

Below is the Order of the Court.



*[Handwritten Signature]*

**Marc Barreca**  
**U.S. Bankruptcy Judge**

(Dated as of Entered on Docket date above)

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UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re:

VADIUM TECHNOLOGY, INC.,

Debtor.

CASE NO. 12-10808-MLB

CHAPTER 11

ORDER GRANTING DEBTOR'S  
MOTION TO APPROVE ASSET  
PURCHASE AGREEMENT

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A hearing on the Motion to Approve Asset Purchase Agreement (the "Motion"), filed by the debtor in the above-captioned Chapter 11 bankruptcy case (the "Debtor"), was held before this Court on July 6, 2012.

Having considered the Motion and all related pleadings, any opposition thereto, and the arguments of counsel,

THE COURT FINDS THAT:

A. Notice of the Motion was proper and adequate.

B. The Buyer has acted in good faith and is entitled to the protections of Section 363(m) of the Bankruptcy Code.

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ORDER APPROVING ASSET PURCHASE  
AGREEMENT  
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1 Based on the foregoing and the findings and conclusions stated orally in the  
2 record, and good cause appearing therefore,

3 IT IS HEREBY ORDERED THAT

4 1. The notice of the Motion and the hearing thereon is approved as proper  
5 and adequate under the circumstances.

6 2. The Motion is granted and the Asset Purchase Agreement is approved.

7 3. The Debtor is authorized to sell all of the assets listed in Schedule 1(a)  
8 to the Asset Purchase Agreement (“Sale Assets”) to Buyer for the purchase price of up  
9 to \$12,500,000 in cash and 10,477,500 common shares (“Sale Proceeds”) of the Buyer  
10 in accordance with the terms and conditions that are set forth in the Asset Purchase  
11 Agreement (“Asset Sale”) which is attached to the Motion.

12 4. If the Asset Sale closes prior to the Confirmation of the Debtor’s Plan of  
13 Reorganization the Sales Proceeds shall be held in the IOLTA Trust Account of  
14 Beresford Booth, PPLC until such time as an Order Confirming a Plan of  
15 Reorganization is entered by the Court that specifically orders how the Sales Proceeds  
16 are to be distributed pursuant to the Plan.

17 5. The Disbursement Agent shall be appointed by the Court by motion and  
18 hearing.

19 6. Pursuant to Section 363(f) of the Bankruptcy Code, effective upon  
20 closing, the sale of the Sale Assets will vest in the Buyer all right, title and interest of  
21 the Debtor and the bankruptcy estate in the Sale Assets, free and clear of the liens,  
22 claims or interests listed below (collectively, the “Affected Interests”):

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<b><i>Secured or Lien Interest Holder:</i></b>	<b><i>Principal Balance as of the date of Motion Filing</i></b>
Avanade, Inc	\$ 743,991
John Brasino	\$ 476,443
David R. Vey	\$ 1,189,061
CADG International Pte. Ltd.	\$ 500,000
Michael Kichline	\$ 1,110,000
David Jones	\$ 202,500
S. Shawn Tacey	\$ 874,500
Elizabeth Hammersmith	\$ 718,000
Wolfgang Hammersmith	\$ 718,000
4505, LLC	\$ 687,835
Washington State Department of Revenue	\$ 48,339.22
Washington State Employment Security Department	\$ 47,161.39

7. Unless the holders of the liens, claims or interests identified in paragraph 6 above have agreed to other treatment, their liens, claims or interests shall attach to the proceeds of the sale with the same force, effect, validity and priority that previously existed against the Sale Assets.

8. This Order is and shall be effective as a determination that, upon and subject to the occurrence of the closing of the sale, all Affected Interests have been and hereby are adjudged and declared to be unconditionally released as to the Sale Assets.

9. Buyer, at its sole discretion, will only assume those liabilities it expressly chooses to do so in writing at Closing. Those assumed liabilities, if any, shall be attached to the Asset Purchase Agreement on Schedule 1(b) thereto.

10. The Debtor is authorized to execute any such releases, termination statements, assignments, consents or instruments on behalf of any third party, including the holders of any liens, claims or interests identified in paragraph 6 of this Order, that are necessary or appropriate to effectuate or consummate the sale.

11. The Debtor and its officers, employees and agents be and they hereby are authorized to execute the purchase agreement, or other related documents that are

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1 reasonably necessary or appropriate to complete the sale, and to undertake such other  
2 actions as may be reasonably necessary or appropriate to complete the sale.

3 12. Except as otherwise provided in the Motion, the Sale Assets shall be  
4 sold, transferred, and delivered to Buyer on an “as is, where is” or “with all faults”  
5 basis.

6 13. Buyer is approved as a buyer in good faith in accordance with Section  
7 363(m) of the Bankruptcy Code, and Buyer shall be entitled to all protections of  
8 Section 363(m) of the Bankruptcy Code.

9 14. This Court retains jurisdiction to enforce and implement the terms and  
10 provisions of this Order and the purchase agreement, all amendments thereto, any  
11 waivers and consents thereunder, and each of the documents executed in connection  
12 therewith in all respects, including retaining jurisdiction to (a) compel delivery of the  
13 Sale Assets to the Buyer, (b) resolve any disputes arising under or related to the  
14 purchase agreement, and (c) resolve any disputes regarding liens, claims, or interests  
15 asserted against the Sale Assets.

16 15. The purchase agreement and any related documents or other instruments  
17 may be modified, amended or supplemented by the parties thereto, in a writing signed  
18 by both parties without further order of the Court, provided that any such modification,  
19 amendment or supplement does not have a material adverse effect on the Debtor’s  
20 bankruptcy estate.

21 // /END OF ORDER/ //

22 Presented By:

23 By: /s/Dallas W. Jolley, Jr.

24 Dallas W. Jolley, Jr.

25 WSBA No. 22957

26 Attorney for the Debtor

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