  
Authority Pollution Control Refunding Revenue Bonds (Pacific Gas and Electric Company)  
1996 Series C, dated December 1, 2015; (e) Reimbursement Agreement between the Utility  
and Sumitomo Mitsui Banking Corporation relating to California Pollution Control Financing  
Authority Pollution Control Refunding Revenue Bonds (Pacific Gas and Electric Company)  
1996 Series E, dated December 1, 2015; and (f) Reimbursement Agreement between the Utility  
and TD Bank N.A. relating to California Pollution Control Financing Authority Pollution

1 Control Refunding Revenue Bonds (Pacific Gas and Electric Company) 1996 Series F, dated  
2 December 1, 2015.

3 **1.152 PC Bond Trustee** means, as applicable, Deutsche Bank National Trust  
4 Company or Deutsche Bank Trust Company Americas, solely in their capacity as indenture  
5 trustee or successor indenture trustee under Indentures for pollution control bonds issued in  
6 connection with the PC Bond Loan Documents or the PC Bond (2008 F and 2010 E)  
7 Documents.

8 **1.153 Person** has the meaning set forth in section 101(41) of the Bankruptcy Code.

9 **1.154 Petition Date** means January 29, 2019, the date on which the Debtors  
10 commenced the Chapter 11 Cases.

11 **1.155 Plan** means this chapter 11 plan, as the same may be amended, supplemented,  
12 or modified from time to time in accordance with the provisions of the Bankruptcy Code and  
13 the terms hereof.

14 **1.156 Plan Document** means any of the documents, other than this Plan, to be  
15 executed, delivered, assumed, or performed in connection with the occurrence of the Effective  
16 Date, including the documents to be included in the Plan Supplement, all of which shall be in  
17 form and substance as provided herein and acceptable to the Plan Proponents.

18 **1.157 Plan Funding** means, collectively, (a) the proceeds from the incurrence of the  
19 Exit Financing, (b) the proceeds of any Rights Offering, if implemented, (c) any other sources  
20 of funding used for distributions under the Plan, including from any underwritten primary or  
21 secondary equity offering, a direct equity investment, and/or other equity-linked securities, and  
22 (d) Cash on hand. For the avoidance of doubt, Plan Funding does not include any Claim that  
23 has been Reinstated pursuant to the Plan.

24 **1.158 Plan Supplement** means the forms of certain documents effectuating the  
25 transactions contemplated herein, which documents shall be filed with the Clerk of the  
26 Bankruptcy Court no later than fourteen (14) days prior to the deadline set to file objections to  
27 the confirmation of the Plan, including, but not limited to: (a) the Schedule of Rejected  
28 Contracts; (b) the Wildfire Trust Agreements; (c) the New Organizational Documents (to the  
extent such New Organizational Documents reflect material changes from the Debtors' existing articles of incorporation and bylaws); (d) to the extent known, information required to be disclosed in accordance with section 1129(a)(5) of the Bankruptcy Code; (e) the Exit Financing Term Sheets; (f) the Fire Victim Claims Resolution Procedures; and (g) the Schedule of Assigned Rights and Causes of Action. Such documents shall be consistent with the terms hereof, *provided*, that, through the Effective Date, the Plan Proponents shall have the right to amend, modify, or supplement documents contained in, and exhibits to, the Plan Supplement in accordance with the terms of the Plan.

**1.159 Prepetition Executed Settlement Claim** means any liquidated Claim against  
a Debtor, other than a 2001 Utility Exchange Claim, arising from a binding award, agreement,

1 or settlement fully effective prior to the Petition Date, which for the purposes of the Plan shall  
2 be Allowed in the amount set forth in the applicable award, agreement or settlement.

3 **1.160 Priority Non-Tax Claim** means any Claim against a Debtor, other than an  
4 Administrative Expense Claim or a Priority Tax Claim, entitled to priority in payment as  
5 specified in section 507(a)(3), (4), (5), (6), (7), or (9) of the Bankruptcy Code.

6 **1.161 Priority Tax Claim** means any Claim of a Governmental Unit against a Debtor  
7 of the kind entitled to priority in payment as specified in sections 502(i) and 507(a)(8) of the  
8 Bankruptcy Code.

9 **1.162 Professional** means an Entity, excluding those Entities entitled to  
10 compensation pursuant to the Ordinary Course Professionals Order that is retained in the  
11 Chapter 11 Cases pursuant to an order of the Bankruptcy Court in accordance with sections  
12 327, 363, or 1103 of the Bankruptcy Code and that is entitled to be compensated for services  
13 rendered and expenses incurred pursuant to sections 327, 328, 329, 330, 331, and 363 of the  
14 Bankruptcy Code.

15 **1.163 Professional Fee Claim** means any Administrative Expense Claim for the  
16 compensation of a Professional and the reimbursement of expenses incurred by such  
17 Professional through and including the Effective Date to the extent such fees and expenses  
18 have not been paid pursuant to any Final Order (including, but not limited to, any fees of a  
19 Professional held back in accordance with the Interim Compensation Order or otherwise). To  
20 the extent the Bankruptcy Court denies or reduces by a Final Order any amount of a  
21 Professional's requested fees and expenses (whether or not paid pursuant to an order granting  
22 interim allowance), then the amount by which such fees or expenses are reduced or denied  
23 shall reduce the applicable Professional Fee Claim.

24 **1.164 Professional Fee Escrow Account** means an interest-bearing account in an  
25 amount equal to the Professional Fee Reserve Amount and funded by the Debtors in Cash on  
26 the Effective Date, pursuant to Section 2.2(b) of the Plan.

27 **1.165 Professional Fee Reserve Amount** means the total amount of Professional Fee  
28 Claims estimated in accordance with Section 2.2(c) of the Plan.

**1.166 Public Entities** means, collectively, (a) the North Bay Public Entities; (b) the  
Town of Paradise; (c) the County of Butte; (d) the Paradise Park and Recreation District; (e)  
the County of Yuba; and (f) the Calaveras County Water District.

**1.167 Public Entities Operative Complaints** means all complaints filed by the  
Public Entities in relation to the Fires, including the complaints filed in *Calaveras County  
Water District v. PG&E*, No. 34-2018-00238630 (Cal. Super. Ct. Sacramento Cty), the Public  
Entity Master Complaint filed in Judicial Council Coordination Proceeding No. 4853, *Butte  
Fire Cases*, No. JCCP 4853 (Cal. Super. Ct. Sacramento Cty.), *City of Clearlake v. PG&E  
Corp. et al.*, No. CV419398 (Cal. Super. Ct. Lake Cty.), *City of Napa v. PG&E Corp. et al.*,  
No. 19CV000148 (Cal. Super. Ct. Napa Cty.), *City of Santa Rosa v. Pacific Gas and Electric*

1 *Company, et al.*, No. SCV-262772 (Cal. Super. Ct. Sonoma Cty.), *County of Lake v. PG&E*  
 2 *Corp. et al.*, No. CV-419417 (Cal. Super. Ct. Lake Cty.), *Mendocino County v. PG&E*  
 3 *Corporation et al.*, No. SCUk-CVPO-18-70440 (Cal. Super. Ct. Mendocino Cty.), *Napa*  
 4 *County v. PG&E Corporation et al.*, No. 18CV000238 (Cal. Super. Ct. Napa Cty.), *County of*  
 5 *Nevada v. PG&E Corp. et al.*, No. CU19-083418 (Cal. Super. Ct. Nevada Cty.), *County of*  
 6 *Sonoma v. PG&E Corporation et al.*, No. SCV-262045 (Cal. Super. Ct. Sonoma Cty.), *County*  
 7 *of Yuba v. PG&E Corp. et al.*, No. CVCV19-00045 (Cal. Super. Ct. Yuba Cty.), the Public  
 Entity Master Complaint filed in Judicial Council Coordination Proceeding No. 4955  
 (*California North Bay Fire Cases*, No. JCCP 4955 (Cal. Super. Ct. San Francisco Cty.), *Butte*  
*County v. PG&E Corp et al.*, No. 19CV00151 (Cal. Super. Ct. Butte Cty.) and *Town of*  
*Paradise v. PG&E Corporation et al.*, No. 19CV00259 (Cal. Super. Ct. Butte Cty.).

8 **1.168 Public Entities Plan Support Agreements** means the Plan Support  
 9 Agreements as to Plan Treatment of Public Entities' Wildfire Claims, each dated June 18,  
 2019, by and between the Debtors and the Public Entities.

10 **1.169 Public Entities Releasing Parties** means the Public Entities and any  
 11 subsidiary, affiliate, department, agency, political subdivision, or instrumentality thereof.

12 **1.170 Public Entities Segregated Defense Fund** means a segregated fund  
 13 established for the benefit of the Public Entities in the amount of \$10 million, which funds  
 14 shall be used by the Reorganized Debtors solely to reimburse the Public Entities for any and  
 all legal fees and costs associated with the defense or resolution of any Public Entities Third  
 Party Claims against a Public Entity, in accordance with the Public Entities Plan Support  
 Agreements.

15 **1.171 Public Entities Settlement** means the settlement of the Public Entities Wildfire  
 16 Claims pursuant to the terms of the Public Entities Plan Support Agreements and this Plan.

17 **1.172 Public Entities Settlement Distribution Protocol** means the \$1.0 billion in  
 18 Cash, to be deposited in a trust account and distributed in accordance with the Plan and the  
 Public Entities Plan Support Agreements, to satisfy the Public Entities Wildfire Claims.

19 **1.173 Public Entities Third Party Claims** means any past, present, or future Claim  
 20 held by entities or individuals other than the Debtors or the Public Entities against the Public  
 21 Entities that in any way arises out of or relates to the Fires, including but not limited to any  
 Claim held by individual plaintiffs or subrogated insurance carriers against the Public Entities  
 22 for personal injuries, property damage, reimbursement of insurance payments, and/or wrongful  
 death that in any way arises out of or relates to the Fires.

23 **1.174 Public Entities Wildfire Claim** means any Fire Claim against the Debtors,  
 24 including any Claim pleaded or asserted or that could have been pleaded or asserted based on  
 the factual allegations set forth in the Public Entities Operative Complaints or that were filed  
 25 or could be filed by the Public Entities in connection with the Chapter 11 Cases whether arising  
 26 under California law or any other applicable law of the United States (state or federal) or any  
 other jurisdiction, in each case whether such claims are absolute or contingent, direct or  
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1 indirect, known or unknown, foreseen or unforeseen, in contract, tort or in equity, under any  
2 theory of law.

3 **1.175 PX** means the California Power Exchange Corporation.

4 **1.176 Reference Long-Term Senior Note Documents** means the Indenture  
5 governing the 3.95% Senior Notes due December 1, 2047 referred to in clause (jj) in the  
6 definition of Utility Senior Notes, including all agreements, notes, instruments, and any other  
7 documents delivered pursuant thereto or in connection therewith (in each case, as amended,  
8 supplemented, restated, or otherwise modified from time to time solely with respect to the  
9 3.95% Senior Notes due December 1, 2047).

10 **1.177 Reference Short-Term Senior Note Documents** means the Indenture  
11 governing the 6.05% Senior Notes due March 1, 2034 referred to in clause (o) in the definition  
12 of Utility Senior Notes, including all agreements, notes, instruments, and any other documents  
13 delivered pursuant thereto or in connection therewith (in each case, as amended, supplemented,  
14 restated, or otherwise modified from time to time solely with respect to the 6.05% Senior Notes  
15 due March 1, 2034).

16 **1.178 Reinstatement** means (a) leaving unaltered the legal, equitable, and contractual  
17 rights to which a Claim or Interest entitles the holder of such Claim or Interest in accordance  
18 with section 1124 of the Bankruptcy Code, or (b) if applicable under section 1124 of the  
19 Bankruptcy Code, with respect to any class of Claims or Interests, (i) curing all prepetition and  
20 postpetition defaults other than defaults specified in section 365(b)(2) of the Bankruptcy Code;  
21 (ii) reinstating the maturity date of the Claim or Interest as such maturity existed before the  
22 default; (iii) compensating the holder of such Claim or Interest for damages incurred as a result  
23 of its reasonable reliance on a contractual provision or such applicable law allowing the  
24 Claim's acceleration; (iv) compensating the holder of such Claim or Interest (other than the  
25 Debtors or insiders of the Debtors) for actual pecuniary losses incurred by such holder arising  
26 from the failure to perform a nonmonetary obligation; and (v) not otherwise altering the legal,  
27 equitable or contractual rights to which the Claim or Interest entitles the holder thereof. For  
28 the avoidance of doubt, such Claims or Interests are **Reinstated** when the requirements for  
Reinstatement have been met by the Debtors in accordance with section 1124 of the  
Bankruptcy Code.

**1.179 Released Parties** means, collectively, and in each case in their capacities as  
such: (a) the Debtors and Reorganized Debtors; (b) the Tort Claimants Committee; (c) the DIP  
Facility Agents; (d) the DIP Facility Lenders; (e) the Exit Financing Agents; (f) the Exit  
Financing Lenders; (g) the Backstop Parties; (h) the Public Entities Releasing Parties; (i) the  
Consenting Creditors (solely in their capacity as holders of Subrogation Wildfire Claims); (j)  
the Shareholder Proponents; (k) the Consenting Noteholders; (l) the Funded Debt Trustees;  
and (m) with respect to each of the foregoing entities (a) through (l), such entities'  
predecessors, successors, assigns, subsidiaries, affiliates, managed accounts and funds, current  
and former officers and directors, principals, equity holders, members, partners, managers,  
employees, subcontractors, agents, advisory board members, restructuring advisors, financial  
advisors, attorneys, accountants, investment bankers, consultants, representatives,

1 management companies, fund advisors (and employees thereof), and other professionals, and  
2 such entities' respective heirs, executors, estates, servants, and nominees, in each case in their  
3 capacity as such.

4 **1.180 Releasing Parties** means, collectively, and, in each case, in their capacities as  
5 such: (a) the Debtors; (b) the Reorganized Debtors, (c) any holder of a Claim or Interest that  
6 is solicited and voluntarily indicates on a duly completed Ballot submitted on or before the  
7 Voting Deadline that such holder opts into granting the releases set forth in Section 10.9(b) of  
8 the Plan to the extent permitted by applicable law, *provided that* for the avoidance of doubt  
9 any such a holder who does not indicate on their Ballot that they opt into granting such releases  
10 shall not be a Releasing Party, *provided further* that such holder's decision to opt-in or not to  
11 the releases shall not in any way affect the classification or treatment of such Claim or Interest;  
12 (d) the DIP Facility Agents; (e) the DIP Facility Lenders; (f) the Exit Financing Agents; (g) the  
13 Exit Financing Lenders; (h) the Funded Debt Trustees; (i) the HoldCo Revolver Lenders; (j)  
14 the HoldCo Term Loan Lenders; (k) the Utility Revolver Lenders; (l) the Utility Term Loan  
15 Lenders; (m) the holders of Utility Senior Note Claims; (n) the Public Entities Releasing  
16 Parties; (o) the Tort Claimants Committee; (p) the Backstop Parties; (q) the Consenting  
17 Creditors; (r) the Consenting Noteholders; and (s) with respect to each of the foregoing entities  
18 (a) through (r), such entities' predecessors, successors, assigns, subsidiaries, affiliates,  
19 managed accounts and funds, current and former officers and directors, principals, equity  
20 holders, members, partners, managers, employees, subcontractors, agents, advisory board  
21 members, restructuring advisors, financial advisors, attorneys, accountants, investment  
22 bankers, consultants, representatives, management companies, fund advisors (and employees  
23 thereof), and other professionals, and such entities' respective heirs, executors, estates,  
24 servants, and nominees, in each case in their capacity as such.

16 **1.181 Reorganized Debtors** means each of the Debtors, or any successor thereto, as  
17 reorganized, pursuant to and under the Plan, on and after the Effective Date.

18 **1.182 Reorganized HoldCo** means HoldCo as reorganized, pursuant to and under the  
19 Plan, on and after the Effective Date.

20 **1.183 Reorganized Utility** means the Utility as reorganized, pursuant to and under  
21 the Plan, on and after the Effective Date.

22 **1.184 Restructuring** means the restructuring of the Debtors, the principal terms of  
23 which are set forth in the Plan, the Plan Documents and the Plan Supplement.

24 **1.185 Restructuring Transactions** has the meaning set forth in Section 6.2(a) of the  
25 Plan.

26 **1.186 Rights Offering** means, if implemented, an offering pursuant to which each  
27 Eligible Offeree is entitled to receive subscription rights to acquire shares of New HoldCo  
28 Common Stock in accordance with the Plan, the Rights Offering Procedures, and the Backstop  
Commitment Letters.

1           **1.187 Requisite Consenting Creditors** has the meaning set forth in Subrogation  
2 Claims RSA.

3           **1.188 Rights Offering Procedures** means, if applicable, the procedures governing  
4 and for the implementation of the Rights Offering, as approved by the Bankruptcy Court.

5           **1.189 Schedule of Assigned Rights and Causes of Action** means the schedule to be  
6 included in the Plan Supplement that is consistent in all respects with the definition of Assigned  
7 Rights and Causes of Action.

8           **1.190 Schedule of Rejected Contracts** means the schedule of executory contracts  
9 and unexpired leases to be rejected by the Debtors pursuant to the Plan, to be filed as part of  
10 the Plan Supplement.

11           **1.191 Schedules** means the schedules of assets and liabilities and the statements of  
12 financial affairs filed by the Debtors under section 521 of the Bankruptcy Code, Bankruptcy  
13 Rule 1007, and the Official Bankruptcy Forms of the Bankruptcy Rules as such schedules and  
14 statements have been or may be amended, supplemented, or modified from time to time.

15           **1.192 Secured Claim** means any Claim against a Debtor secured by a Lien on  
16 property in which a Debtor's estate has an interest or that is subject to setoff under section 553  
17 of the Bankruptcy Code, to the extent of the value of the Claim holder's interest in such estate's  
18 interest in such property or to the extent of the amount subject to setoff, as applicable, as  
19 determined pursuant to sections 506(a) and, if applicable, 1129(b) of the Bankruptcy Code.

20           **1.193 Securities Act** means the Securities Act of 1933, as amended from time to time.

21           **1.194 Security** has the meaning set forth in section 101(49) of the Bankruptcy Code.

22           **1.194A Side A Policy** means insurance maintained exclusively for the Debtors'  
23 directors and officers and payable if and only if the D&O Liability Insurance Policies with  
24 coverage that is shared by the Debtors and the directors and officers have been first exhausted  
25 or are otherwise unavailable and there is a covered non-indemnified loss, consistent with the  
26 terms and conditions of the applicable policies.

27           **1.195 Side B Insurance Coverage** means all director and officer insurance policy  
28 proceeds paid by any insurance carrier to reimburse the Debtors for amounts paid pursuant to  
their indemnification obligations to their former directors and officers in connection with any  
Assigned Rights or Causes of Action under Section 1.8 hereof.

**1.196 Statutory Committees** means collectively, the Creditors Committee and the  
Tort Claimants Committee.

**1.197 Subordinated Debt Claim** means any HoldCo Subordinated Debt Claim and  
any Utility Subordinated Debt Claim.

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**1.198 Subrogation Butte Fire Claim** means any Fire Claim arising from the Butte Fire (2015) that arises from subrogation (whether such subrogation is contractual, equitable, or statutory), assignment (whether such assignment is contractual, equitable, or statutory), or otherwise in connection with payments made or to be made by the applicable insurer to insured tort victims, and whether arising as a matter of state or federal law, including, without limitation, under section 509 of the Bankruptcy Code, including attorneys’ fees and interest. Subrogation Butte Fire Claims shall not include the claims of any Governmental Unit (as defined in section 101(27) of the Bankruptcy Code).

**1.199 Subrogation Claims RSA** means that certain Restructuring Support Agreement, dated as of September 22, 2019, by and among the Debtors and the Consenting Creditors, as amended, supplemented, restated, or otherwise modified from time to time, in accordance with its terms.

**1.200 Subrogation Claims RSA Approval Order** means the order of the Bankruptcy Court, dated December 19, 2019, approving the Subrogation Claims RSA and the Allowance of the Utility Subrogation Wildfire Claims as provided therein [Docket No. 5173].

**1.201 Subrogation Wildfire Claim** means any Fire Claim (other than a Fire Claim arising from the Butte Fire (2015)) that arises from subrogation (whether such subrogation is contractual, equitable, or statutory), assignment (whether such assignment is contractual, equitable, or statutory), or otherwise in connection with payments made or to be made by the applicable insurer to insured tort victims, and whether arising as a matter of state or federal law, including, without limitation, under section 509 of the Bankruptcy Code, including attorneys’ fees and interest. For the avoidance of doubt, Subrogation Wildfire Claims shall include both “Paid” and “Reserved” claims, each as defined in the Subrogation Claims RSA. Subrogation Wildfire Claims shall not include (a) the claims of any Governmental Unit (as defined in section 101(27) of the Bankruptcy Code) or (b) any Fire Claim asserting direct injury to a fire victim, regardless of whether the claimant is an insured and has received or will receive a recovery from their insurer, and any such claims are not the subject of, or compromised under, the Subrogation Claims RSA.

**1.202 Subrogation Wildfire Claim Allocation Agreement** means the agreement entered into by and among certain holders of Subrogation Wildfire Claims, and which describes the procedures for the payment of Subrogation Wildfire Claims by the Subrogation Wildfire Trust, consistent with the terms of the Subrogation Claims RSA.

**1.203 Subrogation Wildfire Trust** means one or more trusts established on the Effective Date, in accordance with Section 6.4 of the Plan, to administer, process, settle, resolve, liquidate, satisfy and pay all Subrogation Wildfire Claims.

**1.204 Subrogation Wildfire Trust Advisory Board** means the advisory board appointed by the holders of Subrogation Wildfire Claims in accordance with the Subrogation Wildfire Claim Allocation Agreement to oversee the Subrogation Wildfire Trust in accordance with the Plan, the Subrogation Wildfire Trust Agreement, and the Subrogation Wildfire Claim Allocation Agreement.

1           **1.205 Subrogation Wildfire Trust Agreement** means that certain trust agreement or  
2 agreements substantially in the form included in the Plan Supplement, which shall be in form  
3 and substance satisfactory to the Ad Hoc Subrogation Group (as defined in the Subrogation  
4 Claims RSA) in accordance with the Subrogation Wildfire Claim Allocation Agreement, and  
5 the Debtors (whose consent will not be unreasonably withheld).

6           **1.206 Subrogation Wildfire Trustee** means the Person selected by the holders of  
7 Subrogation Wildfire Claims in accordance with the Subrogation Wildfire Claim Allocation  
8 Agreement to serve as the trustee or trustees of the Subrogation Wildfire Trust, and any  
9 successor thereto, in each case, appointed pursuant to the Subrogation Wildfire Trust  
10 Agreement; *provided that*, in the event the Debtors intend that a Subrogation Wildfire Trust  
11 will be funded (at least in part) through the issuance of tax-exempt bonds, the identity of the  
12 Person or Persons to be selected to serve as the trustee of such Subrogation Wildfire Trust shall  
13 not impair the use of tax-exempt financing.

14           **1.207 Tax Benefits** mean the difference between the income taxes actually paid by  
15 the Reorganized Utility and the income taxes that the Reorganized Utility would have paid to  
16 the taxing authorities for such taxable year absent the net operating losses of the Utility and  
17 any deductions arising from the payment of Fire Victim Claims and Subrogation Wildfire  
18 Claims.

19           **1.208 Tax Benefits Payment Agreement** means an agreement between the  
20 Reorganized Utility and the Fire Victim Trust pursuant to which the Reorganized Utility agrees  
21 (a) to pay to the Fire Victim Trust an amount of cash equal to (i) up to \$650 million of Tax  
22 Benefits for fiscal year 2020 to be paid on or before January 15, 2021 (the “**First Payment  
23 Date**”); and (ii) up to \$700 million of Tax Benefits for fiscal year 2021 to be paid on or before  
24 January 15, 2022 (the “**Final Payment Date**”) plus the amount of any shortfall of the payments  
25 owed on the First Payment Date and the Final Payment Date so that on the Final Payment Date,  
26 the Fire Victim Trust shall have received payments under the Tax Benefits Payment Agreement  
27 in an aggregate cash amount of \$1.350 billion from Tax Benefits or draws upon letters of credit  
28 under the terms of this definition or otherwise; (b) in the event that Tax Benefits in fiscal year  
2020 exceed \$650 million, the Reorganized Utility shall use such excess Tax Benefits to  
prepay, on or before the First Payment Date the amount of Tax Benefits to be paid for fiscal  
year 2021; (c) in the event that payments from the Tax Benefits Payment Agreement received  
on or before the First Payment Date are less than \$650 million for any reason (a “**First  
Payment Shortfall**”), the Reorganized Utility shall deliver to the Fire Victim Trust an  
unconditional, standby letter of credit, payable at sight (with no approval or confirmation from  
the Reorganized Utility or other drawing conditions) and otherwise in form and substance  
satisfactory to the Fire Victim Trustee, naming the Fire Victim Trust as beneficiary the  
 (“**LOC**”), from an institution acceptable to the Fire Victim Trust within fifteen (15) business  
days of the First Payment Date (the “**LOC Issuance Date**”) in an amount to cover such First  
Payment Shortfall, which may be presented to the issuing bank for payment to the Fire Victim  
Trust on January 18, 2022 to the extent that any amounts remain owing to the Fire Victim Trust  
under the Tax Benefits Payment Agreement on that date; (d) if the Reorganized Utility has not  
delivered such letter of credit within ten (10) days of the LOC Issuance Date, then the Fire  
Victim Trust shall have the right to file a stipulated judgment against the Reorganized Utility,

1 which executed stipulated judgment shall be an exhibit to the Tax Benefits Payment  
2 Agreement, in the amount of the First Payment Shortfall based on a declaration by the Fire  
3 Victim Trustee of the Reorganized Utility's failure to comply with this requirement of the Tax  
4 Benefits Payment Agreement; (e) in the event that payments from the Tax Benefits Payment  
5 Agreement and LOC received on or before the Final Payment Date are less than \$1.350 billion  
6 for any reason (a "**Final Payment Shortfall**") then on February 9, 2022, the Fire Victim Trust  
7 shall have the right to file a stipulated judgment against the Reorganized Utility, which  
8 executed stipulated judgment shall be an exhibit to the Tax Benefits Payment Agreement, in  
9 the amount of the Final Payment Shortfall based on a declaration by the Fire Victim Trustee  
10 of the Reorganized Utility's failure to comply with this requirement of the Tax Benefits  
11 Payment Agreement; (f) in the event there is a change of control as defined within the meaning  
12 of Section of 382 of the Internal Revenue Code after and other than as a result of the occurrence  
13 of the Effective Date, if any, all such payments provided for in (a)(i) and (ii) shall become  
14 automatically due and payable within fifteen days of such change in control (and the letter of  
15 credit, if issued, may be drawn); and (g) in the event that the Reorganized Utility obtains  
16 financing that monetizes or is otherwise secured by any Tax Benefits, the Reorganized Utility  
17 shall use the first \$1.350 billion in proceeds of such financing to make all payments in (a)(i)  
18 and (ii) above to the Fire Victim Trust on January 15, 2021.

12 **1.209 Tax Code** means title 26 of the United States Code, as amended from time to  
13 time.

14 **1.210 Tort Claimants Committee** means the official committee of tort claimants  
15 appointed by the U.S. Trustee in the Chapter 11 Cases pursuant to section 1102 of the  
16 Bankruptcy Code.

17 **1.211 Tort Claimants RSA** means that certain Restructuring Support Agreement,  
18 dated December 6, 2019, by and among the Debtors, the Tort Claimants Committee, the  
19 Consenting Fire Claimant Professionals, and the Shareholder Proponents, as amended,  
20 supplemented, restated, or otherwise modified from time to time, in accordance with its terms.

21 **1.212 Trading Order** means the *Final Order Pursuant to Sections 105(a) and 362 of  
22 the Bankruptcy Code Establishing (1) Notification Procedures and Certain Restrictions  
23 Regarding Ownership and Acquisitions of Stock of the Debtors and (2) a Record Date  
24 Regarding the Ownership of Claims Against the Debtors with Respect to Certain Notification  
25 and Sell-Down Procedures and Requirements*, dated March 27, 2019 [Docket No. 1094].

26 **1.213 U.S. Trustee** means Andrew S. Vara, Acting United States Trustee for  
27 Regions 3 and 9, or such other person appointed to serve as the United States Trustee in respect  
28 of the Chapter 11 Cases.

29 **1.214 Unimpaired** means, with respect to a Claim, Interest, or Class of Claims or  
30 Interests, not "impaired" within the meaning of section 1124 of the Bankruptcy Code.

31 **1.215 Utility** means Debtor Pacific Gas and Electric Company, a California  
32 corporation.

1           **1.216 Utility Common Interest** means any Interest in the Utility that is not a Utility  
2 Preferred Interest.

3           **1.217 Utility Environmental Claim** means any Environmental Claim against the  
4 Utility.

5           **1.218 Utility Fire Victim Claim** means any Fire Victim Claim against the Utility.

6           **1.219 Utility Funded Debt Claim** means any Claim arising under, or related to, the  
7 Utility Funded Debt Documents.

8           **1.220 Utility Funded Debt Claim Interest and Charges Amount** means the sum of  
9 (i) interest on the applicable Utility Funded Debt Claim Principal Amount that was accrued  
10 and unpaid prior to the Petition Date calculated using the applicable non-default contract rate,  
11 (ii) reasonable fees and charges and other obligations owed as of the Petition Date to the extent  
12 provided in the applicable Utility Funded Debt Document, (iii) reasonable attorneys' fees and  
13 expenses of counsel to the agents and certain lenders under the Utility Revolver Documents  
14 and Utility Term Loan Documents and certain holders of claims under PC Bond LOC  
15 Documents solely to the extent provided in the applicable Utility Funded Debt Document, not  
16 to exceed \$7 million in the aggregate; and (iv) interest calculated using the Federal Judgment  
17 Rate on the sum of the applicable Utility Funded Debt Claim Principal Amount plus the  
18 amounts in clauses (i) and (ii) of this definition for the period commencing on the day after the  
19 Petition Date (or with respect to a Utility Funded Debt Claim based upon a PC Bond LOC  
20 Document, the later of the day after the Petition Date and the date on which such  
21 reimbursement obligation was actually paid) and ending on the Effective Date.

22           **1.221 Utility Funded Debt Claim Principal Amount** means the portion of an Utility  
23 Funded Debt Claim consisting of principal outstanding as of the Petition Date, or, with respect  
24 to claims under a PC Bond LOC Document, the reimbursement obligation, actually paid under  
25 such PC Bond LOC Document.

26           **1.222 Utility Funded Debt Documents** means, collectively, the (i) Utility Revolver  
27 Documents, (ii) Utility Term Loan Documents, and (iii) PC Bond Documents.

28           **1.223 Utility General Unsecured Claim** means any General Unsecured Claim  
against the Utility.

**1.224 Utility Ghost Ship Fire Claim** means any Ghost Ship Fire Claim against the  
Utility.

**1.225 Utility Impaired Senior Note Claim Interest Amount** means the sum of  
(i) interest on the applicable Utility Impaired Senior Note Claim Principal Amount that was  
accrued and unpaid prior to the Petition Date calculated using the applicable non-default  
contract rate plus (ii) interest calculated using the Federal Judgment Rate on the sum of the  
applicable principal of an Utility Impaired Senior Note Claim plus the amount in clause (i) of

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this definition for the period commencing on the day after the Petition Date and ending on the Effective Date.

**1.226 Utility Impaired Senior Note Claim Principal Amount** means the portion of an Utility Impaired Senior Note Claim consisting of principal outstanding as of the Petition Date.

**1.227 Utility Impaired Senior Note Claims** means any Claim arising under, or related to, the Utility Impaired Senior Note Documents.

**1.228 Utility Impaired Senior Note Documents** means, collectively, the Utility Senior Notes Indentures governing the Utility Impaired Senior Notes, including all agreements, notes, instruments, and any other documents delivered pursuant thereto or in connection therewith (in each case, as amended, supplemented, restated, or otherwise modified from time to time).

**1.229 Utility Impaired Senior Notes** means, collectively, the following series of notes issued by the Utility pursuant to the Utility Senior Notes Indentures: (a) 6.05% Senior Notes due 2034; (b) 5.80% Senior Notes due March 1, 2037; (c) 6.35% Senior Notes due February 15, 2038; (d) 6.25% Senior Notes due March 1, 2039; (e) 5.40% Senior Notes due January 15, 2040; and (f) 5.125% Senior Notes due November 15, 2043.

**1.230 Utility Intercompany Claim** means any Intercompany Claim against the Utility.

**1.231 Utility Issuing Lender** means an Issuing Lender (as defined in the Utility Revolver Credit Agreement).

**1.232 Utility Letters of Credit** means any letters of credit issued by a Utility Revolver Lender pursuant to the Utility Revolver Documents.

**1.233 Utility Other Secured Claim** means any Other Secured Claim against the Utility.

**1.234 Utility PC Bond (2008 F and 2010 E) Claim** means any Claim arising under, or related to, the PC Bond (2008 F and 2010 E) Documents.

**1.235 Utility Preferred Interest** means any Interest in the Utility which results or arises from preferred stock issued by the Utility.

**1.236 Utility Priority Non-Tax Claim** means any Priority Non-Tax Claim against the Utility.

**1.237 Utility Public Entities Wildfire Claim** means any Public Entities Wildfire Claim against the Utility.

1           **1.238 Utility Reinstated Senior Note Claims** means any Claim arising under, or  
2 related to, the Utility Reinstated Senior Note Documents.

3           **1.239 Utility Reinstated Senior Note Documents** means, collectively, the Utility  
4 Senior Notes Indentures governing the Utility Reinstated Senior Notes, including all  
5 agreements, notes, instruments, and any other documents delivered pursuant thereto or in  
6 connection therewith (in each case, as amended, supplemented, restated, or otherwise modified  
7 from time to time).

8           **1.240 Utility Reinstated Senior Notes** means, collectively, all notes issued by the  
9 Utility under the Utility Senior Notes Indentures that (a) will not have matured in accordance  
10 with their terms as of September 30, 2020; and (b) are not (x) Utility Impaired Senior Notes or  
11 (y) Utility Short-Term Senior Notes.

12           **1.241 Utility Revolver Agent** means Citibank, N.A., solely in its capacity as  
13 administrative agent under the Utility Revolver Documents, its successors, assigns, or any  
14 replacement agent appointed pursuant to the terms of the Utility Revolver Documents.

15           **1.242 Utility Revolver Credit Agreement** means that certain Second Amended and  
16 Restated Credit Agreement, dated as of April 27, 2015, by and among Utility, the Utility  
17 Revolver Agent, and the Utility Revolver Lenders, as amended, supplemented, restated, or  
18 otherwise modified from time to time.

19           **1.243 Utility Revolver Documents** means, collectively, the Utility Revolver Credit  
20 Agreement and all other “Loan Documents” (as defined therein), including all other  
21 agreements, documents, and instruments delivered or entered into pursuant thereto or entered  
22 into in connection therewith (in each case, as amended, supplemented, restated, or otherwise  
23 modified from time to time).

24           **1.244 Utility Revolver Lenders** means the lenders under the Utility Revolver Credit  
25 Agreement and each other party that becomes a lender thereunder from time to time in  
26 accordance with the terms of the Utility Revolver Credit Agreement.

27           **1.245 Utility Senior Note Claim** means, collectively, Utility Impaired Senior Note  
28 Claims, Utility Reinstated Senior Note Claims, and Utility Short-Term Senior Note Claims.

**1.246 Utility Senior Notes** means, collectively, the following series of notes issued  
by the Utility pursuant to the Utility Senior Notes Indentures: (a) 3.50% Senior Notes due  
October 1, 2020; (b) 4.25% Senior Notes due May 15, 2021; (c) 3.25% Senior Notes due  
September 15, 2021; (d) 2.45% Senior Notes due August 15, 2022; (e) 3.25% Senior Notes  
due June 15, 2023; (f) 4.25% Senior Notes due August 1, 2023; (g) 3.85% Senior Notes due  
November 15, 2023; (h) 3.75% Senior Notes due February 15, 2024; (i) 3.40% Senior Notes  
due August 15, 2024; (j) 3.50% Senior Notes due June 15, 2025, (k) 2.95% Senior Notes due  
March 1, 2026; (l) 3.30% Senior Notes due March 15, 2027; (m) 3.30% Senior Notes due  
December 1, 2027; (n) 4.65% Senior Notes due August 1, 2028; (o) 6.05% Senior Notes due  
March 1, 2034; (p) 5.80% Senior Notes due March 1, 2037; (q) 6.35% Senior Notes due

1 February 15, 2038; (r) 6.25% Senior Notes due March 1, 2039; (s) 5.40% Senior Notes due  
2 January 15, 2040; (t) 4.50% Senior Notes due December 15, 2041; (u) 4.45% Senior Notes due  
3 April 15, 2042; (v) 3.75% Senior Notes due August 15, 2042; (w) 4.60% Senior Notes due  
4 June 15, 2043; (x) 5.125% Senior Notes due November 15, 2043; (y) 4.75% Senior Notes due  
5 February 15, 2044; (z) 4.30% Senior Notes due March 15, 2045; (aa) 4.25% Senior Notes due  
6 March 15, 2046; (bb) 4.00% Senior Notes due December 1, 2046; and (cc) 3.95% Senior Notes  
7 due December 1, 2047.

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9 **1.247 Utility Senior Notes Documents** means, collectively, the Utility Senior Notes  
10 Indentures, the Utility Senior Notes, and all other agreements, documents, and instruments  
11 delivered or entered into pursuant thereto or entered into in connection therewith (in each case,  
12 as amended, restated, modified, or supplemented from time to time).

13 **1.248 Utility Senior Notes Indentures** means, the following senior notes indentures  
14 and supplemental indentures, between the Utility, as issuer, and the Utility Senior Notes  
15 Trustee, governing the Utility Senior Notes, including all agreements, notes, instruments, and  
16 any other documents delivered pursuant thereto or in connection therewith (in each case, as  
17 amended, supplemented, restated, or otherwise modified from time to time): (a) Indenture,  
18 Dated as of April 22, 2005, Supplementing, Amending and Restating the Indenture of  
19 Mortgage, dated as of March 11, 2004, as supplemented by a First Supplemental Indenture,  
20 dated as of March 23, 2004 and a Second Supplemental Indenture, dated as of April 12, 2004  
21 (“**Amended and Restated Indenture, dated as of April 22, 2005**”); (b) First Supplemental  
22 Indenture, Dated as of March 13, 2007 – Supplement to the Amended and Restated Indenture  
23 Dated as of April 22, 2005; (c) Third Supplemental Indenture, Dated as of March 3, 2008 –  
24 Supplement to the Amended and Restated Indenture, Dated as of April 22, 2005; (d) Sixth  
25 Supplemental Indenture, Dated as of March 6, 2009 – Supplement to the Amended and  
26 Restated Indenture, Dated as of April 22, 2005; (e) Seventh Supplemental Indenture, Dated as  
27 of June 11, 2009 – Supplement to the Amended and Restated Indenture, Dated as of April 22,  
28 2005 (f) Eighth Supplemental Indenture Dated as of November 18, 2009 – Supplement to the  
Amended and Restated Indenture Dated as of April 22, 2005; (g) Ninth Supplemental  
Indenture, Dated as of April 1, 2010 – Supplement to the Amended and Restated Indenture,  
Dated as of April 22, 2005; (h) Tenth Supplemental Indenture, Dated as of September 15, 2010  
– Supplement to the Amended and Restated Indenture, Dated as of April 22, 2005; (i) Twelfth  
Supplemental Indenture, Dated as of November 18, 2010 – Supplement to the Amended and  
Restated Indenture, Dated as of April 22, 2005; (j) Thirteenth Supplemental Indenture Dated  
as of May 13, 2011 – Supplement to the Amended and Restated Indenture Dated as of April  
22, 2005; (k) Fourteenth Supplemental Indenture Dated as of September 12, 2011 –  
Supplement to the Amended and Restated Indenture Dated as of April 22, 2005; (l) Sixteenth  
Supplemental Indenture, Dated as of December 1, 2011 – Supplement to the Amended and  
Restated Indenture, Dated as of April 22, 2005; (m) Seventeenth Supplemental Indenture,  
Dated as of April 16, 2012 – Supplement to the Amended and Restated Indenture, Dated as of  
April 22, 2005; (n) Eighteenth Supplemental Indenture, Dated as of August 16, 2012 –  
Supplement to the Amended and Restated Indenture, Dated as of April 22, 2005;  
(o) Nineteenth Supplemental Indenture, Dated as of June 14, 2013 – Supplement to the  
Amended and Restated Indenture, Dated as of April 22, 2005; (p) Twentieth Supplemental

1 Indenture, Dated as of November 12, 2013 – Supplement to the Amended and Restated  
2 Indenture, Dated as of April 22, 2005; (q) Twenty-First Supplemental Indenture, Dated as of  
3 February 21, 2014 – Supplement to the Amended and Restated Indenture, Dated as of April  
4 22, 2005; (r) Twenty-Third Supplemental Indenture, Dated as of August 18, 2014 –  
5 Supplement to the Amended and Restated Indenture, Dated as of April 22, 2005; (s) Twenty-  
6 Fourth Supplemental Indenture, Dated as of November 6, 2014 – Supplement to the Amended  
7 and Restated Indenture, Dated as of April 22, 2005; (t) Twenty-Fifth Supplemental Indenture,  
8 Dated as of June 12, 2015 – Supplement to the Amended and Restated Indenture, Dated as of  
9 April 22, 2005; (u) Twenty-Sixth Supplemental Indenture, Dated as of November 5, 2015 –  
10 Supplement to the Amended and Restated Indenture, Dated as of April 22, 2005; (v) Twenty-  
11 Seventh Supplemental Indenture, Dated as of March 1, 2016 – Supplement to the Amended  
12 and Restated Indenture, Dated as of April 22, 2005; (w) Twenty-Eighth Supplemental  
13 Indenture, Dated as of December 1, 2016 – Supplement to the Amended and Restated  
14 Indenture, Dated as of April 22, 2005; (x) Twenty-Ninth Supplemental Indenture, Dated as of  
15 March 10, 2017 – Supplement to the Amended and Restated Indenture, Dated as of April 22,  
16 2005; (y) Indenture, Dated as of November 29, 2017; (z) Indenture, Dated as of August 6,  
17 2018; and (aa) First Supplemental Indenture Dated as of August 6, 2018, to Indenture, Dated  
18 as of August 6, 2018.

12 **1.249 Utility Senior Notes Trustee** means BOKF, N.A., as successor indenture  
13 trustee to The Bank of New York Mellon Trust Company solely in its capacity as indenture  
14 trustee under the Utility Senior Notes Indentures for the applicable Utility Senior Notes, and  
15 their successors and assigns.

15 **1.250 Utility Short-Term Senior Note Claims** means any Claim arising under, or  
16 related to, the Utility Short-Term Senior Note Documents.

16 **1.251 Utility Short-Term Senior Note Claim Interest Amount** means the sum of  
17 (i) interest on the applicable Utility Short-Term Senior Note Claim Principal Amount that was  
18 accrued and unpaid prior to the Petition Date calculated using the applicable non-default  
19 contract rate plus (ii) interest calculated using the Federal Judgment Rate on the sum of the  
20 applicable principal of an Utility Short-Term Senior Note Claim plus the amount in clause (i)  
21 of this definition for the period commencing on the day after the Petition Date and ending on  
22 the Effective Date.

21 **1.252 Utility Short-Term Senior Note Claim Principal Amount** means the portion  
22 of an Utility Short-Term Senior Note Claim consisting of principal outstanding as of the  
23 Petition Date.

23 **1.253 Utility Short-Term Senior Note Documents** means, collectively, the Utility  
24 Senior Notes Indentures governing Utility Short-Term Senior Notes, including all agreements,  
25 notes, instruments, and any other documents delivered pursuant thereto or in connection  
26 therewith (in each case, as amended, supplemented, restated, or otherwise modified from time  
27 to time).

1           **1.254 Utility Short-Term Senior Notes** means, collectively, the following series of  
2 notes issued by the Utility pursuant to the Utility Senior Notes Indentures: (a) 3.50% Senior  
3 Notes due October 1, 2020; (b) 4.25% Senior Notes due May 15, 2021; (c) 3.25% Senior Notes  
4 due September 15, 2021; and (d) 2.45% Senior Notes due August 15, 2022.

5           **1.255 Utility Subordinated Debt Claim** means any Claim against the Utility that is  
6 subject to subordination under section 510(b) of the Bankruptcy Code, including any Claim  
7 for reimbursement, indemnification or contribution.

8           **1.256 Utility Subrogation Wildfire Claim** means any Subrogation Wildfire Claim  
9 against the Utility.

10           **1.257 Utility Term Loan Agent** means The Bank of Tokyo- Mitsubishi UFJ, Ltd.,  
11 solely in its capacity as administrative agent under the Utility Term Loan Documents, its  
12 successors, assigns, or any replacement agent appointed pursuant to the terms of the Utility  
13 Term Loan Documents.

14           **1.258 Utility Term Loan Credit Agreement** means that certain Term Loan  
15 Agreement, dated as of February 23, 2018, by and among the Utility as borrower, the Utility  
16 Term Loan Agent, and the Utility Term Loan Lenders, as amended, supplemented, restated, or  
17 otherwise modified from time to time.

18           **1.259 Utility Term Loan Documents** means, collectively, the Utility Term Loan  
19 Credit Agreement and all other “Loan Documents” (as defined therein), including all other  
20 agreements, documents, and instruments delivered or entered into pursuant thereto or entered  
21 into in connection therewith (in each case, as amended, supplemented, restated, or otherwise  
22 modified from time to time).

23           **1.260 Utility Term Loan Lenders** means the lenders under the Utility Term Loan  
24 Credit Agreement and each other party that becomes a lender thereunder from time to time in  
25 accordance with the terms of the Utility Term Loan Credit Agreement.

26           **1.261 Utility Workers’ Compensation Claim** means any Workers’ Compensation  
27 Claim against the Utility.

28           **1.262 Voting Deadline** means May 15, 2020 at 4:00 p.m. (Prevailing Pacific Time)  
or such other date set by the Bankruptcy Court by which all completed Ballots must be  
received.

**1.263 Wildfire Assistance Program** means the Wildfire Assistance Program  
established and administered pursuant to the Wildfire Assistance Program Orders.

**1.264 Wildfire Assistance Program Orders** means, collectively, the *Order*  
*Authorizing Debtors to Establish and Fund Program to Assist Wildfire Claimants with*  
*Alternative Living Expenses and Other Urgent Needs and (b) Granting Related Relief*, dated  
May 24, 2019 [Docket No. 2223], the *Supplemental Order (a) Approving Appointment of*  
*Administrator and Establishing Guidelines for the Wildfire Assistance Program and (b)*

1 *Granting Related Relief*, dated June 5, 2019 [Docket No. 2409], and the *Order (a) Establishing*  
2 *Qualified Settlement Fund for the Wildfire Assistance Program and (b) Authorizing QSF*  
3 *Administrator*, dated July 17, 2019 [Docket No. 3026].

4 **1.265 Wildfire Insurance Policy** means any Insurance Policy that was issued or  
5 allegedly issued that does or may afford the Debtors rights, benefits, indemnity, or insurance  
6 coverage with respect to any Fire Claim.

7 **1.266 Wildfire Insurance Proceeds** means any proceeds received by the Debtors  
8 under a Wildfire Insurance Policy.

9 **1.267 Wildfire Legislation (A.B. 1054)** means A.B. 1054, 2019 Assemb. (Cal. 2019).

10 **1.268 Wildfire Trust Agreements** means, collectively, the Subrogation Wildfire  
11 Trust Agreement and the Fire Victim Trust Agreement.

12 **1.269 Wildfire Trusts** means, collectively, the Subrogation Wildfire Trust and the  
13 Fire Victim Trust.

14 **1.270 Workers' Compensation Claims** means any Claim against the Debtors by an  
15 employee of the Debtors for the payment of workers' compensation benefits under applicable  
16 law.  
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**INTERPRETATION; APPLICATION OF DEFINITIONS AND RULES OF CONSTRUCTION.**

For purposes herein: (a) the words “herein,” “hereof,” “hereto,” “hereunder,” and other words of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained therein; (b) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (c) except as otherwise provided, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (d) the words “include” and “including,” and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words “without limitation;” (e) a term used herein that is not defined herein or by cross reference shall have the meaning assigned to that term in the Bankruptcy Code; (f) the rules of construction contained in section 102 of the Bankruptcy Code shall apply to the Plan; (g) the headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof; (h) in the event that a particular term of the Plan (including any exhibits or schedules hereto) conflicts with a particular term of the definitive documentation required to be implemented pursuant to the terms of the Plan or any settlement or other agreement contemplated hereunder, the Plan shall control; *provided*, for the avoidance of doubt, to the extent the Confirmation Order conflicts with the Plan, the Confirmation Order shall control for all purposes; (i) except as otherwise provided, any reference herein to an existing document or exhibit having been filed or to be filed shall mean that document or exhibit, as it may thereafter be amended, restated, supplemented, or otherwise modified in accordance with the terms of the Plan; (j) any effectuating provisions may be interpreted by the Reorganized Debtors in a manner consistent with the overall purpose and intent of the Plan and the Confirmation Order; (k) any effectuating provisions relating to the Fire Victim Claims, Fire Victim Trust, Subrogation Wildfire Claims, or Subrogation Wildfire Trust may be interpreted by the Fire Victim Trustee or the Subrogation Wildfire Trustee, as applicable, in a manner consistent with the overall purpose and intent of the Plan, all without further notice to or action, order, or approval of the court or any other entity, and such interpretation shall control in all respects to the extent permitted by the Fire Victim Trust Agreement, Fire Victim Claims Resolution Procedures, Subrogation Wildfire Trust Agreement, and Subrogation Wildfire Claim Allocation Agreement, as applicable; (l) except as otherwise provided, any reference to the Effective Date shall mean the Effective Date or as soon as reasonably practicable thereafter; and (m) any docket number references in the Plan shall refer to the docket number of any document filed with the Bankruptcy Court in the Chapter 11 Cases.

**CERTAIN CONSENT RIGHTS.**

Notwithstanding anything in the Plan to the contrary, and without limiting the Debtors’ fiduciary duties, any and all consent rights of any party set forth in the Public Entities Plan Support Agreements, the Backstop Commitment Letters, the Subrogation Claims RSA, the Tort Claimants RSA, the Noteholder RSA, or any other plan support agreement that the Debtors hereafter enter into with any other parties with respect to the form and substance of this Plan, the Plan Supplement, the Plan Documents, including any amendments, restatements, supplements, or other modifications to such documents, and any consents, waivers, or other deviations under or from any such documents, shall be incorporated herein by this reference (including to the applicable definitions in Article I

1 hereof) and fully enforceable as if stated in full herein until such time as the Public Entities Plan  
2 Support Agreements, the Backstop Commitment Letters, the Subrogation Claims RSA, the Tort  
3 Claimants RSA, the Noteholder RSA, or, as applicable, such other plan support agreements, are  
4 terminated in accordance with their terms.

## 5 **ARTICLE II.**

### 6 **ADMINISTRATIVE EXPENSE CLAIMS, PRIORITY TAX CLAIMS AND OTHER** 7 **UNCLASSIFIED CLAIMS**

8 **2.1 Administrative Expense Claims.** In full and final satisfaction, settlement,  
9 release, and discharge of any Allowed Administrative Expense Claim against a Debtor, except to the  
10 extent the Debtors or Reorganized Debtors, as applicable, and a holder of an Allowed Administrative  
11 Expense Claim against a Debtor agrees to a less favorable treatment of such Administrative Expense  
12 Claim, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed  
13 Administrative Expense Claim shall receive, in full and final satisfaction, settlement, and discharge of  
14 such Allowed Administrative Expense Claim, an amount in Cash equal to the Allowed amount of such  
15 Administrative Expense Claim; *provided that* any Allowed Administrative Expense Claim that is not  
16 due and payable prior to the Effective Date, shall be paid by the Debtors or the Reorganized Debtors,  
17 as applicable, in the ordinary course of business, consistent with past practice and in accordance with  
18 the terms and subject to the conditions of any orders or agreements governing, instruments evidencing,  
19 or other documents establishing, such liabilities. For the avoidance of doubt, no Administrative  
20 Expense Claims shall be discharged pursuant to the Plan, other than Allowed Administrative Expense  
21 Claims that have been paid in Cash or otherwise satisfied in the ordinary course in an amount equal to  
22 the Allowed amount of such Claim on or prior to the Effective Date.

### 23 **2.2 Professional Fee Claims.**

24 (a) All final requests for the payment of Professional Fee Claims against a Debtor,  
25 including any Professional Fee Claim incurred during the period from the Petition Date through and  
26 including the Effective Date, must be filed and served on the Reorganized Debtors no later than sixty  
27 (60) days after the Effective Date. All such final requests will be subject to approval by the Bankruptcy  
28 Court after notice and a hearing in accordance with the procedures established by the Bankruptcy  
Code, the Interim Compensation Order, and any other prior orders of the Bankruptcy Court regarding  
the payment of Professionals in the Chapter 11 Cases, and once approved by the Bankruptcy Court,  
promptly paid in Cash in the Allowed amount from the Professional Fee Escrow Account. If the  
Professional Fee Escrow Account is insufficient to fund the full Allowed amount of all Professional  
Fee Claims, remaining unpaid Allowed Professional Fee Claims will be allocated among and paid in  
full in Cash directly by the Reorganized Debtors.

(b) Prior to the Effective Date, the Debtors shall establish and fund the Professional  
Fee Escrow Account with Cash equal to the Professional Fee Reserve Amount. Such funds shall not  
be considered property of the estates of the Debtors or the Reorganized Debtors. Any amounts  
remaining in the Professional Fee Escrow Account after payment in full of all Allowed Professional  
Fee Claims shall promptly be paid to the Reorganized Debtors without any further action or order of  
the Bankruptcy Court.

1 (c) No later than ten (10) Business Days prior to the Effective Date, each  
2 Professional shall provide the restructuring advisors for the Debtors with an estimate of its unpaid  
3 Professional Fee Claims incurred in rendering services to the Debtors or their estates before and as of  
4 the Effective Date; *provided*, that such estimate shall not be deemed to limit the amount of fees and  
5 expenses that are the subject of the Professional's final request for payment of its Professional Fee  
6 Claims whether from the Professional Fee Escrow Account or, if insufficient, from the Reorganized  
7 Debtors. If a Professional does not timely provide an estimate as set forth above, the Debtors or  
8 Reorganized Debtors shall estimate the unpaid and unbilled fees and expenses of such Professional  
for purposes of funding the Professional Fee Escrow Account. The total amount of Professional Fee  
Claims estimated pursuant to this Section shall comprise the Professional Fee Reserve Amount. The  
Professional Fee Reserve Amount, as well as the return of any excess funds in the Professional Fee  
Escrow Account after all Allowed Professional Fee Claims have been paid in full, shall be allocated  
to the applicable Debtor for whose benefit such Professional Fees Claims were incurred.

9 (d) Except as otherwise specifically provided in the Plan, from and after the  
10 Effective Date, the Reorganized Debtors shall, in the ordinary course of business and without any  
11 further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable and  
12 documented legal, professional, or other fees and expenses incurred by the Reorganized Debtors.  
13 Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331,  
14 363, and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered  
after such date shall terminate, and the Reorganized Debtors may employ and pay any professional in  
the ordinary course of business without any further notice to or action, order, or approval of the  
Bankruptcy Court.

15 **2.3 DIP Facility Claims.** In full and final satisfaction, settlement, release, and  
16 discharge of the Allowed DIP Facility Claims against the Debtors (subject to the last sentence of this  
17 Section 2.3), on the Effective Date, such Allowed DIP Facility Claims shall be paid in full in Cash by  
18 the Debtors in the Allowed amount of such DIP Facility Claims and all commitments under the DIP  
19 Facility Documents shall terminate. On the Effective Date, any DIP Letters of Credit outstanding shall  
20 be replaced or canceled and returned to the issuing DIP Facility Lender in accordance with the terms  
21 of the applicable DIP Letter of Credit and the DIP Facility Documents. Upon the indefeasible payment  
22 or satisfaction in full in Cash of the DIP Facility Claims (other than any DIP Facility Claims based on  
the Debtors' contingent obligations under the DIP Facility Documents not yet due and payable), the  
termination of all commitments thereunder, and the replacement, return, collateralization or backstop  
of all outstanding DIP Letters of Credit in accordance with the terms of this Plan, on the Effective  
Date, all Liens granted to secure such obligations automatically shall be terminated and of no further  
force and effect.

23 **2.4 Priority Tax Claims.** In full and final satisfaction, settlement, release, and  
24 discharge of any Allowed Priority Tax Claim against a Debtor, except to the extent that the Debtors  
25 or Reorganized Debtors, as applicable, and a holder of an Allowed Priority Tax Claim agree to a less  
26 favorable treatment of such Claim, each holder of an Allowed Priority Tax Claim shall receive, at the  
27 option of the Debtors or Reorganized Debtors, (a) Cash in an amount equal to such Allowed Priority  
28 Tax Claim on the Effective Date or as soon as reasonably practicable thereafter, or (b) Cash, in equal  
semi-annual installments and continuing over a period not exceeding five (5) years from and after the  
Petition Date, together with interest accrued thereon at the applicable nonbankruptcy rate, which as to

1 any Allowed Priority Tax Claim of the Internal Revenue Service on behalf of the United States shall  
2 be the applicable rate specified by the Tax Code, as of the Confirmation Date, applied pursuant to  
3 section 511 of the Bankruptcy Code, subject to the sole option of the Reorganized Debtors to prepay  
4 the entire amount of the Allowed Priority Tax Claim. Any Allowed Priority Tax Claim that is not due  
and payable on or before the Effective Date shall be paid in the ordinary course of business as such  
obligation becomes due, together with any interest due at the applicable nonbankruptcy rate.

### 5 **ARTICLE III.**

#### 6 **CLASSIFICATION OF CLAIMS AND INTERESTS**

7 **3.1 Classification in General.** A Claim or Interest is placed in a particular Class  
8 for all purposes, including voting, confirmation, and distribution under the Plan and under sections  
9 1122 and 1123(a)(1) of the Bankruptcy Code; *provided that* a Claim or Interest is placed in a particular  
10 Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim  
or Interest is an Allowed Claim or Allowed Interest in that Class and such Allowed Claim or Allowed  
Interest has not been satisfied, released, or otherwise settled prior to the Effective Date.

#### 11 **3.2 Summary of Classification.**

12 (a) The following table designates the Classes of Claims against, and Interests in,  
13 the Debtors and specifies which of those Classes are (i) Impaired or Unimpaired by the Plan,  
14 (ii) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy  
Code, and (iii) presumed to accept or deemed to reject the Plan. In accordance with section 1123(a)(1)  
15 of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims have not been  
classified.

<u>Class</u>	<u>Designation</u>	<u>Impairment</u>	<u>Entitled to Vote</u>
<b>Claims Against and Interests in HoldCo</b>			
Class 1A	HoldCo Other Secured Claims	Unimpaired	No (presumed to accept)
Class 2A	HoldCo Priority Non-Tax Claims	Unimpaired	No (presumed to accept)
Class 3A	HoldCo Funded Debt Claims	Unimpaired	No (presumed to accept)
Class 4A	HoldCo General Unsecured Claims	Unimpaired	No (presumed to accept)
Class 5A-I	HoldCo Public Entities Wildfire Claims	Impaired	Yes
Class 5A-II	HoldCo Subrogation Wildfire Claims	Impaired	Yes
Class 5A-III	HoldCo Fire Victim Claims	Impaired	Yes
Class 5A-IV	HoldCo Ghost Ship Fire Claims	Unimpaired	No (presumed to accept)
Class 6A	HoldCo Workers' Compensation Claims	Unimpaired	No (presumed to accept)
Class 7A	HoldCo Environmental Claims	Unimpaired	No (presumed to accept)
Class 8A	HoldCo Intercompany Claims	Unimpaired	No (presumed to accept)
Class 9A	HoldCo Subordinated Debt Claims	Unimpaired	No (presumed to accept)
Class 10A-I	HoldCo Common Interests	Impaired	Yes
Class 10A-II	HoldCo Rescission or Damage Claims	Impaired	Yes
Class 11A	HoldCo Other Interests	Unimpaired	No (presumed to accept)
<b>Claims Against and Interests in the Utility</b>			
Class 1B	Utility Other Secured Claims	Unimpaired	No (presumed to accept)
Class 2B	Utility Priority Non-Tax Claims	Unimpaired	No (presumed to accept)
Class 3B-I	Utility Impaired Senior Note Claims	Impaired	Yes
Class 3B-II	Utility Reinstated Senior Note Claims	Unimpaired	No (presumed to accept)
Class 3B-III	Utility Short-Term Senior Note Claims	Impaired	Yes
Class 3B-IV	Utility Funded Debt Claims	Impaired	Yes
Class 3B-V	Utility PC Bond (2008 F and 2010 E) Claims	Unimpaired	No (presumed to accept)
Class 4B	Utility General Unsecured Claims	Unimpaired	No (presumed to accept)
Class 5B-I	Utility Public Entities Wildfire Claims	Impaired	Yes
Class 5B-II	Utility Subrogation Wildfire Claims	Impaired	Yes
Class 5B-III	Utility Fire Victim Claims	Impaired	Yes
Class 5B-IV	Utility Ghost Ship Fire Claims	Unimpaired	No (presumed to accept)
Class 6B	Utility Workers' Compensation Claims	Unimpaired	No (presumed to accept)
Class 7B	2001 Utility Exchange Claims	Unimpaired	No (presumed to accept)
Class 8B	Utility Environmental Claims	Unimpaired	No (presumed to accept)
Class 9B	Utility Intercompany Claims	Unimpaired	No (presumed to accept)
Class 10B	Utility Subordinated Debt Claims	Unimpaired	No (presumed to accept)
Class 11B	Utility Preferred Interests	Unimpaired	No (presumed to accept)
Class 12B	Utility Common Interests	Unimpaired	No (presumed to accept)

**3.3 Separate Classification of Other Secured Claims.** Each Other Secured Claim, to the extent secured by a Lien on Collateral different from the Collateral securing another Other Secured Claim, shall be treated as being in a separate sub-Class for the purposes of receiving distributions under this Plan.

**3.4 Nonconsensual Confirmation.** In the event any Impaired Class of Claims or Interests entitled to vote on the Plan does not accept the Plan by the requisite statutory majority under

1 section 1126(c) of the Bankruptcy Code, then the Debtors reserve the right to undertake to have the  
2 Bankruptcy Court confirm the Plan under section 1129(b) of the Bankruptcy Code.

3 **3.5 Debtors' Rights in Respect of Unimpaired Claims.** Except as otherwise  
4 provided in this Plan, nothing under this Plan shall affect the rights of the Reorganized Debtors in  
5 respect of any Claim that is not "impaired" (within the meaning of such term in section 1124 of the  
6 Bankruptcy Code), including all rights in respect of legal and equitable defenses to, or setoffs or  
7 recoupments against, any such Claim.

## 8 **ARTICLE IV.**

### 9 **TREATMENT OF CLAIMS AND INTERESTS**

#### 10 **4.1 Class 1A – HoldCo Other Secured Claims.**

11 (a) Treatment: In full and final satisfaction, settlement, release, and discharge of  
12 any Allowed HoldCo Other Secured Claim, except to the extent that the Debtors or Reorganized  
13 Debtors, as applicable, and a holder of an Allowed HoldCo Other Secured Claim agree to a less  
14 favorable treatment of such Claim, each holder of an Allowed HoldCo Other Secured Claim shall, at  
15 the option of the Debtors or Reorganized Debtors, (i) retain its HoldCo Other Secured Claim and the  
16 Collateral securing such Claim; (ii) receive Cash in an amount equal to such Allowed Claim, including  
17 the payment of any interest due and payable under section 506(b) of the Bankruptcy Code, on the  
18 Effective Date or as soon as reasonably practicable thereafter, but in no event later than thirty (30)  
19 days after the later to occur of (A) the Effective Date and (B) the date such Claim becomes an Allowed  
20 Claim; or (iii) receive treatment of such Allowed HoldCo Other Secured Claim in any other manner  
21 that is necessary to satisfy the requirements of section 1124 of the Bankruptcy Code. In the event a  
22 HoldCo Other Secured Claim is treated under clause (ii) of this Section 4.1(a), the Liens securing such  
23 Other Secured Claim shall be deemed released immediately upon payment.

24 (b) Impairment and Voting: The HoldCo Other Secured Claims are Unimpaired,  
25 and the holders of HoldCo Other Secured Claims are presumed to have accepted the Plan.

#### 26 **4.2 Class 2A – HoldCo Priority Non-Tax Claims.**

27 (a) Treatment: In full and final satisfaction, settlement, release, and discharge of  
28 any Allowed HoldCo Priority Non-Tax Claim, except to the extent that the Debtors or Reorganized  
Debtors, as applicable, and a holder of an Allowed HoldCo Priority Non-Tax Claim agree to a less  
favorable treatment of such Claim, each holder of an Allowed HoldCo Priority Non-Tax Claim shall  
receive, at the option of the Debtors or Reorganized Debtors, as applicable (i) Cash in an amount equal  
to such Allowed HoldCo Priority Non-Tax Claim, including interest through the Effective Date  
calculated at the Federal Judgment Rate, payable on the Effective Date or as soon as reasonably  
practicable thereafter, or (ii) such other treatment consistent with the provisions of section 1129(a)(9)  
of the Bankruptcy Code.

1 (b) Impairment and Voting: The HoldCo Priority Non-Tax Claims are  
2 Unimpaired, and the holders of HoldCo Priority Non-Tax Claims are presumed to have accepted the  
3 Plan.

4 **4.3 Class 3A: HoldCo Funded Debt Claims.**

5 (a) Treatment: In full and final satisfaction, settlement, release, and discharge of  
6 any Allowed HoldCo Funded Debt Claim, except to the extent that the Debtors or Reorganized  
7 Debtors, as applicable, and a holder of an Allowed HoldCo Funded Debt Claim agree to a less  
8 favorable treatment of such Claim, on the Effective Date or as soon as reasonably practicable  
9 thereafter, each holder of an Allowed HoldCo Funded Debt Claim shall receive Cash in an amount  
10 equal to (i) the principal amount outstanding as of the Petition Date of such holder's HoldCo Funded  
11 Debt Claim plus all accrued and unpaid interest owed as of the Petition Date at the non-default contract  
12 rate; (ii) all interest accrued from the Petition Date through the Effective Date at the Federal Judgment  
13 Rate; and (iii) fees and charges and other obligations owed through the Effective Date, solely to the  
14 extent provided for under the HoldCo Term Loan Documents or the HoldCo Revolver Documents, as  
15 applicable.

16 (b) Impairment and Voting: The HoldCo Funded Debt Claims are Unimpaired,  
17 and the holders of HoldCo Funded Debt Claims are presumed to have accepted the Plan.

18 **4.4 Class 4A: HoldCo General Unsecured Claims.**

19 (a) Treatment: In full and final satisfaction, settlement, release, and discharge of  
20 any Allowed HoldCo General Unsecured Claim, except to the extent that the Debtors or the  
21 Reorganized Debtors, as applicable, and a holder of an Allowed HoldCo General Unsecured Claim  
22 agree to a less favorable treatment of such Claim, on the Effective Date or as soon as reasonably  
23 practicable thereafter, but in no event later than thirty (30) days after the later to occur of (i) the  
24 Effective Date and (ii) the date such Claim becomes an Allowed Claim, each holder of an Allowed  
25 HoldCo General Unsecured Claim shall receive Cash in an amount equal to such holder's Allowed  
26 HoldCo General Unsecured Claim. The Allowed amount of any HoldCo General Unsecured Claim  
27 shall include all interest accrued from the Petition Date through the date of distribution at the Federal  
28 Judgment Rate.

(b) Impairment and Voting: The HoldCo General Unsecured Claims are  
Unimpaired, and holders of HoldCo General Unsecured Claims are presumed to have accepted the  
Plan.

**4.5 Class 5A-I – HoldCo Public Entities Wildfire Claims.**

(a) Treatment: On the Effective Date, all HoldCo Public Entities Wildfire Claims  
shall be deemed satisfied, settled, released and discharged through the treatment provided to Utility  
Public Entities Wildfire Claims. HoldCo Public Entities Wildfire Claims shall be satisfied solely from  
the Cash amount of \$1.0 billion and the Public Entities Segregated Defense Fund, as described in  
Section 4.24(a) of the Plan.

1 (b) Impairment and Voting: The HoldCo Public Entities Wildfire Claims are  
2 Impaired, and holders of HoldCo Public Entities Wildfire Claims are entitled to vote to accept or reject  
the Plan.

3 **4.6 Class 5A-II – HoldCo Subrogation Wildfire Claims.**

4 (a) Treatment: On the Effective Date, all HoldCo Subrogation Wildfire Claims  
5 shall be deemed satisfied, settled, released and discharged through the treatment provided to Utility  
6 Subrogation Wildfire Claims. Pursuant to the Channeling Injunction, each holder of a HoldCo  
7 Subrogation Wildfire Claim shall have its Claim permanently channeled to the Subrogation Wildfire  
8 Trust, and such Claim shall be asserted exclusively against the Subrogation Wildfire Trust in  
accordance with its terms, with no recourse to the Debtors, the Reorganized Debtors, or their respective  
assets and properties.

9 (b) Impairment and Voting: The HoldCo Subrogation Wildfire Claims are  
10 Impaired, and holders of HoldCo Subrogation Wildfire Claims are entitled to vote to accept or reject  
the Plan.

11 **4.7 Class 5A-III – HoldCo Fire Victim Claims.**

12 (a) Treatment: On the Effective Date, all HoldCo Fire Victim Claims shall be  
13 deemed satisfied, settled, released and discharged through the treatment provided to Utility Fire Victim  
14 Claims. Pursuant to the Channeling Injunction, each holder of a HoldCo Fire Victim Claim shall have  
its Claim permanently channeled to the Fire Victim Trust, and such Claim shall be asserted exclusively  
15 against the Fire Victim Trust in accordance with its terms, with no recourse to the Debtors, the  
Reorganized Debtors, or their respective assets and properties.

16 (b) Impairment and Voting: The HoldCo Fire Victim Claims are Impaired, and  
17 holders of HoldCo Fire Victim Claims are entitled to vote to accept or reject the Plan.

18 **4.8 Class 5A-IV – HoldCo Ghost Ship Fire Claims.**

19 (a) Treatment: On and after the Effective Date, each holder of a HoldCo Ghost Ship  
20 Fire Claim shall be entitled to pursue its Claim against Reorganized HoldCo as if the Chapter 11 Cases  
had not been commenced, *provided that* as provided in the Bankruptcy Court's *Order Re: Motion for*  
21 *Relief From Automatic Stay to Permit the Courts of the State of California to Conduct a Jury Trial*  
*and Related Pretrial and Post Trial Matters in Connection with the Ghost Ship Fire Cases* [Docket  
22 No. 5280] any recovery or payment with respect to the HoldCo Ghost Ship Fire Claims shall be limited  
solely to amounts available under the Debtors' Insurance (as such term is defined in such Order,  
23 including any remaining Self Insured Retention that may still be available at the time of any settlement  
or final judgment). Under no circumstances shall any holder of a HoldCo Ghost Ship Fire Claim be  
24 entitled to receive any recovery from the Debtors or Reorganized Debtors, or their respective assets or  
properties other than as provided in the immediately preceding sentence.

25 (b) Impairment and Voting: The HoldCo Ghost Ship Fire Claims are Unimpaired,  
26 and the holders of HoldCo Ghost Ship Fire Claims are presumed to have accepted the Plan.

1                   **4.9     Class 6A – HoldCo Workers’ Compensation Claims.**

2                   (a)     Treatment: On and after the Effective Date, each holder of a HoldCo Workers’  
3 Compensation Claim shall be entitled to pursue its Claim against Reorganized HoldCo as if the  
4 Chapter 11 Cases had not been commenced.

5                   (b)     Impairment and Voting: The HoldCo Workers’ Compensation Claims are  
6 Unimpaired, and holders of HoldCo Workers’ Compensation Claims are presumed to have accepted  
7 the Plan.

8                   **4.10    Class 7A – HoldCo Environmental Claims.**

9                   (a)     Treatment: On and after the Effective Date, each holder of a HoldCo  
10 Environmental Claim shall be entitled to pursue its Claim against Reorganized HoldCo as if the  
11 Chapter 11 Cases had not been commenced, and each Environmental Performance Obligation against  
12 HoldCo shall also survive the Effective Date as if the Chapter 11 Cases had not been commenced.

13                   (b)     Impairment and Voting: The HoldCo Environmental Claims are Unimpaired,  
14 and holders of HoldCo Environmental Claims are presumed to have accepted the Plan.

15                   **4.11    Class 8A – HoldCo Intercompany Claims.**

16                   (a)     Treatment: On the Effective Date, all Allowed HoldCo Intercompany Claims  
17 shall either be (i) cancelled (or otherwise eliminated) and receive no distribution under the Plan or (ii)  
18 Reinstated, in each case as determined in the sole discretion of the Debtors or the Reorganized Debtors,  
19 as applicable.

20                   (b)     Impairment and Voting: The HoldCo Intercompany Claims are Unimpaired,  
21 and the holders of HoldCo Intercompany Claims are presumed to have accepted the Plan.

22                   **4.12    Class 9A – HoldCo Subordinated Debt Claims.**

23                   (a)     Treatment: In full and final satisfaction, settlement, release, and discharge of  
24 any HoldCo Subordinated Debt Claim, except to the extent that the Debtors or the Reorganized  
25 Debtors, as applicable, and a holder of an Allowed HoldCo Subordinated Debt Claim agree to a less  
26 favorable treatment of such Claim, on the Effective Date or as soon as reasonably practicable  
27 thereafter, each holder of an Allowed HoldCo Subordinated Debt Claim shall receive Cash in an  
28 amount equal to such holder’s Allowed HoldCo Subordinated Debt Claim.

                  (b)     Impairment and Voting: The HoldCo Subordinated Debt Claims are  
Unimpaired, and the holders of HoldCo Subordinated Debt Claims are presumed to have accepted the  
Plan.

**4.13    Class 10A-I – HoldCo Common Interests.**

                  (a)     Treatment: On the Effective Date, subject to the New Organizational  
Documents, each holder of a HoldCo Common Interest shall retain such Interest subject to dilution

1 from any New HoldCo Common Stock, or securities linked to New HoldCo Common Stock, issued  
2 pursuant to the Plan and, if applicable, shall receive a pro rata distribution of any subscription rights  
to be distributed to holders of HoldCo Common Interests in connection with a Rights Offering.

3 (b) Impairment and Voting: The HoldCo Common Interests are Impaired, and the  
4 holders of HoldCo Common Interests are entitled to vote to accept or reject the Plan.

5 **4.14 Class 10A-II – HoldCo Rescission or Damage Claims.**

6 (a) Treatment: In full and final satisfaction, settlement, release, and discharge of  
7 any HoldCo Rescission or Damage Claim, except to the extent that the Debtors or the Reorganized  
8 Debtors, as applicable, and a holder of an Allowed HoldCo Rescission or Damage Claim agree to a  
9 less favorable treatment of such Claim, on the Effective Date or as soon as reasonably practicable  
10 thereafter but in no event later than thirty (30) days after the later to occur of (i) the Effective Date and  
(ii) the date such Claim becomes an Allowed Claim, each holder of an Allowed HoldCo Rescission or  
Damage Claim shall receive a number of shares of New HoldCo Common Stock equal to such holder's  
HoldCo Rescission or Damage Claim Share.

11 (b) Impairment and Voting: The HoldCo Rescission or Damage Claims are  
12 Impaired, and the holders of HoldCo Rescission or Damage Claims are entitled to vote to accept or  
reject the Plan.

13 **4.15 Class 11A – HoldCo Other Interests.**

14 (a) Treatment: On the Effective Date, each holder of a HoldCo Other Interest shall  
15 have such holder's HoldCo Other Interest Reinstated.

16 (b) Impairment and Voting: The HoldCo Other Interests are Unimpaired, and the  
17 holders of HoldCo Other Interests are presumed to have accepted the Plan.

18 **4.16 Class 1B – Utility Other Secured Claims.**

19 (a) Treatment: In full and final satisfaction, settlement, release, and discharge of  
20 any Allowed Utility Other Secured Claim, except to the extent that the Debtors or Reorganized  
21 Debtors, as applicable, and a holder of an Allowed Utility Other Secured Claim agree to a less  
22 favorable treatment of such Claim, each holder of an Allowed Utility Other Secured Claim shall, at  
23 the option of the Debtors or Reorganized Debtors, (i) retain its Utility Other Secured Claim and the  
24 Collateral securing such Claim; (ii) receive Cash in an amount equal to such Allowed Claim, including  
25 the payment of any interest due and payable under section 506(b) of the Bankruptcy Code, on the  
26 Effective Date or as soon as reasonably practicable thereafter, but in no event later than thirty (30)  
27 days after the later to occur of (A) the Effective Date and (B) the date such Claim becomes an Allowed  
28 Claim; or (iii) receive treatment of such Allowed Utility Other Secured Claim in any other manner  
that is necessary to satisfy the requirements of section 1124 of the Bankruptcy Code. In the event a  
Utility Other Secured Claim is treated under clause (ii) of this Section 4.16(a), the Liens securing such  
Other Secured Claim shall be deemed released immediately upon payment.

1 (b) Impairment and Voting: The Utility Other Secured Claims are Unimpaired,  
2 and the holders of Utility Other Secured Claims are presumed to have accepted the Plan.

3 **4.17 Class 2B – Utility Priority Non-Tax Claims.**

4 (a) Treatment: In full and final satisfaction, settlement, release, and discharge of  
5 any Allowed Utility Priority Non-Tax Claim, except to the extent that the Debtors or Reorganized  
6 Debtors, as applicable, and a holder of an Allowed Utility Priority Non-Tax Claim agree to a less  
7 favorable treatment of such Claim, each holder of an Allowed Utility Priority Non-Tax Claim shall  
8 receive, at the option of the Debtors or the Reorganized Debtors, as applicable (i) Cash in an amount  
9 equal to such Allowed Utility Priority Non-Tax Claim, including interest through the Effective Date  
10 calculated at the Federal Judgment Rate, payable on the Effective Date or as soon as reasonably  
11 practicable thereafter, or (ii) such other treatment consistent with the provisions of section 1129(a)(9)  
12 of the Bankruptcy Code.

13 (b) Impairment and Voting: The Utility Priority Non-Tax Claims are Unimpaired,  
14 and the holders of Utility Priority Non-Tax Claims are presumed to have accepted the Plan.

15 **4.18 Class 3B-I – Utility Impaired Senior Note Claims.**

16 (a) Treatment: On the Effective Date, holders of Utility Impaired Senior Note  
17 Claims shall receive Cash equal to their Utility Impaired Senior Note Claim Interest Amount and equal  
18 amounts of each issue of the New Utility Long-Term Notes in an aggregate amount equal to such  
19 holder's Utility Impaired Senior Note Claim Principal Amount.

20 (b) Impairment and Voting: The Utility Impaired Senior Note Claims are Impaired,  
21 and holders of Utility Impaired Senior Note Claims are entitled to vote to accept or reject the Plan.

22 **4.19 Class 3B-II – Utility Reinstated Senior Note Claims.**

23 (a) Treatment: On the Effective Date, each holder of a Utility Reinstated Senior  
24 Note Claim shall have such holder's Utility Reinstated Senior Note Claim Reinstated.

25 (b) Impairment and Voting: The Utility Reinstated Senior Note Claims are  
26 Unimpaired, and holders of Utility Reinstated Senior Note Claims are presumed to have accepted the  
27 Plan.

28 **4.20 Class 3B-III – Utility Short-Term Senior Note Claims.**

(a) Treatment: On the Effective Date, holders of Utility Short-Term Senior Note  
Claims shall receive Cash equal to their Utility Short-Term Senior Note Claim Interest Amount and  
equal amounts of each issue of New Utility Short-Term Notes in an aggregate amount equal to such  
holder's Utility Short-Term Senior Note Claim Principal Amount.

(b) Impairment and Voting: The Utility Short-Term Senior Note Claims are  
Impaired, and the holders of Utility Short-Term Senior Note Claims are entitled to vote to accept or  
reject the Plan.

1                   **4.21    Class 3B-IV: Utility Funded Debt Claims.**

2                   (a)    Treatment: On the Effective Date, holders of Utility Funded Debt Claims shall  
3 receive Cash equal to their Utility Funded Debt Claim Interest and Charges Amount and equal amounts  
4 of each issue of the New Utility Funded Debt Exchange Notes in an aggregate amount equal to such  
5 holder's Utility Funded Debt Claim Principal Amount. On the Effective Date, any Utility Letters of  
6 Credit outstanding shall be replaced or canceled and returned to the issuing Utility Revolver Lender  
7 in accordance with the terms of the applicable Utility Letter of Credit and the Utility Revolver  
8 Documents.

9                   (b)    Impairment and Voting: The Utility Funded Debt Claims are Impaired, and  
10 holders of Utility Funded Debt Claims are entitled to vote to accept or reject the Plan.

11                   **4.22    Class 3B-V: Utility PC Bond (2008 F and 2010 E) Claims.**

12                   (a)    Treatment: In full and final satisfaction, settlement, release, and discharge of  
13 any Allowed Utility PC Bond (2008 F and 2010 E) Claim, except to the extent that the Debtors or  
14 Reorganized Debtors, as applicable, and a holder of an Allowed Utility PC Bond (2008 F and 2010 E)  
15 Claim agree to a less favorable treatment of such Claim, on the Effective Date or as soon as reasonably  
16 practicable thereafter, each holder of an Allowed Utility PC Bond (2008 F and 2010 E) Claim shall  
17 receive Cash in an amount equal to (i) the principal amount outstanding as of the Petition Date of such  
18 holder's Utility PC Bond (2008 F and 2010 E) Claim plus all accrued and unpaid interest owed as of  
19 the Petition Date at the non-default contract rate; (ii) all interest accrued from the Petition Date through  
20 the Effective Date at the Federal Judgment Rate; and (iii) fees and charges and other obligations owed  
21 through the Effective Date, solely to the extent provided for under the applicable PC Bond (2008 F  
22 and 2010 E) Documents.

23                   (b)    Impairment and Voting: The Utility PC Bond (2008 F and 2010 E) Claims are  
24 Unimpaired, and the holders of Utility PC Bond (2008 F and 2010 E) Claims are presumed to have  
25 accepted the Plan.

26                   **4.23    Class 4B: Utility General Unsecured Claims.**

27                   (a)    Treatment: In full and final satisfaction, settlement, release, and discharge of  
28 any Allowed Utility General Unsecured Claim, except to the extent that the Debtors or Reorganized  
Debtors, as applicable, and a holder of an Allowed Utility General Unsecured Claim agree to a less  
favorable treatment of such Claim, on the Effective Date or as soon as reasonably practicable  
thereafter, but in no event later than thirty (30) days after the later to occur of (i) the Effective Date  
and (ii) the date such Claim becomes an Allowed Claim, each holder of an Allowed Utility General  
Unsecured Claim shall receive Cash in an amount equal to such holder's Allowed Utility General  
Unsecured Claim. The Allowed amount of any Utility General Unsecured Claim shall reflect all  
interest accrued from the Petition Date through the date of distribution at the Federal Judgment Rate.

(b)    Impairment and Voting: The Utility General Unsecured Claims are  
Unimpaired, and the holders of Utility General Unsecured Claims are presumed to have accepted the  
Plan.

1                   **4.24    Class 5B-I – Utility Public Entities Wildfire Claims.**

2                   (a)    Treatment: In full and final satisfaction, settlement, release, and discharge of  
3 all Allowed Utility Public Entities Wildfire Claims, on the Effective Date, or as soon as reasonably  
4 practicable thereafter, but in no event later than thirty (30) days after the Effective Date, the Public  
5 Entities shall receive an aggregate Cash amount of \$1.0 billion, as provided in the Public Entities Plan  
6 Support Agreements, to be distributed in accordance with the Public Entities Settlement Distribution  
7 Protocol. The Reorganized Debtors shall also establish the Public Entities Segregated Defense Fund,  
8 in accordance with the terms of the Public Entities Plan Support Agreements. Utility Public Entities  
9 Wildfire Claims shall be satisfied solely from the Cash amount of \$1.0 billion and the Public Entities  
10 Segregated Defense Fund, as described above.

11                   (b)    Impairment and Voting: The Utility Public Entities Wildfire Claims are  
12 Impaired, and holders of the Utility Public Entities Wildfire Claims are entitled to vote to accept or  
13 reject the Plan.

14                   **4.25    Class 5B-II – Utility Subrogation Wildfire Claims.**

15                   The Utility Subrogation Wildfire Claims shall be treated as follows:

16                   (a)    Allowance: For purposes of this Plan, and in accordance with the Subrogation  
17 Claims RSA Approval Order, the Utility Subrogation Wildfire Claims shall be settled and Allowed in  
18 the aggregate amount of \$11 billion.

19                   (b)    Treatment: On the Effective Date or as soon as reasonably practicable  
20 thereafter, the Reorganized Debtors shall fund the Subrogation Wildfire Trust with Cash in the amount  
21 of \$11 billion. No postpetition, and pre-Effective Date, interest shall be paid with respect to the Utility  
22 Subrogation Wildfire Claims as Allowed pursuant to the immediately preceding clause (a). All Utility  
23 Subrogation Wildfire Claims shall be satisfied solely from the assets funded to the Subrogation  
24 Wildfire Trust. The Plan may be amended prior to the entry of the Disclosure Statement Order in  
25 accordance with the Subrogation Claims RSA to replace a portion of the Cash consideration with  
26 Non-cash Recovery.

27                   (c)    Professional Fees: On the Effective Date, the Reorganized Debtors shall pay  
28 the reasonable, documented, and contractual professional fees of the Ad Hoc Professionals (as such  
term is defined in the Subrogation Claims RSA) up to an aggregate amount of \$55 million (inclusive  
of all such fees and expenses paid by the Debtors prior to the Effective Date, and which shall include  
success fees, transaction fees or other similar fees). The Reorganized Debtors are authorized to pay  
the professional fees and expenses of Rothschild & Co US Inc., Kekst and Company Incorporated  
d/b/a Kekst CNC, and Wilson Public Affairs, in each case subject to, and in accordance with, the  
Subrogation Claims RSA without the necessity of filing formal fee applications. Solely with respect  
to fees and expenses for professional services rendered by Willkie Farr & Gallagher LLP and Diemer  
& Wei LLP, the Reorganized Debtors are authorized to pay such fees and expenses ten (10) business  
after the receipt by the Debtors and the U.S. Trustee (the “**Review Period**”) of invoices therefor (the  
“**Invoiced Fees**”) and without the necessity of filing formal fee applications. The invoices for such  
Invoiced Fees shall include the number of hours billed and the aggregate expenses incurred by the

1 applicable professional firm; *provided, however*, that any such invoice (i) may be limited and/or  
2 redacted to protect privileged, confidential, or proprietary information and (ii) shall not be required to  
3 contain individual time detail (provided that such invoice shall contain summary data regarding hours  
4 worked by each timekeeper for the applicable professional and such timekeepers' hourly rates). The  
5 Reorganized Debtors and the U.S. Trustee may object to any portion of the Invoiced Fees (the  
6 "**Disputed Invoiced Fees**") within the Review Period by filing with the Court a motion or other  
7 pleading, on at least ten days' prior written notice (but no more than 30 days' notice) of any hearing  
8 on such motion or other pleading, setting forth the specific objections to the Disputed Invoiced Fees  
9 in reasonable narrative detail and the bases for such objections; provided that the Reorganized Debtors  
10 shall pay all amounts that are not the subject of such objection upon the expiration of the Review  
11 Period and shall pay the balance following resolution of any such objection or upon an order of the  
12 Bankruptcy Court.

13 (d) Distributions and Discharge: Funding of the Subrogation Wildfire Trust as  
14 provided above shall be in restitution and in full and final satisfaction, release, and discharge of all  
15 Subrogation Wildfire Claims. Each holder of a Subrogation Wildfire Claim that is party to the  
16 Subrogation Wildfire Claim Allocation Agreement shall receive payment as determined in accordance  
17 with the Subrogation Wildfire Claim Allocation Agreement. Holders of Disputed Subrogation  
18 Wildfire Claims as of the Effective Date shall not receive any payment unless and until such claims  
19 either are resolved consensually as between such holders and the Subrogation Wildfire Trustee or  
20 become Allowed Claims.

21 (e) Channeling Injunction: On the Effective Date, the Debtors' liability for all  
22 Utility Subrogation Wildfire Claims shall be fully assumed by, and be the sole responsibility of, the  
23 Subrogation Wildfire Trust, and all such Claims shall be satisfied solely from the assets of the  
24 Subrogation Wildfire Trust. Pursuant to the Channeling Injunction, each holder of a Utility  
25 Subrogation Wildfire Claim shall have its Claim permanently channeled to the Subrogation Wildfire  
26 Trust, and such Claim shall be asserted exclusively against the Subrogation Wildfire Trust in  
27 accordance with its terms, with no recourse to the Debtors, the Reorganized Debtors, or their respective  
28 assets and properties.

(f) In accordance with the provisions of the Subrogation Claims RSA, the Confirmation Order shall contain the following findings and order:

(i) the resolution of the Debtors' insolvency proceeding provides funding or establishes reserves for, provides for assumption of, or otherwise provides for satisfying any prepetition wildfire claims asserted against the Debtors in the insolvency proceeding in the amounts agreed upon in any pre-insolvency proceeding settlement agreements or any post-insolvency settlement agreements, authorized by the court through an estimation process or otherwise allowed by the court, and

(ii) except with respect to any settlement or other agreement regarding the Fire Victim Claims asserted by Adventist Health System/West and Feather River Hospital d/b/a Adventist Health Feather River, any settlement or other agreement with any holder or holders of a Fire Victim Claim that fixes the amount or terms for satisfaction of such Claim, including by a post-Effective Date trust established for the resolution and payment of such

1 Claim, shall contain as a condition to such settlement or other agreement that the holder or  
2 holders of such Claim contemporaneously execute and deliver a release and waiver of any  
3 potential made-whole claims against present and former holders of Subrogation Wildfire  
Claims, which release shall be substantially in the form attached hereto as Exhibit C.

4 (g) Impairment and Voting: The Utility Subrogation Wildfire Claims are Impaired,  
and holders of Utility Subrogation Wildfire Claims are entitled to vote to accept or reject the Plan.

5 **4.26 Class 5B-III – Utility Fire Victim Claims.**

6 (a) Treatment: In accordance with the requirements of section 3292 of the Wildfire  
7 Legislation (A.B. 1054), on the Effective Date or as soon as reasonably practicable thereafter, the  
8 Reorganized Debtors shall establish and fund the Fire Victim Trust with the Aggregate Fire Victim  
Consideration. Utility Fire Victim Claims shall be satisfied solely from the Fire Victim Trust.

9 (b) Funding of the Fire Victim Trust as provided above shall be in restitution and  
10 full and final satisfaction, release, and discharge of all Fire Victim Claims. Each holder of a Fire  
Victim Claim shall receive payment as determined in accordance with the Fire Victim Claims  
11 Resolution Procedures.

12 (c) On the Effective Date, the Debtors' liability for all Utility Fire Victim Claims  
13 shall be fully assumed by, and be the sole responsibility of the Fire Victim Trust, and all such Claims  
shall be satisfied solely from the assets of the Fire Victim Trust. Pursuant to the Channeling  
14 Injunction, each holder of a Utility Fire Victim Claim shall have its Claim permanently channeled to  
the Fire Victim Trust, and such Claim shall be asserted exclusively against the Fire Victim Trust in  
15 accordance with its terms, with no recourse to the Debtors, the Reorganized Debtors, or their respective  
assets and properties.

16 (d) Impairment and Voting: The Utility Fire Victim Claims are Impaired, and  
17 holders of Utility Fire Victim Claims are entitled to vote to accept or reject the Plan.

18 **4.27 Class 5B-IV – Utility Ghost Ship Fire Claims.**

19 (a) Treatment: On and after the Effective Date, each holder of a Utility Ghost Ship  
20 Fire Claim shall be entitled to pursue its Claim against the Reorganized Utility as if the Chapter 11  
Cases had not been commenced, *provided that* as provided in the Bankruptcy Court's *Order Re:*  
21 *Motion for Relief From Automatic Stay to Permit the Courts of the State of California to Conduct a*  
*Jury Trial and Related Pretrial and Post Trial Matters in Connection with the Ghost Ship Fire Cases*  
22 [Docket No. 5280] any recovery or payment with respect to the Utility Ghost Ship Fire Claims shall  
be limited solely to amounts available under the Debtors' Insurance (as such term is defined in such  
23 Order, including any remaining Self Insured Retention that may still be available at the time of any  
settlement or final judgment). Under no circumstances shall any holder of a Utility Ghost Ship Fire  
24 Claim be entitled to receive any recovery from the Debtors or Reorganized Debtors, or their respective  
assets or properties other than as provided in the immediately preceding sentence.  
25  
26  
27  
28

1 (b) Impairment and Voting: The Utility Ghost Ship Fire Claims are Unimpaired,  
2 and the holders of Utility Ghost Ship Fire Claims are presumed to have accepted the Plan.

3 **4.28 Class 6B – Utility Workers’ Compensation Claims.**

4 (a) Treatment: On and after the Effective Date, each holder of a Utility Workers’  
5 Compensation Claim shall be entitled to pursue its Claim against the Reorganized Utility as if the  
6 Chapter 11 Cases had not been commenced.

7 (b) Impairment and Voting: The Utility Workers’ Compensation Claims are  
8 Unimpaired, and holders of Utility Workers’ Compensation Claims are presumed to have accepted the  
9 Plan.

10 **4.29 Class 7B – 2001 Utility Exchange Claims.**

11 (a) Treatment: On and after the Effective Date, each holder of a 2001 Utility  
12 Exchange Claim shall be entitled to pursue its Claim against the Reorganized Utility as if the Chapter  
13 11 Cases had not been commenced.

14 (b) Impairment and Voting: The 2001 Utility Exchange Claims are Unimpaired,  
15 and holders of 2001 Utility Exchange Claims are presumed to have accepted the Plan.

16 **4.30 Class 8B – Utility Environmental Claims.**

17 (a) Treatment: On and after the Effective Date, each holder of a Utility  
18 Environmental Claim shall be entitled to pursue its Claim against the Reorganized Utility as if the  
19 Chapter 11 Cases had not been commenced, and each Environmental Performance Obligation against  
20 the Utility shall also survive the Effective Date as if the Chapter 11 Cases had not been commenced.

21 (b) Impairment and Voting: The Utility Environmental Claims are Unimpaired, and  
22 holders of Utility Environmental Claims are presumed to have accepted the Plan.

23 **4.31 Class 9B – Utility Intercompany Claims.**

24 (a) Treatment: On the Effective Date, all Allowed Utility Intercompany Claims  
25 shall either be (i) cancelled (or otherwise eliminated) and receive no distribution under the Plan or  
26 (ii) Reinstated, in each case as determined in the sole discretion of the Debtors or the Reorganized  
27 Debtors, as applicable.

28 (b) Impairment and Voting: The Utility Intercompany Claims are Unimpaired, and  
holders of Utility Intercompany Claims are presumed to have accepted the Plan.

**4.32 Class 10B – Utility Subordinated Debt Claims.**

(a) Treatment: In full and final satisfaction, settlement, release, and discharge of  
any Utility Subordinated Debt Claim, except to the extent that the Debtors or the Reorganized Debtors,  
as applicable, and a holder of an Allowed Utility Subordinated Debt Claim agree to a less favorable

1 treatment of such Claim, on the Effective Date or as soon as reasonably practicable thereafter, each  
2 holder of an Allowed Utility Subordinated Debt Claim shall receive Cash in an amount equal to such  
holder's Allowed Utility Subordinated Debt Claim.

3 (b) Impairment and Voting: The Utility Subordinated Debt Claims are  
4 Unimpaired, and the holders of Utility Subordinated Debt Claims are presumed to have accepted the  
Plan.

5 **4.33 Class 11B – Utility Preferred Interests.**

6 (a) Treatment: On the Effective Date, all Utility Preferred Interests shall be  
7 Reinstated.

8 (b) Impairment and Voting: The Utility Preferred Interests are Unimpaired, and  
9 holders of Utility Preferred Interests are presumed to have accepted the Plan.

10 **4.34 Class 12B – Utility Common Interests.**

11 (a) Treatment: On the Effective Date, all Utility Common Interests shall be  
12 Reinstated.

13 (b) Impairment and Voting: The Utility Common Interests are Unimpaired, and  
the holders of Utility Common Interests are presumed to have accepted the Plan.

14 **ARTICLE V.**

15 **PROVISIONS GOVERNING DISTRIBUTIONS**

16 **5.1 Distributions Generally.** Except as otherwise provided in the Plan, the  
17 Wildfire Trust Agreements, or the Claims Resolution Procedures the Disbursing Agent shall make all  
18 distributions to the appropriate holders of Allowed Claims, or such other persons designated by this  
Plan, in accordance with the terms of this Plan.

19 **5.2 Plan Funding.** Except as otherwise provided in the Plan, the Wildfire Trust  
20 Agreements, or the Claims Resolution Procedures, distributions of Cash shall be funded from the  
proceeds of the Plan Funding or the Wildfire Insurance Proceeds as of the applicable date of such  
21 distribution as set forth herein.

22 **5.3 No Postpetition or Default Interest on Claims.** Except as otherwise  
23 specifically provided for in this Plan or the Confirmation Order, or another order of the Bankruptcy  
Court or required by the Bankruptcy Code, postpetition and/or default interest shall not accrue or be  
24 paid on any Claims, and no holder of a Claim shall be entitled to interest accruing on such Claim on  
or after the Petition Date.

25 **5.4 Date of Distributions.** Unless otherwise provided in this Plan, the Wildfire  
26 Trust Agreements, or the Claims Resolution Procedures, any distributions and deliveries to be made  
under this Plan shall be made on the Effective Date or as soon as reasonably practicable thereafter;  
27  
28

1 *provided*, that the Reorganized Debtors may implement periodic distribution dates to the extent they  
2 determine appropriate. Holders of Fire Claims subject to the Claims Resolution Procedures shall  
3 receive distributions in accordance with the applicable Claims Resolution Procedures.

4 **5.5 Distribution Record Date.** Except as otherwise provided in the Wildfire Trust  
5 Agreements or the Claims Resolution Procedures, as of the close of business on the Distribution  
6 Record Date, the various lists of holders of Claims and Interests in each Class, as maintained by the  
7 Debtors or their agents, shall be deemed closed, and there shall be no further changes in the record  
8 holders of any Claims or Interests after the Distribution Record Date. None of the Debtors, the  
9 Reorganized Debtors, or the Disbursing Agent shall have any obligation to recognize any transfer of  
10 a Claim or Interest occurring after the close of business on the Distribution Record Date. In addition,  
11 with respect to the reconciliation of any Cure Amounts or disputes over any Cure Amounts, none of  
12 the Debtors, the Reorganized Debtors, or the Disbursing Agent shall have any obligation to recognize  
13 or deal with any party other than the non-Debtor party to the applicable executory contract or  
14 unexpired lease, even if such non-Debtor party has sold, assigned, or otherwise transferred its Claim  
15 for a Cure Amount; *provided, however* that a distribution on account of any Claim for a Cure Amount  
16 that has been duly and properly sold, assigned, or otherwise transferred prior to the Distribution Record  
17 Date (on appropriate notice and otherwise in accordance with applicable Bankruptcy and non-  
18 Bankruptcy law) shall be made to the purchaser, assignee, or transferee of such Claim for a Cure  
19 Amount as set forth in the Official Claims Register for these Chapter 11 Cases.

20 **5.6 Disbursing Agent.** Except as otherwise provided in the Plan or the Wildfire  
21 Trust Agreements, all distributions under this Plan shall be made by the Disbursing Agent, on behalf  
22 of the applicable Debtor, on and after the Effective Date as provided herein. The Disbursing Agent  
23 shall not be required to give any bond or surety or other security for the performance of its duties. The  
24 Debtors or the Reorganized Debtors, as applicable, shall use commercially reasonable efforts to  
25 provide the Disbursing Agent (if other than the Reorganized Debtors) with the amounts of Claims and  
26 the identities and addresses of holders of Claims, in each case, as set forth in the Debtors' or  
27 Reorganized Debtors' books and records. The Debtors or the Reorganized Debtors, as applicable,  
28 shall cooperate in good faith with the Disbursing Agent (if other than the Reorganized Debtors) to  
comply with the reporting and withholding requirements outlined in Section 5.15 of this Plan. Fire  
Claims subject to the Channeling Injunction shall not be administered by the Disbursing Agent and  
shall instead be administered by the Wildfire Trusts. Notwithstanding any provision of the Plan to the  
contrary, distributions to holders of Allowed Funded Debt Claims and Allowed Utility Senior Note  
Claims shall be made to or at the direction of the applicable Funded Debt Trustee, which shall, to the  
extent directed by the applicable Funded Debt Trustee, act as Disbursing Agent for distributions to the  
respective Holders of Allowed Funded Debt Claims and Allowed Utility Senior Note Claims under  
the applicable Funded Debt Documents. The Funded Debt Trustees, as applicable, may transfer such  
distributions or direct the transfer of such distributions by the Debtors or through the facilities of DTC  
(whether by means of book-entry exchange, free delivery, or otherwise) and will be entitled to  
recognize and deal for all purposes under the Plan with holders of Allowed Funded Debt Claims or  
Allowed Utility Senior Note Claims to the extent consistent with the customary practices of DTC or  
the customary practices for administrative agents under syndicated credit facilities (as applicable).  
Distributions in respect of Allowed Funded Debt Claims and Allowed Utility Senior Notes Claims  
shall be subject in all respects to the right of the applicable Funded Debt Trustee to assert its Charging

1 Lien, if any, against such distributions. All distributions to be made to holders of Allowed Utility  
2 Senior Note Claims shall be eligible to be distributed through the facilities of DTC and as provided  
3 for under the applicable Funded Debt Documents.

### 3 **5.7 Delivery of Distributions.**

4 (a) Except as otherwise provided in the Plan, the Wildfire Trust Agreements, or the  
5 Claims Resolution Procedures, the Disbursing Agent will make the applicable distribution under this  
6 Plan and, subject to Bankruptcy Rule 9010, will make all distributions to any holder of an Allowed  
7 Claim as and when required by this Plan at: (i) the address of such holder on the books and records  
8 of the Debtors or their agents, (ii) the address in the most recent proof of claim filed by such holder,  
9 or (iii) the address in any written notice of address change delivered to the Debtors or the Disbursing  
10 Agent, including any addresses included on any transfers of Claim filed pursuant to Bankruptcy Rule  
11 3001. In the event that any distribution to any holder is returned as undeliverable, no distribution or  
12 payment to such holder shall be made unless and until the Disbursing Agent has been notified of the  
13 then current address of such holder, at which time or as soon thereafter as reasonably practicable, such  
14 distribution shall be made to such holder without interest.

15 (b) The Disbursing Agent, with the Funded Debt Trustees' cooperation and  
16 consistent with Section 5.6 of this Plan, shall make any distributions on account of the Allowed Funded  
17 Debt Claims and Utility Senior Note Claims. At the request of the Debtors or Reorganized Debtors,  
18 each Funded Debt Trustee shall provide a copy of any registry or list of beneficial owners maintained  
19 by the Funded Debt Trustees to the Debtors or Reorganized Debtors, as applicable, as soon as  
20 reasonably practicable following such request and, to the extent specifically requested by the Debtors  
21 or Reorganized Debtors, such Funded Debt Trustee shall freeze such registry on a date specified by  
22 the Debtors or Reorganized Debtors for purposes of permitting distributions to be made pursuant to  
23 this Plan. If the applicable Funded Debt Document so provides, the Disbursing Agent may make  
24 distributions on account of the Allowed Funded Debt Claims, Utility Senior Note Claims, or Utility  
25 PC Bond (2008 F and 2010 E) Claims to the applicable Funded Debt Trustee. The Funded Debt  
26 Trustees shall have no duties or responsibility relating to any form of distribution that is not DTC  
27 eligible and the Disbursing Agent, the Debtors, or the Reorganized Debtors, as applicable, shall seek  
28 the cooperation of DTC so that any distribution on account of an Allowed Funded Debt Claim, Utility  
29 Senior Note Claim, or Utility PC Bond (2008 F and 2010 E) Claim that is held in the name of, or by a  
30 nominee of, DTC, shall be made through the facilities of DTC on the Effective Date or as soon as  
31 practicable thereafter. The Reorganized Debtors shall reimburse the Funded Debt Trustees for any  
32 reasonable and documented fees and expenses (including the reasonable and documented fees and  
33 expenses of its counsel and agents) incurred after the Effective Date solely in connection with actions  
34 explicitly requested by the Reorganized Debtors necessary for implementation of the Plan; *provided*,  
35 that, for the avoidance of doubt, nothing in the Plan or Confirmation Order shall be considered or  
36 construed as an explicit request by the Reorganized Debtors authorizing the incurrence of fees and  
37 expenses by the Funded Debt Trustees.

38 **5.8 Unclaimed Property.** For distributions other than from the Wildfire Trusts, all  
39 distributions payable on account of Claims or Interests that are not deliverable, or have not responded  
40 to a request for information to make such delivery, and remain unclaimed shall be deemed unclaimed  
41 property under section 347(b) of the Bankruptcy Code and shall revert to the Reorganized Debtors or

1 their successors or assigns one year from the later of (a) the Effective Date and (b) the date that is ten  
2 (10) Business Days after the date a Claim is first Allowed, and all claims of any other Entity (including  
3 the holder of a Claim in the same Class) to such distribution shall be discharged and forever barred.  
4 The Reorganized Debtors and the Disbursing Agent shall have no obligation to attempt to locate any  
holder of an Allowed Claim other than by reviewing the Debtors' books and records and filings with  
the Bankruptcy Court.

5 **5.9 Satisfaction of Claims.** Unless otherwise provided herein, any distributions  
6 and deliveries to be made on account of Allowed Claims under this Plan shall be in complete and final  
satisfaction, settlement, and discharge of and exchange for such Allowed Claims.

7 **5.10 Fractional Stock.** No fractional shares or Interests of New HoldCo Common  
8 Stock shall be distributed. If any distributions of New HoldCo Common Stock pursuant to the Plan  
9 or the Plan Documents would result in the issuance of a fractional share or Interest of New HoldCo  
10 Common Stock, then the number of shares or Interests of New HoldCo Common Stock to be issued  
11 in respect of such distribution shall be calculated to one decimal place and rounded up or down to the  
12 closest whole share or Interest (with a half share or Interest or greater rounded up and less than a half  
13 share or Interest rounded down). The total number of shares or Interests of New HoldCo Common  
14 Stock, as applicable, to be distributed in connection with the Plan shall be adjusted as necessary to  
15 account for the rounding provided for in this Section 5.10. No consideration shall be provided in lieu  
of fractional shares or Interests that are rounded down. Neither the Reorganized Debtors nor the  
Disbursing Agent shall have any obligation to make a distribution that is less than (1) share or Interest  
of New HoldCo Common Stock. Any New HoldCo Common Stock that is not distributed in  
accordance with this Section 5.10 shall be returned to, and ownership thereof shall vest in, Reorganized  
HoldCo.

16 **5.11 Manner of Payment under Plan.** Except as specifically provided herein, at  
17 the option of the Debtors or the Reorganized Debtors, as applicable, any Cash payment to be made  
18 under this Plan may be made by check, ACH, wire transfer, or any other method agreed between the  
Debtors or Reorganized Debtors and the holder of the Claim.

19 **5.12 No Distribution in Excess of Amount of Allowed Claim.** Notwithstanding  
20 anything to the contrary in this Plan, no holder of an Allowed Claim shall receive, on account of such  
21 Allowed Claim, distributions in excess of the Allowed amount of such Claim, except to the extent that  
payment of postpetition interest on such Claim is specifically provided for by the Plan, the  
Confirmation Order, or another order of the Bankruptcy Court or required by the Bankruptcy Code.

22 **5.13 Setoffs and Recoupments.** Each Debtor or Reorganized Debtor, as applicable,  
23 or such Entity's successor or designee, may, pursuant to section 553 of the Bankruptcy Code or  
24 applicable nonbankruptcy law, offset or recoup against any Allowed Claim and the distributions to be  
25 made pursuant to this Plan on account of such Allowed Claim any and all Claims, rights, and Causes  
26 of Action that such Debtor or Reorganized Debtor or its successors may hold against the holder of  
27 such Allowed Claim; *provided*, that neither the failure to effect a setoff or recoupment nor the  
28 allowance of any Claim hereunder will constitute a waiver or release by a Debtor or Reorganized  
Debtor or its successor of any Claims, rights, or Causes of Action that any such entity or its successor  
or designee may possess against such holder.

1                   **5.14    Rights and Powers of Disbursing Agent.**

2                   (a)       The Disbursing Agent shall be empowered to: (i) effect all actions and execute  
3 all agreements, instruments, and other documents necessary to perform its duties under this Plan;  
4 (ii) make all applicable distributions or payments provided for under this Plan; (iii) employ  
5 professionals to represent it with respect to its responsibilities; and (iv) exercise such other powers  
6 (A) as may be vested in the Disbursing Agent by order of the Bankruptcy Court (including any order  
7 issued after the Effective Date) or pursuant to this Plan or (B) as deemed by the Disbursing Agent to  
8 be necessary and proper to implement the provisions of this Plan.

9                   (b)       To the extent the Disbursing Agent is an Entity other than a Debtor or  
10 Reorganized Debtor, except as otherwise ordered by the Bankruptcy Court, the amount of any  
11 reasonable fees and expenses incurred by the Disbursing Agent on or after the Effective Date  
12 (including taxes) and any reasonable compensation and expense reimbursement Claims (including for  
13 reasonable attorneys' and other professional fees and expenses) made by the Disbursing Agent shall  
14 be paid in Cash by the Reorganized Debtors.

15                   **5.15    Withholding and Reporting Requirements.**

16                   (a)       In connection with this Plan and all distributions made hereunder, the  
17 Reorganized Debtors and the Disbursing Agent shall comply with all applicable withholding and  
18 reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all  
19 distributions under this Plan shall be subject to any such withholding or reporting requirements. In  
20 the case of a non-Cash distribution that is subject to withholding, the distributing party may withhold  
21 an appropriate portion of such distributed property and sell such withheld property to generate Cash  
22 necessary to pay over the withholding tax. Any amounts withheld pursuant to the preceding sentence  
23 shall be deemed to have been distributed to and received by the applicable recipient for all purposes  
24 of this Plan.

25                   (b)       Notwithstanding the above, each holder of an Allowed Claim that is to receive  
26 a distribution under this Plan shall have the sole and exclusive responsibility for the satisfaction and  
27 payment of any tax obligations imposed on such holder by any federal, state, local, or foreign taxing  
28 authority, including income, withholding, and other tax obligations, on account of such distribution.  
The Reorganized Debtors and the Disbursing Agent have the right, but not the obligation, to not make  
a distribution until such holder has made arrangements satisfactory to any issuing or disbursing party  
for payment of any such tax obligations.

                  (c)       The Reorganized Debtors and the Disbursing Agent may require, as a condition  
to receipt of a distribution, that the holder of an Allowed Claim provide any information necessary to  
allow the distributing party to comply with any such withholding and reporting requirements imposed  
by any federal, state, local, or foreign taxing authority. If the Reorganized Debtors or the Disbursing  
Agent make such a request and the holder fails to comply before the date that is 180 days after the  
request is made, the amount of such distribution shall irrevocably revert to the applicable Reorganized  
Debtor and any Claim in respect of such distribution shall be discharged and forever barred from  
assertion against such Reorganized Debtor or its respective property.

1           **5.16 Credit for Distributions under Wildfire Assistance Program.** If a holder of  
2 an Allowed Fire Claim has received or will receive any distribution from the Wildfire Assistance  
3 Program, such distribution shall be credited against any distribution to be made on account of such  
4 holder's Fire Claim under this Plan and in accordance with the terms of the Wildfire Trust Agreements.

## ARTICLE VI.

### MEANS FOR IMPLEMENTATION AND EXECUTION OF THE PLAN

#### 6.1 [Reserved.]

#### 6.2 Restructuring Transactions; Effectuating Documents.

8           (a) Following the Confirmation Date or as soon as reasonably practicable  
9 thereafter, the Debtors or the Reorganized Debtors, as applicable, may take all actions as may be  
10 necessary or appropriate to effectuate any transaction described in, approved by, contemplated by, or  
11 necessary to effectuate the Plan or to obtain any of the Plan Funding (collectively, the "**Restructuring  
12 Transactions**"), including (i) the execution and delivery of appropriate agreements or other  
13 documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer,  
14 arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are  
15 consistent with the terms of the Plan, (ii) the execution and delivery of appropriate instruments of  
16 transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or  
17 obligation on terms consistent with the terms of the Plan, (iii) the filing of appropriate certificates or  
18 articles of incorporation, reincorporation, merger, consolidation, conversion, amalgamation,  
19 arrangement, continuance, or dissolution pursuant to applicable state or federal law, (iv) the execution  
20 and delivery of the Plan Documents, (v) the issuance of securities, all of which shall be authorized and  
21 approved in all respects in each case without further action being required under applicable law,  
22 regulation, order, or rule (except such filings, approvals and authorizations as may be required,  
23 necessary or desirable for offerings of securities not exempt from the Securities Act pursuant to section  
24 1145 of the Bankruptcy Code), (vi) such other transactions that are necessary or appropriate to  
25 implement the Plan in the most tax efficient manner, (vii) the cancellation of existing securities, and  
26 (viii) all other actions that the applicable Entities determine to be necessary or appropriate, including  
27 making filings or recordings that may be required by applicable law.

28           (b) Each officer, or member of the board of directors, of the Debtors is (and each  
officer, or member of the board of directors of the Reorganized Debtors shall be) authorized to issue,  
execute, deliver, file, or record such contracts, securities, instruments, releases, indentures, and other  
agreements or documents and take such actions as may be necessary or appropriate to effectuate,  
implement, and further evidence the terms and conditions of the Plan and the securities issued pursuant  
to the Plan in the name of and on behalf of the Reorganized Debtors, all of which shall be authorized  
and approved in all respects, in each case, without the need for any approvals, authorization, consents,  
or any further action required under applicable law, regulation, order, or rule (including any action by  
the stockholders or directors of the Debtors or the Reorganized Debtors) except for those expressly  
required pursuant to the Plan.

1 (c) All matters provided for herein involving the corporate structure of the Debtors  
2 or Reorganized Debtors, or any corporate action required by the Debtors or Reorganized Debtors in  
3 connection herewith shall be deemed to have occurred and shall be in effect, without any requirement  
4 of further action by the stockholders or directors of the Debtors or Reorganized Debtors, and with like  
effect as though such action had been taken unanimously by the stockholders of the Debtors or  
Reorganized Debtors.

5 **6.3 Continued Corporate Existence.** Except as otherwise provided in this Plan  
6 (including pursuant to the Restructuring Transactions), the Debtors shall continue to exist after the  
7 Effective Date as Reorganized Debtors in accordance with the applicable laws of the respective  
8 jurisdictions in which they are incorporated or organized. On and after the Effective Date, without  
9 prejudice to the rights of any party to a contract or other agreement with any Debtor, each Reorganized  
10 Debtor may, in its sole discretion, take such action as permitted by applicable law and such  
11 Reorganized Debtor's organizational documents, as such Reorganized Debtor may determine is  
12 reasonable and appropriate, including: (i) changing the legal name of a Reorganized Debtor; (ii)  
13 closing the applicable Chapter 11 Case; and (iii) amending its charter so as to prevent the acquisition,  
sale, or other transaction of any class or classes of stock of Reorganized HoldCo, other than pursuant  
to the Plan, for the purpose of preserving the tax benefits of the Reorganized Debtors if such  
acquisition, sale, or other transaction would result in an increase in the amount of stock of Reorganized  
HoldCo beneficially owned (as determined for applicable tax purposes) by any person or group of  
persons that owns, or as a result of such acquisition, sale, or other transaction would own, at least  
4.75% of any class or classes of stock of Reorganized HoldCo.

14 **6.4 The Subrogation Wildfire Trust.**

15 (a) On or before the Effective Date, the Subrogation Wildfire Trust shall be  
16 established by the Subrogation Wildfire Trustee and on the Effective Date or as soon as reasonably  
17 practicable thereafter, the Debtors shall fund the Subrogation Wildfire Trust as provided in Section  
18 4.25(b) hereof. In accordance with the Subrogation Wildfire Trust Agreement and the Subrogation  
19 Wildfire Claim Allocation Agreement, each of which shall become effective as of the Effective Date,  
the Subrogation Wildfire Trust shall administer, process, settle, resolve, liquidate, satisfy, and pay all  
Subrogation Wildfire Claims. All Subrogation Wildfire Claims shall be channeled to the Subrogation  
Wildfire Trust and shall be subject to the Channeling Injunction.

20 (b) Each trust comprising the Subrogation Wildfire Trust is intended to be treated,  
21 and shall be reported, as a "qualified settlement fund" for U.S. federal income tax purposes and shall  
22 be treated consistently for state and local tax purposes, to the extent applicable; *provided*, however,  
23 that the Reorganized Debtors may elect to treat any trust comprising the Subrogation Wildfire Trust  
24 as a "grantor trust" for U.S. federal income tax purposes, in which case each such trust shall be treated  
25 consistently for state and local tax purposes, to the extent applicable. The Subrogation Wildfire Trustee  
26 and all holders of Subrogation Wildfire Claims shall report consistently with the foregoing. The  
27 Subrogation Wildfire Trustee shall be the "administrator," within the meaning of Treasury Regulations  
28 Section 1.468B-2(k)(3), of the Subrogation Wildfire Trust and, in such capacity, the Subrogation  
Wildfire Trustee shall be responsible for filing all tax returns of the Subrogation Wildfire Trust and,  
out of the assets of the Subrogation Wildfire Trust, the payment of any taxes due with respect to trust  
assets or otherwise imposed on the Subrogation Wildfire Trust (including any tax liability arising in

1 connection with the distribution of trust assets), and shall be permitted to sell any assets of the  
2 Subrogation Wildfire Trust to the extent necessary to satisfy such tax liability (including any tax  
liability arising in connection with such sale).

3 (c) Except as otherwise provided in the Subrogation Wildfire Trust Agreement, or  
4 the Subrogation Wildfire Claim Allocation Agreement, the Subrogation Wildfire Trustee will make  
5 the applicable distribution under the Subrogation Wildfire Trust Agreement and, subject to Bankruptcy  
6 Rule 2002, at: (i) the address of such holder on the books and records of the Debtors or their agents;  
7 (ii) the address provided by such holder on its most recent proof of claim, or (iii) the address in any  
8 written notice of address change delivered to the Debtors prior to the Effective Date, or the  
9 Subrogation Wildfire Trustee after the Effective Date, including any addresses included on any  
10 transfers of Claim filed pursuant to Bankruptcy Rule 3001. In the event that any distribution to any  
holder is returned as undeliverable, no distribution or payment to such holder shall be made unless and  
11 until the Subrogation Wildfire Trustee has been notified of the then-current address of such holder, at  
12 which time or as soon as reasonably practicable thereafter, such distribution shall be made to such  
holder without interest.

(d) The Subrogation Wildfire Trustee may request an expedited determination of  
11 taxes under section 505(b) of the Bankruptcy Code for all tax returns filed by or on behalf of the  
12 Subrogation Wildfire Trust through the termination of the Subrogation Wildfire Trust.

### 13 **6.5 Subrogation Wildfire Trustee.**

14 (a) Powers and Duties of Trustee. The powers and duties of the Subrogation  
15 Wildfire Trustee shall include, but shall not be limited to, those responsibilities vested in the  
16 Subrogation Wildfire Trustee pursuant to the terms of the Subrogation Wildfire Trust Agreement, or  
17 as may be otherwise necessary and proper to (i) make distributions to holders of Subrogation Wildfire  
18 Claims in accordance with the terms of the Plan, Subrogation Wildfire Trust Agreement, and  
19 Subrogation Wildfire Claim Allocation Agreement and (ii) carry out the provisions of the Plan relating  
to the Subrogation Wildfire Trust and the Subrogation Wildfire Claims. The Subrogation Wildfire  
Trustee shall maintain good and sufficient books and records relating to each Subrogation Wildfire  
Claim, including the identity of the owner of each Subrogation Wildfire Claim and the amount and  
date of all Distributions made on account of each such Subrogation Wildfire Claim.

20 (b) The Subrogation Wildfire Trustee shall cooperate fully with the Reorganized  
21 Debtors in connection with the preparation and filing by the Reorganized Debtors of any tax returns,  
22 claims for refunds, or other tax filings, and any tax proceedings, to the extent relating to any transfers  
to, distributions by, or the operations of the Subrogation Wildfire Trust.

### 23 **6.6 Subrogation Wildfire Trust Advisory Board.**

24 (a) Appointment of Subrogation Wildfire Trust Advisory Board. The Subrogation  
25 Wildfire Trust Advisory Board shall consist of three (3) initial members selected by holders of  
26 Subrogation Wildfire Claims in accordance with the Subrogation Wildfire Trust Agreement and the  
Subrogation Wildfire Claim Allocation Agreement.

1 (b) Powers and Duties of Subrogation Trust Advisory Board. The Subrogation  
2 Trust Advisory Board shall, as and when requested by the Subrogation Wildfire Trustee, or as is  
3 otherwise either (i) required under the Plan, the Confirmation Order, the Subrogation Wildfire Trust  
4 Agreement or (ii) contemplated by the Subrogation Wildfire Claim Allocation Agreement, consult  
5 with and advise the Subrogation Wildfire Trustee as to the administration and management of the  
6 Subrogation Wildfire Trust in accordance with the terms of this Plan, the Confirmation Order, and/or  
7 the Subrogation Trust Agreement.

8 (c) The Subrogation Wildfire Trust Advisory Board shall be appointed on the  
9 Effective Date. The rights and responsibilities of the Subrogation Wildfire Trust Advisory Board shall  
10 be set forth in the Subrogation Wildfire Trust Agreement.

#### 11 **6.7 The Fire Victim Trust.**

12 (a) On or before the Effective Date, the Fire Victim Trust shall be established. In  
13 accordance with the Plan, the Confirmation Order, the Fire Victim Trust Agreement and the Fire  
14 Victim Claims Resolution Procedures, the Fire Victim Trust shall, among other tasks described in this  
15 Plan or the Fire Victim Trust Agreement, administer, process, settle, resolve, liquidate, satisfy, and  
16 pay all Fire Victim Claims, and prosecute or settle all Assigned Rights and Causes of Action. All Fire  
17 Victim Claims shall be channeled to the Fire Victim Trust and shall be subject to the Channeling  
18 Injunction. The Fire Victim Trust shall be funded with the Aggregate Fire Victim Consideration. To  
19 the extent, if any, a holder of a Fire Victim Claim asserts damages against the Debtors or the Fire  
20 Victim Trust for amounts covered by a policy of insurance, the Fire Victim Trust may receive a credit  
21 against the Fire Victim Claim of any such holder, its predecessor, successor, or assignee, for insurance  
22 coverage amounts as provided in the Fire Victim Trust Agreement. In addition, coverage provisions  
23 of any insurance policy for losses resulting from a Fire and any funds received by any holder of a Fire  
24 Victim Claim, net of attorney's fees, shall satisfy, to the extent applicable, any amounts of restitution  
25 the Debtors or Reorganized Debtors might be subject to under Cal. Penal Code § 1202.4

26 (b) Each trust comprising the Fire Victim Trust is intended to be treated, and shall  
27 be reported, as a "qualified settlement fund" for U.S. federal income tax purposes and shall be treated  
28 consistently for state and local tax purposes, to the extent applicable; provided, however, that the  
Reorganized Debtors may elect to treat any trust comprising the Fire Victim Trust as a "grantor trust"  
for U.S. federal income tax purposes, in which case each such trust shall be treated consistently for  
state and local tax purposes, to the extent applicable. The Fire Victim Trustee and all holders of Fire  
Victim Claims shall report consistently with the foregoing. The Fire Victim Trustee shall be the  
"administrator," within the meaning of Treasury Regulations Section 1.468B-2(k)(3), of the Fire  
Victim Trust and, in such capacity, the Fire Victim Trustee shall be responsible for filing all tax returns  
of the Fire Victim Trust and, out of the assets of the Fire Victim Trust, the payment of any taxes due  
with respect to trust assets or otherwise imposed on the Fire Victim Trust (including any tax liability  
arising in connection with the distribution of trust assets), shall be permitted to sell any assets of the  
Fire Victim Trust to the extent necessary to satisfy such tax liability (including any tax liability arising  
in connection with such sale).

(c) On the Effective Date, the Fire Victim Claims Resolution Procedures shall  
become effective.

1 (d) No parties other than holders of Fire Victim Claims shall have a right, or  
2 involvement in, the Fire Victim Claims Resolution Procedures, the Fire Victim Trust Agreement, the  
3 administration of the Fire Victim Trust, the selection of a Fire Victim Trustee, settlement fund  
4 administrator, claims administrator, or the Fire Victim Trust Oversight Committee. The Fire Victim  
5 Claims shall be administered by a Fire Victim Trust and the Fire Victim Trust Oversight Committee  
6 independent of the Debtors. The Fire Victim Claims shall be administered, allocated and distributed  
7 in accordance with applicable ethical rules and subject to adequate informed consent procedures. The  
8 Fire Victim Trustee shall receive settlement allocations consistent with Rule 1.8(g) of the Model Rules  
9 of Professional Conduct. The rules and procedures governing the administration and allocation of the  
10 funds from the Fire Victim Trust shall be objectively applied and transparent. No party other than  
11 holders of Fire Victim Claims, including but not limited to the Debtors, the Reorganized Debtors, and  
12 any holders of Claims or Interests other than holders of Fire Victim Claims, shall have any rights to  
13 any of the proceeds in the Fire Victim Trust, or any clawback or reversionary interest of any of the  
14 consideration (whether Cash or otherwise) allocated to any of the holders of Fire Victim Claims  
15 generally or in the total amount funded to the Fire Victim Trust.

## 10 **6.8 Fire Victim Trustee**

11 (a) Powers and Duties of Trustee. The powers and duties of the Fire Victim Trustee  
12 shall include, but shall not be limited to, those responsibilities vested in the Fire Victim Trustee  
13 pursuant to the terms of the Fire Victim Trust Agreement, or as may be otherwise necessary and proper  
14 to (i) make distributions to holders of Fire Victim Claims in accordance with the terms of the Plan and  
15 the Fire Victim Trust Agreement and (ii) carry out the provisions of the Plan relating to the Fire Victim  
16 Trust and the Fire Victim Claims, including but not limited to prosecuting or settling all Assigned  
17 Rights and Causes of Action in his or her capacity as a trustee for the benefit of Fire Victims. On the  
18 Effective Date, pursuant to this Plan and sections 1123, 1141, and 1146(a) of the Bankruptcy Code,  
19 the Debtors, on behalf of their estates, and the Fire Victim Trustee, will be authorized and directed to,  
20 and will execute the Fire Victim Trust Agreement in substantially the form that will be attached to the  
21 Plan Supplement, and will be further authorized and directed to, and will, take all such actions as  
22 required to transfer the Assigned Rights and Causes of Action from the Debtors to the Fire Victim  
23 Trust. The Fire Victim Trustee shall maintain good and sufficient books and records relating to each  
24 Fire Victim Claim, including the identity of the owner of each Fire Victim Claim and the amount and  
25 date of all Distributions made on account of each such Fire Victim Claim. In addition to all powers  
26 enumerated in the Fire Victim Trust Agreement, in this Plan, and in the Confirmation Order, from and  
27 after the Effective Date, the Fire Victim Trust shall succeed to all of the rights and standing of the  
28 Debtors with respect to the Assigned Rights and Causes of Action in its capacity as a trust  
administering assets for the benefit of Fire Victims.

(b) The Fire Victim Trustee will be appointed as the representative of each of the  
Debtors' estates pursuant to sections 1123(a)(5), (a)(7), and (b)(3)(B) of the Bankruptcy Code and as  
such will be vested with the authority and power (subject to the Fire Victim Trust Agreement and the  
Plan) to, among other things: (i) administer, object to or settle Fire Victim Claims; (ii) make  
distributions to holders of Fire Victim Claims in accordance with the terms of the Plan and the Fire  
Victim Trust Agreement, and (iii) carry out the provisions of the Plan related to the Fire Victim Trust  
and the Fire Victim Claims, including but not limited to prosecuting or settling all Assigned Rights  
and Causes of Action in his or her capacity as a trustee for the benefit of holders of Fire Victim Claims.

1 As the representative of the Debtors' estates, in his or her capacity as a trustee for the benefit of Fire  
2 Victims, the Fire Victim Trustee will succeed to all of the rights and powers of the Debtors and their  
3 estates with respect to all Assigned Rights and Causes of Action assigned and transferred to the Fire  
4 Victim Trust, and the Fire Victim Trustee will be substituted and will replace the Debtors, their estates,  
any official committee appointed in these cases if applicable, in all such Assigned Rights and Causes  
of Action, whether or not such claims are pending in filed litigation.

5 (c) The Fire Victim Trustee shall cooperate fully with the Reorganized Debtors in  
6 connection with the preparation and filing by the Reorganized Debtors of any tax returns, claims for  
7 refunds, or other tax filings, and any tax proceedings, to the extent relating to any transfers to,  
distributions by, or the operations of the Fire Victim Trust.

8 (d) Except as otherwise provided in the Fire Victim Trust Agreement, or the Fire  
9 Victim Claims Resolution Procedures, the Fire Victim Trustee will make the applicable distribution  
10 under the Fire Victim Trust Agreement and, subject to Bankruptcy Rule 2002, at: (i) the address of  
11 such holder on the books and records of the Debtors or their agents; (ii) the address provided by such  
12 holder on its most recent proof of claim, or (iii) the address in any written notice of address change  
13 delivered to the Debtors prior to the Effective Date, or the Fire Victim Trustee after the Effective Date,  
14 including any addresses included on any transfers of Claim filed pursuant to Bankruptcy Rule 3001.  
15 In the event that any distribution to any holder is returned as undeliverable, no distribution or payment  
16 to such holder shall be made unless and until the Fire Victim Trustee has been notified of the then-  
17 current address of such holder, at which time or as soon as reasonably practicable thereafter, such  
distribution shall be made to such holder without interest.

18 (e) The Fire Victim Trust Oversight Committee shall be appointed on the Effective  
19 Date. The Fire Victim Trust Oversight Committee shall consist of members selected and appointed  
20 by the Consenting Fire Claimant Professionals and the Tort Claimants Committee. The rights and  
21 responsibilities of the Fire Victim Trust Oversight Committee shall be set forth in the Fire Victim  
Trust Agreement.

22 (f) Unless otherwise expressly provided under this Plan, on the Effective Date, all  
23 Assigned Rights and Causes of Action will vest in the Fire Victim Trust. On and after the Effective  
24 Date, the transfer of the Assigned Rights and Causes of Action to the Fire Victim Trust will be deemed  
25 final and irrevocable and distributions may be made from the Fire Victim Trust. The Confirmation  
26 Order will provide the Fire Victim Trustee with express authority and standing necessary to take all  
27 actions to prosecute or settle any and all Assigned Rights and Causes of Action.

28 (g) The Fire Victim Trustee may request an expedited determination of taxes under  
section 505(b) of the Bankruptcy Code for all tax returns filed by or on behalf of the Fire Victim Trust  
through the termination of the Fire Victim Trust.

#### 24 **6.9 Public Entities Segregated Defense Fund.**

25 (a) On the Effective Date, the Reorganized Debtors shall fund the Public Entities  
26 Segregated Defense Fund in accordance with the terms of the Public Entities Plan Support  
27 Agreements.  
28

1 (b) The Public Entities Segregated Defense Fund shall be maintained by the  
2 Reorganized Debtors until the later of (i) the expiration of the applicable statute of limitations period  
3 for any and all Public Entities Third Party Claims and (ii) the conclusion of all litigation, including  
4 appeals, involving all Public Entities Third Party Claims.

4 **6.10 Go-Forward Wildfire Fund.**

5 (a) On the Effective Date, the Debtors shall contribute, in accordance with the  
6 Wildfire Legislation (A.B. 1054), an initial contribution of approximately \$4.8 billion and first annual  
7 contribution of approximately \$193 million, to the Go-Forward Wildfire Fund in order to secure the  
8 participation of the Reorganized Debtors therein.

8 (b) The Reorganized Debtors shall also be responsible for ongoing funding  
9 commitments to the Go-Forward Wildfire Fund as required by the terms thereof and the Wildfire  
10 Legislation (A.B. 1054).

10 **6.11 Officers and Board of Directors.**

11 (a) The New Boards for HoldCo and the Utility will, among other things, satisfy  
12 the requirements of the Wildfire Legislation (A.B. 1054) and other applicable law, including with  
13 respect to directors having appropriate experience in safety, finance and utility operations. The  
14 composition of the New Boards shall be disclosed in accordance with section 1129(a)(5) of the  
15 Bankruptcy Code.

14 (b) Except as otherwise provided in the Plan Supplement, the officers of the  
15 respective Debtors immediately before the Effective Date, as applicable, shall serve as the initial  
16 officers of each of the respective Reorganized Debtors on and after the Effective Date.

16 (c) Except to the extent that a member of the board of directors of a Debtor  
17 continues to serve as a director of the respective Reorganized Debtor on and after the Effective Date,  
18 the members of the board of directors of each Debtor prior to the Effective Date, in their capacities as  
19 such, shall have no continuing obligations to the Reorganized Debtors on or after the Effective Date  
20 and each such director will be deemed to have resigned or shall otherwise cease to be a director of the  
21 applicable Debtor on the Effective Date.

20 (d) Commencing on the Effective Date, the directors of each of the Reorganized  
21 Debtors shall be elected and serve pursuant to the terms of the applicable organizational documents of  
22 such Reorganized Debtor and may be replaced or removed in accordance with such organizational  
23 documents.

23 **6.12 Management Incentive Plan.** On or after the Effective Date, the Management  
24 Incentive Plan may be established and implemented at the discretion of the New Board and in  
25 compliance with the Wildfire Legislation (A.B. 1054).

1                   **6.13    Cancellation of Existing Securities and Agreements.**

2                   (a)       Except for the purpose of enabling holders of Allowed Claims to receive a  
3 distribution under the Plan as provided herein and except as otherwise set forth in this Plan, the Plan  
4 Supplement or the Confirmation Order, on the Effective Date, all agreements, instruments, and other  
5 documents evidencing any prepetition Claim or any rights of any holder in respect thereof shall be  
6 deemed cancelled, discharged, and of no force or effect. For the avoidance of doubt, in accordance  
7 with Sections 4.13, 4.15, 4.19, 4.33, and 4.34 of the Plan, none of the HoldCo Common Interests, the  
8 HoldCo Other Interests, the Utility Reinstated Senior Note Documents, the Utility Preferred Interests,  
or the Utility Common Interests shall be cancelled pursuant to the Plan. The holders of, or parties to,  
such cancelled instruments, Securities, and other documentation shall have no rights arising from or  
related to such instruments, Securities, or other documentation or the cancellation thereof, except the  
rights provided for pursuant to this Plan.

9                   (b)       Except as otherwise set forth in the Plan, the Funded Debt Trustees shall be  
10 released and discharged from all duties and responsibilities under the applicable Funded Debt  
11 Documents; *provided that*; notwithstanding the releases in Article X of the Plan, entry of the  
12 Confirmation Order or the occurrence of the Effective Date, each of the Funded Debt Documents or  
13 agreement that governs the rights of the holder of a Claim shall continue in effect to the extent  
14 necessary to: (i) enforce the rights, Claims, and interests of the Funded Debt Trustees thereto vis-a-  
15 vis any parties other than the Released Parties; (ii) allow the holders of Allowed Funded Debt Claims,  
16 Utility Senior Note Claims, or Utility PC Bond (2008 F and 2010 E) Claim, as applicable, to receive  
17 distributions under the Plan, to the extent provided for under the Plan; (iii) appear to be heard in the  
18 Chapter 11 Cases or in any proceedings in this Court or any other court; (iv) preserve any rights of the  
19 Funded Debt Trustees to payment of fees, expenses, and indemnification obligations from or on any  
money or property to be distributed in respect of the Allowed Funded Debt Claims, Utility Senior Note  
Claims and Utility PC Bond (2008 F and 2010 E) Claims, solely to the extent provided in the Plan,  
including permitting the Funded Debt Trustees to maintain, enforce, and exercise a Charging Lien  
against such distributions; and (v) enforce any obligation owed to the Funded Debt Trustees under the  
Plan. For the avoidance of doubt, on and after the Effective Date, the Utility Senior Notes Trustee  
shall not be released from any duty or responsibility under or arising from the Utility Reinstated Senior  
Note Documents.

20                   **6.14    Cancellation of Certain Existing Security Agreements.** Promptly following  
21 the payment in full or other satisfaction of an Allowed Other Secured Claim, the holder of such  
22 Allowed Other Secured Claim shall deliver to the Debtors or Reorganized Debtors, as applicable, any  
23 Collateral or other property of a Debtor held by such holder, together with any termination statements,  
instruments of satisfaction, or releases of all security interests with respect to its Allowed Other  
Secured Claim that may be reasonably required to terminate any related financing statements,  
mortgages, mechanics' or other statutory Liens, or lis pendens, or similar interests or documents.

24                   **6.15    Issuance of Equity and Equity-Linked Securities.** On and after the  
25 Confirmation Date, HoldCo and Reorganized HoldCo, as applicable, shall be authorized to offer, sell,  
26 distribute, and issue, or cause to be offered, sold, distributed and issued, subject to or substantially  
27 concurrent with the occurrence of the Effective Date, any equity securities, equity forward contracts  
28 or other equity-linked securities that are issued to obtain Plan Funding, all without the need for any

1 further corporate, limited liability company, or shareholder action, and to authorize and reserve for  
2 issuance New HoldCo Common Stock to be issued pursuant to any such transaction or upon the  
3 exercise, conversion or settlement of any such equity forward contracts or other equity-linked  
4 securities. All of the New HoldCo Common Stock distributable under the Plan or pursuant to any  
instrument or document entered into in connection with the Plan Funding shall be duly authorized,  
validly issued, and fully paid and non-assessable.

5 **6.16 Exit Financing.** On the Effective Date, the Exit Financing Documents shall be  
6 executed and delivered. The Reorganized Debtors shall be authorized to execute, deliver, and enter  
7 into and perform under the Exit Financing Documents and to consummate the Exit Financing without  
the need for any further corporate action and without further action by the holders of Claims or  
Interests.

8 **6.17 Rights Offering.** If applicable, following approval by the Bankruptcy Court of  
9 the Rights Offering Procedures and, if the offer, issuance and distribution of Securities pursuant to the  
Rights Offering is to be registered under the Securities Act, effectiveness of an appropriate registration  
10 statement registering such offer, issuance and distribution under the Securities Act, the Debtors shall,  
if they determine to implement the same, commence and consummate the Rights Offering in  
11 accordance therewith. New HoldCo Common Stock shall be issued to each Eligible Offeree that  
exercises its respective subscription rights pursuant to the Rights Offering Procedures and the Plan.  
12 The consummation of the Rights Offering shall be conditioned on the occurrence of the Effective Date,  
and any other condition specified in the Backstop Commitment Letters. Amounts held by the  
13 subscription agent with respect to the Rights Offering prior to the Effective Date shall not be entitled  
to any interest on account of such amounts and no Eligible Offeree participating in the Rights Offering  
14 shall have any rights in New HoldCo Common Stock until the Rights Offering is consummated.

15 **6.18 Plan Proponent Reimbursement.** On the Effective Date, the Reorganized  
16 Debtors shall reimburse the Shareholder Proponents for their out-of-pocket expenses (excluding any  
17 professional fees) incurred in connection with the furtherance of the Debtors' reorganization, which  
in the aggregate shall not exceed \$150,000.

18 **6.19 Securities Act Registrations or Exemptions.**

19 (a) The offer, issuance and distribution of the New HoldCo Common Stock and  
20 other Securities as provided hereunder may be exempt from registration under (i) the Securities Act  
of 1933 and all rules and regulations promulgated thereunder and (ii) any state or local law requiring  
21 registration for the offer, issuance, or distribution of Securities, pursuant to section 1145 of the  
Bankruptcy Code, without further act or action by any Entity, pursuant to another available exemption  
22 from registration, such as section 4(a)(2) of the Securities Act and/or Regulation D promulgated  
thereunder, or pursuant to Article III of the Securities Act, or such offer, issuance and distribution may  
23 be registered under the Securities Act pursuant to an appropriate registration statement. Any offer,  
issuance and distribution of Securities pursuant to any Backstop Commitment Letter may be exempt  
24 from registration pursuant to section 4(a)(2) of the Securities Act and/or Regulation D promulgated  
thereunder.  
25  
26  
27  
28

1 (b) Under section 1145 of the Bankruptcy Code, any securities issued under the  
2 Plan that are exempt from such registration pursuant to section 1145(a) of the Bankruptcy Code will  
3 be freely tradable by the recipients thereof, subject to (i) the provisions of section 1145(b)(1) of the  
4 Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act  
5 of 1933, (ii) compliance with any rules and regulations of the Securities and Exchange Commission,  
6 if any, applicable at the time of any future transfer of such securities or instruments, (iii) the  
7 restrictions, if any, on the transferability of such securities and instruments, including any restrictions  
8 on the transferability under the terms of the New Organizational Documents, (iv) any applicable  
9 procedures of DTC, and (v) applicable regulatory approval.

## 7 **ARTICLE VII.**

### 8 **PROCEDURES FOR DISPUTED CLAIMS**

9 **7.1 Objections to Claims.** Except as otherwise provided herein, in the Claims  
10 Resolution Procedures, the Subrogation Claims RSA, and in the Wildfire Trust Agreements, the  
11 Reorganized Debtors shall be entitled to object to Claims. The Subrogation Wildfire Trustee shall be  
12 entitled to object to Subrogation Wildfire Claims. The Fire Victim Trustee shall be entitled to object  
13 to Fire Victim Claims. Except as otherwise set forth in the Plan, any objections to Claims shall be  
14 served and filed on or before the later of (i) one-hundred and eighty (180) days after the Effective Date  
15 and (ii) such later date as may be fixed by the Bankruptcy Court (as the same may be extended by the  
16 Bankruptcy Court for cause shown). Fire Victim Claims, other than those Claims arising out of the  
2015 Butte fires that were the subject of fully executed prepetition settlement agreements with the  
Debtor(s) and any other Fire Victim Claim that is settled or Allowed by order of the Bankruptcy Court  
prior to the Effective Date, are treated as unliquidated Disputed Claims for purposes of the Fire Victim  
Trust and shall be subject to resolution by the Fire Victim Trust in accordance with the Fire Victim  
Claims Resolution Procedures.

17 **7.2 Resolution of Disputed Administrative Expense Claims and Disputed**  
18 **Claims.** Except as otherwise provided for in the Plan, in the Claims Resolution Procedures, the  
19 Subrogation Claims RSA, or in the Wildfire Trust Agreements, on and after the Effective Date, the  
20 Reorganized Debtors shall have the authority to compromise, settle, otherwise resolve, or withdraw  
21 any objections to Disputed Administrative Expense Claims or Disputed Claims and to compromise,  
22 settle, or otherwise resolve any Disputed Administrative Expense Claims and Disputed Claims without  
23 approval of the Bankruptcy Court, other than with respect to any Professional Fee Claims. On and  
24 after the Effective Date, the Subrogation Wildfire Trustee shall have the authority to compromise,  
25 settle, otherwise resolve, or withdraw any objections to Disputed Subrogation Wildfire Claims without  
26 approval of the Bankruptcy Court. On and after the Effective Date, the Fire Victim Trustee shall have  
27 the authority to compromise, settle, otherwise resolve, or withdraw any objections to Disputed Fire  
28 Victim Claims without approval of the Bankruptcy Court. Notwithstanding the foregoing, and for the  
avoidance of doubt, Subrogation Wildfire Claims and Fire Victim Claims may only be compromised,  
settled, or resolved pursuant to the applicable Claims Resolution Procedures and Wildfire Trust  
Agreement.

26 **7.3 Payments and Distributions with Respect to Disputed Claims.**  
27 Notwithstanding anything herein to the contrary, if any portion of a Claim is a Disputed Claim, no  
28

1 payment or distribution provided hereunder shall be made on account of such Claim (including on  
2 account of the non-Disputed portion of such Claim) unless and until such Disputed Claim becomes an  
3 Allowed Claim.

4 **7.4 Distributions After Allowance.** After such time as a Disputed Claim becomes,  
5 in whole but not in part, an Allowed Claim, the holder thereof shall be entitled to distributions, if any,  
6 to which such holder is then entitled as provided in this Plan, including any interest accrued in respect  
7 of such Allowed Claim from the Petition Date through the date of such distributions on account of  
8 such Allowed Claim, at the applicable rate provided for in such Claim's treatment pursuant to this  
9 Plan. Such distributions shall be made as soon as practicable after the date that the order or judgment  
10 of the Bankruptcy Court allowing such Disputed Claim (or portion thereof) becomes a Final Order.

11 **7.5 Disallowance of Claims.** Any Claims held by an Entity from which property  
12 is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a  
13 transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy  
14 Code, as determined by a Final Order, shall be deemed disallowed pursuant to section 502(d) of the  
15 Bankruptcy Code, and holders of such Claims may not receive any distributions on account of such  
16 Claims until such time as such Causes of Action against that Entity have been settled or a Final Order  
17 with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been  
18 turned over or paid to the Debtors or the Reorganized Debtors. Except as otherwise provided herein  
19 or by an order of the Bankruptcy Court, all proofs of Claim filed after the Effective Date shall be  
20 disallowed and forever barred, estopped, and enjoined from assertion, and shall not be enforceable  
21 against any Reorganized Debtor, without the need for any objection by the Reorganized Debtors or  
22 any further notice to or action, order, or approval of the Bankruptcy Court, other than a claim for  
23 damages arising from the rejection of an executory contract or unexpired lease.

24 **7.6 Estimation.** Except as otherwise provided in the Plan, the Claims Resolution  
25 Procedures, the Subrogation Claims RSA, and the Wildfire Trust Agreements, the Debtors or the  
26 Reorganized Debtors (or the Subrogation Wildfire Trustee solely with respect to Disputed Subrogation  
27 Wildfire Claims and the Fire Victim Trustee solely with respect to Disputed Fire Victim Claims) may  
28 determine, resolve and otherwise adjudicate all contingent Claims or unliquidated Claims in the  
Bankruptcy Court or such other court of the Debtors', Reorganized Debtors', the Subrogation Wildfire  
Trustee's or the Fire Victim Trustee's choice having jurisdiction over the validity, nature or amount  
thereof. The Debtors or the Reorganized Debtors (or the Subrogation Wildfire Trustee solely with  
respect to Disputed Subrogation Wildfire Claims and the Fire Victim Trustee solely with respect to  
Disputed Fire Victim Claims) may at any time request that the Bankruptcy Court estimate any  
contingent Claims or unliquidated Claims pursuant to section 502(c) of the Bankruptcy Code for any  
reason or purpose, regardless of whether any of the Debtors or the Reorganized Debtors (or the  
Subrogation Wildfire Trustee solely with respect to Disputed Subrogation Wildfire Claims and the  
Fire Victim Trustee solely with respect to Disputed Fire Victim Claims) have previously objected to  
such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court  
shall retain jurisdiction to estimate any Claim at any time during litigation concerning any objection  
to any Claim, including, during the pendency of any appeal relating to any such objection. If the  
Bankruptcy Court estimates any contingent Claim or unliquidated Claim, that estimated amount shall  
constitute the maximum limitation on such Claim, and the Debtors or the Reorganized Debtors (or the  
Subrogation Wildfire Trustee solely with respect to Disputed Subrogation Wildfire Claims and the

1 Fire Victim Trustee solely with respect to Disputed Fire Victim Claims) may pursue supplementary  
2 proceedings to object to the ultimate allowance of such Claim; *provided*, that such limitation shall not  
3 apply to Claims requested by the Debtors to be estimated for voting purposes only. All of the  
4 aforementioned objection, estimation and resolution procedures are cumulative and not exclusive of  
5 one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved  
6 by any mechanism approved by the Bankruptcy Court. Notwithstanding section 502(j) of the  
7 Bankruptcy Code, in no event shall any holder of a Claim that has been estimated pursuant to section  
8 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such Claim unless  
9 the holder of such Claim has filed a motion requesting the right to seek such reconsideration on or  
10 before twenty (20) calendar days after the date such Claim is estimated by the Bankruptcy Court.  
11 Notwithstanding the foregoing, and for the avoidance of doubt, Subrogation Wildfire Claims and Fire  
12 Victim Claims may only be compromised, settled, or resolved pursuant to terms of the applicable  
13 Wildfire Trust Agreement.

## 9 **ARTICLE VIII.**

### 10 **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

#### 11 **8.1 General Treatment.**

12 (a) As of, and subject to, the occurrence of the Effective Date and the payment of  
13 any applicable Cure Amount, all executory contracts and unexpired leases of the Reorganized Debtors  
14 shall be deemed assumed, unless such executory contract or unexpired lease (i) was previously  
15 assumed or rejected by the Debtors, pursuant to a Final Order, (ii) previously expired or terminated  
16 pursuant to its own terms or by agreement of the parties thereto, (iii) is the subject of a motion to  
17 assume, assume and assign, or reject filed by the Debtors on or before the Confirmation Date, or (iv) is  
18 specifically designated as an executory contract or unexpired lease to be rejected on the Schedule of  
19 Rejected Contracts.

20 (b) Notwithstanding the foregoing, as of and subject to the occurrence of the  
21 Effective Date and the payment of any applicable Cure Amount, all power purchase agreements,  
22 renewable energy power purchase agreements, and Community Choice Aggregation servicing  
23 agreements of the Debtors shall be deemed assumed.

24 (c) Subject to the occurrence of the Effective Date, entry of the Confirmation Order  
25 by the Bankruptcy Court shall constitute approval of the assumptions, assumptions and assignments,  
26 or rejections provided for in this Plan pursuant to sections 365(a) and 1123 of the Bankruptcy Code.  
27 Each executory contract and unexpired lease assumed pursuant to this Plan shall vest in, and be fully  
28 enforceable by, the applicable Reorganized Debtor in accordance with its terms, except as modified  
by the provisions of this Plan, any order of the Bankruptcy Court authorizing and providing for its  
assumption or assumption and assignment, or applicable law.

#### 25 **8.2 Determination of Cure Disputes and Deemed Consent.**

26 (a) Any defaults under an assumed or assumed and assigned executory contract or  
27 unexpired lease, shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment  
28

1 of the default amount, as reflected in the applicable cure notice, in Cash on the Effective Date, subject  
2 to the limitations described below, or on such other terms as the parties to such executory contracts or  
unexpired leases and the Debtors may otherwise agree.

3 (b) At least fourteen (14) days before the deadline set to file objections to  
4 confirmation of the Plan, the Debtors shall distribute, or cause to be distributed, assumption and cure  
5 notices to the applicable third parties. **Any objection by a counterparty to an executory contract  
6 or unexpired lease to the proposed assumption, assumption and assignment, or related Cure  
Amount must be filed, served, and actually received by the Debtors before the deadline set to  
7 file objections to confirmation of the Plan.** Any counterparty to an executory contract or unexpired  
8 lease that fails to object timely to the proposed assumption, assumption and assignment, or Cure  
9 Amount will be deemed to have assented to such assumption, assumption and assignment, or Cure  
10 Amount. Notwithstanding anything herein to the contrary, (i) in the event that any executory contract  
11 or unexpired lease is removed from the Schedule of Rejected Contracts after such fourteen (14)-day  
12 deadline, a cure notice with respect to such executory contract or unexpired lease will be sent promptly  
13 to the counterparty thereof and a noticed hearing set to consider whether such executory contract or  
14 unexpired lease can be assumed or assumed and assigned, as applicable, and (ii) the right of any  
15 counterparty or holder of a Claim for a Cure Amount to investigate and/or challenge the calculation  
16 of interest with respect to any applicable Cure Amount, consistent with the Plan, is preserved.

17 (c) In the event of an unresolved dispute regarding (i) any Cure Amount, (ii) the  
18 ability of the Reorganized Debtors or any assignee to provide “adequate assurance of future  
19 performance” (within the meaning of section 365 of the Bankruptcy Code) under the executory  
20 contract or unexpired lease to be assumed, or (iii) any other matter pertaining to assumption,  
21 assumption and assignment, or the Cure Amounts required by section 365(b)(1) of the Bankruptcy  
22 Code, such dispute shall be resolved by a Final Order (which order may be the Confirmation Order).

23 (d) If the Bankruptcy Court makes a determination regarding any of the matters set  
24 forth in Section 8.2(c) above with respect to any executory contract or unexpired lease (including,  
25 without limitation that the Cure Amount is greater than the amount set forth in the applicable cure  
26 notice), as set forth in Section 8.8(a) below, the Debtors or Reorganized Debtors, as applicable, shall  
27 have the right to alter the treatment of such executory contract or unexpired lease, including, without  
28 limitation, to add such executory contract or unexpired lease to the Schedule of Rejected Contracts, in  
which case such executory contract or unexpired lease shall be deemed rejected as of the Effective  
Date.

(e) Assumption or assumption and assignment of any executory contract or  
unexpired lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any  
defaults by any Debtor arising under any assumed executory contract or unexpired lease at any time  
before the date that the Debtors assume or assume and assign such executory contract or unexpired  
lease to the fullest extent permitted under applicable law.

**8.3 Rejection Damages Claims.** In the event that the rejection of an executory  
contract or unexpired lease hereunder results in damages to the other party or parties to such contract  
or lease, any Claim for such damages, if not heretofore evidenced by a timely filed proof of Claim,  
shall be forever barred and shall not be enforceable against the Debtors or the Reorganized Debtors,

1 or their respective estates, properties or interests in property, unless a proof of Claim is filed with the  
2 Bankruptcy Court and served upon the Debtors or the Reorganized Debtors, as applicable, no later  
3 than thirty (30) days after the later of (i) the Confirmation Date or (ii) the effective date of the rejection  
4 of such executory contract or unexpired lease, as set forth on the Schedule of Rejected Contracts or  
order of the Bankruptcy Court. The Confirmation Order shall constitute the Bankruptcy Court's  
approval of the rejection of all the leases and contracts identified in the Schedule of Rejected Contracts.

5 **8.4 Survival of the Debtors' Indemnification Obligations.** Any and all  
6 obligations of the Debtors pursuant to their corporate charters, agreements, bylaws, limited liability  
7 company agreements, memorandum and articles of association, or other organizational documents  
8 (including all Indemnification Obligations) to indemnify current and former officers, directors, agents,  
9 or employees with respect to all present and future actions, suits, and proceedings against the Debtors  
10 or such officers, directors, agents, or employees based upon any act or omission for or on behalf of  
11 the Debtors shall remain in full force and effect to the maximum extent permitted by applicable law  
12 and shall not be discharged, impaired, or otherwise affected by this Plan. All such obligations shall  
13 be deemed and treated as executory contracts that are assumed by the Debtors under this Plan and shall  
14 continue as obligations of the Reorganized Debtors. Any Claim based on the Debtors' obligations in  
15 this Section 8.4 herein shall not be a Disputed Claim or subject to any objection, in either case, by  
16 reason of section 502(e)(1)(B) of the Bankruptcy Code or otherwise.

17 **8.5 Assumption of Employee Benefit Plans.**

18 (a) On the Effective Date, all Employee Benefit Plans are deemed to be, and shall  
19 be treated as, executory contracts under this Plan and, on the Effective Date, shall be assumed pursuant  
20 to sections 365 and 1123 of the Bankruptcy Code. All outstanding payments which are accrued and  
21 unpaid as of the Effective Date pursuant to the Employee Benefit Plans shall be made by the  
22 Reorganized Debtors on the Effective Date or as soon as practicable thereafter.

23 (b) The deemed assumption of the Employee Benefit Plans pursuant to this Section  
24 8.5 shall result in the full release and satisfaction of any Claims and Causes of Action against any  
25 Debtor or defaults by any Debtor arising under any Employee Benefit Plan at any time before the  
26 Effective Date. Any proofs of Claim filed with respect to an Employee Benefit Plan shall be deemed  
27 disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy  
28 Court.

(c) Notwithstanding anything to the contrary in the Plan, the Reorganized Debtors  
shall continue and assume the Pacific Gas and Electric Company Retirement Plan ("**Defined Benefit  
Plan**") subject to the Employee Retirement Income Security Act, the Internal Revenue Code, and any  
other applicable law, including (i) the minimum funding standards in 26 U.S.C. §§ 412, 430, and 29  
U.S.C. §§ 1082, 1083 and (ii) premiums under 29 U.S.C. §§ 1306 and 1307. All proofs of claim filed  
by the Pension Benefit Guaranty Corporation with respect to the Defined Benefit Plan are deemed  
withdrawn on the Effective Date.

1                   **8.6     Collective Bargaining Agreements.**

2                   (a)     On or prior to the Effective Date, and subject to the occurrence of the Effective  
3 Date, the Reorganized Debtors shall assume the Collective Bargaining Agreements. The prepetition  
4 grievance claims set out in the letter from the Debtors to IBEW Local 1245 dated May 15, 2020 shall  
5 be resolved in the ordinary course of business in accordance with the terms of the Collective  
6 Bargaining Agreements, and all parties reserve their rights with respect thereto.

7                   **8.7     Insurance Policies.**

8                   (a)     All Insurance Policies (including all D&O Liability Insurance Policies and tail  
9 coverage liability insurance), surety bonds, and indemnity agreements entered into in connection with  
10 surety bonds to which any Debtor is a party as of the Effective Date shall be deemed to be and treated  
11 as executory contracts and shall be assumed by the applicable Debtors or Reorganized Debtor and  
12 shall continue in full force and effect thereafter in accordance with their respective terms.

13                   **8.8     Reservation of Rights.**

14                   (a)     The Debtors may amend the Schedule of Rejected Contracts and any cure notice  
15 until the later of (i) 4:00 p.m. (Pacific Time) on the Business Day immediately prior to the  
16 commencement of the Confirmation Hearing or (ii) if Section 8.2(d) is applicable, the Business Day  
17 that is seven (7) Business Days following the determination by the Bankruptcy Court, in order to add,  
18 delete, or reclassify any executory contract or unexpired lease; *provided*, that if the Confirmation  
19 Hearing is adjourned for a period of more than two (2) consecutive calendar days, the Debtors' right  
20 to amend such schedules and notices shall be extended to 4:00 p.m. (Pacific Time) on the Business  
21 Day immediately prior to the adjourned date of the Confirmation Hearing, with such extension  
22 applying in the case of any and all subsequent adjournments of the Confirmation Hearing.

23                   (b)     Neither the exclusion nor the inclusion by the Debtors of any contract or lease  
24 on any exhibit, schedule, or other annex to this Plan or in the Plan Supplement, nor anything contained  
25 in this Plan or in the Plan Documents, will constitute an admission by the Debtors that any such  
26 contract or lease is or is not an executory contract or unexpired lease or that the Debtors or the  
27 Reorganized Debtors or their respective affiliates has any liability thereunder.

28                   (c)     Except as explicitly provided in this Plan, nothing herein shall waive, excuse,  
limit, diminish, or otherwise alter any of the defenses, claims, Causes of Action, or other rights of the  
Debtors or the Reorganized Debtors under any executory or non-executory contract or unexpired or  
expired lease.

(d)     Nothing in this Plan will increase, augment, or add to any of the duties,  
obligations, responsibilities, or liabilities of the Debtors or the Reorganized Debtors, as applicable,  
under any executory or non-executory contract or unexpired or expired lease.

**8.9     Modifications, Amendments, Supplements, Restatements, or Other**  
**Agreements.** Unless otherwise provided in the Plan, each executory contract or unexpired lease that  
is assumed shall include all modifications, amendments, supplements, restatements, or other

1 agreements that in any manner affect such executory contract or unexpired lease, and executory  
2 contracts and unexpired leases related thereto, if any, including easements, licenses, permits, rights,  
3 privileges, immunities, options, rights of first refusal, and any other interests, unless any of the  
4 foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the  
5 Plan.

## 6 **ARTICLE IX.**

### 7 **EFFECTIVENESS OF THE PLAN**

8 **9.1 Conditions Precedent to Confirmation of the Plan.** The following are  
9 conditions precedent to confirmation of the Plan:

- 10 (a) The Disclosure Statement Order has been entered by the Bankruptcy Court;
- 11 (b) The Bankruptcy Court shall have entered the Confirmation Order in form and  
12 substance acceptable to the Debtors;
- 13 (c) The Debtors have received the CPUC Approval, other than the approval  
14 referred to in Section 1.37(c) of the Plan;
- 15 (d) The Subrogation Claims RSA shall be in full force and effect;
- 16 (e) The Tort Claimants RSA shall be in full force and effect;
- 17 (f) The Noteholder RSA shall be in full force and effect; and
- 18 (g) The Backstop Commitment Letters, if necessary for the Plan Funding, shall be  
19 in full force and effect and binding on all parties thereto, and shall not have been terminated by the  
20 parties thereto.

21 **9.2 Conditions Precedent to the Effective Date.** The following are conditions  
22 precedent to the Effective Date of the Plan:

- 23 (a) The Confirmation Order shall have been entered by the Bankruptcy Court no  
24 later than the June 30, 2020 date set forth in section 3292(b) of the Wildfire Legislation (A.B. 1054)  
25 or any extension of such date and such order shall be in full force and effect, and no stay thereof shall  
26 be in effect;
- 27 (b) The Subrogation Claims RSA shall be in full force and effect;
- 28 (c) The Tort Claimants RSA shall be in full force and effect;
- (d) The Noteholder RSA shall be in full force and effect;
- (e) The adversary proceeding commenced by the Tort Claimants Committee  
against the Ad Hoc Group of Subrogation Claim Holders (Complaint for Declaratory Judgment

1 Subordinating and Disallowing Claims and For an Accounting, *Official Comm. of Tort Claimants v.*  
2 *Ad Hoc Grp. of Subrogation Claim Holders*, Adv. Pro. No. 19-3053 (N.D. Cal. Nov. 8, 2019), ECF.  
3 No. 1) shall have been dismissed with prejudice;

4 (f) The Tax Benefits Payment Agreement shall be in full force and effect, and shall  
5 have received any necessary approvals;

6 (g) The Debtors shall have implemented all transactions contemplated by this Plan;

7 (h) All documents and agreements necessary to consummate the Plan shall have  
8 been effected or executed;

9 (i) The Bankruptcy Court approval for the Debtors to participate in and fund the  
10 Go-Forward Wildfire Fund shall be in full force and effect;

11 (j) The Debtors shall have obtained the Plan Funding;

12 (k) The Debtors shall have received all authorizations, consents, legal and  
13 regulatory approvals, rulings, letters, no-action letters, opinions, or documents that are necessary to  
14 implement and consummate the Plan and the Plan Funding and that are required by law, regulation,  
15 or order;

16 (l) The CPUC Approval shall be in full force and effect;

17 (m) The Subrogation Wildfire Trust shall have been established and the Subrogation  
18 Wildfire Trustee shall have been appointed;

19 (n) The Fire Victim Trust shall have been established, the Fire Victim Trustee shall  
20 have been appointed and the Tax Benefits Payment Agreement shall have been fully executed; and

21 (o) The Plan shall not have been materially amended, altered or modified from the  
22 Plan as confirmed by the Confirmation Order, unless such material amendment, alteration or  
23 modification has been made in accordance with Section 12.6 of the Plan.

24 **9.3 Satisfaction of Conditions.** Except as otherwise provided herein, any actions  
25 required to be taken on the Effective Date shall take place and shall be deemed to have occurred  
26 simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other  
27 such action. If the Debtors determine that any of the conditions precedent set forth in Sections 9.1 or  
28 9.2 hereof cannot be satisfied and the occurrence of such conditions is not waived pursuant to Section  
9.4, then the Debtors shall file a notice of the failure of the Effective Date with the Bankruptcy Court.

**9.4 Waiver of Conditions.** The conditions set forth in Sections 9.1 or 9.2 may be  
waived or modified only by the Plan Proponents with the consent of the Backstop Parties holding a  
majority of the Aggregate Backstop Commitment Amount (such consent not to be unreasonably  
withheld, conditioned or delayed), without notice, leave, or order of the Bankruptcy Court or any  
formal action other than proceedings to confirm or consummate the Plan; *provided* that for Sections  
9.1(d) and 9.2(b) of the Plan only, the consent of the Requisite Consenting Creditors shall also be

1 required; *provided further* that for Sections 9.1(e) and 9.2(c) of the Plan only, the consent of the  
2 Requisite Consenting Fire Claimant Professionals (as such term is defined in the Tort Claimants RSA)  
shall also be required.

3 **9.5 Effect of Non-Occurrence of Effective Date.** If the Effective Date does not  
4 occur on or before December 31, 2020, then: (a) the Plan will be null and void in all respects; and  
5 (b) nothing contained in the Plan or the Disclosure Statement shall: (i) constitute a waiver or release  
6 of any Claims, Interests, or Causes of Action by any Entity; (ii) prejudice in any manner the rights of  
any Debtor or any other Entity; or (iii) constitute an admission, acknowledgment, offer, or undertaking  
of any sort by any Debtor or any other Entity.

## 7 **ARTICLE X.**

### 8 **EFFECT OF CONFIRMATION**

9 **10.1 Binding Effect.** Except as otherwise provided in section 1141(d)(3) of the  
10 Bankruptcy Code, and subject to the occurrence of the Effective Date, on and after the entry of the  
11 Confirmation Order, the provisions of this Plan shall bind every holder of a Claim against or Interest  
12 in any Debtor and inure to the benefit of and be binding on such holder's respective successors and  
assigns, regardless of whether the Claim or Interest of such holder is Impaired under this Plan and  
whether such holder has accepted this Plan.

13 **10.2 Vesting of Assets.** Upon the Effective Date, pursuant to sections 1141(b) and  
14 (c) of the Bankruptcy Code, all assets and property of the Debtors shall vest in the Reorganized  
15 Debtors, as applicable, free and clear of all Claims, Liens, charges, and other interests, except as  
16 otherwise provided herein. The Reorganized Debtors may operate their businesses and use, acquire,  
17 and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and  
in all respects as if there were no pending cases under any chapter or provision of the Bankruptcy  
Code, except as otherwise provided herein.

18 **10.3 Discharge of Debtors.** Upon the Effective Date and in consideration of the  
19 distributions to be made hereunder, except as otherwise expressly provided herein, the Debtors shall  
20 be discharged to the fullest extent permitted by section 1141 of the Bankruptcy Code; *provided,*  
21 *however,* that any liability of the Debtors arising from any fire or any other act or omission occurring  
22 after the Petition Date, including the Kincade Fire, that has not been satisfied in full as of the Effective  
23 Date shall not be discharged, waived, or released. In addition, (a) from and after the Effective Date  
24 neither the automatic stay nor any other injunction entered by the Bankruptcy Court shall restrain the  
25 enforcement or defense of any claims for fires or any other act or omission occurring after the Petition  
26 Date, including the Kincade Fire or the Lafayette fire, in any court that would otherwise have  
jurisdiction if the Chapter 11 Cases had not been filed and (b) no claims for fires or any other act or  
omission or motions for allowance of claims for fires or any act or omission occurring after the Petition  
Date need to be filed in the Chapter 11 Cases. Upon the Effective Date, all holders of Claims against  
or Interests in the Debtors shall be forever precluded and enjoined, pursuant to section 524 of the  
Bankruptcy Code, from prosecuting or asserting any such discharged Claim against or Interest in the  
Debtors.

1           **10.4    Term of Injunctions or Stays.** Unless otherwise provided herein or in a Final  
2 Order, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 105  
3 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain  
4 in full force and effect until the later of the Effective Date and the date indicated in the order providing  
5 for such injunction or stay. The Trading Order shall remain enforceable as to transfers through the  
Effective Date with respect to those persons having “beneficial ownership” of “PG&E Stock” (as such  
terms are defined in Trading Order). Accordingly, the Trading Order has no applicability or effect  
with respect to the trading of stock of Reorganized HoldCo after the Effective Date.

6           **10.5    Injunction Against Interference with Plan.** Upon entry of the Confirmation  
7 Order, all holders of Claims against or Interests in the Debtors and other parties in interest, along with  
8 their respective present or former employees, agents, officers, directors, principals, and affiliates, shall  
9 be enjoined from taking any actions to interfere with the implementation or consummation of the Plan;  
10 *provided, that* nothing herein or in the Confirmation Order shall preclude, limit, restrict or prohibit  
any party in interest from seeking to enforce the terms of the Plan, the Confirmation Order, or any  
other agreement or instrument entered into or effectuated in connection with the consummation of the  
Plan.

11           **10.6    Injunction.**

12           (a) Except as otherwise provided in this Plan or in the Confirmation Order, as of  
13 the entry of the Confirmation Order but subject to the occurrence of the Effective Date, all Entities  
14 who have held, hold, or may hold Claims or Interests are, with respect to any such Claim or Interest,  
15 permanently enjoined after the entry of the Confirmation Order from: (i) commencing, conducting, or  
16 continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind  
17 (including, any proceeding in a judicial, arbitral, administrative, or other forum) against or affecting,  
18 directly or indirectly, a Debtor, a Reorganized Debtor, or an estate or the property of any of the  
19 foregoing, or any direct or indirect transferee of any property of, or direct or indirect successor in  
20 interest to, any of the foregoing Persons mentioned in this subsection (i) or any property of any such  
21 transferee or successor; (ii) enforcing, levying, attaching (including any prejudgment attachment),  
22 collecting, or otherwise recovering in any manner or by any means, whether directly or indirectly, any  
23 judgment, award, decree, or order against a Debtor, a Reorganized Debtor, or an estate or its property,  
24 or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any  
25 of the foregoing Persons mentioned in this subsection (ii) or any property of any such transferee or  
26 successor; (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any  
27 encumbrance of any kind against a Debtor, a Reorganized Debtor, or an estate or any of its property,  
28 or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing  
Persons mentioned in this subsection (iii) or any property of any such transferee or successor;  
(iv) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply  
with the provisions of this Plan to the full extent permitted by applicable law; and (v) commencing or  
continuing, in any manner or in any place, any action that does not comply with or is inconsistent with  
the provisions of this Plan; *provided, that* nothing contained herein shall preclude such Entities who  
have held, hold, or may hold Claims against a Debtor or an estate from exercising their rights, or  
obtaining benefits, pursuant to and consistent with the terms of this Plan, the Confirmation Order, or  
any other agreement or instrument entered into or effectuated in connection with the consummation  
of the Plan.

1 (b) By accepting distributions pursuant to this Plan, each holder of an Allowed  
2 Claim will be deemed to have affirmatively and specifically consented to be bound by this Plan,  
including, the injunctions set forth in this Section.

3 **10.7 Channeling Injunction.**

4 (a) **The sole source of recovery for holders of Subrogation Wildfire Claims and  
5 Fire Victim Claims shall be from the Subrogation Wildfire Trust and the Fire Victim Trust, as  
6 applicable. The holders of such Claims shall have no recourse to or Claims whatsoever against  
7 the Debtors or Reorganized Debtors or their assets and properties. Consistent with the  
8 foregoing, all Entities that have held or asserted, or that hold or assert any Subrogation Wildfire  
9 Claim or Fire Victim Claim shall be permanently and forever stayed, restrained, and enjoined  
from taking any action for the purpose of directly or indirectly collecting, recovering, or  
receiving payments, satisfaction, or recovery from any Debtor or Reorganized Debtor or its  
assets and properties with respect to any Fire Claims, including all of the following actions:**

10 (i) **commencing, conducting, or continuing, in any manner, whether  
11 directly or indirectly, any suit, action, or other proceeding of any kind in any forum with  
12 respect to any such Fire Claim, against or affecting any Debtor or Reorganized Debtor,  
or any property or interests in property of any Debtor or Reorganized Debtor with  
respect to any such Fire Claim;**

13 (ii) **enforcing, levying, attaching, collecting or otherwise recovering, by  
14 any manner or means, or in any manner, either directly or indirectly, any judgment,  
15 award, decree or other order against any Debtor or Reorganized Debtor or against the  
property of any Debtor or Reorganized Debtor with respect to any such Fire Claim;**

16 (iii) **creating, perfecting, or enforcing in any manner, whether directly  
17 or indirectly, any Lien of any kind against any Debtor or Reorganized Debtor or the  
property of any Debtor or Reorganized Debtor with respect to any such Fire Claims;**

18 (iv) **asserting or accomplishing any setoff, right of subrogation,  
19 indemnity, contribution, or recoupment of any kind, whether directly or indirectly,  
20 against any obligation due to any Debtor or Reorganized Debtor or against the property  
of any Debtor or Reorganized Debtor with respect to any such Fire Claim; and**

21 (v) **taking any act, in any manner, in any place whatsoever, that does  
22 not conform to, or comply with, the provisions of the Plan Documents, with respect to  
any such Fire Claim.**

23 (b) **Reservations.** Notwithstanding anything to the contrary in this Section 10.7 of  
24 the Plan, this Channeling Injunction shall not enjoin:

25 (i) the rights of holders of Subrogation Wildfire Claims and Fire Victim  
26 Claims to the treatment afforded them under the Plan, including the right to assert such Claims  
27  
28

1 in accordance with the applicable Wildfire Trust Agreements solely against the applicable  
2 Wildfire Trust whether or not there are funds to pay such Fire Claims; and

3 (ii) the Wildfire Trusts from enforcing their rights under the Wildfire Trust  
4 Agreements.

5 (c) **Modifications.** There can be no modification, dissolution, or termination of  
6 the Channeling Injunction, which shall be a permanent injunction.

7 (d) **No Limitation on Channeling Injunction.** Nothing in the Plan, the  
8 Confirmation Order, or the Wildfire Trust Agreements shall be construed in any way to limit the scope,  
9 enforceability, or effectiveness of the Channeling Injunction provided for herein and in the  
10 Confirmation Order.

11 (e) **Bankruptcy Rule 3016 Compliance.** The Debtors' compliance with the  
12 requirements of Bankruptcy Rule 3016 shall not constitute an admission that the Plan provides for an  
13 injunction against conduct not otherwise enjoined under the Bankruptcy Code.

14 **10.8 Exculpation.** Notwithstanding anything herein to the contrary, and to the  
15 maximum extent permitted by applicable law, and except for the Assigned Rights and Causes of  
16 Action solely to the extent preserved by Section 10.9(g), no Exculpated Party shall have or incur,  
17 and each Exculpated Party is hereby released and exculpated from, any Claim, Interest,  
18 obligation, suit, judgment, damage, demand, debt, right, Cause of Action, loss, remedy, or  
19 liability for any claim (including, but not limited to, any claim for breach of any fiduciary duty  
20 or any similar duty) in connection with or arising out of the administration of the Chapter 11  
21 Cases; the negotiation and pursuit of the Public Entities Plan Support Agreements, the Backstop  
22 Commitment Letters, the Subrogation Claims RSA, the Tort Claimants RSA, the Noteholder  
23 RSA, the Exit Financing Documents, the Plan Funding, the DIP Facilities, the Disclosure  
24 Statement, the Plan, the Restructuring Transactions, the Wildfire Trusts (including the Plan  
25 Documents, the Claims Resolution Procedures and the Wildfire Trust Agreements), or any  
26 agreement, transaction, or document related to any of the foregoing, or the solicitation of votes  
27 for, or confirmation of, this Plan; the funding of this Plan; the occurrence of the Effective Date;  
28 the administration of this Plan or the property to be distributed under this Plan; any  
membership in (including, but not limited to, on an *ex officio* basis), participation in, or  
involvement with the Statutory Committees; the issuance of Securities under or in connection  
with this Plan; or the transactions in furtherance of any of the foregoing; except for Claims  
related to any act or omission that is determined in a Final Order by a court of competent  
jurisdiction to have constituted actual fraud or willful misconduct, but in all respects such  
Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties  
and responsibilities pursuant to this Plan. The Exculpated Parties and each of their respective  
affiliates, agents, directors, officers, employees, advisors, and attorneys have acted in compliance  
with the applicable provisions of the Bankruptcy Code with regard to the solicitation and  
distributions pursuant to this Plan and, therefore, are not, and on account of such distributions  
shall not be, liable at any time for the violation of any applicable law, rule, or regulation  
governing the solicitation of acceptances or rejections of this Plan or such distributions made  
pursuant to this Plan, including the issuance of Securities thereunder. This exculpation shall be

1 in addition to, and not in limitation of, all other releases, indemnities, exculpations, and any  
2 other applicable law or rules protecting such Exculpated Parties from liability.

3 **10.9 Releases.**

4 (a) *Releases by the Debtors.* As of and subject to the occurrence of the Effective  
5 Date, except for the rights that remain in effect from and after the Effective Date to enforce this  
6 Plan and the Plan Documents, and except for the Assigned Rights and Causes of Action solely  
7 to the extent preserved by Section 10.9(g), for good and valuable consideration, the adequacy of  
8 which is hereby confirmed, including, the service of the Released Parties to facilitate the  
9 reorganization of the Debtors, the implementation of the Restructuring, and except as otherwise  
10 provided in this Plan or in the Confirmation Order, the Released Parties are deemed forever  
11 released and discharged, to the maximum extent permitted by law and unless barred by law, by  
12 the Debtors, the Reorganized Debtors, and the Debtors' estates, in each case on behalf of  
13 themselves and their respective successors, assigns, and representatives and any and all other  
14 Entities who may purport to assert any Cause of Action derivatively, by or through the foregoing  
15 Entities, from any and all claims, interests, obligations, suits, judgments, damages, demands,  
16 debts, rights, Causes of Action, losses, remedies, or liabilities whatsoever, including any  
17 derivative claims, asserted or assertable on behalf of the Debtors, the Reorganized Debtors, or  
18 the Debtors' estates, whether known or unknown, foreseen or unforeseen, existing or hereinafter  
19 arising, in law, equity, or otherwise, that the Debtors, the Reorganized Debtors, or the Debtors'  
20 estates would have been legally entitled to assert in their own right (whether individually or  
21 collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or  
22 relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11  
23 Cases, the Fires, the purchase, sale, or rescission of the purchase or sale of any Security of the  
24 Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving  
25 rise to, any Claim or Interest that is treated in this Plan, the business or contractual  
26 arrangements between any Debtor and any Released Party, the DIP Facilities, the Plan Funding,  
27 the Restructuring, the restructuring of any Claim or Interest before or during the Chapter 11  
28 Cases, the Restructuring Transactions, the Public Entities Plan Support Agreements, the  
Backstop Commitment Letters, the Subrogation Claims RSA, the Tort Claimants RSA, the  
Noteholder RSA, the Exit Financing Documents, the negotiation, formulation, or preparation of  
the Disclosure Statement and this Plan and related agreements, instruments, and other  
documents (including the Plan Documents, the Claims Resolution Procedures, the Wildfire  
Trust Agreements, Public Entities Plan Support Agreements, the Backstop Commitment  
Letters, the Subrogation Claims RSA, the Tort Claimants RSA, the Noteholder RSA, and the  
Exit Financing Documents), the solicitation of votes with respect to this Plan, any membership  
(including, but not limited to, on an *ex officio* basis), participation in, or involvement with the  
Statutory Committees, or any other act or omission, transaction, agreement, event, or other  
occurrence, and in all respects such Entities shall be entitled to reasonably rely upon the advice  
of counsel with respect to their duties and responsibilities pursuant to this Plan.

(b) *Releases by Holders of Claims and Interests.* As of and subject to the  
occurrence of the Effective Date, except for the rights that remain in effect from and after the  
Effective Date to enforce the Plan and the Plan Documents, and except for the Assigned Rights  
and Causes of Action solely to the extent preserved by Section 10.9(g), for good and valuable

1 consideration, the adequacy of which is hereby confirmed, including, the service of the Released  
2 Parties to facilitate the reorganization of the Debtors and the implementation of the  
3 Restructuring, and except as otherwise provided in the Plan or in the Confirmation Order, the  
4 Released Parties, are deemed forever released and discharged, to the maximum extent permitted  
5 by law and unless barred by law, by the Releasing Parties from any and all claims, interests,  
6 obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, losses,  
7 remedies, and liabilities whatsoever, including any derivative claims, asserted or assertable on  
8 behalf of the Debtors, and any claims for breach of any fiduciary duty (or any similar duty),  
9 whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law,  
10 equity, or otherwise, that such holders or their affiliates (to the extent such affiliates can be  
11 bound) would have been legally entitled to assert in their own right (whether individually or  
12 collectively) or on behalf of the holder of any Claim or Interest or other Entity, based on or  
13 relating to, or in any manner arising from, in whole or in part, the Debtors, the Fires, the  
14 Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any Security of the  
15 Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving  
16 rise to, any Claim or Interest that is treated in the Plan, the business or contractual  
17 arrangements between any Debtor and any Released Party, the DIP Facilities, the Plan Funding,  
18 the Restructuring, the restructuring of any Claim or Interest before or during the Chapter 11  
19 Cases, the Restructuring Transactions, the Public Entities Plan Support Agreement, the  
20 Backstop Commitment Letters, the Subrogation Claims RSA, the Tort Claimants RSA, the  
21 Noteholder RSA, the Exit Financing Documents, the negotiation, formulation, or preparation of  
22 the Disclosure Statement, the Plan and related agreements, instruments, and other documents  
23 (including the Plan Documents, the Claims Resolution Procedures, the Wildfire Trust  
24 Agreements, Public Entities Plan Support Agreements, the Backstop Commitment Letters, the  
25 Subrogation Claims RSA, the Tort Claimants RSA, the Noteholder RSA, and the Exit Financing  
26 Documents), the solicitation of votes with respect to the Plan, any membership in (including, but  
27 not limited to, on an *ex officio* basis), participation in, or involvement with the Statutory  
28 Committees, or any other act or omission, transaction, agreement, event, or other occurrence,  
and in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel  
with respect to their duties and responsibilities pursuant to the Plan. Notwithstanding the above,  
the holders of Environmental Claims, Workers' Compensation Claims and 2001 Utility  
Exchange Claims retain the right to assert such Claims against the Reorganized Debtors in  
accordance with the terms of the Plan; and nothing herein shall be deemed to impose a release  
by holders of Fire Victim Claims of insurance claims arising under their insurance policies  
against holders of Subrogation Wildfire Claims, other than any rights such holder may elect to  
release as part of any settlement as set forth in Section 4.25(f)(ii) hereof.

(c) *Only Consensual Non-Debtor Releases.* Except as set forth under Section  
4.25(f)(ii) hereof, for the avoidance of doubt, and notwithstanding any other provision of this  
Plan, nothing in the Plan is intended to, nor shall the Plan be interpreted to, effect a  
nonconsensual release, satisfaction, compromise, settlement or discharge of a holder of a Claim  
or Cause of Action in favor of a party that is not a Debtor, it being acknowledged that such  
holder shall be deemed to have released, or to effectuate a satisfaction, compromise, settlement  
or discharge of, a party that is not a Debtor under the Plan solely to the extent that such holder  
consensually elects to provide such Plan release in accordance with the opt-in release procedures

1 set forth herein or in any applicable Ballot. The holder of a Claim shall receive the same amount  
2 of consideration under the Plan whether or not such holder elects to release a party that is not a  
3 Debtor in accordance with the opt-in release procedures set forth herein or in any applicable  
4 Ballot.

5 (d) **Release of Liens.** Except as otherwise specifically provided in the Plan or  
6 in any contract, instrument, release, or other agreement or document created pursuant to the  
7 Plan, including the Exit Financing Documents, on the Effective Date and concurrently with the  
8 applicable distributions made pursuant to the Plan and, in the case of a Secured Claim,  
9 satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date,  
10 all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of  
11 the estates shall be fully released and discharged, and all of the right, title, and interest of any  
12 holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert  
13 to the Reorganized Debtors and their successors and assigns, in each case, without any further  
14 approval or order of the Bankruptcy Court and without any action or filing being required to  
15 be made by the Debtors.

16 (e) **Waiver of Statutory Limitations on Releases.** Each Releasing Party in any  
17 general release contained in the Plan expressly acknowledges that although ordinarily a general  
18 release may not extend to claims which the Releasing Party does not know or suspect to exist in  
19 his favor, which if known by it may have materially affected its settlement with the party  
20 released, each Releasing Party has carefully considered and taken into account in determining  
21 to enter into the above releases the possible existence of such unknown losses or claims. Without  
22 limiting the generality of the foregoing, and solely with respect to any general release under this  
23 Plan, each Releasing Party expressly waives any and all rights conferred upon it by any statute  
24 or rule of law which provides that a release does not extend to claims which the claimant does  
25 not know or suspect to exist in its favor at the time of executing the release, which if known by  
26 it may have materially affected its settlement with the released party, including the provisions  
27 of California Civil Code section 1542. The releases contained in this Article X of the Plan are  
28 effective regardless of whether those released matters are presently known, unknown, suspected  
or unsuspected, foreseen or unforeseen.

19 (f) **Injunction Related to Releases and Exculpation.** The Confirmation Order  
20 shall permanently enjoin the commencement or prosecution by any Person or Entity, whether directly,  
21 derivatively, or otherwise, of any Claims, obligations, suits, judgments, damages, demands, debts,  
22 rights, Causes of Action, losses, or liabilities released pursuant to this Plan, including, the claims,  
23 obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, and liabilities  
24 released or exculpated in this Plan. For the avoidance of doubt, this injunction shall not apply to the  
25 rights of the Fire Victim Trust to prosecute and settle any Assigned Rights and Causes of Action solely  
26 to the extent provided for in the Plan. Notwithstanding the above, the holders of Environmental  
27 Claims, Workers' Compensation Claims and 2001 Utility Exchange Claims retain the right to assert  
28 such Claims against the Reorganized Debtors in accordance with the terms of the Plan.

25 (g) **No Release or Exculpation of Assigned Rights and Causes of Action.**  
26 Notwithstanding any other provision of the Plan, including anything in Section 10.8 and/or 10.9, the

1 releases, discharges, and exculpations contained in this Plan shall not release, discharge, or exculpate  
2 any Person from the Assigned Rights and Causes of Action.

3 **10.10 Subordination.** The allowance, classification, and treatment of all Allowed  
4 Claims and Interests and the respective distributions and treatments thereof under this Plan take into  
5 account and conform to the relative priority and rights of the Claims and Interests in each Class in  
6 connection with any contractual, legal, and equitable subordination rights relating thereto, whether  
7 arising under general principles of equitable subordination, sections 510(a), 510(b), or 510(c) of the  
8 Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors reserve  
9 the right to reclassify any Allowed Claim (other than any DIP Facility Claims) or Interest in  
10 accordance with any contractual, legal, or equitable subordination relating thereto.

11 **10.11 Retention of Causes of Action/Reservation of Rights.**

12 (a) Except as otherwise provided in Section 10.9 hereof, nothing herein or in the  
13 Confirmation Order shall be deemed to be a waiver or the relinquishment of any rights or Causes of  
14 Action that the Debtors or the Reorganized Debtors may have or which the Reorganized Debtors may  
15 choose to assert on behalf of their respective estates under any provision of the Bankruptcy Code or  
16 any applicable nonbankruptcy law, including (i) any and all Claims against any Person or Entity, to  
17 the extent such Person or Entity asserts a crossclaim, counterclaim, and/or Claim for setoff which  
18 seeks affirmative relief against the Debtors, the Reorganized Debtors, or their officers, directors, or  
19 representatives and (ii) for the turnover of any property of the Debtors' estates.

20 (b) Nothing herein or in the Confirmation Order shall be deemed to be a waiver or  
21 relinquishment of any rights or Causes of Action, right of setoff, or other legal or equitable defense  
22 that the Debtors had immediately prior to the Petition Date, against or with respect to any Claim left  
23 Unimpaired by the Plan. The Reorganized Debtors shall have, retain, reserve, and be entitled to assert  
24 all such claims, Causes of Action, rights of setoff, and other legal or equitable defenses that they had  
25 immediately prior to the Petition Date fully as if the Chapter 11 Cases had not been commenced, and  
26 all of the Reorganized Debtors' legal and equitable rights with respect to any Claim left Unimpaired  
27 by the Plan may be asserted after the Confirmation Date to the same extent as if the Chapter 11 Cases  
28 had not been commenced.

(c) The Reorganized Debtors reserve and shall retain the applicable Causes of  
Action notwithstanding the rejection of any executory contract or unexpired lease during the Chapter  
11 Cases or pursuant to the Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code, any  
Causes of Action that a Debtor may hold against any Entity shall vest in the Reorganized Debtors in  
accordance with the terms hereof. The Reorganized Debtors shall have the exclusive right, authority,  
and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise,  
release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the  
foregoing without the consent or approval of any third party or further notice to or action, order, or  
approval of the Bankruptcy Court.

(d) Notwithstanding anything to the contrary in the Plan, no claims shall be brought  
under Section 547 of the Bankruptcy Code to recover any payments made to any Person or Entity as  
a result of damages caused by wildfires.

1           **10.12 Preservation of Causes of Action.** No Entity may rely on the absence of a  
2 specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action  
3 against them as any indication that the Debtors or the Reorganized Debtors will not pursue any and all  
4 available Causes of Action against them. The Debtors and the Reorganized Debtors expressly reserve  
all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly  
provided herein.

5           **10.13 Special Provisions for Governmental Units.** Solely with respect to  
6 Governmental Units, nothing herein shall limit or expand the scope of discharge, release, or injunction  
7 to which the Debtors or the Reorganized Debtors are entitled under the Bankruptcy Code. Further,  
8 nothing herein, including Sections 10.8 and 10.9 hereof, shall discharge, release, enjoin, or otherwise  
9 bar (a) any liability of the Debtors or the Reorganized Debtors to a Governmental Unit arising on or  
10 after the Confirmation Date, (b) any liability to a Governmental Unit that is not a Claim, (c) any  
11 affirmative defense, valid right of setoff or recoupment of a Governmental Unit, (d) any police or  
12 regulatory action by a Governmental Unit (except with respect to any monetary amount related to any  
13 matter arising prior to the Petition Date), (e) any action to exercise the power of eminent domain and  
14 any related or ancillary power or authority of a Governmental Unit, (f) any environmental liability to  
15 a Governmental Unit that the Debtors, the Reorganized Debtors, any successors thereto, or any other  
16 Person or Entity may have as an owner or operator of real property after the Confirmation Date, or (g)  
17 any liability to a Governmental Unit on the part of any Persons or Entities other than the Debtors or  
18 the Reorganized Debtors, except that nothing in this Section 10.13 shall affect the exculpation in  
19 Section 10.8 hereof or the Debtors' releases in Section 10.9 hereof. Nothing herein shall enjoin or  
20 otherwise bar any Governmental Unit from asserting or enforcing, outside the Bankruptcy Court, any  
of the matters set forth in clauses (a) through (g) above. Nothing herein shall affect the treatment of  
Environmental Claims and Environmental Performance Obligations as specified in Sections 4.10 and  
4.30 hereof.

21           **10.14 Document Retention and Cooperation with the Fire Victim Trust.** On and  
22 after the Effective Date, the Reorganized Debtors may maintain documents in accordance with the  
23 Debtors' standard document retention policy, as may be altered, amended, modified, or supplemented  
24 by the Reorganized Debtors. The Debtors and the Reorganized Debtors shall respond to reasonable  
25 requests of the Fire Victim Trust for any non-privileged information and documents related to the  
26 Assigned Rights and Causes of Action and the Fire Victim Claims or as reasonably necessary for the  
27 administration of the Fire Victim Trust.

28           **10.15 Solicitation of Plan.** As of the Confirmation Date: (a) the Debtors shall be  
deemed to have solicited acceptances of the Plan in good faith and in compliance with the applicable  
provisions of the Bankruptcy Code, including sections 1125(a) and (e) of the Bankruptcy Code, and  
any applicable non-bankruptcy law, rule, or regulation governing the adequacy of disclosure in  
connection with such solicitation and (b) the Debtors and each of their respective directors, officers,  
employees, affiliates, agents, restructuring advisors, financial advisors, investment bankers,  
professionals, accountants, and attorneys shall be deemed to have participated in good faith and in  
compliance with the applicable provisions of the Bankruptcy Code in the offer and issuance of any  
securities under the Plan, and therefore are not, and on account of such offer, issuance, and solicitation  
shall not be, liable at any time for any violation of any applicable law, rule, or regulation governing

1 the solicitation of acceptances or rejections of the Plan or the offer and issuance of any securities under  
2 the Plan.

## 3 **ARTICLE XI.**

### 4 **RETENTION OF JURISDICTION**

5 **11.1 Jurisdiction of Bankruptcy Court.** On and after the Effective Date, the  
6 Bankruptcy Court shall retain jurisdiction (without prejudice to the rights of any Entity to assert that  
7 such jurisdiction is exclusive) of all matters arising under, arising out of, or related to the Chapter 11  
8 Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy  
9 Code and for, among other things, the following purposes:

10 (a) To hear and determine motions for and any disputes involving the assumption,  
11 assumption and assignment, or rejection of executory contracts or unexpired leases and the allowance  
12 of Claims resulting therefrom, including the determination of any Cure Amount;

13 (b) To determine any motion, adversary proceeding, application, contested matter,  
14 and other litigated matter pending on or commenced before or after the Confirmation Date, including,  
15 any proceeding with respect to a Cause of Action or Avoidance Action;

16 (c) To ensure that distributions to holders of Allowed Claims are accomplished as  
17 provided herein;

18 (d) To consider Claims or the allowance, classification, priority, compromise,  
19 estimation, or payment of any Claim, including any Administrative Expense Claims;

20 (e) To enter, implement, or enforce such orders as may be appropriate in the event  
21 the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

22 (f) To issue injunctions, enter and implement other orders, and take such other  
23 actions as may be necessary or appropriate to restrain interference by any Entity with the  
24 consummation, implementation, or enforcement of the Plan, the Confirmation Order, or any other  
25 order, judgment or ruling of the Bankruptcy Court, including enforcement of the releases,  
26 exculpations, and the Channeling Injunction;

27 (g) To hear and determine any application to modify the Plan in accordance with  
28 section 1127 of the Bankruptcy Code and to remedy any defect or omission or reconcile any  
inconsistency in the Plan, the Disclosure Statement, or any order of the Bankruptcy Court, including  
the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects  
thereof;

(h) To hear and determine all applications under sections 330, 331, and 503(b) of  
the Bankruptcy Code for awards of compensation for services rendered and reimbursement of  
expenses incurred prior to the Effective Date;

1 (i) To hear and determine disputes arising in connection with or related to the  
2 interpretation, implementation, or enforcement of the Plan, the Confirmation Order, any transactions  
3 or payments contemplated herein, or any agreement, instrument, or other document governing or  
relating to any of the foregoing;

4 (j) To hear and determine disputes arising in connection with Disputed Claims;

5 (k) To take any action and issue such orders as may be necessary to construe,  
6 enforce, implement, execute, and consummate the Plan or to maintain the integrity of the Plan  
following consummation;

7 (l) To recover all assets of the Debtors and property of the Debtors' estates,  
8 wherever located;

9 (m) To determine such other matters and for such other purposes as may be provided  
10 in the Confirmation Order;

11 (n) To hear and determine matters concerning state, local, and federal taxes in  
12 accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including the expedited  
determination of taxes under section 505(b) of the Bankruptcy Code);

13 (o) To enforce all orders previously entered by the Bankruptcy Court;

14 (p) To hear and determine any other matters related hereto and not inconsistent with  
the Bankruptcy Code and title 28 of the United States Code;

15 (q) To resolve any disputes concerning whether a Person or Entity had sufficient  
16 notice of the Chapter 11 Cases, the Disclosure Statement, any solicitation conducted in connection  
17 with the Chapter 11 Cases, any bar date established in the Chapter 11 Cases, or any deadline for  
18 responding or objecting to a Cure Amount, in each case, for the purpose for determining whether a  
Claim or Interest is discharged hereunder or for any other purpose;

19 (r) To determine any other matters or adjudicate any disputes that may arise in  
20 connection with or are related to the Plan, the Disclosure Statement, the Confirmation Order, the Plan  
Supplement, or any document related to the foregoing; *provided*, that the Bankruptcy Court shall not  
21 retain jurisdiction over disputes concerning documents contained in the Plan Supplement that have a  
jurisdictional, forum selection or dispute resolution clause that refers disputes to a different court;

22 (s) To hear and determine all disputes involving the existence, nature, or scope of  
23 the Debtors' discharge;

24 (t) To hear and determine any rights, claims, or Causes of Action held by or  
25 accruing to the Debtors, the Reorganized Debtors, or the Fire Victim Trust pursuant to the Bankruptcy  
Code or any federal or state statute or legal theory;

26 (u) To hear and determine any dispute involving the Wildfire Trusts, including but  
27 not limited to the interpretation of the Wildfire Trust Agreements;

- 1 (v) To hear any other matter not inconsistent with the Bankruptcy Code; and  
2 (w) To enter a final decree closing the Chapter 11 Cases.

3 To the extent that the Bankruptcy Court is not permitted under applicable law to preside over  
4 any of the forgoing matters, the reference to the “Bankruptcy Court” in this Article XI shall be deemed  
5 to be replaced by the “District Court.” Nothing in this Article XI shall expand the exclusive  
6 jurisdiction of the Bankruptcy Court beyond that provided by applicable law.

## 7 **ARTICLE XII.**

### 8 **MISCELLANEOUS PROVISIONS**

9 **12.1 Dissolution of Statutory Committees.** On the Effective Date, the Statutory  
10 Committees shall dissolve, the current and former members of the Statutory Committees, including  
11 any *ex officio* members, and their respective officers, employees, counsel, advisors and agents, shall  
12 be released and discharged of and from all further authority, duties, responsibilities and obligations  
13 related to and arising from and in connection with the Chapter 11 Cases, except for the limited purpose  
14 of (i) prosecuting requests for allowances of compensation and reimbursement of expenses incurred  
15 prior to the Effective Date and objecting to any such requests filed by other Professionals, including  
16 any appeals in connection therewith, (ii) having standing and a right to be heard in connection with  
17 any pending litigation, including appeals, to which such committee is a party, or (iii) prosecuting any  
18 appeals of the Confirmation Order.

19 **12.2 Substantial Consummation.** On the Effective Date, the Plan shall be deemed  
20 to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

21 **12.3 Exemption from Transfer Taxes.** Pursuant to section 1146(a) of the  
22 Bankruptcy Code, the issuance, transfer, or exchange of any Security or property hereunder or in  
23 connection with the transactions contemplated hereby, the creation, filing, or recording of any  
24 mortgage, deed of trust, or other security interest, the making, assignment, filing, or recording of any  
25 lease or sublease, or the making or delivery of any deed, bill of sale, or other instrument of transfer  
26 under, in furtherance of, or in connection with the Plan, or any agreements of consolidation, deeds,  
27 bills of sale, or assignments executed in connection with any of the transactions contemplated herein,  
28 shall constitute a “transfer under a plan” within the purview of section 1146 of the Bankruptcy Code  
and shall not be subject to or taxed under any law imposing a stamp tax or similar tax, to the maximum  
extent provided by section 1146(a) of the Bankruptcy Code. To the maximum extent provided by  
section 1146(a) of the Bankruptcy Code and applicable nonbankruptcy law, the Restructuring  
Transactions shall not be taxed under any law imposing a stamp tax or similar tax.

**12.4 Expedited Tax Determination.** The Reorganized Debtors may request an  
expedited determination of taxes under section 505(b) of the Bankruptcy Code for all returns filed for  
or on behalf of the Debtors or the Reorganized Debtors for all taxable periods of the Debtors through  
the Effective Date.

1           **12.5 Payment of Statutory Fees.** On the Effective Date, and thereafter as may be  
2 required, each of the Debtors shall pay all the respective fees payable pursuant to section 1930 of  
3 chapter 123 of title 28 of the United States Code, together with interest, if any, pursuant to section  
4 3717 of title 31 of the United States Code, until the earliest to occur of the entry of (i) a final decree  
5 closing such Debtor's Chapter 11 Case, (ii) a Final Order converting such Debtor's Chapter 11 Case  
6 to a case under chapter 7 of the Bankruptcy Code, or (iii) a Final Order dismissing such Debtor's  
7 Chapter 11 Case.

8           **12.6 Plan Modifications and Amendments.** Subject to the Certain Consent Rights  
9 set forth in Article I of this Plan, the Plan may be amended, modified, or supplemented by the Plan  
10 Proponents, in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise  
11 permitted by law without additional disclosure pursuant to section 1125 of the Bankruptcy Code,  
12 except as the Bankruptcy Court may otherwise direct, so long as such action does not materially and  
13 adversely affect the treatment of holders of Claims or Interests hereunder. The Plan Proponents may  
14 institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any  
15 inconsistencies in the Plan or the Confirmation Order with respect to such matters as may be necessary  
16 to carry out the purposes and effects of the Plan and any holder of a Claim or Interest that has accepted  
17 the Plan shall be deemed to have accepted the Plan as so amended, modified, or supplemented. Prior  
18 to the Effective Date, the Plan Proponents may make appropriate technical adjustments and  
19 modifications to the Plan without further order or approval of the Bankruptcy Court; *provided*, that  
20 such technical adjustments and modifications do not materially and adversely affect the treatment of  
21 holders of Claims or Interests.

22           **12.7 Revocation or Withdrawal of Plan.** The Plan Proponents may revoke,  
23 withdraw, or delay consideration of the Plan prior to the Confirmation Date, either entirely or with  
24 respect to one or more of the Debtors, and to file subsequent amended plans of reorganization. If the  
25 Plan is revoked, withdrawn, or delayed with respect to fewer than all of the Debtors, such revocation,  
26 withdrawal, or delay shall not affect the enforceability of the Plan as it relates to the Debtors for which  
27 the Plan is not revoked, withdrawn, or delayed. If the Plan Proponents revoke the Plan in its entirety,  
28 the Plan shall be deemed null and void. In such event, nothing herein shall be deemed to constitute a  
waiver or release of any Claim by or against the Debtors or any other Entity or to prejudice in any  
manner the rights of the Debtors or any other Entity in any further proceedings involving the Debtors.

**12.8 Courts of Competent Jurisdiction.** If the Bankruptcy Court abstains from  
exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter  
arising out of the Plan, such abstention, refusal, or failure of jurisdiction shall have no effect upon and  
shall not control, prohibit, or limit the exercise of jurisdiction by any other court having competent  
jurisdiction with respect to such matter.

**12.9 Severability.** If, prior to entry of the Confirmation Order, any term or provision  
of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy  
Court, in each case at the election and request of the Debtors may alter and interpret such term or  
provision to make it valid or enforceable to the maximum extent practicable, consistent with the  
original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or  
provision shall then be applicable as altered or interpreted. Notwithstanding any such holding,  
alteration, or interpretation, the remainder of the terms and provisions of the Plan shall remain in full

1 force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration,  
 2 or interpretation. The Confirmation Order shall constitute a judicial determination and provide that  
 3 each term and provision hereof, as it may have been altered or interpreted in accordance with the  
 4 foregoing, is (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be  
 deleted or modified except in accordance with the terms of the Plan; and (c) nonseverable and mutually  
 dependent.

5 **12.10 Governing Law.** Except to the extent the Bankruptcy Code or other U.S.  
 6 federal law is applicable, or to the extent a schedule hereto, or a schedule in the Plan Supplement  
 7 expressly provides otherwise, the rights, duties, and obligations arising hereunder shall be governed  
 8 by, and construed and enforced in accordance with, the laws of the State of California, without giving  
 effect to the principles of conflicts of law thereof to the extent they would result in the application of  
 the laws of any other jurisdiction.

9 **12.11 Schedules and Exhibits.** The schedules and exhibits to the Plan and the Plan  
 Supplement are incorporated into, and are part of, the Plan as if set forth herein.

10 **12.12 Successors and Assigns.** All the rights, benefits, and obligations of any Person  
 11 named or referred to herein shall be binding on, and inure to the benefit of, the heirs, executors,  
 12 administrators, successors, and/or assigns of such Person.

13 **12.13 Time.** In computing any period of time prescribed or allowed herein, unless  
 14 otherwise set forth herein or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule  
 9006 shall apply.

15 **12.14 Notices.** To be effective, all notices, requests, and demands to or upon the  
 16 Debtors shall be in writing (including by facsimile or electronic transmission) and, unless otherwise  
 17 expressly provided herein, shall be deemed to have been duly given or made when actually delivered,  
 or in the case of notice by facsimile transmission, when received and telephonically confirmed,  
 addressed as follows:

18  
 19 **If to the Debtors, to:**

20 PG&E Corporation and Pacific Gas and  
 21 Electric Company  
 22 77 Beale Street  
 San Francisco, CA 94105  
 Attn: Janet Loduca, Senior Vice President and  
 23 General Counsel  
 E-mail: janet.loduca@pge.com

Cravath, Swaine & Moore LLP  
 Worldwide Plaza  
 825 Eighth Avenue  
 New York, NY 10019-7475  
 Attn: Kevin J. Orsini, Paul H. Zumbro  
 Telephone: (212) 474-1000  
 Email: korsini@cravath.com,  
 pzumbro@cravath.com

24 Weil, Gotshal & Manges LLP  
 25 767 Fifth Avenue  
 26 New York, New York 10153  
 Attn: Stephen Karotkin, Ray C. Schrock,

Keller Benvenuti Kim LLP  
 650 California Street, Suite 1900  
 San Francisco, CA 94108

1	Jessica Liou and Matthew Goren Telephone: (212) 310-8000	Attn: Tobias S. Keller, Peter J. Benvenuti, Jane Kim
2	E-mail: stephen.karotkin@weil.com, ray.schrock@weil.com,	Telephone: (415) 496-6723
3	jessica.liou@weil.com, matthew.goren@weil.com	Facsimile: (650) 636-9251
4		Email: tkeller@kbkllp.com, pbenvenuti@kbkllp.com, jkim@kbkllp.com

**If to the Shareholder Proponents, to:**

5  
6 Jones Day  
7 555 South Flower Street  
8 Fiftieth Floor  
9 Los Angeles, CA 90071-2300  
10 Attn: Bruce S. Bennett, Joshua M. Mester  
11 and James O. Johnston  
12 Telephone: (213) 489-3939  
13 E-mail: bbennett@jonesday.com,  
14 jmester@jonesday.com,  
15 jjohnston@jonesday.com

**If to the Creditors Committee, to:**

12	Milbank LLP	Milbank LLP
13	55 Hudson Yards	2029 Century Park East, 33rd Floor
14	New York, New York 10001-2163	Los Angeles, CA US 90067-3019
15	Attn: Dennis F. Dunne	Attn: Thomas A. Kreller
16	Telephone: (212) 530-5000	Telephone: (424) 386-4000
17	Email: ddunne@milbank.com	Email: tkreller@milbank.com

**If to the Tort Claimants Committee, to:**

17	Baker & Hostetler LLP	Baker & Hostetler LLP
18	600 Montgomery Street, Suite 3100	11601 Wilshire Boulevard, Suite 1400
19	San Francisco, CA 94111	Los Angeles, CA 90025
20	Attn: Robert Julian and Cecily A. Dumas	Attn: Eric E. Sagerman and Lauren T. Attard
21	Telephone: (628) 208 6434	Telephone (310) 820 8800
22	Email: rjulian@bakerlaw.com and	Email: esagerman@bakerlaw.com,
23	cdumas@bakerlaw.com	lattard@bakerlaw.com

**If to the U.S. Trustee, to:**

United States Department of Justice  
Office of the U.S. Trustee  
450 Golden Gate Avenue, Suite 05-0153  
San Francisco, CA 94102  
Attn: Andrew R. Vara and Timothy S.  
Laffredi  
Telephone: (415) 705-3333  
Email: Andrew.R.Vara@usdoj.gov and  
Timothy.S.Laffredi@usdoj.gov

After the occurrence of the Effective Date, the Reorganized Debtors have authority to send a notice to Entities that in order to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entities must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the occurrence of the Effective Date, the Reorganized Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities that have filed such renewed requests.

**12.15 Reservation of Rights.** Except as otherwise provided herein, this Plan shall be of no force or effect unless the Bankruptcy Court enters the Confirmation Order. None of the filing of this Plan, any statement or provision of this Plan, or the taking of any action by the Debtors with respect to this Plan shall be or shall be deemed to be an admission or waiver of any rights of the Debtors with respect to any Claims or Interests prior to the Effective Date.

1 Dated: June 19, 2020  
2 San Francisco, California

3 Respectfully submitted,

4 PG&E CORPORATION

5  
6 By:   
7 Name: Jason P. Wells  
8 Title: Executive Vice President and Chief Financial  
9 Officer

10 PACIFIC GAS AND ELECTRIC COMPANY

11 By: \_\_\_\_\_  
12 Name: David S. Thomason  
13 Title: Vice President, Chief Financial Officer and  
14 Controller

15 SHAREHOLDER PROPONENTS

16 Abrams Capital Management, L.P.,  
17 On behalf of certain funds and accounts it manages or  
18 advises  
19 By: Abrams Capital Management LLC, its general partner

20 By: \_\_\_\_\_  
21 Name:  
22 Title:

23 Knighthead Capital Management, LLC  
24 On behalf of certain funds and accounts it manages or  
25 advises

26 By: \_\_\_\_\_  
27 Name:  
28 Title:

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Dated: June 19, 2020  
San Francisco, California

Respectfully submitted,

PG&E CORPORATION

By: \_\_\_\_\_

Name: Jason P. Wells

Title: Executive Vice President and Chief Financial Officer

PACIFIC GAS AND ELECTRIC COMPANY

By: David Thomason

Name: David S. Thomason

Title: Vice President, Chief Financial Officer and Controller

SHAREHOLDER PROPONENTS

Abrams Capital Management, L.P.,

On behalf of certain funds and accounts it manages or advises

By: Abrams Capital Management LLC, its general partner

By: \_\_\_\_\_

Name:

Title:

Knighthead Capital Management, LLC

On behalf of certain funds and accounts it manages or advises

By: \_\_\_\_\_

Name:

Title:

1 Dated: June 19, 2020  
2 San Francisco, California

3 Respectfully submitted,

4  
5 PG&E CORPORATION

6 By: \_\_\_\_\_

7 Name: Jason P. Wells

8 Title: Executive Vice President and Chief Financial  
9 Officer

10 PACIFIC GAS AND ELECTRIC COMPANY

11 By: \_\_\_\_\_

12 Name: David S. Thomason

13 Title: Vice President, Chief Financial Officer and  
14 Controller

15 SHAREHOLDER PROPONENTS

16 Abrams Capital Management, L.P.,

17 On behalf of certain funds and accounts it manages or  
18 advises

19 By: Abrams Capital Management LLC, its general partner

20 By: David Abrams

21 Name:

22 Title:

23 Knighthead Capital Management, LLC

24 On behalf of certain funds and accounts it manages or  
25 advises

26 By: \_\_\_\_\_

27 Name:

28 Title:

1 Dated: June 19, 2020  
2 San Francisco, California

3 Respectfully submitted,

4  
5 PG&E CORPORATION

6 By: \_\_\_\_\_

7 Name: Jason P. Wells

8 Title: Executive Vice President and Chief Financial  
9 Officer

10 PACIFIC GAS AND ELECTRIC COMPANY

11 By: \_\_\_\_\_

12 Name: David S. Thomason

13 Title: Vice President, Chief Financial Officer and  
14 Controller

15 SHAREHOLDER PROPONENTS

16 Abrams Capital Management, L.P.,

17 On behalf of certain funds and accounts it manages or  
18 advises

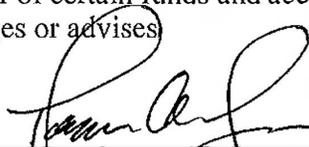
19 By: Abrams Capital Management LLC, its general partner

20 By: \_\_\_\_\_

21 Name:

22 Title:

23 Knighthood Capital Management, LLC,  
24 on behalf of certain funds and accounts  
25 it manages or advises

26 By:  \_\_\_\_\_

27 Name: Thomas A. Wagner

28 Title: Managing Member

Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, NY 10153-0119

## **Exhibit A**

### **Fires**

1. Butte Fire (2015)
2. North Bay Wildfires (2017)
  - a. LaPorte
  - b. McCourtney
  - c. Lobo
  - d. Honey
  - e. Redwood / Potter Valley
  - f. Sulphur
  - g. Cherokee
  - h. 37
  - i. Blue
  - j. Pocket
  - k. Atlas
  - l. Cascade
  - m. Nuns
  - n. Adobe
  - o. Norrbom
  - p. Pressley
  - q. Partrick
  - r. Pythian / Oakmont
  - s. Maacama
  - t. Tubbs
  - u. Point
  - v. Sullivan
3. Camp Fire (2018)

## Exhibit B

### IBEW Agreement

1. The IBEW Collective Bargaining Agreements (as defined in the Plan) that were extended by Letter of Agreement 18-09 shall be further extended through and including 12/31/25.
2. In conjunction with the extension of the IBEW Collective Bargaining Agreements, a 3.75% General Wage Increase shall be applied on the January 1st of each year of the extension (i.e., 2022, 2023, 2024 and 2025).
3. The Summary Plan Description (SPD), also referred to as the Summary of Benefits Handbook, and the Plan Document shall be extended through and including 12/31/25.<sup>2</sup> The Reorganized Debtors and IBEW Local 1245 shall use the SPD to provide negotiated benefits information to IBEW Local 1245-represented employees and further agree that the Medical, Dental and Vision Benefit Agreement and Benefit Agreement covering Life Insurance, Long Term Disability, Retirement, Savings Fund Plan and TRASOP and PAYSOP Plans effective January 1, 1994; letter agreements negotiated between the parties; and items agreed to during general negotiations will provide the basis of bargaining history and in case of conflict, will prevail as the governing documents.
4. Health Reimbursement Accounts, deductibles, out of pocket maximums, co-payments, and employee premium contributions for all eligible IBEW Local 1245-represented employees pursuant to the Benefits Agreements remain at the 2020 amounts in dollar terms and are extended through and including 12/31/25.
5. The Reorganized Debtors shall not implement involuntary lay-offs of IBEW Local 1245-represented employees (except for cause) unless agreed to by IBEW Local 1245.

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<sup>2</sup> Per Letter of Agreement 01-25-PGE, there are three types of documents describing IBEW-represented employee benefits: 1) the Collective Bargaining Agreement (including all applicable letters of agreements) negotiated by the parties, 2) the Summary Plan Description (SPD), also referred to as the Summary of Benefits Handbook, and 3) the Plan Document (collectively, the “**Benefits Agreements**”).

6. The Reorganized Debtors' management and IBEW Local 1245 leadership agree to work together for the mutual benefit of all parties and will focus their attention and skills on improving safety and the safety culture at the Reorganized Debtors.
7. The Reorganized Debtors will continue to operate the Diablo Canyon Power Plant through the term of the current operating licenses.

## Exhibit C

### MUTUAL MADE WHOLE RELEASE

The terms “Claimant” and “Insurer,” are defined in Paragraph G. below.

\_\_\_\_\_, Trustee of the Fire Victim Trust, the undersigned party or personal representative (referred to herein as “Claimant”), individually and on behalf of the estate of the Claimant, and the Insurer (collectively, the “Parties” or “Releasees”) agree as follows:

- A. Whereas, the Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization dated \_\_\_\_\_ (the “Plan”), was confirmed by an order of the United States Bankruptcy Court for the Northern District of California entered on \_\_\_\_\_, 2020, and the Plan became effective on \_\_\_\_\_, 2020.
  
- B. Whereas the Plan provides for the treatment of all allowed Fire Victim Claims (as defined in the Plan) against the Debtors through the Fire Victim Trust (as defined in the Plan) and for the discharge of the Debtors from any further or other liability on account of all Fire Victim Claims.
  
- C. Whereas the Plan provides for the treatment of all allowed Subrogation Wildfire Claims (as defined in the Plan) against the Debtors through the Subrogation Wildfire Trust (as defined in the Plan) and for the discharge of the Debtors from any further or other liability on account of all Subrogation Wildfire Claims.
  
- D. Whereas, the Plan provides that the Fire Victim Claims are administered by a Fire Victim Trust and a Fire Victim Trustee who operates independent from the Debtors, holders of the Fire Subrogation Claims, and the Insurer. Neither the Debtors, holders of the Fire Subrogation Claims, nor the Insurer shall have any right to participate in the administration of the Fire Victim Trust, review any allocation or distribution decision of the Trustee or Trust Oversight Committee, including that of the Claimant, or make any claim for money against the Trust or the Trustee in any way or at any time.
  
- E. Whereas, the Trustee and Fire Victim Trust Oversight Committee have reviewed and advised the Claimant of (a) the total amount paid into the Fire Victim Trust available for compensation to the Fire Victims, (b) the total number of claims made against the Fire Victim Trust, (c) the process by which trust funds will be allocated and distributed, and (d) the total allocated amount from the Fire Victim Trust to the Claimant (“Total Allocation Award”).

- F. Whereas, the Claimant has reviewed the Total Allocation Award.
- G. Whereas, the Plan provides the Claimant and the Insurer execute a mutual limited release after the Claimant has reviewed the Total Allocation Award wherein the Claimant agrees to release only their claim against the Insurer under the Made Whole Doctrine (see Paragraph 1) and no other claim, cause of action, defense or remedy against the Insurer, and the Insurer agrees to release the Claimant as described herein in Paragraph 3. For the purpose of this Release, “Claimant” includes the Claimant’s heirs, legal representatives, successor or assigns and “Insurer” includes the Claimants’ insurance carriers, their past and present holders of insurance subrogation claims against the Debtors (and their direct and indirect assignors or assignees), and each of their directors, officers, agents, consultants, financial advisers, employees, attorneys, predecessors, successors and assigns.
- H. Whereas, nothing in this Release is an affirmation, representation, or an acknowledgment that the Claimant has in fact been fully compensated for their damages covered by the contract of insurance between the Insurer and the Claimant. The parties agree that Court’s approval of the Plan and the Claimants’ acceptance of the Total Allocation Award does not establish that the Claimant has been fully compensated under California law for their compensable damages as a result of the fire to the extent those damages are covered by insurance.
- I. Whereas, the Insurer has agreed to the terms, provisions, and agreements of this Mutual Release in a separate agreement dated \_\_\_\_\_, 20\_\_, affirming, adopting, and attaching a copy of this Mutual Release (“Insurer Adoption Agreement”). This Mutual Release is conditioned upon the Insurer, or the Insurer’s successor on behalf of the Insurer, filing in the Chapter 11 case the Insurer Adoption Agreement, which states the Insurer releases, as to the Made Whole Doctrine only, each Claimant who signs and agrees to the terms of this Mutual Release. The terms, provisions, and agreements of the Insurer Adoption Agreement are incorporated herein by reference. Insurer’s consent and agreement to the terms, provisions, and agreements of this Mutual Release shall be effective upon the signature of the Claimant.
- J. Whereas, this release is not required for the Trustee to allocate and distribute preliminary awards to individuals on a case by case basis for humanitarian or urgent needs.

NOW, THEREFORE, in consideration for the agreements described in this Release and other good and valuable consideration, the Claimant and the Insurer agree as follows:

1. By accepting the Total Allocation Award, the Claimant hereby waives and releases their rights, known or unknown, to assert the Made Whole Doctrine against the Insurer. Claimant is not waiving or releasing any other claim, cause of action, defense, or remedy against Insurer. Also, by signing this agreement, the Claimant is not agreeing as a factual matter that the Claimant has been fully compensated for each and every category of their damages under California law.

2. The Claimant is not releasing any claims the Claimant may have against the Insurer other than the Claimant's foregoing waiver set forth in Paragraph 1. The Parties to this Release further agree and acknowledge that the Claimant is not releasing any claims, except and only to the extent set forth above, they might have against the Insurer, including but not limited to those claims or causes of action related to: (1) the policy of insurance and what is still owed or to be paid under the policy terms and conditions; (2) the right to pursue claims already made or to make new or continued claims under the policy; (3) claims handling issues; (4) delay in paying claims under the policy; (5) inadequate or untimely communication relating to the claim; (6) unreasonable positions taken relating to coverage, payment of the claim, acknowledging coverage, or day-to-day claims decisions; (7) actions or inactions of insurance agents or brokers in underwriting, securing, adjusting, calculating or recommending coverage; (8) coverage issues over policy language; (9) any action for bad faith or breach of the covenant of good faith and fair dealing; (10) any claims to reform or modify the terms of any policy; (11) any rights to recover damages for breach of contract or tort (including punitive damages), penalties or equitable relief; (12) any claims of violations of statutory or regulatory obligations; or (13) any claim for unfair business acts or practices.

3. The Insurer agrees to release and waive any right to make claim for any amount paid to the Claimant pursuant to the Fire Victim Trust or to assert as a defense, offset or reduction, the money paid to the Claimant from the Fire Victim Trust, which belongs solely to the Claimant. The Claimant agrees to make no claim on the money paid to the Insurer from the Subrogation Wildfire Trust. In agreeing to this limited release, Insurer is not releasing any claim, cause of action, defense, or remedy it may have against the Claimant other than Claimant's foregoing release of any Made Whole Doctrine claim.

4. The Insurer is not releasing any claims the Insurer may have against Claimant other than the Insurer's foregoing waiver set forth in Paragraph 3. The Parties to this Release further agree and acknowledge that the Insurer is not releasing any claims, except and only to the extent set forth above, it might have against the Claimant, including but not limited to those claims related to: (1) the policy of insurance and what is still owed or to be paid under the policy terms and conditions; (2) defenses to garden variety claims handling issues unrelated to the Made Whole Doctrine; (3) defenses related to delay in paying claims under the policy; (4) defenses to alleged inadequate or untimely communication relating to the claim; (5) defenses to alleged unreasonable positions taken relating to coverage, payment of the claim, acknowledging coverage, or day-to-day claims decisions; (6) defenses to actions or inactions of insurance agents or brokers in securing coverage; (7) coverage issues over policy language unrelated to Made Whole Doctrine; or (8) defenses to any common law action for bad faith unrelated to Made Whole Doctrine.

5. The Insurer further agrees that the Total Allocation Award shall not be the subject of discovery or mentioned in any pleadings in any state or federal court action or admissible in evidence in any state or federal court action for any of the causes of action or claims for relief identified in Paragraphs 2 or 4. Claimant agrees that the amount paid to Insurer from the Subrogation Wildfire Trust shall not be the subject of discovery or mentioned in any pleadings in any state or federal court action or admissible in evidence in any state or federal court action.

6. To the extent that the Claimant brings a claim for breach of contract, wrongful denial of coverage and/or bad faith against the Insurer, the Insurer shall not assert in any way or at any time that the Claimant should have or could have pursued that claim against the Debtors, the Fire Victim Trust, or any other party. The Insurer agrees that that it will not assert in any action or proceeding covered under Paragraph 2 or 4 that the Claimant has been compensated as a result of the Claimant's settlement with the Debtors.

7. Both the Claimant and the Insurer agree that this Release gives the parties released the status of third-party beneficiary of the Release, and such Releasees may enforce this Release and any rights or remedies set forth herein.

8. This Release contains the entire agreement between the parties as to the subject matter hereof and is effective immediately upon signing. Likewise the release in Paragraph 1 is effective immediately upon signing. If there is a conflict between this Release and any other prior or contemporaneous agreement between the parties concerning the subject matter of the Release, the Release controls.

9. The law of the State of California shall govern the interpretation of this Release. The Bankruptcy Court has jurisdiction to resolve any disputes under this agreement.

10. Each Releasor states that he, she, or it is of legal age, with no mental disability of any kind, is fully and completely competent, and is duly authorized to execute this Release on Releasor's own behalf. Releasor further states that this Release has been explained to Releasor and that Releasor knows the contents as well as the effect thereof. Releasor further acknowledges that Releasor executed this Release after consulting with Releasor's attorney or the opportunity to consult with an attorney.

11. For avoidance of doubt, the Made Whole Doctrine is described herein. Subrogation is a doctrine that permits an insurance company, or its assignees, to assert the rights and remedies of an insured against a third party tortfeasor. The Made Whole Doctrine is a common law exception to insurer's right of subrogation. The Made Whole Doctrine, under certain circumstances, could preclude an insurer from recovering any third-party funds unless and until the insured has been made whole for the loss. Both the Claimant and Insurer agree that this Release does not modify, abrogate or affect any prior release or waiver between the Parties arising from the Fire.

12. Consistent with the foregoing, it is expressly understood and agreed by claimant that claimant is waiving and releasing all known or unknown claims under the Made Whole Doctrine. It is expressly understood and agreed by insurer that insurer is waiving and releasing all known or unknown claims under the Made Whole Doctrine as to claimant.

Executed on this [●] day of [●], 20[●].

**BY CLAIMANT [Add Name]:**

\_\_\_\_\_  
Signature of Claimant or Representative

\_\_\_\_\_  
Printed Name of Signator

\_\_\_\_\_  
Capacity of Signator

**Exhibit B**  
**Rights Offering Procedures**

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## Rights Offering Procedures<sup>1</sup>

### 1. Introduction

On March 16, 2020, PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**” and together with PG&E Corp., the “**Debtors**”), and certain funds and accounts managed or advised by Abrams Capital Management, LP and certain funds and accounts managed or advised by Knighthood Capital Management, LLP filed the *Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated March 16, 2020* [Docket No. 6320] (as it may be amended, modified or supplemented, and together with any exhibits or schedules thereto, the “**Plan**”) and the accompanying *Disclosure Statement for Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization* [Docket No. 6322] (the “**Disclosure Statement**”).

As described in the Disclosure Statement, in order to finance the transactions contemplated by the Plan, the Debtors expect to raise \$9 billion through one or more issuances of new PG&E Corp. common stock or equity-linked securities, which issuance may take the form of a Rights Offering. The Equity Backstop Commitment Letters, which were approved by the Court on March 16, 2020 [Docket No. 6321], and these Rights Offering Procedures outline the circumstances under which the Debtors will be permitted to undertake the Rights Offering and certain terms and conditions that must be included as part of the Rights Offering.

In the event that the Debtors determine to undertake a Rights Offering, the Debtors will issue a press release (the date of such press release, the “**Announcement Date**”) announcing the anticipated commencement of the Rights Offering and shortly thereafter the Debtors will file a prospectus supplement with the Securities and Exchange Commission (the “**SEC**”) describing the definitive terms and conditions of the Rights Offering (the “**Prospectus Supplement**”, and, together with the base prospectus it is supplementing, the “**Prospectus**”). Investors should refer to the Prospectus Supplement and other documents filed by the Debtors with the SEC for the definitive terms and conditions of the Rights Offering. The Debtors currently expect the Rights Offering would operate as follows: prior to the Effective Date of the Plan, each holder of PG&E Corp. common stock (each, an “**Eligible Offeree**”) as of 5:00 p.m., New York City time, on a date that is approximately ten days after the Announcement Date (the “**Record Date**”) shall receive transferable subscription rights to purchase shares of new PG&E Corp. common stock. At least one Business Day after the Record Date, each Eligible Offeree will receive one subscription right for each share of common stock owned as of the Record Date. The subscription rights will expire and have no value if they are not exercised by 5:00 p.m., New York City time, on a date that is not less than 14 after the date that subscription rights are distributed and which date and time will be identified, and may be extended as described in, the Prospectus Supplement (such date and time, the “**Expiration Date**”). The subscription rights will also expire and have no value if the Debtors terminate the Rights Offering at any time prior to settlement.

Each subscription right will permit the holder of such right to acquire, at a subscription price per share of common stock to be specified in the Prospectus Supplement (the “**Subscription Price**”), a number of shares of common stock specified in the Prospectus Supplement (the “**Basic Subscription Privilege**”). Each holder of a subscription right that fully exercises its Basic Subscription Privilege may also subscribe for additional shares (the “**Over-Subscription Privilege**”), for pro rata allocation in the event that not all available shares are purchased pursuant to the rightsholders’ Basic Subscription Privilege (subject to the limitations described below).

PG&E Corp. (or both Debtors) will engage a subscription agent to receive exercises of subscription rights and payments in respect thereof during the subscription period (the “**Subscription Agent**”). The Subscription Agent will hold in escrow the funds received from subscribers until the consummation or termination of the Rights Offering. Except to the extent otherwise described in the Prospectus Supplement, all exercises of subscription rights will be irrevocable.

The subscription rights will be transferable, and the Debtors expect that the subscription rights will be admitted to trade on the NYSE during the subscription period.

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings set forth in the Disclosure Statement.

No securities are being offered for sale by these Rights Offering Procedures. Any new PG&E Corp. common stock that is issued in the Rights Offering will be registered under the Securities Act of 1933, as amended, and will be sold pursuant to the Prospectus and any related free writing prospectus. Before exercising any subscription rights, rightsholders should read the Prospectus and carefully consider the risks described under the “Risk Factors” section of the Prospectus before buying any of the securities offered thereby.

## 2. Anticipated Key Dates for the Rights Offering

Announcement Date	To be determined
Record Date	5:00 p.m., New York City time, approximately 10 days after the Announcement Date
Distribution of subscription rights	At least one business day after the Record Date
Expiration Date	5:00 p.m., New York City time, 14 or more days after the distribution of subscription rights

## 3. Distribution of Subscription Rights

### *Registered Holders*

The Subscription Agent will mail rights statements to registered owners of common stock as of the Record Date at their addresses of record.

### *Beneficial Owners*

For beneficial owners of common stock as of the Record Date who hold shares through a broker, dealer, custodian bank or other nominee, the broker, dealer, custodian bank or other nominee will distribute rights statements or similar materials to the beneficial owners. The Subscription Agent will not directly mail rights statements to beneficial owners.

## 4. Exercise of Subscription Rights

### **Method of Exercising Subscription Rights**

The subscription rights may be exercised at any time during the subscription period, which is expected to commence on the business day after the Record Date and expires on the Expiration Date unless extended by us in accordance with the procedures described in the Prospectus Supplement. Except to the extent otherwise described in the Prospectus Supplement, the exercise of subscription rights will be irrevocable and may not be canceled or modified.

### *Registered Holders*

Registered holders of subscription rights may exercise their subscription rights by delivering the documentation to be set forth in the Prospectus Supplement and full subscription payment for each share subscribed for to the Subscription Agent, at the address that will be set forth in the Prospectus Supplement before the Expiration Date.

### *Beneficial Owners*

Beneficial holders of subscription rights should instruct their brokers, dealers, custodian banks or other nominees to exercise the subscription rights and deliver all documents and payment on behalf of the beneficial holders prior to the Expiration Date. The Debtors will ask the nominees to notify beneficial holders of the Rights Offering. A beneficial holders’ nominee may establish an exercise deadline that may be before the Expiration Date. Beneficial holders should complete and return to their nominees the appropriate subscription documentation received from their nominees. Subscription rights will not be considered exercised unless the Subscription Agent receives from the broker, dealer, custodian bank or other nominee all of the required documents and full subscription payment prior to the Expiration Date.

## **Payment Method**

### ***Registered Holders***

Payments must be made in full in U.S. currency to the Subscription Agent in accordance with the instructions set forth in the Prospectus Supplement. Such payment will be deemed to have been received by the Subscription Agent immediately upon receipt. Payment received after the Expiration Date will not be honored, and the Subscription Agent will return such payment, without interest or penalty, as soon as practicable.

### ***Beneficial Owners***

Beneficial holders of subscription rights should follow the instructions of their nominee regarding payment. The nominee may require that the beneficial holder have sufficient funds in its account to charge that account for the Subscription Price.

Beneficial holders must act promptly to ensure that their brokers, dealers, custodian banks or other nominees act on behalf of the beneficial holders and that all required forms and payments are actually received by the Subscription Agent prior to the Expiration Date. The Debtors will not be responsible if a broker, dealer, custodian bank or other nominee fails to ensure that all required forms and payments are actually received by the Subscription Agent prior to the Expiration Date.

## **5. Use of Proceeds**

The maximum gross proceeds expected to be raised in the Rights Offering are estimated to be approximately \$9 billion. The Debtors intend to use the gross proceeds from the Rights Offering to pay the fees and expenses of the Rights Offering and to effectuate the reorganization in accordance with the terms and conditions contained in the Plan of Reorganization.

Pending such ultimate application, the Debtors intend initially to contribute some or all of the proceeds from the Rights Offering to the Utility.

## **6. Escrow**

The Subscription Agent will hold funds received in payment for shares of common stock to be issued pursuant to the exercise of subscription rights in a segregated account pending the Effective Date. The Subscription Agent will hold this money in escrow until the Effective Date or until the Rights Offering is consummated or terminated. If the Rights Offering is terminated for any reason, all subscription payments received by the Subscription Agent will be returned, without interest or penalty, by the Subscription Agent as soon as practicable.

## **7. Transferability**

The subscription rights will be transferable. The Prospectus Supplement will describe how rightsholders may transfer their subscription rights.

## **8. Limitation on Amount Purchased**

As discussed further in Section VIII.E of the Disclosure Statement, the Debtors currently have and expect to incur significant net operating loss carryforwards and other tax attributes, the utilization of which could be materially limited in the event of a change in ownership under Section 382 of the Internal Revenue Code (the “Code”) of 1986. In order to avoid a current or future ownership change and consistent with ownership restrictions in the New Organizational Documents, the Debtors anticipate that both the Basic Subscription Privilege and the Over-Subscription Privilege will be subject to certain limitations that may restrict the subscribing rightsholder from exercising its Basic Subscription Privilege or Over-Subscription Privilege where such exercise would result in such rightsholder or another related or coordinating person from owning (including through attribution under the tax law) more than 4.75% of PG&E Corp.’s issued and outstanding shares of common stock upon the consummation of the

Rights Offering. In order to administer the operation of this limitation and for other purposes related to Section 382 of the Code, the Debtors anticipate requesting relevant information, including, but not limited to, the rightsholder's holdings of PG&E Corp. common stock in connection with an exercise of subscription rights. Pursuant to such limitations, the Debtors reserve the right in their sole discretion to reject in full or in part the exercise of the Basic Subscription Privilege or Over-Subscription Privilege, including in the event that the requested relevant information is missing or incomplete.

**9. Information Agent**

In the event that the Debtors determine to undertake a Rights Offering, the identity of the Information Agent will be determined prior to the Announcement Date and disclosed in the Prospectus Supplement. Questions relating to the Rights Offering should be directed to the Information Agent at an address and phone number to be included in the Prospectus Supplement.

**10. Rights Offering Conditioned Upon Effectiveness of the Plan**

The consummation of the Rights Offering will be subject to and conditioned upon the occurrence of the Effective Date of the Plan.

**Exhibit C**

**Schedule of Pending Investigations**

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**Schedule 1**

I.18-12-007	Order Instituting Investigation and Order to Show Cause on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company with Respect to Locate and Mark Practices and Related Matters <sup>1</sup>
I.19-06-015	Order Instituting Investigation on the Commission's Own Motion into the Maintenance, Operations and Practices of Pacific Gas and Electric Company (U39E) with Respect to its Electric Facilities; and Order to Show Cause Why the Commission Should not Impose Penalties and/or Other Remedies for the Role PG&E's Electrical Facilities had in Igniting Fires in its Service Territory in 2017 <sup>1</sup>
I.18-07-008	Order Instituting Investigation into Pacific Gas and Electric Company's (U39E) Failure to Provide a 24-hour Notice Prior to Residential Electric Service Disconnections Between July 1 and July 18, 2016 and the Adequacy of its Remedy Going Forward <sup>1</sup>
I.15-08-019	Order Instituting Investigation on the Commission's Own Motion to Determine Whether Pacific Gas and Electric Company and PG&E Corporation's Organizational Culture and Governance Prioritize Safety. The discharge shall not preclude or affect the CPUC's ability to pursue remedies within the scope of the proceeding as defined in I. 15-08-019, Ordering Paragraph 1, and the Assigned Commissioner's Scoping Memo and Ruling (Dec. 21, 2018), section 3 (pages 8-12).
I.15-11-015	Order Instituting Investigation and Ordering Pacific Gas and Electric Company to Appear and Show Cause Why It Should Not Be Sanctioned for Violations of Article 8 and Rule 1.1 of the Rules of Practice and Procedure and Public Utilities Code Section 1701.2 and 1701.3 <sup>1</sup>
C.10-10-010	Michael Hetherington and Janet Hetherington, Complainants v. Pacific Gas and Electric Company. (U39E), Defendant
E20190531-02	SED Investigation into Incident No. E20190531-02
E20190612-01	SED Investigation into Incident No. E20190612-01
E20200113-01 <sup>2</sup>	SED Investigation into Incident No. E20200113-01
G20180310-2506	SED Investigation G20180310-2506 for DOT Incident #1206479
D.16-09-055 G.20-04-001	Citation D.16-09-055 G.20-04-001 issued re: SED Investigation for DOT Incident # 1198192
Cresta-Rio Oso Line	SED investigation regarding PG&E's reported pending work orders in its response to SED's data request, dated April 8, 2020, related to PG&E's system-wide cold-end insulator attachment hardware. <sup>3</sup>
Ground rods exemption	SED investigation in response to PG&E's April 15, 2020 letter seeking exemption from GO 95, Rule 59.4-A2 for Ground Rods Installed in Rocky Soil Conditions <sup>3</sup>

<sup>1</sup> With respect to these matters, the CPUC shall be limited to enforcement of the settlement agreements approved by the CPUC and the Bankruptcy Court.

<sup>2</sup> This may relate to a post-petition incident but is listed out of an abundance of caution.

<sup>3</sup> With respect to these matters, the CPUC may investigate pre-petition and post-petition conduct, but the CPUC may impose penalties only for post-petition acts or omissions.

**PG&E FIRE VICTIM TRUST AGREEMENT**

**Dated as of [●], 2020**

*Pursuant to the Debtors' and Shareholder Proponents'  
Joint Chapter 11 Plan of Reorganization Dated June [●], 2020*

**PG&E FIRE VICTIM TRUST AGREEMENT**

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## PG&E FIRE VICTIM TRUST AGREEMENT

This PG&E Fire Victim Trust Agreement (this “**Trust Agreement**”), dated as of [●], 2020 and effective as of the Effective Date, implements certain of the terms of the *Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated June [●], 2020* (the “**Plan**”),<sup>1</sup> confirmed by the United States Bankruptcy Court for the Northern District of California (the “**Bankruptcy Court**”) in the chapter 11 cases of PG&E Corporation (“**PG&E Corp**”) and Pacific Gas and Electric Company (the “**Utility**”) (collectively, the “**Debtors,**” “**PG&E,**” or the “**Settlors**”), jointly administered under Case No. 19-30088. The Trustee of the Fire Victim Trust (the “**Trustee**”), the Delaware Trustee pursuant to this Trust Agreement and any successor Delaware Trustee serving in such capacity (the “**Delaware Trustee**”), and the members of the Fire Victim Trust Oversight Committee (the “**TOC**”) who are identified on the signature pages hereof have approved of this Trust Agreement.

### RECITALS

A. The Debtors have, or contemporaneously with the execution of this Trust Agreement will have, reorganized under the provisions of Chapter 11 of the Bankruptcy Code in cases filed in the United States Bankruptcy Court for the Northern District of California known as *In re PG&E Corporation et al*, Debtors, Jointly Administered Case No. 19-30088 (collectively, the “**Chapter 11 Cases**”).

B. The Debtors, the TCC, the Consenting Fire Claimants Professionals (as defined in the Tort Claimants RSA) have approved the entry into this Trust Agreement. The Debtors are executing this Trust Agreement in their capacity as Settlers to (i) implement the Plan and to create the Fire Victim Trust in accordance with the Plan and Confirmation Order; and (ii) to ensure that the Debtors’ and the Reorganized Debtors’ rights and interests are protected, including, without limitation, with respect to the Channeling Injunction. The Debtors or the Reorganized Debtors have no responsibility, liability, or obligations whatsoever with respect to the processing, settlement, resolution, satisfaction, or payment of any Fire Victim Claims.

C. The Confirmation Order has been entered by the Bankruptcy Court and is in full force and effect.

D. Tens of thousands of persons and entities have asserted that they sustained damage in various ways as a result of wildfires in 2015, 2017, and 2018 that are listed on **Exhibit 1** attached hereto (the “**Fires**”). As of the December 31, 2019 deadline for submission of claims against the Debtors relating to the Fires, more than 80,000 claims had been filed.

E. The Plan provides, among other things, for the creation of the Fire Victim Trust (the “**Trust**”) to evaluate, administer, process, settle, expunge, and resolve all Fire Victim Claims and, to the extent either (i) approved and liquidated pursuant to the Fire Victim Claims Resolution Procedures attached as **Exhibit 2** hereto (the “**CRP**”), or (ii) Allowed (to the extent such Claim is approved and liquidated pursuant to clause (i) herein or Allowed pursuant to

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<sup>1</sup>Capitalized terms used but not herein defined shall have the meaning ascribed to them in the Plan or the Confirmation Order [Docket No. [●]], as applicable.

clause (ii) herein, “**Approved**”), satisfy and pay all Approved Fire Victim Claims in accordance with the Trust Agreement and the CRP (together, including all related exhibits, the “**Trust Documents**”), the Plan and the Confirmation Order, and to prosecute or settle the Assigned Rights and Causes of Action.

F. The Plan provides that, on the Effective Date and continuing thereafter until fully funded by Debtors, the Aggregate Fire Victim Consideration shall be transferred to, vested in, and assumed by the Trust.

G. Pursuant to the Trust Documents, the Plan and the Confirmation Order, the Trustee is to use the Trust Assets (as defined in Section 1.3(a), below) to satisfy and pay, on a *pro rata* basis, Approved Fire Victim Claims against the Debtors.

H. It is the intent of the Trustee and the TOC that the Trust be administered, maintained, and operated at all times through mechanisms that provide reasonable assurance that the Trust will evaluate, administer, process, settle, expunge, resolve, and, to the extent Approved, compensate Fire Victim Claims pursuant to the CRP in a fair, consistent, equitable manner, and on a *pro rata* basis, in compliance with the terms of the Trust Documents, the Plan and the Confirmation Order, and to the extent of available Trust Assets.

I. Pursuant to the Plan, the Trust is intended to qualify as a “qualified settlement fund” within the meaning of section 1.468B-1 *et seq.* of the Treasury Regulations promulgated under section 468B of the Internal Revenue Code of 1986, as amended (the “**QSF Regulations**”), and, to the extent permitted under applicable law, for state and local income tax purposes, subject to the Debtors’ right to make an election to treat the Trust as a “grantor trust” for U.S. federal income tax purposes and, to the extent permitted under applicable law, for state and local income tax purposes.

J. The Bankruptcy Court has determined that the Trust and the Plan satisfy all the prerequisites for the Channeling Injunction, and such Channeling Injunction shall be fully effective and enforceable.

**NOW, THEREFORE**, it is hereby agreed as follows:

**SECTION I.**  
**AGREEMENT OF TRUST**

**1.1 Creation and Name.** The Debtors as Settlers hereby create a trust known as the “PG&E Fire Victim Trust,” which is the Fire Victim Trust provided for and referred to in the Plan and the Confirmation Order. The Trustee may transact the business and affairs of the Trust in the name of the Trust, and references herein to the Trust shall include the Trustee acting on behalf of the Trust. It is the intention of the parties hereto that the PG&E Fire Victim Trust created hereby constitutes a statutory trust under Chapter 38 of title 12 of the Delaware Code, 12 Del. C. Section 3801 *et seq.* (the “Act”) and that this document, along with the CRP, the Plan and the Confirmation Order, constitute the governing instruments of the PG&E Fire Victim Trust. The Trustee and the Delaware Trustee are hereby authorized and directed to execute and

file a Certificate of Trust with the Delaware Secretary of State in the form attached hereto as Exhibit 3.

**1.2 Purpose.** The purposes of the Trust are to (i) assume the liability for all Class 5A-III and Class 5B-III Claims against the Debtors, (ii) evaluate, administer, process, settle, defend, expunge, resolve, liquidate Fire Victim Claims, and satisfy and pay all Approved Fire Victim Claims and all Trust Expenses (as defined in Section 1.4(b) below) of the Trust from the Trust Assets (as defined in Section 1.3(a), below) in a fair, consistent, and equitable manner without regard to the asserted amount of the claim (and in respect of Approved Fire Victim Claims, on a *pro rata* basis), (iii) prosecute or settle all Assigned Rights and Causes of Action, (iv) preserve, hold, manage, monetize and maximize the Trust Assets for use in paying and satisfying Approved Fire Victim Claims on a *pro rata basis* and for use in paying all Trust Expenses, all in accordance with the terms of the Trust Documents, the Plan and the Confirmation Order, and (iv) otherwise comply in all respects with the Trust Documents, the Plan and the Confirmation Order. In order to be able to effectuate these purposes, the Trustee, Delaware Trustee, Claims Administrator, Claims Processor, Neutrals, and their agents, shall have no interest in and at all times shall be independent of the Debtors, the Fire Victim Claimants, the TOC, and their agents. Pre-Effective Date appointments, retentions and/or applications of the Trustee, Claims Administrator or any Professional in the Chapter 11 Cases shall not prevent the Trustee, Claims Administrator or any Professional from being deemed independent.

### **1.3 Transfer of Assets.**

(a) Pursuant to, and in accordance with Sections 4.7, 4.26 and 6.7 of the Plan, beginning upon the Effective Date and continuing thereafter until fully funded by Debtors, the Trustee will receive the Aggregate Fire Victim Consideration to fund the Trust and use the Aggregate Fire Victim Consideration and any income earned or proceeds derived from all such assets (collectively, the “**Trust Assets**”) to resolve all Fire Victim Claims, satisfy the terms of any court-approved settlement agreements entered into pursuant to the Plan that provide for Trust payment obligations, if any, and pay all Trust Expenses. The Aggregate Fire Victim Consideration will be transferred free and clear of any liens, encumbrances, charges, claims, interests or other liabilities of any kind by the Debtors, any creditor, or other entity except as otherwise provided in the Plan, the Confirmation Order and this Trust Agreement. To the extent certain assets comprising the Aggregate Fire Victim Consideration, because of their nature or because such assets will accrue or become transferable subsequent to the Effective Date, and cannot be transferred to, vested in, and assumed by the Trust on such date, such assets shall be automatically, and without further act or deed, transferred to, vested in, or assumed by the Trust as soon as reasonably practicable after such date. The Debtors shall execute and deliver such documents as the Trustee reasonably requests to transfer and assign any assets comprising the Aggregate Fire Victim Consideration to fund the Trust. The Trustee on behalf of the Trust, is authorized, to the extent necessary, to receive such documents. No monies, choses in action, and/or assets comprising the Trust Assets that have been transferred, granted, assigned, or otherwise delivered to the Trustee shall be used for any purpose other than for the payment, defense, or administration of the Fire Victim Claims and the payment of Trust Expenses.

(b) For the avoidance of doubt, nothing herein shall amend, modify, expand or supplement the scope of the Aggregate Fire Victim Consideration to be transferred from the Debtors to the Trust pursuant to the terms of the Plan and the Confirmation Order.

(c) In furtherance of, and without limiting, the foregoing:

(i) On the Effective Date, the Debtors shall irrevocably grant and assign to the Trust, and the Trust shall receive and accept, the rights under the 2015 Insurance Policies specified in subparagraph (e) of the definition of Aggregate Fire Victim Consideration in Section 1.6 of the Plan (the “**Insurance Rights Transfer**”).

(ii) The Trust shall become liable for and shall satisfy, solely from the Trust Assets and to the extent required under applicable law, any premiums, deductibles, self-insured retentions, and any other amounts arising in any way out of the receipt of any payment from an Insurance Company.

(iii) The Insurance Rights Transfer is made to the maximum extent possible under applicable law.

(iv) The Insurance Rights Transfer is absolute and does not require any further action by the Debtors, the Reorganized Debtors, the Trust, the Bankruptcy Court, or any other Entity.

(v) The Parties hereto intend that the Insurance Rights Transfer shall be governed by, and construed in accordance with, the Bankruptcy Code and other applicable laws governing the Insurance Policies.

(d) The income of the Trust (after payment of all taxes thereon) shall be added to the Trust Assets and used in accordance with the purposes of the Trust as set forth in Section 1.2 hereof.

(e) The Fire Victim Trust shall not have any rights of the Debtors or Reorganized Debtors under any executory contract or unexpired lease that is assumed under section 365 of the Bankruptcy Code pursuant to the Plan or during the Chapter 11 Cases, except to the extent that an Assigned Right or Cause of Action arises under such an assumed executory contract or assumed unexpired lease. The Debtors’ or Reorganized Debtors’ assumption of an executory contract or unexpired lease shall not impair or diminish an Assigned Right or Cause of Action that arises under such assumed executory contract or assumed unexpired lease.

#### **1.4 Acceptance of Assets and Assumption of Liabilities.**

(a) In furtherance of the purposes of the Trust, the Trustee hereby expressly accepts the transfer to the Trust of the Aggregate Fire Victim Consideration, subject to the terms contemplated in the Trust Documents, the Plan and the Confirmation Order. The Trustee shall succeed to all of the Debtors’ respective right, title, and interest in the Aggregate Fire Victim Consideration, including but not limited to, standing to commence, pursue, abandon, or settle any

Assigned Rights and Causes of Action, and the Debtors will have no further equitable or legal interest in, or with respect to, the Aggregate Fire Victim Consideration or the Trust.

(b) In furtherance of the purposes of the Trust, and in accordance with the terms of the Trust Documents, the Plan and the Confirmation Order, the Trust expressly assumes (i) all liabilities and responsibility for all Fire Victim Claims against the Debtors, and (ii) all reasonable fees and expenses incurred in pursuing the Trust Assets, administering the Trust, managing the Trust Assets, and making distributions in accordance with the Trust Documents, the Plan, and the Confirmation Order (the “**Trust Expenses**”), all of which items under clauses (i) and (ii) shall be paid from the Trust Assets, such that the Reorganized Debtors shall not have any further financial or other responsibility or liability therefor. Except as otherwise provided in the Trust Documents, the Plan and the Confirmation Order, the Trustee shall have the right to assert all defenses that the Debtors have or would have had under applicable law to all Fire Victim Claims; provided, however, that (A) the Trust’s and Trustee’s right to assert the defenses of comparative fault and/or comparative negligence with respect to a Fire Victim Claimant shall be limited to the determination of the amount of that Claimant’s Fire Victim Claims and for no other purpose (including the determination of the amount of any other Claimant’s Fire Victim Claims), (B) the Trust’s rights and defenses (except as otherwise expressly set forth in this Section 1.4(b)(A) and Section 1.4(b)(C)) shall not include claims that may be asserted by the Debtors or Reorganized Debtors by way of setoff, recoupment, counterclaim, or cross claim and (C) the Trustee may raise and assert Assigned Rights and Causes of Action in defense of Fire Victim Claims. Any holder of a Fire Victim Claim shall be permitted to assert any defense to Assigned Rights and Causes of Action that such holder would have under applicable law if the Debtors, as opposed to the Trust, were asserting the Assigned Rights and Causes of Action.

(c) The parties hereto intend that the Trust be classified as a “qualified settlement fund” under the QSF Regulations (and corresponding or similar provisions of state, local, or foreign law, as applicable). No provision herein or in the CRP shall be construed or implemented in a manner that would cause the Trust to fail to qualify as a “qualified settlement fund” under the QSF Regulations, provided, however, that the Debtors or Reorganized Debtors may elect to treat the Trust as a “grantor trust” for U.S federal income tax purposes, in which case the parties hereto shall be bound by such election, notwithstanding anything in this Trust Agreement to the contrary (including Section 2.2(b) below), and, to the extent permitted under applicable law, the Trust shall be treated consistently for state and local tax purposes. The Debtors or Reorganized Debtors shall inform the Trustee no later than April 1, 2021 (or such earlier date as the parties agree in connection with the obligation to timely file tax returns or extensions with respect thereto), of their decision with respect to the “grantor trust” election.

(d) Nothing in this Trust Agreement shall be construed in any way to (i) limit the scope, enforceability, or effectiveness of the Channeling Injunction or any other injunction or release issued or granted in connection with the Plan or (ii) limit the Trust’s assumption of all liability for Fire Victim Claims against the Debtors.

(e) **Claimant Releases.** As further described in the CRP, the Trust shall require all holders of Approved Fire Victim Claims to execute a release in substantially the same form and content as the (i) Claimant Release and Indemnification in Connection With the Fire Victim Trust Awards or (ii) Entity Claimant Release and Indemnification in Connection With the

Fire Victim Trust Awards, attached hereto as **Exhibits 4A and 4B** (each, a “**Claimant Release**” and together the “**Claimant Releases**”) as a precondition to receiving each distribution on account of their Fire Victim Claims from the Trust.<sup>2</sup>

(f) **Made Whole Release.** Pursuant to and subject to Section 4.25(f)(ii) of the Plan and the Confirmation Order, and as further described in the CRP, and except with respect to any settlement or other agreement regarding the Fire Victim Claims asserted by Adventist Health System/West and Feather River Hospital d/b/a Adventist Health Feather River and the parties to the State Agency Settlement [Docket No. 7399-2] and the Federal Agency Settlement [Docket No. 7399-1], the Trust shall require all Claimants who hold Approved Fire Victim Claims to execute a release in substantially the same form and content as the Mutual Made Whole Release attached hereto as **Exhibit 5** (the “**Mutual Made Whole Release**”) upon the Claimant’s acceptance of the Claimant’s Total Allocation Award. A Claimant’s acceptance of the Total Allocation Award (as defined in the Mutual Made Whole Release) does not establish that the Claimant has been fully compensated under California law for their compensable damages as a result of the fire to the extent those damages are covered by insurance, and the Claimant is not agreeing as a factual matter that the Claimant has been fully compensated for each and every category of their damages under California law.

### **1.5 Beneficial Owners.**

(a) To the extent required by the Act, the beneficial owners (within the meaning of the Act) of the PG&E Fire Victim Trust (the “**Beneficial Owners**”) shall be the holders of the Class 5A-III and Class 5B-III Claims against the Debtors, provided that, (i) the holders of such Class 5A-III and Class 5B-III Claims, as Beneficial Owners, shall have only such rights with respect to the Fire Victim Trust and its assets as are set forth in the Trust Documents, the Plan and the Confirmation Order, and (ii) no greater or other rights, including upon dissolution, liquidation or winding up of the Fire Victim Trust, shall be deemed to apply to the holders of such Class 5A-III and Class 5B-III Claims in their capacity as Beneficial Owners.

(b) No Beneficial Owner shall be entitled to (i) hold any title in or to the Trust Assets (which title shall be vested in the Trust) or (ii) any right to call for a partition or division of the Trust Assets or to require an accounting. For the avoidance of doubt, Beneficial Owners shall not have rights comparable to shareholders of a corporation (other than limited liability, as provided in Section 3803(a) of the Act).

(c) Subject to giving reasonable notice, a Beneficial Owner may request information and documents relating to their claim from the Claims Administrator, but shall have no right to request information relating to the claims of other Beneficial Owners.

**1.6 Jurisdiction.** The Bankruptcy Court shall have exclusive jurisdiction with respect to any action relating to or arising out of the Trust, provided, however, that solely with

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<sup>2</sup> In accordance with the *Order on Remaining Objection of California State Agencies and the United States of America Regarding Proposed Government Entity Release* [Docket No. 7973] the governmental entities that were the subject of such Order shall not be required to execute a Claimant Release in connection with receiving distributions from the Trust.

respect to Claims relating to individuals who died or suffered personal injury as a result of the Fires (“**PI/WD Claims**”), as set forth in Section IX.B of the CRP, the United States District Court for the Northern District of California and the Bankruptcy Court shall have concurrent jurisdiction. Only in the event that neither the Bankruptcy Court nor the United States District Court for the Northern District of California has subject matter jurisdiction, then the Superior Court of California for the County of San Francisco shall have exclusive jurisdiction of all matters relating to or arising out of the Trust. The court having exclusive jurisdiction pursuant to this Section 1.6 (and, solely with respect to the PI/WD Claims, both the United States District Court for the Northern District of California and the Bankruptcy Court) shall be referred to hereinafter as the “Court of Exclusive Jurisdiction.” For the avoidance of doubt, nothing in this Section 1.6 shall affect, impair, alter, modify or supersede the procedures contained in the CRP or the authority granted to the Trustee under the Trust Documents, the Plan and the Confirmation Order to, *inter alia*, evaluate, administer, process, settle, expunge, and resolve all Fire Victim Claims under the CRP in the manner and to the effect set forth therein.

## **SECTION II.** **POWERS AND TRUST ADMINISTRATION**

### **2.1 Powers.**

(a) The Trustee is and shall act as the fiduciary to the Trust in accordance with the provisions of this Trust Agreement. The Trustee shall administer the Trust, the Trust Assets, and any other amounts to be received under the terms of the Trust Documents, the Plan and the Confirmation Order in accordance with the purposes set forth in Section 1.2 above and in the manner prescribed by the Trust Documents, the Plan and the Confirmation Order. Subject to the limitations set forth in the Trust Documents, the Plan and the Confirmation Order, the Trustee shall have the power to take any and all actions that in the judgment of the Trustee are necessary or proper to fulfill the purposes of the Trust, including, without limitation, each power expressly granted in this Section 2.1, any power reasonably incidental thereto and any trust power now or hereafter permitted under the laws of the State of Delaware. Nothing in this Trust Agreement, the Plan, any Trust Document or any related document shall require the Trustee to take any action if the Trustee reasonably believes that such action is contrary to law. In addition to all powers enumerated in the Trust Documents, the Plan and the Confirmation Order, including, but not limited to, the Trustee's powers and authority in respect of the interpretation, application of definitions and rules of construction set forth in Article I of the Plan to the fullest extent set forth therein, from and after the Effective Date, the Trust shall succeed to all of the rights and standing of the Debtors with respect to the Assigned Rights and Causes of Action in its capacity as a trust administering assets for the benefit of the Fire Victims. In the event of any ambiguity or conflict between the terms of the Trust Documents or any related document required or provided for under the Trust Documents, and the Plan or the Confirmation Order, the Plan and Confirmation Order shall control, notwithstanding that the Trust Documents may be incorporated in or annexed to the Confirmation Order. The Trustee shall be permitted to act in accordance with his reasonable belief, with or without advice of counsel, as he determines in his sole discretion, as to what action (or inaction) is required or permitted pursuant to this Trust Agreement in accordance with the Trust Documents, the Plan and the Confirmation Order, provided that, for the avoidance of doubt, the Trustee shall be required to consult on, or obtain

consent with respect to, only those certain matters as expressly provided for in this Trust Agreement.

(b) The Trustee will be appointed as the representative of each of the Debtors' estates pursuant to sections 1123(a)(5), (a)(7), and (b)(3)(B) of the Bankruptcy Code solely with respect to the Assigned Rights and Causes of Action, and as such will be vested with the authority and power (subject to this Trust Agreement) to, among other things, prosecute and settle all Assigned Rights and Causes of Action in his capacity as a trustee for the benefit of the Fire Victims, whether or not such Assigned Rights and Causes of Action are pending in filed litigation. The Trustee will be substituted for and will replace the Debtors, their estates, and/or any official committee appointed in any related action, and is authorized to appear before any court or tribunal in any proceeding that relates to or affects the Trust or Trust Assets.

(c) Unless otherwise expressly provided for under the Plan or the Confirmation Order, on the Effective Date all Assigned Rights and Causes of Action will vest in the Trustee free and clear of all claims, liens, encumbrances, charges, and other interests, subject to the provisions of the Trust Documents, the Plan and the Confirmation Order. On and after the Effective Date, the transfer of the Assigned Rights and Causes of Action to the Trust will be deemed final and irrevocable.

(d) Except as required by applicable law or the Trust Documents, the Plan and the Confirmation Order, the Trustee need not obtain the order or approval of any court in the exercise of any power or discretion conferred hereunder.

(e) Without limiting the generality of Section 2.1(a) above, and except as limited in this Trust Agreement, the Plan, the Confirmation Order and by applicable law, the Trustee shall have the power to:

(i) receive and hold the Trust Assets and exercise all rights with respect thereto, including the right to sell any securities that are included in the Trust Assets and purchase securities and other assets that are to be included in the Trust Assets, all of which shall be subject to the limitations set forth in Sections 3.2 and 3.3 below;

(ii) subject to the terms of any agreements entered into pursuant to the Plan that provide otherwise, including, but not limited to, the Trust RRA (as defined in the *Parties' Joint Stipulation Regarding the Registration Rights Agreement and Related Agreements of the Fire Victim Trust* [Docket No. 7913]), exercise the right to vote given to owners of New HoldCo Common Stock that are included in the Trust Assets, except that in exercising the right to vote for the election of members of the Board of Directors of New HoldCo, to the extent applicable, the Trustee shall do so only after obtaining the consent of the TOC;

(iii) invest the monies and other assets held from time to time by the Trust, subject to the limitations set forth in Sections 3.2 and 3.3 below;

(iv) sell, transfer, or exchange any or all of the Trust Assets at such prices and upon such terms as the Trustee may determine proper in consultation with the

Investment Advisor and consistent with the other terms of the Trust Documents, the Plan and the Confirmation Order;

(v) enter into leasing and financing agreements with third parties to the extent such agreements are reasonably necessary to permit the Trust to operate;

(vi) determine and pay liabilities and expenses created, incurred, or assumed by the Trust, except that the Claims Administrator (as defined in Section 2.3, below) shall have all rights, responsibilities, and powers related to the resolution of any Fire Victim Claims in accordance with the Trust Documents, the Plan and the Confirmation Order;

(vii) prepare analyses and budget(s), both of which may be updated from time to time, of all Fire Victim Claims (“Claims Budget”) in order to determine the fair and appropriate amount to be distributed on Approved Fire Victim Claims as such claims become Approved, which takes into account the existence of the Approved Fire Victim Claims that have not yet been paid and Fire Victim Claims that have not yet become Approved Fire Victim Claims, including by maintaining sufficient Trust Assets on hand as deemed by the Trustee, in his or her sole discretion (based on, among other things, the Claims Budget), to be necessary and prudent in carrying out the purposes of the Trust, including, but not limited to, ensuring that all Approved Fire Victim Claims receive a *pro rata* distribution or as close thereto as possible, regardless of when such claim is fully administered under the terms of the Trust and CRP such that it becomes an Approved Fire Victim Claim;

(viii) establish such funds, reserves, and accounts within the Trust, as deemed by the Trustee, in his or her sole discretion, to be useful in carrying out the purposes of the Trust;

(ix) assign Neutrals (as defined in Section 7.1 of this Trust Agreement), to serve on the Complex Panel (as defined in Section 7.1 of this Trust Agreement). Neutrals shall be randomly assigned from the Panels to the specific tasks enumerated in the CRP;

(x) appoint an independent appeals officer (the “**Appeals Officer**”) to determine whether an appeal from a Determination of the Claims Administrator should be heard by a Neutral from the General Panel or by a Neutral from the Complex Panel;

(xi) sue, be sued, and participate as a party or otherwise in any judicial, administrative, arbitative, or other proceeding;

(xii) supervise and administer the Trust in accordance with this Trust Agreement and the CRP;

(xiii) appoint such officers and retain such employees, consultants, advisors, independent contractors, experts, and agents and engage in such legal, financial, accounting, investment, auditing, forecasting, and alternative dispute resolution services and activities as the business of the Trust requires, and delegate to such persons such powers and authorities as the fiduciary duties of the Trustee permit and as the Trustee, in his or her discretion, deems advisable or necessary in order to carry out the terms of this Trust Agreement;

(xiv) subject to the Budget (as defined in Section 2.2(d)(i), below) and Sections 5.6(b) and 5.8 below, reimburse the Trustee and pay reasonable compensation to any employees, consultants, advisors, independent contractors, experts, and agents for legal, financial, accounting, investment, auditing, forecasting, and alternative dispute resolution services and activities;

(xv) subject to the Budget and Sections 2.3(c), 5.6(b), 5.7, 5.8, and 6.6 below, reimburse the Trustee, Delaware Trustee, Claims Administrator, TOC and other employees, consultants, advisors, independent contractors, experts, and agents for all reasonable out-of-pocket costs and expenses incurred by such persons in connection with the performance of their duties hereunder;

(xvi) execute and deliver such instruments as the Trustee considers proper in administering the Trust;

(xvii) enter into such other arrangements with third parties as are deemed by the Trustee to be useful in carrying out the purposes of the Trust, provided such arrangements do not conflict with any other provision of this Trust Agreement;

(xviii) in accordance with Section 5.7 below, defend, indemnify, and hold harmless (and purchase insurance indemnifying) the Trust Indemnified Parties (as defined below) solely from the Trust Assets and to the fullest extent permitted by law, however, notwithstanding anything to the contrary herein, no party shall be indemnified or defended in any way for any liability, expense, claim, damage, or loss for which he or she is ultimately liable under Section 5.4 below;

(xix) delegate any or all of the authority herein conferred with respect to the investment of all or any portion of the Trust Assets to any one or more reputable institutional investment advisors or investment managers without liability for any action taken or omission made because of any such delegation, except as provided in Section 5.4 below;

(xx) consult with the TOC at such times and with respect to such issues relating to the conduct of the Trust as set forth herein;

(xxi) make, pursue (by litigation or otherwise), abandon, collect, compromise, or settle for the benefit of the Trust any claim, right, action, or cause of action included in the Trust Assets, including, but not limited to, insurance recoveries and claims against third parties before any court of competent jurisdiction, which power shall, for the avoidance of doubt, be exercised in the Trustee's sole and absolute discretion;

(xxii) withhold, at his discretion, any distribution, or portion thereof, on account of any Claim that received a Final Determination or Judicial Determination (as defined in the CRP) if the Claimant is subject to pending or contemplated litigation brought by the Trust in respect of Assigned Rights and Causes of Action under the Plan until the final resolution of such litigation, including the conclusion of all appellate rights or expiration of any statutes of limitation;

(xxiii) disallow, at his discretion, any Claim of any entity or person that is liable to the Trust in respect of Assigned Rights and Causes of Action under the Plan until such entity or person has paid the amount for which such entity or person is liable to the Trust;

(xxiv) purchase such insurance and performance bonds as the Trustee deems appropriate or as required under the Trust Documents, the Plan and the Confirmation Order, including with respect to any indemnification obligations of the Trust;

(xxv) take any and all actions required by the Trust Documents, the Plan and the Confirmation Order;

(xxvi) require, in respect of any distribution of Trust Assets, the Trustee's timely receipt of properly executed documentation (including, without limitation, Form W-8BEN, Form W-8BEN-E, or Form W-9, as applicable (the "**Tax Documents**")) as the Trustee determines in his or her sole discretion is necessary or appropriate to comply with United States federal, state, local or foreign tax laws then in effect, and condition any distribution to any Beneficial Owner or counsel for any Beneficial Owner upon the receipt of properly executed Tax Documents and the receipt of such other documents as the Trustee determines in his or her sole discretion is necessary or appropriate to carry out the purposes of the Trust;

(xxvii) petition the Superior Court of California for the County of San Francisco to appoint a special master (the "**Special Master**") to approve any and all minors' compromises in conjunction with the evaluation, disallowance, resolution, settlement, and approval of any and all Fire Victim Claims in accordance with the CRP;

(xxviii) contract for the establishment and continuing maintenance of a website (the "**Trust Website**") to aid in communicating information to Fire Victims and in making the activities of the Trust as transparent as possible; and

(xxix) engage in any transactions necessary or appropriate to the foregoing or to facilitate implementation of the Plan, including but not limited to, entering into, performing, and exercising rights under contracts and leases on behalf of the Trust.

(f) The Trustee shall not have the power to guarantee any debt of other persons

(g) The Trustee agrees to take the actions of the Trust required hereunder.

(h) The Trustee shall give the TOC prompt notice of any act proposed to be performed or that requires consultation with, or the consent of, the TOC, including but not limited to Sections 2.1(e)(ii), 2.2(a) 2.2(f), 2.3(d), 3.2(c), 6.5, and 6.6.

(i) Except as otherwise set forth in the Trust Documents, the Plan and the Confirmation Order, and subject to any retention of jurisdiction by the Bankruptcy Court as provided in the Plan, but without prior or further authorization, the Trustee may control and exercise authority over the Trust Assets and over the protection, conservation, and disposition thereof. No person dealing with the Trust shall be obligated to inquire into the authority of the

Trustee in connection with the protection, conservation, or disposition of the Trust Assets. It is intended that a signed copy of this Agreement shall serve as adequate proof of the Trustee's authority to act if such proof is required for any reason by any third party.

**2.2 General Administration.** The Trustee shall act in accordance with this Trust Agreement, the Plan and the Confirmation Order.

(a) The timeframes and deadlines related to the administration of the Trust as set forth in this Trust Agreement and the CRP are subject to adjustment and extension by: (i) the Trustee, in his or her reasonable discretion; and (ii) upon request of the TOC, for good cause and in consultation with the Trustee. The Trustee, in consultation with the TOC, may promulgate and adopt trust bylaws that are consistent with the terms of the Trust Agreement ("**Trust Bylaws**"). In the event Trust Bylaws are adopted, then the Trust Bylaws, if any, shall govern the affairs of the Trust. In the event of any inconsistency between the Trust Bylaws (if any) and this Trust Agreement, this Trust Agreement shall govern.

(b) The Trustee shall be the "administrator" of the Trust within the meaning of Treasury Regulations section 1.468B-2(k)(3) and, in such capacity, shall (i) timely file such income tax and other returns and statements required to be filed and shall timely pay all taxes required to be paid by the Trust out of the Trust Assets, which assets may be sold by the Trustee to the extent necessary to satisfy tax liabilities of the Trust, (ii) comply with all applicable reporting and withholding obligations, (iii) satisfy all requirements necessary to qualify and maintain qualification of the Trust as a qualified settlement fund within the meaning of the QSF Regulations, and (iv) take no action that could cause the Trust to fail to qualify as a qualified settlement fund within the meaning of the QSF Regulations.

(c) The Trustee shall timely account to the Bankruptcy Court as follows:

(i) The Trustee shall engage a firm of independent certified public accountants (the "**Trust Accountants**") selected by the Trustee, to audit, and the Trustee shall file with the Bankruptcy Court, within one hundred and twenty (120) days following the end of each fiscal year, an annual report (the "**Annual Report**") containing special-purpose financial statements of the Trust (including, without limitation, the assets and liabilities of the Trust as of the end of such fiscal year and the additions, deductions and cash flows for such fiscal year) audited by the Trust Accountants and accompanied by an opinion of such firm as to the fairness in all material respects of the special-purpose financial statements. The Trustee shall provide a copy of such Annual Report to the Claims Administrator and the TOC, and shall publish it on the Trust Website when such report is filed with the Bankruptcy Court.

(ii) In connection with the filing of the Annual Report, the Trustee shall cause to be prepared and filed with the Bankruptcy Court a report containing a summary regarding the number and type of claims disposed of during the period covered by the financial statements (the "**Claims Report**"). The Trustee shall provide a copy of the Claims Report to the Claims Administrator and the TOC, and shall publish it on the Trust Website when such report is filed with the Bankruptcy Court.

(iii) All materials filed with the Bankruptcy Court by this Section 2.2(c) need not be served on any parties in the Chapter 11 Cases but shall be available for inspection by the public in accordance with procedures established by the Bankruptcy Court.

(d) With respect to the Budget:

(i) the Trustee shall cause to be prepared, as soon as practicable prior to the commencement of each fiscal year, a budget (the “**Budget**”) covering the administrative costs and expenses of the Trust (including: (a) compensation for the Trustee and the Trustee’s consultants, professionals, advisors, independent contractors, experts, and agents; (b) compensation for the Claims Administrator and the Claims Administrator’s professionals; and (c) compensation for the Delaware Trustee) for such fiscal year and the succeeding four fiscal years. Prior to the Trustee preparing the Budget for each year, the TOC shall provide the Trustee with its reasonable estimates of necessary expenses to be incorporated into the Budget. The Trustee shall provide a copy of each Budget to the TOC. The Trustee shall cause the initial Budget to be prepared promptly following the Effective Date; and

(ii) the Trustee shall undertake to manage the expenses of the Trust in accordance with the Budget, with the goal of not exceeding the aggregate amount of 120% of the Budget for any fiscal year, absent reasonably unforeseen circumstances.

(e) The Trustee shall consult with the TOC (i) on matters not contemplated by this Trust Agreement regarding the general implementation and administration of the Trust, (ii) on matters not contemplated by this Trust Agreement regarding the general implementation and administration of the CRP and (iii) on such other matters as may be required under this Trust Agreement and the CRP.

(f) The Trustee shall be required to obtain the consent by vote of a simple majority of the TOC pursuant to the notice and quorum requirements set forth in Section 6.6 herein to:

(i) amend, supplement, modify, terminate or extend the term of the Trust in any respect;

(ii) amend, supplement or modify the Trust Agreement in any respect, provided, however, that the Trust Agreement may not be modified in any material way that is inconsistent with the Plan, the Confirmation Order or the Bankruptcy Code without the approval of the Bankruptcy Court;

(iii) amend, supplement or modify the CRP in a manner that the Trustee determines, in his or her reasonable discretion, materially affects: (x) the process or processes for submitting Fire Victim Claims for evaluation under the CRP; or (y) the process or processes for evaluating and administering Fire Victim Claims under the CRP. For the avoidance of doubt, and in no way expanding the limitations provided in the foregoing, the TOC shall have no consent right or rights over any amendment, supplement, or modification to the CRP in any other respect, including in respect of valuation, estimation, or budgeting under the CRP including any valuation, estimation, determination or budgeting of any Fire Victim Claim,

group of Fire Victim Claims or category of Fire Victim Claims, provided that the Trustee may determine, in his or her sole discretion to consult the TOC on such and all other matters related to the CRP; further provided that the CRP may not be modified in any material way that is inconsistent with the Plan, the Confirmation Order or the Bankruptcy Code without the approval of the Bankruptcy Court;

(iv) change the form of the Claimant Releases to be provided pursuant to the CRP or this Trust Agreement (for the avoidance of doubt, the form of Mutual Made Whole Release shall be in the form attached to the Plan, and shall not be amended absent an amendment to the Plan);

(v) subject to the terms of any agreements entered into pursuant to the Plan that provide otherwise, exercise the right to vote for the election of members of the Board of Directors of New HoldCo, to the extent applicable;

(vi) settle any litigation involving Trust Assets or rights relating to Trust Documents, the Plan and the Confirmation Order, except that the Trustee shall not be required to obtain the consent of the TOC to the extent that such settlements involve Trust Assets below a minimum threshold set by the Trustee in consultation with the TOC;

(vii) make Trust expenditures in excess of 120% of the Budget;

(viii) approve the Budget;

(ix) sell, transfer, or exchange any or all of the Trust Assets at such prices and upon such terms as the Trustee may determine proper in consultation with the Investment Advisor and consistent with the other terms of this Trust Agreement, except that the Trustee shall not be required to obtain the consent of the TOC to the extent that such dispositions involve Trust Assets below a minimum threshold set by the Trustee in consultation with the TOC; or

(x) adopt, upon the advice of an Investment Advisor (as defined in Section 3.3(c) below), a Sell-Down Plan (as defined in Section 3.3(b) below) for New HoldCo Common Stock held by the Trust as part of the Trust Assets;

(g) The Trustee shall publish information on the Trust Website as he deems prudent in his or her sole discretion. The Trustee has no obligation to provide, and Beneficial Owners have no right to receive, information regarding the operation of the trust except as provided in Section 2.2(c) above.

**2.3 Claims Administration.** Cathy Yanni shall serve as claims administrator, whose role is to assist the Trustee in the resolution of the Fire Victim Claims in accordance with the CRP and provide such information necessary for the Trustee to implement the CRP (the “**Claims Administrator**”). The Claims Administrator shall have reasonable discretion in the means and methods in carrying out the duty of resolving Fire Victim Claims consistently with the CRP.

(a) The Claims Administrator shall serve from the date of retention until the termination of the Trust. Prior to the termination of the Trust, the Claims Administrator shall be removable by agreement of the Trustee and the vote of at least two-thirds of the members (the “**Supermajority Vote**”) of the TOC for cause, which shall be defined as the substantial, repeated, or prolonged failure to carry out the duties and obligations defined in Section 2.3(b) below. If a Claims Administrator is removed or if there is a vacancy for any other reason, the Trustee and a majority of members of the TOC shall appoint the successor Claims Administrator, provided however, that if the Trustee and a majority of the members of the TOC cannot agree on the successor Claims Administrator, the Bankruptcy Court shall make the appointment.

(b) Without limiting the generality of Section 2.3 above, and except as limited below, the Claims Administrator, in conjunction with the Trustee, shall have the power and obligation to:

(i) evaluate, disallow, resolve, settle, and approve any and all Fire Victim Claims in accordance with the CRP without the need to seek the approval of the Bankruptcy Court for any actions taken with respect to the determination of Fire Victim Claims;

(ii) authorize payment of any and all Approved Fire Victim Claims in accordance with the CRP;

(iii) propose changes to the CRP;

(iv) hire such professionals, including: (i) professionals retained by the Trustee; and (ii) entities affiliated with the Claims Administrator and employees, officers, and directors of such entities as necessary to perform its duties hereunder to resolve the Fire Victim Claims subject to approval by the Trustee;

(v) act as liaison between the Trustee and the Neutrals; and

(vi) serve as chair of any joint meeting of the Neutrals.

(c) The Claims Administrator will be compensated at the hourly rate of \$1,250.00. The Trust will promptly reimburse the Claims Administrator for all reasonable out-of-pocket costs and expenses incurred by the Claims Administrator in connection with the performance of the duties set forth in the Trust Documents, the Plan and the Confirmation Order.

(d) The Claims Administrator shall retain BrownGreer PLC, which shall assist the Claims Administrator in the calculation and processing of claims (the “**Claims Processor**”) and such other professionals as the Claims Administrator determines is necessary and appropriate for the calculation and processing of claims. The Claims Administrator shall have the power to replace the Claims Processor if at any time the Claims Administrator and Trustee determine, in consultation with the TOC, that the replacement of the Claims Processor is prudent and necessary to continue the efficient processing of claims pursuant to the CRP.

## **2.4 Claim Approval and Denial.**

(a) The CRP shall govern the process by which each Fire Victim Claim shall be evaluated, administered, processed, settled, expunged, determined and resolved on a final basis, provided, however, that any Claim that has been liquidated pursuant to a settlement agreement approved by the Bankruptcy Court or is the subject of a Final Judicial Determination shall not be subject to further determination under the CRP. At all times the Trustee, the Claims Administrator, the Claims Processor, the Appeals Officer and the Neutrals described herein shall act in accordance with and consistent with the CRP. Only Approved Fire Victim Claims, which are approved in accordance with the CRP, shall be entitled to payments from the Trust, and any Fire Victim Claim determined to be ineligible on a final basis under the CRP shall have no entitlement to payments from the Trust and shall forever be denied, disallowed and expunged. Any objections to Fire Victim Claims with respect to their eligibility or valuation shall be resolved consistently with the CRP.

(b) In furtherance of, and consistent with, the purpose of the Trust Documents, the Plan and the Confirmation Order, the Claims Administrator, in conjunction with the Trustee, shall have the power and authority to determine the eligibility, amount, and allowance of Fire Victim Claims, at all times subject to the CRP (as may be amended, modified or supplemented). The Claims Administrator, in conjunction with the Trustee shall evaluate proofs of claim and other claims materials submitted by each holder of a Fire Victim Claim for determination of eligibility, amount, and allowance of such Claim in accordance with the procedures set forth in the CRP.

(c) Notwithstanding anything herein or in the CRP, the Trustee reserves all powers expressly granted to him by the Plan and the Confirmation Order with respect to the administration of claims and the power to settle all Fire Victim Claims.

(d) The Claims Administrator's determination, as confirmed by the Trustee, of eligibility, amount, and allowance of each Fire Victim Claim shall be final and binding, and shall not be subject to any challenge or review of any kind, by any court or other person or entity, except as set forth in Section IX of the CRP.

**2.5 Confidentiality.** All facts and documents submitted in support of any Fire Victim Claim will be used and disclosed only for the following purposes: (a) processing the Claim, (b) legitimate business uses associated with administering the Trust, including the prevention of fraud and/or the resolution of liens, and (c) other necessary legal and judicial requirements or processes. Otherwise, the information submitted by Fire Victims shall be kept confidential and shall only be disclosed to the Trustee, the Claims Administrator, Claims Processor, the Neutrals, and in respect of the preceding entities, their employees, agents, professionals and advisors, the Fire Victim, the Fire Victim's authorized agent, or to any court of competent jurisdiction, and, in the latter case, only then in a document filed with the court under seal. To the extent possible, any reference to the identity of any Fire Victim in a publicly available document shall be made by the use of a unique numerical identifier, and any information contained in such a document that could lead to the discovery of the claimant's identity such as property address, APN, telephone number, email address, and the like shall be redacted before such a document is filed or circulated to persons or entities other than the

claimant, counsel for the claimant, or other persons or entities who are authorized by the claimant in writing to receive an unredacted copy of the specific document. Similarly, the amount of any Fire Victim Claim that is approved, accepted, or disallowed in whole or in part shall be kept confidential and shall only be disclosed to the Trustee, the Claims Administrator, Claims Processor, the Neutrals, and in respect of the preceding entities, their employees, agents, professionals and advisors, the Fire Victim, the Fire Victim's authorized agent, or to any court of competent jurisdiction, and, in the latter case, only then in a document filed with the court under seal.

**2.6 Credits for Amounts Covered by Insurance.** To the extent a Fire Victim Claim represents damages or losses covered, in full or in part, by a policy of insurance (“**Covered Fire Victim Claim**”), the amount in which such Covered Fire Victim Claim may be Approved pursuant to the CRP shall be reduced on a dollar-for-dollar basis by all insurance recoveries available to the Fire Victim on account of such damages or losses (“**Available Insurance Recoveries**”), whether or not the Fire Victim actually made a claim against a policy of insurance for such damages or losses. Available Insurance Recoveries shall include (i) any amount actually paid to the Fire Victim for damages or losses arising from or attributable to a Wildfire by an insurer under a policy of insurance, and (ii) any amount to be paid, payable, or otherwise owed to the Fire Victim for damages or losses arising from or attributable to a Wildfire by an insurer under a policy of insurance. For the avoidance of doubt, Available Insurance Recoveries shall not include any policy of insurance that cannot be reasonably construed to provide coverage for damages or losses arising from or attributable to a Wildfire.

(b) In determining the amount of Available Insurance Recoveries, the Trustee shall consider, as applicable, (i) the terms of any available policy of insurance and whether such policy or any other existing insurance policies can be reasonably interpreted to provide coverage, in full or in part, for the damages or losses that the holder of the Covered Fire Victim Claim seeks to recover from the Trust, (ii) the available policy limits of any available policy of insurance that can reasonably be construed to provide insurance coverage for each applicable category of damages that the holder of the Covered Fire Victim Claim seeks to recover from the Trust, (iii) whether the Fire Victim has exercised reasonable efforts to obtain all recoveries available under policies of insurance for damages or losses arising from or attributable to a Wildfire, and (iv) the amounts that could or should have been paid under a policy of insurance to the Fire Victim for damages or losses arising from or attributable to a Fire had the Fire Victim taken reasonable efforts to obtain an insurance recovery for such damages or losses.

(c) A Fire Victim shall be deemed to have exercised reasonable efforts with respect to a category of damages or losses arising from or attributable to a Fire that is covered by a policy of insurance if such Fire Victim receives payments from an insurer pursuant to such policy that are equivalent to or greater than (i) the full amount of such damages or losses or (ii) the available policy limits for claims made for such damages or losses. If a Fire Victim is unsuccessful in obtaining payment of the available policy limits from an insurer after exercising reasonable efforts in making claims for damages or losses arising from or attributable to a Fire, the Trustee may, in his or her sole and absolute discretion, accept an assignment of his or her rights against the insurance company (the “**Claimant Insurance Rights**”) to the Trustee, in which event the Fire Victim shall be deemed to have exercised reasonable efforts with respect to the recoveries available from such insurer for such damages or losses. For the avoidance of

doubt, nothing in this Section shall require the Trustee to accept any assignment of a Fire Victim's insurance rights.

(d) The Trustee shall establish procedures to assist Claimants to recover the full amount due to the Claimant under the applicable insurance policy, where the Claimant requests this assistance.

(e) The purpose of this provision is to (i) encourage all Fire Victims to fully pursue all rights and remedies available under their policies of insurance prior to asserting a claim against the Trust, and (ii) ensure that insurance companies do not pass their coverage obligations on to the Trust. Consistent with these policies, the Trustee may, in his or her sole and absolute discretion, grant exceptions to Section 2.6(a) for good cause.

(f) Any amount that any holder of a Fire Victim Claim, its predecessor, successor, or assignee received or shall receive from any insurance company under and pursuant to the terms and coverage provisions of any insurance policy for losses resulting from a Fire and any funds received by any holder of a Fire Victim Claim, net of attorney's fees, shall satisfy, to the extent applicable, any amounts of restitution the Debtors or Reorganized Debtors might be subject to under California Penal Code § 1202.4.

**2.7 Deduction for Payment Received from Wildfire Assistance Fund.** Pursuant to the Supplemental Order (A) Approving Appointment of Administrator and Establishing Guidelines for the Wildfire Assistance Program and (B) Granting Related Relief entered on June 5, 2019, to the extent a Fire Victim Claim has received a payment from the Wildfire Assistance Fund, the amount in which such Fire Victim Claim may be Approved pursuant to the CRP shall be reduced on a dollar-for-dollar basis by the amount of such payment received from the Wildfire Assistance Fund.

**2.8 Deduction for Payment Received From FEMA.** To the extent a Fire Victim Claim represents damages or losses for which the Fire Victim has received a payment from the Federal Emergency Management Agency ("FEMA"), the amount in which such Fire Victim Claim may be Approved pursuant to the CRP shall be reduced on a dollar-for-dollar basis by the amount of such payment received from FEMA on account of the same damages or losses.

### **SECTION III.** **ACCOUNTS, INVESTMENTS, AND PAYMENTS**

#### **3.1 Accounts.**

(a) The Trustee may, from time to time, create such accounts and reserves within the Trust estate as authorized in this Section 3.1 and as he may deem necessary, prudent, or useful in order to provide for the payment of expenses and payment of Fire Victim Claims, and may, with respect to any such account or reserve, restrict the use of money therein (the "**Trust Accounts**"). Any such reserve established by the Trustee shall be held as Trust Assets and is not intended to be subject to separate entity tax treatment as a "disputed claims reserve" or a "disputed ownership fund" within the meaning of the Internal Revenue Code or Treasury

Regulations. The Claims Administrator and TOC shall provide information as necessary for the Trustee to establish such accounts and reserves.

(b) The Trustee shall include a reasonably detailed description of the creation of any account or reserve in accordance with this Section 3.1 and, with respect to any such Trust Account, the transfers made to such account, the proceeds of or earnings on the assets held in each such account and the payments from each such account in the accounts to be filed with the Bankruptcy Court and provided to the TOC pursuant to Section 2.2(c)(i) above.

(c) The Trustee, on behalf of the Trust, may retain one or more depository institution(s) to serve as the Financial Institution of the Trust (the “**Financial Institution**”). Candidates for the position of Financial Institution shall fully disclose to the Trustee any interest in or relationship with the Debtors or the Reorganized Debtors. Any such interest or relationship shall not be an automatic disqualification for the position, but the Trustee shall take any such interest or relationship into account in selecting the Financial Institution.

(d) The Trustee shall direct the disbursement of funds from Trust Accounts as set forth in this Trust Agreement and the CRP.

(e) The Trustee may remove the Financial Institution at any time and may retain a successor Financial Institution.

(f) The Trustee may retain additional financial services firms and/or banking or depository institution(s) as he or she reasonably determines appropriate or advisable in connection with the efficient operation and administration of the Trust.

### **3.2 Investment Guidelines.**

(a) The Trustee shall establish written Investment Guidelines, attached hereto as Exhibit 6, (the “**Investment Guidelines**”) for the Trust Assets and may modify such Investment Guidelines in his or her discretion, consistent with the requirements of this Section 3. The Trustee shall provide copies of the Investment Guidelines to the TOC, shall review the Investment Guidelines with the TOC at least bi-annually, and shall promptly advise the TOC of modifications made thereto.

(b) Pursuant to the Plan, the Trustee shall accept and hold the New HoldCo Common Stock in trust for the Fire Victims, and shall hold that stock in the name of the PG&E Fire Victim Trust and not individually. The Trust shall continue to hold all such stock until such time as the Trustee determines, in consultation with an Investment Advisor (as defined below), that it is in the best interests of the beneficiaries of the Trust to liquidate some or all of the stock, consistent with the terms of the Registration Rights Agreement (the “**Sell-Down Plan**”). This provision is intended to modify the “prudent person” rule, “prudent investor” rule, or any other rule of law that would require the Trustee to diversify this stock portfolio. The Trustee shall execute the Sell-Down Plan from time to time in consultation with the TOC.

(c) The Trust shall not acquire or hold any options other than options or other derivative securities (including, without limitation, any forward contract, equity swap, put or

call, put or call equivalent position, collar, non-recourse loan, sale of an exchangeable security or similar transaction) acquired or held in connection with bona fide hedging transactions with respect to the New HoldCo Common Stock, and in connection therewith, notwithstanding any restriction to the contrary set forth herein, the Trust shall be permitted to assign, transfer, pledge, grant a lien, security interest or other encumbrance in such New HoldCo Common Stock.

(d) After a reasonable investigation and after consultation with the TOC, the Trustee shall retain such professional advisors as he or she determined necessary and appropriate to act as investment and financial advisor (each an “**Investment Advisor**”) who shall assist the Trustee in assessing acceptable levels of investment risks, making investment decisions based on budgetary considerations and market conditions, and taking reasonable steps to protect, and reinvest and dispose of Trust Assets in accordance with the purposes of the Trust as set forth in Section 1.2 above. Candidates for the position of Investment Advisor shall fully disclose to the Trustee any interest in or relationship with the Debtors or the Reorganized Debtors. Any such interest or relationship shall not be an automatic disqualification for the position, but the Trustee shall take any such interest or relationship into account in selecting the Investment Advisor.

(e) Notwithstanding the foregoing, if the Trustee takes possession of property as part of the enforcement of any rights and such property is in a form other than cash, the Trustee may retain such property and shall take reasonable steps to monetize such property in accordance with the purposes of the Trust as set forth in Section 1.2 above. However, if the Trustee chooses to sell or exchange such property, any cash proceeds received in connection with such sale or exchange shall be invested and reinvested as outlined in Sections 3.3(b) and (c) above in accordance with the Investment Guidelines until necessary for the purposes of the Trust as set forth in Section 1.2 above.

### **3.3 Payments.**

(a) **Payment of Trust Expenses.** All Trust Expenses shall be, subject to the Budget, payable by the Trustee out of the Trust Assets. None of the Trustee, Delaware Trustee, Claims Administrator, Claims Processor, Neutrals, TOC, Debtors, Reorganized Debtors, nor any of their officers, agents, advisors, professionals or employees shall be personally liable for the payment of any Trust Expense or any other liability of the Trust.

(b) **Payment of Fire Victim Claims.** The Trustee will pay Approved Fire Victim Claims on a *pro rata* basis, from the Trust Assets up to the full amount of such Claims, in a fair, consistent, and equitable manner in accordance with this Trust Agreement, the CRP, the Plan and the Confirmation Order.

(c) **Allocation of Insurance Proceeds.** All proceeds recovered under any insurance policies to which the Trust is entitled shall be received and held by the Trustee as assets of the Trust to be used for payment of Fire Victim Claims and Trust Expenses.

(d) **Inclusion in Annual Report.** The Trustee shall include a description of any payments made in accordance with this Section 3.3 in the Annual Report consistent with special-purpose financial statement reporting, as determined by the Trustee in consultation with the Trust’s independent certified public accountants. However, any names of any Fire Victim

recipient of any such payment and any information that could lead to the discovery of any recipient's identity such as property address, APN, telephone number, email address, and the like shall not be disclosed in the Annual Report, but shall be kept confidential by the Trustee, Delaware Trustee, the Claims Administrator, Claims Processor, Neutrals, the TOC, and each of the preceding person's and entity's officers, agents, advisors, professionals, or employees.

#### **SECTION IV.** **DISTRIBUTIONS**

**4.1 Distributions.** The Trustee shall distribute all Trust Assets on behalf of the Trust in accordance with the Trust Documents, the Plan and the Confirmation Order at such time or times as the Trustee may determine.

**4.2 Manner of Payment or Distribution.**

(a) Distributions from the Trust to Beneficial Owners may be made by the Trustee on behalf of the Trust or by a disbursing agent retained by the Trust to make distributions on behalf of the Trust (the "**Trust Disbursing Agent**"). Such distributions shall be payable to the Beneficial Owner of record (or to counsel for the Beneficial Owner as set forth at Section 4.3(a) below) on the date approved for distribution by the Trustee (the "**Distribution Date**"). With respect to each Approved Claim, distributions shall be made only after the Trustee has determined that all obligations of the Trust (including, but not limited to, reimbursement and reporting obligations under the Medicare Secondary Payer Act and any required tax reporting or withholding) with respect to each such Approved Claim have been satisfied.

(b) The Trust Disbursing Agent may enter into arrangements with one or more banks with branch networks located in Northern California so as to expedite Beneficial Owner access to such funds.

(c) All Trust Assets shall be distributed in accordance with the Trust Documents, the Plan and the Confirmation Order.

**4.3 Delivery of distributions.**

(a) All distributions under this Trust Agreement and CRP on behalf of the Trust to any Beneficial Owner shall be made to such Beneficial Owner's counsel, if any, as identified on the claims materials submitted to and maintained by the Claims Processor, including on any proof of claim, provided however, if the Beneficial Owner is not represented by counsel, then all distributions shall be made by check at the address of such Beneficial Owner as identified set forth in on the claims materials submitted to and maintained by the Claims Processor, including on any proof of claim, or by electronic transfer as directed by such Beneficial Owner as set forth in the claims materials submitted to and maintained by the Claims Processor, provided further, distributions shall be made in accordance with the above unless the Trustee has been notified pursuant to Section 8.12 below of a change of address, with such change of address provided at least twenty (20) days prior to such Distribution Date, and provided further, that the Trustee, Claims Administrator, and Claims Processor, as applicable, shall have the authority, in their discretion, to seek further direction and information from

Beneficial Owners or their counsel, if applicable, regarding the direction of distributions under this Trust Agreement and CRP.

(b) In the event that any distribution to a Beneficial Owner is returned as undeliverable, no further distribution to such Beneficial Owner shall be made unless and until the Trustee has been notified of the then current address of such Beneficial Owner, at which time such distribution shall be made to such Beneficial Owner without interest; provided, however, that all distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six (6) months from the applicable Distribution Date. After such date, all unclaimed property or interests in property (i) shall revert to the Trust (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary), (ii) the Claim of any Beneficial Owner to such property or interest in property shall be released, settled, compromised, and forever barred, and (iii) such unclaimed property interests shall be distributed to other holders of Class 5A-III and Class 5B-III Claims in accordance with the Trust Documents, the Plan and the Confirmation Order, as if the Claim of such Beneficial Owner had been disallowed as of the date the undeliverable distribution was first made. The Trustee shall take reasonable efforts to obtain a current address for any Beneficial Owner with respect to which any distribution is returned as undeliverable. In the event the Trust holds Cash after paying all Trust Expenses and all distributions contemplated under the Trust Documents, the Plan and the Confirmation Order, such remaining cash shall be distributed to a national recognized charitable organization of the Trustee's choice to the extent economically feasible. No Trust Asset or any unclaimed property shall escheat to any federal, state, or local government or any other entity.

**4.4 Cash distributions.** Distributions of Cash shall be distributed as provided in the CRP.

**4.5 No De Minimis Distribution.** Notwithstanding any provision in the Trust Documents, the Plan and the Confirmation Order to the contrary, no payment shall be made to any Beneficial Owner on account of any Approved Claim if the Trustee determines that the cost of making such distribution is greater than the amount of the distribution to be made.

**4.6 Reimbursement and Reporting Obligations Under Medicare Secondary Payer Act.**

(a) In connection with the distribution of Trust Assets as provided in this Section IV, and except as provided below, the Trust shall be responsible for all reimbursement and reporting obligations imposed by the Medicare Secondary Payer Act, 42 USC §§ 1395y(b)(2),(8), for the repayment of any Fire Victim Claim-related conditional payments made under Medicare Parts A and B ("**Conditional Payment**"). Before disbursing any Trust Assets to any Beneficial Owner, the Trustee may enter into a global resolution with the Centers for Medicare & Medicaid Services ("**CMS**") to reimburse all Medicare Parts A and B Conditional Payments, and to resolve Medicare reporting obligations pursuant to 42 USC § 1395y(b)(8). The Trustee will address recovery obligations as to Medicare Part C and D Conditional Payments directly with those plans and separately from any global resolution that might be reached.

(b) Pursuant to 42 USC § 1395y(b)(8), defined Responsible Reporting Entities (“RREs”) must report claims to CMS in the manner and time established in accordance with the statute. In order to reach a global resolution with CMS, the following data points will be required to verify Medicare entitlement status for each claimant: first name, last name, date of birth, social security number, and sex code (1=Male, 2=Female). If a global resolution with CMS cannot be reached, the Trustee is authorized to enter into a separate agreement with each RRE to report on their behalf and if a separate agreement with an RRE is not reached, the Trustee shall provide all of the information required for proper reporting under 42 USC § 1395y(b)(8) to the appropriate RRE(s) or their authorized agent before disbursing any funds to any Beneficial Owner. If a global resolution is not reached and the Trustee does not enter into an agency agreement with an appropriate RRE(s) before disbursing any funds to any Beneficial Owner (i) the Trustee will collect the Beneficial Owner’s first name, last name, date of birth, gender, social security number and any other information required for proper reporting of the claim to CMS pursuant to 42 USC § 1395y(b)(8) and the Medicare Mandatory Insurer Reporting User Guide; and (ii) the Trustee will provide all of the required reporting information to the RREs within five (5) days of any Claims Determination (as that term is defined in the CRP) of any claim.

(c) If a global resolution with CMS cannot be reached, before disbursing any funds to any Beneficial Owner, (i) the Trustee shall determine whether any Conditional Payment has been made to or on behalf of the Beneficial Owner to whom a distribution of Trust Assets will be made, and if any Conditional Payment has been made to or on behalf of such a Beneficial Owner, the Trustee shall, within the time period called for by the Medicare Act, (a) reimburse the Medicare Trust fund, or the appropriate Medicare plan or their authorized contractor for the appropriate amount and (b) submit the required information for the Beneficial Owner to CMS. Prior to the Trustee reimbursing any Medicare Part A or B plan requiring repayment, the Trustee shall provide notice of the existence of any Conditional Payment(s) to the Beneficial Owner and, if applicable, his or her attorney. The Beneficial Owner and/or his or her attorney may elect to negotiate the amount of the alleged Conditional Payments within 120 days of notice from the Trustee, but no later than any deadline imposed by Medicare Parts A and B. If the Beneficial Owner or his or her attorney elects not to negotiate the alleged Conditional Payment amounts, with the Beneficial Owner’s consent, the Trustee may utilize a firm with experience in resolving liens to satisfy the Beneficial Owner’s obligations represented by the Conditional Payment(s). Upon receiving confirmation of the final Medicare Part A or B amount(s) requiring repayment, the Trustee will reimburse the appropriate Medicare Part A or B plan or their authorized contractor. Any payments made to resolve such obligations of the Beneficial Owner shall be deducted from the Beneficial Owner’s distribution of the Trust Assets prior to disbursement of the balance to the Beneficial Owner or his or her counsel.

(d) The Trustee also shall otherwise comply with any requirements (including, but not limited to, any reporting or payment requirements) of any other federal or state governmental health insurance programs and any state’s Medicaid or Workers Compensation statute. Prior to the Trustee reimbursing any other federal or state governmental health insurance program, including any state’s Medicaid or Workers Compensation statute, the Trustee shall provide notice of the existence of such payments to the Beneficial Owner and, if applicable, his or her attorney. Any payments made to resolve such obligations of the Beneficial Owner shall

be deducted from the Beneficial Owner's distribution of the Trust Assets prior to disbursement of the balance to the Beneficial Owner or his or her counsel.

**SECTION V.**  
**TRUSTEE AND DELAWARE TRUSTEE**

**5.1 Number.** In addition to the Delaware Trustee appointed pursuant to Section 5.11 hereof, there shall be one (1) Trustee. The initial Trustee shall be Hon. John K. Trotter (Ret.). For the avoidance of doubt, there shall be at least one (1) Trustee serving at all times (in addition to the Delaware Trustee).

**5.2 Term of Service and Successor Trustee.**

(a) Subject to the other provisions of this Section 4, the Trustee shall serve from the Effective Date until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Section 4.2(b) below, (iii) his or her removal pursuant to Section 4.2(c) below, or (iv) the termination of the Trust pursuant to Section 8.2 below.

(b) The Trustee may resign at any time before the end of his or her term by written notice to the TOC. Such notice shall specify a date when such resignation shall take effect, which shall not be less than ninety (90) days after the date such notice is given, where practicable.

(c) The Trustee may be removed on application to the Court of Exclusive Jurisdiction, preceded by the Supermajority Vote of the TOC, in the event that the Trustee becomes unable to discharge his or her duties hereunder due to accident, physical deterioration, mental incompetence, or for other good cause. Such good cause shall mean fraud, self-dealing, intentional misrepresentation, or willful misconduct.

(d) If for any reason John Trotter is unable to serve as Trustee, Cathy Yanni shall become the Successor Trustee. If for any reason Cathy Yanni is unable to serve as Trustee, the TOC shall promptly designate a new Successor Trustee by a Supermajority Vote, which Successor Trustee shall succeed to all of the rights, powers, and duties of the prior Trustee following confirmation by the Bankruptcy Court. If the TOC cannot agree on the Successor Trustee by a Supermajority Vote, the Bankruptcy Court shall make the appointment.

**5.3 Reliance; No Personal Obligation.**

Except as otherwise provided herein:

(a) The Trustee, Delaware Trustee, TOC and Claims Administrator may rely upon, and, except as otherwise provided in this Trust Agreement, shall be indemnified by the Trust in acting upon, any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, or other paper or document believed by the them to be genuine and to have been signed or presented by the proper party or parties.

(b) Persons dealing with the Trustee, Delaware Trustee, Claims Administrator, Claims Processor, Neutrals and TOC shall look only to the Trust Assets to satisfy

any liability incurred by the Trustee to such Person in carrying out the terms of this Trust Agreement, and neither the Trustee, Neutrals, Claims Administrator, Claims Processor, nor any member of the TOC or any professionals, advisors, officers, agents, consultants, lawyer shall have any personal obligation to satisfy any such liability.

#### **5.4 Standard of Care; Exculpation.**

(a) None of the Trustee, Delaware Trustee, TOC, Claims Administrator, Special Master or their respective members, officers, employees, agents, consultants, lawyers, advisors, or professionals (collectively, the “**Trust Indemnified Parties**” with each being a “**Trust Indemnified Party**”) shall be liable for any damages arising out of the creation, operation, administration, enforcement, or termination of the Trust, except in the case of such Trust Indemnified Party’s willful misconduct, bad faith or fraud as established by a Final Order. To the fullest extent permitted by applicable law, the Trust Indemnified Parties shall have no liability for any action in performance of their duties under this Trust Agreement taken in good faith with or without the advice of counsel, accountants, appraisers, and other professionals retained by the Trust Indemnified Parties. None of the provisions of this Trust Agreement shall require the Trust Indemnified Parties to expend or risk their own funds or otherwise incur personal financial liability in the performance of any of their duties hereunder or in the exercise of any of their respective rights and powers. Any Trust Indemnified Party may rely, without inquiry, upon writings delivered to it under any of the Trust Documents, the Plan and the Confirmation Order, which the Trust Indemnified Party reasonably believes to be genuine and to have been given by a proper person. Notwithstanding the foregoing, nothing in this Section 5.4 shall relieve the Trust Indemnified Parties from any liability for any actions or omissions arising out of the willful misconduct, bad faith or fraud as determined by a Final Order; provided that in no event will any such person be liable for punitive, exemplary, consequential, or special damages under any circumstances. Any action taken or omitted by the Trust Indemnified Parties with the approval of any of the Bankruptcy Court, the District Court, or the Superior Court of California for the County of San Francisco and, in the case of the Trustee, with the express approval of the TOC, will conclusively be deemed not to constitute willful misconduct, bad faith or fraud.

(b) The Trust Indemnified Parties shall not be subject to any personal liability whatsoever, whether in tort, contract, or otherwise, to any person in connection with the affairs of the Trust or for any liabilities or obligations of the Trust except for its own willful misconduct, bad faith, or fraud, and all Persons claiming against the Trust Indemnified Parties, or otherwise asserting claims of any nature in connection with affairs of the Trust, shall look solely to the Trust Assets for satisfaction of any such claims.

(c) To the extent that, at law or in equity, the Trust Indemnified Parties have duties (including fiduciary duties) or liability related thereto, to the Trust or the Beneficiaries, it is hereby understood and agreed by the parties hereto and the Beneficiaries that such duties and liabilities are eliminated to the fullest extent permitted by applicable law, and replaced by the duties and liabilities expressly set forth in this Trust Agreement with respect to the Trust Indemnified Parties, provided however, that the duties of care and loyalty are not eliminated but are limited and subject to the terms of the Trust Agreement, including but not limited to this Section 5.4 and its subparts.

(d) The Trust Indemnified Parties shall be indemnified to the fullest extent permitted by law by the Trust against all liabilities arising out of the creation, operation, administration, enforcement, or termination of the Trust, including actions taken or omitted in fulfillment of their duties with respect to the Trust, except for those acts that those acts that are determined by Final Order to have arisen out of their own willful misconduct, bad faith or fraud.

(e) The Trust will maintain appropriate insurance coverage for the protection of the Trust Indemnified Parties, as determined by the Trustee in his or her sole discretion.

## **5.5 Protective Provisions.**

(a) Every provision of this Trust Agreement relating to the conduct or affecting the liability of or affording protection to Trust Indemnified Parties shall be subject to the provisions of this Section 5.5.

(b) In the event the Trustee and/or the Claims Administrator retains counsel (including, at the expense of the Trust), the Trustee and/or Claims Administrator, as applicable, shall be afforded the benefit of the attorney-client privilege with respect to all communications with such counsel, and in no event shall the Trustee and/or the Claims Administrator, as applicable, be deemed to have waived any right or privilege including, without limitation, the attorney-client privilege even if the communications with counsel had the effect of guiding the Trustee and/or the Claims Administrator in the performance of duties hereunder. A successor to either of the Trustee or the Claims Administrator shall succeed to and hold the same respective rights and benefits of the predecessor for purposes of privilege, including the attorney-client privilege. No Beneficial Owner or other party may raise any exception to the attorney-client privilege discussed herein as any such exceptions are hereby waived by all parties.

(c) To the extent that, at law or in equity, the Trustee has duties (including fiduciary duties) and liabilities relating hereto, to the Trust or to the Trust Beneficiaries, it is hereby understood and agreed by the Parties and the Trust Beneficiaries that such duties and liabilities are eliminated to the fullest extent permitted by applicable law, including Section 3806 of the Delaware Statutory Trust Act, and replaced by the duties and liabilities expressly set forth in this Trust Agreement with respect to the Trustee, provided however, that the duties of care and loyalty are not eliminated but are limited and subject to the terms of the Trust Agreement, including but not limited to Section 5.4 herein.

(d) No Trust Indemnified Party shall be personally liable under any circumstances, except for their own willful misconduct, bad faith or fraud as determined by a Final Order.

(e) No provision of this Trust Agreement shall require the Trust Indemnified Parties to expend or risk their own personal funds or otherwise incur financial liability in the performance of their rights, duties, and powers hereunder.

(f) In the exercise or administration of the Trust hereunder, the Trust Indemnified Parties (i) may act directly or through their respective agents or attorneys pursuant to agreements entered into with any of them, and the Trust Indemnified Parties shall not be liable

for the default or misconduct of such agents or attorneys if such agents or attorneys have been selected by the Trust Indemnified Parties in good faith and with due care, and (ii) may consult with counsel, accountants, and other professions Persons to be selected by them in good faith and with due care and employed by them, and shall not be liable for anything done, suffered, or omitted in good faith by them in accordance with the advice or opinion of any such counsel, accountants, or other professionals.

## **5.6 Compensation and Expenses of the Trustee.**

(a) The Trustee will be compensated at the flat rate of \$125,000 per month for the six months beginning on the Effective Date. The Trustee will review with the TOC the work he has done against the flat rate at the conclusion of the initial six month period. The flat rate going forward will be adjusted accordingly, subject to the provisions of the Trust Documents, the Plan and the Confirmation Order. Following the initial six month review, the Trustee will review his compensation with the TOC as provided herein on an annual basis.

(b) The Trust will promptly reimburse the Trustee for all reasonable out-of-pocket costs and expenses incurred by the Trustee in connection with the performance of the duties hereunder.

(c) The Trustee shall include a description of the amounts paid under this Section 5.6 in the Annual Report.

## **5.7 Indemnification.**

(a) Without the need for further court approval, the Trust hereby indemnifies, holds harmless, and defends the Trust Indemnified Parties in the performance of their duties hereunder to the fullest extent that a trust is entitled to indemnify, hold harmless, and defend such persons against any and all liabilities, expenses, claims, damages, or losses (including attorney's fees and costs) incurred by them in the performance of their duties hereunder or in connection with activities undertaken by them prior to or after the Effective Date in connection with the formation, establishment, funding, or operations of the Trust.

(b) Reasonable expenses, costs and fees (including attorneys' fees and costs) incurred by or on behalf of the Trust Indemnified Parties in connection with any action, suit, or proceeding, whether civil, administrative, or arbitative, from which they are indemnified by the Trust shall be paid by the Trustee in advance of the final disposition thereof upon receipt of an undertaking, by or on behalf of the Trust Indemnified Party, to repay such amount in the event that it shall be determined ultimately by final order of the Bankruptcy Court that the Trust Indemnified Party or any other potential indemnitee is not entitled to be indemnified by the Trust.

(c) The Trustee shall purchase and maintain appropriate amounts and types of insurance on behalf of the Trust Indemnified Parties, as determined by the Trustee, which may include liability asserted against or incurred by such individual in that capacity or arising from his or her status as a Trust Indemnified Party, and/or as an employee, agent, lawyer, advisor, or consultant of any such person.

(d) The indemnification provisions of this Trust Agreement with respect to any Trust Indemnified Party shall survive the termination of such Trust Indemnified Party from the capacity for which such Trust Indemnified Party is indemnified. Termination or modification of the Trust Agreement shall not affect any indemnification rights or obligations in existence at such time. In making a determination with respect to entitlement to indemnification of any Trust Indemnified Party hereunder, the person, persons, or entity making such determination shall presume that such Trust Indemnified Party is entitled to indemnification under the Trust Agreement, and any person seeking to overcome such presumption shall have the burden of proof to overcome the presumption.

(e) The rights to indemnification hereunder are not exclusive of other rights which any Trust Indemnified Party may otherwise have at law or in equity, including common law rights to indemnification or contribution.

### **5.8 Trustee's Employment of Professionals and Experts.**

(a) The Trustee may, but shall not be required to, retain and/or consult with legal counsel, accountants, appraisers, auditors, forecasters, experts, financial and investment advisors, and such other parties deemed by the Trustee to be qualified as experts on relevant matters (the "**Trust Professionals**"), the cost of which shall be paid as a Trust Expense, and in the absence of willful misconduct, bad faith or fraud, the written opinion of or information provided by any such party deemed by the Trustee to be an expert on the particular matter submitted to such party shall be full and complete authorization and protection in respect of any action taken or not taken by the Trustee hereunder in good faith and in accordance with the written opinion of or information provided by any such party.

(b) The Trustee may retain and reasonably compensate the Trust Professionals, the cost of which shall be paid as a Trust Expense, subject to the terms of this Trust Agreement, including the Budget. To the extent that any Trust Professionals provided services to the Trustee prior to the Effective Date and have not been compensated for such services, the Trustee is authorized to pay such fees and expenses. All fees and expenses of the Trust Professionals incurred in connection with the foregoing shall be payable from the Trust Assets.

**5.9 Trustee's Independence.** The Trustee shall not, during the term of his or her service, hold a financial interest in, act as attorney or agent for, or serve as any other professional for any entity with a financial interest in the Trust, provided that (i) any passive investment held by the Trustee shall not constitute a conflict of interest under this Section 5.9, and (ii) the Trustee shall disclose to the TOC any relationship that constitutes a conflict under this Section 5.9. Any violation of this Section 5.9 shall be cause for removal of the Trustee. For the avoidance of doubt, this Section shall not be applicable to the Delaware Trustee.

**5.10 Bond.** The Trustee and the Delaware Trustee shall not be required to post any bond or other form of surety or security unless otherwise ordered by the Bankruptcy Court.

## 5.11 Delaware Trustee.

(a) There shall at all times be a Delaware Trustee. The Delaware Trustee shall either be (i) a natural person who is at least 21 years of age and a resident of the State of Delaware or (ii) a legal entity that has its principal place of business in the State of Delaware, otherwise meets the requirements of applicable Delaware law to be eligible to serve as the Delaware Trustee, and shall act through one or more persons authorized to bind such entity. If at any time the Delaware Trustee shall cease to be eligible in accordance with the provisions of this Section 5.11, it shall resign immediately in the manner and with the effect hereinafter specified in Section 5.11(c) below. For the avoidance of doubt, the Delaware Trustee will only have such rights, duties and obligations as expressly provided by reference to the Delaware Trustee hereunder. The Trustee shall have no liability for the acts or omissions of any Delaware Trustee.

(b) The Delaware Trustee shall not be entitled to exercise any powers, nor shall the Delaware Trustee have any of the duties and responsibilities of the Trustee set forth herein. The Delaware Trustee shall be a trustee of the PG&E Fire Victim Trust for the sole and limited purpose of fulfilling the requirements of Section 3807(a) of the Act and for taking such actions as are required to be taken by a Delaware Trustee under the Act. The duties (including fiduciary duties), liabilities, and obligations of the Delaware Trustee shall be limited to (i) accepting legal process served on the PG&E Fire Victim Trust in the State of Delaware and (ii) the execution of any certificates required to be filed with the Secretary of State of the State of Delaware that the Delaware Trustee is required to execute under Section 3811 of the Act. There shall be no other duties (including fiduciary duties) or obligations, express or implied, at law or in equity, of the Delaware Trustee. To the extent that, at law or in equity, the Delaware Trustee has duties (including fiduciary duties) and liabilities relating to the PG&E Fire Victim Trust or the Beneficial Owners, such duties and liabilities are replaced by the duties and liabilities of the Delaware Trustee expressly set forth in this Trust Agreement. The Delaware Trustee shall have no liability for the acts or omissions of any Trustee. Any permissive rights of the Delaware Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty and, with respect to any such permissive rights the Delaware Trustee shall not be answerable for other than its willful misconduct, bad faith or fraud. The Delaware Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request or direction of the Trustee or any other person pursuant to the provisions of this Trust Agreement unless the Trustee or such other person shall have offered to the Delaware Trustee security or indemnity (satisfactory to the Delaware Trustee in its sole discretion) against the costs, expenses and liabilities that may be incurred by it in compliance with such request or direction. The Delaware Trustee shall be entitled to request and receive written instructions from the Trustee and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Delaware Trustee in accordance with the written direction of the Trustee. The Delaware Trustee may, at the expense of the Trust, request, rely on and act in accordance with officer's certificates and/or opinions of counsel, and shall incur no liability and shall be fully protected in acting or refraining from acting in accordance with such officer's certificates and opinions of counsel.

(c) The Delaware Trustee shall serve until such time as the Trustee removes the Delaware Trustee or the Delaware Trustee resigns and a successor Delaware Trustee is appointed by the Trustee in accordance with the terms of Section 5.11(d) below. The Delaware

Trustee may resign at any time upon the giving of at least sixty (60) days' advance written notice to the Trustee, provided that such resignation shall not become effective unless and until a successor Delaware Trustee shall have been appointed by the Trustee in accordance with Section 5.11(d) below, provided, further that if any amounts due and owing to the Delaware Trustee hereunder remain unpaid for more than ninety (90) days, the Delaware Trustee shall be entitled to resign immediately by giving written notice to the Trustee. If the Trustee does not act within such 60-day period, the Delaware Trustee, at the expense of the PG&E Fire Victim Trust, may apply to the Court of Chancery of the State of Delaware or any other court of competent jurisdiction for the appointment of a successor Delaware Trustee.

(d) Upon the resignation or removal of the Delaware Trustee, the Trustee shall appoint a successor Delaware Trustee by delivering a written instrument to the outgoing Delaware Trustee. Any successor Delaware Trustee must satisfy the requirements of Section 3807 of the Act. Any resignation or removal of the Delaware Trustee and appointment of a successor Delaware Trustee shall not become effective until a written acceptance of appointment is delivered by the successor Delaware Trustee to the outgoing Delaware Trustee and the Trustee, and any fees and expenses due to the outgoing Delaware Trustee are paid. Following compliance with the preceding sentence, the successor Delaware Trustee shall become fully vested with all of the rights, powers, duties and obligations of the outgoing Delaware Trustee under this Trust Agreement, with like effect as if originally named as Delaware Trustee, and the outgoing Delaware Trustee shall be discharged of his or her duties and obligations under this Trust Agreement. The successor Delaware Trustee shall make any related filings required under the Act, including filing a Certificate of Amendment to the Certificate of Trust of the PG&E Fire Victim Trust in accordance with Section 3810 of the Act.

(e) Notwithstanding anything herein to the contrary, any business entity into which the Delaware Trustee may be merged or converted or with which it may be consolidated or any entity resulting from any merger, conversion or consolidation to which the Delaware Trustee shall be a party, or any entity succeeding to all or substantially all of the corporate trust business of the Delaware Trustee, shall be the successor of the Delaware Trustee hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

(f) The Delaware Trustee shall be entitled to compensation for its services as agreed pursuant to a separate fee agreement between the Trust and the Delaware Trustee, which compensation shall be paid by the Trust. Such compensation is intended for the Delaware Trustee's services as contemplated by this Trust Agreement. The terms of this paragraph shall survive termination of this Trust Agreement and/or the earlier resignation or removal of the Delaware Trustee.

(g) The Delaware Trustee shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document, other than this Trust Agreement, whether or not, an original or a copy of such agreement has been provided to the Delaware Trustee. The Delaware Trustee shall have no duty to know or inquire as to the performance or nonperformance of any provision of any other agreement, instrument, or document, other than this Trust Agreement. Neither the Delaware Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty

to monitor the performance or any action of the Trust, the Trustee or any other person, or any of their directors, members, officers, agents, affiliates or employee, nor shall it. have any liability in connection with the malfeasance or nonfeasance by such party. The Delaware Trustee may assume performance by all such persons of their respective obligations. The Delaware Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other person. The Delaware Trustee shall have no responsibilities (except as expressly set, forth herein) as to the validity, sufficiency, value, genuineness, ownership or transferability of any Trust Asset, written instructions, or any other documents in connection therewith, and will not, be regarded as making nor be required to make, any representations thereto.

(h) The Delaware Trustee shall not, be responsible or liable for any failure or delay in the performance of its obligations under this Trust Agreement arising out, of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority: acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

## **SECTION VI.** **TRUST OVERSIGHT COMMITTEE**

**6.1 Members of the TOC.** The TOC shall be comprised of nine (9) members who will represent the interests of holders of Fire Victim Claims in the administration of the Trust. The members of the TOC shall be appointed in accordance with the Plan on or before the Effective Date, and will be announced in a filing by the Trust with the Bankruptcy Court and by a post on the Trust Website.

**6.2 Duties of the Members of the TOC.** The members of the TOC shall serve in a fiduciary capacity representing current holders of Fire Victim Claims in the administration of the Trust. The TOC shall not have any fiduciary duties or responsibilities to any party other than holders of Fire Victim Claims, provided that the TOC shall be entitled to the protections and limitations of duties provided for herein even with respect to the holders of Fire Victim Claims. The Trustee must obtain the consent of the TOC on matters identified in Section 2.2(f) above and consult with the TOC in accordance with other provisions herein. Where provided elsewhere in the Trust Agreement or in the CRP, certain other actions by the Trustee may also be subject to the consent of the TOC.

### **6.3 Term of Office of the TOC Members.**

(a) Members of the TOC shall serve until the earlier of (i) his or her death, (ii) his or her resignation pursuant to Section 6.3(b) below, (iii) his or her removal pursuant to Section 6.3(c) below, or (iv) the termination of the Trust pursuant to Section 8.2 below.

(b) A member of the TOC may resign at any time by written notice to the other members of the TOC and the Trustee. Such notice shall specify a date when such resignation shall take effect, which shall not be less than thirty (30) days after the date such notice is given, where practicable.

(c) A member of the TOC may be removed in the event that he or she becomes unable to discharge his or her duties hereunder due to accident, physical deterioration, mental incompetence, or a consistent pattern of neglect and failure to perform or to participate in performing the duties of such member hereunder, such as repeated non-attendance at scheduled meetings, or for other good cause. Such removal shall be made at the recommendation of the majority of the remaining members of the TOC and with the approval of the Trustee.

#### **6.4 Appointment of Successor Members of the TOC.**

(a) If member of the TOC dies, resigns pursuant to Section 6.3(b) above, or is removed pursuant to Section 6.3(c) above, the vacancy shall be filled with an individual selected by and agreed to by a majority of the remaining members of the TOC; provided however, that if such members cannot agree on the successor, the Bankruptcy Court shall make the appointment.

(b) Each successor or replacement member of the TOC shall serve under the same terms and conditions as the original members of the TOC.

**6.5 Compensation and Expenses of the TOC.** The members of the TOC shall not be entitled to compensation for their services but shall be reimbursed promptly for all reasonable out-of-pocket costs and expenses incurred in connection with the performance of their duties hereunder. The TOC shall, in its discretion, be permitted to procure and maintain appropriate insurance coverage (as determined by the TOC with the consent of the Trustee) as a Trust Expense. The Trustee shall include a description of the amounts paid under this Section 6.6 in the Annual Report to be filed with the Bankruptcy Court and provided to the TOC pursuant to Section 2.2(c)(i).

#### **6.6 Procedures for Consultation with and Obtaining the Consent of the TOC.**

(a) **Quorum; Simple Majority for Consent.** A quorum will be declared if at least [five (5)] of the [nine (9)] members of the TOC Members are present. Except as provided elsewhere in this Trust Agreement, all votes or determinations will require an affirmative vote of a majority of those present.

##### **(b) Consultation Process.**

(i) In the event the Trustee is required to consult with the TOC pursuant to Section 2.2(e) above or on other matters as provided herein, the Trustee shall provide the TOC with written advance notice, which notice shall be deemed given if delivered by electronic mail, of the matter under consideration, and with all relevant information concerning the matter as is reasonably practicable under the circumstances. The Trustee shall also provide the TOC with such reasonable access to the Trust Professionals and other experts retained by the Trustee and the Claims Administrator as the TOC may reasonably request during the time that

the Trustee is considering such matter, and shall also provide the TOC the opportunity, at reasonable times and for reasonable periods of time, to discuss and comment on such matter with the Trustee and the Claims Administrator.

(ii) In determining when to take definitive action on any matter subject to the consultation procedures set forth in Section 6.6, the Trustee shall take into consideration the time required for the TOC, if its members so wish, to engage and consult with its own independent advisors as to such matter. Except for the Emergency Consultation Matters and Emergency Consultation Procedures, the Trustee shall not take definitive action on any such matter until at least three (3) business days after providing the TOC with the initial written notice that such matter is under consideration by the Trustee, unless (a) such time period is waived in writing by the TOC or at a meeting where the TOC and Trustee are present, or (b) the Trustee believes that the matter must be considered on less than three (3) business days' notice. If the Trustee believes that the matter must be considered on less than three (3) business days' notice (an "**Emergency Consultation Matter**"), the Trustee shall so advise the TOC and provide a consultation deadline and information that is reasonable under the circumstances, after which the Trustee shall be deemed to have consulted with the TOC (the "**Emergency Consultation Procedures**").

(c) **Consent Process.**

(i) In the event the Trustee is required to obtain the consent of the TOC pursuant to any provision in the Trust Documents, the Plan and the Confirmation Order, the Trustee shall provide the TOC with a written notice stating that its consent is being sought, describing in detail the nature and scope of the action the Trustee proposes to take. The Trustee shall provide the TOC as much relevant additional information concerning the proposed action as is reasonably practicable under the circumstances. The Trustee shall also provide the TOC with such reasonable access to the Trust Professionals and other experts retained by the Trustee and the Claims Administrator as the TOC may reasonably request during the time that the Trustee is considering such action, and shall also provide the TOC the opportunity, at reasonable times and for reasonable periods of time, to discuss and comment on such action with the Trustee.

(ii) The TOC must consider in good faith and in a timely fashion any request for its consent by the Trustee, and must in any event advise the Trustee, in writing, of its consent or its objection to the proposed action within three (3) business days of receiving the original request for consent from the Trustee. The TOC may not withhold its consent unreasonably. If the TOC decides to withhold its consent, it must explain in detail its objections to the proposed action. If the TOC does not advise the Trustee, in writing, of its consent or its objections to the action within three (3) business days of receiving notice regarding such request, the TOC's consent to the proposed actions shall be deemed to have been affirmatively granted. If, the TOC does not consent to the Trustee's proposed action, the Trustee and the TOC shall resolve their dispute pursuant to Section 8.18 below, however, in that event the TOC shall have the burden of proof to show the validity of the TOC's objection.

(iii) If the Trustee believes that the matter must be considered on less than three (3) business days' notice (the "**Emergency Consent Matter**"), the Trustee shall so

advise the TOC of the Trustee's proposed action and provide a response deadline and information that is reasonable under the circumstances. The TOC shall be deemed to have consented if the TOC does not respond within the shortened response deadline. If the TOC does not consent to the Emergency Consent Matter, the Trustee may immediately seek the Bankruptcy Court's intervention.

## **SECTION VII.** **NEUTRALS**

**7.1 Panel of Neutrals.** The Trustee, Claims Administrator, Claims Processor, and TOC shall work with a neutrals experienced in resolution of wildfire claims and related matters in resolving issues relating to the liquidation and settlement of claims against the Trust . Only those neutrals with the requisite experience who attend all training or other preparatory meetings held by the Trustee will be eligible for approval by the Trustee as a neutral (the "Neutrals"). The Trustee shall, in his or her sole and absolute discretion, designate certain Neutrals who he or she deems specially qualified to serve exclusively on a panel of Neutrals charged with considering with large, complex and/or sensitive Fire Victim Claims (the "Complex Panel"). All other Neutrals shall serve on a panel that shall consider all other Fire Victim Claims (the "General Panel," and, together with the Complex Panel, the "Panels").

**7.2 Duties of the Neutrals.** The duties of the Neutrals shall be as enumerated in the CRP.

**7.3 Random Assignment of Neutrals.** Neutrals shall be randomly assigned from the Panels to resolve Fire Victim Claims. Neither the Trustee nor the Claims Administrator shall have any power to assign any Neutral to consider any Fire Victim Claim.

**7.4 Meetings with Neutrals.** The Trustee shall hold meetings with the Neutrals, Claims Administrator, Claims Processor and TOC on such schedule as the Trustee deems appropriate in his sole discretion (either in person or via conference call) to discuss, refine, or devise methods of liquidating Fire Victim Claims in a fair, consistent, and equitable manner. The Trustee shall meet with some or all of the Neutrals at various times. At all such meetings the Trustee and the Claims Administrator shall serve as co-chairs of the meeting.

**7.5 Indemnification.** Without the need for further court approval, the Trust hereby indemnifies, holds harmless, and defends the Neutrals in the performance of their duties hereunder to the fullest extent that a trust is entitled to indemnify, hold harmless, and defend such persons against any and all liabilities, expenses, claims, damages, or losses (including attorney's fees and costs) incurred by them in the performance of their duties hereunder.

## **SECTION VIII.** **GENERAL PROVISIONS**

**8.1 Irrevocability.** To the fullest extent permitted by applicable law, the Trust is irrevocable.

## 8.2 Term; Termination.

(a) The term for which the Trust is to exist shall commence on the date of the filing of the Certificate of Trust and shall terminate pursuant to the following provisions.

(b) The Trust shall automatically dissolve on the date (the “**Trust Termination Date**”) ninety (90) days after the first to occur of the following events:

(i) the date on which the Bankruptcy Court approves dissolution of the Trust because (1) all Claims duly filed with the Trust have been liquidated, approved or disallowed, accepted, and paid to the extent possible based upon funds available through the Plan and as provided in this Trust Agreement, the CRP, the Plan and the Confirmation Order or have been disallowed by a final non-appealable order, (2) all known claims against third parties have been pursued and all reasonably expected recoveries from those claims have been collected, and (3) a final accounting has been filed with and approved by the Bankruptcy Court; or

(ii) to the extent that any rule against perpetuities shall be deemed applicable to the Trust, the date on which twenty-one (21) years less ninety-one (91) days pass after the death of the last survivor of all of the descendants of the late Joseph P. Kennedy, Sr., father of the late President John F. Kennedy, living on the date hereof.

(c) On the Trust Termination Date or as soon as reasonably practicable thereafter, after the wind-up of the Trust’s affairs by the Trustee and payment of all of the Trust’s liabilities have been provided for as required by applicable law, all monies remaining in the Trust estate shall be distributed to the Fire Victims on a *pro rata* basis according to the percentage value of each Approved Claim relative to the total amount of Approved Claims, provided, however, that, notwithstanding any provision in the Trust Documents, the Plan and the Confirmation Order to the contrary, no payment in the aggregate of less than twenty-five dollars (\$25.00) in Cash shall be made to any Beneficial Owner on account of any Approved Claim.

(d) Following the dissolution and distribution of the assets of the Trust, the Trust shall terminate, and the Trustee (acting alone) shall perform all acts and duties necessary to complete the termination and winding up of the affairs of the Trust and shall execute and cause a Certificate of Cancellation of the Certificate of Trust of the PG&E Fire Victim Trust to be filed in accordance with the Act. Notwithstanding anything to the contrary contained in this Trust Agreement, the existence of the PG&E Fire Victim Trust as a separate legal entity shall continue until the filing of such Certificate of Cancellation. The Trustee shall provide to the Delaware Trustee a certified copy of the Certificate of Cancellation within a reasonable time after the filing of such Certificate of Cancellation. The Certificate of Cancellation need not be signed by the Delaware Trustee.

**8.3 Amendments.** Any modification or amendment made pursuant to this Section 8.3 must be done in writing. Notwithstanding anything contained in this Trust Agreement or the CRP to the contrary, neither this Trust Agreement, the CRP, nor any document annexed to either of the foregoing shall be modified or amended in any way that could jeopardize, impair, or modify (i) the applicability of section 105 of the Bankruptcy Code to the Plan and the Confirmation Order, (ii) the efficacy or enforceability of the Channeling Injunction or any other

injunction or release issued or granted in connection with the Plan, (iii) the Trust's qualified settlement fund status under the QSF Regulations, (iv) the rights, duties, liabilities and obligations of the Delaware Trustee without the written consent of the Delaware Trustee, or (v) the Plan, the Confirmation Order or the Bankruptcy Code. Further, without the written consent of the TOC there shall be no modification of (i) Section 5.7 hereof or any rights, benefits or protections provided to the Trust Indemnified Parties, or (ii) the terms of the Claimant Release or the obligation of the Trust to obtain a properly executed Claimant Release as a pre-condition to a claimant receiving each distribution from the Trust. Notwithstanding anything in the Trust Documents, the Plan or the Confirmation Order to the contrary, Section IX of the CRP shall not be amended or modified in any way without notice to Claimants and the opportunity to be heard by the Court of Exclusive Jurisdiction. For the avoidance of doubt, none of the Trust Documents may be modified in any material way that is inconsistent with the Plan, the Confirmation Order or the Bankruptcy Code without the approval of the Bankruptcy Court

#### **8.4 Meetings.**

(a) The Trustee and the Claims Administrator will hold regularly scheduled, periodic meetings with the TOC, either in person or via telephone or videoconference, which shall occur at least quarterly. The Delaware Trustee shall not be required or permitted to attend such meetings.

(b) The TOC shall meet as needed, either in person or via telephone or videoconference. The Trustee may participate in such meeting as requested by the TOC. Minutes will be maintained at meetings of the TOC and the TOC shall provide such minutes to the Trustee within ten (10) days following such meeting.

**8.5 Severability.** Should any provision in this Trust Agreement be determined to be unenforceable, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of this Trust Agreement.

#### **8.6 Notices.**

(a) Notices to persons asserting claims shall be given by e-mail as provided on such person's claim form submitted to the Trust with respect to his or her Fire Victim Claim.

(b) Any notices or other communications required or permitted hereunder to the following parties shall be in writing and delivered at the addresses designated below, or sent by email or facsimile pursuant to the instructions listed below, or mailed by first class mail, postage prepaid, addressed as follows, or to such other address or addresses as may hereafter be furnished in writing to each of the other parties listed below in compliance with the terms hereof.

To the Trustee:

[TBD]

To the Claims Administrator:

[TBD]

To the Claims Processor:

[TBD]

To the TOC:

[TBD]

To the Delaware Trustee:

[TBD]

To the Debtors or Reorganized Debtors:

[TBD]

With a copy (which shall not constitute notice) to:

[TBD]

(c) All such notices and communications shall be sent by First Class Mail, fax, or email. If mailed, the notices shall be effective when physically delivered at the designated addresses. If sent by fax or email, the notices shall be effective upon transmission.

(d) Except as otherwise provided herein, notice with respect to all filings by the Trust with the Bankruptcy Court shall be deemed sufficient if made by Notice of Electronic Filing through the CM/ECF system and posted on the Trust Website.

**8.7 Successors and Assigns.** The provisions of this Trust Agreement shall be binding upon and inure to the benefit of the Trust, the Trustee, the Delaware Trustee, the TOC, and their respective successors and assigns, except that none of such persons may assign or otherwise transfer any of its rights or obligations, if any, under this Trust Agreement except, in the case of the Trust and the Trustee, as contemplated by Section 2.1 above, and in the case of the Delaware Trustee, as contemplated by section 5.11.

**8.8 Limitation on Claim Interests for Securities Laws Purposes.** Fire Victim Claims, and any interests therein (a) shall not be assigned, conveyed, hypothecated, pledged, or otherwise transferred, voluntarily or involuntarily, directly or indirectly, except by will, intestate succession, or otherwise by operation of law except as may be provided Section in 8.11; (b) shall not be evidenced by a certificate or other instrument; (c) shall not possess any voting rights; and (d) shall not be entitled to receive any dividends or interest.

**8.9 Evidence of Beneficial Interests.** Ownership of a beneficial interest in the Trust Assets by the Beneficial Owners shall not be evidenced by any certificate, security or receipt or in any other form or manner whatsoever, except as maintained on the books and records of the Trust by the Trustee.

**8.10 Exemption from Registration.** The Parties hereto intend that the rights of the Beneficial Owners arising under this Trust Agreement shall not be “securities” under applicable laws, but none of the Parties hereto represent or warrant that such rights shall not be securities or shall be entitled to exemption from registration under applicable securities laws. If it should be determined that any such interests constitute “securities,” the Parties hereto intend that the exemption provisions of section 1145 of the Bankruptcy Code will be satisfied and the offer and sale under the Plan of the beneficial interests in the Trust will be exempt from registration under the Securities Act, all rules and regulations promulgated thereunder, and all applicable state and local securities laws and regulations.

**8.11 Transfer and Exchange.** The beneficial interests held by Beneficial Owners are not negotiable and shall be non-transferable other than if transferred by will, intestate succession, or otherwise by operation of law. Additionally, the holder of any interests in the Trust may assign, convey or otherwise transfer its interests in the Trust, including a Fire Victim Claim, to its successor by merger, consolidation, or by purchase or transfer of substantially all of the assets of the holder of the interests in the Trust. Moreover, any and all Trust Interests shall not be listed for trading on any national securities exchange and the Trustee shall not take any action the purpose of which is, or which would be in support of, the establishment of an active trading market in the beneficial interests in the Trust. No voluntary transfer of a beneficial interest in the Trust shall be effective or binding upon the Trust or the Trustee for any purpose except as otherwise provided herein. In the case of a deceased individual Beneficial Owner, his or her executor or administrator shall provide written notice to the Trustee and deliver to the Trustee such documentation necessary to evidence the transfer by operation of law and identify the proper Person to succeed to such decedent’s interests. The Trustee may fully rely on any such evidence provided by a purported executor or administrator and shall have no duty to investigate.

**8.12 Change of Address.** A Beneficial Owner may, after the Effective Date, select an alternative distribution address or provide wire transfer instructions for any distribution by providing notice to the Trustee (or to another Person as directed by the Trustee) including such address or instructions. Such notification will be effective only upon receipt by the Trustee or other Person in accordance with this Section 8.12. Absent receipt of such notice, the Trustee shall not recognize any such change of distribution address.

**8.13 Entire Agreement; No Waiver.** The entire agreement of the parties relating to the subject matter of this Trust Agreement is contained herein and in the documents referred to herein, and this Trust Agreement and such documents supersede any prior oral or written agreements concerning the subject matter hereof. No failure to exercise or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any further exercise thereof or of any other right, power, or privilege. The rights and remedies herein provided are cumulative and are not exclusive of rights under law or in equity.

**8.14 Headings.** The headings used in this Trust Agreement are inserted for convenience only and do not in any manner affect the construction of the provisions of this Trust Agreement.

**8.15 Compliance with Laws.** Any and all distributions of Trust Assets shall be in compliance with applicable laws, including applicable federal and state tax and securities laws.

**8.16 Governing Law.** The validity and construction of this Trust Agreement and all amendments hereto and thereto shall be governed by the laws of the State of Delaware, and the rights of all parties hereto and the effect of every provision hereof shall be subject to and construed according to the laws of the State of Delaware without regard to the conflicts of law provisions thereof which would purport to apply the law of any other jurisdiction; provided, however, that the laws of the State of California shall govern: (x) any issue of privilege between any holder of a Fire Victim Claim and his or her counsel; and (y) any issue of privilege between the Trust, the Trustee, and their professionals; provided, further, and for the avoidance of doubt, that all Fire Victim Claims administered under the CRP and this Trust Agreement shall be evaluated under the laws of the State of California; provided, further, that the parties hereto intend that the provisions hereof shall control and there shall not be applicable to the Trust, the Trustee, the Delaware Trustee, the Claims Administrator, the TOC, or this Trust Agreement, any provision of the laws (statutory or common) of the State of Delaware pertaining to trusts that relate to or regulate in a manner inconsistent with the terms hereof: (a) the filing with any court or governmental body or agency of trustee accounts or schedules of trustee fees and charges, (b) affirmative requirements to post bonds for trustees, officers, agents, or employees of a trust, (c) the necessity for obtaining court or other governmental approval concerning the acquisition, holding, or disposition of real or personal property, (d) fees or other sums payable to trustees, officers, agents, or employees of a trust, (e) the allocation of receipts and expenditures to income or principal, (f) restrictions or limitations on the permissible nature, amount or concentration of trust investments or requirements relating to the titling, storage, or other manner of holding of trust assets, (g) the existence of rights or interests (beneficial or otherwise) in trust assets, (h) the ability of beneficial owners or other persons to terminate or dissolve a trust, or (i) the establishment of fiduciary or other standards or responsibilities or limitations on the acts or powers of trustees or beneficial owners that are inconsistent with the limitations on liability or authorities and powers of the Trustee, the Delaware Trustee, the Claims Administrator, or the TOC, as set forth or referenced in this Trust Agreement. Section 3540 of Title 12 of the Delaware Code shall not apply to the Trust.

**8.17 Settlers' Representative.** The Debtors are hereby irrevocably designated as the Settlers and are hereby authorized to take any action reasonably required of the Settlers, in their capacity as such, by the Trustee in connection with this Trust Agreement.

**8.18 Dispute Resolution.** Any disputes that arise under this Trust Agreement or under the CRP among the parties hereto shall be resolved by an alternative dispute resolution (the "ADR") process mutually agreeable to the parties involved. The parties involved agree to meet and confer in good faith in an effort to agree upon a mutually acceptable ADR process. If an ADR process is agreed upon, any party to the ADR process that is dissatisfied with the final outcome of the ADR process may apply to the Bankruptcy Court, and after the close of the Debtors' chapter 11 cases, also the District Court, for a judicial determination of the matter, which shall be final. Any review conducted by the Bankruptcy Court (or District Court, as applicable) shall be de novo. In any case, if the dispute arose pursuant to the consent provision set forth in Section 6.7, the burden of proof shall be on the party or parties who withheld consent to show by a preponderance of the evidence that consent was not unreasonably withheld. If after

thirty (30) days following notification to all involved parties that there is a matter in dispute, an ADR process has not been agreed upon by the parties or the dispute has not been resolved by an ADR process, the parties are relieved of the requirement to pursue ADR prior to application to the Bankruptcy Court (or District Court, as applicable). If the Trustee determines that the matter in dispute is exigent and cannot await the completion of the ADR process, the Trustee shall have the discretion to elect out of the ADR process at any stage of the process and seek resolution of the dispute in the Court of Exclusive Jurisdiction. For the avoidance of doubt and notwithstanding anything to the contrary in this section, a Claims Determination (as defined in the CRP) in respect of a Fire Victim Claim, including any Final Determination or Final Judicial Determination (each as defined in the CRP) shall not be governed under this provision of the Trust Agreement.

**8.19 Settlements with Federal and State Agencies of Governmental Agency Fire Claims.** Notwithstanding anything herein to the contrary, the Trust shall be bound by the terms of (i) the Settlement Agreement dated as of April 21, 2020, by and among the Official Committee of Tort Claimants, the Debtors, the California Department of Developmental Services, the California Department of Toxic Substances Control, the California Department of Forestry and Fire Protection, the California Governor's Office of Emergency Services, the California Department of Parks and Recreation, the California State University, the California Department of Transportation, and the California Department of Veterans Affairs, as approved by the Bankruptcy Court on May 18, 2020, and (ii) the Settlement Agreement dated as of April 21, 2020, by and among the Official Committee of Tort Claimants, the Debtors, the United States Department of Homeland Security / Federal Emergency Management Agency, the United States Small Business Administration, the United States Department of Agriculture and the United States Forest Service, the United States Department of the Interior, the United States Fish and Wildlife Service, the National Park Service and the Bureau of Land Management, the United States Department of Housing and Urban Development, and the General Services Administration, as approved by the Bankruptcy Court on May 18, 2020.

**8.20 Enforcement and Administration.** The provisions of the Trust Documents shall be enforced by the Court of Exclusive Jurisdiction. The parties also acknowledge and agree that the Court of Exclusive Jurisdiction (1) shall have exclusive continuing jurisdiction over the settlement of accounts of the Trustee, those matters set forth in Section 1.6 above, and the determination that the Trust is terminated pursuant to Section 8.2 above, and (2) shall have exclusive continuing jurisdiction over all other matters relating to the Trust and its administration.

**8.21 Joinder.** The Trustee, the Delaware Trustee, the Claims Administrator, the Special Master and each member of the TOC shall execute this Trust Agreement (or a Joinder hereto, as applicable) thereby acknowledging their respective obligations and rights created by the Trust, and agreeing to perform the duties set forth in the Trust Agreement.

**8.22 Effectiveness.** This Trust Agreement shall not become effective until it has been executed and delivered by all the parties hereto.

**8.23 Counterpart Signatures.** This Trust Agreement may be executed in any number of counterparts, each of which shall constitute an original, but such counterparts shall together

constitute but one and the same instrument. Delivery of a counterpart hereof by facsimile or email transmission of a PDF file shall be effective as delivery of a manually executed counterpart hereof.

**[balance of page intentionally left blank]**

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the date first set forth above to be effective as of the Effective Date.

**[SIGNATORY NAME]**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **EXHIBIT 1**

### **2015, 2017, AND 2018 WILDFIRES**

The Trust is established to administer Claims related to the following Fires:

- (a) Butte Fire (2015)
- (b) North Bay Wildfires (2017)
  - A. 37
  - B. Adobe
  - C. Atlas
  - D. Blue
  - E. Cascade
  - F. Cherokee
  - G. Honey
  - H. LaPorte
  - I. Lobo
  - J. Maacama/Youngs
  - K. McCourtney
  - L. Norrbom
  - M. Nuns
  - N. Partrick
  - O. Pocket
  - P. Point
  - Q. Pressley
  - R. Pythian/Oakmont
  - S. Redwood/Potter Valley
  - T. Sullivan
  - U. Sulphur
  - V. Tubbs
- (c) Camp Fire (2018)

**EXHIBIT 1**

**FIRE VICTIM CLAIMS RESOLUTION PROCEDURES**

[PLEASE SEE SEPARATE DOCUMENT]

**EXHIBIT 2**

**FORM OF CERTIFICATE OF TRUST  
OF THE  
PG&E FIRE VICTIM TRUST**

This Certificate of Trust of the **PG&E FIRE VICTIM TRUST** (the “*Trust*”) is being duly executed and filed by the undersigned trustees of the Trust, to form a statutory trust under the Delaware Statutory Trust Act (12 Del. Code § 3801 *et seq.*) (the “*Act*”).

1. **Name.** The name of the statutory trust formed hereby is:

**PG&E Fire Victim Trust**

2. **Delaware Trustee.** The name and business address of the Delaware Trustee of the Trust in the State of Delaware is:

[ ]

3. **Effective Date.** This Certificate of Trust shall be effective upon filing.

**IN WITNESS WHEREOF**, the undersigned, being all of the trustees of the Trust, have duly executed this Certificate of Trust in accordance with Section 3811(a) of the Act.

<b>TRUSTEE:</b>  _____ Hon. John K. Trotter (Ret.), in his capacity as Trustee and not individually	<b>DELAWARE TRUSTEE:</b>  By: _____ Name: Title:
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**EXHIBIT 3**

**CLAIMANT RELEASE AND INDEMNIFICATION  
IN CONNECTION WITH THE FIRE VICTIM TRUST AWARDS**

**ENTITY CLAIMANT RELEASE AND INDEMNIFICATION  
IN CONNECTION WITH THE FIRE VICTIM TRUST AWARDS**

**[PLEASE SEE SEPARATE DOCUMENTS]**

## EXHIBIT 4

### MUTUAL MADE WHOLE RELEASE

The terms “Claimant” and “Insurer,” are defined in Paragraph G. below.

\_\_\_\_\_, Trustee of the Fire Victim Trust, the undersigned party or personal representative (referred to herein as “Claimant”), individually and on behalf of the estate of the Claimant, and the Insurer (collectively, the “Parties” or “Releasees”) agree as follows:

A. Whereas, the Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization dated \_\_\_\_\_ (the “Plan”), was confirmed by an order of the United States Bankruptcy Court for the Northern District of California entered on \_\_\_\_\_, 2020, and the Plan became effective on \_\_\_\_\_, 2020.

B. Whereas the Plan provides for the treatment of all allowed Fire Victim Claims (as defined in the Plan) against the Debtors through the Fire Victim Trust (as defined in the Plan) and for the discharge of the Debtors from any further or other liability on account of all Fire Victim Claims.

C. Whereas the Plan provides for the treatment of all allowed Subrogation Wildfire Claims (as defined in the Plan) against the Debtors through the Subrogation Wildfire Trust (as defined in the Plan) and for the discharge of the Debtors from any further or other liability on account of all Subrogation Wildfire Claims.

D. Whereas, the Plan provides that the Fire Victim Claims are administered by a Fire Victim Trust and a Fire Victim Trustee who operates independent from the Debtors, holders of the Fire Subrogation Claims, and the Insurer. Neither the Debtors, holders of the Fire Subrogation Claims, nor the Insurer shall have any right to participate in the administration of the Fire Victim Trust, review any allocation or distribution decision of the Trustee or Trust Oversight Committee, including that of the Claimant, or make any claim for money against the Trust or the Trustee in any way or at any time.

E. Whereas, the Trustee and Fire Victim Trust Oversight Committee have reviewed and advised the Claimant of (a) the total amount paid into the Fire Victim Trust available for compensation to the Fire Victims, (b) the total number of claims made against the Fire Victim Trust, (c) the process by which trust funds will be allocated and distributed, and (d) the total allocated amount from the Fire Victim Trust to the Claimant (“Total Allocation Award”).

F. Whereas, the Claimant has reviewed the Total Allocation Award.

G. Whereas, the Plan provides the Claimant and the Insurer execute a mutual limited release after the Claimant has reviewed the Total Allocation Award wherein the Claimant agrees to release only their claim against the Insurer under the Made Whole Doctrine (see Paragraph 1) and no other claim, cause of action, defense or remedy against the Insurer, and the Insurer agrees to release the Claimant as described herein in Paragraph 3. For the purpose of this Release, “Claimant” includes the Claimant’s heirs, legal representatives, successor or assigns and

“Insurer” includes the Claimants’ insurance carriers, their past and present holders of insurance subrogation claims against the Debtors (and their direct and indirect assignors or assignees), and each of their directors, officers, agents, consultants, financial advisers, employees, attorneys, predecessors, successors and assigns.

H. Whereas, nothing in this Release is an affirmation, representation, or an acknowledgment that the Claimant has in fact been fully compensated for their damages covered by the contract of insurance between the Insurer and the Claimant. The parties agree that Court’s approval of the Plan and the Claimants’ acceptance of the Total Allocation Award does not establish that the Claimant has been fully compensated under California law for their compensable damages as a result of the fire to the extent those damages are covered by insurance.

I. Whereas, the Insurer has agreed to the terms, provisions, and agreements of this Mutual Release in a separate agreement dated \_\_\_\_\_, 20\_\_, affirming, adopting, and attaching a copy of this Mutual Release (“Insurer Adoption Agreement”). This Mutual Release is conditioned upon the Insurer, or the Insurer’s successor on behalf of the Insurer, filing in the Chapter 11 case the Insurer Adoption Agreement, which states the Insurer releases, as to the Made Whole Doctrine only, each Claimant who signs and agrees to the terms of this Mutual Release. The terms, provisions, and agreements of the Insurer Adoption Agreement are incorporated herein by reference. Insurer’s consent and agreement to the terms, provisions, and agreements of this Mutual Release shall be effective upon the signature of the Claimant.

J. Whereas, this release is not required for the Trustee to allocate and distribute preliminary awards to individuals on a case by case basis for humanitarian or urgent needs.

NOW, THEREFORE, in consideration for the agreements described in this Release and other good and valuable consideration, the Claimant and the Insurer agree as follows:

1. By accepting the Total Allocation Award, the Claimant hereby waives and releases their rights, known or unknown, to assert the Made Whole Doctrine against the Insurer. Claimant is not waiving or releasing any other claim, cause of action, defense, or remedy against Insurer. Also, by signing this agreement, the Claimant is not agreeing as a factual matter that the Claimant has been fully compensated for each and every category of their damages under California law.

2. The Claimant is not releasing any claims the Claimant may have against the Insurer other than the Claimant’s foregoing waiver set forth in Paragraph 1. The Parties to this Release further agree and acknowledge that the Claimant is not releasing any claims, except and only to the extent set forth above, they might have against the Insurer, including but not limited to those claims or causes of action related to: (1) the policy of insurance and what is still owed or to be paid under the policy terms and conditions; (2) the right to pursue claims already made or to make new or continued claims under the policy; (3) claims handling issues; (4) delay in paying claims under the policy; (5) inadequate or untimely communication relating to the claim; (6) unreasonable positions taken relating to coverage, payment of the claim, acknowledging coverage, or day-today claims decisions; (7) actions or inactions of insurance agents or brokers in underwriting, securing, adjusting, calculating or recommending coverage; (8) coverage issues

over policy language; (9) any action for bad faith or breach of the covenant of good faith and fair dealing; (10) any claims to reform or modify the terms of any policy; (12) any rights to recover damages for breach of contract or tort (including punitive damages), penalties or equitable relief; (13) any claims of violations of statutory or regulatory obligations; or (14) any claim for unfair business acts or practices.

3. The Insurer agrees to release and waive any right to make claim for any amount paid to the Claimant pursuant to the Fire Victim Trust or to assert as a defense, offset or reduction, the money paid to the Claimant from the Fire Victim Trust, which belongs solely to the Claimant. The Claimant agrees to make no claim on the money paid to the Insurer from the Subrogation Wildfire Trust. In agreeing to this limited release, Insurer is not releasing any claim, cause of action, defense, or remedy it may have against the Claimant other than Claimant's foregoing release of any Made Whole Doctrine claim.

4. The Insurer is not releasing any claims the Insurer may have against Claimant other than the Insurer's foregoing waiver set forth in Paragraph 3. The Parties to this Release further agree and acknowledge that the Insurer is not releasing any claims, except and only to the extent set forth above, it might have against the Claimant, including but not limited to those claims related to: (1) the policy of insurance and what is still owed or to be paid under the policy terms and conditions; (2) defenses to garden variety claims handling issues unrelated to the Made Whole Doctrine; (3) defenses related to delay in paying claims under the policy; (4) defenses to alleged inadequate or untimely communication relating to the claim; (5) defenses to alleged unreasonable positions taken relating to coverage, payment of the claim, acknowledging coverage, or day-to-day claims decisions; (6) defenses to actions or inactions of insurance agents or brokers in securing coverage; (7) coverage issues over policy language unrelated to Made Whole Doctrine; or (8) defenses to any common law action for bad faith unrelated to Made Whole Doctrine.

5. The Insurer further agrees that the Total Allocation Award shall not be the subject of discovery or mentioned in any pleadings in any state or federal court action or admissible in evidence in any state or federal court action for any of the causes of action or claims for relief identified in Paragraphs 2 or 4. Claimant agrees that the amount paid to Insurer from the Subrogation Wildfire Trust shall not be the subject of discovery or mentioned in any pleadings in any state or federal court action or admissible in evidence in any state or federal court action.

6. To the extent that the Claimant brings a claim for breach of contract, wrongful denial of coverage and/or bad faith against the Insurer, the Insurer shall not assert in any way or at any time that the Claimant should have or could have pursued that claim against the Debtors, the Fire Victim Trust, or any other party. The Insurer agrees that that it will not assert in any action or proceeding covered under Paragraph 2 or 4 that the Claimant has been compensated as a result of the Claimant's settlement with the Debtors.

7. Both the Claimant and the Insurer agree that this Release gives the parties released the status of third-party beneficiary of the Release, and such Releasees may enforce this Release and any rights or remedies set forth herein.

8. This Release contains the entire agreement between the parties as to the subject matter hereof and is effective immediately upon signing. Likewise, the release in Paragraph 1 is effective immediately upon signing. If there is a conflict between this Release and any other prior or contemporaneous agreement between the parties concerning the subject matter of the Release, the Release controls.

9. The law of the State of California shall govern the interpretation of this Release. The Bankruptcy Court has jurisdiction to resolve any disputes under this agreement.

10. Each Releasor states that he, she, or it is of legal age, with no mental disability of any kind, is fully and completely competent, and is duly authorized to execute this Release on Releasor's own behalf. Releasor further states that this Release has been explained to Releasor and that Releasor knows the contents as well as the effect thereof. Releasor further acknowledges that Releasor executed this Release after consulting with Releasor's attorney or the opportunity to consult with an attorney.

11. For avoidance of doubt, the Made Whole Doctrine is described herein. Subrogation is a doctrine that permits an insurance company, or its assignees, to assert the rights and remedies of an insured against a third-party tortfeasor. The Made Whole Doctrine is a common law exception to insurer's right of subrogation. The Made Whole Doctrine, under certain circumstances, could preclude an insurer from recovering any third-party funds unless and until the insured has been made whole for the loss. Both the Claimant and Insurer agree that this Release does not modify, abrogate or affect any prior release or waiver between the Parties arising from the Fire.

12. Consistent with the foregoing, it is expressly understood and agreed by claimant that claimant is waiving and releasing all known or unknown claims under the Made Whole Doctrine. It is expressly understood and agreed by insurer that insurer is waiving and releasing all known or unknown claims under the Made Whole Doctrine as to claimant.

Executed on this [●] day of [●], 20[●].

**BY CLAIMANT [Add Name]:**

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Signature of Claimant or Representative

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Printed Name of Signatory

---

Capacity of Signatory

## **FIRE VICTIM CLAIMS RESOLUTION PROCEDURES**

### **PREAMBLE**

The goal of the Fire Victim Trust<sup>1</sup> is to provide an efficient process to fairly compensate the holders of timely filed Fire Victim Claims (respectively, “**Claimants**” and “**Claims**”) in an equitable manner and on a *pro rata* basis consistent with the terms of the Trust Documents, the Plan, the Confirmation Order and California and federal law. These Fire Victim Claims Resolution Procedures (“**CRP**”) apply to all Claims, provided that, any Claim that has been liquidated pursuant to a settlement agreement approved by the Bankruptcy Court or is the subject of a Final Judicial Determination shall not be subject to further determination under the CRP. The Claims Administrator shall implement and administer the CRP in consultation with the Trustee, Claims Processor, Neutrals, and Trust Professionals with the goal of securing the just, speedy, and cost-efficient determination of every Claim. Those entrusted with the consideration and determination of Claims shall treat all Claimants with abiding respect and shall strive to balance the prudent stewardship of the Trust with care in its administration, allocation, and distribution.

The speed of any distribution in a program involving thousands of claimants relies on multiple variables impacting administrative expediency. To achieve maximum fairness and efficiency, the CRP is founded on the following principles:

1. Objective eligibility criteria;
2. Clear and reliable proof requirements;
3. Administrative transparency;
4. Rigorous review processes that generate consistent outcomes regardless of the asserted amount of the Claim; and
5. Independence of the Trustee, Claims Administrator, Claims Processor, Neutrals, Appeals Officer and Trust Professionals.

The Trustee and Claims Administrator will consult with the Claims Processor and other Trust Professionals to develop claims valuation processes that result in fair and reasonable compensation of eligible Claims in accordance with the Trust Documents.

### **I. CLAIMANT ELIGIBILITY**

To be eligible to receive compensation from the Trust, a Claimant must: (1) have a Claim related to a Fire; (2) have timely filed a Proof of Claim; and (3) submit supporting

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<sup>1</sup> All capitalized terms not otherwise defined herein shall have their respective meanings as set forth in the PG&E Fire Victim Trust Agreement (the “**Trust Agreement**”) and the Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization dated June [●], 2020, as it may be further modified, amended, or supplemented from time to time and, together with all exhibits and schedules thereto, the “**Plan**”), as applicable.

documentation as outlined in Section II of this CRP or as required by the Claims Administrator (“**Supporting Documents**”). Upon submission of the Supporting Documents, the Trust will review each Claim and apply California law or, if applicable, other non-bankruptcy law to determine the Approved Amount of the Claim, including all recoverable damages and costs.

**A. Included Fires.** The Trust is established to administer Claims related to the fires identified in Exhibit 1 (each a “**Fire**” and collectively the “**Fires**”). Any claims unrelated to the Fires are ineligible for payment by the Trust and, pursuant to the process described herein, shall be held to be ineligible on a final basis. Solely for the purposes of claims determination, including assertion of defenses, in accordance with the CRP, including Section IX hereof, PG&E’s negligence and/or equipment is deemed to be a substantial factor in causing all Fires, provided that, (i) nothing herein or in any of the Trust Documents, Plan or Confirmation Order shall be deemed to require the Trustee to concede that PG&E was negligent or that its negligence and/or equipment is deemed to be a substantial factor in causing all Fires with respect to the Assigned Rights and Causes of Action, and (ii) except as otherwise provided in the Trust Documents, the Plan and the Confirmation Order, the Trustee shall have the right to assert all defenses that the Debtors have or would have had under applicable law to all Fire Victim Claims, provided, however, that (A) the Trust’s and Trustee’s right to assert the defenses of comparative fault and/or comparative negligence with respect to a Claimant shall be limited to the determination of the amount of that Claimant’s Claims and for no other purpose (including the determination of the amount of any other Claimant’s Claims), (B) the Trust’s rights and defenses (except as otherwise expressly set forth in this subsection (ii)(A) and (ii)(C)) shall not include claims that may be asserted by the Debtors or Reorganized Debtors by way of setoff, recoupment, counterclaim, or cross claim and (C) the Trustee may raise and assert Assigned Rights and Causes of Action in defense of a Claim. Any holder of a Fire Victim Claim shall be permitted to assert any defense to Assigned Rights and Causes of Action that such holder would have had under applicable law, if the Debtors, as opposed to the Trust, were asserting the Assigned Rights and Causes of Action.

**B. Proof of Claim.** All Claimants must have filed a Proof of Claim for their Claims or those of their family in the Chapter 11 Cases on or before December 31, 2019, and as amended, which was the extended Bar Date for Fire Claimants. Claims that were not timely filed in the Chapter 11 Cases are ineligible for payment by the Trust, unless the Claimant (a) obtains relief from the Bankruptcy Court to file a late Claim, and (b) within 30 days after the Bankruptcy Court order allowing such late filing (i) files the Claim in the Chapter 11 Cases and (ii) submits such Claim to the Trust. Claims that have been disallowed or that have been withdrawn from the Claims Register in the Chapter 11 Cases are ineligible for payment by the Trust.

**C. Supporting Documents.** Section II sets forth each type of Claim (“**Claim Type**”) the Trust will consider and the Supporting Documents that may be submitted for each. In addition to the Supporting Documents outlined in Section II, Claimants will be required to submit a Claims Questionnaire, as explained in Section V.

## II. CLAIM TYPES AND SUPPORTING DOCUMENTS

The Trust will use all information that assists in objectively valuing Claims and alleviates the burden on Claimants. This includes, but is not limited to, data from a Claimant's (a) Proof of Claim Form; (b) Wildfire Assistance Program Claim Form; (c) Damages Questionnaire established under Case Management Order 5 in the California North Bay Fire Cases (JCCP 4955); and (d) other reasonably ascertainable and reliable information. Claimants may be required to submit additional facts and documents to support their Claims for each of the following Claim Types:

### A. **Real Property.**

1. ***Description of Real Property Claim.*** Real Property Claims include Claims for damage to structures on residential or commercial real property, landscaping, forestry, and other real property improvements (e.g., hardscape, fencing, retaining walls, pools, and solar panels) as a result of the Fires. Real Property damages may be measured in one of two ways: (1) the loss in fair market value to the property ("**Diminution in Value**"); or (2) the reasonable costs to rebuild or repair the property ("**Cost of Repair**"). Whether Diminution in Value or Cost of Repair is awarded will depend on the facts of each Claim.
  - (a) ***Diminution in Value.*** Diminution in Value will be calculated by subtracting the fair market value of the property immediately after the Fire from the fair market value of the property immediately before the Fire
  - (b) ***Cost of Repair.*** The reasonable costs to rebuild or repair the property will be determined based on: (1) the use of the structure(s) and other improvement(s); (2) the extent of damage to the structure(s); (e.g., burn damage versus smoke and soot damage); (3) the square footage of structure(s); (4) the geographic location of the property; (5) the size of the vegetation on the property immediately before the Fire; (6) the extent of damage to vegetation; (7) the type of vegetation damaged; and (8) the fair market value of the property immediately before the Fire. In addition, the Claimant may claim the value of trees lost.
  - (c) ***Consequential Damages.*** Claimants also may make a claim for other reasonably foreseeable economic losses directly caused by destruction of or damage to real property.
2. ***Types of Supporting Documents.*** Claimants may provide the following documents to support a Real Property Claim:
  - (a) Verification of ownership;

- (b) Appraisals;
- (c) Tax records;
- (d) Purchase records;
- (e) Mortgage or loan documentation showing the pre-Fire condition or value of the property;
- (f) Pre-Fire and post-Fire photos or videos of the structures (interior or exterior) or other damaged areas of the property;
- (g) Architectural or engineering drawings;
- (h) Permits;
- (i) Contractor rebuild or repair estimates or invoices;
- (j) Arborist reports, timber surveys, or documents relating to landscaping; and
- (k) Other supporting documents within the Claimant's possession.

**B. Personal Property.**

1. ***Description of Personal Property Claim.*** Personal Property Claims include Claims for loss of or damages to personal property, such as household items (*e.g.*, clothes, furniture, or tools) and automobiles, as a result of the Fires.
2. ***Types of Supporting Documents.*** Claimants may provide the following documents to support a Personal Property Claim:
  - (a) List of items destroyed or damaged in the residency;
  - (b) Proofs of purchase;
  - (c) Pre-Fire and post-Fire photos;
  - (d) Appraisals; and
  - (e) Other supporting documents within the Claimant's possession.

**C. Personal Income Loss.**

1. ***Description of Personal Income Loss Claim.*** Personal Income Loss Claims include Claims of individuals who lost income because (a) they were displaced by the Fires; (b) their employer suffered Business Losses and reduced or stopped paying wages to the Claimant as a result of the Fires; or (c) the Fires or resulting injuries or conditions otherwise interfered with their ability to earn income.
2. ***Loss of Rental Income.*** Personal Income Loss Claims also include loss of income from rental of a damaged or destroyed property.
3. ***Types of Supporting Documents.*** Claimants may provide the following documents to support a Personal Income Loss Claim:
  - (a) Tax returns, including all schedules and attachments;
  - (b) W-2 Forms;
  - (c) 1099 Forms;

- (d) Lease agreements or canceled rent checks;
- (e) Bank account statements identifying earnings;
- (f) Paycheck stubs or payroll records; and
- (g) Other supporting documents within the Claimant's possession.

**D. Business Loss.**

1. ***Description of Business Loss Claim.*** Business Loss Claims include Claims for economic losses suffered by a business as a result of the Fires, including loss of business property or inventory used to conduct business and lost profits or revenue.
2. ***Types of Supporting Documents.*** Claimants may provide the following documents to support a Business Loss Claim:
  - (a) Description of the business, including its mission statement;
  - (b) Tax returns, including all schedules or attachments;
  - (c) Financial statements, including profit and loss statements;
  - (d) Articles of Incorporation, bylaws, shareholder lists, or partnership or limited partnership agreements;
  - (e) Leases, deeds, titles, or other documents identifying the property owned or occupied by the business;
  - (f) Canceled contracts;
  - (g) Photos, videos, or other documentary evidence of fire damage to the Claimant's home or business; and
  - (h) Other supporting documents within the Claimant's possession.

**E. Other Out-of-Pocket Expenses.**

1. ***Description of Other Out-of-Pocket Loss Claim.*** Other Out-of-Pocket Loss Claims include Claims for out-of-pocket expenses that are not considered in any other Claim Type. These may include additional living expenses, medical and counseling expenses, and other out-of-pocket expenses as a result of the Fires.
2. ***Types of Supporting Documents.*** Claimants may provide the following documents to support an Other Out-of-Pocket Loss Claim:
  - (a) Documentation supporting a claim for additional living expenses;
  - (b) Medical bills;
  - (c) Counseling bills; and
  - (d) Other supporting documents within the Claimant's possession.

**F. Wrongful Death and Personal Injury.**

1. ***Description of Wrongful Death and Personal Injury Claim.*** Wrongful Death and Personal Injury Claims include Claims relating to individuals who died or suffered personal injury as a result of the Fires (“**PI/WD**”).

**Claims**”). The Trustee and Claims Administrator will devise procedures ensuring a streamlined and sensitive process providing Claimants and their family members the dignity that is critical to successfully resolving Claims relating to these extraordinary losses.

2. ***Types of Supporting Documents.*** Claimants may provide medical records and other documents supporting a Wrongful Death or Personal Injury Claim, as well as documents supporting a Claim for loss of relationship, love, support, and companionship.

**G. Emotional Distress.**

1. ***Description of Emotional Distress Claim.*** Emotional Distress Claims include Claims arising from: (a) zone of danger evacuation from the Fires; (b) physical injury as a result of the Fires; and (c) substantial interference with the use and enjoyment of or invasion of property occupied by the Claimant, as well as the impact of the loss of the community.
2. ***Types of Supporting Documents.*** Claimants may provide the following documents to support an Emotional Distress Claim:
  - (a) A written narrative or an audio or video recording detailing the Claimant’s evacuation and impact of the Fire on the Claimant and his or her family, including impact related to the loss of property and any sentimental items in the home;
  - (b) Texts, emails, or social media content the Claimant created during the evacuation;
  - (c) Photos or videos taken during the evacuation;
  - (d) Pre-Fire and post-Fire photos and videos of the Claimant’s property;
  - (e) Records describing bodily injury or mental health counseling or treatment;
  - (f) Documentation of medical and counseling expenses; and
  - (g) Other supporting documents in the Claimant’s possession.

**III. OTHER DAMAGES**

The Trustee and Claims Administrator will devise procedures to evaluate any additional categories of recoverable damages.

**IV. CLAIMS SUBMISSION**

The Claims Processor will maintain a secure, web-based portal (the “**Portal**”) for Claimants to submit Claims Questionnaires, Supporting Documents, Releases, and any other relevant information or documents. After submitting a Claim, Claimants will be able to use the Portal check their Claim status, receive and respond to determination notices, submit supplementary materials, and update contact information and other demographic information, if necessary.

## V. CLAIMS QUESTIONNAIRE

In addition to the Claim-specific Supporting Documents identified in Section II, the Claims Administrator will require Claimants to complete a Claims Questionnaire that provides sufficient information to: (1) verify the Claimant's identity; (2) identify and support the claimed damages; and (3) demonstrate the Claimant's authority to assert the Claims.

Individual Claimants may submit Claims Questionnaires by household. The Claims Processor will pre-populate Claims Questionnaires with information already in its possession, including but not limited to data from a Claimant's (a) Bankruptcy Claim Proof of Claim Form; (b) Wildfire Assistance Program Claim Form; (c) Damages Questionnaire established under Case Management Order 5 in the California North Bay Fire Cases (JCCP 4955); and (d) information that is otherwise reasonably ascertainable and reliable.

The Claims Administrator shall obtain insurance claims files ("**Insurance Claims Files**") from the relevant insurers and store them on the Portal where they shall be made available to relevant Claimants and their attorneys for download, review and response over a thirty (30) day period. Such responses may include: (1) approving the ability of the Claims Administrator and Trust professionals to access the Insurance Claims Files applicable to a Claimant; (2) redacting portions of the Insurance Claims Files applicable to a Claimant; and/or (3) contesting redactions applied to Insurance Claims Files by insurers or objecting to the Insurance Claims Files production, which will prevent the use of the Insurance Claims Files or specific portions thereof in the claims process. The Plan does not absolve the insurance carriers of their duty to fulfill their coverage obligations under their policies of insurance with a Claimant.

## VI. RELEASES

Prior to making each distribution to a Claimant on account of an Approved Fire Victim Claim, the Trust will require the Claimant to execute a release in substantially the same form and content as the (i) Claimant Release and Indemnification in Connection With the Fire Victim Trust Awards or (ii) Entity Claimant Release and Indemnification in Connection With the Fire Victim Trust Awards, attached to the Trust Agreement as **Exhibits 4A and 4B** (each, a "**Claimant Release**" and together the "**Claimant Releases**").<sup>2</sup> In addition, pursuant to and subject to Section 4.25(f)(ii) of the Plan and the Confirmation Order, and except with respect to any settlement or other agreement regarding the Fire Victim Claims asserted by Adventist Health System/West and Feather River Hospital d/b/a Adventist Health Feather River, the Trust shall require all Claimants who hold Approved Fire Victim Claims to execute a release in substantially the same form and content as the Mutual Made Whole Release attached to the Trust Agreement as **Exhibit 5**.

By signing a Claimant Release, the Claimant will agree to release, through the date on which the Claimant receives the distribution on account of which the Claimant Release is signed, the Trust, the Trustee, Delaware Trustee, TOC, Claims Administrator, Special Master and each

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<sup>2</sup> In accordance with the *Order on Remaining Objection of California State Agencies and the United States of America Regarding Proposed Government Entity Release* [Docket No. 7973] the governmental entities that were the subject of such Order shall not be required to execute a Claimant Release in connection with receiving distributions from the Trust.

of their respective predecessors, successors, assigns, assignors, representatives, members, officers, employees, agents, consultants, lawyers, advisors, professionals, trustees, insurers, beneficiaries, administrators, and any natural, legal, or juridical person or entity acting on behalf of or having liability in respect of the Trust, the Trustee, Delaware Trustee, TOC, Claims Administrator or Special Master (the “**Trust Released Parties**”) from any and all past, present and future claims, counterclaims, actions, rights or causes of action, liabilities, suits, demands, damages, losses, payments, judgments, debts, dues, sums of money, costs and expenses (including, without limitation, attorneys’ fees and costs), accounts, reckonings, bills, covenants, contracts, controversies, agreements, obligations, or promises, in law or in equity, contingent or non-contingent, known or unknown, suspected or unsuspected, foreseen or unforeseen, matured or unmatured, accrued or unaccrued, liquidated or unliquidated, whether direct, representative, class or individual in nature, in any forum that an applicant had, have, or may have in the future arising from, relating to, resulting from or in any way connected to, in whole or in part, the discharge of the Trust Released Parties’ duties and responsibilities under the Retention Order, the Trust Agreement, including any agreement, document, instrument or certification contemplated by the Trust Agreement, the CRP, the Plan, the formulation, preparation, negotiation, execution or consummation of the Trust Agreement, the CRP and the Plan, and any and all other orders of the District Court or Bankruptcy Court relating to the Trust Released Parties and/or their duties and responsibilities.

The Claimant Release will also require the Claimant to (i) acknowledge and agree that the Claimant remains solely responsible for resolving all open Government Payors’<sup>3</sup> and Non-Government Payors’ liens, rights of reimbursement, and other claims (collectively, “**Liens and Other Claims**”); (ii) use best efforts to resolve all known Liens and Other Claims; (iii) agree to indemnify and hold harmless the Trust in connection with all known Liens and Other Claims and any future Liens and Other Claims; (iv) agree that the Trust will not be liable for any act, or failure to act, of the lien resolution administrator retained in connection with the Fire Victim Trust; and (v) assign the Trust the right to pursue the 2015 Insurance Rights, if any, and the Claimant Insurance Rights (as defined in the Trust Agreement), if applicable, for the full value of the Fire Victim Claim.

## **VII. NOTICE OF CLAIMS DETERMINATION**

**A. Claims Determination.** The CRP will govern the process by which each Claim is reviewed, including determining whether a Claim is eligible or ineligible for payment and, if eligible, the amount approved for payment (the “**Claims Determination**”). After the Trust has fully evaluated a Claim, the Claims Processor will issue a notice to the Claimant explaining the review result (“**Determination Notice**”). If the Claim has been approved and is eligible for payment (an “**Approved Claim**”), then the notice will include the specific amount that the Trust has approved (the “**Approved Claim Amount**”). If the Claimant accepts the Approved Claim Amount, it becomes the final determination of the Claim (the “**Final Determination**”). If the Claim is missing documents or information required for the Trust to fully evaluate the Claim (a

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<sup>3</sup> “**Governmental Payor**” means any federal, state, or other governmental body, agency, department, plan, program, or entity that administers, funds, pays, contracts for, or provides medical items, services, and/or prescription drugs, including, but not limited to, the Medicare Program, the Medicaid Program, Tricare, the Department of Veterans Affairs, and the Department of Indian Health Services.

“**Deficient Claim**”), the notice will explain what is required and provide a timeline within which the Claimant may resolve the deficiencies. If the Claim is ineligible for payment from the Trust pursuant to the CRP, the notice will explain the reason(s) that the Claim is ineligible.

**B. Application of the Payment Percentage.**

1. ***Payment Upon Final Determination.*** Only after the Trustee has established an Initial Payment Percentage in accordance with Section VII.B.2 and the Trust Agreement, then once there is a Final Determination of a Claim pursuant to Section II.B., VII.A, VIII.A, VIII.C, IX.B.1 or IX.C.1 hereof, the Claimant will receive a *pro rata* share of the Final Determination based on a Payment Percentage described in Section VII.B.2 & VII.B.3. For the purpose of payment by the Trust, a Final Judicial Determination (as defined in Section IX.B.1 hereof) shall constitute a Final Determination.
2. ***Initial Payment Percentage.*** An Initial Payment Percentage shall be set after the Trust is established by the Trustee in accordance with the Trust Agreement. The Initial Payment Percentage shall apply to **all** Final Determinations except as provided in Section VII.B.3 with respect to supplemental payments in the event the Initial Payment Percentage is changed.
3. ***Supplemental Payment Percentage.*** When the Trustee determines that the then-current estimates of the Trust’s assets and its liabilities, as well as then-estimated value of then-pending Claims, warrant additional distributions on account of Final Determinations, the Trustee shall set a Supplemental Payment Percentage in accordance with the Trust Agreement. Such Supplemental Payment Percentage shall be applied to all Final Determinations that became final prior to the establishment of such Supplemental Payment Percentage. Claimants whose Claim becomes a Final Determination after a Supplemental Payment Percentage is set shall receive an initial distribution equal to the aggregate of the Initial Payment Percentage and all prior Supplemental Payment Percentages set by the Trustee.

**VIII. DISPUTE RESOLUTION**

Claimants dissatisfied with their Claims Determination will have the opportunity to dispute the determination and to provide supplemental information or documents to support their dispute. The Trust will implement the following three-tiered process:

**A. Reconsideration.** If a Claimant contests a Claims Determination, the Claims Administrator and Claims Processor will review the Claim again and will consider any newly submitted information and documents and all previously submitted information. Taking into account all information before them, the Claims Administrator and Claims Processor will

determine the amount in which the Claim should be approved, and the Claims Processor will issue a Reconsideration Determination. The Claimant may accept the Reconsideration Determination or may appeal to a Neutral. If accepted by the Claimant, the Reconsideration Determination becomes the Final Determination of the Claim.

**B. Appeal.** If a Claimant appeals a Reconsideration Determination, the Claimant shall submit a Notice of Appeal to the Claims Administrator. The Claims Administrator shall submit the Claim to the Appeals Officer<sup>4</sup> for further consideration *de novo* in accordance with the procedure set forth herein.

1. The Claims Administrator shall submit the following to the Appeals Officer and the Claimant:
  - (a) The Notice of Appeal;
  - (b) The record from the Claims Administrator and Claims Processor resulting in the Claims Determination;
  - (c) The record from the Claims Administrator and Claims Processor resulting in the Reconsideration Determination;
2. Claimant may submit to the Appeals Officer and the Claims Administrator the following:
  - (a) Any additional information and/or documents not included in the record from either the Claims Determination or the Reconsideration Determination;
  - (b) A brief not to exceed twenty (20) pages setting forth the issues on appeal and the basis for appeal as to each such issue.
3. Claimant shall designate the type of review sought:
  - (a) Document review only;
  - (b) Document review followed by telephonic hearing;
  - (c) Document review followed by virtual hearing
  - (d) Document review followed by in-person hearing.
4. The Appeals Officer shall determine whether the appeal shall be considered by a Neutral from the Complex Panel. The Claimant may request that the appeal be considered by a Neutral from the Complex Panel, subject to a determination by the Appeals Officer.
  - (a) The determination of whether an appeal should be considered by a Neutral from the Complex Panel shall be made by the Appeals Officer in his sole discretion.

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<sup>4</sup> The **Appeals Officer** shall be an individual appointed for the sole purpose of determining whether an appeal from a Determination of the Claims Administrator should be heard by a Neutral from the General Panel or by a Neutral from the Complex Panel. Such determination shall be at the sole and exclusive discretion of the Appeals Officer, who shall at all times remain independent of the Trustee and the Claims Administrator.

- (b) The Appeals Officer may consider the type, amount and complexity of a Claim and the type of review requested when determining whether an appeal should be considered by a Neutral from the Complex Panel the Claim
  - (c) The Appeals Officer’s determination of whether an appeal should be considered by a Neutral from the Complex Panel shall be final, binding and non-appealable and is not subject to review by any Court.
5. A Neutral shall be chosen at random from the General Panel or from the Complex Panel, as determined by the Appeals Officer, to consider the Claim *de novo* in accordance with the type of review requested by Claimant.
  6. The Neutral shall consider the appeal based on all items submitted by Claimant through the close of the review and/or hearing.
  7. Within thirty (30) days of the close of the hearing, the Neutral shall issue an Appeals Determination, increasing, decreasing, or confirming the Reconsideration Determination.

**C. Trustee Determination.** The Neutral shall submit to the Trustee the Appeals Determination, increasing, decreasing, or confirming the Reconsideration Determination. The Trustee may accept, reject, or revise the Appeals Determination to ensure that all Claims are treated equitably and then will issue a Trustee Determination to the Claimant. If an Eligible Claimant (as defined in Section IX.B, below) rejects the Trustee Determination but fails to file an election notice pursuant to Section IX.B.1 hereof within 14 days of receiving the Trustee Determination, the Eligible Claimant shall be deemed to have accepted the Trustee Determination. If the Claimant accepts the Trustee Determination it becomes a Final Determination.

## **IX. COURT REVIEW**

**A. Court Review of Claims.** This Section IX shall only apply to Claimants who are identified in the Confirmation Order at paragraph [18(k)].<sup>5</sup>

**B. Bankruptcy Court Review for Eligible Claims.** Claimants who fully exhaust the dispute resolution process set forth in Section VIII by (i) contesting their Claims Determinations, (ii) exhausting their appellate rights under the CRP, (iii) rejecting the Trustee Determination, and (iv) satisfying the condition of eligibility under Section IX.A (“**Eligible Claimants**”) with respect to their Claims, shall have the right to have the Trustee Determination (x) with respect to such Claims and in respect of damages, and (y) with respect to any other determination (legal or factual) made by the Trustee in connection with such Claims, in each

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<sup>5</sup> For the avoidance of doubt, Section IX(C) of this CRP applies to all Claimants and all Claims generally.

case, given plenary review by the Bankruptcy Court,<sup>6</sup> in accordance with the Trust Documents, the Plan and the Confirmation Order and the procedures set forth therein. Judicial Determination (described herein, and generally “**Judicial Determination**”) shall be treated as a contested matter pursuant to Rule 9014 of the Federal Rules of Bankruptcy Procedure. Except as otherwise provided in the Trust Documents, Plan or Confirmation Order, the Trustee shall have the right to assert all defenses that the Debtors have or would have had under applicable law to such Claims, provided, however, that (A) the Trust’s and the Trustee’s right to assert the defenses of comparative fault and/or comparative negligence with respect to a Claimant shall be limited to the determination of the amount of that Claimant’s Claims and for no other purpose (including the determination of the amount of any other Claimant’s Claims), (B) the Trust’s rights and defenses (except as otherwise expressly set forth in this Section IX(B)(A) and Section IX(B)(C)) shall not include claims that may be asserted by the Debtors or Reorganized Debtors by way of setoff, recoupment, counterclaim, or cross claim, (C) the Trustee may raise and assert Assigned Rights and Causes of Action in respect to a Claim, and (D) the Trustee may waive any defense and/or concede any issue of fact or law. Eligible Claimants shall be permitted to assert any defense to Assigned Rights and Causes of Action that such Eligible Claimants would have had under applicable law if the Debtors, as opposed to the Trust, were asserting the Assigned Rights and Causes of Action. Eligible Claimants remain subject to, and bound by, the Plan, including, without limitation, the Channeling Injunction and any other injunction or release issued or granted in connection with the Plan. Payment by the Trust of a judgment for monetary damages obtained pursuant to this Section IX shall be subject to adjustment, if applicable, for subordination of Claims for punitive or exemplary damages as provided in Section IX.C.

1. ***Election of Judicial Determination.*** Within fourteen (14) days after an Eligible Claimant receives a Trustee Determination (the “**Election Deadline**”) with respect to a Claim, such Eligible Claimant must notify the Trust of the Eligible Claimant’s intent to seek a Judicial Determination by submitting a written notice to the Trustee (a “**Judicial Determination Election Notice**”) and filing a copy of such Judicial Determination Election Notice with the Bankruptcy Court. Eligible Claimants who fail to submit and file a Judicial Determination Election Notice by the Election Deadline shall be deemed to accept the Trustee Determination of such Claim, and such Trustee Determination shall become a Final Determination that is final, binding, non-appealable and not subject to review by any Court. Eligible Claimants who submit and file a Judicial Determination Election Notice by the Election Deadline (“**Electing Judicial Claimants**”) shall have no right to receive any distribution from the Trust absent the issuance of an order or judgment of the Bankruptcy

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<sup>6</sup> To the extent the Bankruptcy Court determines that a claim asserted by an Eligible Claimant constitutes a personal injury tort or wrongful death claim under and for purposes of 28 U.S.C. § 157(b)(5) (an “**Eligible PI/WD Claimant**”), that Eligible PI/WD Claimant may elect review of its claim pursuant to this Section IX in the District Court for the Northern District of California, subject to the same constraints, election, notice and filing requirements, and other limitations described herein with respect to Bankruptcy Court Review; provided, however, that an Eligible PI/WD Claimant may request that the District Court provide relief, such that review of its Claim may proceed in the court where such claim was pending or could have been pending prior to the Petition Date. The Trustee’s rights to contest any such request are hereby preserved. Nothing in these procedures shall be deemed a waiver or modification of the Eligible PI/WD Claimant’s right, if any, to a trial by jury.

Court, or District Court as applicable, awarding damages on account of the Eligible Claimants' Claim that is no longer subject to appeal and for which no appeal is pending (a "**Final Judicial Determination**").

2. ***Recovery Limited to Final Judicial Determination.*** To the extent that a Claimant's Final Judicial Determination with respect to a Claim results in a judgment or award in an amount less than the amount of the Trustee Determination with respect to such Claim, the Claimant will receive payments from the Trust that will be based on the amount of the Final Judicial Determination for such Claim. In determining whether a Claimant's Final Judicial Determination is less than the amount of the Trustee Determination, no amounts awarded for punitive or exemplary damages shall be considered in either circumstance.
3. ***Judicial Determinations after Initial Review Period.*** Electing Judicial Claimants may only seek a Final Judicial Determination by commencing a contested matter against the Trust in Bankruptcy Court under this Section IX.B within the time prescribed herein after all Claimants that hold Approved Claims have received a Determination Notice with respect to such Approved Claims and have had an opportunity to fully exhaust the dispute resolution process set forth in Section VIII of this CRP (the "**Initial Review Period**"). The Trustee shall file a notice that the Initial Review Period has ended (the "**Initial Review Period Notice**") with the Bankruptcy Court and post the Initial Review Period Notice on the Trust Website.<sup>7</sup> Electing Judicial Claimants who fail to commence a contested matter in the Bankruptcy Court within the fourteen (14) day period after the filing of the Initial Review Period Notice shall be deemed to accept the Trustee Determination of their Claims, and such Trustee Determination shall become a Final Determination that is final, binding, non-appealable and not subject to review by any Court. Upon filing, all contested matters commenced under this section shall be stayed pending a decision by the Bankruptcy Court regarding the consolidation of all such matters as set forth in Section IX.B.5 hereof.
4. ***Supporting Evidence.*** During the Judicial Determination, the Claimant and the Trustee shall be governed by the rights and obligations imposed upon parties to a contested matter under the Federal Rules of Bankruptcy Procedure; provided, however, that an Electing Judicial Claimant shall not have the right to introduce into evidence during the Judicial Determination any information or documents that (a)(1) were requested by the Trustee or (2) the Electing Judicial Claimant reasonably could have been expected

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<sup>7</sup> The Trustee shall also contemporaneously serve a copy of the Initial Review Period Notice via email on counsel of record or as otherwise provided in the Claims Questionnaire for Claimants who are identified in the Confirmation Order at paragraph [18(k)] and upon such additional representatives of any of such Claimants as may be designated in writing by that Claimant from time to time, provided that, such email notices shall be required for a Claimant only if the Claimant is an Electing Judicial Claimant or the Election Deadline for the Claimant has not passed when the Initial Review Period Notice is filed.

(before issuance of the Trustee Determination) to rely on or introduce as evidence in a Judicial Proceeding, and (b) were available to the Electing Judicial Claimant at the time of the request or during the pendency of the review of the Claim by the Trustee and Claims Administrator, but which the Claimant failed to or refused to provide to the Trust prior to the issuance of the Trustee Determination; provided, however, that nothing in this Subsection IX.B.4 shall prohibit an Electing Judicial Claimant from introducing information or documents that is responsive to information or documents not disclosed to the Electing Judicial Claimant before the issuance of the Trustee Determination. The Claimant's responses to requests by the Trustee for documents or information shall be subject to Rule 37 of the Federal Rules of Civil Procedures, as applicable under the Federal Rules of Bankruptcy Procedure. Claimants shall not have the right to disclose the Claims Determination, Appeals Determination or Trustee Determination to any Court except as provided in the following sentence. Subject to the terms of any protective order entered by a Court, a Claimant's filing of a Judicial Determination Election Notice shall permit the Trust or any representative thereof to introduce as evidence before a Court all information and documents submitted to the Trust under the CRP, and the Claimant may introduce any and all information and documents that it submitted to the Trust under the CRP.

5. ***Consolidation of Judicial Determinations.*** Subject to notice and a hearing and at the discretion of the Bankruptcy Court, all judicial review proceedings elected pursuant to this section IX.B may be heard and determined in one or more consolidated proceedings to the extent practicable, in a manner acceptable to the court, and in accordance with applicable law. All contested matters filed within the fourteen (14) day period following the filing of the Initial Review Period Notice shall be stayed pending the Bankruptcy Court's determination on how or whether to proceed under this subsection.
6. ***Attorneys' Fees and Expenses.*** Electing Judicial Claimants shall be required to pay their own attorneys' fees and expenses unless such fees and expenses are otherwise recoverable as part of their Claim under California law.
7. ***Payment of Bankruptcy Court Determinations.*** Under no circumstances shall interest be paid under any statute on any judgments obtained in the tort system. If and when a Claimant obtains a Final Judicial Determination it shall be treated within and receive *pro rata* distributions from the Trust, subject to the Trust Documents, including Section VII.B hereof, the Plan and the Confirmation Order.

**C. Punitive and Exemplary Damages.** The Trustee shall have the discretion to award punitive or exemplary damages consistent with California law and the Trust Agreement. Any award of punitive or exemplary damages made by the Trustee or a Court with respect to any

Claim shall be subordinate and junior in right to the prior payment in full of all Final Determinations and Final Judicial Determinations as provided herein.

**D. Redetermination of Prior Final Determinations.** To the extent that a Final Judicial Determination of a Claim implicates a determination of damages which is inconsistent to other Claims, theories, facts, or issues of a similar type to the Claim subject of a Final Judicial Determination, the Trustee, in his sole and absolute discretion, may redetermine, adjust or modify the amount of any prior Final Determinations, solely in an upward manner, to be consistent with such Final Judicial Determination.

## **X. PREVENTION AND DETECTION OF FRAUD**

**A.** The Claims Administrator may institute claim auditing procedures and other procedures to detect and prevent the allowance of fraudulent claims. All Claims must be signed under the pains and penalties of perjury. To the extent of applicable law, the submission of a fraudulent Claim may violate the criminal laws of the United States, including the criminal provisions applicable to Bankruptcy Crimes, 18 U.S.C. § 152, and to the extent of applicable law, may subject those responsible to criminal prosecution in the federal courts. If the Claims Administrator determines that a Claim is fraudulent, the Trustee shall deny the Claim and so inform the Claimant.

**B.** The Claims Administrator shall have the authority to request the Claimant to submit additional records in order to make a determination of allowance or denial of any Claim. If the Claimant refuses to or fails to respond to such a request within ninety (90) days or if the Claims Administrator determines that a Claimant's response is inadequate, the Claims Administrator shall take such actions as she deems appropriate on the Claim and notify the Claimant of the action and basis therefore and the Claimant may dispute the same and seek a Judicial Determination as set forth in Article IX.

**C.** The Claims Administrator may conduct random audits to verify supporting documentation submitted (including death certificates, medical and other records) by randomly selecting Claims and may audit individual claims or groups of Claims.

**D.** All Claimants must certify to the Claims Administrator on the Claims Questionnaire that the Claimant has not transferred his or her or its right to recover from the Released Parties with respect to his or her Claim such that the Claim can be asserted by another person or entity. The fact that a Claimant has executed a "subrogation" agreement with a health insurer or that a statutory provision grants to any governmental entity rights of subrogation shall not of itself be construed as a transfer of Claimant's right to recover.

## **XI. ATTORNEY'S FEES**

**A. Attorney's Fees Determined Pursuant to State Law.** Any award of attorney's fees with respect to a Claim shall be determined in accordance with the laws of the State of California.

**B. Hold-Back for Attorney Liens.** Prior to receiving any award in respect of any Claim Determination, any Claimant who was represented by an attorney (“**Claimant Attorney**”) at the time of filing its Proof of Claim in the Chapter 11 Cases or at any time thereafter, shall: (1) agree to receive their award through their Claimant Attorney; or (2) provide evidence to the satisfaction of the Claims Administrator and Trustee that there is no lien or potential lien on their Final Determination asserted or assertable by a Claimant Attorney (an “**Attorney Lien**”), including by providing written confirmation from such Claimant Attorney that no Attorney Lien exists. If an Attorney Lien exists, is asserted or assertable, then only the undisputed portion of the award shall be provided to the Claimant. The disputed portion shall be held back until the Claims Administrator receives satisfactory notice in his or her sole determination, that such dispute and Attorney Lien has been resolved. The payment of attorney’s fees incurred by Claimant and the satisfaction of any Attorney Lien is the sole obligation of Claimant. Neither the Trustee nor the Trust is responsible for the payment of any attorney’s fees or the resolution of any Attorney Lien incurred in connection with a Claim.

## **XII. CREDITS AND DEDUCTIONS**

**A. Credits for Amounts Covered By Insurance.** In determining all award amounts, the Trustee will take into account all insurance recoveries available to the Claimant as provided in the Trust Agreement.

**B. Deduction for Payment Received from Wildfire Assistance Fund.** In determining all award amounts, the Trustee will take into account any payment Claimant has received from the Wildfire Assistance Fund as provided in the Trust Agreement.

**C. Deduction for Payment Received from FEMA.** In determining all award amounts, the Trustee will take into account any payment Claimant has received from the Federal Emergency Management Agency (“**FEMA**”) on account of the same damages or losses, as provided in the Trust Agreement.

**D. Medical Liens.** In determining all award amounts, the Trustee will take into account all known outstanding governmental medical liens, if any, currently owed by the Claimant. Claimants shall be responsible for the payment of all medical or other applicable liens. The Claimant will undertake to resolve such liens, and if not done, the Trustee will take over the process, solely with respect to governmental liens. The Trustee will retain the services of a Lien Resolution Administrator to identify, resolve, and satisfy, in accordance with applicable law, certain Claimant governmental repayment obligations, including, but not limited to, Medicare (Parts A and B), Medicaid, and other governmental liens.

**E. Taxes.** In connection with their duties hereunder, the Trustee and Claims Administrator will make every effort to ensure that the Trust complies with all applicable laws, including without limitation all tax return filings and information reporting requirements set forth in applicable laws.

**F. Authority to Withhold Distributions Pending Resolution of Third Party Claims.** The Trustee has the authority and discretion to withhold any distribution, or portions

thereof, on account of any Claim that received a Final Determination or Judicial Determination if the Claimant is subject to pending or contemplated litigation brought by the Trust in respect of Assigned Rights and Causes of Action under the Plan until the final resolution of such litigation, including the conclusion of all appellate rights or expiration of any statutes of limitation. The Trustee may disallow any Claim of any entity or person that is liable to the Trust in respect of Assigned Rights and Causes of Action under the Plan until such entity or person has paid the amount for which such entity or person is liable to the Trust.

### **XIII. CONFIDENTIALITY OF CLAIMS INFORMATION**

All personal information, facts, and documents submitted to the Trust by or regarding any Claimant or Claim shall be kept confidential and shall only be disclosed: (1) to the Trustee, Claims Administrator, Claims Processor, Neutrals, and Trust Professionals to the extent necessary to process and pay Claims; or (2) as may be required by applicable law, ethical requirements, or legitimate business uses associated with administering the Trust.

63794343 v5



Signed and Filed: May 26, 2020

DENNIS MONTALI  
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA

In re: ) Bankruptcy Case  
 ) No. 19-30088-DM  
 PG&E CORPORATION, )  
 ) Chapter 11  
 - and - )  
 ) Jointly Administered  
 PACIFIC GAS AND ELECTRIC COMPANY, )  
 )  
 Debtors. )  
 )  
 Affects PG&E Corporation )  
 Affects Pacific Gas and )  
 Electric Company )  
 Affects both Debtors )  
 )  
 \* All papers shall be filed in )  
 the Lead Case, No. 19-30088 (DM). )  
 )

**MEMORANDUM ON OBJECTION OF ADVENTIST HEALTH, AT&T, PARADISE ENTITIES AND COMCAST TO TRUST DOCUMENTS**

I. INTRODUCTION

On May 15, 2020, the court held a hearing on the objection of Adventist Health, AT&T, Paradise Entities (as defined in the objection) and Comcast (collectively, Objectors"), to various provisions in the Fire Victim Trust Agreement ("Trust

1 Agreement") and the proposed Fire Victim Claims Resolution  
2 Procedures ("CRP", and collectively, the "Trust Documents").  
3 Objectors and the Official Committee of Tort Claimants ("TCC")  
4 entered into a briefing stipulation on May 4, 2020 (dkt. no.  
5 7060). That stipulation limited the arguments of the parties to  
6 the content of the Trust Documents, with all other objections to  
7 the Debtors' and Shareholder Proponents' Joint Chapter 11 Plan  
8 of Reorganization Dated March 16, 2020 (the "Plan") reserved.

9 Under normal circumstances the court would take the time to  
10 explain in detail its reasoning behind the decisions summarized  
11 below. The exigencies of the current situation, however, and  
12 the press of business to prepare for and conduct the forthcoming  
13 confirmation trial, make that nearly impossible. Further, the  
14 Debtors, the TCC and the Objectors need to know the court's  
15 decisions promptly. Thus, this abbreviated ruling will have to  
16 suffice. If time permits, the court may follow up with a  
17 reasoned memorandum explaining its determinations in detail.

18 For the reasons summarized below, the court will:

19 1) sustain the objection, in part, based on the lack of the  
20 possibility of any judicial review of a final decision of the  
21 Trustee regarding any claim of a party that objected to  
22 confirmation of the Plan;

23 (2) overrule the objections based upon the treatment under  
24 the CRP of amounts that have been or are likely to be recovered  
25 from insurers or other subrogation parties;

1 (3) deny the contention that the Plan and the Trust  
2 Documents violate Bankruptcy Code section 1123(a)(4)<sup>1</sup>.

3 (4) sustain the objection, in part, based upon the need for  
4 court approval of any material change in the Trust Documents;

5 (5) defer ruling on the objection based upon alleged  
6 adverse interests that are or may be held by the Trustee or  
7 anyone else under his direction;

8 (6) defer ruling on the objection based upon the  
9 application of setoff or recoupment under the Trust Documents;

10 (7) sustain the objection based on the right of certain  
11 parties, including Objectors, to recover attorneys fees under  
12 the principle of inverse condemnation;

13 (8) sustain the objection regarding multiple releases; and

14 (9) overrule the objection that the CRP is lacking  
15 standards for adjudication of disputed claims.

## 16 II. DISCUSSION

### 17 1. Judicial Review at Some Point in the Claims 18 Determination Process

19 The TCC conflates the *treatment* of claims, or a class of  
20 claims, with the *determination* of the amount of any particular  
21 claim. Section 1122(a) deals with placement of claims in a  
22 particular class that are "substantially similar" to others of  
23 the same class. Here the similarity of the wildfire claims is  
24 obvious: the fires affected thousands of individuals, countless  
25 corporations, partnerships and other entities, large or small,

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26  
27 <sup>1</sup> Unless otherwise indicated, all chapter, section and rule  
28 references are to the Bankruptcy Code, 11 U.S.C. §§ 101-1532,  
and to the Federal Rules of Bankruptcy Procedure, Rules 1001-  
9037.

1 public or private. These similarities suggest a rational class  
2 of wildfire survivors consisting of those claimants regardless  
3 of whether their claims are presently liquidated or  
4 unliquidated.

5 Section 1124 defines impairment to encompass a "class of  
6 claims. Here the wildfire claims are unquestionably impaired.  
7 Section 1123(a)(3) specifies the treatment of an impaired class.  
8 There is nothing in section 1124 about the determination of any  
9 particular claim. The determination of any particular claim is  
10 governed by Section 502(b).

11 *Dow Corning*, relied on by the TCC, stands for the  
12 proposition that class members are subject to the same process  
13 for claim satisfaction. It does not extend to determination of  
14 any particular claim.

15 The case most in TCC's favor is *Takata*, where certain  
16 claims against the Debtor are to be resolved in a similar multi-  
17 tier process as in the present case, and not subject to judicial  
18 review, even though the same procedure left open the right of  
19 certain claimants to proceed judicially against non-debtors  
20 after exhausting the claims review process. In *Takata*, nobody  
21 objected to these procedures, and therefore they waived their  
22 rights. The difference here is that Objectors have objected  
23 prior to confirmation. Moreover, the *Takata* procedures appear  
24 to be limited to claims of individuals for personal injury and  
25 wrongful death claims. There are many such claims in this case,  
26 but none asserted by Objectors. The claims of the Objectors  
27 would apparently not be governed by the *Takata* procedures, so  
28 that case is hardly precedent to take the leap the TCC urges.

1           The TCC has also cited mass tort cases that used  
2 streamlined claims resolution procedures. The court notes that  
3 none of the cases submitted appear to include language as strict  
4 or binding as the CRP. In addition, most of the cases cited do  
5 not restrict claimants' ability to file suit if their claims are  
6 rejected. For example, both *In re Plant Insulation Co.* and *In re*  
7 *G-I Holdings, Inc.* offer claimants a straightforward method of  
8 proceeding to arbitration and then to the tort litigation system  
9 if they are dissatisfied with the trust's decision. See *In re*  
10 *Plant Insulation Co.*, No. 09-31347 (Bankr. N.D. Cal. 2014); *In*  
11 *re G-I Holdings, Inc.*, No. 01-30135 (Bankr. D. N.J.  
12 2009). These cases do not provide much support for the TCC's  
13 position and actually appear to counter it.

14           The Objectors did not waive their entitlement to a judicial  
15 claim determination under Section 502(b), no matter how far or  
16 long that might occur after completion of the CRP process. *In*  
17 *re Elder* is slightly on point. An out-of-court claims  
18 resolution procedure had been established whereby claimants  
19 could settle their claims with a plan administrator. If that  
20 did not work out, they could come to the court for a section 502  
21 determination. 325 B.R. 292, 300 (N.D. Cal. 2005). The court  
22 stated:

23           ". . . there is nothing inherently inappropriate about  
24 the Plan Administrator being given the ability to  
25 compromise and settle claims objections, provided that  
26 those who are unhappy with the results are still  
27 entitled to a hearing in the bankruptcy court. Adding  
28 the procedural step of possible settlement through the  
Plan Administrator does not violate an objecting  
party's right to a final determination on the correct

1 amount of a claim by the bankruptcy court as provided  
2 by section 502(b) of the code."

3 The is nothing inherently inappropriate about the CRP.  
4 It simply ends the process without an option for  
5 dissatisfied Objectors.

6 Objectors are entitled to their guaranteed right to a  
7 judicial determination of their specific claims if they do not  
8 agree with the Trustee. Whether that should be the bankruptcy  
9 court or another court is for another day.

10 The court rejects the speculation that millions if not  
11 billions of dollars of trust assets will be depleted if  
12 Objectors are told they may return to court. The highly  
13 detailed and sophisticated CRP, coupled with the pressing need  
14 and desire for thousands upon thousands of wildfire survivors to  
15 be compensated at last, suggest that the recourse to judicial  
16 review will likely be the exception rather than the rule. It is  
17 easy to imagine the vigorous analysis any disputed claim will be  
18 given by the Claims Administrator, the Trustee, the Neutrals,  
19 and the multi-tiered process, would discourage all but the most  
20 determined and aggressive litigant who, years later, might  
21 resort to the judicial process.<sup>2</sup> And even after that, when and  
22 if the successful litigant's claim has been *determined*, the  
23 *treatment* would still be within capped trust administered by the  
24 Trustee and subject to all of the Trust Documents.

25  
26  
27  
28 <sup>2</sup> While the dollar amounts sought by Objectors is large, the  
number of those Objectors is quite small.

1 Even if that were the case, that does not justify closing  
2 the doors to the court to parties who timely objected to  
3 confirmation of the Plan.

4 The order confirming the Plan should include specific  
5 language assuring this preserved right of Objectors to seek  
6 judicial de novo review after they have exhausted their remedies  
7 under the CRP. The court expects counsel for the Debtors, the  
8 TCC, the Trustee and the Objectors to make an effort to agree on  
9 appropriate language.

10 2. Principles of Subrogation vs. the Collateral Source Rule  
11 *Ivanhoe Bldg. & Loan Assn. of Newark, N.J., v. Orr*, 295 US  
12 243 (1935) and *In re Del Biaggio*, 496 B.R. 600 (Bankr. N.D. Cal  
13 2012) both involved multiple parties who were liable to a common  
14 claimant. Both conclude that payment by one liable party (e.g.,  
15 wrongdoer, guarantor) does not reduce the full liability of the  
16 other, at least until the claimant has been paid in full. In  
17 contrast, *Garbell* and other cases relied on by Objectors involve  
18 one wrongdoer and another party in contract with the claimant.  
19 The insurer or other party invoking a subrogation claim after  
20 paying is neither a wrongdoer nor a party liable for the conduct  
21 of the wrongdoer under any theory. Thus, the principle of  
22 subrogation is distinguishable, and controls the outcome here.

23 The collateral source rule does not address an insurer's  
24 right to recover from a tortfeasor in a subrogation action. It  
25 merely addresses the insured's rights to recover from the  
26 tortfeasor even though the insured has been paid in part by the  
27 insurer. See the quote from *Ferraro*: "When the "insurance  
28 carrier becomes subrogated to the claim of an insured against a

1 third party tortfeasor, the payment of insurance proceeds is no  
2 longer a 'collateral source.' -- because the insurer is  
3 independent of the tortfeasor, it is not a 'collateral source.'"  
4 The collateral source rule does not apply here. The Trustee can  
5 insist upon credits based upon recoveries by the wildfire  
6 survivors from their insurers.

7 Objectors complain about how the Trustee will insist on  
8 offsets to their claims based on subrogation entitlements not  
9 yet paid or realized. The court is satisfied that the process  
10 for assessing such future offsets is reasonable, proper and  
11 necessarily part of the role and responsibility of the Trustee  
12 under the Trust Documents. The application of setoff principles  
13 easily comes within the broad array of considerations that  
14 encompass *treatment* of the class, far more than would be  
15 included in the *determination* of a particular claim.

16 The Objectors are bound by the vote of the class that  
17 approves that treatment. This objection is overruled.

### 18 3. Section 1123(a)(4) Does Not Permit Disparate Treatment

19 The Objectors frame the issue discussed in section 2  
20 (subrogation and collateral source) in bankruptcy terms,  
21 suggesting that the Plan and Trust Documents do not treat them  
22 the same as others in the class. The short answer here is  
23 exactly as the TCC argues: equality of treatment is not the  
24 same as equality of outcome. Their argument is rejected for  
25 that simple reason, as is their complaint that somehow parties  
26 with insurance do not do as well as those without insurance.  
27 The short answer, once again, is ask someone who lost a home but  
28 did not have an insurance!

1 As stated in section 1, all wildfire survivors must be  
2 treated alike. The bankruptcy code does not prohibit placing  
3 liquidated and unliquidated claims in the same class. Here the  
4 fire victims are in a class whether their claims were liquidated  
5 by prepetition judgements, presently calculated to the penny,  
6 completely unliquidated at present, or any other combination of  
7 these alternatives. The classification is rational and for the  
8 reasons stated above, Objectors will have an opportunity to have  
9 their claims *determined* either through the CRP or the judicial  
10 process. Part of the class treatment, however, comes from the  
11 estimation process that has or will conclude and the  
12 determination that \$13.5 billion is the starting point for  
13 channeling the Trust that treats with all of the claimants as  
14 its beneficiaries. That analysis does not turn on whether a  
15 member of the class had insurance.

16 This objection is overruled.

#### 17 4. Amendments to the Trust Documents

18 The Trust Agreement provides in paragraph 8.3 that it, the  
19 CRP, or any other annexed document shall not be modified or  
20 amended in any way that could jeopardize, impair, or modify "the  
21 applicability of section 105 of the bankruptcy code to the plan  
22 and the Confirmation Order." The court believes it is  
23 appropriate to include, specifically in the confirmation order,  
24 language to the effect that none of those documents may be  
25 modified in any material way that is inconsistent with the Plan  
26 or the bankruptcy code without approval of the bankruptcy court.  
27 The court will leave to counsel for the TCC, the Trustee, and  
28

1 the Objectors to meet and confer to agree upon appropriate  
2 language.

3 5. The Trustee May Not Hold Any Adverse Interest

4 It should be obvious that the Trustee and all others  
5 working with him to implement the Trust Agreement, the CRP and  
6 all related documents, may not hold any financial interest or  
7 act as attorney, agent or professional for the fire victim  
8 claimants. The court does not believe that the TCC or the  
9 Trustee seriously contend to the contrary. This appears to be  
10 nothing more than a drafting anomaly. The court defers any  
11 discussion at this point until counsel for the TCC, the Trustee  
12 and the Objectors can meet and confer to arrive at mutually  
13 acceptable language to implement that notion.

14 6. Clarification re Setoff and Recoupment Rights

15 The Objectors argue that they should not be subject to any  
16 ambiguity regarding whether the Debtors or the Trustee may  
17 assert setoff and recoupment rights. The TCC responds by  
18 pointing out that the Trust Agreement is clear. See dkt. no.  
19 7159 at 27:18-27.

20 After careful reading, the court agrees with the TCC. That  
21 said, this complex reorganization needs as little confusion as  
22 possible. Maybe this is just another drafting anomaly, but the  
23 court expects counsel for the TCC, the Trustee and the Objectors  
24 to meet and confer and attempt to agree upon appropriate  
25 clarifying language.

26 7. Reimbursement of Attorney's Fees

27 For reasons unknown, the TCC has mixed the question of  
28 attorneys' liens (not challenged by Objectors) with their

1 entitlement to recover attorney's fees as a matter of law under  
2 the California inverse condemnation doctrine. See dkt. no. 7169  
3 at 28:19 - 29:4. The TCC's dismissal of this concern by pointing  
4 out that there has not been a final determination, while perhaps  
5 literally true, is not dispositive. This court has ruled on the  
6 question and the Plan and Trust Documents must be consistent  
7 with that result, not some wishful thinking that the law will be  
8 changed.

9 This objection is sustained. The order confirming the Plan  
10 should reflect that determination.

#### 11 8. Multiple Releases

12 The court understands the practical concerns of the TCC and  
13 the Trustee about the administrative inconvenience of asking  
14 wildfire survivors to sign multiple releases. Still, the notion  
15 of a release operating to cover future events flies in the face  
16 of careful drafting and invites future confusion. This court,  
17 or some other court, does not need to be confronted years from  
18 now with a question about what was meant by a release of future  
19 conduct. The simple solution is to accept the Objectors'  
20 suggestion to add to the Claimant Release "from the beginning of  
21 time through the execution date of this release." See dkt. no.  
22 7072 at 24:15.

23 This objection is sustained.

#### 24 9. The Trust Documents Establish Adequate Standards for 25 Adjudication of Claims

26 The Court is satisfied that the Trust Documents have been  
27 carefully conceived, drafted and prepared for implementation and  
28 that, consistent with due process, adequate and appropriate

1 safeguards exist for *determination* of claims. The TCC's  
2 response, and more importantly, the court's review of the CRP,  
3 is reassuring that a fair process is in place. There is no  
4 concern that the Trustee, the Claims Administrator and the  
5 Neutrals will not carry out their assigned roles, proving the  
6 confidence the voters who approved this process have in them.  
7 In the unlikely event that such confidence ultimately is  
8 misplaced, an aggrieved Objector has the remedies the court  
9 addressed in Section 1.

10 This objection is overruled.

11 \*\*END OF MEMORANDUM\*\*