

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

In re:

RASER TECHNOLOGIES, INC., *et al.*,<sup>1</sup>

Debtors.

) Chapter 11

) Case No. 11-11315 (KJC)

) (Jointly Administered)

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

Dated: June 21, 2011

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<sup>1</sup> 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, Klamath Geothermal No. 1 KL-01, LLC, and Borax Geothermal No. 1 HA-01, LLC.

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## **EXHIBITS**

Exhibit 6.5	Litigation LLC Operating Agreement
Exhibit 6.6	Creditor LLC Agreement
Exhibit 7.1	Executory Contracts to be Assumed

## **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, Klamath Geothermal No. 1 KL-01, LLC, and Borax Geothermal No. 1 HA-01, LLC, all debtors and debtors-in-possession under chapter 11 of title 11 of the United States Code, hereby propose this *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, 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 Claims.** All avoidance, recovery, subordination or other Causes of Action or remedies that may be brought by or on behalf of the Debtors under the Bankruptcy Code or applicable non-bankruptcy law, including without limitation all Causes of Action arising under Chapter 5 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.



(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, claims, and demands whatsoever, whether arising under the Bankruptcy Code or applicable non-bankruptcy law, reduced to judgment, disputed or undisputed, secured or unsecured, existing or hereafter arising, in law, equity, or otherwise, of the Debtors and/or their Estates that may be pending on the Effective Date or instituted after the Effective Date against any Person based in law or equity, or otherwise, including without limitation, under the Bankruptcy Code, whether direct, indirect, derivative, or otherwise, and whether asserted or unasserted as of the date of entry of the Confirmation Order; provided, however, that Causes of Action shall not include (i) 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.** Shall have the meaning assigned to that term 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 or any other official committee which may be appointed by the Office of the United States Trustee in the chapter 11 cases of the Debtors 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 Debtors to the Sponsors that shall entitle the Sponsors to the payment of all net distributions from the Litigation LLC to the Reorganized Debtors after return of (i) all capital contributions made by the Reorganized Debtors to the Litigation LLC and (ii) payment in full of all obligations owed by the Debtors to the Sponsors under the Sponsors Note.

(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 LLC.** The Delaware limited liability company created on the Effective Date pursuant to the Plan and the Creditor LLC Operating Agreement annexed hereto as Exhibit 6.6.

(dd) **Creditor LLC Promissory Note.** An interest-free, secured, non-recourse promissory note in the original principal amount of \$200,000 that shall be issued by the Creditor LLC to the Reorganized Debtors on the Effective Date, and which shall be secured by the net proceeds of recoveries on D&O Claims or Avoidance Actions, provided that the manager of the Creditor LLC shall have the right to reinvest such proceeds into the Creditor LLC in its discretion.

(ee) **Cure Claim.** A Claim based upon the Debtors' defaults under an Executory Contract at the time the contract or lease is assumed, or assumed and assigned by the Debtors under section 365 of the Bankruptcy Code.

(ff) **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.

(gg) **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.

(hh) **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.

(ii) **D&O Claims.** All claims, rights and Causes of Action against any director or officer of the Debtors, provided that D&O Claims shall not include any of the Debtors' claims, rights or 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.

(jj) **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, Klamath Geothermal No. 1 KL-01, LLC, and Borax Geothermal No. 1 HA-01, LLC.

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

(ll) **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.

(mm) **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.

(nn) **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.

(oo) **Disputed Claims Reserve.** A segregated account to be established and maintained by the Reorganized Debtors or their designated disbursing agent into which account the Reorganized Debtors shall deposit all amounts reserved for the Holders of Disputed Claims in each Class under the Plan in accordance with Section 6.16 hereof.

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

(qq) **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 Debtors have filed a notice with the Bankruptcy Court identifying the Effective Date.

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

(ss) **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.

(tt) **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.

(uu) **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.

(vv) **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.

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

(xx) **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.

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

(zz) **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.

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

(bbb) **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.

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

(ddd) **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 Raser Litigation LLC annexed hereto as Exhibit 6.5.

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

(fff) **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.

(ggg) **ML Unsecured Claims.** Unsecured Claims against the ML Debtors that arise out of the Merrill Lynch Financing Documents.

(hhh) **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.

(iii) **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.

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

(kkk) **Other Secured Claims.** Any Secured Claim that is not a Comerica Secured Claim.

(lll) **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.

(mmm) **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.

(nnn) **Plan.** This 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.

(ooo) **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, including without limitation the Litigation LLC Operating Agreement, the Creditor LLC Operating Agreement and the Post-Confirmation Financing Documents.

(ppp) **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 is amended from time to time.

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

(rrr) **Prepetition Lender.** Linden Capital Advisors LP as the lender under the Bridge Facility.

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

(ttt) **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.

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

(vvv) **Professionals.** Any Person employed by the Debtors and/or the Committee pursuant to a Final Order in accordance with sections 327 or 328 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.

(www) **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.

(xxx) **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.

(yyy) **Purchase Price.** The consideration to be provided by the Sponsors to the Debtors in exchange for 100% of the Reorganized Raser Equity to be distributed pursuant to the Plan, which 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. For the avoidance of doubt, in the event that the Plan is not confirmed with respect to any Subsidiary Debtor and such Subsidiary Debtor is removed from the Plan as contemplated in Section 6.3 hereof, such Subsidiary Debtor's obligations to the Sponsors under the terms of the DIP Facility and the Bridge Facility shall not be waived, but shall remain in full force and effect.

(zzz) **PWPS Claims.** The claims, rights, counter claims and all other rights of the Debtors against Pratt & Whitney Power Systems and UTC Power Corporation ("UTC")

arising from or in any way related to (i) that certain Sourcing and Development Agreement, dated as of April 6, 2007, between UTC and Raser, (ii) that certain Purchase Contract, dated August 31, 2008, between UTC 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 UTC, (iv) that certain Service Agreement, dated August 31, 2008, between UTC and the Thermo 1 Project Entity, (v) that certain Reimbursement Agreement, dated as of August 31, 2008, between Raser and UTC, and (vi) all related agreements, in each case as such agreements may have been amended from time to time.

(aaaa) **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.

(bbbb) **Raser.** Raser Technologies, Inc.

(cccc) **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.

(dddd) **Released Parties.** (i) Each of the Debtors; (ii) the Sponsors and Wilmington Trust FSB, solely in its capacity as administrative agent under the DIP Financing Documents; (iii) the Committee and its members, solely in their capacity as such; (iv) any member, officer, director or employee of, or attorney or other professional for the foregoing, provided that such member, officer, director, employee or professional served in such capacity on or after the Petition Date; (v) Kraig Higginson; (vi) Brent Cook; (vii) Alan Perriton; and (viii) Martin Petersen.

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

(ffff) **Reorganized Raser Equity.** The equity of Reorganized Raser to be issued pursuant to the Plan to the Sponsors.

(gggg) **Reorganized Raser Note.** An unsecured promissory note made by Reorganized Raser having a stated face amount of \$5 million that will provide for the following: (a) a payment of \$2.5 million on December 31, 2014, and (b) a contingent payment equal to 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 Reorganized Raser Note shall bear interest at an imputed rate equal to the lowest rate per annum necessary to avoid the imputation of interest under the Internal Revenue Code of 1986, as amended, provided, that no interest shall accrue or become payable on the contingent portion of the Net Raser Note referred to in (b) of the prior sentence unless and until such amounts become due and payable. 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 imputed rate set forth in the prior sentence, and such interest shall be payable on demand.

(hhhh) **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.



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

(jjjj) **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.

(kkkk) **Sponsors.** Linden Capital, L.P., Tenor Opportunity Master Fund, Ltd., Aria Opportunity Fund, Ltd. and [Parsoon Opportunity Fund, Ltd.]

(llll) **Sponsors Note.** An unsecured promissory note to be issued by the Reorganized Debtors to the Sponsors on the Effective Date with an original principal amount of \$[ ] and an interest rate of [ ] percent ([ ]%) and which shall mature on the [ ] anniversary of the Effective Date.

(mmmm) **Subordinated Securities Law Claims.** Any Claim that arises from the rescission of a purchase or sale of a security of the Debtors, for damages arising from the purchase or sale of such a security, or for reimbursement or contribution allowed under section 502 of the Bankruptcy Code on account of such a Claim.

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

(oooo) **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.

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

(qqqq) **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.

(rrrr) **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.

(ssss) **Thermo Lenders Settlement.** The agreement between the Debtors, the Sponsors and the Thermo Lenders that is embodied in the Plan Support and Restructuring

Agreement and the Plan that, among other things, provides the terms for the treatment of the Secured Claims of the Thermo Lenders, which shall include (i) the timely payment of the Thermo Lenders Pay Down, and (ii) the releases in favor of the Thermo Lenders set forth in Section 9.5 of the Plan.

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

(uuuu) **Unsecured Claim.** Any Claim against any Debtor that is (1) 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, (2) not a Priority Claim, (3) not an Administrative Claim, (4) not a Convenience Claim, (5) not a Claim subject to subordination pursuant to Section 510(b) of the Bankruptcy Code, or (6) not based in whole or in part on the Holder's purchase or ownership of an Interest in the Debtors.

(vvvv) **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 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 arising with respect to or in connection with the Allowed Priority Tax Claim. Any Claim or demand for any such 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.

**4.3 Full Satisfaction.** 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 satisfaction 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 in full and final satisfaction and discharge of all such Allowed Claims (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.** Provided that the Thermo Lender Pay Down has been made, on the Effective Date, in full and final satisfaction and discharge of all secured claims of the Thermo Lenders arising under the Thermo 1 Financing Documents, the Thermo Lenders shall receive the consideration provided for under the terms of the Thermo Lenders Settlement, including without limitation the releases and indemnification provided for in Section 9.5 of the Plan.

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 in full satisfaction, settlement, and release of, and in exchange for, the Holder's Allowed Class 3 Secured Claim, (a) a new promissory note secured by the same property of the Estate that constitutes collateral for such Class 3 Secured Claim and having a present value equal to the value of such collateral, (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, at the sole option of the Reorganized Debtors, (a) a new promissory note secured by the same property of the Estate that constitutes collateral for such Class 5 Secured Claim and having a present value equal to the value of such collateral, (b) turnover of the property of the Estate that constitutes collateral security for such Allowed Class 5 Secured Claim on the later of the Effective Date, or as soon thereafter as practicable, 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 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, (i) Allowed Class 6 Claims will be unaltered and, subject to the requirements of Section 1124(2) of the Bankruptcy Code, on the Effective Date, the legal equitable and contractual rights of the Holder of Allowed Class 6 Claims shall be reinstated in full, or (ii) the Holder of the Allowed Class 6 Claim shall receive in full satisfaction, settlement, and release of, and in exchange for, the Holder's Allowed Secured Claim, at the sole option of the Reorganized Debtors, (a) Cash in the amount of the Allowed Class 6 Secured Claim on the later of the Effective Date and the date such Claim becomes an Allowed Claim, or as soon thereafter as practicable, (b) the property of the Estates that constitutes collateral for such Allowed Class 6 Secured Claim on the later of the Effective Date and the date such Claim becomes an Allowed Claim, or as soon thereafter as practicable, 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 unimpaired Class and conclusively deemed to have voted to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code.

**5.7 Class 7(a) – General Unsecured Claims Against Raser.** Each Holder of an Allowed Claim in Class 7(a) shall have its claim cancelled and discharged and in exchange therefore shall receive on the Effective Date (a) its Ratable Portion of (i) the membership interests in the Creditor LLC, and (ii) the Class B membership interests in the Litigation LLC, in

each case taking into account the Allowed Claims in 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 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 have its claim cancelled and discharged and in exchange therefore shall receive on the Effective Date (a) its Ratable Portion of (i) the membership interests in the Creditor LLC, 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(c) and 7(e) when determining such Ratable Portion, or (b) such other, less favorable treatment as is agreed upon by the Reorganized Debtors 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 have its claim cancelled and discharged and in exchange therefore shall receive on the Effective Date (a) its Ratable Portion of (i) the membership interests in the Creditor LLC, 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(e) when determining such Ratable Portion, or (b) such other, less favorable treatment as is agreed upon by the Reorganized Debtors 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 have its claim cancelled and discharged and in exchange therefore shall receive (i) on the Effective Date, the Reorganized Raser Note, and (ii) an amount of Cash equal to fifty-percent (50%) of the difference of (x) the Net Raser Proceeds less (y) \$15 million.

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 have its claim cancelled and discharged and in exchange therefore shall receive on the Effective Date (a) its Ratable Portion of (i) the membership interests in the Creditor LLC, 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 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, 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 property 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 property 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 property 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 Subsidiary Debtors shall be cancelled and the Holders of such Interests shall receive no property 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 Satisfaction 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 satisfaction and discharge of such Allowed Claims and Interests.

## **ARTICLE VI**

### **MEANS FOR IMPLEMENTATION OF THE PLAN**

**6.1 Sale of the Reorganized Raser Equity.** On the Effective Date, the Reorganized Debtors shall issue to the Sponsors in exchange for the Purchase Price the (a) Raser Equity, and (b)(i) the Contingent Payment Certificates, and (ii) the Sponsors Note. The equity of the



Reorganized Subsidiary Debtors shall be issued to Reorganized Raser or another entity identified by the Reorganized Debtors.

**6.2 Entry Into Post-Confirmation Financing Documents.** As soon as is reasonably practical after the Effective Date, the Reorganized Debtors and the Sponsors shall execute and enter into the Post-Confirmation Financing Documents.

**6.3 Sponsor Relief From Stay for Certain Subsidiary Debtors.** In the event that (i) the Plan is not confirmed with respect to any Subsidiary Debtor as a result of the failure by the Holders of Allowed Claims against the estate of such Subsidiary Debtor to vote in favor of the Plan and (ii) the DIP Facility has not otherwise been satisfied, such Subsidiary Debtor shall be deemed to have been removed from the terms of the Plan and the Plan shall become effective with respect to each of the remaining Debtors. Further, the Confirmation Order shall provide that the Sponsors shall be granted immediate relief from stay with respect to the estate of any Subsidiary Debtor that is removed from the Plan to permit the Sponsors to exercise their rights under the terms of the DIP Financing Documents with respect to the Assets of such Subsidiary Debtor. Any recoveries from the exercise of such rights shall be applied to reduce the obligations of the Debtors under the DIP Financing Documents.

**6.4 Consummation of the Thermo Lenders Settlement.** On the Effective Date, the Reorganized Debtors, the Sponsors and the Thermo Lenders shall consummate the transactions contemplated by the Thermo Lenders Settlement.

**6.5 Formation of Raser Litigation LLC.**

(a) On the Effective Date, (i) the Litigation LLC shall be established in accordance with Delaware law 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 Creditor LLC 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 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.

**6.6 Formation of Creditor LLC.** On the Effective Date, the Creditor LLC shall be established in accordance with Delaware law pursuant to the Creditor LLC Operating Agreement annexed hereto as Exhibit 6.6, and a manager selected by the Committee shall be appointed pursuant to that agreement. The Debtors shall transfer to the Creditor LLC (i) the D&O Claims, and (ii) the Avoidance Claims. In addition, the Reorganized Debtors shall loan the sum of \$200,000 to the Creditor LLC pursuant to the terms of the Creditor LLC Promissory Note. The Creditor LLC Operating Agreement shall provide that no distributions may be made to members of the Creditor LLC until such time as the Creditor LLC has satisfied the obligations arising under the Creditor LLC Promissory Note.

**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 LLC 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.

**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 on account of Allowed Unsecured Claims in a particular Class or Allowed Convenience Claims, the Reorganized Debtors shall establish a claims reserve for all Unsecured Claims in such Class or Convenience Claims 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, or an Allowed Convenience Claim, as applicable, based upon the Claim being 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. 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.

**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; and (iii) any motions or other actions seeking enforcement or implementation of the provisions of the Plan or the Confirmation Order.

**6.12 Preservation of All Causes of Action.** Except as otherwise provided in the Plan or in any contact, instrument, release or agreement entered into in connection with 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 shall be vested with, retain, and may exclusively enforce and prosecute any claims or Causes of Action that the Debtors or the Estates may have against any Person or entity. Without further order of the Bankruptcy Court, the Reorganized Debtors 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 or the Reorganized Debtors, 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.

**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 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.

**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 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 Reorganized Debtors (after the Effective Date) 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, 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 shall pay directly to the Holder of such Allowed Claim the amount provided for under Articles IV or V of the Plan, as applicable. 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.

(d) Unless otherwise provided in the Plan, the Reorganized Debtors will retain the exclusive right to object to Claims after the Effective Date in order to have the Bankruptcy Court determine the amount and treatment of any Claim. The Reorganized Debtors will attempt to resolve consensually any disputes regarding the amount 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 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 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 shall make all distributions of Cash or other property required under the Plan, unless the Plan specifically provides otherwise. 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.

**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 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) or 8, 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.

**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 or the Reorganized Debtors 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 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 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;

(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 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;

(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 PROTECTED PARTY OR ANY PROPERTY OF ANY PROTECTED PARTY; (II) ENFORCING, ATTACHING, EXECUTING, COLLECTING, OR RECOVERING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST ANY PROTECTED PARTY; (III) CREATING, PERFECTING, OR ENFORCING, DIRECTLY OR INDIRECTLY, ANY LIEN OR ENCUMBRANCE OF ANY KIND AGAINST ANY PROTECTED PARTY OR ANY PROPERTY OF ANY PROTECTED PARTY; (IV) ASSERTING OR EFFECTING, DIRECTLY OR INDIRECTLY, ANY SETOFF OR RIGHT OF SUBROGATION OF ANY KIND AGAINST OBLIGATIONS DUE TO ANY PROTECTED PARTY OR ANY PROPERTY OF ANY PROTECTED 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, OF A JUDGMENT OBTAINED BEFORE THE PETITION DATE, (III) ANY ACT TO OBTAIN POSSESSION OF PROPERTY OF THE ESTATES OR OF PROPERTY FROM THE ESTATES OR TO EXERCISE CONTROL OVER PROPERTY OF THE ESTATES, (IV) ANY ACT TO CREATE, PERFECT, OR ENFORCE ANY LIEN AGAINST PROPERTY OF THE ESTATES, 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 of Released Parties.** 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, EXCEPT IF SUCH ACT OR OMISSION IS DETERMINED IN A FINAL ORDER TO HAVE CONSTITUTED GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, AND IN ALL RESPECTS, EACH OF SUCH PERSONS 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 CURRENT OR FORMER OFFICER OR DIRECTOR OF THE DEBTORS SHALL BECOME EFFECTIVE IF, AND ONLY IF, SUCH OFFICER OR DIRECTOR HAS EXECUTED AN AGREEMENT IN FORM AND SUBSTANCE ACCEPTABLE TO THE DEBTORS, PURSUANT TO WHICH SUCH OFFICER OR DIRECTOR AGREES TO USE BEST EFFORTS TO ASSIST THE REORGANIZED DEBTORS, THE LITIGATION LLC AND THE CREDITOR LLC IN THE PURSUIT OF CAUSES OF ACTION.

**9.5 Releases and Indemnification 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, shall be deemed to have irrevocably and unconditionally, fully, finally and forever waived, released, acquitted and discharged the Thermo Lenders from any and all claims (as defined in the Bankruptcy Code), counterclaims, demands, debts, actions, 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 shall 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.

**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 an insurance policy or 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, if applicable, shall diminish or impair the Debtors' or the Reorganized Debtors' 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 day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is not a Business Day or, when the act to be done is the filing of a paper in court, a day on which weather or other conditions have made the clerk's office for such court inaccessible, in which event the period runs until the end of the next day that is not one of the aforementioned days. When the period of time prescribed or allowed is less than eight (8) calendar days, intermediate days that are not Business Days shall be excluded from the computation.

**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.

**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 Severability of Plan Provisions.** If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision then will be applicable as altered or interpreted; provided, however, that any such alteration or interpretation must be in form and substance acceptable to the Debtors. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

**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, KLAMATH GEOTHERMAL NO. 1 KL-01, LLC, and BORAX GEOTHERMAL NO. 1 HA-01, LLC.**

By: /s/ Nicholas Goodman  
Name: Nicholas Goodman