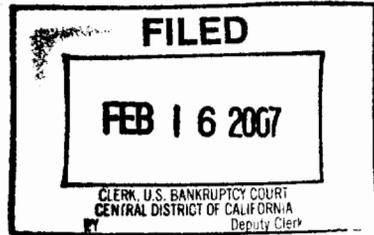


COPY

Attorney or Party Name, Address, Telephone & FAX Numbers, and California State Bar Number
Jeffrey N. Pomerantz (CA Bar No. 717)
Jeffrey W. Dulberg (CA Bar No. 181200)
PACHULSKI STANG ZIEHL YOUNG JONES & WEINTRAUB LLP
10100 Santa Monica Blvd., 11th Floor, Los Angeles, CA 90067
Tel: 310-277-6910; Fax: 310-201-0760
Attys for Prime Measurement Products, LLC

FOR OFFICIAL USE ONLY



**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA**

In re:
PRIME MEASUREMENT PRODUCTS, LLC,

CASE NO.: LA 07-10109-RN

Debtor(s).

NOTICE OF SALE OF ESTATE PROPERTY

Sale Date: March 12, 2007	Time: 10:00 a.m.
Location: Pachulski Stang Ziehl Young Jones & Weintraub LLP, 10100 Santa Monica Blvd. 11 th Fl., Los Angeles, CA 90067	

Type of Sale: Public Private Last date to file objections: Please see attached Exhibit "A"

Description of Property to be Sold: Please see attached Exhibit "A"

Terms and Conditions of Sale: Please see attached Exhibit "A"

Proposed Sale Price: Please see attached Exhibit "A"

Overbid Procedure (If Any): Please see attached Exhibit "A"

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Contact Person for Potential Bidders (include name, address, telephone, fax and/or e:mail address):

Please see attached Exhibit "A"

Date: February 16, 2007

ORIGINAL

FEB 15 2007

PACHULSKI STANG ZIEHL YOUNG JONES & WEINTRAUB LLP
ATTORNEYS AT LAW
LOS ANGELES, CALIFORNIA

1 Jeffrey N. Pomerantz (CA Bar No. 143717)
2 Jeffrey W. Dulberg (CA Bar No. 181200)
3 PACHULSKI STANG ZIEHL YOUNG
4 JONES & WEINTRAUB LLP
5 10100 Santa Monica Blvd., 11th Floor
6 Los Angeles, California 90067-4100
7 Telephone: 310/277-6910
8 Facsimile: 310/201-0760

ENTERED
FEB 15 2007
CLERK, U.S. BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
BY

[Proposed] Attorneys for Prime Measurement Products,
LLC, Debtor and Debtor in Possession

FILED
FEB 15 2007
CLERK, U.S. BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
BY

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

11 In re:
12 **PRIME MEASUREMENT PRODUCTS,**
13 **LLC,**

Debtor.

Fed. Tax I.D. No.: 91-1891596

Case No.: LA 07-10109-RN

Chapter 11

**ORDER RE MOTION FOR ORDER (A)
APPROVING SALE PROCEDURES AND
BID PROTECTIONS, INCLUDING BREAK-
UP FEE, IN CONNECTION WITH SALE OF
CERTAIN ASSETS, FREE AND CLEAR OF
ALL LIENS, CLAIMS, ENCUMBRANCES
AND INTERESTS; (B) SCHEDULING AN
AUCTION FOR AND HEARING TO
APPROVE THE SALE; (C) APPROVING
NOTICE OF RESPECTIVE DATES, TIMES
AND PLACES FOR AUCTION AND FOR
HEARING ON APPROVAL OF SALE; AND
(D) GRANTING RELATED RELIEF**

Date: February 13, 2007
Time: 2:00 p.m.
Place: Courtroom "1645"
255 East Temple Street
Los Angeles, CA 90012

LOGGED

FEB 15 2007
CLERK, U.S. BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
BY

23 **THIS MATTER CAME BEFORE THE COURT** at the above-captioned date and time

24 before the Honorable Richard M. Neiter, United States Bankruptcy Judge, to consider the Motion for
25 Order (A) Approving Sale Procedures and Bid Protections, Including Break-Up Fee, in Connection
26 With Sale of Certain Assets, Free and Clear of All Liens, Claims, Encumbrances and Interests; (B)
27 Scheduling an Auction for and Hearing to Approve the Sale; (C) Approving Notice of Respective
28

EXHIBIT A

2

1 Dates, Times and Places for Auction and for Hearing on Approval of Sale; and (D) Granting Related
2 Relief (the "Motion"). Jeffrey N. Pomerantz of Pachulski Stang Ziehl Young Jones & Weintraub
3 LLP, appeared on behalf of Prime Measurement Products, LLC, a Delaware Limited Liability
4 Company, debtor and debtor in possession herein (the "Debtor"). Leo D. Plotkin of Levy, Small &
5 Lallas appeared on behalf of PNC Bank, N.A. Victor Sahn of Sulmeyer Kupetz, A Professional
6 Corporation appeared on behalf of the Official Committee of Creditors Holding General Unsecured
7 Claims (the "Committee"). Other appearances were as noted in the record.

8 The Court having considered the Motion, and finding that notice of the Motion was
9 appropriate and sufficient and that no other notice need be given, after due deliberation and
10 sufficient cause appearing therefor

11 **THE COURT HEREBY FINDS AS FOLLOWS:**

12 A. This Court has jurisdiction to hear and determine the Motion pursuant to 28 U.S.C. §§
13 157 and 1334.

14 B. Proper, timely, adequate and sufficient notice of the Motion has been provided in
15 accordance with Sections 102(1), 363 and 365 of the Bankruptcy Code¹ and Bankruptcy Rules 2002,
16 6004 and 6006 and no other or further notice of the Motion is required.

17 C. Good cause has been shown for the entry of this Order. The Debtor has articulated
18 good and sufficient reasons for approving the Sale Procedures and Notice of Auction and Sale
19 Hearing in connection with the sale of the Property (collectively the Cameron Property and the Other
20 Property as hereinafter defined).

21 D. The Sale Procedures are reasonable and appropriate and are designed to maximize the
22 estate's recovery on the Property.

23 E. The relief requested in the Sale Procedures Motion is in the best interest of the Debtor
24 and parties in interest.

25 F. The Notice of Auction and Sale Hearing provides due, adequate and timely notice of
26 the sale of the Property in accordance with Bankruptcy Rule 2002 and the applicable provisions of
27

28 ¹ Capitalized terms not defined herein shall take the meaning ascribed thereto in the Motion or the Agreement. In the event of a conflict, the Agreement shall control over the Motion.

EXHIBIT A

3

1 the Bankruptcy Code.

2 G. The proposed Sale Procedures carefully balance the Debtor's interests in (i) inducing
3 the Buyer to commit to purchase the Property, (ii) preserving the opportunity to attract higher and
4 better offers, and (c) expediting the sale process.

5 H. Based on the record presented to the Court at the Hearing, including the offer of proof
6 from David Baker regarding the circumstances surrounding execution of the Agreement, the Sale
7 Procedures, including the Break-Up Fee payable to Buyer as contemplated by the Agreement, have
8 been negotiated in good faith and at arm's length between the Debtor and the Buyer. The Break-Up
9 Fee was a material inducement for, and condition of, the Buyer's entry into the Agreement.

10 I. Based on the record presented to the Court at the Hearing, the Sale Procedures,
11 including the Break-Up Fee, are fair and reasonable, reflect the Debtor's exercise of prudent
12 business judgment consistent with its fiduciary duties, and represent the best method for maximizing
13 the value to the Debtor's estate of the Property.

14 J. Approval of the Break-Up Fee will not chill the bidding for the Property. Assurance
15 to the Buyer of payment of the Break-Up Fee has in fact promoted more competitive bidding by
16 inducing the Buyer's bid, which otherwise would not have been made. Conversely, absent
17 authorization of the Break-Up Fee, the Debtor may lose the opportunity to obtain the highest and
18 best available offer for the Property.

19 K. This Court concludes that entry of this Order is in the best interests of the Debtor's
20 estate and its creditors as it will, among other things, retain for the benefit of its estate the prospect
21 of a successful Sale to the Buyer, while enabling the Debtor to solicit alternate offers in accordance
22 herewith.

23 L. The notice procedures proposed in the Motion are reasonably calculated to provide
24 sufficient notice of the Sale to creditors, and those persons interested in bidding on the Property.

25 M. A reasonable opportunity to object or to be heard regarding the relief requested in the
26 Motion has been afforded to all interested persons and entities.

27 N. Notwithstanding the foregoing approval of the Break-Up Fee in connection with the
28 sale of the Property, if any party makes a bid solely for any portion of the Other Property (but not the

EXHIBIT A 4

1 Cameron Property), then the sale of the Other Property (or a portion thereof) shall not be the subject
2 of any Break-Up Fee or the minimum bid^{or} ~~bid~~ overbid amounts applicable to the sale of the Cameron
3 Property. In connection with the sale of only the Other Property (or a portion thereof) the Debtor
4 (upon consultation with the Lender and the Committee with both parties retaining their rights to
5 object to the Debtor's determination), shall determine minimum bid increments and other matters
6 relating to the sale of the Other Property, subject to Court approval at the Sale Hearing. In addition,
7 although the Debtor may seek to sell the Other Property (or any portion thereof) at the auction to be
8 held as described in this Order, the Debtor (upon consultation with the Lender and the Committee
9 with both parties retaining their rights to object to the Debtor's determination) shall not be obligated
10 to do so and may sell any portion of the Other Property at such auction and may seek separate
11 approval of procedures relating to the auction of the Other Property.

RmW

12 **NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS**
13 **FOLLOWS:**

14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

- 1 1. The Motion is approved.
- 2 2. The Sale Procedures, as modified herein below, are approved and the Debtor may
- 3 proceed with the sale of the Property by conducting the Auction in accordance with the following
- 4 Sale Procedures:

5

6 **A. Property to be Sold**

7 The property described more fully in the Agreement and listed on Exhibit "A" attached

8 hereto (the "Cameron Property"), and, to the extent included in any overbid, any other

9 assets of the Debtor which are generally described on Exhibit "B" attached hereto (any

10 such assets shall be referred to as the "Other Property") , shall be sold free and clear of all

11 liens, claims, rights, interests and encumbrances whatsoever, other than any the Assumed

12 Liabilities (as defined in the Agreement), in accordance with section 363 of the

13 Bankruptcy Code, with all then-existing liens, claims, rights, interests and encumbrances

14 (i) to attach to the net proceeds of the sale of the Cameron Property and Other Property

15 with the same validity and priority as existed prior to the sale or (ii) to be paid in full.

16

17 **B. Notice of the Sale Motion/Opportunity for Due Diligence**

18 No later than February 16, 2007, the Debtor shall serve the Notice of Auction and Sale

19 Hearing and a copy of the Sale Procedures Order by first-class mail, postage prepaid,

20 upon (i) the Office of the United States Trustee; (ii) the Buyer and its counsel; (iii)

21 counsel to the Committee; (iv) counsel to the Lender; (v) all entities who executed non-

22 disclosure agreements with the Debtor in connection with a potential acquisition of any

23 or all of the Cameron Property or Other Property; (vi) all entities known to have asserted

24 any lien, claim, encumbrance, right of refusal or other interest (collectively "Interests") in

25 or upon the Cameron Property or Other Property; (vii) all federal, state, and local

26 regulatory or taxing authorities or recording offices which have a reasonably known

27 interest in the relief requested by the Motion; (viii) the Securities and Exchange

28 Commission; (ix) the Internal Revenue Service; and (x) all entities on the 2002 Service

List as of such date.

 Any party in interest that wishes to receive a copy of the Sale Motion shall make such

request in writing to Pachulski Stang Ziehl Young Jones & Weintraub LLP, 10100 Santa

Monica Boulevard, Suite 1100, Los Angeles, California 90067 Attn: Jeffrey W. Dulberg.

Prior to being permitted to conduct any due diligence, a party must execute a

confidentiality agreement in form and substance satisfactory to the Debtor.

 The Debtor will provide parties interested in acquiring the Cameron Property, with or

without any Other Property ("Potential Purchasers"), with reasonable access to its books,

records, facilities, key personnel, officers, independent accountants and legal counsel for

the purpose of conducting due diligence. The Debtor shall not be required to provide

confidential or proprietary information to a Potential Purchaser if the Debtor reasonably

believes (upon consultation with the Lender and the Committee with both parties

1 retaining the right to object to the Debtor's determination) that such disclosure would be
2 detrimental to the interests of the Debtor.

3 C. Submission of Offer

4 Any person or entity interested in submitting a bid on the Cameron Property or Other
5 Property shall deliver an offer to (i) the Debtor's counsel at Pachulski Stang Ziehl Young
6 Jones & Weintraub LLP, 10100 Santa Monica Boulevard, Suite 1100, Los Angeles,
7 California 90067, Attn: Jeffrey W. Dulberg; (ii) the Buyer at Cameron, 14450 John F.
8 Kennedy Blvd., Houston, Texas 77032, Attn: Tom Simms, and its counsel at Cameron
9 Technologies US, Inc., 1333 West Loop South, Suite 1700, Houston, Texas 77027, Attn:
10 Bruce E. Himmelreich, Esq. and Lewis, Brisbois, Bisgaard & Smith LLP, 221 N.
11 Figueroa Street, Suite 1200, Los Angeles, California 90012, Attn: Brad Krasnoff; (iii) the
12 Lender's counsel at Levy, Small and Lallas, 815 Moraga Drive, Los Angeles, California
13 90049, Attn: Leo D. Plotkin; and (iv) the Committee's counsel at Sulmeyer Kupetz, A
14 Professional Corporation, 333 South Hope Street, 35th Floor, Los Angeles, California
15 90071, Attn: Victor A. Sahn, so that such bid is actually received no later than March 8,
16 2007, at 5:00 p.m. (prevailing Pacific time) (each such offer, an "Offer").

17 An Offer shall, at a minimum, provide that (i) the Potential Purchaser offers to purchase
18 the Cameron Property, with or without any Other Property, on substantially the same
19 terms and conditions set forth in the Agreement, together with all exhibits thereto, but
20 marked to show any proposed amendments and modifications to the Agreement,
21 provided, however that a Potential Purchaser may deviate from the form of the
22 Agreement with the written consent of the Debtor (upon consultation with the Lender and
23 the Committee with both parties retaining their rights to object to the Debtor's
24 determination); (ii) such Potential Purchaser is prepared to enter into and consummate the
25 transaction upon the entry of the order approving the Sale Motion; (iii) such Offer is not
26 subject to, or conditioned on, and does not contain any material contingencies to the
27 validity, effectiveness, and/or binding nature of the Offer, including, without limitation,
28 contingencies for financing, due diligence, or inspection, other than those set forth in the
Agreement or otherwise agreed by the Debtor in writing (upon consultation with the
Lender and the Committee with both parties reserving their rights to object to the
Debtor's determination); (iv) such Potential Purchaser is prepared to abide by these Sale
Procedures; (v) the total consideration is equal to or greater than the Purchase Price as set
forth in the Agreement, plus the Break-Up Fee (as defined below), plus \$50,000 if the
offer is for the Cameron Property (a "Minimum Overbid"), or, if such offer includes
certain of the Other Property, is equal to a Minimum Overbid plus the fair value of the
Other Property being bid on (as determined by the Debtor in consultation with the Lender
and the Committee with both parties retaining the right to object to the Debtor's
determination); and (vi) the Purchase Price shall be paid in all cash.

29 An Offer that includes the Cameron Property shall also be accompanied by a deposit in
30 the amount of \$500,000 in good funds (the "Deposit"). In addition, an Offer must
31 contain information acceptable to the Debtor (upon consultation with the Lender and the
32 Committee with both parties retaining the right to object to the Debtor's determination)
33 which demonstrates that the Potential Purchaser (x) has sufficient cash on hand or a
34 binding financial commitment from an established and financially sound financial

1 institution to ensure such Potential Purchaser's ability to meet its commitments pursuant
2 to its bid and to close the transaction within the time frame established, and (y) has the
3 legal capacity to complete the sale.

4 An Offer must also be accompanied by sufficient indicia that the person submitting the
5 Offer is legally empowered, by power of attorney or otherwise, and financially capable to
6 (i) bid on behalf of the Potential Purchaser, and (ii) complete and sign, on behalf of the
7 Potential Purchaser, a binding and enforceable asset purchase agreement.

8 The Debtor shall determine whether an Offer has satisfied all the conditions set forth
9 above (upon consultation with the Lender and the Committee with both parties retaining
10 the right to object to the Debtor's determination). Any Offer that satisfies such
11 conditions shall be deemed a "Qualified Bid". The Buyer is hereby determined to be a
12 Qualified Bidder and to have submitted a Qualified Bid.

13 **D. Offers to Purchase Only the Other Property or a Portion Thereof**

14 Parties interested in only acquiring the Other Property, or a portion thereof, may submit
15 an offer to acquire any portion of the Other Property pursuant to the provisions of Section
16 C above. The Debtor reserves the right (upon consultation with the Lender and the
17 Committee with both parties retaining the right to object to the Debtor's determination) to
18 sell only the Other Property, or a portion thereof, in connection with the Auction. If the
19 Debtor determines to sell the Other Property, or a portion thereof, at the Auction, no
20 Break-Up Fee shall be payable in connection therewith and the Debtor (upon consultation
21 with the Lender and the Committee with both parties retaining their rights to object to the
22 Debtor's determination), shall determine minimum bid increments and other matters
23 relating to the sale of the Other Property, subject to Court approval at the Sale Hearing.

24 However, the Debtor shall not be obligated to sell only the Other Property, or a portion
25 thereof, at the Auction and reserves the right to reject any and all offers received or to
26 seek to sell only such Other Property, or a portion thereof, pursuant to separate
27 procedures established by the Court. The failure of any party to submit a bid solely for
28 the Other Property, or a portion thereof, on or before March 8, 2007 shall not preclude
such party from subsequently making an offer to purchase the Other Property, or a
portion thereof unless such Other Property, or a portion thereof, is actually sold in
connection with the Auction.

E. The Auction and Selection of the Successful Bid

The Auction will be conducted at the offices of Pachulski Stang Ziehl Young Jones &
Weintraub LLP, 10100 Santa Monica Boulevard, Suite 1100, Los Angeles, California
90067, or at another location as may be timely disclosed by the Debtor to Qualified
Bidders, on March 12, 2007 at 10:00 a.m. (prevailing Pacific time) (the "Auction Date").
Only parties that have timely submitted a Qualified Bid will be permitted to participate in
and/or make any statements on the record at the Auction. All Qualified Bidders must
appear in person at the Auction, or through a duly authorized representative. If multiple
Qualifying Bids satisfying all Auction requirements are received, each party shall have
the right to continue to improve its bid at the Auction. The Auction will be an 'open

EXHIBIT A *g*

1 format' such that all participants are contemporaneously to be made aware of the
2 particulars of any Qualified Bids that are submitted. If there is no timely Qualified Bid
3 (other than that of the Buyer), the Buyer shall be deemed to be the Successful Bidder (as
4 defined below).

5 The Debtor may conduct the Auction in all respects in the manner it determines (upon
6 consultation with the Lender and the Committee with both parties retaining the right to
7 object to the Debtor's determination) will result in the highest, best or otherwise
8 financially superior offer(s) for the Cameron Property (and to the extent applicable, the
9 Other Property) provided that such manner is not inconsistent with the provisions hereof
10 or the Bankruptcy Code. The Minimum Overbid for the Cameron Property must be equal
11 to the Purchase Price plus the Break-Up Fee (as defined below), plus \$50,000 and
12 subsequent minimum bid increments must be no less than \$100,000. The initial
13 minimum bid if an offer includes any Other Property shall be an amount not less than the
14 sum of the Minimum Overbid plus the fair value of the Other Property being bid on (as
15 determined by the Debtor in consultation with the Lender and the Committee with both
16 parties retaining the right to object to the Debtor's determination). At the conclusion of
17 the Auction, and subject to Court approval following the Auction, the successful bid shall
18 be selected by the Debtor (upon consultation with the Lender and the Committee with
19 both parties retaining the right to object to the Debtor's determination) (the "Successful
20 Bid").

21 Within a reasonable time (as determined by the Debtor in consultation with the Lender
22 and the Committee with both parties reserving the right to object to the Debtor's
23 determination) of the adjournment of the Auction, the entity that made the highest and
24 best bid (the "Successful Bidder") shall complete and sign all agreements, contracts,
25 instruments or other documents evidencing and containing the terms and conditions upon
26 which such bid was made.

27 F. Bid Protections

28 Recognizing the Buyer's expenditure of time, energy and resources, the Debtor has
agreed to provide certain bidding protections to the Buyer.

1. Break-Up Fee

The Buyer will be entitled to receive from the Seller a break-up fee in the amount of \$200,000, in cash or other immediately available good funds in the event that (i) the Buyer is not approved by the Bankruptcy Court as the purchaser of the Property, (ii) the Buyer is not in default of its obligations under the Agreement, and (iii) the Property is thereafter sold to any third party for consideration in excess of the Purchase Price provided for in the Agreement notwithstanding the Buyer's willingness and ability to consummate the transactions contemplated by the Agreement, which payment shall be made to the Buyer at the time and under the circumstances set forth in the Agreement.

2. Overbid Protection

EXHIBIT A 9

1 Any bid submitted by a party other than the Buyer must be in an amount that is sufficient
2 to pay the Break-Up Fee and results in additional consideration to the Estate (as
3 compared to the Purchase Price), after payment of the Break-Up Fee, of at least \$50,000
4 as determined by the Debtor (in consultation with the Lender and the Committee with
5 both parties reserving the right to object to the Debtor's determination)

6 **G. Objections**

7 Except as provided in the next sentence, objections to the relief requested by the Sale
8 Motion shall be set forth in writing and shall specify with particularity the grounds for
9 such objections or other statements of position and shall be filed with the Court on or
10 before March 5, 2007 at 5:00 p.m. (prevailing Pacific time), and shall be served so as to
11 be received by that same date and time on (i) the Debtor's counsel at Pachulski Stang
12 Ziehl Young Jones & Weintraub LLP, 10100 Santa Monica Boulevard, Suite 1100, Los
13 Angeles, California 90067, Attn: Jeffrey W. Dulberg; (ii) the Buyer at Cameron, 14450
14 John F. Kennedy Blvd., Houston, Texas 77032, Attn: Tom Simms, and its counsel at
15 Cameron Technologies US, Inc., 1333 West Loop South, Suite 1700, Houston, Texas
16 77027, Attn: Bruce E. Himmelreich, Esq. and Lewis, Brisbois, Bisgaard & Smith LLP,
17 221 N. Figueroa Street, Suite 1200, Los Angeles, California 90012, Attn: Brad Krasnoff;
18 (iii) the Lender's counsel at Levy, Small and Lallas, 815 Moraga Drive, Los Angeles,
19 California 90049, Attn: Leo D. Plotkin; and (iv) the Committee's counsel at Sulmeyer
20 Kupetz, A Professional Corporation, 333 South Hope Street, 35th Floor, Los Angeles,
21 California 90071, Attn: Victor A. Sahn. Notwithstanding the foregoing, parties may
22 submit objections to (x) any matters relating to the conducting of the Auction, including,
23 but not limited to, the Debtor's determinations of which bid was a Qualified Bid, which
24 bid was the Successful Bid or the manner in which the Auction was conducted or (y) any
25 other matters for which the objecting party was unaware prior to the March 5 objection
26 deadline, on or before 5:00 p.m. (prevailing Pacific time) on March 12, 2007. The failure
27 of any objecting person or entity to timely file its objection by the applicable deadline
28 above shall be a bar to the assertion at the Sale Hearing or thereafter, of any objection to
the Sale Motion, the Auction, the Sale, or consummation and performance of the
Agreement (including the transfer of the Property free and clear of all liens, claims,
rights, interests and encumbrances) and shall be deemed a consent to such transfer, if
authorized by the Court.

29 **H. Court Approval at Sale Hearing**

30 An evidentiary hearing on the relief requested in the Sale Motion, among other things, to
31 confirm the results of the Auction and approve the sale of the Property to the Successful
32 Bidder (the "Sale Hearing") will be held before the Honorable Richard M. Neiter, United
33 States Bankruptcy Judge, on March 13, 2007 at 2:00 p.m. (prevailing Pacific time) or at
34 such time thereafter as counsel may be heard. The sale of the Property will be subject to,
35 among other things, the entry of an order of the Bankruptcy Court approving the sale.
36 The Sale Hearing may be adjourned from time to time without further notice to creditors
37 or parties in interest other than by announcement of the adjournment in open court or on
38 the Court's calendar on the date scheduled for the Sale Hearing or any adjourned date.

EXHIBIT A 10

1 **I. Return of Deposit**

2 Deposits of all Qualified Bidders shall be held in an interest-bearing escrow account until
3 the third day after the Sale Order is entered, after which time the Deposits of the non-
4 Successful Bidder(s) shall be returned; provided, however, that if the Buyer is not the
5 Successful Bidder, the Buyer's Deposit shall be returned to the Buyer in accordance with
6 the terms and conditions set forth in the Agreement. If the Successful Bidder fails to
7 consummate a Court-approved sale because of a material breach or failure to perform on
8 the part of such Successful Bidder, the Debtor shall be entitled to retain the Deposit in
9 accordance with the terms of Section 2.1.2 of the Agreement.

10 **J. Closing**

11 The closing shall take place at the offices of Pachulski Stang Ziehl Young Jones &
12 Weintraub, LLP, 10100 Santa Monica Boulevard, Suite 1100, Los Angeles, California
13 90067, on or before upon the earlier to occur of (a) the second (2nd) business day
14 following the satisfaction of the last of the conditions set forth in Sections 4.1 and 4.2 of
15 the Agreement, and (ii) March 31, 2007 (the "Outside Date"). In the event the conditions
16 to Closing have not been satisfied or waived by the Outside Date, then any Party who is
17 not in default may terminate the Agreement. Alternatively, the Parties may mutually
18 agree to an extended Closing Date. Until the Agreement is either terminated or the
19 Parties have agreed upon an extended Closing Date, the Parties shall diligently continue
20 to work to satisfy all conditions to Closing and the transaction contemplated herein shall
21 close as soon as such conditions are satisfied or waived.

22 3. The Notice of Auction and Sale Hearing set forth in the Sale Procedures Motion shall
23 be deemed proper, due, timely, good, and sufficient notice of the entry of this Order, the Sale
24 Procedures, the Auction and the Sale Hearing.

25 4. The Break-Up Fee is hereby approved, and shall be payable to the Buyer as and under
26 the circumstances provided in Section 8(b) of the Agreement, without further order of this Court.

27 5. The Buyer's Deposit (as defined in the Agreement) shall be held in a separate
28 interest-bearing escrow account until the Deposit is properly applied and/or retained pursuant to the
29 terms and conditions of the Agreement, including but not limited to Sections 2.12 and 4.3 of the
30 Agreement, without further order of this Court.

31 6. This Sale Procedures Order shall become effective immediately upon its entry.

1 7. This Court retains jurisdiction with respect to all matters arising from or related to the
2 implementation of this Sale Procedures Order.

3
4 Dated: 2/15/07



HONORABLE RICHARD M. NEITER
UNITED STATES BANKRUPTCY JUDGE

PACHULSKI STANG ZIEHL YOUNG JONES & WEINTRAUB LLP
ATTORNEYS AT LAW
LOS ANGELES, CALIFORNIA

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT "A"

CAMERON PROPERTY

1.1 On the Closing Date, as hereinafter defined, in consideration of the covenants, representations and obligations of Buyer hereunder, and subject to the conditions hereinafter set forth, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Seller the following assets (collectively, the "**Property**"):

1.1.1 Personal Property. All of those items of equipment and tangible personal property owned by Seller and listed in **Schedule 1.1.1** attached to this Agreement and incorporated herein by this reference (collectively, the "**Personal Property**"). As used in this Agreement, the Personal Property shall not include the Inventory. The Personal Property shall also expressly exclude any equipment or other tangible property held by the Seller pursuant to a lease, rental agreement, contract, license or similar arrangement (a "**Rental Agreement**"). Buyer may, upon written notice given to Seller not less than three (3) days prior to the Closing, specify additional items of personal property to be acquired provided those items are used exclusively in the Business and that they do not have an aggregate value (as specified in that certain appraisal dated February 10, 2006 prepared by Koster Industries, Inc.) in excess of \$25,000.

1.1.2 Intangible Property. All patents, processes, engineering drawings, software, customer lists and other items of intangible personal property specifically listed or described on **Schedule 1.1.2** attached to the Agreement and incorporated herein by this reference, but in all cases only to the extent of Seller's interest and only to the extent transferable (collectively, the "**Intangible Property**") and only if it is not held by Seller pursuant to a license or similar agreement or arrangement. As used in this Agreement, Intangible Property shall in all events exclude, any materials containing privileged communications or information about employees, disclosure of which would violate an employee's reasonable expectation of privacy and any other materials which are subject to attorney-client or any other privilege.

1.1.3 Inventory. All supplies, goods, materials, work in process, inventory and stock in trade which are both (i) owned and held by Seller for use in connection with the operation of the Business, and (ii) listed or described on **Schedule 1.1.3** attached to the Agreement and incorporated herein by this reference (collectively, the "**Inventory**"). For the avoidance of doubt, the term "Inventory" shall not include (xx) any components that were purchased by Buyer and delivered to Seller for the production of Nuflo Products unless and until such time, if any, as the cost of such components have been set off by Buyer against accounts receivable owing from Buyer to Seller, after which time, title to such components shall automatically pass to Seller and such components shall become part of the Inventory, or (yy) any work in process, supplies or materials used or intended for use in filling the Transmitter Orders (as defined in Section 11(c), below).

1.2 Excluded Assets. Notwithstanding anything to the contrary in this Agreement or any Schedule to the Agreement, the Property shall be limited to the items identified or described in Section 1.1 above and shall in any event exclude all of the following (collectively, the "**Excluded Assets**"): (i) those items excluded pursuant to the provisions of

Section 1.1 above; (ii) all cash or cash equivalents; (iii) the Seller's rights under this Agreement and all cash and non-cash consideration payable or deliverable to the Seller pursuant to the terms and provisions hereof; (iv) insurance proceeds, claims and causes of action with respect to or arising in connection with (A) any contract or agreement, or (B) any item of tangible or intangible property not acquired by Buyer at the Closing; (v) Seller's right, title and interest in and to all Rental Agreements to which Seller is a party and any other lease or rental agreement, contract, license, agreement, rental agreement, order, purchase order, or other contract, agreement, commitment or arrangement to which Seller is a party; (vi) all securities, whether capital stock or debt, of Seller or any other entity; (vii) all rights and claims in or to any refunds or credits of or with respect to any taxes, assessments or similar charges paid by or on behalf of Seller, in each case to the extent applicable to any period prior to the Closing; (viii) tax records, minute books, stock transfer books and corporate seals of Seller and all other books and records of Seller, other than those expressly included in the Property pursuant to Section 1.1 above (or the Schedules contemplated therein); (ix) any letters of credit or similar financial accommodations issued to any third party(ies) for the account of Seller; (x) all deposits, security and collateral associated with the Property, including cash deposits, letters of credit and other collateral and, all prepaid expenses, deferred charges, deposits and prepaid items associated with the Property; (xi) all rights, claims and causes of action of Seller against former officers, directors, employees, members, principals, agents, and representatives of Seller, (xii) Seller's right, title and interest under that certain Assets Purchase Agreement dated March 3, 1998 (the "ITT Agreement") by and between ITT Industries, Inc. ("ITT") as seller and Barton Instrument Systems, LLC, (xiii) all preference or avoidance claims and actions of the Seller, including, without limitation, any such claims and actions arising under Sections 544, 547, 548, 549, and 550 of the Bankruptcy Code; (xiv) all instruments, receivables, accounts receivable (including, without limitation, accounts receivable arising in the ordinary course of the Business) and unbilled costs and fees attributable to the Business and all causes of action and books and records relating or pertaining to the foregoing, (xv) Seller's right, title and interest in and to all intellectual property licenses to which Seller is a party and any asset held by Seller pursuant to any such license, (xvi) any and all obsolete inventory, whether or not relating to or previously utilized in connection with the Business; provided that such obsolete inventory shall be disposed of for scrap and to parties who will render such obsolete inventory unusable, and (xvii) any and all right, title and interest of Seller in and to all assets of Seller which are not specifically included in the description of the Property.

Instruments of Transfer. The sale, assignment, transfer, conveyance and delivery of the Property to Buyer shall be made by assignments, bill of sale, and other instruments of assignment, transfer and conveyance provided for in Section 3 below and such other instruments as may reasonably be requested by Buyer to transfer, convey, assign and deliver the Property to Buyer, but in all events only to the extent that the same do not impose any monetary obligations upon Seller or in any other respect increase in any material way the burdens imposed by the other provisions of this Agreement upon Seller

EXHIBIT "B"

OTHER PROPERTY

Microsensor and associated intellectual property

MIR Assets

DPE Department (including DPE2 and DPE3) and related intellectual property assets

Property related to mechanical business not being purchased by Cameron

Miscellaneous furniture, fixtures and equipment

Accounts receivable

Additional information about the foregoing Other Property can be obtained by contacting the Debtor or its counsel

EXHIBIT B

EXHIBIT A 14 15

NOTE TO USERS OF THIS FORM:

Physically attach this form as the last page of the proposed Order or Judgment.
Do not file this form as a separate document.

In re PRIME MEASUREMENT PRODUCTS, LLC	CHAPTER <u>11</u> Debtor. CASE NUMBER: LA 07-10109-RN
--	--

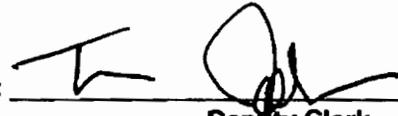
**NOTICE OF ENTRY OF JUDGMENT OR ORDER
AND CERTIFICATE OF MAILING**

TO ALL PARTIES IN INTEREST ON THE ATTACHED SERVICE LIST:

1. You are hereby notified, pursuant to Local Bankruptcy Rule 9021-1(a)(1)(E), that a judgment or order entitled *(specify)*:
ORDER RE MOTION FOR ORDER (A) APPROVING SALE PROCEDURES AND BID PROTECTIONS, INCLUDING BREAK-UP FEE, IN CONNECTION WITH SALE OF CERTAIN ASSETS, FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS; (B) SCHEDULING AN AUCTION FOR AND HEARING TO APPROVE THE SALE; (C) APPROVING NOTICE OF RESPECTIVE DATES, TIMES AND PLACES FOR AUCTION AND FOR HEARING ON APPROVAL OF SALE; AND (D) GRANTING RELATED RELIEF
was entered on *(specify date)*: **FEB 15 2007**
2. I hereby certify that I mailed a copy of this notice and a true copy of the order or judgment to the persons and entities on the attached service list on *(specify date)*: **FEB 15 2007**

Dated: **FEB 15 2007**

JON D. CERETTO
Clerk of the Bankruptcy Court

By: 
Deputy Clerk

NOTICE OF ENTRY SERVICE LIST

Jeffrey W. Dulberg, Esq.
Pachulski Stang Ziehl Young Jones & Weintraub LLP
10100 Santa Monica Blvd., 11th Floor
Los Angeles, CA 90067

EXHIBIT A 17