United States Bankruptcy Court
Southern District of Texas
ENTERED
June 06, 2025
Nathan Ochsner, Clerk

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	Chapter 11
SPICEY PARTNERS REAL ESTATE HOLDINGS, LLC, *et al.*,[1]	§	Case No. 24-90572 (CML)
Debtors.	§	(Jointly Administered)

ORDER (I) AUTHORIZING THE SALE OF DEBTORS' ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, (II) APPROVING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND (III) GRANTING RELATED RELIEF
[Relates to Docket No. 156, 185, 376]

Upon the motion [Docket No. 156] (the "Sale Motion")[2] of the above-captioned debtors (collectively, the "Debtors"), as debtors in possession, for entry of an order (this "Sale Order"), pursuant to sections 363 and 365 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq*. (the "Bankruptcy Code"), Rules 2002, 6004, 6006, 9007, 9008 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Bankruptcy Local Rules for the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Local Rules"), and the Procedures for Complex Chapter 11 Cases in the Southern District of Texas, (i) authorizing and approving the sale (the "Sale") of the Debtors' assets free and clear of all liens, claims, encumbrances and interests[3] under the terms of that certain Bill of Sale and Assignment and

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Spicey Partners Real Estate Holdings, LLC (6459) and Cosmed Group, Inc (8781). The location of the Debtors' service address is: 28 Narragansett Ave., Jamestown, RI 02835.

[2] Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the BOS or as otherwise indicated. All references to insider(s), affiliate(s), person(s) and entity(ies) herein are to insider(s), affiliate(s), person(s) and entity(ies) as defined in the Bankruptcy Code.

[3] Except as set forth herein.

Assumption Agreement, by and between Cosmed Group Inc. ("Cosmed") and Vapos, LLC (the "Purchaser"[4]), substantially in the form attached hereto as **Exhibit 1** (as may be subsequently amended, restated or otherwise modified in accordance with its terms and the terms of this Sale Order, the "BOS"), (ii) approving the assumption and assignment of certain of Cosmed's executory contracts and unexpired leases (the "Assigned Contracts") identified by the Purchaser and more fully described in the BOS and the proposed Cure Costs with respect thereto (the "Cure Costs"), and (iii) granting related relief; and the Debtors having determined that the highest and otherwise best offer for the sale of the Transferred Assets (as defined in the BOS) was made by the Purchaser in the form of the BOS; and the Court having held a hearing on June 6, 2025 (the "Sale Hearing") to approve the Sale and the BOS; and the Court having reviewed and considered (i) the Sale Motion, (ii) any objections and replies related thereto and resolution of objections announced on the record, and (iii) the arguments of counsel and the evidence and testimony proffered or adduced at the Sale Hearing; and, upon the record of the Sale Hearing, and all other pleadings and proceedings in the chapter 11 cases, the Court being satisfied that the relief requested in the Sale Motion is necessary and in the best interests of the Debtors and their estates, creditors and all parties in interest; and the Court having determined that the legal and factual bases set forth in the Sale Motion and at the Sale Hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

THE COURT HEREBY FINDS AND DETERMINES THAT:[5]

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[4] The Purchaser as defined shall include Vapos, LLC ("Vapos") and BrightArc Manufacturing, LLC ("BrightArc"). At the Purchaser's discretion, the equipment related to manufacturing new third party equipment and any existing assumed and assigned contracts related to the manufacturing of equipment shall be transferred to BrightArc as part of the Closing. All other Transferred Assets shall be transferred to Vapos. For the avoidance of doubt, this in no way alters any other provision of this Sale Order, including paragraph 35. This footnote clarifies that Vapos and BrightArc are both included in the Purchaser definition.

[5] The findings of fact and conclusions of law herein constitute the Court's findings of fact and conclusions of law for the purposes of Bankruptcy Rule 7052, made applicable pursuant to Bankruptcy Rule 9014. To the extent

A. **Jurisdiction and Venue**. The Court has jurisdiction over the Sale Motion pursuant to 28 U.S.C. § 1334, and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue for these chapter 11 cases and the Sale Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

B. **Statutory Predicates**. The statutory predicates for the relief ordered herein are sections 105, 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, 9007, 9008 and 9014 and applicable Bankruptcy Local Rules.

C. **Entry of Bid Procedures Order**. On January 7, 2025, this Court entered the *Order (A) Approving Bid Procedures for the Sale of Debtors' Assets, (B) Establishing Procedures for Debtors to Enter into a Stalking Horse Agreement with Bid Protections, (C) Establishing Assumption and Assignment Procedures, (D) Establishing Notice Procedures, (E) Scheduling a Hearing on the Approval of the Sale of the Assets and (F) Granting Related Relief* (the "Bid Procedures Order") [Docket No. 185], which, among other things, (i) established procedures in connection with the sale of the Debtors' assets (the "Bid Procedures"), (ii) approved procedures relating to the assumption and assignment of certain of the Debtors' executory contracts and unexpired leases and determining Cure Costs, (iii) scheduled an auction (the "Auction") and Sale Hearing and approved the form and manner of notice thereof, and (iv) granted related relief.

D. **Compliance with Bid Procedures**. The Sale is duly authorized pursuant to sections 363(b)(1) and 363(f) of the Bankruptcy Code and Bankruptcy Rule 6004(f). As demonstrated by (i) the testimony and other evidence submitted by declaration and adduced at the Sale Hearing and (ii) the representations of counsel made on the record at the Sale Hearing, the Debtors marketed the Transferred Assets and conducted all aspects of the Sale process in

any findings of facts are conclusions of law, they are adopted as such. To the extent any conclusions of law are findings of fact, they are adopted as such.

compliance with the Bid Procedures and Bid Procedures Order, and the Auction was duly noticed. The marketing process undertaken by the Debtors and their professionals, agents, and other representatives with respect to the Transferred Assets has been adequate, appropriate and reasonably calculated to maximize value for the benefit of all stakeholders, and the Debtors have afforded potential purchasers a full and fair opportunity to make higher and better offers.

E. **Notice**. As evidenced by the affidavits of service previously filed with the Court, and based upon the representations of counsel at the Sale Hearing, proper, timely, adequate, and sufficient notice of (i) the Sale Motion, (ii) the deadline for the submission of bids for the Transferred Assets, as extended pursuant to the Bid Procedures from time to time, (iii) the sale of the Transferred Assets to the Purchaser, (iv) the assumption and assignment of the Assigned Contracts, (v) the Cure Costs, (vi) the Sale Hearing, (viii) the *Notice of (A) Cancellation of Auction with Respect to Certain Assets; (B) Successful Bidder with Respect to Certain Assets; and (C) Sale Hearing* [Docket No. 376] (the "Selection Notice"), and (ix) all deadlines related thereto, has been provided by the Debtors in accordance with sections 102(1), 363, and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 9007, 9008, and 9014, and in compliance with the Bid Procedures Order to each party entitled thereto. Such notice was good, sufficient, and appropriate under the circumstances, and no other or further notice of the Sale Motion, the Auction, the Sale (and the transactions contemplated in connection therewith), the assumption and assignment to the Purchaser of the Assigned Contracts, the Cure Costs, the Sale Hearing, and all deadlines related thereto is or shall be required.

F. **Cure Notice**. In accordance with the Bid Procedures Order, the Debtors filed with the Court and served upon the non-Debtor counterparties to the Assigned Contracts notice [Docket No. 196] (the "Cure Notice") providing that such executory contract or unexpired lease may be assumed and assigned to the Purchaser and the applicable Cure Cost. The service of the

Cure Notice was sufficient under the circumstances and in full compliance with the Bid Procedures Order, and no further notice of Cosmed's assumption and assignment to the Purchaser of the Assigned Contracts or the Cure Costs is or shall be required. All non-Debtor counterparties to the Assigned Contracts have had an adequate opportunity to object to the assumption and assignment of the Assigned Contracts and the Cure Costs in accordance with the Cure Notice.

G. **Corporate Authority**. The Transferred Assets, as more fully described in the BOS, constitute property of the Debtors' bankruptcy estates and title thereto is vested in the Debtors' estates, within the meaning of section 541 of the Bankruptcy Code. Cosmed (i) has full corporate power and authority to execute the BOS and consummate the Sale by Cosmed to the Purchaser has been duly and validly authorized by all necessary corporate action, (ii) has all of the corporate power and authority necessary to consummate the Sale and all transactions contemplated by the BOS, (iii) has taken all corporate action necessary to authorize and approve the BOS and the consummation by Cosmed of the Sale and all transactions contemplated thereby, and (iv) does not require any consents or approvals that have not been obtained, other than the Court's entry of this Sale Order and those expressly provided for in the BOS and to consummate such transactions.

H. **Opportunity to Object**. A fair and reasonable opportunity to object or be heard with respect to the Sale Motion and the relief requested therein has been afforded to all interested persons and entities, including but not limited to (i) the Office of the United States Trustee, (ii) counsel to the DIP Lender, (iii) counsel to the Debtors' pre-petition lenders, (iv) the Official Committee of Unsecured Creditors appointed in these chapter 11 cases (the "Committee"), (v) all parties known by the Debtors to have asserted a lien on any of the Transferred Assets, (vi) all persons known or reasonably believed to have asserted an interest in any of the Transferred Assets, (vii) any party that requested notice pursuant to Bankruptcy Rule 2002, and (viii) all federal, state,

county and local and foreign regulatory or taxing authorities or recording offices which have a reasonably known interest in the relief requested in the Sale Motion.

I. **Qualified Bid**. The Purchaser's bid for the Transferred Assets constitutes a Qualified Bid (as defined in the Bid Procedures) and the Purchaser constitutes a Qualified Bidder (as defined in the Bid Procedures).

J. **Auction Not Necessary**. The Debtors arranged for an Auction for the Transferred Assets to be conducted in accordance with the Bid Procedures and Bid Procedures Order. There have been no other bids submitted for the Transferred Assets and no interest in the Transferred Assets other than by the Purchaser. Accordingly, the Debtors cancelled the Auction and, in a valid and sound exercise of their business judgment, (i) determined that the Purchaser's bid for the Transferred Assets, as memorialized in the BOS, represents the best offer for the Transferred Assets and (ii) designated the Purchaser's bid as the successful bid (the "Successful Bid").

K. **Consideration**. The consideration provided by Purchaser for the Transferred Assets pursuant to the BOS (i) constitutes (a) reasonably fair and equivalent value and consideration under the Bankruptcy Code and any Uniform Fraudulent Transfer or Conveyance Act, and (b) reasonably equivalent value, fair consideration, fair salable value, and fair value under any such laws as applicable or any other applicable laws of the United States, any state, territory, or possession thereof, or the District of Columbia, (ii) is fair and reasonable, (iii) is the highest or otherwise best offer for the Transferred Assets, and (iv) will provide a greater recovery for the Debtors' creditors than would be provided by any other practical available alternative.

L. **Purchaser's Credit Bid**. Pursuant to applicable law, including section 363(k) of the Bankruptcy Code, the Purchaser is authorized to credit bid for the Transferred Assets the amount as contemplated under the BOS, and the Credit Bid is valid and proper consideration

pursuant to sections 363(b) and 363(k) of the Bankruptcy Code, the Final DIP Order,[6] and the Bid Procedures Order.

M. **Sale in Best Interests**. The relief requested in the Sale Motion, the approval of the BOS, and consummation of the Sale of the Transferred Assets at this time is in the best interests of the Debtors, their creditors, their estates and other parties in interest.

N. **Business Justification**. Sound business reasons exist for the Sale. Entry into the BOS constitutes Cosmed's exercise of sound business judgment, and such acts are in the best interest of the Debtors, their estates, and all parties in interest. The Court finds that the Debtors have articulated good, sufficient and sound business purposes and justifications for the Sale, and compelling circumstances for this Court to approve the BOS and the consummation of the Sale pursuant to section 363(b) of the Bankruptcy Code to the Purchaser, including but not limited to, the following: (i) the Debtors conducted a robust marketing process and the BOS constitutes the best offer for the Transferred Assets, (ii) the BOS represents a fair and reasonable offer to purchase the Transferred Assets and no other person or entity or group of entities has offered to purchase the Transferred Assets for greater economic value to the Debtors' estates than the Purchaser, and (iii) the Sale represents the best opportunity to continue business as a going concern.

O. **Arm's-Length Sale**. The BOS was negotiated, proposed, and entered into by the Debtors and the Purchaser without collusion or fraud, in good faith, and from arm's length bargaining positions. Neither the Debtors, nor the Purchaser, nor any of the Purchaser's affiliates, has engaged in any conduct that would cause or permit the BOS to be avoided under section 363(n) of the Bankruptcy Code. The Purchaser and its respective affiliates have not acted in a collusive

[6] "Final DIP Order" means the *Final Order (I) Authorizing Debtors to Obtain Postpetition Financing, (II) Granting Priming Liens and Providing Superpriority Administrative Expense Claims, (III) Modifying Automatic Stay, and (IV) Granting Related Relief* [Docket No. 182].

manner with any person in connection with any aspect of the Auction or the Sale, and the Purchase Price was not controlled by any agreement among the bidders.

P. **Good Faith Purchaser**. The Purchaser is a good faith purchaser for value within the meaning of section 363(m) of the Bankruptcy Code with respect to the Sale, the BOS, and the transactions contemplated thereby and by this Sale Order (including, without limitation, in connection with the assumption and assignment of the Assigned Contracts), and is therefore entitled to all of the protections afforded by that provision solely with respect to the Sale, and the BOS. As demonstrated by the record of these chapter 11 cases, the representations of counsel made on the record at the Sale Hearing and the testimony and other evidence proffered or adduced at the Sale Hearing, and in addition to the other findings set forth in this Sale Order, the Purchaser (i) recognized the Debtors were free to deal with any other party interested in acquiring the Transferred Assets, (ii) complied with the Bid Procedures, (iii) agreed to subject its bid to the competitive Bid Procedures, (iv) disclosed all payments to be made by the Purchaser with respect to the Purchase Price, and (v) has not violated section 363(n) of the Bankruptcy Code by any action or inaction.

Q. **No Fraudulent Transfer**. Neither the Debtors nor the Purchaser entered into the BOS, or is consummating the Sale, for the purpose of hindering, delaying or defrauding creditors of the Debtors or with any fraudulent or otherwise improper purposes.

R. **Sale Free and Clear; Purchaser's Reliance**. The Debtors are authorized to sell the Transferred Assets free and clear of all liens, claims, encumbrances, and other interests of any kind or nature whatsoever, because, in each case, one or more of the standards set forth in section 363(f)(l)-(5) of the Bankruptcy Code has been satisfied. All parties in interest, including, without limitation, any holders of liens, claims, encumbrances, and other interests and any other non-Debtor counterparties to the Assigned Contracts, that did not object, or who withdrew any such

objection, to the Sale, the Sale Motion, the assumption and assignment of the applicable Assigned Contract or the associated Cure Cost are deemed to have consented to the relief granted herein pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of liens, claims, encumbrances, and other interests who did object, if any, fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code, or such holders of liens, claims, encumbrances and other interests (except to the extent that such liens, claims, encumbrances or other interests are Assumed Liabilities or Permitted Liens) are adequately protected by having their liens, claims, and interests attach exclusively to the proceeds of the Sale (the "Proceeds") in accordance with the terms of this Sale Order. The Purchaser would not have entered into the BOS and would not consummate the transactions contemplated thereby (i) if the Sale of the Transferred Assets to the Purchaser, and the assumption and assignment of the Assigned Contracts to the Purchaser, were not, except as otherwise expressly provided in the BOS, free and clear of all claims, liens, interests and encumbrances of any kind or nature whatsoever, or (ii) if the Purchaser would, or in the future could (except and only to the extent expressly provided in the BOS with respect to the Assumed Liabilities), be liable for any of such liens, claims, interests or encumbrances.

S. **Legal, Valid Transfer**. As of the Closing, pursuant and subject to the terms of the BOS, the transfer of the Transferred Assets and the Sale will effect a legal, valid, enforceable, and effective transfer of the Transferred Assets and will vest the Purchaser with all of Cosmed's right, title, and interest in the Transferred Assets, free and clear of all liens, claims, encumbrances and other interests, except as expressly set forth in the BOS.

T. **No Successor Liability**. The Purchaser (i) is not a successor (and shall not be deemed a successor) to the Debtors or their estates by reason of any theory of law or equity, (i(i) has not, *de facto* or otherwise, merged with or into the Debtors, and (iii) is not a continuation

or substantial constitution, and is not holding itself out as a mere continuation, of any of the Debtors or their respective estates, businesses, or operations. The Purchaser shall not be deemed to have assumed or in any way be responsible for any liability or obligation of the Debtors and/or their estates, except as expressly provided in the BOS. Nothing in this Sale Order applies or operates as a finding with respect to any person or entity that is not the Purchaser, including, without limitation, the Purchaser's members, managers, affiliates, insiders, shareholders, agents, equity holders, ultimate beneficiaries, and members of the Howe family.

U. **Assumption of Executory Contracts and Unexpired Leases**. The Debtors have demonstrated the assumption and assignment of the Assigned Contracts to the Purchaser in connection with the consummation of the Sale is an exercise of the Debtors' sound business judgment and is in the best interests of the Debtors and their estates, creditors, and other parties in interest. The Assigned Contracts being assigned to the Purchaser are an integral part of the BOS and the Sale and, accordingly, the assumption and assignment of the Assigned Contracts is reasonable and enhances the value of the Debtors' estates. Any non-Debtor counterparty to an Assigned Contract that has not filed with the Court an objection to such assumption and assignment in accordance with the terms of the Bid Procedures Order and Cure Notice is deemed to have irrevocably consented to such assumption and assignment.

V. **Cure/Adequate Assurance**. Cosmed and the Purchaser, as applicable under the BOS, have, including by way of entering into the BOS, and agreeing to the provisions relating to the Assigned Contracts therein, (i) cured, or provided adequate assurance of cure, of any default existing prior to the date hereof under any of the Assigned Contracts, within the meaning of section 365(b)(l)(A) of the Bankruptcy Code, and (ii) provided compensation or adequate assurance of compensation to any party for any actual pecuniary loss to such party resulting from a default prior to the date hereof under any of the Assigned Contracts, within the meaning of section 365(b)(1)(B)

of the Bankruptcy Code, and the Purchaser has, based upon the record of these proceedings, provided adequate assurance of its future performance of and under the Assigned Contracts, within the meaning of sections 365(b)(1) and 365(f)(2) of the Bankruptcy Code. No default exists in Cosmed's performance under the Assigned Contracts as of the Closing Date other than the failure to pay Cure Costs or defaults that are not required to be cured as contemplated in section 365(b)(1)(A) of the Bankruptcy Code. The Purchaser provided adequate assurance of future performance of and under the Assigned Contracts within the meanings of sections 365(b)(1)(C) and (f)(2)(B) of the Bankruptcy Code. The Cure Costs are hereby found to be the sole amounts necessary to cure any and all defaults under the Assigned Contracts under section 365(b) of the Bankruptcy Code.

W. **Not a *Sub Rosa* Plan**. The Sale does not constitute a *de facto* or *sub rosa* plan of reorganization or liquidation because it does not propose to (i) impair or restructure existing debt of, or equity interests in, the Debtors, (ii) impair or circumvent voting rights with respect to any plan proposed by the Debtors, (iii) circumvent chapter 11 safeguards, including those set forth in sections 1125 and 1129 of the Bankruptcy Code, or (iv) classify claims or equity interests.

X. **Prompt Consummation**. Time is of the essence in consummating the Sale. The consummation of the Sale as soon as practicable is necessary both to preserve and maximize the value of the Debtors' assets for the benefit of the Debtors, and their estates, creditors, interest holders and all other parties in interest in these chapter 11 cases, and to provide the means for the Debtors to maximize creditor and interest holder recoveries. The Debtors and the Purchaser intend to close the Sale as soon as possible.

Y. **Final Order**. The Court expressly finds that there is no just reason for delay in the implementation of this Sale Order, waives any stay including as contemplated by Bankruptcy Rules 6004 and 6006, directs that this Sale Order be effective immediately upon its entry, and

expressly directs entry of this Sale Order as set forth herein. This Sale Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a).

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

1. **General Provisions**. The findings and conclusions set forth in this Sale Order constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this matter by Bankruptcy Rule 9014. All findings of fact and conclusions of law announced by the Court at the Sale Hearing shall be deemed additional findings of fact and conclusions of law in this matter and are incorporated herein. When appropriate, all findings of fact shall be construed as conclusions of law, and all conclusions of law shall be construed as findings of fact.

2. **Relief Granted; Objections Overruled**. The Sale and other transactions contemplated by the BOS, is approved for the reasons set forth in this Sale Order and on the record of the Sale Hearing, which is incorporated fully herein as if fully set forth in this Sale Order. All objections, statements, and reservations of rights to the Sale Motion and the relief requested therein and to the entry of this Sale Order or the relief granted herein that have not been expressly withdrawn, waived, adjourned, settled as announced to the Court at any prior hearing, at the Sale Hearing, or by stipulation filed with the Court, or previously overruled, including, without limitation, all reservations of rights included therein or otherwise, are hereby overruled and denied in their entirety on the merits and with prejudice, except as expressly set forth herein. Those parties who did not object, or withdrew their objections to the Sale Motion, are deemed to have consented to the Sale pursuant to section 363(f)(2) of the Bankruptcy Code.

3. **Approval of Sale and BOS**. The BOS, including all of the terms and conditions thereof, are hereby authorized and approved in all respects. Pursuant to section 363(b) of the Bankruptcy Code, the Sale of the Transferred Assets to the Purchaser free and clear of all liens,

claims, encumbrances and other interests (except those specifically permitted by the BOS), and the transactions contemplated thereby, are approved in all respects.

4. **Authorization**. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors are hereby (i) authorized to sell the Transferred Assets to the Purchaser and consummate the Sale in accordance with and subject to the terms and conditions of the BOS, (ii) authorized to transfer and assign all right, title and interest (including common law property rights) to all property, licenses and rights to be conveyed in accordance with and subject to the terms of the BOS, (iii) authorized and directed to execute and deliver, perform under, consummate, implement, and comply with the BOS and all other additional instruments and documents that may be reasonably necessary or desirable to implement the BOS and the Sale, and (iv) authorized and empowered to take all further actions as may be reasonably requested by the Purchaser for the purpose of assigning, transferring, granting, conveying and conferring to the Purchaser or reducing to possession, the Transferred Assets, or as may be reasonably necessary or appropriate to the performance of the obligations as contemplated by the BOS.

5. **Binding Effect**. This Sale Order and the BOS shall be binding in all respects upon the Debtors and their estates, successors, and assigns, all creditors of and equity holders in the Debtors, and any and all other parties in interest, including, without limitation, any and all holders of liens, claims, encumbrances, and other interests (including holders of any rights or claims based on any putative successor or transferee liability solely with respect to claims against the Purchaser) of any kind or nature whatsoever in the Transferred Assets, all non-Debtor parties to the Assigned Contracts, and any trustee or successor trustee appointed in these chapter 11 cases or upon a conversion to chapter 7 under the Bankruptcy Code. None of the BOS or the Sale is subject to rejection or avoidance (whether through any avoidance or recovery, claim, action, or proceeding arising under chapter 5 of the Bankruptcy Code or under any similar state or federal law or any

other cause of action) by the Debtors, any chapter 7 or chapter 11 trustee of the Debtors' bankruptcy estates or any other person or entity. The BOS, this Sale Order, and the Debtors' obligations therein and herein shall not be altered, impaired, amended, rejected, discharged, or otherwise affected by any chapter 11 plan proposed or confirmed in these chapter 11 cases, any order confirming any chapter 11 plan, or any subsequent order of this Court without the prior written consent of the Purchaser. Nothing contained in any chapter 11 plan confirmed in these chapter 11 cases, the confirmation order confirming any such chapter 11 plan, or any order dismissing these chapter 11 cases, shall conflict with or derogate from the provisions of the BOS or this Sale Order. This Sale Order and the BOS shall inure to the benefit of the Debtors, their estates, their creditors, the Purchaser, and each of the foregoing respective successors and assigns, except that the successors and assignees of the Purchaser shall also be bound by the provisions of paragraph 35, such that any successors or assignees of Purchaser shall not have received any release of claims by any person or entity by reason of this Sale Order, the Sale or the transfer of the Transferred Assets to the Purchaser.

6. **Good Faith Purchaser**. The Purchaser is a good faith purchaser of the Transferred Assets and is hereby granted and is entitled to all of the protections provided to a good faith purchaser under section 363(m) of the Bankruptcy Code. Pursuant to section 363(m) of the Bankruptcy Code, if any or all of the provisions of this Sale Order are hereafter reversed, modified or vacated by a subsequent order of the Court or any other court, such reversal, modification or vacatur shall not affect the validity and enforceability of the Sale or any other sale, transfer or assignment under the BOS or any obligation or right granted pursuant to the terms of this Sale Order (unless stayed pending appeal prior to the Closing Date) and, notwithstanding any reversal, modification or vacatur, any sale, transfer or assignment, shall be governed in all respects by the original provisions of this Sale Order, the BOS, as the case may be.

7. **Section 363(n) of the Bankruptcy Code**. The Sale approved by this Sale Order is not subject to avoidance and neither the Purchaser nor any of its affiliates are subject to any recovery of damages, in each case pursuant to section 363(n) of the Bankruptcy Code. Neither the Purchaser nor any of its affiliates violated section 363(n) of the Bankruptcy Code in any respect in connection with the Sale.

8. **Free and Clear**. Pursuant to sections 105(a), 363(b) and 363(f) of the Bankruptcy Code, upon consummation of the BOS, the Transferred Assets shall be transferred to the Purchaser free and clear of all encumbrances, claims, interests, and liens, mortgages, restrictions, hypothecations, reversionary rights, assignment rights, rights to specific performance, reimbursement rights, charges, indentures, loan agreements, instruments, consent rights, regulatory violations, collective bargaining agreements, leases, licenses, options, deeds of trust, security interests, other interests, conditional sale or other title retention agreements, pledges, and other liens (including mechanics', materialman's, and other consensual and non-consensual liens and statutory liens), judgments, demands, encumbrances, rights of first refusal, offsets, contracts, recoupment, rights of recovery, claims for reimbursement, contribution, indemnity, exoneration, products liability, alter-ego, environmental, or tax, decrees of any court or foreign or domestic governmental entity or quasi-governmental entity, or charges of any kind or nature, if any, including any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership, debts arising in any way in connection with any agreements, acts, or failures to act, including any pension liabilities, retiree medical benefit liabilities, liabilities related to the Employee Retirement Income Security Act of 1974, liabilities related to the Internal Revenue Code, or any other liability relating to Debtors' current and former employees, including any withdrawal liabilities or liabilities under any collective bargaining agreement or labor practice agreement (to the extent not assumed under the BOS), of the Debtors or any of the Debtors'

predecessors or Affiliates, claims, whether known or unknown, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, material or non- material, disputed or undisputed, whether arising prior to or subsequent to the commencement of these cases, and whether imposed by agreement, understanding, law, equity or otherwise, including claims otherwise arising under doctrines of successor liability (other than Assumed Liabilities) (collectively, the "Liens or Interests"), with all such Liens or Interests to attach to the Proceeds of the Sale in the order of their priority, with the same validity, force, and effect that they had against the Transferred Assets, subject to any claims and defenses the Debtors may possess with respect thereto.

9. **Modifications**. The BOS may be modified, amended, or supplemented by the parties thereto in a writing signed by the Debtors and the Purchaser in accordance with the terms thereof, without further order of this Court, provided that any such modification, amendment, or supplement does not have a material adverse effect on the Debtors' estates.

10. **Valid Transfer**. Except as otherwise expressly permitted or specifically provided for in the BOS or this Sale Order, pursuant to sections 105(a), 363(b), 363(f), 365(b), 365(f) of the Bankruptcy Code or any other applicable section of the Bankruptcy Code, upon the Closing, the Transferred Assets shall be transferred to the Purchaser, and such transfer shall constitute a legal, valid, binding and effective transfer of the Transferred Assets free and clear of all liens, claims, encumbrances, and other interests of any kind or nature whatsoever (except as expressly assumed pursuant to the BOS) pursuant to section 363(f) of the Bankruptcy Code. Upon the Closing, the Purchaser shall take title to and possession of the Transferred Assets subject only to the Assumed Liabilities and Permitted Liens.

11. **Parties Enjoined**. Except as expressly permitted or otherwise specifically provided by the BOS or this Sale Order, all persons and entities, including, but not limited to, all lenders, debt security holders, equity security holders, governmental, tax, and regulatory authorities, parties to executory contracts and unexpired leases, and creditors holding liens, claims, encumbrances, or interests of any kind or nature whatsoever against or in the Debtors or any of the Transferred Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, senior or subordinated) or arising under or out of, in connection with, or in any way relating to, the Debtors, the Transferred Assets, the operation of the Debtors' business prior to the Closing, or the transfer of the Transferred Assets to the Purchaser, hereby are forever barred, estopped, and permanently enjoined from asserting any claims of any kind or nature whatsoever, against the Purchaser or the Transferred Assets upon Closing. Nothing in this Sale Order operates as an injunction over suits, claims, causes of action, that are not released hereunder, including but not limited to such suits, claims, causes of action and liability that are not released and are described in paragraph 35 (below). On the Closing Date, each of the Debtors' creditors is authorized and directed to execute such documents and take all other actions as may be deemed by the Purchaser to be necessary or desirable to release any liens, claims, encumbrances or interests on the Transferred Assets, if any, as provided for herein. This Sale Order (i) shall be effective as a determination that, upon the Closing, all liens, claims, encumbrances, and other interests of any kind or nature whatsoever existing as to the Transferred Assets prior to the Closing have been unconditionally released, discharged, and terminated and that the conveyances described herein have been effected, and (ii) shall be binding upon and shall govern the acts of all entities including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, foreign, and local officials, and all other persons

and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to, the Transferred Assets. For the avoidance of doubt, notwithstanding anything in this Sale Order to the contrary, nothing in this Sale Order shall operate as a release of, or an injunction against, any claims or causes of action of the Debtors' estates or held by any person or entity against insiders or affiliates of the Debtors other than as stated herein with respect to the Purchaser and the Transferred Assets.

12. **Possession**. All persons and entities that are in possession of some or all of the Transferred Assets on the Closing Date are directed to surrender possession of such Transferred Assets to the Purchaser or its assignee as of the Closing Date.

13. **Release of Liens**. Notwithstanding anything herein, if any person or entity that has filed financing statements, mortgages, mechanic's liens, *lis pendens*, or other documents or agreements evidencing liens, claims, and encumbrances in the Transferred Assets conveyed pursuant to the BOS and this Sale Order has not delivered to the Debtors, prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all liens, claims, and encumbrances which the person or entity has with respect to the Transferred Assets or otherwise, then (i) the Debtors are hereby authorized to, and at the request of Purchaser shall, execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Transferred Assets, and (ii) the Purchaser is hereby authorized to, and at the request of Purchaser shall, file, register, or otherwise record a certified copy of this Sale Order, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all liens on or against the Transferred Assets of any kind or nature whatsoever upon Closing. Notwithstanding the foregoing, the provisions of this Sale Order authorizing the Sale and assignment of the Transferred Assets free and clear of

liens, claims, and encumbrances shall be self-executing, and neither the Debtors nor the Purchaser shall be required to execute or file releases, termination statements, assignments, consents or other instruments to effectuate, consummate, or implement the provisions of this Sale Order.

14. **Authorization of Assumption and Assignment**. Cosmed is hereby authorized to and shall, in accordance with sections 105(a) and 365 of the Bankruptcy Code, and upon payment of the applicable Cure Costs in accordance with the terms of the BOS (i) assume the Assigned Contracts, (ii) assign the Assigned Contracts to the Purchaser, effective upon and subject to the occurrence of the Closing, free and clear of all liens, claims, encumbrances, and other interests of any kind or nature whatsoever, which Assigned Contracts by operation of this Sale Order, shall be deemed assumed and assigned effective as of the Closing, and (iii) execute and deliver to the Purchaser such documents or other instruments as may be necessary to assign and transfer the Assigned Contracts to the Purchaser. The Purchaser's assumption on the terms set forth in the BOS of the Assigned Contracts, is hereby approved, and all requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the assumption and assignment of the Assigned Contracts by Cosmed to the Purchaser have been satisfied. Upon Closing, and as set forth more fully in the BOS, the Purchaser shall be deemed to have assumed the Debtors' obligations and liabilities under the Assigned Contracts arising from and after the Closing Date.

15. **Anti-Assignment Provisions Unenforceable**. The Assigned Contracts shall be transferred to, and upon assignment to the Purchaser, shall remain in full force and effect for the benefit of, the Purchaser in accordance with their respective terms, notwithstanding any provision in any such Assigned Contract (including those of the type described in sections 365(b)(2) and 365(f) of the Bankruptcy Code) that (i) prohibits, restricts, limits, or conditions (including requiring consent of such non-Debtor parties to an Assigned Contract) such assignment or transfer, or (ii) allows the non-Debtor party to such Assigned Contract to terminate, recapture, impose any

penalty, condition on renewal or extension, or modify any term or condition upon the assignment of such Assigned Contract. Each non-Debtor party to an Assigned Contract is hereby forever barred, estopped, and permanently enjoined from asserting any objection to the non-Debtor party's Assigned Contract including, without limitation, that its consent is necessary for such assumption and assignment.

16. **Substitution of Purchaser**. Upon assignment to the Purchaser at Closing, in accordance with sections 363 and 365 of the Bankruptcy Code, the Purchaser shall be fully and irrevocably vested in all right, title, and interest of Cosmed in each Assigned Contract free and clear of liens, claims, encumbrances, and other interests of any kind or nature whatsoever. Upon Closing, the Purchaser shall be deemed to be substituted for all purposes as a party to all Assigned Contracts in the place of Cosmed, and the Purchaser shall have any and all rights and benefits of Cosmed under all such Assigned Contracts without interruption or termination of any kind, and all terms thereof applicable to Cosmed shall apply to the Purchaser as if such Assigned Contracts were amended to replace Cosmed with the Purchaser.

17. **Cure**. All amounts that must be paid and obligations that must be otherwise satisfied, if any, including pursuant to sections 365(b)(1)(A) and (B) of the Bankruptcy Code, in connection with the assignment and assumption of the Assigned Contracts, including costs to obtain any consents or cure any defaults thereunder that are required to be cured pursuant to the Bankruptcy Code to effect the assignment and obtain this Sale Order (without giving effect to any acceleration clauses or any default provisions of the kind specified in section 365(b)(2) of the Bankruptcy Code) shall be cured as set forth in the BOS. Any non-Debtor counterparty to an Assigned Contract that has not filed an objection on or before the deadline as set forth in the Bid Procedures Order or the Cure Notice shall be barred from asserting any monetary or non-monetary defaults with respect to such Assigned Contract and from challenging, objecting to or denying the

validity and finality of the Cure Cost set forth in the Cure Notice at any time, and such Cure Cost, when paid, shall completely revive any Assigned Contract to which it relates and such Assigned Contract shall be deemed assumed by Cosmed and assigned to the Purchaser on the Closing Date.

18. **Deficiency Claims.** Neither this Order nor the BOS shall restrict the right of any party to object to, or seek to disallow, on any basis, any deficiency claim resulting from the execution of a credit bid by the Purchaser.

19. **No Claims Against Purchaser**. Upon the Closing and payment of any Cure Costs, each non-Debtor party to an Assigned Contract shall be forever barred, estopped, and permanently enjoined from asserting against the Purchaser, any of its affiliates, or the property of any of them, any default, breach, claims of pecuniary losses arising from the Assigned Contract and existing as of the Closing Date of the Sale, or claims by reason of Closing, action, liability, or other cause of action existing as of the date of the Closing whether asserted or not, or, against the Purchaser or any of its affiliates, any counterclaim, defense, setoff or any other claim asserted or assertable against the Debtors.

20. **Adequate Assurance**. The Purchaser has provided adequate assurance of its future performance under each Assigned Contract within the meaning of sections 365(b)(l)(C) and 365(f)(2)(B) of the Bankruptcy Code (including to the extent, if any, modified by section 365(b)(3) of the Bankruptcy Code). All other requirements and conditions under sections 363 and 365 of the Bankruptcy Code for Cosmed's assumption and assignment to the Purchaser of the Assigned Contracts have been satisfied.

21. **Cooperation**. As specifically provided in the BOS, the Debtors shall cooperate with the Purchaser and the Purchaser will cooperate with the Debtors, in a commercially reasonable manner, in each case to ensure that that transactions contemplated in the BOS are

consummated, and to provide an orderly transition of the Transferred Assets and Assumed Liabilities from Cosmed to the Purchaser.

22. **Application of Proceeds**. At the time of the Closing of the transactions contemplated by the BOS, the Debtors are authorized and directed to distribute the Proceeds in accordance with the terms of the Final DIP Order and this Sale Order; *provided that* on the Closing Date or as soon thereafter as practicable, the Debtors are authorized to remit $22,500 of the Sale proceeds to Riparian Partners LLC in satisfaction of its "Transaction Fee" in accordance with the *Order Authorizing the Retention and Employment of Riparian Partners LLC as Investment Banking Advisor for the Debtors, Effective as of December 9, 2024* [Docket No. 183].

23. **Satisfaction of DIP Obligations**. For the avoidance of doubt, consummation of the Sale will only reduce the DIP Obligations by $92,500 of the Purchase Price as contemplated by the BOS.

24. **No Successor Liability**. The Purchaser is not, and shall not be deemed, as a result of the consummation of the Sale contemplated herein, to: (i) be a legal successor to the Debtors or their estates by reason of any theory of law or equity, (ii) be an affiliate of the Debtors, (iii) have, *de facto* or otherwise, merged with or into the Debtors, or (iv) be an alter ego or a mere continuation or substantial continuation or successor of the Debtors in any respect. Except as expressly permitted or otherwise specifically provided for in the BOS or this Sale Order, the Purchaser shall not : (i) assume or in any way be responsible for any liability or obligation of any of the Debtors and/or their estates related to the Transferred Assets, or (ii) have any liability or responsibility for any liability or other obligation of the Debtors arising under or related to the Transferred Assets. Without limiting the generality of the foregoing, and except as otherwise specifically provided herein and in the BOS, the Purchaser shall not be liable for any claims against the Debtors or their predecessors or affiliates related to the Transferred Assets, and the Purchaser shall have no

successor or vicarious liabilities, by reason of its purchase of the Transferred Assets, of any kind or character including but not limited to any theory of warranty, product liability, environmental, successor or transferee liability, labor law, *de facto* merger, or substantial continuity, whether known or unknown as of the Closing, now existing or hereafter arising, whether fixed or contingent, with respect to the Debtors or any obligations of the Debtors, including, but not limited to, liabilities on account of any taxes arising, accruing, or payable under, out of, in connection with, or in any way relating to the operation of the Debtors' business prior to the Closing.

25. **Prohibition**. All persons and entities are hereby forever prohibited and enjoined from taking any action that would adversely affect or interfere with the ability of the Debtors to sell and transfer the Transferred Assets to the Purchaser in accordance with the terms of the BOS and this Sale Order.

26. **No Interference**. Following the Closing, no holder of a lien, claim, or encumbrance in the Transferred Assets shall interfere with the Purchaser's title to or use and enjoyment of the Transferred Assets based on or related to such lien, claim, or encumbrance, or any actions that the Debtors may take in these chapter 11 cases or any successor cases.

27. **Jurisdiction**. This Court retains exclusive jurisdiction to enforce and implement the terms and provisions of the BOS, all amendments thereto, any waivers and consents thereunder, and each of the agreements executed in connection therewith in all respects, including, but not limited to, retaining jurisdiction to: (i) compel delivery of the Transferred Assets or performance of other obligations owed to the Purchaser under the BOS, this Sale Order, or any other exhibit or ancillary agreements in connection with the Sale or transfer of the Transferred Assets; and (ii) protect the Purchaser and its affiliates against (a) any claims, liens, encumbrances or other interests in the Debtors or the Transferred Assets of any kind or nature whatsoever and (b) any creditors or

other parties in interest regarding the turnover of the Transferred Assets that may be in their possession.

28. **No Bulk Sales**. The so-called "bulk sale" laws or any similar law of any applicable state or other jurisdiction are waived or inapplicable to the Sale. No brokers were involved in consummating the Sale. The Purchaser is not, and will not become, obligated to pay any fee or commission or like payment to any broker, finder or financial advisor as a result of the consummation of the Sale based upon any arrangement made by, or on behalf of, the Debtors.

29. **Failure to Specify Provision**. The failure to specifically include any particular provision of the BOS or in this Sale Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the BOS be authorized and approved in its entirety.

30. **Headings**. The headings in this Sale Order are for convenience of reference only and shall not be deemed to modify or limit the provisions of this Sale Order or the BOS.

31. **Conflict**. To the extent of any direct conflict between the BOS, on the one hand, and this Sale Order, on the other hand, the terms and provisions of this Sale Order shall govern.

32. **Non-Severable**. The provisions of this Sale Order are non-severable and mutually dependent.

33. **Automatic Stay**. To the extent applicable, the automatic stay pursuant to section 362 of the Bankruptcy Code is hereby lifted with respect to the Debtors to the extent necessary, without further order of Court, (i) to allow the Purchaser to give the Debtors any notice provided for in the BOS, and (ii) allow the Purchaser to take any and all actions permitted by the BOS and necessary to consummate the Sale and transactions contemplated in the BOS.

34. **No Stay of Sale Order**. Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), this Sale Order shall be effective and enforceable immediately upon entry and its provisions shall

be self-executing. In the absence of any entity obtaining a stay pending appeal, the Debtors and the Purchaser are free to close the Sale under the BOS in accordance with its terms at any time.

35. **No Cancellation of Liability or Release**. Notwithstanding anything in this Sale Order to the contrary, nothing in this Sale Order or the BOS (including Section 8.5 and footnote one), or by operation of the Sale or transfer of the Transferred Assets to the Purchaser, shall operate to relieve or release any person or entity, including David G. Howe, other members of the Howe family, or any of the Purchaser's affiliates, members, managers, insiders, shareholders, agents, equity holders, and ultimate beneficiaries, direct or indirect, of any liability, whether direct, indirect or derivative that may be asserted against or could be asserted against, any or all of them by the Debtors, their estates, or any person, entity, or creditor as a result of their association with the Debtors and/or the Debtors' businesses. Notwithstanding anything in this Sale Order to contrary, nothing in this Sale Order or the BOS (including Section 8.5 and footnote one) shall in any way compromise, release, waive, or otherwise obstruct or interfere with any claims or causes of action, of any type or kind, of the Debtors, their estates, or any person, entity or creditor that may be asserted against, or that could be asserted against, the Debtors' current or former "insiders" or "affiliates" as such terms are defined in Sections 101(2) and 101(31) of the Bankruptcy Code or, if any such insider or affiliate is an individual, any trust associated with that insider or affiliate, which for the avoidance of doubt, are not sold or transferred hereunder.

Signed: June 06, 2025

Christopher Lopez
United States Bankruptcy Judge

Exhibit 1

BOS

BILL OF SALE AND ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS BILL OF SALE AND ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement") is made and entered into as of June __, 2025 by and between Cosmed Group Inc., a Delaware corporation ("Assignor"), and Vapos, LLC, a Delaware limited liability company ("Assignee")[1], the purchaser of certain assets of Assignor pursuant to this Agreement and the order by the Bankruptcy Court approving the sale ("Sale Order").

WHEREAS, Assignor desires to transfer the Transferred Assets (as defined below) and the Assumed Liabilities (as defined below) to Assignee, and Assignee has agreed to accept and assume such Transferred Assets and Assumed Liabilities.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants, agreements and conditions hereinafter set forth, and intending to be legally bound hereby, the parties hereto agree as follows.

1. PURCHASE PRICE FOR THE TRANSFERRED ASSETS:

(a) $15,000 in cash and $35,000 Credit Bid for the personal property located in the headquarters in Rhode Island, as identified on Schedule A attached hereto; (b) $100,000 in cash and $300,000 Credit Bid for the personal property located in Linden, NJ, as identified on Schedule A attached hereto. "Credit Bid" shall mean a credit bid as contemplated under Section 363(k) of the Bankruptcy Code. This will result in a corresponding reduction in the current amount of the prepetition first lien bank debt currently held by an affiliate of the Assignee. The reduction shall be $335,000. This prepetition first lien debt was formerly owned by Washington Trust Company.

2. CLOSING:

The closing of the transactions (the "Closing") pursuant to this Agreement shall take place remotely by electronic exchange of documents after the date on which all of the conditions set forth in Section 3 below have been satisfied or waived by the party hereto entitled to the benefit of the same; *provided that* the closing date shall be no later than June 16, 2025 (the "Closing Date"). Vapos shall use all reasonable efforts to facilitate the delivery to customers of any inventory completed prior to Closing that remains on site post-Closing. Except as otherwise set forth herein, all proceedings to be taken and all documents to be executed and delivered by all parties hereto at Closing will be deemed to have been taken and executed simultaneously and no proceedings will be deemed to have been taken nor documents executed or delivered until all have been taken, executed and delivered.

[1] The Assignee as defined shall include Vapos, LLC ("Vapos") and BrightArc Manufacturing, LLC ("BrightArc"). At the Assignee's discretion, the equipment related to manufacturing new third party equipment and any existing assumed and assigned contracts related to the manufacturing of equipment shall be transferred to BrightArc as part of the Closing. All other Transferred Assets shall be transferred to Vapos. For the avoidance of doubt, this in no way alters any other provision of this Agreement or the Sale Order, including paragraph 35. This footnote clarifies that Vapos and BrightArc are both included in the Assignee definition.

3. CONDITIONS TO ASSIGNEE'S OBLIGATION TO CLOSE:

3.1 No Injunctions or Restraints. No Order or applicable law preventing the Closing shall be in effect.

3.2 Sale Order. The Bankruptcy Court shall have entered the Sale Order substantially in the form attached hereto as Schedule B, which Sale Order shall be a Final Order, and any further changes or modifications to the attached Sale Order shall be acceptable to the Assignee in its sole discretion. "Final Order" shall mean an Order of the Bankruptcy Court that has not been reversed, vacated, modified or amended, is not stayed and remains in full force and effect; provided, that such Order shall be considered a Final Order only after the time period for third parties seeking appeal has expired without the filing of any appeal or motion for reconsideration.

4. POST-CLOSING RECEIPT AND POSSESSION OF TRANSFERRED ASSETS.

4.1 After the Closing Date, the Assignor shall transfer promptly to Assignee from time to time (but in any event on a monthly basis) any payments constituting Transferred Assets received by the Assignor. After the Closing Date, Assignee shall transfer promptly to the Assignor, from time to time (but in any event on a monthly basis), any payments constituting Excluded Assets, received by Assignee after the Closing.

4.2 In the event that, after the Closing Date, Assignee receives or otherwise is in possession of any Excluded Asset, Assignee shall promptly notify the Assignor of its receipt or possession of such Excluded Asset and transfer such Excluded Asset to the Assignor. In the event that, after the Closing Date, the Assignor receives or otherwise is in possession of any other Transferred Asset, the Assignor shall promptly notify Assignee of its receipt or possession of such Transferred Asset and transfer such Transferred Asset to Assignee.

4.3 In the event that the Debtors, their estates, a successor to the Debtors under a chapter 11 plan, or a subsequent chapter 7 trustee, if appointed, need access to any of the books and records or the IT system or software that is being transferred to the Assignee, the Assignee agrees to provide reasonable access to such information during regular business hours upon written reasonable request of either the Debtors, the Unsecured Creditors' Committee or a subsequent chapter trustee and shall retain all such books and records until such time as the Debtors' estates have been fully administered.

5. TRANSFER AND ACCEPTANCE OF ASSETS.

5.1 Transfer of Assets. Effective as of the Closing Date, and upon the terms and conditions set forth in this Agreement and the Sale Order, Assignor hereby conveys, assigns, sells, transfers and delivers to Assignee, subject to Assignee's assumption of the Assumed Liabilities, the assets of Assignor as set forth on Schedule A (collectively, the "Transferred Assets") in exchange for an aggregate payment from the Assignee to the Assignor equal to the Purchase Price.

5.2 Acceptance; Lawful Attorney. Effective as of the Closing Date, and upon the terms and conditions set forth in this Agreement and the Sale Order, Assignee hereby accepts the aforesaid transfer and delivery of the Transferred Assets. Assignor hereby irrevocably constitutes and appoints Assignee and its successors and assigns the true and lawful attorney-in-fact of

Assignor, with full power and substitution, and gives and grants to Assignee and its successors and assigns full power and authority in the name of Assignor at any time and from time to time, to demand, sue for, recover, receive, compound, acquit, release and discharge any and all rights, demands, monies, claims and choses in action of every kind and description arising out of, incident to or in connection with the Transferred Assets, or any one of them, and upon the same or any part thereof to make acquittance or other discharge with respect thereto, and generally from time to time to make, execute, do and perform such further acts and things concerning the subject matter of this paragraph with like power and as fully as Assignor could do or might have done.

5.3 Excluded Assets. Notwithstanding anything to the contrary herein, Assignor does not assign or transfer to Assignee any assets that are not Transferred Assets.

6. ASSIGNMENT AND ASSUMPTION OF LIABILITIES.

6.1 Assignment. Effective as of the Closing Date, and upon the terms and conditions set forth in this Agreement and in consideration for the Transferred Assets, Assignor hereby assigns to Assignee the liabilities of Assignor as set forth on Schedule C (collectively, the "Assumed Liabilities").

6.2 Assumption. Assignee hereby assumes and agrees to pay, perform and discharge, as and when due, all obligations of Assignor under and pursuant to the Assumed Liabilities.

6.3 Excluded Liabilities. Notwithstanding anything to the contrary, Assignor does not assign or transfer to Assignee, and Assignee does not assume or agree to pay, perform or discharge, any liabilities of Assignor other than the Assumed Liabilities, as further set forth in the Sale Order.

7. FURTHER ASSURANCES.

From time to time, at the request of either party and without further consideration, each party shall execute and deliver to the other party such documents and take such other action as the other party may reasonably request to consummate more effectively the transactions contemplated by this Agreement. Without limitation, each party agrees to execute and deliver such other instruments of conveyance, transfer or assignment as may be necessary or advisable to effect the transfer of title to any real property, personal property or intellectual property included within the Transferred Assets, including, without limitation, executing documents as may be necessary to enable Assignee to reflect the transfers contemplated hereby in any government office.

8. MISCELLANEOUS.

8.1 Conflicts. This Agreement is being made in connection with and is subject to, in all events, the terms and conditions of the Sale Order. In the event of a conflict or inconsistency between this Agreement and the Sale Order, the terms of the Sale Order will prevail.

8.2 Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses. For the avoidance of doubt, Assignee shall be responsible for all sales taxes, use taxes, documentary stamp taxes, transfer taxes, registration taxes or other taxes or recording expenses or notarial fees attributable to, imposed upon or arising out of the transactions contemplated hereby.

8.3 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

8.4 Entire Agreement. This Agreement and the documents to be delivered hereunder constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

8.5 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

8.6 No Third-Party Beneficiaries. Except as provided herein, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

8.7 Amendment, Modification and Waiver. This Agreement may only be amended, modified or supplemented, and the provisions hereof may only be waived, by an agreement in writing signed by each of the parties hereto.

8.8 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction).

8.9 Submission to Jurisdiction. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby shall be instituted in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "Court") (or, in the event that the Court does not have or does not exercise jurisdiction, then in any state or federal court of competent jurisdiction in the State of Delaware), and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

8.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

8.11 Certain Defined Terms. Capitalized terms used but not defined in this Agreement shall have the respective meanings ascribed to such terms in the Sale Order.

8.12 No Other Representations and Warranties. Except for any representations and warranties contained in this Agreement, the Assignor shall transfer to the Assignee the Transferred

Assets "AS IS," "WHERE IS", and with no representations or warranties, express or implied, and the Assignor does not, nor does any other person on behalf of the Assignor, make any other express or implied representations or warranties with respect to the Transferred Assets or the Assumed Liabilities, or with respect to any other information provided to Assignee or its representatives, and the Assignor disclaims any other representations or warranties, whether made by or on behalf of the Assignor or any other person.

8.13 Termination. This Agreement shall terminate and be of no further force and effect if the Closing Date does not occur on or before June 16, 2025.

9. NOTICES.

All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given (a) if personally delivered, on the date of delivery, (b) if delivered by express courier service of national standing for next day delivery (with charges prepaid), on the Business Day following the date of delivery to such courier service, (c) if delivered by electronic mail (unless the sender receives an automated message that the email has not been delivered) on the date of transmission if on a Business Day before 5:00 p.m. local time of the business address of the recipient party (otherwise on the next succeeding Business Day) and (d) if deposited in the United States mail, first-class postage prepaid, on the date of delivery, in each case to the appropriate addresses or email addresses set forth below (or to such other addresses as a party may designate by notice to the other parties in accordance with this Section 10.6):
If to Assignee:

Vapos, LLC
Attn: David G. Howe
28 Narragansett Ave
Jamestown, RI 02835
Email: davidghowe123@gmail.com

with a copy to (which will not constitute notice):

Howley Law PLLC
Attn: Tom A. Howley
700 Louisiana Street, Ste. 4545
Houston, TX 77002
Email: tom@howley-law.com

If to the Assignor:
Cosmed Group, Inc.
28 Narragansett Avenue
Jamestown, RI 02835
Attention: Frances Sordellini
Email: fms@cosmedgroup.com

with a copy to (which will not constitute notice):
Greenberg Traurig, LLP
360 North Green Street, Suite 1300
Chicago, IL 60607
Attention: Nancy Peterman
Email: PetermanN@gtlaw.com

and

Greenberg Traurig, LLP
One International Place - 20th Flr.
Boston, MA 02110
Attention: James P. Redding and Joseph Davis
Email: reddingj@gtlaw.com; davisjo@gtlaw.com

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

ASSIGNEE:

Vapos, LLC

By: _____
Name: David G. Howe
Title: Member

ASSIGNOR:

COSMED GROUP, INC.

By:_____
Name: Frances Sordellini
Title: Authorized Signatory

SCHEDULE A

TRANSFERRED ASSETS

Transferred Assets noted below shall include: all prepaid expenses, claims, deposits, prepayments, refunds, causes of action, demands, actions, suits, choses in action, rights of recovery, rights under guarantees, warranties, indemnities and all similar rights against third parties, rights of setoff and rights of recoupment, in each case, to the extent exclusively used in or held for use for the Transferred Assets listed below or as part of, derivative or based upon one of the Assigned Contracts listed on Schedule C. Specifically the Assignee is acquiring any and all rights to payment tied to the Sterilizer Supply Agreement for Chamber 6. For avoidance of doubt, the following items are not included in the Transferred Assets: (a) refunds related to any preexisting insurance policies, (b) unused professional fee retainers, (c) all accounts receivable and proceeds thereof, including accounts receivable and proceeds thereof related to inventory completed prior to the Closing, cash and cash equivalents, wherever located, including bank balances and bank accounts or safe deposit boxes, monies in the possession of any banks, savings and loans or trust companies and similar cash items, (d) inventory completed prior to the Closing, (e) any utility adequate assurance deposit monies and (f) any claims, suits, causes of action, or remedies held, owned or controllable by the Debtors against any current or former Affiliate or Insider as such terms are defined in 11 U.S.C. §101. In addition, the following item is not part of the Assumed Liabilities: any and all liability, including any warranty or contractual liability, related to any sale of equipment to Clordisys Solutions, Inc. and its affiliates.

JAMESTOWN, RHODE ISLAND:

Any and all office furniture, art, equipment, including all computer equipment and communication systems equipment and software located at:

28 NARRAGANSETT AVE,
JAMESTOWN, RI 02835

Network infrastructure software license
Network security software license
Helix Software License
Email set up and system for Bioreduction.com
Phone system: RingCentral managed by Connekted, including the following phone numbers:

Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(401) 437-4121 249AD8A13937
Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(401) 437-4122 249AD8A13FDC
Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(401) 437-4123 249AD8A14241
Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(401) 437-4124 249AD8A3EA91
Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(401) 437-4125 249AD8A13C69
Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(401) 437-4127 249AD8A142D7
Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(401) 684-4978 249AD8A140DD

Main Telephone Line in Jamestown	(401) 423-2003
RingCentral App	(585) 441-6312
RingCentral App	(401) 371-1625
RingCentral App	(401) 491-3616
RingCentral App	(401) 491-3630
RingCentral App	(401) 491-3647

Verizon Cell Phone Agreement along with the following cell phone numbers:

Mobile Number	**Hardware**
208.880.0746	Apple Iphone 16
209.678.0570	Apple Iphone 14
209.678.0668	Samsung Galaxy S23
209.678.6953	Apple Iphone 15 pro
401.449.3732	Iwatch
401.524.3367	Galaxy S24
401.626.5006	Virtual
401.862.0238	Verizon Hotspot Box
401.864.0821	Apple Iphone 16
401.864.4075	Iphone 16 pro
401.871.9878	Apple Ipad Pro 13
585.698.6342	Samsung Galaxy S23
732.570.1444	Iphone 16 pro
805.450.0314	Apple Iphone 11
908.494.6850	Apple Iphone 10
908.577.2618	Verizon Jet Pack
908.578.9636	Iphone 13
908.868.5203	Apple Iphone 16
908.868.5993	Galaxy S24

Emails for Cosmedgroup.com will not be transferred but will be forwarded for a time period of 45 days from the date of Closing for the following email addresses:

Crender@cosmedgroup.com
Dhowe@cosmedgroup.com
Marekj@cosmedgroup.com
Kburns@cosmedgroup.com
ClarkH@cosmedgroup.com
BILLL@cosmedgroup.com
Teddy.Roberts@cosmedgroup.com
BogdanK@cosmedgroup.com
JoyC@cosmedgroup.com
NicoleK@cosmedgroup.com
TanyaM@cosmedgroup.com
SMatracz@cosmedgroup.com
SFSAdmin@cosmedgroup.com

DNewell@cosmedgroup.com
Arocha@cosmedgroup.com
EMendoza@cosmedgroup.com
FMS@cosmedgroup.com
Denise.Caprio@cosmedgroup.com
Suzanne.Gregory@cosmedgroup.com
MillieH@cosmedgroup.com
Mhowe@cosmedgroup.com

LINDEN, NEW JERSEY:

Boston Scientific purchase order for one chamber door due in May of 2025
Olam purchase order of equipment service
Medline automation project purchase order
Medline scheduling software purchase order
IT hardware licenses (router, security, backup and cloud storage)
Remaining term on office 365 for site employees
Sterilizer and pasteurizer drawings, designs, and software
Licenses for Allen Bradley Controls and Rockwell Software
Licenses for Honeywell Controls
ASME Certificate of Authorization - certificate number 56100 (Expiration 9/24/2027)
2024 Supply Agreement with Steris Corporation to supply two sterilizers
Sterilizer Supply Agreement with Steris Corporation for chambers 6,7 and 8
The name Regulus for use with process controls.

Phone system:

Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(908) 219-8922 249AD8A144A5
Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(908) 219-8925 249AD8A13CDF
Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(908) 219-8926 249AD8A142B9
Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(908) 219-8927 249AD8A13B5A
Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(908) 219-8932 249AD8A13F0B
Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(908) 219-8933 249AD8A1349D
Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(908) 219-8935 249AD8A1349C
Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(908) 219-8937 249AD8A136A1
Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(908) 219-8938 249AD8A144D2
Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(908) 374-1036 249AD8A142BA

Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(908) 374-1037 249AD8A692B1
Yealink T46U Ultra-elegant Gigabit IP Phone - Rental
(908) 374-1038 249AD8A14237
Main number in Linden
908-862-7077
Backup number in Linden (Verizon) (401) 423-2031

CUSTOMER LIST/RELATIONSHIPS related to Linden Facility

Any and all office furniture, Equipment, including all computer equipment and communication systems equipment and software located at:

2500 BRUNSWICK AVE, STE. E
LINDEN, NJ 07036

Any and all equipment located at:

2500 BRUNSWICK AVE, STE. C AND E
LINDEN, NJ 07036

40.1 LEASEHOLD IMPROVEMENTS LOCATED ONLY IN BUILDING C IN LINDEN, NJ

41.1 OFFICE EQUIPMENT LOCATED IN LINDEN, NJ:

50.1 BOILERS
50.2 CHAMBERS
50.3 CHILLERS
50.4 FORKLIFTS
50.5 MISCELLANEOUS EQUIPMENT, PARTS, AND CAPITALIZED REPAIRS
50.6 SCRUBBERS
50.7 VACUUM PUMPS

62.3 PERMIT - BOILER (206604B) - REGISTRATION/PERMIT #B02862824 - 2 YEARS - EXPIRATION 02/14/2026***
62.4 PERMIT - BOILER (206605B) - REGISTRATION/PERMIT #B02803379 - 2 YEARS - EXPIRATION 03/13/2025***
62.5 PERMIT - BOILER OPERATOR'S LICENSE - REGISTRATION/PERMIT #HP-124761 - 3 YEARS - EXPIRATION 11/30/26
62.6 PERMIT - BOILER OPERATOR'S LICENSE - REGISTRATION/PERMIT #HP-156753 - 3 YEARS - EXPIRATION 05/31/26
62.7 PERMIT - BOILER OPERATOR'S LICENSE - REGISTRATION/PERMIT #HP-156869 - 3 YEARS - EXPIRATION 05/31/26
62.12 PERMIT - FDA -FSMA - REGISTRATION/PERMIT #18514698278 - 4TH QUARTER EVEN YEARS -EXPIRATION 4TH QUARTER 2026
62.13 PERMIT - LEPC OFF-SITE RESPONSE PLAN - ANNUAL
62.14 PERMIT - NJ DEPT. OF AGRICULTURE - REGISTRATION/PERMIT #100000274 -

ANNUAL
62.15 PERMIT - NJ DEPT. OF HEALTH - REGISTRATION/PERMIT #7853 - ANNUAL - EXPIRATION 03/31/2025
62.16 PERMIT - NJ OFFICE OF WEIGHT & MEASURES - REGISTRATION/PERMIT #01-026195-24 – ANNUAL - EXPIRATION 01/31/2025
62.17 PERMIT - NJ STORMWATER POLLUTION PREVENTION PLAN - REGISTRATION/PERMIT #NJG0167738 - ANNUAL - EXPIRATION 08/28/2025
62.19 PERMIT - STATE OF NEW JERSEY - FIRE CODE - REGISTRATION/PERMIT #2009-066955.001 - BUILDING E & C - ANNUAL – EXPIRATION 02/06/2025
62.20 PERMIT - STATE OF NEW JERSEY - FIRE CODE - REGISTRATION/PERMIT #2009-076345 - BUILDING B - ANNUAL - EXPIRATION 09/28/2025
62.21 PERMIT - STATE OF NEW JERSEY (BOILER PERMIT E-15) - REGISTRATION/PERMIT #170001 - 5 YEARS - EXPIRATION 01/29/2028
62.22 PERMIT - STATE OF NEW JERSEY (BOILER PERMIT E-17) - REGISTRATION/PERMIT #220001 - 5 YEARS - EXPIRATION 12/28/2025
62.23 PERMIT - STATE OF NEW JERSEY (BOILER PERMIT E-8) - REGISTRATION/PERMIT #2004- 00675-S - 5 YEARS - EXPIRATION 04/27/2028
62.24 PERMIT - STATE OF NEW JERSEY BAGHOUSE - REGISTRATION/PERMIT #970001 - 5 YEARS - EXPIRATION 04/2028
62.25 PERMIT - STATE OF NEW JERSEY BAGHOUSE - REGISTRATION/PERMIT #970005 - 5 YEARS - EXPIRATION 04/2029
62.26 PERMIT - STATE OF NJ (AIR PERMIT BOILER) REGISTRATION/PERMIT #GEN 240001 - 5 YEARS - EXPIRATION: 1/23/2029
62.27 PERMIT - STATE OF NJ (AIR PERMIT) - REGISTRATION/PERMIT #PCP 110001 - CHAMBERS 2,3,4,5 - 5 YEARS – EXPIRATION 12/2025
62.29 PERMIT - STATE OF NJ (PESTICIDE APPLICATOR) - REGISTRATION/PERMIT #27202B - ANNUAL - EXPIRATION 10/31/2025
62.30 PERMIT - STATE OF NJ (PESTICIDE APPLICATOR) - REGISTRATION/PERMIT #27550B - ANNUAL - EXPIRATION 10/31/2025
62.32 PERMIT - STATE OF NJ (PESTICIDE BUSINESS) - REGISTRATION/PERMIT #91554B - ANNUAL - EXPIRATION 10/31/2025

EQUIPMENT DESIGN AND MANUFACTURING CAPABILITIES

All drawings, designs, prints, knowledge, impressions and technology currently used in the operation and manufacturing of chambers, ancillary equipment, and control systems for steam pasteurization, ethylene oxide sterilization, and dry heat systems including but not limited to, the following:***

Chambers (all sizes)
Doors
Vacuum system
Nitrogen system
Steam system
Air inbleed system
Exhaust system
Ethylene oxide system

Exhaust system
Recirculation system
Heating system
Cooling system
Insulation system
Pneumatics system
Process controls systems
Ethylene oxide “Glygen” scrubbers
Ethylene oxide packed towers

***It is expressly understood that such Transferred Assets in this subsection will be used by the Assignee in the future to manufacture and sell such equipment to third parties in the commercial market.

SCHEDULE B

SALE ORDER

[Intentionally Omitted]

SCHEDULE C

ASSIGNED CONTRACTS[2] AND ASSUMED LIABILITIES

[2] Nothing herein is an admission that these contracts are executory in nature and the inclusion of these contracts is with reservation of rights by Assignee. Assignee reserves the right to add or subtract to this list at anytime on or before the Closing Date.

LINDEN, NEW JERSEY:

2024 Supply Agreement with Steris Corporation to supply two sterilizers
Sterilizer Supply Agreement with Steris Corporation for chambers 6,7 and 8

Boston Scientific purchase order for one chamber due in May of 2025 (7000503616)
(11/13/2024) Chamber Upgrade (amount outstanding is $45,112) To be completed in May of 2025. Excluded if project is completed prior to the Closing.

Olam purchase order of equipment service

Medline automation project purchase order (4704123301) (4/15/2025)
Computer Software and Programming

Medline scheduling software purchase order (4704119827) (4/11/2025)
Computer Logic

Medline Purchase Order (4704087760) (3/20/2025)
Software and hardware for controls

IT hardware licenses (router, security, backup and cloud storage)

Remaining term on office 365 for site employees

Licenses for Allen Bradley Controls and Rockwell Software

Licenses for Honeywell Controls

Photocopier Lease
Fire protection services
Food Management Systems Certification, Intertek SAI Global
Motor Vehicle Lease Agreement DTD 3/15/2024 Liccardi Ford****
Motor Vehicle Lease Agreement DTD 9/12/2024 Liccardi Ford****
Motor Vehicle Lease Mercedes Benz of Warwick****
****These motor vehicle leases will only be assumed and assigned to Assignee if the corresponding employee who utilizes such lease agrees to be employed by the Assignee.

RHODE ISLAND/CORPORATE OFFICE:

Network infrastructure software license
Network security software license
Helix Software License