

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

In re:

RASER TECHNOLOGIES, INC., *et al.*,¹

Debtors.

) Chapter 11

) Case No. 11-11315 (KJC)

) (Jointly Administered)

**THIRD AMENDED JOINT PLAN OF REORGANIZATION OF
RASER TECHNOLOGIES, INC. AND ITS AFFILIATED DEBTORS**

Dated: August 1, 2011

HUNTON & WILLIAMS LLP

Peter S. Partee, Sr.
Richard P. Norton
200 Park Avenue, 53rd Floor
New York, New York 10166-0136
Telephone: (212) 309-1000
Telecopier: (212) 309-1100
-and-

BAYARD, P.A.

Neil B. Glassman (DE No. 2087)
Jamie L. Edmonson (DE No. 4247)
GianClaudio Finizio (DE No. 4253)
222 Delaware Avenue, Suite 900
Wilmington, DE 19801
Telephone: (302) 655-5000
Telecopier: (302) 658-6395

Michael G. Wilson (DE No. 4022)
Henry P. Long, III
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, Virginia 23219-4074
Telephone: (804) 788-8200
Telecopier: (804) 788-8218

¹ The Debtors are the following: Raser Technologies, Inc., Raser Technologies Operating Company, Inc, Raser Power Systems, LLC, RT Patent Company, Inc., Pacific Renewable Power, LLC, Western Renewable Power, LLC, Intermountain Renewable Power, LLC, Los Lobos Renewable Power, LLC, Columbia Renewable Power, LLC, Truckee Geothermal No. 1 SV-01, LLC, Truckee Geothermal No. 2, SV-04, LLC, Trail Canyon Geothermal No. 1 SV 02, LLC, Devil's Canyon Geothermal No. 1 SV-03, LLC, Thermo No. 1 BE-01, LLC, Thermo No. 2 BE-02, LLC, Thermo No. 3 BE-03, LLC, Cricket Geothermal No. 1 MI-01, LLC, Harmony Geothermal No. 1 IR-01, LLC, Lightning Dock Geothermal HI-01, LLC, and Klamath Geothermal No. 1 KL-01, LLC.

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I INTRODUCTION	1
ARTICLE II DEFINITIONS	1
2.1 Defined Terms	1
2.2 Other Terms.....	14
2.3 Time Periods.....	14
2.4 Undefined Terms	14
2.5 Exhibits	14
ARTICLE III CLASSIFICATION OF CLAIMS AND INTERESTS.....	15
3.1 Class 1 – Priority Non-Tax Claims.....	15
3.2 Class 2 – Thermo 1 Secured Claims	15
3.3 Class 3 – Raser Power Secured Claims	15
3.4 Class 4 – Bridge Facility Secured Claims.....	15
3.5 Class 5 – Lightning Dock Secured Claims.....	15
3.6 Class 6 – Other Secured Claims	15
3.7 Class 7(a) – General Unsecured Claims Against Raser.....	15
3.8 Class 7(b) – General Unsecured Claims Against Thermo 1 Project Entity	15
3.9 Class 7(c) – General Unsecured Claims against Lightning Dock Project Entity	15
3.10 Class 7(d) – ML Unsecured Claims against ML Debtors.....	16
3.11 Class 7(e) – General Unsecured Claims Against Subsidiary Debtors	16
3.12 Class 8 – Convenience Class Claims	16
3.13 Class 9 – Opt-Out Unsecured Claims	16
3.14 Class 10 – Cash Election Unsecured Claims.....	16
3.15 Class 11 – Subordinated Securities Law Claims	16
3.16 Class 12 – Interests in Raser.....	16
3.17 Class 13 – Interests in Subsidiary Debtors.....	16
ARTICLE IV TREATMENT OF ADMINISTRATIVE AND PRIORITY TAX CLAIMS	16
4.1 Administrative Claims.	16
4.2 Priority Tax Claims.....	17
4.3 Full Settlement, Satisfaction, Discharge and Release.....	17
ARTICLE V TREATMENT AND IMPAIRMENT OF CLASSES.....	17

TABLE OF CONTENTS
(Continued)

	<u>Page</u>
5.1 Class 1 – Priority Non-Tax Claims	17
5.2 Class 2 – Thermo 1 Secured Claims	18
5.3 Class 3 – Raser Power Secured Claims	18
5.4 Class 4 – Bridge Facility Secured Claims	18
5.5 Class 5 – Lightning Dock Secured Claims	18
5.6 Class 6 – Other Secured Claims	18
5.7 Class 7(a) – General Unsecured Claims Against Raser	19
5.8 Class 7(b) – General Unsecured Claims Against Thermo 1 Project Entity	19
5.9 Class 7(c) – General Unsecured Claims Against Lightning Dock Project Entity	19
5.10 Class 7(d) – ML Unsecured Claims Against ML Debtors	19
5.11 Class 7(e) – General Unsecured Claims Against Subsidiary Debtors	20
5.12 Class 8 – Convenience Claims	20
5.13 Class 9 – Opt-Out Unsecured Claims	20
5.14 Class 10 – Cash Election Unsecured Claims	20
5.15 Class 11 – Subordinated Securities Law Claims	20
5.16 Class 12 – Interests in Raser	20
5.17 Class 13 – Interests in Subsidiary Debtors	20
5.18 Full Settlement, Satisfaction, Release and Discharge	21
ARTICLE VI MEANS FOR IMPLEMENTATION OF THE PLAN	21
6.1 Privatization	21
6.2 Sale of the Reorganized Raser Equity	21
6.3 Entry Into Post-Confirmation Financing Documents	21
6.4 Lightning Dock Transactions.	21
6.5 Formation of Litigation LLC	24
6.6 Creditor Trust.	25
6.7 Preservation of Budgeted Funds for Professional Fee Claims	31
6.8 Vesting of Assets	31
6.9 Reserves.	32
6.10 Corporate Action	32
6.11 Dissolution of the Committee	32

TABLE OF CONTENTS
(Continued)

	<u>Page</u>
6.12 Preservation of All Causes of Action.....	33
6.13 Assumption of Management Agreements	33
6.14 Amendments to Certificate of Incorporation or Other Governing Documents	33
6.15 Delivery of Distributions; Undeliverable Distributions.....	33
6.16 Disputed Claims.....	34
6.17 Disbursement of Funds	36
6.18 Direction to Parties	36
6.19 Setoffs	36
6.20 Payment of Statutory Fees.....	36
ARTICLE VII EXECUTORY CONTRACTS AND UNEXPIRED LEASES	36
7.1 Assumption of Certain Executory Contracts.....	36
7.2 Executory Contracts Rejected if Not Assumed	37
7.3 Bar Date for Rejection Claims	37
7.4 Cancellation of Documents or Instruments Evidencing Claims and Interests	38
ARTICLE VIII RETENTION OF JURISDICTION.....	38
8.1 General Scope of Jurisdiction.....	38
8.2 Claims and Actions	38
8.3 Specific Jurisdiction.....	38
8.4 Failure of Bankruptcy Court to Exercise Jurisdiction.....	40
ARTICLE IX INJUNCTION AND EXCULPATION.....	40
9.1 No Interference	40
9.2 Injunction	40
9.3 Term of Stay	41
9.4 Release and Exculpation	41
9.5 Releases, Indemnification and Injunctions Related to Thermo Lenders Settlement.	42
9.6 Survival of Indemnification and Contribution Obligations.....	43
9.7 Insurance Preservation	43
ARTICLE X MISCELLANEOUS PROVISIONS	43
10.1 Revocation and Withdrawal of the Plan.....	43
10.2 Governing Law	43

TABLE OF CONTENTS
(Continued)

	<u>Page</u>
10.3 Successors and Assigns	44
10.4 Time	44
10.5 Construction	44
10.6 Amendments	44
10.7 Post-Confirmation Effect of Evidences of Claims or Interests	44
10.8 Section 1145 Exemption	44
10.9 Section 1146 Exemption	44
10.10 Compliance with Tax Requirements	44
10.11 Further Actions	45
10.12 Notices	45
ARTICLE XI REQUEST FOR CONFIRMATION	47

EXHIBITS

Exhibit 2.1(ddd)	Insurance Policies
Exhibit 6.4(a)	Evergreen-FE Promissory Note
Exhibit 6.4(b)	Lightning Dock Assigned Contracts
Exhibit 6.5	Litigation LLC Operating Agreement
Exhibit 6.6	Creditor Trust Agreement
Exhibit 7.1	Executory Contracts to be Assumed
Exhibit 9.4	Form of Cooperation Agreement

ARTICLE I

INTRODUCTION

Raser Technologies, Inc., Raser Technologies Operating Company, Inc, Raser Power Systems, LLC, RT Patent Company, Inc., Pacific Renewable Power, LLC, Western Renewable Power, LLC, Intermountain Renewable Power, LLC, Los Lobos Renewable Power, LLC, Columbia Renewable Power, LLC, Truckee Geothermal No. 1 SV-01, LLC, Truckee Geothermal No. 2, SV-04, LLC, Trail Canyon Geothermal No. 1 SV 02, LLC, Devil's Canyon Geothermal No. 1 SV-03, LLC, Thermo No. 1 BE-01, LLC, Thermo No. 2 BE-02, LLC, Thermo No. 3 BE-03, LLC, Cricket Geothermal No. 1 MI-01, LLC, Harmony Geothermal No. 1 IR-01, LLC, Lightning Dock Geothermal HI-01, LLC, and Klamath Geothermal No. 1 KL-01, LLC, all debtors and debtors-in-possession under chapter 11 of title 11 of the United States Code, hereby propose this *Third Amended Joint Plan of Liquidation for Raser Technologies, Inc., and its Affiliated Debtors*, dated as of the first date set forth above (the "Plan"). Any agreements and/or other documents that are referenced in the Plan, but which are not attached as exhibits to the Plan, are available upon reasonable written request to counsel for the Debtors indicated on the first page of the Plan.

ARTICLE II

DEFINITIONS

2.1 **Defined Terms.** Terms herein with an initial capital not required by standard capitalization rules are defined terms, and each such term shall have the meaning assigned to it below.

(a) **Administrative Claim.** All Claims for the costs and expenses of administering the Cases having priority under section 507(a)(2) of the Bankruptcy Code, including, without limitation, costs and expenses allowed under section 503(b) of the Bankruptcy Code, the actual and necessary costs and expenses of preserving the Debtors' bankruptcy Estates and operating the business of the Debtors, any fees or charges assessed against the Estates under 28 U.S.C. § 1930, Section 503(b)(9) Claims, all or a portion of the reasonable fees and expenses of Bank of New York Mellon as indenture trustee for the Convertible Notes in an amount to be negotiated, Professional Fee Claims, any Cure Claims, and any Claims allowed pursuant to section 507(b) of the Bankruptcy Code.

(b) **Allowed Claim.** Any Claim or Administrative Claim if and to the extent that (1) such Claim or Administrative Claim has not been withdrawn, paid or otherwise satisfied; (2) (A) a Proof of Claim for such Claim was filed or deemed filed on or before the applicable Claims Bar Date, (B) if no Proof of Claim was filed on or before the applicable Claims Bar Date, the Debtor against whom such Claim is asserted listed such Claim in its Schedules and did not list such Claim as disputed, contingent, or unliquidated, or (C) if such Claim is an Administrative Claim, an application or request for payment of such Administrative Claim was filed on or before the applicable Claims Bar Date, unless the Administrative Claim is for goods or non-professional services provided to the Debtors during the Cases in the ordinary course of business; and (3) (A) no objection to the allowance of such Claim has been filed or (B) the order allowing such Claim has become a Final Order. Notwithstanding the foregoing sentence, a Claim or an

Administrative Claim is an Allowed Claim to the extent it has been allowed by a Final Order of the Bankruptcy Court or allowed in the Plan. Allowed Claims in a particular class of Claims shall be referred to as “Allowed Class __ Claims”.

(c) **Assets.** All of the right, title and interest of the Debtors in, to and under any and all assets and property, whether tangible, intangible, real or personal, of any nature whatsoever, including, without limitation, all property of the Debtors’ Estates under and pursuant to section 541 of the Bankruptcy Code, including, without limitation, Cash, Causes of Action, rights and interests in property, and files, books and records of the Estates.

(d) **Avoidance Actions.** Any and all causes of action arising under Section 506, 510, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, and 553 of the Bankruptcy Code.

(e) **Ballot.** The ballot distributed to each eligible Holder of a Claim or Interest, on which ballot such Holder may, among other things, vote to accept or reject the Plan and/or make the Convenience Class Election.

(f) **Bankruptcy Code.** The United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*, as it may be amended from time to time.

(g) **Bankruptcy Court.** The United States Bankruptcy Court for the District of Delaware, or any other court of competent jurisdiction exercising jurisdiction over these Cases.

(h) **Bankruptcy Rules.** The Federal Rules of Bankruptcy Procedure, as amended and promulgated under 28 U.S.C. § 2075, and the Local Rules of the Bankruptcy Court, as the same shall be applicable to these Cases.

(i) **Bridge Facility.** That certain financing facility provided by the Prepetition Lender to the Debtors pursuant to the terms of the Bridge Loan Agreement, dated April 15, 2011.

(j) **Bridge Facility Secured Claims.** All Secured Claims arising under the terms of the Bridge Facility.

(k) **Business Day.** A day other than Saturday, Sunday or a “legal holiday” within the meaning of Bankruptcy Rule 9006.

(l) **Cases.** The Chapter 11 bankruptcy cases to be commenced by the Debtors by their filing of Voluntary Petitions for Relief under Chapter 11 of the Bankruptcy Code.

(m) **Cash.** Legal tender of the United States or its equivalents, including, but not limited to, bank deposits, checks, and other similar items.

(n) **Cash Election.** The election available to a Holder of an Allowed Unsecured Claim in Classes 7(a), 7(b), 7(c) and 7(e) to elect to have such Allowed Claim treated as an Allowed Class 10 Claim, provided, however, that in making such election, the Holder of

such Unsecured Claim(s) shall be deemed to have voted all Claims held by such Holder to accept the Plan.

(o) **Causes of Action.** Any and all claims, actions, causes of action, third-party claims, counterclaims and cross-claims, controversies, liabilities, obligations, rights, suits, damages, judgments, demands, debts, remedies, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, controversies, promises, variances, and trespasses whatsoever of the Debtors and/or their Estates, whether known or unknown, liquidated or unliquidated, fixed or contingent, matured or unmatured, foreseen or unforeseen, asserted or unasserted, arising in law, equity or otherwise; provided, however, that Causes of Action shall not include any claim, right or cause of action that has been settled and satisfied or waived pursuant to the Plan, the Confirmation Order or another Court order in the Cases entered prior to the Effective Date.

(p) **Claim.** Any “claim” against one or more of the Debtors as such term is defined in section 101(5) of the Bankruptcy Code.

(q) **Claims Bar Date.** The last date for a Person to file any Proof of Claim as established by the Bankruptcy Court pursuant to a Final Order. The Claims Bar Date for applications or requests for payment of Administrative Claims arising prior to the Confirmation Date (other than Cure Claims, Professional Fee Claims and Administrative Claims for goods or non-professional services provided to the Debtors during the Cases in the ordinary course of business) shall be the first Business Day that is twenty (20) days after the Confirmation Date. The Claims Bar Date for Rejection Claims, other than Claims arising as a result of the rejection of an Executory Contract pursuant to a Final Order of the Court entered prior to the Confirmation Date, shall be the date established pursuant to Section 7.3 of the Plan. The Claims Bar Date for Proofs of Claim filed in with respect to an amendment to the Schedules shall be the first Business Day that is twenty (20) days after the date on which such amended Schedules are filed with the Bankruptcy Court. The Claims Bar Date for Professional Fee Claims shall be the first Business Day that is forty-five (45) days after the Effective Date.

(r) **Class.** A category of Claims or Interests as specified in Article III of the Plan.

(s) **Committee.** The Official Committee of Unsecured Creditors of the Debtors appointed by the Office of the United States Trustee on May 12, 2011, pursuant to Bankruptcy Code section 1102.

(t) **Confirmation.** The entry by the Bankruptcy Court of the Confirmation Order confirming the Plan under the provisions of Chapter 11.

(u) **Confirmation Date.** The date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket.

(v) **Confirmation Hearing.** The hearing at which the Bankruptcy Court considers Confirmation of the Plan, as such hearing may be adjourned from time to time.

(w) **Confirmation Order.** An order entered by the Bankruptcy Court confirming the Plan, or any amended Plan, which order is in form and substance reasonably acceptable to the Debtors.

(x) **Contingent Payment Certificates.** Certificates to be issued by the Reorganized Raser to the Sponsors that shall entitle the Sponsors to the payment of all net distributions from the Litigation LLC to the Reorganized Debtors after satisfaction of all (i) of the Reorganized Raser's obligations under the Reorganized Raser Note with respect to Net Raser Proceeds at such time, (ii) the required payments to Class B membership interests under Article V, and (iii) capital contributions made by the Reorganized Debtors to the Litigation LLC. The Contingent Payment Certificates do not and shall not affect the Class B membership interests of the Litigation LLC.

(y) **Convenience Claim.** Any Unsecured Claim against the Debtors (i) that has an aggregate face amount of \$100,000.00 or less, or (ii) for which the Holder has properly made the Convenience Class Election.

(z) **Convenience Class Election.** The election on a Ballot available to a Holder of one or more Unsecured Claims against one or more of the Debtors with an aggregate face amount in excess of \$100,000.00 to have such Claim(s) treated as a single Class 8 Convenience Claim; provided, however, that in making such election, the Holder of such Unsecured Claim(s) (i) has agreed to reduce the face amount of such Claim(s) for purposes of voting and distributions under the Plan to a single Claim against the Debtors in an amount equal to \$100,000.00, and (ii) has voted all Claims held by such Holder to accept the Plan.

(aa) **Convenience Class Fund.** The fund to be established and funded by the Reorganized Debtors on the Effective Date in the amount of \$350,000, which shall be segregated and held in trust for the sole and absolute benefit of Holders of Allowed Convenience Claims in Class 8.

(bb) **Creditor Opt-Out Election:** The election available to the Holder of one or more Unsecured Claims against the Debtors to elect (i) not to grant the releases provided for under Section 9.4 of the Plan, and (ii) not to participate in the Distributions provided in Classes 7(a), 7(b), 7(c), 7(d), 7(e) and 8, as applicable.

(cc) **Creditor Trust.** The Delaware statutory trust created on the Effective Date pursuant to the Plan and the Creditor Trust Agreement annexed hereto as Exhibit 6.6.

(dd) **Creditor Trust Promissory Note.** An interest-free, non-recourse promissory note in the original principal amount of \$200,000 made by the Creditor Trust and payable to the Reorganized Debtors and secured by a lien on any and all net proceeds of recoveries on D&O Claims or Avoidance Actions available for distribution to Holders of Class 7(a), (b), (c) and (e) Claims, provided that the Creditor Trustee shall have the right in his or its discretion to use such net proceeds in accordance with the Creditor Trust Agreement until the Creditor Trust terminates in accordance with its terms, whereupon all amounts owed to the Reorganized Debtors shall become immediately due and payable to the extent of any such net proceeds. For the avoidance of doubt, the lien securing the Creditor Trust's obligations under

the Creditor Trust Promissory Note shall not affect the rights of the Creditor Trustee to use assets of the Creditor Trust for payment of any and all costs, expenses or other obligations incurred as a result of carrying out the Creditor Trustee's duties under the Creditor Trust and Plan.

(ee) **Creditor Trustee.** The trustee for the Creditor Trust to be appointed on the Effective Date pursuant to the Plan and the Creditor Trust Agreement.

(ff) **Cure Claim.** A Claim for any amount required to be paid under section 365(b)(1)(A) or 365(b)(1)(B) of the Bankruptcy Code as a result of the assumption of an executory contract or unexpired lease of a Debtor under a Final Order or the Plan.

(gg) **Cure Payment Objection.** A written pleading filed by the Holder of a Cure Claim that objects to the proposed cure amount set forth in the Cure Payment Schedule with respect to such Cure Claim and includes the legal and factual basis for such objection.

(hh) **Cure Payment Objection Deadline.** The first Business Day that is twenty (20) days after the date on which the Cure Payment Schedule is filed and served by the Debtors.

(ii) **Cure Payment Schedule.** The document that shall be filed with the Bankruptcy Court no later than five (5) Business Days prior to the Confirmation Hearing that identifies the amounts proposed by the Debtors to satisfy Cure Claims.

(jj) **D&O Claims.** Any and all Causes of Action that the Debtors or their Estates hold against any present or former officer or director of one of more of the Debtors serving in such capacity before the Petition Date arising out of acts and/or omissions relating to the individuals' employment by one or more of the Debtors or service on one or more of the Debtors' boards of directors, provided that D&O Claims shall not include any Debtors' Causes of Action against any current or former director or officer that is the subject of the releases and exculpations provided for under Section 9.4 of the Plan.

(kk) **Debtors.** The Debtors are Raser Technologies, Inc., Raser Technologies Operating Company, Inc, Raser Power Systems, LLC, RT Patent Company, Inc., Pacific Renewable Power, LLC, Western Renewable Power, LLC, Intermountain Renewable Power, LLC, Los Lobos Renewable Power, LLC, Columbia Renewable Power, LLC, Truckee Geothermal No. 1 SV-01, LLC, Truckee Geothermal No. 2, SV-04, LLC, Trail Canyon Geothermal No. 1 SV 02, LLC, Devil's Canyon Geothermal No. 1 SV-03, LLC, Thermo No. 1 BE-01, LLC, Thermo No. 2 BE-02, LLC, Thermo No. 3 BE-03, LLC, Cricket Geothermal No. 1 MI-01, LLC, Harmony Geothermal No. 1 IR-01, LLC, Lightning Dock Geothermal HI-01, LLC, and Klamath Geothermal No. 1 KL-01, LLC.

(ll) **DIP Financing Documents.** The agreements and other related documents pursuant to which the Sponsors extended secured, post-petition financing to the Debtors.

(mm) **Disallowed Claim.** A Claim or any portion thereof that: (i) has been disallowed pursuant to a Final Order; (ii) is Scheduled as zero or as contingent, disputed, or unliquidated and as to which no Proof of Claim or Administrative Claim has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any

Final Order of the Bankruptcy Court or otherwise deemed timely filed under applicable law or the Plan; (iii) is not Scheduled and as to which no Proof of Claim or Administrative Claim has been timely filed with the Bankruptcy Court or otherwise deemed timely filed under applicable law or the Plan; (iv) has been withdrawn by agreement of the Debtors and/or the Reorganized Debtors and the Holder thereof; (v) has been withdrawn by the Holder thereof; or (vi) has been disallowed by a provision of the Plan that provides that a Disputed Claim or Interest, as the case may be, shall not be an Allowed Claim.

(nn) **Disclosure Statement.** The disclosure statement relating to the Plan and any exhibits annexed thereto and any documents delivered in connection therewith, as the same may be amended from time to time by any duly authorized amendment or modification.

(oo) **Disputed Claim.** Any Claim (i) that the Debtors listed in their Schedules as disputed, contingent or unliquidated, or at zero (ii) that the Debtors did not list in their Schedules, (iii) to which a timely objection has been filed, which objection has not been withdrawn and has not been overruled or denied by a Final Order, provided, however, that a Claim shall not be a Disputed Claim to the extent it becomes an Allowed Claim or a Disallowed Claim, (iv) that may be disallowed under Section 502(d) of the Bankruptcy Code because the Holder of such Claim has received a demand from the Debtors for avoidance of a transfer or the recovery of property under Chapter 5 of the Bankruptcy Code, or (v) that may be subject to surcharge under Section 502(c) of the Bankruptcy Code if the Holder of such Claim has received a demand from the Debtors regarding such surcharge. For purposes of this provision, any application, motion, complaint or other pleading or paper filed with the Bankruptcy Court seeking to subordinate or dismiss a Claim or an Administrative Claim shall be deemed an objection thereto.

(pp) **Disputed Claims Reserve.** A segregated account or accounts into which the Reorganized Debtors or the Creditor Trustee, as applicable, shall deposit all amounts reserved for the Holders of Disputed Claims in each Class under the Plan in accordance with Section 6.16 hereof.

(qq) **Distribution.** The distribution of Cash, Reorganized Raser Equity or other property, as the case may be, in accordance with the Plan.

(rr) **Effective Date.** If no stay of the Confirmation Order is in effect, the first Business Day after (i) the date all of the conditions precedent required under Section 1129(a) of the Bankruptcy Code to consummate the Plan have been satisfied and (ii) the earlier to occur of (A) the date on which the Debtors have filed a notice with the Bankruptcy Court identifying the Effective Date or (B) October 31, 2011.

(ss) **Estates.** The estates created under Section 541 of the Bankruptcy Code in the Cases.

(tt) **Evergreen Financing Documents.** That certain Letter Agreement dated October 27, 2010, by and among Raser, Debtor Raser Power Systems, LLC and Evergreen LLC and the related Secured Promissory Note.

(uu) **Evergreen-FE.** Evergreen-FE Lightning Dock, LLC.

(vv) **Evergreen-FE Promissory Note.** A secured promissory note made by Reorganized Los Lobos in the original principal amount of \$3.25 million and payable to Evergreen-FE, a true and correct copy of which is annexed hereto as Exhibit 6.4. The Evergreen-FE Promissory Note shall (i) be paid from all excess cash generated by the Lightning Dock Project Entity, (ii) accrue interest at a rate equal to the lowest rate per annum necessary to avoid the imputation of interest under the Internal Revenue Code of 1986, which interest shall be payable in kind during the term of the note, (iii) be secured by the Lightning Dock Collateral in accordance with Evergreen-FE Security Agreement, (iv) mature on the fifth anniversary of the Effective Date, provided, that in the event Reorganized Debtor Los Lobos, LLC fails to make a payment to Evergreen-FE of \$500,000 from the proceeds of the sale of the collateral contemplated by Section 6.4(a)(iv) of the Plan or otherwise, the obligations under the Evergreen-FE Promissory Note shall mature on the fourth anniversary of the Effective Date, and (iv) have such other customary terms and conditions as are reasonably agreed upon by Reorganized Los Lobos, the Sponsors and Evergreen-FE.

(ww) **Evergreen-FE Security Agreement.** A security agreement granting to Evergreen-FE a first-priority security interest in the Lightning Dock Collateral as collateral security for the obligations evidenced by the Evergreen-FE Promissory Note, which lien shall be released by Evergreen-FE upon the payment of the sum of \$500,000 from the proceeds of the sale of the Lightning Dock Collateral contemplated by Section 6.4(a)(iv) of the Plan or otherwise; provided, however, that if (i) an event of default (under and as defined in the Evergreen-FE Promissory Note) has occurred and continues for thirty (30) days following written notice from Evergreen-FE to Reorganized Los Lobos and (ii) Reorganized Los Lobos fails to prepay in the aggregate (together with previous prepayments in respect of sales of Lightning Dock Collateral) at least \$500,000 of the indebtedness under the Evergreen-FE Promissory Note during such thirty (30) day period, then Evergreen-FE may, to the extent permitted under the terms of the Evergreen-FE Security Agreement, commence foreclosure proceedings and retain and apply all of the proceeds of such foreclosure proceedings against the indebtedness outstanding under the Evergreen-FE Promissory Note.

(xx) **Evergreen-FE Settlement.** The settlement of certain disputes between the Debtors, the Sponsors and Evergreen-FE, which settlement is embodied in Section 6.4 of the Plan.

(yy) **Executory Contract.** Any executory contract or unexpired lease, subject to section 365 of the Bankruptcy Code, between the Debtors and any other Person or Persons, but specifically excluding all of the contracts and agreements entered into after the Petition Date and/or pursuant to the Plan.

(zz) **Final DIP Order.** The *Final Order (I) Approving Debtor-In-Possession Financing Pursuant to 11 U.S.C. §§ 105(a), 362, and 364 and Fed. Bankr. P. 2002, 4001 and 9014 and Local Bankruptcy Rule 4001-2; (II) Authorizing Use of Cash Collateral Pursuant to 11 U.S.C. §§ 105, 361, 362 and 363 of the Bankruptcy Code; (III) Granting Adequate Protection and Superpriority Administrative Claims; and (IV) Granting Related Relief*, entered by the Bankruptcy Court on June 2, 2011.

(aaa) **Final Order.** An order or judgment entered by the Bankruptcy Court or other court of competent jurisdiction, that that has not been reversed, rescinded, stayed, modified or amended, that is in full force and effect, and with respect to which: (1) the time to appeal, seek review or rehearing, or petition for certiorari has expired (other than under Bankruptcy Rule 9024 and/or Federal Rule of Civil Procedure 60) and no timely filed appeal or petition for review, rehearing or remand or certiorari is pending; (2) any right to appeal, seek review or rehearing, petition for certiorari has been waived in writing; and (3) any appeal taken or petition for certiorari filed has been resolved by the highest court to which the order or judgment was appealed or from which review, rehearing or certiorari was sought. Notwithstanding, and in lieu of the foregoing, insofar as the Confirmation Order confirming the Plan is concerned, Final Order means only such order or judgment which has been entered on the docket and as to which no stay is in effect.

(bbb) **Holder.** The beneficial holder of a Claim or Interest and, when used in conjunction with a Class or type of Claim or Interest, means a beneficial holder of a Claim or Interest in such Class or of such type.

(ccc) **Insurance Claim:** Any Claim against a Debtor that the Debtors assert is payable, in whole or in part, under any Insurance Policy.

(ddd) **Insurance Policy:** Any policy of insurance and any agreements relating thereto (i) that may be available to provide coverage for Claims against the Debtors or (ii) that is transferred pursuant to the Plan Support Agreement, including, but not limited to, statutorily mandated workers' compensation programs in effect on the Petition Date providing compensation, paid for by third parties, to employees of the Debtors for job-related injuries or job related illnesses, including, without limitation, those Insurance Policies identified on Exhibit 2.1(ddd) annexed hereto.

(eee) **Intercompany Claims:** Any Claim held by any of the Debtors against any other Debtor.

(fff) **Interest.** Any stock or other equity ownership interest in one or more of the Debtors and all dividends and distributions with respect to such stock or interest and all rights, options, warrants, or other rights to acquire any stock or other equity ownership interest in the Debtors as of the Petition Date.

(ggg) **Lien.** Shall have the meaning assigned to that term in section 101(37) of the Bankruptcy Code.

(hhh) **Lightning Dock Assigned Contracts.** The Executory Contracts to be assumed and assigned to the Sponsors under the terms and conditions set forth in Section 6.4(b) of the Plan and that are identified on Exhibit 6.4(b) annexed hereto.

(iii) **Lightning Dock Collateral.** The Assets owned by the Lightning Dock Project Entity that secures the obligations owed to Evergreen-FE under the terms of the Lightning Dock Financing Documents.

(jjj) **Lightning Dock Financing Documents.** That certain Letter Agreement dated October 1, 2010 by and between Debtor Los Lobos Renewable Power, LLC, Debtor Raser Power Systems LLC and the Lightning Dock Project Entity and Evergreen-FE Lightning Dock, LLC and the related Secured Promissory Note.

(kkk) **Lightning Dock Project Entity.** Debtor Lightning Dock Geothermal HI-01, LLC.

(lll) **Litigation LLC.** A limited liability company to be formed by the Reorganized Debtors for the purposes of pursuing certain litigation contributed to the Litigation LLC on the Effective Date pursuant to Section 6.5 of the Plan and the terms of the Operating Agreement of Litigation LLC, which (i) shall be in form reasonably acceptable to the Committee, and (ii) is annexed hereto as Exhibit 6.5. The terms of the LLC Operating Agreement shall provide (x) for periodic notice and consultation with the Creditor Trustee regarding the status of the prosecution and/or settlement of the PWPS Claims, and (y) that any settlement, if any, of the PWPS Claims shall be for cash or monetizable for a sum certain so that payout upon settlement is in a form reasonably acceptable to the Creditor Trustee.

(mmm) **Los Lobos.** Debtor Los Lobos, LLC.

(nnn) **Merrill Lynch.** Merrill Lynch, Pierce, Fenner & Smith Incorporated.

(ooo) **Merrill Lynch Financing Documents.** The agreements and other related documents, in each case as such agreements or documents have been amended from time to time, by and among Merrill Lynch, on the one hand, and Raser and the ML Debtors on the other, including *inter alia* that certain Promissory Note dated February 16, 2010 in the original principal amount of \$24,500,000.

(ppp) **ML Unsecured Claims.** Unsecured Claims against the ML Debtors arising out of or in any way relating to the Merrill Lynch Financing Documents.

(qqq) **ML Debtors.** Raser, Debtor Raser Power Systems, LLC, Debtor RT Patent Company, Inc., Debtor Western Renewable Power, LLC, Debtor Intermountain Renewable Power, LLC and Debtor Columbia Renewable Power, LLC, each of which is obligated under the Merrill Lynch Financing Documents.

(rrr) **Motion to Terminate Exclusivity.** The *Emergency Motion to Approve an Order (I) Pursuant to 11 U.S.C. Sections 105(a) and 1121(d), Terminating the Exclusive Periods as to Lightning Dock and (II) Pursuant to 11 U.S.C. Sections 105(a) and 1125, Delaying Solicitation with Respect to the Joint Plan of Reorganization of Raser Technologies, Inc. and Its Affiliated Debtors as it Relates to Lightning Dock, If and When the Disclosure Statement with Respect Thereto is Approved Filed by Evergreen-FE Lightning Dock, LLC*, filed by Evergreen-FE on June 25, 2011.

(sss) **Net Raser Proceeds.** The greater of (i) all distributions made to the Reorganized Debtors from the Litigation LLC that do not constitute a return of capital contributed by the Reorganized Debtors to the Litigation LLC to fund the litigation and similar costs and expenses associated with pursuing and recovering upon the PWPS Claims, and (ii)

fifty-percent (50%) of an amount equal to (A) the total proceeds of the PWPS Claims, whether obtained by settlement, judgment or otherwise, less (B) all litigation and similar costs and expenses associated with pursuing and recovering upon the PWPS Claims. For the avoidance of doubt, the Net Raser Proceeds shall not be payable from amounts payable to holders of Class B membership interests under Article VI of the Plan and do not and shall not affect the Class B membership interests of the Litigation LLC.

(ttt) **Opt-Out Unsecured Claim.** Any Unsecured Claim against any Debtor for which the Holder of such Claim properly made the Creditor Opt-Out Election.

(uuu) **Other Secured Claims.** Any Secured Claim that is not a Secured Claim classified in Classes 2, 3, 4 or 5.

(vvv) **Person.** An individual, corporation, partnership, limited liability company, association, joint stock company, joint venture, estate, trust, unincorporated organization, government or any political subdivision thereof or other entity.

(www) **Petition Date.** April 29, 2011, the date on which the Debtors filed their voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court.

(xxx) **Plan.** This Third Amended Joint Plan of Reorganization of Raser Technologies, Inc. and its Affiliated Debtors, dated as of the date on the cover page hereof and proposed by the Debtors, as the same may be amended or modified from time to time, including all exhibits and schedules hereto.

(yyy) **Plan Advisory Committee.** The Plan Advisory Committee contemplated and appointed in accordance with the Creditor Trust Agreement.

(zzz) **Plan Supplement.** That certain compilation of documents and forms of documents, schedules and exhibits related to, or referred to in, the Plan to be filed no later than five (5) Business Days before Confirmation Hearing, as such compilation may be amended, supplemented or modified from time to time in accordance with the terms hereof and the Bankruptcy Code and Bankruptcy Rules.

(aaaa) **Plan Support and Restructuring Agreement.** That certain Plan Support and Restructuring Agreement, dated April 28, 2011, by and among the Debtors, the Sponsors and the Thermo Lenders as the same may be amended or modified from time to time.

(bbbb) **Post-Confirmation Financing Documents.** A \$3.0 million two-year senior, secured convertible (preferred voting) term loan facility on terms and conditions acceptable to the Debtors.

(cccc) **Prepetition Lender.** Linden Capital L.P., as the lender under the Bridge Facility.

(dddd) **Priority Claims.** All Priority Non-Tax Claims and all Priority Tax Claims.

(eeee) **Priority Non-Tax Claims.** All Claims that are entitled to priority pursuant to section 507(a) of the Bankruptcy Code and that are not Administrative Claims or Priority Tax Claims.

(ffff) **Priority Tax Claim.** Any Claim for an amount entitled to priority under section 507(a)(8) of the Bankruptcy Code.

(gggg) **Professionals.** Any Person employed by the Debtors and/or the Committee pursuant to a Final Order in accordance with sections 327, 328 or 1103 of the Bankruptcy Code. This definition excludes professionals that may be selected and employed by the Reorganized Debtors on and after the Effective Date with respect to services rendered by such professionals on and after the Effective Date and any professionals retained by the Sponsors or the Thermo Lenders that are entitled to be paid under the DIP Financing Documents.

(hhhh) **Professional Fee Claim.** All fees and expenses claimed by Professionals retained by the Debtors and the Committee that have been approved on a final basis by a Final Order.

(iiii) **Proof of Claim.** Any written statement filed under oath in the Cases by the Holder of a Claim, other than an Administrative Claim, which statement (1) conforms substantially to Official Form 10, (2) states the amount and basis of such Holder's Claim, and (3) attaches or sufficiently identifies all documentation evidencing or otherwise supporting the Claim.

(jjjj) **Purchase Price.** The consideration to be provided by the Sponsors to the Debtors in exchange for (a) 100% of the Reorganized Raser Equity, (b) the Contingent Payment Certificates, and (c) in the event that the Lightning Dock Project Entity is removed from the Plan as contemplated by Section 6.4(b) of the Plan, the Lightning Dock Assigned Contracts, each to be distributed pursuant to the Plan, which consideration shall consist of the following: (i) a credit in the amount of all obligations owed by each Reorganized Debtor to the Sponsors under the DIP Facility; plus (ii) a credit in the amount of all obligations owed by each Reorganized Debtor to the Prepetition Lender under the Bridge Facility; plus (iii) a Cash payment to the Reorganized Debtors in the amount of \$2.5 million; plus (iv) the consideration to be provided pursuant to the Post-Confirmation Financing Documents; plus (v) the following being contributed by the Sponsors on the Effective Date: (a) the initial contribution to the Creditor Trust, (b) the initial contribution to the Litigation LLC, (c) the amounts necessary to fund the Convenience Class Fund, and (d) the amounts necessary to fund payments to Creditors that make the Cash Election.

(kkkk) **PWPS Claims.** The claims, rights, counter claims and all other rights of the Debtors in respect of actions and events occurring prior to the Petition Date against Pratt & Whitney Power Systems, Inc., UTC Power, Inc. ("UTCP"), or any of their affiliates (as such term is defined in section 101(2) the Bankruptcy Code), whether sounding in tort, contract or otherwise, including without limitation any claims, rights, or counter claims arising from or in any way related to (i) that certain Sourcing and Development Agreement, dated as of April 6, 2007, between UTCP and Raser, (ii) that certain Purchase Contract, dated August 31, 2008, between UTCP and the Thermo 1 Project Entity, (iii) that certain Step-In and Standstill

Agreement, dated as of August 31, 2008, between the Thermo 1 Project Entity, Raser and UTCP, (iv) that certain Service Agreement, dated August 31, 2008, between UTCP and the Thermo 1 Project Entity, (v) that certain Reimbursement Agreement, dated as of August 31, 2008, between Raser and UTCP, or (vi) any related agreements, in each case as such agreements may have been amended from time to time.

(llll) **Raser.** Debtor Raser Technologies, Inc.

(mmmm) **Ratable Portion.** With respect to any Distribution on account of Allowed Claims in any Class or Classes, a ratio (expressed as a percentage) equal to the amount of that an Allowed Claim in such Class bears to the aggregate amount of all Allowed Claims in such Class or Classes.

(nnnn) **Rejection Claim.** Any Claim for damages arising as a proximate result of the rejection of an Executory Contract under section 365 of the Bankruptcy Code.

(oooo) **Released Parties.** (i) Each of the Debtors; (ii) the Sponsors and Wilmington Trust, National Association (as successor to Wilmington Trust FSB), solely in its capacity as administrative agent under the DIP Financing Documents; (iii) Parsoon Opportunity Fund, Ltd., (iv) the Committee and its members, solely in their capacity as such; (v) the Creditor Trustee and Plan Advisory Committee; (vi) Kraig Higginson; (vii) Brent Cook; (viii) Alan Perriton; (ix) Martin Petersen; (x) John A. Sullivan; (xi) Richard Clayton; and (xii) any member, officer, director or employee of, or attorney or other professional for the foregoing solely to the extent that such parties delineated in this (xii) served in such capacity on or after the Petition Date.

(pppp) **Reorganized Debtors.** The Debtors from and after the Effective Date.

(qqqq) **Reorganized Lightning Dock Equity.** The equity of the Reorganized Lightning Dock Project Entity.

(rrrr) **Reorganized Raser.** Raser Technologies, Inc. from and after the Effective Date.

(ssss) **Reorganized Raser Equity.** The equity of each of the Reorganized Debtors to be issued pursuant to the Plan to the Sponsors or their designees; provided, however, that the Reorganized Raser Equity shall not include the Reorganized Lightning Dock Equity in the event that the Lightning Dock Project Entity is removed from the Plan as contemplated by Section 6.4(b) of the Plan.

(tttt) **Reorganized Raser Note.** An unsecured promissory note in the original principal amount of \$5 million made by Reorganized Raser and payable to Merrill Lynch payable as follows: (a) \$2.5 million on the earlier of (i) December 31, 2014 and (ii) any date on which 100% of the Net Raser Proceeds received by the Reorganized Debtors exceed \$10 million, and (b) 100% of Net Raser Proceeds up to \$2.5 million, if any, on the date of receipt by the Reorganized Debtors of Net Raser Proceeds. The unsecured promissory note shall bear interest at an interest rate equal to the lowest rate per annum necessary to avoid the imputation of interest under the Internal Revenue Code of 1986, as amended (the “Interest Rate”), provided, that no

interest shall accrue or become payable on the portion of the unsecured promissory note referred to in clause (b) of the immediately preceding sentence unless and until such amounts become due and payable. In addition, the Reorganized Raser Note shall include such other documents as necessary (in the form to be agreed upon by Reorganized Raser and Merrill Lynch) to evidence the obligation of Reorganized Raser to pay to Merrill Lynch, Cash in an amount equal to fifty-percent (50%) of the difference of (x) the Net Raser Proceeds less (y) \$15 million, promptly following the Reorganized Debtors' receipt of such amount. Amounts under the Reorganized Raser Note not paid when due shall bear interest at the rate equal to two-percent (2%) in excess of the Interest Rate, and such interest shall be payable on demand. For the avoidance of doubt, the Reorganized Raser Note shall not affect the Class B membership interests of the Litigation LLC and any distributions payable to the Class B membership interests in accordance with Article VI of this Plan.

(uuuu) **Schedules.** The schedules of assets and liabilities filed by the Debtors pursuant to Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007(b), as they may be amended from time to time.

(vvvv) **Section 503(b)(9) Claim.** Any claim that is entitled to priority treatment pursuant to Section 503(b)(9) of the Bankruptcy Code.

(www) **Secured Claim.** Any Claim that is secured by a valid and unavoidable lien on property in which the Estates have an interest, or that is subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code to the extent of the value of the Holder's interest in the Estates' interest in such property, or to the extent of the amount subject to setoff, as applicable, as determined by the Bankruptcy Court pursuant to sections 506(a), 553, and/or 1129 (b)(2)(A)(i)(II), as applicable.

(xxxx) **Sponsors.** Linden Capital L.P., Tenor Opportunity Master Fund, Ltd., and Aria Opportunity Fund, Ltd., provided, however, that to the extent the Plan imposes an obligation upon the Sponsors, such obligation may be assigned to and performed by an affiliate, subsidiary or managed fund of the foregoing or of Linden Advisors L.P. or Tenor Capital Management Company, LP.

(yyyy) **Subordinated Securities Law Claims.** Any Claim that is subject to subordination under Section 510(c) of the Bankruptcy Code.

(zzzz) **Subsidiary Debtors.** Each of the Debtors other than Raser, the Thermo 1 Project Entity and the Lightning Dock Project Entity.

(aaaaa) **Thermo 1 Financing Documents.** The documents and agreements, in each case as such agreements or documents may have been amended from time to time, pursuant to which the Thermo 1 Project Entity borrowed the original principal amount of \$31,175,092.00, including (i) that certain Promissory Note dated as of August 31, 2008 in the original principal amount of \$31,175,092.00, (ii) that certain Credit Agreement, dated as of August 31, 2008, among the Thermo 1 Project Entity and the Thermo Lenders, (iii) that certain Deed of Trust, Leasehold Deed of Trust, Security Agreement, Financing Statement, Fixture Filing and

Assignment of Production, dated as of August 31, 2008, (iv) that certain Account and Security Agreement, and (v) other documents and agreements related thereto.

(bbbbb) **Thermo 1 Project Entity.** Debtor Thermo No. 1 BE-01, LLC.

(ccccc) **Thermo Lenders.** The Prudential Insurance Company of America and Zurich American Insurance Company, as lenders under the Thermo 1 Financing Documents, and Deutsche Bank Trust Company Americas, as administrative and collateral agent, and each of the affiliates, officers, directors, employees, advisors, counsel, agents, attorneys-in-fact, controlling persons and the successors of any of the foregoing in their capacity as such.

(ddddd) **Thermo Lenders Pay Down.** A payment of \$6.0 million that was made to the Thermo Lenders upon the final approval of the DIP Facility from the proceeds of the DIP Facility, plus payment and/or reimbursement of the reasonable, documented out-of-pocket attorneys' fees and expenses incurred by the Thermo Lenders and any reasonable outstanding attorneys fees and expenses of the Thermo Lenders that remain unpaid.

(eeee) **Unclassified Claim.** A Claim that is not classified under the Plan, viz., Administrative Claims and Priority Tax Claims.

(fffff) **Unsecured Claim.** Any Claim against any Debtor that is (i) not a Secured Claim, provided that Unsecured Claims shall include, without limitation, any Claim secured by an interest in property of the Estates to the extent such Claim exceeds the value, as determined by the Bankruptcy Court pursuant to sections 506(a), 553, and/or 1129(b)(2)(A)(ii)(II) of the Bankruptcy Code, of the Holder's interest in the Estates' interest in property of the Estates securing such Claim, (ii) not a Priority Claim, (iii) not an Administrative Claim, (iv) not a Convenience Claim, (v) not a Claim subject to subordination pursuant to Section 510(b) of the Bankruptcy Code, or (vi) not a Subordinated Securities Law Claim.

(ggggg) **U.S. Trustee.** The Office of the United States Trustee.

2.2 **Other Terms.** The words "herein," "hereof," "hereto," "hereunder" and others of similar import refer to the Plan as a whole and not to any particular article, section or clause contained in the Plan. A reference to an "Article" refers to an Article of the Plan. A term used herein that is not defined herein shall have the meaning ascribed to that term, if any, in or by the Bankruptcy Code. The rules of construction set forth in section 102 of the Bankruptcy Code shall apply in construing the Plan.

2.3 **Time Periods.** In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply. If any act under the Plan is required to be made or performed on a date that is not a Business Day, such act shall be deemed to have been completed as of the required date if it is completed on the next Business Day.

2.4 **Undefined Terms.** Terms used herein but not defined above shall have the meanings assigned to them, if any, in the Bankruptcy Code and/or the Bankruptcy Rules.

2.5 **Exhibits.** All exhibits to the Plan are incorporated by reference and made a part of the Plan as if set forth in full herein.

ARTICLE III
CLASSIFICATION OF CLAIMS AND INTERESTS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified and are excluded from the following Classes. Article IV describes the treatment of Administrative Claims and Priority Tax Claims. For the purposes of the Plan, Holders of Claims against, or Interests in, the Debtors are classified as follows in accordance with section 1122(a) of the Bankruptcy Code:

3.1 **Class 1 – Priority Non-Tax Claims.** Class 1 consists of all Allowed Priority Non-Tax Claims.

3.2 **Class 2 – Thermo 1 Secured Claims.** Class 2 consists of all Allowed Secured Claims and that are secured by Liens on any Assets of the Thermo 1 Project Entity, which Liens were granted pursuant to (a) the Thermo 1 Financing Documents, and/or (b) any other related documents or agreements.

3.3 **Class 3 – Raser Power Secured Claims.** Class 3 consists of all Allowed Secured Claims that are secured by Liens on any Assets of Debtor Raser Power Systems, LLC, which Liens were granted pursuant to (a) the Evergreen Financing Documents, and/or (b) any other related documents or agreements.

3.4 **Class 4 – Bridge Facility Secured Claims.** Class 4 consists of all Allowed Bridge Facility Secured Claims.

3.5 **Class 5 – Lightning Dock Secured Claims.** Class 5 consists of all Allowed Secured Claims that are secured by Liens on any Assets of the Lightning Dock Project Entity, which Liens were granted pursuant to (a) the Lightning Dock Financing Documents, and/or (b) any other related documents or agreements.

3.6 **Class 6 – Other Secured Claims.** Class 6 consists of all Allowed Other Secured Claims, if any.

3.7 **Class 7(a) – General Unsecured Claims Against Raser.** Class 7(a) consists of all Allowed General Unsecured Claims against Raser (i) that are not Convenience Class Claims, (ii) with respect to which the Holder of such Claim has not made either the Creditor Opt-Out Election or the Cash Election, and (iii) that are not ML Unsecured Claims.

3.8 **Class 7(b) – General Unsecured Claims Against Thermo 1 Project Entity.** Class 7(b) consists of all Allowed General Unsecured Claims against the Thermo 1 Project Entity (i) that are not Convenience Class Claims, and (ii) with respect to which the Holder of such Claim has not made either the Creditor Opt-Out Election or the Cash Election.

3.9 **Class 7(c) – General Unsecured Claims against Lightning Dock Project Entity.** Class 7(c) consists of all Allowed General Unsecured Claims against the Lightning

Dock Project Entity (i) that are not Convenience Class Claims, and (ii) with respect to which the Holder of such Claim has not made either the Creditor Opt-Out Election or the Cash Election.

3.10 **Class 7(d) – ML Unsecured Claims against ML Debtors.** Class 7(d) consists of all Allowed ML Unsecured Claims against the ML Debtors with respect to which the Holder of such Claim has not made the Creditor Opt-Out Election.

3.11 **Class 7(e) – General Unsecured Claims Against Subsidiary Debtors.** Class 7(e) consists of all Allowed General Unsecured Claims against the Subsidiary Debtors (i) that are not Convenience Class Claims, (ii) with respect to which the Holder of such Claim has not made either the Creditor Opt-Out Election or the Cash Election, and (iii) that are not ML Unsecured Claims.

3.12 **Class 8 – Convenience Class Claims.** Class 8 consists of all Allowed Convenience Claims with respect to which the Holder of such Claim has not made the Creditor Opt-Out Election. To the extent necessary for purposes of Section 1129(a)(10) with respect to one or more of the Debtors, Convenience Class Claims against such Debtor or Debtors shall be considered to be a separate subclass or subclasses within Class 8, and each such subclass shall be deemed to be a separate Class for purposes of the Plan.

3.13 **Class 9 – Opt-Out Unsecured Claims.** Class 9 consists of all Opt-Out Unsecured Claims.

3.14 **Class 10 – Cash Election Unsecured Claims.** Class 10 consists of all Allowed Unsecured Claims (i) that are not Convenience Class Claims, either by definition or as a result of the Convenience Class Election having been made, (ii) with respect to which the Holder of such Claim has not made the Creditor Opt-Out Election, and (iii) with respect to which the Holder of such Claim has made the Cash Election.

3.15 **Class 11 – Subordinated Securities Law Claims.** Class 11 consists of all Allowed Subordinated Securities Law Claims.

3.16 **Class 12 – Interests in Raser.** Class 12 consists of all Interests in Raser.

3.17 **Class 13 – Interests in Subsidiary Debtors.** Class 13 consists of all Interests in the Debtors that are not Interests in Raser.

ARTICLE IV

TREATMENT OF ADMINISTRATIVE AND PRIORITY TAX CLAIMS

4.1 Administrative Claims.

(a) On the Effective Date, or as soon thereafter as is reasonably practicable, the Holder of each Administrative Claim that is an Allowed Claim, except for Professional Fee Claims, shall receive, in full and final satisfaction of such Holder's Allowed Claim, Cash in an amount equal to the unpaid portion of such Allowed Claim, or some other, less favorable treatment as is agreed upon by the Debtors or the Reorganized Debtors, as applicable, and the Holder of such Allowed Administrative Claim; provided, however, that Administrative Claims

for goods or non-professional services provided to the Debtors during the Cases in the ordinary course of the Debtors' business shall be paid or performed in accordance with the terms and conditions of the particular transactions and any agreements relating thereto.

(b) The Reorganized Debtors shall pay Professionals who are entitled to reimbursement or allowance of fees and expenses from the Estates, in Cash, in the amount awarded to such Professionals by Final Order of the Bankruptcy Court, as soon as practicable after the later of the Effective Date and the date upon which any order awarding fees and expenses becomes a Final Order, in accordance with the terms of any order entered by the Bankruptcy Court governing the payment of such fees and expenses. Any final application for allowance of a Professional Fee Claim must be filed with the Bankruptcy Court and served on counsel for the Debtors, the Committee and the Reorganized Debtors and the U.S. Trustee so that it is received no later than forty-five days after the Effective Date or such Professional Fee Claim shall be forever barred. Allowed Professional Fee Claims must be paid in full or reserved for in Cash pending allowance by the Bankruptcy Court prior to any payment to Holders of Allowed Unsecured Claims.

4.2 Priority Tax Claims. Unless a Final Order otherwise provides, on the Effective Date, or as soon thereafter as is reasonably practicable, each Holder of a Priority Tax Claim that is an Allowed Claim shall receive, at the discretion of the Reorganized Debtors, except to the extent such resolution relates to any such claims that may be payable as an Unsecured Claim or a Convenience Claim, in which case, with the consent of the Committee or Creditor Trustee, and in full and final satisfaction of such Holder's Allowed Claim, (a) cash in an amount equal to the unpaid portion of such Allowed Claim, (b) payment of such Allowed Claim over a period not to exceed five (5) years with interest, or (c) some other, less favorable treatment as is agreed upon by the Debtors or the Reorganized Debtors, as applicable, and the Holder of such Allowed Priority Tax Claim. Notwithstanding the foregoing, the Holder of an Allowed Priority Tax Claim shall not be entitled to receive any payment on account of any penalty for non-pecuniary loss arising with respect to or in connection with the Allowed Priority Tax Claim. Any Claim or demand for any such non-pecuniary penalty (a) will be subject to treatment as an Unsecured Claim or a Convenience Claim, if and to the extent an Allowed Claim, and (b) the Holder of an Allowed Priority Tax Claim shall not assess or attempt to collect such amounts from the Reorganized Debtor or the Assets except as an Unsecured Claim or a Convenience Claim, if and to the extent an Allowed Claim for non-pecuniary loss penalty arising with respect to or in connection with the Allowed Priority Tax Claim.

4.3 Full Settlement, Satisfaction, Discharge and Release. The payments, distributions and other treatment afforded to Holders of Allowed Administrative Claims and Allowed Priority Tax Claims under this Article IV shall be applied to the outstanding obligations and to the extent such Allowed Claims are paid in full shall be in full and complete settlement, satisfaction, discharge and release of such Allowed Claims.

ARTICLE V

TREATMENT AND IMPAIRMENT OF CLASSES

5.1 Class 1 – Priority Non-Tax Claims. The Holders of Allowed Claims in Class 1 shall receive (a) all amounts to which such Holder is entitled on account of such Allowed Claim

on the later of (i) the Effective Date, or as soon thereafter as is reasonably practicable, and (ii) the date when such Allowed Claim becomes due and payable according to its terms and conditions, or (b) such other, less favorable treatment as is agreed upon by the Debtors or the Reorganized Debtors, as applicable, and the Holder of such Allowed Priority Non-Tax Claim.

Class 1 is an unimpaired Class and conclusively deemed to have voted to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code.

5.2 Class 2 – Thermo 1 Secured Claims. In full and final settlement, satisfaction, discharge and release of all secured claims of the Thermo Lenders arising under the Thermo 1 Financing Documents, the Thermo Lenders shall receive the releases and indemnification provided for in Section 9.5 of the Plan, the Thermo Lenders Pay Down, to the extent not already paid in full, and the Thermo Lenders shall irrevocably and absolutely release and waive any and all remaining Claims against the Debtors and all Liens against Assets.

Class 2 is an impaired Class and is entitled to vote on the Plan.

5.3 Class 3 – Raser Power Secured Claims. At the sole option of the Reorganized Debtors, the Holder of the Allowed Class 3 Claim shall receive on the Effective Date or as soon thereafter as reasonably practicable (a) a new promissory note made by Reorganized Debtor Raser Power Systems, LLC, secured by a Lien on the Assets that constitute collateral security for such Class 3 Secured Claim and requiring payments having an aggregate present value equal to the value of such collateral security, (b) turnover of the property of the Estate that constitutes collateral security for such Allowed Class 3 Secured Claim, or (c) such other, less favorable treatment as is agreed upon by the Debtors or the Reorganized Debtors, as applicable, and the Holder of such Allowed Class 3 Claim.

Class 3 is an impaired Class and is entitled to vote on the Plan.

5.4 Class 4 – Bridge Facility Secured Claims. On the Effective Date, the Holders of the Allowed Class 4 Claims shall credit all outstanding obligations owed by the Debtors under the Bridge Facility as part of the Purchase Price.

Class 4 is an impaired Class and is entitled to vote on the Plan.

5.5 Class 5 – Lightning Dock Secured Claims. On the Effective Date, the Holder of the Allowed Class 5 Claims shall receive (a) in the event the Plan is confirmed with respect to the Lightning Dock Project Entity and (i) the conditions set forth in Section 6.4(a) of the Plan have been satisfied, the consideration provided for pursuant to the Evergreen-FE Settlement in Section 6.4(a) of the Plan, or (ii) the conditions set forth in Section 6.4(a) of the Plan have not been satisfied, the Lightning Dock Collateral, or (b) such other, less favorable treatment as is agreed upon by the Debtors or the Reorganized Debtors, as applicable, and the Holder of such Allowed Class 5 Claim.

Class 5 is an impaired Class and is entitled to vote on the Plan.

5.6 Class 6 – Other Secured Claims. At the sole option of the Reorganized Debtors, each Holder of an Allowed Class 6 Claim shall receive on the Effective Date or as soon

thereafter as reasonably practicable (a) Cash in amount equal to the amount of the Allowed Class 6 Secured Claim, (b) turnover of the Assets that constitute collateral security for such Allowed Class 6 Secured Claim, or (c) such other, less favorable treatment as is agreed upon by the Debtors or the Reorganized Debtors, as applicable, and the Holder of such Allowed Class 6 Claim.

Class 6 is an impaired Class and entitled to vote on the Plan.

5.7 Class 7(a) – General Unsecured Claims Against Raser. Each Holder of an Allowed Claim in Class 7(a) shall receive on the Effective Date (a) its Ratable Portion of (i) the interests in the Creditor Trust, and (ii) the Class B membership interests in the Litigation LLC, in each case taking into account the aggregate Allowed Claims in this Class 7(a) and Classes 7(b), 7(c) and 7(e) when determining such Ratable Portion, or (b) such other, less favorable treatment as is agreed upon by the Reorganized Debtors, in consultation with the Committee and/or Creditor Trustee, and such Holder.

Class 7(a) is an impaired Class and is entitled to vote on the Plan.

5.8 Class 7(b) – General Unsecured Claims Against Thermo 1 Project Entity. Each Holder of an Allowed Claim in Class 7(b) shall receive on the Effective Date (a) its Ratable Portion of (i) the interests in the Creditor Trust, and (ii) the Class B membership interests in the Litigation LLC, in each case taking into account the aggregate Allowed Claims in this Class 7(b) and Classes 7(a), 7(c) and 7(e) when determining such Ratable Portion, or (b) such other, less favorable treatment as is agreed upon by the Reorganized Debtors, in consultation with the Committee and/or Creditor Trustee, and such Holder.

Class 7(b) is an impaired Class and is entitled to vote on the Plan.

5.9 Class 7(c) – General Unsecured Claims Against Lightning Dock Project Entity. Each Holder of an Allowed Claim in Class 7(c) shall receive on the Effective Date (a) its Ratable Portion of (i) the interests in the Creditor Trust, and (ii) the Class B membership interests in the Litigation LLC, in each case taking into account the aggregate Allowed Claims in this Class 7(c) and Classes 7(a), 7(b) and 7(e) when determining such Ratable Portion, or (b) such other, less favorable treatment as is agreed upon by the Reorganized Debtors, in consultation with the Committee and/or Creditor Trustee, and such Holder.

Class 7(c) is an impaired Class and is entitled to vote on the Plan.

5.10 Class 7(d) – ML Unsecured Claims Against ML Debtors. Each Holder of an Allowed Claim in Class 7(d) shall receive on the Effective Date (i) the Reorganized Raser Note, and (ii) a release and waiver of any and all Causes of Action, including without limitation Avoidance Actions, against Merrill Lynch. For the avoidance of doubt, in no event shall Class 7(d) share in any distributions (A) from the Creditor Trust and/or (B) attributable to the holders of Class B membership interests in the Litigation LLC.

Class 7(d) is an impaired Class and is entitled to vote on the Plan.

5.11 Class 7(e) – General Unsecured Claims Against Subsidiary Debtors. Each Holder of an Allowed Claim in Class 7(e) shall receive on the Effective Date (a) its Ratable Portion of (i) the interests in the Creditor Trust, and (ii) the Class B membership interests in the Litigation LLC, in each case taking into account the Allowed Claims in Classes 7(a), 7(b) and 7(c) when determining such Ratable Portion, or (b) such other, less favorable treatment as is agreed upon by the Reorganized Debtors, in consultation with the Committee and/or Creditor Trustee, and such Holder.

Class 7(e) is an impaired Class and is entitled to vote on the Plan.

5.12 Class 8 – Convenience Claims. On the Effective Date, each Holder of an Allowed Claim in Class 8 shall receive (a) its Ratable Portion of the Convenience Class Fund, or (b) such other, less favorable treatment as is agreed upon by the Debtors or the Reorganized Debtors, as applicable, in consultation with the Committee and/or Creditor Trustee, and the Holder of such Allowed Claim.

Class 8 is an impaired Class and is entitled to vote on the Plan.

5.13 Class 9 – Opt-Out Unsecured Claims. Holders of Allowed Class 9 Claims shall receive no Assets or Distribution under the Plan on account of such Claims.

Class 9 is an impaired Class and conclusively deemed to have voted to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code.

5.14 Class 10 – Cash Election Unsecured Claims. On the Effective Date, each Holder of an Allowed Claim in Class 10 shall receive (a) a Cash Distribution equal to one percent (1%) of the face amount of such Allowed Class 10 Claim, or (b) such other, less favorable treatment as is agreed upon by the Debtors or the Reorganized Debtors, as applicable, and the Holder of such Allowed Claim.

Class 10 is an impaired Class and is entitled to vote on the Plan.

5.15 Class 11 – Subordinated Securities Law Claims. Holders of Allowed Class 11 Claims receive no Assets or Distribution under the Plan on account of such Claims.

Class 11 is an impaired Class and conclusively deemed to have voted to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code.

5.16 Class 12 – Interests in Raser. On the Effective Date, Class 12 Interests shall be cancelled and the Holders of such Interests shall receive no Assets or Distribution under the Plan on account of such Interests.

Class 12 is an impaired Class and conclusively deemed to have voted to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code.

5.17 Class 13 – Interests in Subsidiary Debtors. On the Effective Date, Interests in each of the Debtors (other than Interests held by Raser) shall be cancelled and the Holders of

such cancelled Interests shall receive no Assets or Distribution under the Plan on account of such Interests.

Class 13 is an impaired Class and conclusively deemed to have voted to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code.

5.18 Full Settlement, Satisfaction, Release and Discharge. The payments, Distributions and other treatment afforded to Holders of Allowed Claims and Interests under this Article V shall be the sole distributions to Holders of such Allowed Claims or Interests pursuant to the Plan and shall be in full, final settlement, satisfaction, release and discharge of such Allowed Claims and Interests.

ARTICLE VI

MEANS FOR IMPLEMENTATION OF THE PLAN

6.1 Privatization. On the Effective Date, the Reorganized Debtors shall take such steps as are necessary or advisable to reflect the cancellation of its publicly traded securities and its status as a privately owned company and to cease all public-company reporting.

6.2 Sale of the Reorganized Raser Equity. On the Effective Date, the Sponsors shall fund those portions of the Purchase Price that remain unfunded, and, in exchange for the Purchase Price, the Reorganized Debtors shall issue to the Sponsors (a) the Reorganized Raser Equity, (b) the Contingent Payment Certificates and (c) in the event that the Lightning Dock Project Entity is removed from the Plan as contemplated by Section 6.4(b) of the Plan, the Lightning Dock Assigned Contracts. The equity of the Reorganized Subsidiary Debtors shall be issued to Reorganized Raser or any other entity identified by the Reorganized Debtors; provided, however, that the Reorganized Lightning Dock Equity shall not be issued to Reorganized Raser or another entity identified by the Reorganized Debtors in the event that the Lightning Dock Project Entity is removed from the Plan as contemplated by Section 6.4(b) of the Plan.

6.3 Entry Into Post-Confirmation Financing Documents. Within ninety (90) days following the Effective Date, the Reorganized Debtors and the Sponsors shall execute and enter into the Post-Confirmation Financing Documents. In no event shall the Post-Confirmation Financing Documents provide for the encumbrance, incurrence of debt or other obligations against the Litigation LLC and/or Creditor Trust and/or any of the assets of the Litigation LLC and/or Creditor Trust.

6.4 Lightning Dock Transactions.

(a) **Consummation of Evergreen-FE Settlement.** Provided that Evergreen-FE has voted all Claims for which it is the Holder in favor of the Plan, on the Effective Date and in full and final settlement and resolution of (i) the pending appeal of the Final DIP Order, (ii) the Motion to Terminate Exclusivity, (iii) the *Objection of Evergreen-FE Lightning Dock, LLC to Debtors' Disclosure Statement with Respect to Joint Plan of Reorganization of Raser Technologies, Inc. and Its Affiliated Debtors*, dated July 19, 2011, and (iv) all other disputes between them, the Debtors or the Reorganized Debtors, as applicable, the Sponsors and Evergreen-FE shall engage in the following transactions:

- (i) the Class 7(c) Claim held by Evergreen-FE shall be an Allowed Claim in the face amount of \$3,604,544 plus accrued costs and fees as allowed under the terms of the Lightning Dock Financing Documents, and all other Evergreen-FE Claims shall be disallowed in their entirety;
- (ii) Reorganized Los Lobos shall execute and deliver to Evergreen-FE (i) the Evergreen-FE Promissory Note, and (ii) the Evergreen-FE Security Agreement;
- (iii) the Reorganized Lightning Dock Project Entity shall transfer and assign to Reorganized Los Lobos, free and clear of all Liens (other than the security interests granted under the Evergreen-FE Security Agreement) and Claims, the Lightning Dock Collateral;
- (iv) Reorganized Los Lobos shall make commercially reasonable efforts to sell the Lightning Dock Collateral and shall pay up to \$500,000 of the proceeds from such sale(s) to Evergreen-FE, which proceeds shall be applied to reduce the obligations of Reorganized Los Lobos under the Evergreen-FE Promissory Note;
- (v) Evergreen-FE shall assign to the Sponsors the right to receive any and all Distributions to which it is entitled under the Plan on account of its Allowed Class 7(c) Claims;
- (vi) 100% of the equity of the Reorganized Lightning Dock Project Entity shall be issued to Reorganized Los Lobos;
- (vii) Evergreen-FE, the Sponsors and the Reorganized Debtors shall take all necessary steps to dismiss, with prejudice, (i) the appeal of the Final DIP Order, and (ii) the Motion to Terminate Exclusivity; and
- (viii) the Reorganized Debtors, on behalf of the Debtors and the Estates, and the Sponsors, on the one hand, and Evergreen-FE, on the other, shall automatically, upon consummation of the Evergreen-FE Settlement, be deemed to mutually release each other from of all claims, rights, Causes of Action, including Avoidance Actions, the parties may hold against the others, other than releases of the parties' respective obligations under this Section 6.4(a).

The Evergreen-FE Promissory Note and the organizational documents of Los Lobos and Lightning Dock shall contain provisions to effect the intent of the Debtors, the Sponsors and Evergreen-FE that (i) any distributions of available cash flow by Reorganized Lightning Dock to Reorganized Los Lobos shall be used for the exclusive purpose of paying principal and accrued interest on the Evergreen-FE Promissory Note, (ii) the Evergreen-FE Promissory Note will be paid in full before Reorganized Raser, the Sponsors and/or their Affiliates receive any payments or distributions of any kind from Reorganized Lightning Dock in respect of their investments in Reorganized Lightning Dock as of the Effective Date, and (iii) cash in excess of \$1 million owned by

Reorganized Lightning Dock that remains unused and unbudgeted for use for three months shall be distributed to Reorganized Los Lobos to the extent permitted by the agreements governing the Project Financing (as defined below). In addition, such documents will provide (subject to customary or appropriate exceptions and baskets): that no indebtedness may be incurred by Reorganized Lightning Dock except in the form of bona fide project and equipment financing, on terms customary for the industry (the “Project Financing”); that the expenses incurred by Reorganized Lightning Dock for operations will be incurred in arms-length transactions on market terms or allocated in accordance with historical practices of the Debtors or in such other manner as shall be determined in good faith and on a reasonable basis by the board of directors of Reorganized Raser; that Reorganized Lightning Dock will be prohibited from entering into any transactions with the Sponsors, their Affiliates, any Affiliates of Reorganized Lightning Dock or other related parties other than ordinary course agreements relating to operations (including, without limitation, the Project Financing) on terms equal to or better than those it could obtain from third-parties, provided that the Project Financing may be provided by the Sponsors, their Affiliates, any Affiliates of Reorganized Lightning Dock or other related parties only with the prior consent of Evergreen-FE, which consent shall not be unreasonably withheld or delayed; that Reorganized Los Lobos and Lightning Dock will be prohibited from conveying any equity interests in Reorganized Lightning Dock, or from causing or agreeing to any other dilution or encumbrance of its interest in Reorganized Lightning Dock (other than in each case relating to the Project Financing for Reorganized Lightning Dock); and that Reorganized Los Lobos will be prohibited from incurring any indebtedness or pledging any of its assets (other than as contemplated directly above). The parties have agreed to meet periodically to discuss the possibility of converting the Evergreen-FE Promissory Note into an investment in Reorganized Lightning Dock

(b) **Assignment of Certain Executory Contracts and Leases and Sale of Appurtenant Property to Sponsors.** In the event that the Plan is not confirmed with respect to the Lightning Dock Project Entity for any reason, (a) the Lightning Dock Project Entity shall be removed from the Plan, (b) the Plan shall become effective with respect to each of the remaining Debtors in accordance with its terms, (c) the Plan shall constitute a motion by the Lightning Dock Project Entity to (i) assume and assign the Lightning Dock Assigned Contracts, including without limitation any related permits, to the Sponsors pursuant to section 365 of the Bankruptcy Code and (ii) sell any appurtenant property, other than Assets that constitute collateral under the Lightning Dock Financing Documents, to the Sponsors pursuant to section 363(f) of the Bankruptcy Code, and (d) the Confirmation Order shall provide that (i) as substitute consideration to the Sponsors in lieu of the Interests in the Reorganized Lightning Dock Equity, the Lightning Dock Project Entity shall be and is authorized and directed to assume and assign the Lightning Dock Assigned Contracts, including without limitation any related permits, and sell any appurtenant property, other than Assets that constitute collateral under the Lightning Dock Financing Documents, to the Sponsors or their designee in full and final satisfaction of the Lightning Dock Project Entity’s obligations under the DIP Financing Documents, and (ii) the Lightning Dock Project Entity’s obligations to the Sponsors under the terms of the DIP Facility and the Bridge Facility

shall remain in full force and effect until such time as the Confirmation Order has become a Final Order and the assumption and assignment of the Lightning Dock Assigned Contracts to the Sponsors has closed.

6.5 Formation of Litigation LLC.

(a) On the Effective Date, (i) the Litigation LLC shall be established in accordance with Delaware law for the limited purpose of prosecuting the PWPS Claims to judgment, settlement or other resolution pursuant to the terms of the Litigation LLC Operating Agreement annexed hereto as Exhibit 6.5, (ii) all of the Debtors' right, title and interests in the PWPS Claims shall be transferred to the Litigation LLC and shall vest in the Litigation LLC, free and clear of all Claims and Interests of any Person, (iii) the Reorganized Debtors shall contribute \$500,000 to the Litigation LLC, and (iv) the Litigation LLC shall issue (A) its Class A membership interests to the Reorganized Debtors, and (B) its Class B membership interests to Holders of Allowed Claims in Classes 7(a), 7(b), 7(c), and 7(e) in accordance with the Plan.

(b) Subject to the terms of the Litigation LLC Operating Agreement, the holder(s) of the Class A membership interests in the Litigation LLC shall be (i) entitled to exercise sole and absolute control over the prosecution and/or settlement of the PWPS Claims, (ii) obligated to fund through capital contributions all reasonable costs and expenses associated with the prosecution and/or settlement of the PWPS Claims, and (iii) entitled to distributions equal to seventy-percent (70%) of an amount equal the difference of (A) the gross proceeds recovered from the prosecution and/or settlement of the PWPS Claims, less (B) all capital contributions made by the Reorganized Debtors, including the initial \$500,000 contribution made upon the formation of the Litigation LLC.

(c) Subject to the terms of the Litigation LLC Operating Agreement, the holders of the Class B membership interests in the Litigation LLC shall be entitled to distributions equal to thirty-percent (30%) of an amount equal to the difference of (A) the gross proceeds recovered from the prosecution and/or settlement of the PWPS Claims, less (B) all capital contributions made by the Reorganized Debtors, including the initial \$500,000 contribution made upon the formation of the Litigation LLC.

(d) Subject to the terms of the Litigation LLC Operating Agreement, the Litigation LLC shall not make any distributions to the holders of Class A or Class B membership interests, whether from the proceeds of the prosecution and/or settlement of the PWPS Claims or otherwise, until such time as the Litigation LLC has returned to the Reorganized Debtors all capital contributions made to the Litigation LLC, which return shall not be withheld. Except as expressly provided for in the Plan or the Litigation LLC Operating Agreement, the Litigation LLC shall not take on any debt, grant any lien, claim or encumbrance on, or transfer any of its assets, or otherwise encumber, dilute, pledge, hypothecate, or take any other actions that will in any way directly or indirectly be deemed to or will dilute, transfer, encumber, sell, pledge, or otherwise diminish the assets of the Litigation LLC without the written consent of the Creditor Trustee.

(e) All distributions of dividends to Holders of the Class B membership interests shall be made by a disbursing agent jointly selected by the Reorganized Debtors and the Committee and/or Creditor Trustee.

6.6 **Creditor Trust.**

(a) *Formation of the Creditor Trust.*

(i) On or prior to the Effective Date, the Creditor Trust shall be created pursuant to the Creditor Trust Agreement and the Reorganized Debtors and Estates shall be deemed to have transferred and/or assigned all Avoidance Actions and D&O Claims to the Creditor Trust. The Creditor Trustee shall operate under the provisions of the Creditor Trust Agreement. The Creditor Trust shall be administered by the Creditor Trustee. The Committee shall designate the initial Creditor Trustee as provided in the Creditor Trust Agreement, which Creditor Trustee shall be and is appointed on the Effective Date and shall be compensated and otherwise bound by the terms of the Creditor Trust Agreement without further order of the Bankruptcy Court. The Creditor Trust Agreement shall be deemed approved and effective on the Effective Date subject to execution by the initial Creditor Trustee and the Debtors.

(ii) The Creditor Trustee shall sign the Creditor Trust Agreement and accept the Assets to be transferred to the Creditor Trust pursuant to such agreement and this Plan on behalf of the beneficiaries thereof, and the Creditor Trust will then be deemed created and effective without any further action of the Debtors or the employees, officers, directors, members, partners or shareholders of the Debtors. The Creditor Trust shall be established for the purpose of liquidating its assets and making post-Effective Date distributions under the Plan, with no objective to continue or engage in the conduct of a trade or business. The beneficiaries of the Creditor Trust shall be bound by the Creditor Trust Agreement. Interests in the Creditor Trust shall be uncertificated and shall be transferable subject, as applicable, to Bankruptcy Rule 3001(e) and any other provision of applicable law. The Creditor Trust shall have a term of five (5) years from the Effective Date, without prejudice to the rights of the Creditor Trustee to extend such term as applicable law shall allow.

(b) *Creditor Trust Agreement.* The Creditor Trust Agreement shall contain provisions customary to trust agreements utilized in comparable circumstances, including but not limited to, any and all provisions necessary to govern the rights, powers, obligations and appointment and removal of the Creditor Trustee and to ensure the treatment of the Creditor Trust as a liquidating trust for federal income tax purposes. In the event a provision of this Plan or Confirmation Order conflicts with a provision of the Creditor Trust Agreement, the provisions of the Creditor Trust Agreement shall control.

(c) *Selection of Creditor Trustee.* The Creditor Trustee shall be selected by the Committee prior to the Confirmation Date. The Creditor Trustee shall commence serving as the Creditor Trustee on the Effective Date; provided however, that the party appointed as Creditor Trustee shall be permitted to act in accordance with the terms of the Creditor Trust Agreement from the Confirmation Date through the Effective Date and shall be entitled to seek compensation in accordance with the terms of the Creditor Trust Agreement and this Plan.

(d) *Plan Advisory Committee.*

(i) On the Effective Date, the Plan Advisory Committee shall be appointed and shall adopt bylaws to govern the actions of the Plan Advisory Committee.

(ii) The Plan Advisory Committee shall consist of three members selected by the Committee from Holders of Allowed Unsecured Claims in Classes 7(a), 7(b), 7(c) or 7(e) who are willing to serve. The initial members of the Plan Advisory Committee shall be identified in the Plan Supplement. The composition of the Plan Advisory Committee after the Effective Date shall be governed by the Creditor Trust Agreement.

(iii) The fiduciary duties, as well as the privileges, immunities and protections, that applied to the Committee prior to the Effective Date shall apply to the Plan Advisory Committee after the Effective Date. The duties and powers of the Plan Advisory Committee shall terminate upon the termination of the Creditor Trust.

(iv) The Plan Advisory Committee's role shall be to advise and consult with the Creditor Trustee as more particularly set forth in the Creditor Trust Agreement. The Plan Advisory Committee shall have the rights and duties set forth in the Creditor Trust Agreement.

(v) The members of the Plan Advisory Committee shall serve without compensation, but will be reimbursed for their reasonable expenses from the Creditor Trust.

(e) *Creditor Trustee Employment and Powers.*

(i) The salient terms of the Creditor Trustee's employment, including the Creditor Trustee's duties and compensation, to the extent not set forth in the Plan, shall be set forth in the Creditor Trust Agreement. In general, the Creditor Trustee shall be the exclusive trustee of the Creditor Trust for the purposes of 31 U.S.C. § 3713(b) and 26 U.S.C. § 6012(b)(3), as well as the representative of the Estates appointed pursuant to § 1123(b)(3)(B) of the Bankruptcy Code solely for purposes of administering the Trust assets and carrying out its duties and obligations under the Creditor Trust Agreement and this Plan. The Creditor Trustee shall have fiduciary duties to beneficiaries of the Creditor Trust in the same manner that members of an official committee of creditors appointed pursuant to § 1102 of the

Bankruptcy Code have fiduciary duties to the creditor constituents represented by such a committee. The Creditor Trust Agreement shall specify the terms and conditions of the Creditor Trustee's compensation, responsibilities and powers.

(ii) The Creditor Trustee shall have all powers, authority and responsibilities specified in the Plan and the Creditor Trust Agreement, including, without limitation, the powers of a trustee under sections 704, 108, and 1106 of the Bankruptcy Code and Rule 2004 of the Bankruptcy Rules (including without limitation, commencing, prosecuting or settling Causes of Action transferred to the Creditor Trust, enforcing contracts, and asserting claims, defenses, offsets and privileges), to the extent not inconsistent with the status of the Creditor Trust as a liquidating trust within the meaning of Treasury Regulations 301.7701-4(d) for federal income tax purposes.

(f) *Actions against the Creditor Trustee.* Absent the express permission of the Bankruptcy Court, no judicial, administrative, arbitral, or other action or proceeding shall be commenced against the Creditor Trustee in its official capacity, with respect to its status, duties, powers, acts or omissions as Creditor Trustee in any forum other than the Bankruptcy Court. From and after the Effective Date, the Creditor Trustee and the Plan Advisory Committee and their professionals shall be exculpated by the Estates and all Holders of Claims or Interests from any and all claims or causes of action and assertions of liability arising out of their performance of the duties conferred upon them by the Plan, the Creditor Trust Agreement, or any orders of the Bankruptcy Court, except to the extent an act constitutes bad faith, gross negligence, willful misconduct, or actual fraud. No holder of a Claim or Interest or representative thereof shall have or pursue any claim or cause of action against the Creditor Trustee and the Plan Advisory Committee or their professionals for taking any action in accordance with the Plan, the Creditor Trust Agreement, or to implement the provisions of the Plan or any order of the Bankruptcy Court. Nothing in this provision shall be deemed to alter the provisions of the Creditor Trust Agreement.

(g) *Bond.* The Creditor Trustee shall not be required to post any bond or other undertaking.

(h) *Term and Compensation of the Creditor Trustee.*

(i) The Creditor Trustee shall be compensated in accordance with the terms of the Creditor Trust Agreement. The Creditor Trustee may be removed or replaced in accordance with the procedures set forth in the Creditor Trust Agreement.

(ii) In the event of the death or incompetency (in the case of a Creditor Trustee that is a natural person), dissolution (in the case of a Creditor Trustee that is a corporation or other entity), bankruptcy, insolvency or removal of the Creditor Trustee, a successor trustee may be appointed by the Plan Advisory Committee without further order of the Bankruptcy Court in accordance with the Creditor Trust Agreement.

(i) *Responsibilities of the Creditor Trustee.* The rights, duties and powers of the Creditor Trustee shall include the following, but in all cases shall be subject to and consistent with the terms of the Creditor Trust Agreement and this Plan:

(i) The Creditor Trustee shall succeed to all such powers as would have been applicable to the Debtors with respect to the Assets of the Debtors transferred to the Creditor Trust, and the Creditor Trustee shall be authorized to take all actions as the Creditor Trustee determines is in the best interests of the beneficiaries of the Creditor Trust.

(ii) The Creditor Trustee, in its reasonable business judgment, and in an expeditious but orderly manner, shall liquidate and convert to cash the Creditor Trust Assets and shall make all distributions in accordance with this Plan. The liquidation of the Creditor Trust Assets may be accomplished either through the sale of the Creditor Trust Assets (in whole or in combination), including the sale of Causes of Action, or through prosecution or settlement of any Causes of Action, or otherwise.

(iii) The Creditor Trustee shall be expressly authorized to do, among other things, the following:

(A) investigate, institute, prosecute, collect, compromise and settle any Causes of Actions transferred to the Creditor Trust in accordance herewith and without further approval or application to the Bankruptcy Court, except as otherwise provided herein, including prosecuting and/or settling Causes of Actions in any court of appropriate jurisdiction and participate as a party or otherwise in any administrative, arbitral or other non-judicial proceeding and litigate or settle such Causes of Action on behalf of the Debtors or the Estates, and/or to pursue such Causes of Actions to settlement or judgment;

(B) open and maintain bank accounts in the name of the Creditor Trust, draw checks and drafts thereon by the sole signature of the Creditor Trustee and terminate such accounts as the Creditor Trustee deems appropriate;

(C) make Distributions and take other actions consistent with this Plan and the implementation hereof, including the establishment, re-evaluation, adjustment and maintenance of appropriate reserves, in the sound discretion of the Creditor Trustee;

(D) collect and liquidate all assets of the Creditor Trust and to administer the winding-up of the Creditor Trust;

(E) approve the filing, prosecution, or objection to any Claims in Classes 7(a), 7(b), 7(c), 7(e), 8 or 10 (whether Disputed or otherwise), and to compromise or settle any such Claims prior to or after objection without supervision or approval of the Court, free of any restrictions of the Bankruptcy Code, the Bankruptcy Rules, and the guidelines and requirements of the U. S. Trustee, other than those restrictions expressly imposed by this Plan, and/or to seek Court approval for settlement of such Claims made after objection;

(F) retain or engage professionals, employees and consultants to the Creditor Trustee and to pay the fees and charges incurred by the Creditor Trustee and the Creditor Trustee's professionals, employees and consultants relating to the implementation of

this Plan without application to the Bankruptcy Court; provided, however, that if the Creditor Trustee and the Plan Advisory Committee do not agree on such fees and expenses, such parties can apply to the Bankruptcy Court for approval of such fees and expenses;

(G) take all other actions not inconsistent with the provisions of this Plan that the Creditor Trustee deems reasonably necessary or desirable with respect to administering this Plan;

(H) establish reserves as the Creditor Trustee deems appropriate to fund the Creditor Trust and to pay for the fees and expenses of the Creditor Trust's professionals and/or to invest Cash or moneys received by the Creditor Trust or otherwise held by the Creditor Trust; provided, however, that such investments are investments permitted to be made by a liquidating trust within the meaning of Treasury Regulation section 301.7701-4(d), as reflected therein, or under applicable IRS guidelines, rulings, or other controlling authorities;

(I) execute any documents, pleadings and take any other actions related to, or in connection with, the liquidation of the Assets transferred to the Creditor Trust pursuant to the Plan and the exercise of the Creditor Trustee's powers granted herein;

(J) enter into any agreement or execute any document required by or consistent with this Plan and perform all of the obligations thereunder;

(K) purchase and maintain all insurance policies and pay all insurance premiums and costs the Creditor Trustee deems necessary or advisable; or

(L) rise, appear, and be heard on any issue or matter relating to the Plan, the Creditor Trust, and/or otherwise carrying out its duties and obligations under the Creditor Trust and this Plan.

(j) *Valuation of Assets.* As soon as practicable after the Effective Date, the Creditor Trustee shall make a good faith determination of the fair market value of the Creditor Trust Assets. This valuation shall be used consistently by all parties (including, without limitation, the Debtors, the Creditor Trustee and the holders of beneficial interests in the Creditor Trust) for all federal and state income tax purposes.

(k) *Federal Income Tax Treatment of the Creditor Trust.* For federal income tax purposes, it is intended that the Creditor Trust be classified as a liquidating trust under section 301.7701-4 of the Treasury Regulations and that such trust be owned by its beneficiaries. Accordingly, for federal income tax purposes, it is intended that the beneficiaries be treated as if they had received a distribution from the Debtors' Estates of an undivided interest in each of the assets of the Creditor Trust and then contributed such interests to the Creditor Trust.

(l) *Creditor Trust Assets Treated as Owned by Holders of Allowed Claims.* For all federal income tax purposes, all parties (including, without limitation, the Debtors, the Creditor Trust, and the Holders of Allowed Claims in Classes 7(a), 7(b), 7(c) and 7(e)) shall treat the transfer of Assets to the Creditor Trust for the benefit of the Holders of Allowed Claims, as (i) a transfer of the assets of the Debtors' Estates directly to the Holders of Allowed Claims,

followed by (ii) the transfer by such Holders to the Creditor Trust of the assets of the Creditor Trust in exchange for beneficial interests in the Creditor Trust. Accordingly, the Holders of such Allowed Claims shall be treated for federal income tax purposes as the grantors and owners of their respective share of the assets of the Creditor Trust.

(m) *Tax Reporting.*

(i) The Creditor Trustee shall, to the extent required by applicable law, file returns for the Creditor Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a) and in accordance with this Section 6.6(m)(i). The Creditor Trustee also shall annually send, to the extent required by applicable law, to each holder of a beneficial interest a separate statement setting forth the holder's share of items of income, gain, loss, deduction or credit and will instruct all such holders to report such items on their federal income tax returns. The Creditor Trust's taxable income, gain, loss, deduction or credit will be allocated (subject to Section 6.16 of the Plan, relating to Disputed Claims) to the Holders of Allowed Claims in accordance with their relative beneficial interests in the Creditor Trust.

(ii) Notwithstanding anything else in the Plan, subject to definitive guidance from the Internal Revenue Service or a court of competent jurisdiction to the contrary, the Creditor Trust shall (i) treat any Disputed Claim Reserve, consisting of separate and independent shares to be established with respect to each Disputed Claim, in accordance with the trust provisions of the Tax Code (sections 641 et. seq.), (ii) treat as taxable income or loss of the Disputed Claims Reserve, with respect to any given taxable year, the portion of the taxable income or loss of the Creditor Trust that would have been allocated to the holders of Disputed Claims had such Claims been Allowed on the Effective Date (but only for the portion of the taxable year with respect to which such Claims are unresolved), (iii) treat as a distribution from the Disputed Claims Reserve any increased amounts distributed by the Creditor Trust as a result of any Disputed Claims resolved earlier in the taxable year, to the extent such distributions relate to taxable income or loss of the Disputed Claims Reserve determined in accordance with the provisions hereof, and (iv) to the extent permitted by applicable law, shall report consistent with the foregoing for state and local income tax purposes. All Holders of beneficial interests in the Creditor Trust shall report, for tax purposes, consistent with the foregoing.

(iii) The Creditor Trustee shall be responsible for payments solely out of the Creditor Trust assets and in no event individually, of any taxes, if any, imposed on the Creditor Trust or its assets, including the Disputed Claims Reserve. In the event, and to the extent, any Cash retained on account of Disputed Claims in the Disputed Claims Reserve is insufficient to pay the portion of any such taxes attributable to the taxable income arising from the assets allocable to, or retained on account of, Disputed Claims, such taxes shall be (i) reimbursed from any subsequent Cash amounts retained on account of Disputed Claims, or (ii) to the extent such Disputed Claims have subsequently been resolved, deducted from any amounts distributable by the Creditor Trustee as a result of the resolutions of such Disputed Claims.

(n) *Dissolution.* The Creditor Trustee shall be discharged and the Creditor Trust shall be terminated, at such time as (i) all Disputed Claims have been resolved, (ii) all of the assets of the Creditor Trust have been liquidated, (iii) all Distributions required to be made by the Creditor Trustee under the Plan and the Creditor Trust Agreement have been made, and

(iv) all appropriate tax filings have been completed, but in no event shall the Creditor Trust be dissolved later than five years from the Effective Date unless the Bankruptcy Court, upon motion within the six month period prior to the fifth anniversary (or the end of any extension period approved by the Bankruptcy Court), determines that a fixed period extension (to the extent allowed by applicable law) is necessary to facilitate or complete the recovery and liquidation of the assets of the Creditor Trust. Notwithstanding the foregoing, multiple extensions can be obtained so long as Bankruptcy Court approval is obtained within six (6) months prior to the expiration of each extended term; provided, however, that the aggregate of all such extensions shall not exceed three (3) years, unless the Creditor Trustee receives a favorable ruling from the IRS that any further extension would not adversely affect the status of the Creditor Trust as a liquidating trust within the meaning of Treasury Regulations 301.7701-4(d) for federal income tax purposes.

(o) *Resignation, Death or Removal of Creditor Trustee.* The Creditor Trustee may resign at any time upon 30 days' notice to the Bankruptcy Court, counsel to the Creditor Trustee, and the Plan Advisory Committee. Any party in interest, including the Plan Advisory Committee, may move for the removal of the Creditor Trustee for cause upon providing notice to counsel to the Creditor Trustee and the Plan Advisory Committee; provided, however, that if the Creditor Trustee or any other party in interest shall object to such removal within 20 days of such notice, such removal shall not be effective until approved by the Bankruptcy Court. The Plan Advisory Committee shall appoint a successor trustee as soon as practicable thereafter, and without further order of the Court. No successor Creditor Trustee hereunder shall in any event have any liability or responsibility for the acts or omissions of any of his or her predecessors. Every successor Creditor Trustee appointed pursuant hereto shall execute, acknowledge and deliver to the Bankruptcy Court an instrument in writing accepting such appointment hereunder, and thereupon such successor Creditor Trustee, without any further act, shall become fully vested with all of the rights, powers, duties and obligations of his or her predecessor. Notwithstanding any other provision in this Plan, upon the resignation or removal of a Creditor Trustee, a Creditor Trustee shall continue to serve in such capacity until such time as a successor Creditor Trustee is identified and accepts the appointment on substantially the terms as the resigning Creditor Trustee and notice is provided to the Court of such successor Creditor Trustee pursuant to this Section; provided, however, upon the death or incapacity of the Creditor Trustee, the Bankruptcy Court may approve the appointment of a new Creditor Trustee in accordance with the terms of the Creditor Trust Agreement.

6.7 Preservation of Budgeted Funds for Professional Fee Claims. In the event that the aggregate Allowed Professional Fee Claims related to the Committee's Professionals is less than \$375,00, the Reorganized Debtors shall transfer to the Creditor Trust from the proceeds of a final draw made under the DIP Financing Documents the difference between \$375,000 and the aggregate Allowed Professional Fee Claims related to the Committee's Professionals.

6.8 Vesting of Assets. As of the Effective Date, all Assets of each of the Debtors shall vest in the Reorganized Debtors free and clear of all Claims, Liens, and Interests, and all setoff and/or recoupment rights, except as otherwise specifically provided in the Plan or in the Confirmation Order and subject to such Assets' transfer, assignment or Distribution as provided for in the Plan, which includes the assignment of the PWPS Claims to the Litigation LLC and the Avoidance Actions and D&O Claims to the Creditor Trust.

6.9 Reserves.

(a) *Disputed Claims Reserve.*

(i) On the Effective Date, the Reorganized Debtors shall establish a claims reserve for all Administrative, Priority and Secured Claims that are Disputed Claims. The amount reserved for each Disputed Administrative Claim shall be based upon the Administrative Claim being the lower of (i) the amount set forth in the Administrative Claim filed by the Holder of such Claim, or if no Administrative Claim has been filed, the amount set forth for such Claim on the Debtors' books and records, and (ii) the estimated amount of such Claim for distribution purposes as determined by the Bankruptcy Court; provided however, that where a Creditor holds such Claims for which more than one Debtor is jointly and severally liable, the Reorganized Debtors shall contribute to the reserve on account of only one such Claim. The amount reserved for a Disputed Priority Claim or a Disputed Secured Claim shall be based upon such Claim being in the lower of (i) the amount set forth in the Proof of Claim, the Scheduled amount set forth for such Claim if it is non-contingent, liquidated and undisputed and (ii) the estimated amount of such Claim for distribution purposes as determined by the Bankruptcy Court; provided, however, that where a Creditor holds such Claims for which more than one Debtor is jointly and severally liable, the Reorganized Debtors shall contribute to the reserve on account of only one such Claim. After a Disputed Claim has been Disallowed or Allowed, the amount associated shall be released from the reserve pursuant to the terms of the Plan.

(ii) Prior to making any Distributions, the Reorganized Debtors shall establish a claims reserve for all Unsecured Claims in Classes 7(a), 7(b), 7(c), 7(e), 8 or 10 that are Disputed Claims or that are not to be paid at such Distribution. The amount reserved for each such Disputed Claim shall be the amount that would be distributed on account of such Claim if it was an Allowed Unsecured Claim in such Class based upon the Claim being the higher of (i) the amount set forth in the Proof of Claim, (ii) the Scheduled amount set forth for such Claim if it is non-contingent, liquidated and undisputed or (iii) the estimated amount of such Claim for distribution purposes as determined by the Bankruptcy Court. The Creditor Trustee shall administer the reserve following its establishment by the Reorganized Debtors. After a Disputed Claim has been Disallowed or Allowed, the amount associated shall be released from the reserve pursuant to the terms of the Plan and the Creditor Trust Agreement.

6.10 Corporate Action. On and after the Effective Date, the matters under the Plan involving or requiring corporate action of the Debtors or their subsidiaries, including, but not limited to, actions requiring the vote or other approval of the officers, members, board of directors or shareholders and execution of all documentation incident to the Plan, shall be deemed to have been authorized by the Confirmation Order and to have occurred and be in effect from and after the Effective Date without any further action by the Bankruptcy Court or the officers, members, directors or shareholders of the Debtors or their subsidiaries.

6.11 Dissolution of the Committee. On the Effective Date, the Committee, if any, shall dissolve automatically, whereupon its members, Professionals and agents shall be released from any further duties and responsibilities in these Cases and under the Bankruptcy Code, except that such parties shall continue to have a right to be heard with respect to any and all (i) applications for Professional Fee Claims; (ii) requests for compensation and reimbursement of

expenses by such parties pursuant to section 503(b) if applicable; (iii) any motions or other actions seeking enforcement or implementation of the provisions of the Plan or the Confirmation Order; and (iv) any matters pending on or prior to the Effective Date.

6.12 Preservation of All Causes of Action. Except as otherwise provided in the Plan, in accordance with the provisions of the Bankruptcy Code, including but not limited to section 1123(b) of the Bankruptcy Code, the Reorganized Debtors, Litigation LLC, or the Creditor Trustee, as applicable, shall be vested with, retain, and may exclusively enforce and prosecute any claims or Causes of Action, including without limitation Avoidance Actions, D&O Claims, and PWPS Claims, that the Debtors or the Estates may have against any Person or entity. Without further order of the Bankruptcy Court, the Reorganized Debtors, Litigation LLC, or the Creditor Trustee, as applicable, shall be substituted as the party in interest in all adversary proceedings pending on the Effective Date. Notwithstanding anything to the contrary herein, no Distribution shall be made to the Holder of any Claim, including by way of setoff or recoupment by such claimant, if the Debtors, the Reorganized Debtors, the Litigation LLC, or the Creditor Trustee, as applicable, have taken action to recover, or given notice to the applicable party of intent to take such action, on a Cause of Action against the Holder of such Claim (or the direct or indirect transferor of such Holder), until such Cause of Action is resolved.

The Creditor Trustee shall be and is granted the right under the Plan to pursue all Avoidance Actions and D&O Claims, and the Litigation LLC shall be and is granted the right under the Plan to pursue the PWPS Claims, in all cases, which rights are expressly preserved and survive confirmation of the Plan.

6.13 Assumption of Management Agreements. On the Effective Date, the Reorganized Debtors shall assume the management agreements with certain key managers of the Debtors, as such agreements may be amended to address issues associated with the conversion of Raser from a public to a private company.

6.14 Amendments to Certificate of Incorporation or Other Governing Documents. As of the Effective Date and except as otherwise provided herein, the Debtors' certificates of incorporation, by-laws, or similar governing documents, will be deemed amended to the extent required by section 1123(a)(6) of the Bankruptcy Code and to comply with any other provisions of the Plan and shall be set forth in the Plan Supplement.

6.15 Delivery of Distributions; Undeliverable Distributions.

(a) Subject to Section 6.15(c) of the Plan, Distributions to Holders of Allowed Claims shall be made (1) at the addresses set forth on the respective Proofs of Claim or requests for allowance of Administrative Claims filed by such Holders, (2) at the addresses set forth in any written notices of address change delivered to the Debtors or the Reorganized Debtors after the date of any related Proof of Claim, or (3) at the address reflected in the Debtors' Schedules if no Proof of Claim has been filed and the Debtors and the Reorganized Debtors have not received a written notice of a change of address.

(b) If the Distribution to the Holder of any Allowed Claim is returned to the Reorganized Debtors or the Creditor Trustee as undeliverable, no further distribution shall be

made to such Holder, and the Reorganized Debtors shall have no obligation to make any further distribution to the Holder, unless and until the Reorganized Debtors is notified in writing of such Holder's then current address. Subject to Section 6.15(c) of the Plan, the Reorganized Debtors shall retain undeliverable Distributions until such time as a Distribution becomes deliverable.

(c) Any Holder of an Allowed Claim that does not assert a Claim for an undeliverable Distribution within 180 days after the Distribution Date on account of such Claim shall no longer have any claim to or interest in such undeliverable distribution and shall be forever barred from receiving any distribution under the Plan and such amount shall become the property of the Reorganized Debtors, the Creditor Trust and/or the Litigation LLC as the case may be, and except with respect to the Convenience Class Fund, distributions to Class 7(a), Class 7(b), Class 7 (c) and Class 7 (e), and the Class B membership interests in the Litigation LLC, which undeliverable distributions shall revert back in all cases to the Creditor Trust to be further administered pursuant to the provisions of the Plan.

6.16 Disputed Claims.

(a) No payment or other Distribution or treatment shall be made on account of a Disputed Claim, even if a portion of the Claim is not disputed, unless and until such Disputed Claim becomes an Allowed Claim and the amount of such Allowed Claim is determined by a Final Order or, after the Effective Date, by written agreement between the Debtors, the Creditor Trustee with respect to Class 7(a), Class 7(b), Class 7(c), and Class 7(e), Class 8 and any unclassified tax claims that are payable, if any, as a Class 7 Claim, or the Reorganized Debtors, as applicable, and the Holder of the Claim. No Distribution or other payment or treatment shall be made on account of a Disallowed Claim at any time. All amounts on deposit from time to time in the Disputed Claims Reserve and all dividends, interest, and other earnings thereon, net of any applicable taxes and expenses, shall be held in trust for the exclusive benefit of Holders of Disputed Claims that subsequently become Allowed Claims and the Holders of Allowed Claims, until such time as all Allowed Claims have been paid the Distributions to which such Holders are entitled under the terms of the Plan.

(b) The Debtors (prior to the Effective Date) or the Reorganized Debtors (after the Effective Date) or the Creditor Trustee (solely with respect to Claims in Classes 7(a), 7(b), 7(c), 7(e), 8 or 10) may, at any time, and from time to time, request that the Bankruptcy Court estimate any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether an objection was previously filed with the Bankruptcy Court with respect to such Claim, or whether the Bankruptcy Court has ruled on any such objection, and 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 such objection. Any Final Order of the Bankruptcy Court that estimates a Disputed Claim pursuant to this Section 6.16(b) irrevocably shall constitute and be a conclusive and final determination of the maximum allowable amount of the Claim of such Creditor, should it become an Allowed Claim. Accordingly, the Holder of a Disputed Claim that is estimated by the Bankruptcy Court pursuant to this Section 6.16(b) shall not be entitled to any subsequent reconsideration or upward adjustment of the maximum allowable amount of such Claim as a result of any subsequent adjudication or actual determination of the allowed amount of such Disputed Claim or otherwise, and the Holder of such Claim shall not have recourse to the Debtors, the Reorganized Debtors,

the Creditor Trust, or any assets of the foregoing in the event the allowed amount of the Holder's Claim is at any time later determined to exceed the estimated maximum allowable amount. As soon as practicable after entry of an order estimating a Disputed Claim under section 502(c) of the Bankruptcy Code, the Reorganized Debtors shall deposit into the Disputed Claims Reserve the amount of cash or other consideration to be provided under the Plan to the Holder of the Disputed Claim as if the Disputed Claim were an Allowed Claim in its maximum allowable amount.

(c) Following the date on which a Disputed Claim becomes an Allowed Claim after the Effective Date, the Reorganized Debtors or the Creditor Trustee, as applicable, shall pay directly to the Holder of such Allowed Claim the amount provided for under the Plan. Conversely, following the date a Disputed Claim becomes a Disallowed Claim, any amounts held with respect to such Disallowed Claim shall become the sole property of the Reorganized Debtors or the Creditor Trust, as applicable.

(d) Unless otherwise provided in the Plan, after the Effective Date (i) the Reorganized Debtors will retain the exclusive right to object to Claims that are not classified in Classes 7(a), 7(b), 7(c), 7(e), 8, and 10, and (ii) the Reorganized Debtor, with the advice and consent of the Creditor Trustee, shall have the exclusive right to object to Claims in Classes 7(a), 7(b), 7(c), 7(e), 8, and 10, in each case for the purpose of having the Bankruptcy Court determine the amount and treatment of any Claim. On or before the date that is 180 days after the Effective Date or such other date as is set by the Bankruptcy Court, the Reorganized Debtors or the Creditor Trustee, as applicable, may file with the Court an objection to the allowance of any such Claim, or any other appropriate motion or adversary proceeding with respect thereto. All such objections may be litigated to Final Order; provided, however, that the Reorganized Debtors or the Creditor Trustee, as applicable, may compromise and settle, withdraw or resolve by any other method approved by the Bankruptcy Court any objections to such Claims, including, without limitation, in accordance with the provisions of the Plan.

(e) On or after the Confirmation Date, a Claim may not be filed or amended without the authorization of the Bankruptcy Court and, even with such Bankruptcy Court authorization, may be amended by the Holder of such Claim solely to decrease, but not to increase, the amount or priority. Unless otherwise provided herein, any new or amended Claim filed after the Confirmation Date shall be deemed disallowed in full and expunged without any action by the Debtors or Reorganized Debtors and shall be treated as such on the claims registry, unless the Claim Holder has obtained prior Bankruptcy Court authorization for the filing.

(f) Notwithstanding that the allowed amount of any particular Disputed Claim is reconsidered under the applicable provisions of the Bankruptcy Code and Bankruptcy Rules or is allowed in an amount for which there is insufficient Cash to provide a recovery equal to that received by other Holders of Allowed Claims in the relevant Class, no Claim Holder shall have recourse to the Debtors, the Reorganized Debtors, or any of their respective professionals, or their successors or assigns, or the Holder of any other Claim, or any of their respective property. However, nothing in the Plan shall modify any right of a Holder of a Claim under section 502(j) of the Bankruptcy Code. **THUS, THE COURT'S ENTRY OF AN ESTIMATION ORDER MAY LIMIT THE DISTRIBUTION TO BE MADE ON INDIVIDUAL DISPUTED CLAIMS, REGARDLESS OF THE AMOUNT FINALLY ALLOWED ON ACCOUNT OF SUCH**

DISPUTED CLAIMS.

6.17 Disbursement of Funds. The Reorganized Debtors or the duly appointed disbursing agent with respect to Class 7(a), Class 7(b), Class 7(c), Class 7(e), Class 8, and Class 10 shall make all distributions of Cash or other property required under the Plan, unless the Plan specifically provides otherwise. The Committee or Creditor Trustee shall be authorized to and shall designate the disbursing agent as provided for hereunder for Class 7(a), Class 7(b), Class 7(c), Class 7(e), Class 8, and Class 10. All cash and other property held for distribution under the Plan shall be held in trust for the exclusive benefit of the Holders of Allowed Claims and shall not be subject to any claim by any Person except as provided under the Plan. Notwithstanding anything contained herein to the contrary, Bank of New York Mellon, as Indenture Trustee for the Convertible Notes shall receive all Distributions made on account of the Bank of New York Mellon Proofs of Claim, and shall distribute such Distributions appropriately to Allowed Claims of the holders of the Convertible Notes thereunder.

6.18 Direction to Parties. From and after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may apply to the Bankruptcy Court for an order directing any necessary party to execute or deliver, or to join in the execution or delivery, of any instrument required to effect a transfer of property required under the Plan, and to perform any other act, including the satisfaction of any Lien, that is necessary for the consummation of the Plan, pursuant to section 1142(b) of the Bankruptcy Code, provided that such direction is in accordance with the Plan.

6.19 Setoffs. The Reorganized Debtors may, to the extent permitted under applicable law, setoff against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim, the claims, rights and causes of action of any nature (other than Causes of Action arising under Chapter 5 of the Bankruptcy Code) that the Debtors or the Reorganized Debtors may hold against the Holder of such Allowed Claim that are not otherwise waived, released or compromised in accordance with the Plan; provided, however, that neither such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Reorganized Debtors, Litigation LLC, and/or Creditor Trust of any such claims, rights and causes of action that the Debtors or the Reorganized Debtors possess against such Holder.

6.20 Payment of Statutory Fees. All fees payable on or before the Effective Date pursuant to section 1930 of title 28 of the United States Code shall be paid by the Debtors on or before the Effective Date. From and after the Effective Date, the Debtor and the Reorganized Debtors shall be jointly liable and shall pay the fees assessed against the Debtors' estate until such time as a particular case is closed, dismissed or converted. In addition, the Debtors and/or the Reorganized Debtors shall file post-confirmation quarterly reports in conformity with the U.S. Trustee guidelines until entry of an order closing or converting the cases

ARTICLE VII

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

7.1 Assumption of Certain Executory Contracts. Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement entered into in connection with the Plan, on the Effective Date, pursuant to section 365 of the Bankruptcy Code, the

Debtors will assume or assume and assign each of the Executory Contracts listed on Exhibit 7.1; provided, however, that the Debtors reserve the right, at any time prior to the Effective Date, to amend Exhibit 7.1 to (i) delete any Executory Contract listed therein, thus providing for its rejection pursuant to Section 7.2, or (ii) add any Executory Contract thereto, thus providing for its assumption pursuant to this Section 7.1. The Debtors will provide notice of any amendments to Exhibit 7.1 to the non-Debtor parties to the Executory Contracts affected thereby and to those parties entitled to notice pursuant to Bankruptcy Rule 2002. Each contract and lease listed on Exhibit 7.1 will be assumed only to the extent that such contract or lease constitutes an Executory Contract. Listing a contract or lease on Exhibit 7.1 will not constitute an admission by the Debtors or the Reorganized Debtors that the contract or lease is an Executory Contract or that the Debtors or the Reorganized Debtors have any liability thereunder.

7.2 Executory Contracts Rejected if Not Assumed. On the Effective Date, except for an Executory Contract that was previously assumed, assumed and assigned or rejected by an order of the Bankruptcy Court, or that is assumed or assumed and assigned pursuant to Section 7.1 above, each Executory Contract of every kind and nature entered into by the Debtors prior to the Petition Date that has not previously expired or terminated pursuant to its own terms prior to the Effective Date will be rejected pursuant to section 365 of the Bankruptcy Code, except: (i) any Executory Contract that is the subject of a separate motion to assume or reject filed pursuant to section 365 of the Bankruptcy Code by the Debtors before the entry of the Confirmation Order, provided, however, that upon denial or withdrawal of any such motion, such executory contract or unexpired lease shall automatically be deemed rejected as of the Effective Date; and (ii) any agreement, obligation, security interest, transaction or similar undertaking that the Debtors believe is not an Executory Contract that is later determined by the Bankruptcy Court to be an Executory Contract that is subject to assumption or rejection under section 365 of the Bankruptcy Code, which agreements shall be subject to assumption or rejection within thirty (30) days of any such determination. Any order entered after the Confirmation Date by the Bankruptcy Court, after notice and hearing, authorizing the rejection of an Executory Contract shall cause such rejection to be a prepetition breach under sections 365(g) and 502(g) of the Bankruptcy Code, as if such relief were granted and such order were entered prior to the Confirmation Date. The Confirmation Order will constitute an order of the Bankruptcy Court approving the rejection of the Executory Contracts as provided for by this Section 7.2, pursuant to section 365 of the Bankruptcy Code, as of the Effective Date.

7.3 Bar Date for Rejection Claims. If the rejection of any Executory Contract under the Plan gives rise to a Claim by the non-Debtor party or parties to such Executory Contract, such Claim, to the extent that it is timely filed and is an Allowed Claim, shall be classified in Classes 7(a), 7(b), 7(c), 7(d), 7(e), 8 or 10, as appropriate; provided, however, that the Unsecured Claim arising from such rejection shall be forever barred and shall not be enforceable against the Debtors, the Reorganized Debtors, their successors or properties, unless a proof of such Claim is filed and served on the Debtors or the Reorganized Debtors, as applicable, within thirty (30) days after the date of notice of the entry of the order of the Court rejecting the Executory Contract, which may include, if applicable, the Confirmation Order. To the extent Rejection Claims initially are Disputed Claims, but subsequently become Allowed Claims, the Reorganized Debtors shall pay such Rejection Claims in accordance with the Plan, but nothing herein shall constitute a determination that any such rejection gives rise to or results in a Claim or constitutes

a waiver of any objections to such Claim by the Debtors, the Reorganized Debtors or any party in interest.

7.4 Cancellation of Documents or Instruments Evidencing Claims and Interests.

Except as otherwise provided in the Plan, on the Effective Date, the promissory notes, share certificates (including treasury stock), other instruments evidencing any Claims or Interests, and all options, warrants, calls, rights, puts, awards, commitments, or any other agreements of any character to acquire such Interests shall be deemed canceled and of no further force and effect, without any further act or action under any applicable agreement, law, regulation, order, or rule, and the obligations of the Debtors under the notes, share certificates, and other agreements and instruments governing such Claims and Interests shall be discharged. The Holders of or parties to such canceled notes, share certificates, and other agreements and instruments shall have no rights arising from or relating to such notes, share certificates, and other agreements and instruments, or the cancellation thereof, except the rights provided pursuant to the Plan. Notwithstanding the foregoing, the Convertible Notes and the Indenture shall continue in effect solely for the purposes of: (i) allowing the Indenture Trustee to receive and make all Distributions pursuant to the Plan; (ii) permitting the Indenture Trustee to maintain any Lien or priority rights they may have pursuant to the Indenture against distributions or property held or collected by it for fees and expenses; and (iii) permitting, but not requiring, the Indenture Trustee to exercise its rights and obligations relating to the interests of the Holders pursuant to the applicable Indenture.

ARTICLE VIII
RETENTION OF JURISDICTION

8.1 General Scope of Jurisdiction. Following the Effective Date, the Bankruptcy Court shall retain jurisdiction over these Cases to the extent legally permissible, including without limitation, such jurisdiction as is necessary to ensure that the purposes and intent of the Plan are carried out.

8.2 Claims and Actions. The Bankruptcy Court shall retain jurisdiction (a) to classify, resolve objections to, and determine or estimate pursuant to section 502(c) of the Bankruptcy Code all Claims against, and Interests in, the Debtors and (b) to adjudicate and enforce all claims and Causes of Action owned by the Debtors, the Reorganized Debtors, Litigation LLC, or the Creditor Trust on the Effective Date.

8.3 Specific Jurisdiction. Without in any way limiting the scope of the Bankruptcy Court's retention of jurisdiction over these Cases as otherwise set forth in the Plan, the Bankruptcy Court shall retain jurisdiction for the following specific purposes:

(a) To determine all questions and disputes regarding title to the respective Assets of the Debtors, all causes of action, controversies, disputes or conflicts, whether or not subject to any pending action as of the Effective Date, between the Debtors, Litigation LLC, Creditor Trust, Creditor Trustee, Plan Advisory Committee, and any other party, including without limitation any Causes of Action and any right to recover Assets pursuant to the provisions of the Bankruptcy Code;

- (b) To modify the Plan after the Effective Date pursuant to the Bankruptcy Code, the Bankruptcy Rules, and applicable law;
- (c) To enforce and interpret the terms and conditions of the Plan and any documents referenced in the Plan, including, but not limited to the Litigation LLC Operating Agreement, the Creditor Trust Agreement and/or the Confirmation Order;
- (d) To enter such orders, including, but not limited to, such future injunctions as are necessary to enforce the respective title, rights and powers of the Reorganized Debtors, and to impose such limitations, restrictions, terms and conditions on such title, rights and powers as the Bankruptcy Court may deem necessary;
- (e) To enter a final decree closing the Cases;
- (f) To correct any defect, cure any omission or reconcile any inconsistency in the Plan or the Confirmation Order as may be necessary to implement the purposes and intent of the Plan;
- (g) To determine any and all objections to the allowance or classification of Claims;
- (h) To adjudicate all claims or controversies to a security or ownership interest in any of the Debtors' Assets or in any proceeds thereof;
- (i) To determine any and all applications for allowances of compensation and reimbursement of expenses and the reasonableness of any fees and expenses authorized to be paid or reimbursed under the Bankruptcy Code;
- (j) To determine any applications or motions pending on the Effective Date for the rejection, assumption or assumption and assignment of any Executory Contract and to hear and determine, and, if need be, to liquidate any and all Claims arising therefrom;
- (k) To determine any and all motions, applications, adversary proceedings and contested matters that may be pending on the Effective Date or filed thereafter, including, but not limited to all Causes of Action, including, the PWPS Claims, Avoidance Actions, and D&O Claims;
- (l) To remedy any defect or omission or reconcile any inconsistency in any order of the Bankruptcy Court to the extent authorized by the Plan or the Bankruptcy Court;
- (m) To determine all controversies, suits, and disputes that may arise in connection with the interpretation, enforcement or consummation of the Plan;
- (n) To consider and act on the compromise and settlement of any Claim against or cause of action by or against the Debtors arising under or in connection with the Plan;
- (o) To issue such orders in aid of execution of the Plan, the Litigation LLC, and Creditor Trust Agreement as may be authorized by section 1142 of the Bankruptcy Code;

(p) To determine such other matters or proceedings as may be provided for under Title 28 or any other title of the United States Code, the Bankruptcy Code, the Bankruptcy Rules, other applicable law, the Plan or in any order or orders of the Bankruptcy Court, including, but not limited to, the Confirmation Order or any order which may arise in connection with the Plan or the Confirmation Order;

(q) To make such orders as are necessary or appropriate to carry out the provisions of the Plan, including the Litigation LLC Operating Agreement and the Creditor Trust Agreement;

(r) To adjudicate all claims of any nature by any person which may be adverse or otherwise affect the value of the property of the Estates dealt with by the Plan;

(s) To determine any other matters not inconsistent with the Bankruptcy Code; and

(t) To make such orders and/or take such action as is necessary to enjoin any interference with the implementation or the consummation of the Plan.

8.4 Failure of Bankruptcy Court to Exercise Jurisdiction. If the Bankruptcy Court abstains from exercising, declines to exercise, or is otherwise without jurisdiction over any matter arising out of the Cases, including the matters set forth in this Article VIII, this Article VIII shall not prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

ARTICLE IX

INJUNCTION AND EXCULPATION

9.1 No Interference. No Person shall be permitted to commence or continue any action or proceeding or perform any act to interfere with the implementation and consummation of the Plan or the payments required to be made hereunder.

9.2 Injunction. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE PLAN, THE DOCUMENTS EXECUTED PURSUANT TO THE PLAN, OR THE CONFIRMATION ORDER, ON AND AFTER THE EFFECTIVE DATE, ALL PERSONS AND ENTITIES WHO HAVE HELD, CURRENTLY HOLD, OR MAY HOLD CLAIMS AGAINST OR INTERESTS IN THE DEBTORS OR THE ESTATES THAT AROSE PRIOR TO THE EFFECTIVE DATE (INCLUDING BUT NOT LIMITED TO STATES AND OTHER GOVERNMENTAL UNITS, AND ANY STATE OFFICIAL, EMPLOYEE, OR OTHER ENTITY ACTING IN AN INDIVIDUAL OR OFFICIAL CAPACITY ON BEHALF OF ANY STATE OF OTHER GOVERNMENTAL UNIT) ARE PERMANENTLY ENJOINED FROM (I) COMMENCING OR CONTINUING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY ACTION OR OTHER PROCEEDING AGAINST ANY RELEASED PARTY OR ANY PROPERTY OF ANY RELEASED PARTY; (II) ENFORCING, ATTACHING, EXECUTING, COLLECTING, OR RECOVERING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST ANY RELEASED PARTY; (III) CREATING, PERFECTING, OR ENFORCING, DIRECTLY OR INDIRECTLY, ANY LIEN OR ENCUMBRANCE OF ANY KIND AGAINST ANY RELEASED PARTY OR ANY PROPERTY OF ANY RELEASED PARTY; (IV) ASSERTING OR EFFECTING, DIRECTLY OR INDIRECTLY, ANY SETOFF OR RIGHT OF

SUBROGATION OF ANY KIND AGAINST OBLIGATIONS DUE TO ANY RELEASED PARTY OR ANY PROPERTY OF ANY RELEASED PARTY; OR (V) ANY ACT, IN ANY MANNER, IN ANY PLACE WHATSOEVER, THAT DOES NOT CONFORM TO, COMPLY WITH, OR IS INCONSISTENT WITH ANY PROVISIONS OF THE PLAN. ANY PERSON OR ENTITY INJURED BY ANY WILLFUL VIOLATION OF SUCH INJUNCTION SHALL RECOVER ACTUAL DAMAGES, INCLUDING COSTS AND ATTORNEYS' FEES, AND, IN APPROPRIATE CIRCUMSTANCES, MAY RECOVER PUNITIVE DAMAGES FROM THE WILLFUL VIOLATOR. NOTHING CONTAINED HEREIN SHALL PROHIBIT THE HOLDER OF A DISPUTED CLAIM FROM LITIGATING ITS RIGHT TO SEEK TO HAVE SUCH DISPUTED CLAIM DECLARED AN ALLOWED CLAIM AND PAID IN ACCORDANCE WITH THE PLAN.

9.3 Term of Stay. UNLESS OTHERWISE PROVIDED IN ACCORDANCE WITH THE PLAN OR AN APPLICABLE ORDER OF THE BANKRUPTCY COURT, ALL INJUNCTIONS OR STAYS PROVIDED FOR IN THE CASES PURSUANT TO SECTIONS 105 OR 362 OF THE BANKRUPTCY CODE SHALL REMAIN IN FULL FORCE AND EFFECT UNTIL THE ENTRY OF THE FINAL DECREE. IN ACCORDANCE THEREWITH, AND WITHOUT LIMITING THE FOREGOING, UNTIL THE ENTRY OF THE FINAL DECREE, ALL PERSONS OR ENTITIES ARE STAYED FROM (I) THE COMMENCEMENT OR CONTINUATION OF A JUDICIAL, ADMINISTRATIVE OR OTHER ACTION OR PROCEEDING, INCLUDING THE EMPLOYMENT OF SERVICE OF PROCESS, AGAINST THE DEBTORS THAT WAS OR COULD HAVE BEEN COMMENCED PRIOR TO THE PETITION DATE, OR TO RECOVER A CLAIM AGAINST THE DEBTORS THAT AROSE PRIOR TO THE PETITION DATE, (II) THE ENFORCEMENT, AGAINST THE DEBTORS OR AGAINST PROPERTY OF THE ESTATES, THE CREDITOR TRUST OR THE LITIGATION LLC OF A JUDGMENT OBTAINED BEFORE THE PETITION DATE, (III) ANY ACT TO OBTAIN POSSESSION OF PROPERTY OF THE ESTATES, THE CREDITOR TRUST OR THE LITIGATION LLC OR OF PROPERTY FROM THE ESTATES, THE CREDITOR TRUST OR THE LITIGATION LLC OR TO EXERCISE CONTROL OVER PROPERTY OF THE ESTATES, THE CREDITOR TRUST OR THE LITIGATION LLC, (IV) ANY ACT TO CREATE, PERFECT, OR ENFORCE ANY LIEN AGAINST PROPERTY OF THE ESTATES, THE CREDITOR TRUST OR THE LITIGATION LLC, AND (V) ANY ACT TO COLLECT, ASSESS, OR RECOVER A CLAIM AGAINST THE DEBTORS THAT AROSE BEFORE THE PETITION DATE.

9.4 Release and Exculpation. EFFECTIVE AS OF THE EFFECTIVE DATE, EACH RELEASED PARTY IS HEREBY EXCULPATED AND RELEASED FROM ANY CLAIM, CAUSE OF ACTION OR LIABILITY TO ANY PERSON OR ENTITY OR TO ANY HOLDER OF A CLAIM OR INTEREST, FOR ANY ACT OR OMISSION IN CONNECTION WITH OR ARISING OUT OF OR RELATING TO THE DEBTORS THAT OCCURRED OR AROSE ON OR BEFORE THE EFFECTIVE DATE, INCLUDING WITHOUT LIMITATION ANY ACT OR OMISSION RELATED TO THE FORMULATION, CONFIRMATION, CONSUMMATION, AND/OR ADMINISTRATION OF THE PLAN OR THE PROPERTY TO BE DISTRIBUTED UNDER THE PLAN, UNLESS SUCH ACT OR OMISSION IS DETERMINED IN A FINAL ORDER TO HAVE CONSTITUTED GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. IN ALL RESPECTS, EACH RELEASED PARTY SHALL BE ENTITLED TO RELY UPON THE ADVICE OF COUNSEL WITH RESPECT TO THEIR DUTIES AND RESPONSIBILITIES AND SHALL BE FULLY PROTECTED IN ACTING OR IN REFRAINING FROM ACTION IN ACCORDANCE WITH SUCH ADVICE. WITHOUT IN ANY WAY LIMITING THE GENERALITY OF THE FOREGOING, THE RELEASES AND EXCULPATIONS IN FAVOR OF ANY RELEASED PARTY THAT IS A CURRENT OR FORMER OFFICER OR DIRECTOR OF THE DEBTORS SHALL BECOME EFFECTIVE IF, AND ONLY IF, (I) SUCH OFFICER OR DIRECTOR HAS EXECUTED A COOPERATION AGREEMENT IN SUBSTANTIALLY THE FORM ANNEXED HERETO AS EXHIBIT 9.4, AND (II) WITH RESPECT TO EACH OF KRAIG HIGGINSON,

BRENT COOK, ALAN PERRITON, MARTIN PETERSEN, JOHN A. SULLIVAN AND RICHARD CLAYTON, SUCH PERSONS HAVE GRANTED A RELEASE IN FAVOR OF THE DEBTORS AND THE ESTATES OF ALL CLAIMS AND INTERESTS SUCH PERSONS HOLD. FOR THE AVOIDANCE OF DOUBT, NOTWITHSTANDING ANY RELEASE OR EXCULPATION UNDER THIS PLAN, NO SUCH RELEASE OR EXCULPATION SHALL AFFECT THE RIGHT(S) OF THE DEBTOR, REORGANIZED DEBTOR, AND/OR THE CREDITOR TRUST TO PROSECUTE AND/OR SETTLE ANY CLAIMS SOLELY AS AGAINST ANY FORMER DIRECTOR OR OFFICER OF THE DEBTORS OR ANY OTHER PERSON THAT IS NOT A RELEASED PARTY, OR ANY POLICY OF INSURANCE FOR WHICH ANY SUCH FORMER DIRECTOR OR OFFICER IS A BENEFICIARY, ALL OF WHICH RIGHT(S) AND CLAIMS ARE EXPRESSLY RESERVED.

9.5 Releases, Indemnification and Injunctions Related to Thermo Lenders Settlement.

(a) Each of the Debtors, the Estates, the Reorganized Debtors and the Sponsors and the successors and assigns of any of them, and any other person that claims or might claim through, on behalf of, or for the benefit of any of the foregoing, hereby irrevocably and unconditionally, fully, finally and forever waive, release, acquit and discharge the Thermo Lenders from any and all claims (as defined in the Bankruptcy Code), counterclaims, demands, debts, actions, obligations, rights, debts, accounts, remedies, Avoidance Actions, agreements, promises, judgments, causes of action, suits, losses, damages or liabilities of any nature whatsoever, whether known or unknown, that arise from or in any way relate to the Thermo 1 Financing Documents.

(b) The Reorganized Debtors hereby indemnify the Thermo Lenders for a period of three (3) years after the Effective Date against any claim, demand or liability arising from any action, failure or omission to act, and arising from any claim against the Thermo Lenders being released pursuant to Section 9.5(a) of the Plan.

(c) **EFFECTIVE AS OF THE EFFECTIVE DATE, EACH OF THE THERMO LENDERS IS HEREBY EXCULPATED AND RELEASED FROM ANY CLAIM (AS DEFINED IN SECTION 2.1(P) HEREOF), CAUSE OF ACTION OR LIABILITY TO ANY PERSON OR ENTITY OR TO ANY HOLDER OF A CLAIM OR INTEREST FOR ANY ACT OR OMISSION RELATED TO THE FORMULATION, CONFIRMATION, CONSUMMATION, AND/OR ADMINISTRATION OF THE PLAN OR THE PROPERTY TO BE DISTRIBUTED UNDER THE PLAN, UNLESS SUCH ACT OR OMISSION IS DETERMINED IN A FINAL ORDER TO HAVE CONSTITUTED GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. IN ALL RESPECTS, EACH OF THE THERMO LENDERS SHALL BE ENTITLED TO RELY UPON THE ADVICE OF COUNSEL WITH RESPECT TO THEIR DUTIES AND RESPONSIBILITIES AND SHALL BE FULLY PROTECTED IN ACTING OR IN REFRAINING FROM ACTION IN ACCORDANCE WITH SUCH ADVICE.**

(d) **ALL PERSONS AND ENTITIES, INCLUDING ANY HOLDER OF A CLAIM OR INTEREST IN THE DEBTORS OR THE ESTATES THAT AROSE PRIOR TO THE EFFECTIVE DATE, ARE PERMANENTLY ENJOINED FROM INITIATING ANY ACTION AGAINST THE THERMO LENDERS RELATED TO ANY MATTERS FOR WHICH THE THERMO LENDERS ARE RELEASED UNDER THE PLAN OR FOR WHICH THERE IS INDEMNIFICATION OF SAID**

**PARTIES UNDER THE PLAN, INCLUDING WITHOUT LIMITATION, STATE LAW
FRAUDULENT TRANSFER CLAIMS AND AVOIDANCE ACTIONS.**

9.6 Survival of Indemnification and Contribution Obligations. Notwithstanding anything to the contrary contained in the Plan and unless the Debtors and any indemnified directors, officers, members, partners and employees have agreed otherwise, the obligations of the Debtors to indemnify and/or provide contribution to its current and former directors, officers, members, partners and employees pursuant to the Debtors' articles of incorporation, operating agreements, by-laws, applicable statutes or contractual obligations, as applicable, with respect to all past, present and future actions, suits, proceedings, or claims against any of such directors, officers, members, partners and employees, based upon any act or omission related to service with, for, or on behalf of the Debtors, whether occurring before or after the Effective Date, shall not be discharged or impaired by Confirmation of the Plan, but rather shall survive unaffected by the Plan and the Confirmation Order and shall become obligations of the Reorganized Debtors; provided, however, that such obligations survive only (i) if such current or former director, officer, member, partner or employee served in such capacity following the Petition Date; and (ii) to the extent that the Debtors' obligations to indemnify the directors, officers, members, partners and employees for such actions, suits, proceedings, or claims are covered by the proceeds of one or more Insurance Policies. Under no circumstances shall the Debtors, the Estates or the Reorganized Debtors be required to make any payments on the indemnity claims, including without limitation, defense costs.

9.7 Insurance Preservation. Nothing in the Plan, including any exculpation provisions or releases (including, but not limited to under Section 9.6 above), if applicable, shall diminish or impair the Debtors' or the Reorganized Debtors' or the Creditor Trust's ability to enforce any Insurance Policies or other policies of insurance that may cover Insurance Claims or other Claims against the Debtors, the Reorganized Debtors or any other Person. All such Insurance Policies or other policies of insurance shall remain in full force and effect.

**ARTICLE X
MISCELLANEOUS PROVISIONS**

10.1 Revocation and Withdrawal of the Plan. Subject to the terms of the Plan, the Debtors reserve the right to revoke or withdraw the Plan at any time before entry of a Confirmation Order. If the Debtors, or one of the individual Debtors, as the case may be, revoke or withdraw the Plan prior to the Confirmation Date, or if Confirmation or the Effective Date does not occur with respect to one or more of the Debtors, then the Plan shall be deemed to be null and void as to that Estate. In such event, nothing contained in the Plan or in any document relating to the Plan shall be deemed to constitute an admission of validity, waiver or release of any Claims by or against the Debtors or any Person or to prejudice in any manner the rights of the Debtors or any Person in any proceeding involving the Debtors.

10.2 Governing Law. Except to the extent the Bankruptcy Code or Bankruptcy Rules are applicable, and subject to the provisions of any contract, instrument, release, indenture or other agreement or document entered into in connection with the Plan, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the

laws of the State of Delaware, notwithstanding any conflicts of law principles, rules or laws to the contrary.

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

10.4 Time. In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply. If any act under the Plan is required to be made or performed on a date that is not a Business Day, such act shall be deemed to have been completed as of the required date if it is completed on the next Business Day.

10.5 Construction. The rules of construction set forth in section 102 of the Bankruptcy Code shall apply to the construction of the Plan.

10.6 Amendments. The Plan may be amended, modified or supplemented by the Debtors before the Effective Date and by the Reorganized Debtors after the Effective Date, in each case only in the manner provided for by section 1127 of the Bankruptcy Code, Bankruptcy Rule 3019 and applicable law and in consultation with the Committee or the Creditor Trustee, as applicable, provided, that to the extent that any such amendment, modification or supplement will have a material impact upon the Litigation LLC or the Creditor Trust, such amendment, modification or supplement shall only be made (i) with the consent of the Committee or Creditor Trustee, as applicable, or (ii) after notice and an opportunity for hearing before the Bankruptcy Court.

10.7 Post-Confirmation Effect of Evidences of Claims or Interests. From and after the Effective Date, all promissory notes evidencing obligations of the Debtors and other evidences of Claims that arose prior to the Effective Date shall be deemed canceled, null, void, and of no force or effect whatsoever, and shall constitute no more than evidence of the Holder's right to treatment of the Claim so evidenced in accordance with the Plan.

10.8 Section 1145 Exemption. Pursuant to section 1145 of the Bankruptcy Code, neither section 5 of the Securities Act of 1933 nor any State or local law requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in securities shall apply with respect to any security being offered, sold or transferred under the Plan on account of Allowed Claims.

10.9 Section 1146 Exemption. Pursuant to section 1146 of the Bankruptcy Code, the issuance, transfer or exchange of any security under the Plan or the making or delivery of any instrument of transfer pursuant to, in implementation of, or as contemplated by the Plan, or the re-vesting, transfer or sale of any real or personal property of the Debtors or the Reorganized Debtors pursuant to, in implementation of, or as contemplated by the Plan shall not be taxed under any state or local law imposing a stamp tax, transfer tax or similar tax or fee.

10.10 Compliance with Tax Requirements. In connection with the Plan, to the extent applicable, the Debtors, the Reorganized Debtors or any agent thereof making Distributions in accordance with the Plan shall comply with all reporting and withholding requirements imposed on them by any governmental unit.

10.11 Further Actions. Each of the Debtors and the Reorganized Debtors shall be authorized to execute, deliver, file or record such documents, contracts, instruments, releases and other agreements and take such other action as may be necessary to effectuate and further evidence the terms and conditions of the Plan.

10.12 Notices. All notices and requests in connection with the Plan shall be in writing and shall be sent by facsimile, hand delivered or sent by mail addressed to:

If to the Debtors:

Raser Technologies, Inc.

[ADDRESS]

Attention:

Facsimile:

with copies to:

Hunton & Williams LLP

[ADDRESS]

Attention:

Facsimile:

If to the Sponsors:

[COMPANY].

[ADDRESS]

Attention:

Facsimile:

with copies to:

Hogan Lovells US LLP

875 Third Avenue

New York, New York 10022

Attention: Christopher R. Donoho III

Facsimile: 212-918-3100

If to the Committee:

[COMPANY].

[ADDRESS]

Attention:

Facsimile:

with copies to:

Foley & Lardner LLP

90 Park Avenue

New York, New York 10016

Attention: Douglas E. Spelfogel
Facsimile: 212-687-2329

If to the Creditor Trustee:

[_____]

ARTICLE XI
REQUEST FOR CONFIRMATION

The Debtors request confirmation of the Plan under section 1129 of the Bankruptcy Code.

RASER TECHNOLOGIES, INC., RASER TECHNOLOGIES OPERATING COMPANY, INC, RASER POWER SYSTEMS, LLC, RT PATENT COMPANY, INC., PACIFIC RENEWABLE POWER, LLC, WESTERN RENEWABLE POWER, LLC, INTERMOUNTAIN RENEWABLE POWER, LLC, LOS LOBOS RENEWABLE POWER, LLC, COLUMBIA RENEWABLE POWER, LLC, TRUCKEE GEOTHERMAL NO. 1 SV-01, LLC, TRUCKEE GEOTHERMAL NO. 2, SV-04, LLC, TRAIL CANYON GEOTHERMAL NO. 1 SV 02, LLC, DEVIL'S CANYON GEOTHERMAL NO. 1 SV-03, LLC, THERMO NO. 1 BE-01, LLC, THERMO NO. 2 BE-02, LLC, THERMO NO. 3 BE-03, LLC, CRICKET GEOTHERMAL NO. 1 MI-01, LLC, HARMONY GEOTHERMAL NO. 1 IR-01, LLC, LIGHTNING DOCK GEOTHERMAL HI-01, LLC, and KLAMATH GEOTHERMAL NO. 1 KL-01, LLC.

By: /s/ Nicholas Goodman
Name: Nicholas Goodman