

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

In re:

CARBON HEALTH TECHNOLOGIES, INC., *et al.*,
Debtors.¹

Chapter 11

Case No. 26-90306 (CML)

(Jointly Administered)

DEBTORS' EMERGENCY MOTION FOR ENTRY OF ORDERS (I) (A) APPROVING BID PROCEDURES FOR SALE OF DEBTORS' ASSETS, (B) SCHEDULING SALE PROCESS DEADLINES, AUCTION, OBJECTION DEADLINES, AND SALE HEARING, (C) ESTABLISHING ASSUMPTION AND ASSIGNMENT PROCEDURES, (D) APPROVING THE FORM AND MANNER OF NOTICE OF SALE, AUCTION, SALE HEARING, AND ASSUMPTION AND ASSIGNMENT PROCEDURES, AND (E) GRANTING RELATED RELIEF; AND (II) (A) APPROVING SALE OF DEBTORS' ASSETS, (B) AUTHORIZING ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (C) GRANTING RELATED RELIEF

EMERGENCY RELIEF HAS BEEN REQUESTED. RELIEF IS REQUESTED NOT LATER THAN 2:00 P.M. ON FEBRUARY 10, 2026.

IF YOU OBJECT TO THE RELIEF REQUESTED OR YOU BELIEVE THAT EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU MUST APPEAR AT THE HEARING IF ONE IS SET, OR FILE A WRITTEN RESPONSE PRIOR TO THE DATE THAT RELIEF IS REQUESTED IN THE PRECEDING PARAGRAPH. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

A HEARING WILL BE CONDUCTED ON THIS MATTER ON FEBRUARY 10, 2026, AT 2:00 P.M. (PREVAILING CENTRAL TIME) IN COURTROOM 402, 4TH FLOOR, 515 RUSK STREET, HOUSTON, TEXAS 77002.

YOU MAY PARTICIPATE IN THE HEARING EITHER IN PERSON OR BY AN AUDIO AND VIDEO CONNECTION.

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/CarbonHealth>. The location of Carbon Health Technologies, Inc.'s principal place of business and the Debtors' service address in these chapter 11 cases is 500 East Remington Drive, Suite 20, Sunnyvale, CA 94087.

AUDIO COMMUNICATION WILL BE BY USE OF THE COURT'S DIAL-IN FACILITY. YOU MAY ACCESS THE FACILITY AT 832-917-1510. ONCE CONNECTED, YOU WILL BE ASKED TO ENTER THE CONFERENCE ROOM NUMBER. JUDGE LOPEZ'S CONFERENCE ROOM NUMBER IS 590153. VIDEO COMMUNICATION WILL BE BY USE OF THE GOTOMEETING PLATFORM. CONNECT VIA THE FREE GOTOMEETING APPLICATION OR CLICK THE LINK ON JUDGE LOPEZ'S HOME PAGE. THE MEETING CODE IS "JUDGELOPEZ". CLICK THE SETTINGS ICON IN THE UPPER RIGHT CORNER AND ENTER YOUR NAME UNDER THE PERSONAL INFORMATION SETTING.

HEARING APPEARANCES MUST BE MADE ELECTRONICALLY IN ADVANCE OF BOTH ELECTRONIC AND IN-PERSON HEARINGS. TO MAKE YOUR APPEARANCE, CLICK THE "ELECTRONIC APPEARANCE" LINK ON JUDGE LOPEZ'S HOME PAGE. SELECT THE CASE NAME, COMPLETE THE REQUIRED FIELDS AND CLICK "SUBMIT" TO COMPLETE YOUR APPEARANCE.

Carbon Health Technologies, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "Debtors," the "Company," or "Carbon Health"), respectfully represent as follows in support of this motion (the "Motion"):²

Preliminary Statement³

1. Following months of extensive good faith and arm's length negotiations, Carbon Health and the Agent⁴ reached agreement on the terms of a dual-track comprehensive restructuring process that would enable the Company to pursue in parallel confirmation of a chapter 11 plan premised on a debt-for-equity exchange (the "Plan") and conduct a postpetition marketing and sale

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Bid Procedures and the Bid Procedures Order (each as defined herein), as applicable.

³ Capitalized terms used but not otherwise defined in this Preliminary Statement shall have the meanings ascribed to such terms elsewhere in this Motion.

⁴ As used herein, the term "Agent" means Future Solution Investments LLC, in its capacity as agent for: (i) the lenders (the "Prepetition Secured Lenders" and, together with the Agent in its capacity as the agent for the Prepetition Secured Lenders, the "Prepetition Secured Parties") under that certain *Prepetition Loan and Security Agreement*, dated as of November 14, 2025 (as amended, restated, amended and restated, modified, or supplement from time to time) (the claims arising thereunder, the "Prepetition Secured Claims"), and (ii) the lenders (the "DIP Lenders") under that certain *Senior Secured Superpriority Debtor-In-Possession Financing Agreement* (as amended in accordance with the terms thereof and any orders of the Court related thereto, the "DIP Credit Agreement," and the claims arising thereunder, the "DIP Claims").

process for its assets, in whole or in part (the “Assets”), in one or more sale transactions (each, a “Sale Transaction”). As designed, the Sale Process—a central pillar of the deal reached with the Agent—was premised upon minimizing expense and maximizing value by generating interest prepetition to enable the Company to enter chapter 11 with sufficient momentum to conduct a robust market test and increase the likelihood of identifying an executable Sale Transaction. Accordingly, in December 2025, Carbon Health sought to build upon the efforts undertaken as part of its months-long prior marketing process that ended in November 2025, and directed Stifel, the Debtors’ proposed investment banker, to begin preparations for the prepetition phase of the Sale Process.

2. In late January 2026, after preparing refreshed marketing materials, drafting updates to the financial model, and revitalizing the Data Room, Stifel, at the direction of the Company, launched the prepetition marketing process. Prior to the Petition Date, Stifel engaged with over ninety (90) potentially interested parties, many of whom had participated in the Company’s prior marketing process, including strategic buyers and financial sponsors, to solicit interest in acquiring some or all of the Assets in connection with the Debtors’ chapter 11 cases.

3. To continue the momentum of the Company’s prepetition marketing efforts on a postpetition basis, the Debtors now file this Motion seeking approval of the proposed Bid Procedures to govern the Sale Process and, if there are one or more Successful Bidders, ultimately to consummate the applicable Sale Transaction(s). The proposed Bid Procedures provide the Debtors with the flexibility to pursue an Enterprise Sale Transaction or one or more Partial Sale Transactions on a timeline consistent with the milestones agreed upon with the Agent (the “DIP Milestones”), as well as the option to “toggle” to a Plan process in the event the Sale Process does not yield actionable results. As detailed herein, the proposed Bid Procedures provide for a Bid

Deadline of **March 6, 2026, at 5:00 p.m. (prevailing Central Time)**. In light of the Company's prior marketing efforts, the Debtors believe that this is sufficient time for interested parties to submit well-developed bids. The Debtors are confident that the Sale Process has been structured to facilitate the sale of the Assets, in whole or in part, for the highest or otherwise best bid(s) on an efficient timeline.

4. For the reasons set forth herein, the Debtors submit that the proposed Bid Procedures and the other relief requested in this Motion will best position the Debtors to maximize the value of their estates and should be approved.

Background

5. On February 2, 2026 (the "Petition Date"), the Debtors each commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee (each, a "Committee") has been appointed in these chapter 11 cases.

6. The Debtors' chapter 11 cases are being jointly administered for procedural purposes pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure ("Bankruptcy Rules") and Rule 1015-1 of the Bankruptcy Local Rules for the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Local Rules").

7. Carbon Health is a leading urgent care ("UC") and primary care ("PC") medical service provider, with ninety-three (93) locations nationwide offering comprehensive services, including UC, PC, pediatric care, workplace health, and clinical research, complemented with virtual care access. The Company serves as a primary entry point to healthcare ecosystem, offering

a comprehensive array of services that cater to diverse patient communities, enhancing accessibility and quality of care. Carbon Health leverages its proprietary platform, “CarbyOS,” to implement a digital strategy that enhances patient engagement and drives operating efficiency. This approach enables the Company to provide a versatile range of services across care locations through improved operational efficiency.

8. Additional information regarding the Debtors’ businesses, capital structure, and the circumstances leading to the commencement of these chapter 11 cases is set forth in the *Declaration of Kerem Ozkay in Support of the Debtors’ Chapter 11 Petitions and First Day Relief* (Docket No. 16) (the “First Day Declaration”).

Relief Requested

9. By this Motion, pursuant to sections 105(a), 363, and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, and 9007, the Debtors request that the Court approve the following:

- a. the proposed form of order substantially in the form annexed hereto as **Exhibit A** (the “Bid Procedures Order”):
 - i. authorizing and approving the proposed auction and bid procedures (the “Bid Procedures”), substantially in the form annexed to the Bid Procedures Order as **Exhibit 1**, in connection with the sale of all, substantially all, or any part of the Assets through one or more Sale Transactions;
 - ii. scheduling an auction for the sale of the Assets (the “Auction”), if applicable, in accordance with the Bid Procedures;
 - iii. scheduling a hearing (the “Sale Hearing”) to consider approval of one or more proposed Sale Transactions;
 - iv. authorizing and approving the form and manner of notice of the proposed sale of the Assets, the Auction, and the Sale Hearing, substantially in the form annexed to the Bid Procedures Order as **Exhibit 2** (the “Sale Notice”);
 - v. establishing procedures for the assumption and assignment of certain executory contracts and unexpired leases of the Debtors in connection with

the Sale Transactions and the determination of such amounts necessary to cure any monetary defaults thereunder (such amounts, the “Cure Amounts”) with respect thereto (collectively, the “Assumption and Assignment Procedures”);

- vi. authorizing and approving the form and manner of a notice to each non-Debtor counterparty (each, a “Counterparty” and, collectively, the “Counterparties”) to the Debtors’ executory contracts and unexpired leases (each, a “Contract”) regarding the Debtors’ potential assumption and assignment of such Contracts designated by a Successful Bidder (or its designated assignee(s)) (the “Designated Contracts”) and any applicable Cure Amounts thereunder, substantially in the form annexed to the Bid Procedures Order as **Exhibit 3** (the “Assumption and Assignment Notice”);
 - vii. authorizing and approving the form and manner of a notice identifying any Successful Bidder and any Back-Up Bidder, substantially in the form annexed to the Bid Procedures Order as **Exhibit 4** (the “Post-Auction Notice”);
 - viii. granting related relief; and
- b. one or more orders (each, a “Sale Order”) authorizing and approving the following:⁵
- i. a sale of the Assets free and clear of all liens, pledges, security interests, encumbrances, claims, charges, options, restrictions, and other interests (collectively, “Encumbrances”), except to the extent otherwise set forth in the purchase agreement executed by the Debtors and any Successful Bidder(s);
 - ii. the assumption and assignment of Designated Contracts in connection with any Sale Transaction; and
 - iii. related relief.

10. In support of the Motion, the Debtors submit the *Declaration of Vladimir Moshinsky of Stifel, Nicolaus & Company in Support of Debtors’ Bid Procedures Motion*, annexed hereto as **Exhibit B** (the “Moshinsky Declaration”), which is incorporated by reference herein, and the First Day Declaration.

⁵ On or before March 12, 2026, subject to any adjustment of the Sale Hearing and related deadlines, the Debtors will file with the Court and serve on the Sale Notice Parties (as defined below) a proposed form of Sale Order(s) in connection with any Sale Transaction.

Jurisdiction

11. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Prepetition Marketing Efforts

I. The 2025 Marketing Process

12. In March 2025, Carbon Health engaged Stifel, Nicolaus & Company, Incorporated (“Stifel”), the Debtors’ proposed investment banker, to aid the Company in exploring strategic transactions (the “2025 Marketing Process”). At the time, Carbon Health was facing a liquidity shortfall and tapped Stifel’s expertise in mergers and acquisitions and restructuring to develop solutions. Among other things, Stifel was tasked with marketing certain of the Company’s assets for sale, raising equity financing, and procuring alternative sources of debt financing. Accordingly, in preparation for the launch of this multifaceted process, Stifel worked closely with the Company to build a financial model, draft marketing materials, including a teaser and confidential information memorandum (a “CIM”), establish a virtual data room (a “Data Room”) containing customary due diligence materials, and formulate an outreach strategy, among other things.

13. In April 2025, the Company, assisted by Stifel, commenced the 2025 Marketing Process. Stifel contacted approximately thirty-one (31) strategic buyers and approximately forty-two (42) financial sponsors (the “2025 Outreach Parties”). By early May, approximately thirty-one (31) of seventy-three (73) of the 2025 Outreach Parties executed confidentiality agreements to gain access to the Data Room and participate in the process (the “2025 Process Participants”).

14. Over the following months, Carbon Health received indications of interest and entered into multiple letters of intent at various points with certain 2025 Process Participants who

were interested in acquiring some or all of the Company's assets. Through November 2025, Carbon Health, with Stifel's assistance, engaged in serious, and at times exclusive, negotiations with several of the 2025 Process Participants. However, none of the potential sale transactions explored as part of the 2025 Marketing Process were ultimately consummated.

II. The Prepetition Marketing Process

15. Prior to the Petition Date and as a result of their negotiations with the Prepetition Secured Parties, Carbon Health determined to conduct a competitive marketing process (the "Prepetition Marketing Process") in hopes of building upon the efforts undertaken in connection with the recently-concluded 2025 Marketing Process. The Prepetition Marketing Process was from its conception intended to continue postpetition so that interested parties would have more time to evaluate potential sale transactions within a structured, court-supervised process. Accordingly, in December 2025, the Company directed Stifel to begin preparing for the Prepetition Marketing Process.

16. Prior to launching the Prepetition Marketing Process, Stifel worked collaboratively with the Carbon Health's management team to build an updated financial model, prepare refreshed marketing materials, including a teaser, CIM, and process letter, and revitalize the Data Room, among other things. In late January 2026, Stifel, acting at the direction of the Company, commenced formal outreach and provided the teaser to potential purchasers. Stifel engaged with over ninety (90) potentially interested parties, including over thirty (30) strategic buyers and sixty (60) financial sponsors (the "Prepetition Outreach Parties"). The Prepetition Outreach Parties included fifty-eight (58) of the 2025 Outreach Parties, many of whom previously conducted meaningful due diligence in connection with the 2025 Marketing Process.

17. Accordingly, by this Motion, the Debtors seek, among other things, to continue the Prepetition Marketing Process on a postpetition basis so that the Debtors can attract as many

high-quality bids as possible for their Assets, in whole or in part, and potentially consummate one or more value-maximizing sale transactions. If the Debtors identify one or more transactions with a third party, whether for the purchase of some or all of the Assets, that provide stakeholders with greater or otherwise better value than a reorganization transaction, the Debtors can pursue that path.

Bid Procedures

I. Overview

18. The Bid Procedures are designed to promote a competitive, transparent, and timely marketing and sale process for the Debtors' Assets, in whole or in part (the "Sale Process"). The Bid Procedures describe, among other things, the procedures for accessing due diligence, the process for submitting a bid, the manner in which bidders and bids become "qualified," the conduct of an Auction if one is required, the selection and approval of a Successful Bidder, and the deadlines with respect to the foregoing. If approved, the Bid Procedures will allow the Debtors to solicit and identify bids from potential buyers that constitute the highest or otherwise best offer(s) for the Assets in an efficient manner and on a reasonable timeline consistent with the DIP Milestones and the Debtors' strategy for maximizing value for their stakeholders.

19. Because the Bid Procedures are attached as Exhibit 1 to the proposed Bid Procedures Order, they are not restated in their entirety herein. Importantly, however, the Bid Procedures recognize the Debtors' fiduciary obligation to maximize value and, as such, do not impair the Debtors' ability to consider all bid proposals, whether for the purchase of some of the Assets (a "Partial Sale Transaction") or all or substantially all of the Assets (an "Enterprise Sale Transaction"), and preserve the Debtors' right to modify the Bid Procedures as necessary or appropriate to maximize the value of their estates. To promote communication and transparency with the Debtors' key stakeholders, the Bid Procedures provide for the Debtors to share

information about the ongoing Sale Process and consult with the Consultation Parties, which includes the Committee. This will ensure that the Debtors’ stakeholders are apprised of the status of and determinations related to any potential Sale Transaction.

20. If the Debtors do not receive a bid or bids that, combined, are sufficient to pay certain claims and interests, the Debtors have the right to toggle to pursue confirmation of a chapter 11 plan (“Plan”) premised on a debt-for-equity exchange (the “Plan Without Sale Toggle”). On the other hand, if bids are received with respect to Partial Sale Transactions, which combined do not constitute an Enterprise Sale Transaction, then the Debtors may elect both to consummate the Partial Sale Transaction(s) under the Bid Procedures and pursue confirmation of the Plan premised on a debt-for-equity exchange.

21. The Debtors, therefore, believe that approval of the Bid Procedures is in the best interests of their estates because they are designed to maximize value, will establish whether and to what extent any additional market for the Assets exists, and provide interested parties with sufficient opportunity to participate in the Sale Process.

II. Key Dates and Deadlines

22. The Debtors are seeking approval of the Bid Procedures to establish a clear and open process for the solicitation, receipt, and evaluation of bids on an efficient timeline that complies with the DIP Milestones and allows the Debtors to consummate one or more Sale Transactions while contemporaneously pursuing confirmation of the Plan. Accordingly, the Debtors respectfully request that the Court approve the following dates and deadlines for the Sale Process, subject to the Court’s availability, as applicable (the “Sale Process Timeline”):

Date	Event
March 6, 2026, at 5:00 p.m. (prevailing Central Time)	<ul style="list-style-type: none"> <li data-bbox="727 1793 993 1827">• Bid Deadline

Date	Event
March 9, 2026	<ul style="list-style-type: none"> • Deadline to notify Qualified Bidders of which bids qualify as Qualified Bids • Deadline to notify Qualified Bidders of Auction • Deadline to file Assumption and Assignment Notice (with Contracts List)
March 11, 2026, at 12:00 p.m. (prevailing Central Time)	<ul style="list-style-type: none"> • Auction, if any
March 12, 2026	<ul style="list-style-type: none"> • Deadline to file Post-Auction Notice • Deadline to file proposed form of Sale Order(s) • Deadline to file proposed Purchase Agreement(s) • Deadline to file amended Assumption and Assignment Notice (with Contracts List), if applicable
March 16, 2026, at 4:00 p.m. (prevailing Central Time)	<ul style="list-style-type: none"> • Sale Objection Deadline • Contract Objection Deadline
March 18, 2026	<ul style="list-style-type: none"> • Deadline for Debtors to reply to Sale Objections and Contract Objections
March __, 2026, at [•]:[•] a.m./p.m. (prevailing Central Time)	<ul style="list-style-type: none"> • Sale Hearing

23. The time periods set forth in the Bid Procedures are reasonable and essential for the Debtors' swift emergence from chapter 11 and preserving the value of the Debtors' estates. If the Debtors do not receive any Acceptable Bids for any of the Assets, the Debtors will pursue confirmation of the Plan.

24. The proposed Sale Process Timeline provides the Debtors with sufficient time to complete their marketing efforts, and for potential bidders to conduct ample due diligence and formulate value-maximizing bids for the Assets. Accordingly, the Debtors believe the relief requested herein represents a sound exercise of their business judgment, is in the best interest of

their estates, will provide interested parties with sufficient opportunity to participate in the Sale Process, and, therefore, should be approved.

Notice Procedures

25. The Debtors request that the Court approve the form and manner of service for the Sale Notice, the Assumption and Assignment Notice, and the Post-Auction Notice (collectively, the “Notices”), each annexed to the proposed Bid Procedures Order. The Debtors submit that service of the Notices as set forth below (the “Notice Procedures”) is proper and sufficient to provide notice of the Auction, the deadline (the “Sale Objection Deadline”) to object to any proposed Sale Transaction (a “Sale Objection”), the Contract Objection Deadline (as defined below), and the Sale Hearing to all applicable parties.

26. As soon as practicable after the entry of the Bid Procedures Order, the Debtors will file with the Court and serve the Sale Notice, the Bid Procedures Order, and the Bid Procedures, by first-class mail or email, if available, upon the following parties or their counsel, if known: (a) the Office of the United States Trustee for the Southern District of Texas (the “U.S. Trustee”); (b) the holders of the thirty (30) largest unsecured claims against the Debtors (on a consolidated basis); (c) the parties holding secured claims against the Debtors; (d) the United States Attorney’s Office for the Southern District of Texas; (e) the Internal Revenue Service; (f) the state attorneys general for states in which the Debtors conduct business; (g) governmental agencies having a regulatory or statutory interest in these chapter 11 cases; (h) the DIP Lenders; (i) the Prepetition Secured Parties; (j) all entities known to have asserted or hold any lien, claim, interest, or encumbrance in or upon the Assets; and (k) any party that has requested notice pursuant to Bankruptcy Rule 2002 and Bankruptcy Local Rule 9013-1(d) (the “Sale Notice Parties”). In addition to the Sale Notice Parties, the Debtors will serve the Sale Notice by first-class mail or

email, upon Counterparties to Contracts and all other applicable contracts or leases or their respective counsel, if known.

27. As soon as practicable after the Auction and in no event later than **March 12, 2026**, the Debtors propose to file with the Court and serve on the Sale Notice Parties, as well as all Counterparties to Designated Contracts, the Post-Auction Notice identifying the Successful Bidder(s) and Back-Up Bidder(s). The Debtors may extend the Sale Objection Deadline as the Debtors deem appropriate without further order of the Court. If a timely Sale Objection cannot otherwise be resolved by the parties, such objection will be heard by the Court at the Sale Hearing.

28. Finally, in addition to filing the Notices with the Court and serving the Notices in accordance with the proposed Bid Procedures Order, the Debtors will cause each of the Notices to be posted on their case information website at: <https://restructuring.ra.kroll.com/CarbonHealth> (the "Case Website").

29. The Debtors believe that the Notice Procedures constitute reasonable notice of the Sale Process Timeline, including (i) the Bid Deadline, (ii) the date, time, and location of the Auction and Sale Hearing, (iii) the Contract Objection Deadline, and (iv) the Sale Objection Deadline. The Debtors believe that no other or further notice is required under the circumstances and submit that the notice is reasonably calculated to provide all interested parties with timely and proper notice of the Sale Process and the key dates and deadlines related thereto. Accordingly, the Debtors request that the form and manner of the Notices be approved and that the Court determine that no other or further notice is required.

Assumption and Assignment Procedures

30. In connection with a Sale Transaction, the Debtors may seek to assume and assign one or more Contracts designated by a Successful Bidder (or its designated assignee(s)). The

Assumption and Assignment Procedures set forth in the proposed Bid Procedures Order are designed to, among other things, govern the Debtors' provision of notice to relevant Counterparties in connection with the transfer of Designated Contracts as part of any Sale Transaction, including any applicable Cure Amounts and Adequate Assurance Information.

31. The Debtors will serve on all Counterparties to Designated Contracts the Assumption and Assignment Notice, which (i) will include a list of Contracts that may be Designated Contracts to be assumed and assigned (the "Contracts List") and the Cure Amounts, if any, that the Debtors believe are required to be paid if the Debtors ultimately assume and assign such Designated Contract; and (ii) provide the deadline to object (such deadline, the "Contract Objection Deadline") to any proposed assumption and assignment of such Designated Contract, including any applicable Cure Amount (such objection, a "Contract Objection"). Further, as set forth in the Bid Procedures, for a bid to qualify as a "Acceptable Bid," a Potential Bidder must include with its bid proof of its financial ability to perform (and the ability of its designated assignee(s), if applicable) in satisfaction of the requirements under section 365(f)(2)(B) of the Bankruptcy Code with respect to any Contracts to be assumed and assigned (such information, "Adequate Assurance Information"). Each Potential Bidder is required to create a package containing Adequate Assurance Information (the "Adequate Assurance Package") for transmission to Counterparties. The Debtors will provide the Adequate Assurance Packages on a strictly confidential basis to all Counterparties to Designated Contracts.

32. Unless otherwise provided, any Contract Objection must (i) be in writing, (ii) comply with the Bankruptcy Rules and Bankruptcy Local Rules, (iii) be filed with the Court on or before Contract Objection Deadline and served on the Objection Notice Parties (as identified in the Bid Procedures), and (iv) state with specificity the grounds for such objection, including the

fully liquidated Cure Amount and the legal and factual bases for any unliquidated Cure Amount that the Counterparty believes is required to be paid under sections 365(b)(1)(A) and (B) of the Bankruptcy Code for the applicable Designated Contract, along with the specific nature and dates of any alleged defaults, the pecuniary losses, if any, resulting therefrom, and the conditions giving rise thereto.

33. If, after the Assumption and Assignment Notice Deadline, additional Contracts of the Debtors are determined to be Designated Contracts in connection with a Sale Transaction, the Debtors may (i) seek to modify the previously stated Cure Amount associated with any Designated Contract or (ii) remove any Designated Contract from the Contracts List and reject such Contract. As soon as practicable thereafter and in no event later than **March 12, 2026**, the Debtors will file with the Court and serve, via email, if available, or first-class mail, the applicable Counterparties an amended Assumption and Assignment Notice. The Counterparties served with an amended Assumption and Assignment Notice must file any Contract Objection not later than the Contract Objection Deadline. The Debtors reserve all rights to seek relief from the Court to reject any Contract that is not a Designated Contract, including to file a motion to reject Contracts effective as of the date such rejection motion is filed.

Relief Requested Should be Granted

I. Bid Procedures Should be Approved

34. The Bid Procedures are specifically designed to promote what courts have deemed to be the paramount goal of any proposed sale of property of a debtor's estate: maximizing the value of sale proceeds received by the estate. *See In re Johnson*, 433 B.R. 626, 638 (Bankr. S.D. Tex. 2010) (citing *Cheng v. K&S Diversified Invs. (In re Cheng)*, 308 B.R. 448, 455 (B.A.P. 9th Cir. 2004)) ("The debtor in possession performing the duties of the trustee is the representative of the estate and is saddled with the same fiduciary duty as a trustee to maximize the value of the

estate available to pay creditors.”); *In re Food Barn Stores, Inc.*, 107 F.3d 558, 564–65 (8th Cir. 1997) (recognizing that the main goal of any proposed sale of property of a debtor’s estate is to maximize value). Courts uniformly recognize that procedures established to enhance competitive bidding are consistent with the fundamental goal of maximizing value of a debtor’s estate. *See In re ASARCO, L.L.C.*, 650 F.3d 593, 603 (5th Cir. 2011) (affirming the bankruptcy court’s approval of bid procedures designed to maximize the value of the debtor’s estate); *In re Bigler, LP*, 443 B.R. 101, 115 (Bankr. S.D. Tex. 2010) (providing that the two goals for a sale of the debtors’ assets are “maximizing value for the estate and preserving the integrity of the judicial process”); *In re Monitor Dynamics, Inc.*, 2010 Bankr. LEXIS 4170, at *3 (Bankr. W.D. Tex. Aug. 3, 2010) (approving bid procedures and finding that they “represent the method for maximizing value for the benefit of the Debtor’s estate”); *In re Integrated Res. Inc.*, 147 B.R. 650, 659 (S.D.N.Y. 1992) (observing that sale procedures “encourage bidding and . . . maximize the value of the debtor’s assets”).

35. Here, the Bid Procedures will expand upon the Debtors’ prepetition efforts and promote active bidding from interested parties to elicit the highest or otherwise best offer(s) available for the Debtors’ Assets. The Bid Procedures are designed to facilitate orderly yet competitive bidding to maximize the value realized by the Debtors’ estates from any eventual Sale Transaction. In particular, the Bid Procedures contemplate an open auction process and provide potential bidders—many of whom engaged with the Debtors as part of the 2025 Marketing Process—with sufficient time to perform due diligence and acquire the information necessary to submit a timely and well-informed bid. In addition, the requirement that any bid for an Enterprise Sale Transaction be equal to or exceed an amount described in the Bid Procedures ensures that the Sale Process will yield at least a minimally acceptable value for the Debtors’ estates and their

stakeholders. To the extent the Sale Process does not result in one or more bids that, combined, exceed that amount, the Plan toggles set forth in the Bid Procedures provide the Debtors with the flexibility and certainty needed to swiftly pivot.

36. The Bid Procedures were carefully crafted to facilitate a genuine market test and the submission of value-maximizing bids and to provide adequate and appropriate notice to interested parties, while recognizing the Debtors' need to conduct an efficient Sale Process. The Bid Procedures are reasonable and appropriate, in the best interest of the Debtors' estates, and reflect a sound exercise of the Debtors' business judgment. Accordingly, the Debtors respectfully submit that the Bid Procedures should be approved as proposed.

II. Assumption and Assignment Procedures Are Appropriate and Should Be Approved

37. Section 365(a) of the Bankruptcy Code provides that a debtor-in-possession "subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor." 11 U.S.C. § 365(a). The standard governing approval of a debtor's decision to assume or reject an executory contract is whether the debtor's reasonable business judgment supports assumption or rejection. *Mirant Corp. v. Potomac Electric Power Co. (In re Mirant Corp.)*, 378 F.3d 511, 524–25 & n.5 (5th Cir. 2004). Under the business judgment test, a court should approve a debtor's proposed assumption if such assumption will benefit the estate. *In re Food City, Inc.*, 94 B.R. 91, 93–94 (Bankr. W.D. Tex. 1988).

38. The Assumption and Assignment Procedures set forth in the proposed Bid Procedures Order are reasonable under the circumstances and are necessary to notify Counterparties to Designated Contracts of the potential assumption and assignment of their respective Contracts, any related proposed Cure Amounts, information regarding any Successful Bidder's adequate assurance of future performance, and the Contract Objection Deadline. Indeed, the Bid Procedures expressly provide that all Bids must be accompanied by Adequate Assurance

Information as part of an Adequate Assurance Package for transmission to Counterparties. The Assumption and Assignment Procedures, which provide that the Assumption and Assignment Notice will include a Contracts List identifying the Debtors' estimate of Cure Amounts for Designated Contracts, should be approved as reasonable and necessary measures to adequately notify applicable Counterparties and assume and assign Designated Contracts in a fair, efficient, and proper manner.

39. Further, as set forth in the Assumption and Assignment Procedures, the Debtors are also requesting that any Counterparty that fails to object to the proposed assumption and assignment of any Designated Contract be deemed to consent to the assumption and assignment of the applicable Designated Contract pursuant to section 365 and on the terms set forth in the applicable Sale Order, notwithstanding any anti-alienation provision or other restriction on assignment contained in the applicable contract or lease. *See, e.g., Hargrave v. Twp. of Pemberton (In re Tabone, Inc.)*, 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (finding that, by not objecting to sale motion, creditor was deemed to consent); *Pelican Homestead v. Wooten (In re Gabel)*, 61 B.R. 661, 667 (Bankr. W.D. La. 1985) (same).

III. Approval of Sale Transactions Is Appropriate and in Best Interests of Debtors' Estates

A. Sale Transactions Should Be Approved as Exercise of Debtors' Sound Business Judgment

40. Section 363(b) of the Bankruptcy Code provides that a debtor may sell property of the estate outside the ordinary course of business after notice and a hearing. Although section 363 does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate, courts have found that a debtor's sale or use of assets outside the ordinary course of business should be approved if the debtor can demonstrate "some articulated business justification." *See In re Cont'l Air Lines, Inc.*, 780 F.2d 1223, 1226 (5th Cir. 1986) ("[F]or

the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.”); *see also In re ASARCO*, 650 F.3d at 601; *In re Cowin*, No. 13-30984, 2014 WL 1168714, at *38 (Bankr. S.D. Tex. Mar. 21, 2014); *In re St. Marie Clinic PA*, No. 10-70802, 2013 WL 5221055, at *9 (Bankr. S.D. Tex. Sept. 17, 2013); *In re Particle Drilling Techs., Inc.*, No. 09-33744, 2009 WL 2382030, at *2 (Bankr. S.D. Tex. July 29, 2009); *In re San Jacinto Glass Indus., Inc.*, 93 B.R. 934, 944 (Bankr. S.D. Tex. 1988).

41. Once the Debtors articulate a valid business justification, “[t]he business judgment rule . . . ‘is a presumption that in making the business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was in the best interests of the company.’” *In re S.N.A. Nut Co.*, 186 B.R. 98 (Bankr. N.D. Ill. 1995); *see also In re Integrated Res., Inc.*, 147 B.R. 650, 656 (Bankr. S.D.N.Y. 1992); *Committee of Asbestos-Related Litigants and/or Creditors v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 615–16 (Bankr. S.D.N.Y. 1986) (“[A] presumption of reasonableness attaches to a Debtor’s management decisions.”).

42. Here, the Debtors have a sound business justification for selling the Assets pursuant to a competitive bidding process consistent with the Bid Procedures. The Debtors believe that they have proposed a fair process for obtaining the highest or otherwise best offers in the proposed Sale Transactions of the Assets for the benefit of the Debtors’ estates and their creditors. The fairness and reasonableness of the consideration to be received by the Debtors will be demonstrated by a “market check” through the process outlined in the Bid Procedures. Thus, the Debtors submit that any Successful Bid resulting from the Bid Procedures will constitute the highest and best offers for the Debtors’ Assets and will provide a greater recovery for the Debtors’

estates than would be provided by any other available alternative. As such, the Debtors' determination to sell the Assets pursuant to a competitive bidding process as provided for in the Bid Procedures is a valid and sound exercise of the Debtors' business judgment.

B. Adequate and Reasonable Notice of Sale Transactions Will Be Provided

43. As set forth above, the Sale Notice (i) will be served in a manner that provides notice of the date, time, and location of the Auction and Sale Hearing, (ii) informs interested parties of the deadlines for objecting to any Sale Transaction, and (iii) otherwise includes all information relevant to parties interested in, or affected by, any Sale Transaction. Significantly, the form and manner of the Sale Notice will have been approved by the Court pursuant to the Bid Procedures Order, after notice and a hearing, before it is served. As such, the Debtors are confident that the Sale Notice will be properly vetted by the time of service thereof.

C. Sale Transactions Have Been Proposed in Good Faith and Without Collusion, and Successful Bidders Will Be "Good Faith Buyers"

44. Pursuant to section 363(m) of the Bankruptcy Code, a good-faith purchaser is one who purchases assets for value, in good faith, and without notice of adverse claims. *See* 11 U.S.C. § 363(m); *O'Dwyer v. O'Dwyer (In re O'Dwyer)*, 611 Fed. App'x 195, 200 (5th Cir. 2015); *In re Mark Bell Furniture Warehouse, Inc.*, 992 F.2d 7, 9 (1st Cir. 1993); *In re Willemain v. Kivitz*, 764 F.2d 1019, 1023 (4th Cir. 1985); *In re Congoleum Corp.*, No. 03-51524, 2007 WL 1428477, *2 (Bankr. D.N.J. May 11, 2007); *see also In re Abbotts Dairies of Penn., Inc.*, 788 F.2d 143, 147 (3d Cir. 1986) (to constitute lack of good faith, a party's conduct in connection with the sale must usually amount to fraud, collusion between the buyer and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders).

45. In other words, a party would have to show fraud or collusion between the successful bidder and the debtor in possession or other bidders in order to demonstrate a lack of

good faith. An appropriate characterization of good faith in a bankruptcy sale is a lack of “fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.” *In re Bleaufontaine, Inc.*, 634 F.2d 1383, 1388 n.7 (5th Cir. 1981) (quoting *In re Rock Indus. Mach. Corp.*, 572 F.2d 1195, 1198 (7th Cir. 1978)).

46. The Debtors submit that any Successful Bidder arising from the bidding process will be a “good faith” purchaser within the meaning of section 363(m) and the terms of a purchase agreement with any Successful Bidder will be negotiated at arm’s-length and in good faith without any collusion or fraud. Accordingly, the Debtors will be prepared to show at the Sale Hearing that any Successful Bidder arising from the bidding process is entitled to the full protections of section 363(m) of the Bankruptcy Code.

D. Sale Transactions Should Be Approved “Free and Clear” Under Section 363(f) of the Bankruptcy Code

47. Section 363(f) of the Bankruptcy Code permits the Debtors to sell assets free and clear of all liens, claims, interests, charges and encumbrances (with any such liens, claims, interests, charges, and encumbrances attaching to the net proceeds of the sale with the same rights and priorities therein as in the sold assets). As section 363(f) is stated in the disjunctive, when proceeding pursuant to section 363(f), it is only necessary to meet one of the five conditions of section 363(f). *See In re Nature Leisure Times, LLC*, No. 06-41357, 2007 WL 4554276, at *3 (Bankr. E.D. Tex. Dec. 19, 2007) (“The language of § 363(f) is in the disjunctive such that a sale free and clear of an interest can be approved if any one of the aforementioned conditions contained in § 363(f) are satisfied.”). The Debtors believe that they will be able to demonstrate at the Sale Hearing that they have satisfied one or more of these conditions.

48. Additionally, the Court also may authorize the sale of a debtor’s assets free and clear of any liens pursuant to section 105 of the Bankruptcy Code, even if section 363(f) does not

apply. *See In re Ditech Holding Corp.*, 606 B.R. 544, 591 (Bankr. S.D.N.Y. 2019) (“[P]lan sales can be free and clear of claims without invoking section 363(f.)”); *In re Trans World Airlines, Inc.*, No. 01-0056, 2001 WL 1820325, at *3 (Bankr. D. Del. Mar. 27, 2001) (“[B]ankruptcy courts have long had the authority to authorize the sale of estate assets free and clear even in the absence of section 363(f.)”); *see also Volvo White Truck Corp. v. Chambersberg Beverage, Inc. (In re White Motor Credit Corp.)*, 75 B.R. 944, 948 (Bankr. N.D. Ohio 1987) (“Authority to conduct such sales [free and clear of liens] is within the court’s equitable powers when necessary to carry out the provisions of Title 11.”).

49. The Debtors believe that one or more of the tests of section 363(f) of the Bankruptcy Code will be satisfied with respect to any proposed Sale Transaction, which the Debtors will establish at the Sale Hearing.

E. Assumption and Assignment of Designated Contracts Should Be Approved

50. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession “subject to the court’s approval, may assume or reject any executory contract or unexpired lease of the debtor.” 11 U.S.C. § 365(a). A debtor’s decision to assume or reject an executory contract or unexpired lease must only satisfy the “business judgment rule” and will not be subject to review unless such decision is clearly an unreasonable exercise of such judgment. *See, e.g., In re J.C. Penney Direct Mktg. Servs., L.L.C.*, 50 F.4th 532, 534 (5th Cir. 2022) (“A bankruptcy court reviews a debtor’s decision to assume or reject an executory contract or unexpired lease under the deferential business judgment standard.”) (internal citations and quotation marks omitted); *see also Richmond Leasing Co. v. Cap. Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1985) (applying a business judgment standard to debtor’s determination to assume unexpired lease). A court should approve a debtor’s proposed assumption of executory contracts if such assumption will benefit the estate. *In re Pisces Energy, LLC*, No. 09-36591H5-11, 2009

WL 7227880, *6 (Bankr. S.D. Tex. Dec. 21, 2009); *In re Gunter Hotel Assocs.*, 96 B.R. 696, 698 (Bankr. W.D. Tex. 1998); *In re Food City, Inc.*, 94 B.R. 91, 93–94 (Bankr. W.D. Tex. 1988). Any more exacting scrutiny would slow the administration of a debtor’s estate, increase costs, interfere with the Bankruptcy Code’s provision for private control of administration of the estate, and threaten the Court’s ability to control a case impartially. *See Richmond Leasing*, 762 F.2d at 1311. Moreover, pursuant to section 365(b)(1) of the Bankruptcy Code, for a debtor to assume an executory contract, it must “cure[], or provide[] adequate assurance that the [debtor] will promptly cure,” any default, including compensation for any “actual pecuniary loss” relating to such default. 11 U.S.C. § 365(b)(1).

51. Once an executory contract or unexpired lease is assumed, the trustee or debtor in possession may elect to assign such contract. Section 365(f) of the Bankruptcy Code specifically provides that contract provisions seeking to prohibit or limit assignment are unenforceable. *See* 11 U.S.C. § 365(f)(1); *see also In re Amidee Capital Grp., Inc.*, No. 10-20041, 2010 WL 5141276, at *6 (Bankr. S.D. Tex. Oct. 7, 2010) (treating such prohibitions or limitations as null and void under section 365(f)); *In re Office Prods. of Am., Inc.*, 140 B.R. 407 (Bankr. W.D. Tex. 1992) (provisions that work as a restriction on assignment of leases should be struck down); *In re Rickel Home Centers, Inc.*, 209 F.3d 291, 299 (3d Cir. 2000) (“[t]he [Bankruptcy] Code generally favors free assignability as a means to maximize the value of the debtor’s estate”).

52. Section 365(f) provides that the “trustee may assign an executory contract . . . only if the trustee assumes such contract . . . and adequate assurance of future performance is provided.” 11 U.S.C. § 365(f)(2). The meaning of “adequate assurance of future performance” depends on the facts and circumstances of each case but should be given “practical, pragmatic construction.” *In re PRK Enters., Inc.*, 235 B.R. 597, 603 (Bankr. E.D. Tex. 1999) (internal quotations omitted);

see also Carlisle Homes, Inc. v. Azzari (In re Carlisle Homes, Inc.), 103 B.R. 524, 538 (Bankr. D.N.J. 1988); *In re Natco Indus., Inc.*, 54 B.R. 436, 440 (Bankr. S.D.N.Y. 1985) (adequate assurance of future performance does not mean absolute assurance that the debtor will thrive). Among other things, adequate assurance may be given by demonstrating the assignee's financial health and experience in managing the type of enterprise or property assigned. *Accord In re PRK Enters.*, 235 B.R. at 603 ("The financial evidence presented by [assignee] demonstrates the likelihood that it has the financial capacity to perform its future obligations under the lease agreements and that its principal officers are serious in their commitment to rehabilitate this corporation."); *In re Bygaph, Inc.*, 56 B.R. 596, 605–06 (Bankr. S.D.N.Y. 1986) (adequate assurance of future performance is present when prospective assignee of lease from the debtor has financial resources and has expressed willingness to devote sufficient funding to the business in order to give it strong likelihood of succeeding.).

53. The terms of the Bid Procedures ensure that any Successful Bidder will have to demonstrate financial resources that are sufficient to perform under any Designated Contracts it seeks to have assumed and assigned by the Debtors. Moreover, if necessary, the Debtors will adduce facts at the Sale Hearing on any objection demonstrating the financial wherewithal of the applicable Successful Bidder and its willingness and ability to perform under the Designated Contracts to be assigned to it. The Sale Hearing, therefore, will provide the Court and other interested parties ample opportunity to evaluate and, if necessary, challenge the ability of the applicable Successful Bidder to provide adequate assurance of future performance with respect to the Designated Contracts to be assumed and assigned.

54. The Debtors respectfully submit that the proposed Assumption and Assignment Procedures are appropriate and reasonably tailored to provide sufficient notice of the Adequate

Assurance Information and the proposed Cure Amounts to be communicated pursuant thereto. The Counterparties will then be given an opportunity to object to such Cure Amounts. If a timely Contract Objection cannot otherwise be resolved by the parties, such objection will be heard at the Sale Hearing or a later date.

55. Furthermore, to the extent that any monetary defaults exist under any Designated Contracts, the Debtors (or, in certain cases, the buyer, pursuant to the applicable purchase agreement) will cure any such defaults prior to assuming and assigning the Designated Contracts. Accordingly, the Debtors submit that implementation of the proposed Assumption and Assignment Procedures is appropriate in these chapter 11 cases. The Debtors further submit that the Court should authorize the Debtors to assume and assign the Designated Contracts as may be set forth in a purchase agreement with a Successful Bidder.

Basis for Emergency Relief

56. The Debtors respectfully request emergency consideration of the Motion in accordance with Bankruptcy Local Rule 9013-1(i). Given the Debtors' liquidity position and the DIP Milestones, it is imperative that the Debtors obtain authorization to pursue the postpetition marketing, auction, and sale process, as described herein. Further, absent entry of the proposed Bid Procedures Order on an expedited basis, the Debtors may not be able to sustain the prepetition momentum built in anticipation of the postpetition sale process and generate the greatest level of interest in the Debtors' Assets. For these reasons, the failure to obtain the relief request in this Motion would likely result in immediate and irreparable harm to the Debtors, their estates, creditors, and all parties in interest in the chapter 11 cases. Accordingly, the Debtors submit that emergency consideration of the Motion is appropriate.

Bankruptcy Rules 6004(a), 6004(h), and 6006(d)

57. For the reasons set forth herein and to implement the foregoing successfully, the Debtors respectfully request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude the relief requested herein from the fourteen (14) day stay periods under Bankruptcy Rules 6004(h) and 6006(d), to the extent such notice requirements and such stays apply.

Notice

58. Notice of this Motion will be provided to the Sale Notice Parties. A copy of this Motion will be available on the Debtors' Case Website. No other or further notice is needed in light of the nature of the relief requested.

No Prior Request

59. No prior request for the relief requested herein has been made to this Court or any other court.

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WHEREFORE, the Debtors request that the Court enter the proposed Bid Procedures Order granting the relief requested herein and such other and further relief as the Court deems appropriate under the circumstances.

Dated: February 3, 2026

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Maxim B. Litvak

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Proposed Counsel to the Debtors and Debtors in Possession

Certificate of Service

I certify that on February 3, 2026, I caused a copy of the foregoing document to be served via the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Maxim B. Litvak

Maxim B. Litvak

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

In re:

CARBON HEALTH TECHNOLOGIES, INC., *et al.*,
Debtors.¹

Chapter 11

Case No. 26-90306 (CML)

(Jointly Administered)

Re: Docket No. ____

**ORDER (A) APPROVING
BID PROCEDURES FOR SALE OF
DEBTORS' ASSETS, (B) SCHEDULING
SALE PROCESS DEADLINES, AUCTION,
OBJECTION DEADLINES, AND SALE HEARING,
(C) ESTABLISHING ASSUMPTION AND ASSIGNMENT
PROCEDURES, (D) APPROVING THE FORM AND MANNER
OF NOTICE OF SALE, AUCTION, SALE HEARING, AND ASSUMPTION
AND ASSIGNMENT PROCEDURES, AND (E) GRANTING RELATED RELIEF**

Upon the emergency motion, dated February 2, 2026 (the "Motion"),² of Carbon Health Technologies, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "Debtors"), for entry of an order (this "Order"), pursuant to sections 105(a), 363, 365, 503, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, and 9007, and Bankruptcy Local Rule 9013-1, (i) authorizing and approving the bid procedures, attached hereto as **Exhibit 1** (the "Bid Procedures"), in connection with the sale of all, substantially all, or any part of the Debtors' Assets through one or more Sale Transactions, (ii) scheduling (a) an auction for the sale of the Assets (the "Auction"), if applicable,

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/CarbonHealth>. The location of Carbon Health Technologies, Inc.'s principal place of business and the Debtors' service address in these chapter 11 cases is 500 East Remington Drive, Suite 20, Sunnyvale, CA 94087.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion or the Bid Procedures (as defined herein), as applicable.

in accordance with the Bid Procedures and (b) a hearing to consider approval of one or more proposed Sale Transactions (the “Sale Hearing”), (iii) authorizing and approving procedures for the assumption and assignment (the “Assumption and Assignment Procedures”) of certain executory contracts and unexpired leases of the Debtors (each, a “Contract”) in connection with any Sale Transaction and the determination of such amounts necessary to cure any monetary defaults thereunder (such amounts, “Cure Amounts”), (iv) establishing certain dates and deadlines in connection with the foregoing, (v) authorizing and approving the form and manner of (a) the notice of the proposed sale of the Assets, the Auction, and the Sale Hearing, substantially in the form attached hereto as **Exhibit 2** (the “Sale Notice”), (b) the notice to each non-Debtor counterparty (each, a “Counterparty” and, collectively, the “Counterparties”) to the Debtors’ Contracts regarding the potential assumption and assignment of such Contracts designated by the Successful Bidder or its designated assignee(s) (the “Designated Contracts”) and any applicable Cure Amounts thereunder, substantially in the form attached hereto as **Exhibit 3** (the “Assumption and Assignment Notice”), and (c) the notice identifying any Successful Bidder and any Back-Up Bidder, substantially in the form attached hereto as **Exhibit 4** (the “Post-Auction Notice”), and (vi) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration and the Moshinsky Declaration; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and this Court having reviewed the Motion; and this Court having held a hearing on the Motion (the “Hearing”);

and all objections, if any, to the Motion having been withdrawn, resolved, or overruled; and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors and their respective estates and creditors; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED THAT:³

A. The Debtors' notice of the Motion, the Hearing, and the proposed entry of this Order was adequate and sufficient under the circumstances of these chapter 11 cases, and such notice complied with all applicable requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Local Rules. Accordingly, no further notice of the Motion, the Hearing, or this Order is necessary or required.

B. The Debtors have demonstrated a compelling and sound business justification for this Court to grant the relief requested in the Motion, including to: (i) approve the Bid Procedures, (ii) establish the Assumption and Assignment Procedures, (iii) approve the form and manner of notice of all procedures, schedules, and agreements described in the Motion, (iv) schedule a date for the (a) Auction and (b) Sale Hearing, and (v) grant related relief, as set forth herein. Such compelling and sound business justification, which was set forth in the Motion and on the record at the Hearing, among other things, form the basis for the findings of fact and conclusions of law set forth herein.

³ The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

C. The Bid Procedures are fair, reasonable, and appropriate, and designed to maximize recoveries from the sale of Assets by promoting a competitive bidding process to generate the greatest level of interest in the Debtors' business, and are consistent with the Debtors' exercise of their respective duties under applicable law.

D. The Sale Notice is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the sale of the Assets, the Bid Procedures, the Auction, and the Sale Hearing, and no other or further notice is required.

E. The Assumption and Assignment Procedures, including the Assumption and Assignment Notice, are fair, reasonable, and appropriate and consistent with section 365 of the Bankruptcy Code and Bankruptcy Rule 6006. The Assumption and Assignment Procedures have been tailored to provide adequate opportunity for all non-Debtor Counterparties to Contracts to raise any objections to the applicable proposed assumption and assignment of the Designated Contracts or to the applicable Cure Amount thereof, and no other or further notice is required.

F. The Post-Auction Notice is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the Successful Bids and Back-Up Bids, the proposed Sale Transactions free and clear of any liens, claims, encumbrances, or interests pursuant to section 363(f) of the Bankruptcy Code) (with such liens, claims, encumbrances, or interests attaching to the proceeds of any such sale), and any and all objection deadlines related thereto. No other or further notice will be required for the Auction, the proposed Sale Transactions, or the assumption and assignment of the Designated Contracts except as expressly required herein.

G. All other notices to be provided pursuant to the procedures set forth in the Motion are good and sufficient notice to all parties in interest of all matters pertinent hereto. No further notice is required.

H. The legal and factual bases set forth in the Motion establish just cause for the relief requested herein. Entry of this Order is in the best interests of the Debtors and their respective estates, creditors, and all other parties in interest.

I. Any objections to or reservations of rights regarding the Motion or the relief requested therein that have not been adjourned, withdrawn, or resolved are overruled in all respects.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

I. Sale Process Timeline

1. The Debtors are authorized to take any and all actions reasonably necessary or appropriate to implement the Bid Procedures in accordance with the following timeline (the “Sale Process Timeline”):

Date	Event
March 6, 2026, at 5:00 p.m. (prevailing Central Time)	<ul style="list-style-type: none"> • Bid Deadline
March 9, 2026	<ul style="list-style-type: none"> • Deadline to notify Qualified Bidders of which bids qualify as Qualified Bids • Deadline to notify Qualified Bidders of Auction • Deadline to file Assumption and Assignment Notice (with Contracts List)
March 11, 2026, at 12:00 p.m. (prevailing Central Time)	<ul style="list-style-type: none"> • Auction, if any
March 12, 2026	<ul style="list-style-type: none"> • Deadline to file Post-Auction Notice • Deadline to file proposed form of Sale Order(s) • Deadline to file proposed Purchase Agreement(s) • Deadline to file amended Assumption and Assignment Notice (with Contracts List), if applicable

Date	Event
March 16, 2026, at 4:00 p.m. (prevailing Central Time)	<ul style="list-style-type: none"> • Sale Objection Deadline • Contract Objection Deadline
March 18, 2026	<ul style="list-style-type: none"> • Deadline for Debtors to reply to Sale Objections and Contract Objections
March __, 2026, at [•]:[•] a.m./p.m. (prevailing Central Time)	<ul style="list-style-type: none"> • Sale Hearing

2. The Debtors reserve the right, and are authorized, to modify the Sale Process Timeline and the other dates and deadlines set forth in this Order in accordance with the Bid Procedures and without further order of the Court.

II. Bid Procedures

3. The Bid Procedures are approved in their entirety. The Debtors are authorized to take any and all actions reasonably necessary or appropriate to implement the Bid Procedures in accordance therewith. The failure to specifically include or reference a particular provision of the Bid Procedures in this Order will not diminish or impair the effectiveness of such provision.

4. As further described in the Bid Procedures, the deadline to submit a bid is **March 6, 2026, at 5:00 p.m. (prevailing Central Time)** (the “Bid Deadline”).

5. The Debtors are authorized to conduct the Auction in accordance with the Bid Procedures. Unless a separate notice is served by the Debtors, the Auction will take place on **March 11, 2026, at 12:00 p.m. (prevailing Central Time)** at the offices of Pachulski Stang Ziehl & Jones LLP, One Sansome Street, Suite 3430, San Francisco, CA 94104, or at such other place and time as the Debtors, after consulting the Consultation Parties, will select.

6. The Debtors will file one or more forms of proposed orders authorizing any sale of the Assets, in whole or in part, to the Successful Bidder(s) or Back-Up Bidder(s) (each, a “Sale Order”) not later than **March 12, 2026**.

7. The Sale Hearing for any sale of the Assets, in whole or in part, will be held before the Court on **March __, 2026, at __: __ a.m./p.m. (prevailing Central Time)**.

8. Objection to a proposed Sale Transaction, including any objection to the sale of any Assets free and clear of liens, pledges, security interests, encumbrances, claims, charges, options, restrictions, and other interests pursuant to section 363(f) of the Bankruptcy Code and entry of a Sale Order (each, a "Sale Objection") must (i) be in writing, (ii) state the name and address of the objecting party, (iii) comply with the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Local Rules, (iv) state, with specificity, the legal and factual bases thereof, and (iv) be filed with the Court and served upon the following parties: (a) Carbon Health Technologies, Inc., 500 East Remington Drive, Suite 20, Sunnyvale, CA 94087, Attn: Kerem Ozkay, Chief Executive Officer; (b) proposed counsel to Debtors, Pachulski Stang Ziehl & Jones LLP, One Sansome Street, Suite 3430, San Francisco, CA 94104, Attn: Debra Grassgreen (dgrassgreen@pszjlaw.com), John W. Lucas (jlucas@pszjlaw.com), Maxim B. Litvak (mlitvak@pszjlaw.com), and Theodore S. Heckel (theckel@pszjlaw.com); (c) counsel to any official committee appointed in these chapter 11 cases (the "Committee"); (d) counsel to the Agent and DIP Lenders, KTBS Law LLP, 1801 Century Park East, 26th Floor, Los Angeles CA 90067, Attn: Nir Maoz (nmaoz@ktbslaw.com); and (e) the United States Trustee for the Southern District of Texas (the "U.S. Trustee"), 515 Rusk Street, Suite 3516, Houston, TX 77002, Attn: Jayson B. Ruff (jayson.b.ruff@usdoj.gov) and Ha Nguyen (ha.nguyen@usdoj.gov) (the "Objection Notice Parties").

III. Notice Procedures

9. The Sale Notice is approved, and no other or further notice is required.

10. As soon as reasonably practicable after entry of this Order, the Debtors shall cause the Sale Notice and this Order, including the Bid Procedures, to be served (by email if available or

otherwise by first class mail) upon the following or their counsel, if known: (a) the U.S. Trustee; (b) the holders of the thirty (30) largest unsecured claims against the Debtors (on a consolidated basis); (c) the parties holding secured claims against the Debtors; (d) the United States Attorney's Office for the Southern District of Texas; (e) the Internal Revenue Service; (f) the state attorneys general for states in which the Debtors conduct business; (g) governmental agencies having a regulatory or statutory interest in these chapter 11 cases; (h) the DIP Lenders; (i) the Prepetition Secured Parties; (j) all entities known to have asserted or hold any lien, claim, interest, or encumbrance in or upon the Assets; and (k) any party that has requested notice pursuant to Bankruptcy Rule 2002 and Bankruptcy Local Rule 9013-1(d) (the "Sale Notice Parties").

11. In addition, within seven (7) days of entry of this Order or as soon as reasonably practicable thereafter, the Debtors will serve the Sale Notice by first-class mail or email upon Counterparties to Contracts and all other applicable contracts or leases or their respective counsel, if known. The Debtors need not serve the Sale Notice on any party for whom the Debtors are unable to obtain, after reasonably diligence, an email or physical address as of the entry of this Order. Further, the Debtors shall not be obligated to provide supplemental service of the Sale Notice with respect to any Sale Notice that is returned as undeliverable so long as the Debtors have confirmed that any such Sale Notice was sent to the applicable email or physical address on file in the Debtors' books and records and no other email or physical address could be obtained after reasonable diligence.

12. The Debtors are directed to post the Sale Notice on their case information website at <https://restructuring.ra.kroll.com/CarbonHealth> (the "Case Website").

13. The form of Post-Auction Notice is approved, and no other or further notice is required. The Debtors will serve the Post-Auction Notice on the Sale Notice Parties and the Counterparties to Designated Contracts in no event later than **March 12, 2026**.

14. Service of the Sale Notice and the Post-Auction Notice in the manner described in this Order constitutes good and sufficient notice of any Auction and Sale Hearing and no other or further notice is required.

IV. Assumption and Assignment Procedures

15. The Assumption and Assignment Procedures are reasonable and appropriate under the circumstances, fair to all non-Debtor parties, comply in all respect with the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Local Rules, and are approved.

16. On or before **March 9, 2026** (the “Assumption and Assignment Notice Deadline”), the Debtors will file with the Court the Assumption and Assignment Notice with the list of Contracts that may be Designated Contracts to be assumed and assigned, along with any proposed Cure Amount(s) (the “Contracts List”). If no Cure Amount is listed on the Contracts List for a particular Contract, the Debtors’ asserted Cure Amount for such Contract will deemed to be \$0.00. On or before the Assumption and Assignment Notice Deadline, the Debtors will serve, via email, if available, or first-class mail, the Assumption and Assignment Notice that contains (i) the Contracts List, (ii) any proposed Cure Amount(s), and (iii) the procedures for objecting thereto on all Counterparties to Designated Contracts and all parties requesting notice pursuant to Bankruptcy Rule 2002. Service of such Assumption and Assignment Notice as set forth herein will be deemed good and sufficient notice of, among other things, the proposed assumption and assignment of the Designated Contracts, the applicable proposed Cure Amounts related thereto, and the procedures for objecting thereto, and no other or further notice is required. The Debtors will also post the Assumption and Assignment Notice on the Case Website.

17. The deadline to object to any proposed assumption and assignment of a Designated Contract or the applicable Cure Amount related thereto (each, a “Contract Objection”) is **March 16, 2026, at 4:00 p.m.** (the “Contract Objection Deadline”).

18. Any Contract Objection must: (i) be in writing; (ii) state the name and address of the objecting party; (iii) comply with the Bankruptcy Code, the Bankruptcy Rules, and the Bankruptcy Local Rules, (iv) state, with specificity the grounds for such objection, including, without limitation, the fully liquidated Cure Amount and the legal and factual bases for any unliquidated Cure Amount that the Counterparty believes is required to be paid under sections 365(b)(1)(A) and (B) of the Bankruptcy Code for the applicable Designated Contract, along with the specific nature of and dates of any alleged defaults, the pecuniary losses, if any, resulting therefrom, and the conditions giving rise thereto; and (v) be filed with the Court and served on the Objection Notice Parties on or before the Contract Objection Deadline.

19. Any time after the Assumption and Assignment Notice Deadline and not later than **March 12, 2026**, the Debtors reserve the right, and are authorized but not directed, to (i) add previously omitted Designated Contracts as executory contracts or unexpired leases to be assumed and assigned to a Successful Bidder (or its designated assignee, if applicable) in accordance with the definitive agreement for the applicable proposed Sale Transaction, (ii) remove a Designated Contract from the Contracts List and later seek to reject such Contract, or (iii) modify the previously stated Cure Amount associated with any Designated Contract; *provided, however*, that the Debtors may take any of the actions set forth in the foregoing (i) and (iii) after March 12, 2026, by filing and serving a supplemental Assumption and Assignment Notice upon affected Counterparties, who will have ten (10) days from the service thereof to file a Contract Objection with respect thereto (a “Supplemental Contract Objection”), which, if unresolved, will be heard by

the Court on an expedited basis, but upon not less than five (5) days' notice to any applicable objecting Counterparty. Further, the Debtors reserve all rights to seek relief from the Court to reject any Contract that is not a Designated Contract, including to file a motion to reject Contracts effective as of the date such motion is filed.

20. The Debtors shall provide, or cause to be provided, each Successful Bidder's Adequate Assurance Package on a strictly confidential basis to all Counterparties to Designated Contracts once a Qualified Bidder is deemed a Successful Bidder. Counterparties (and their respective counsel and other advisors, if any) shall not use any Adequate Assurance Package and/or any other Adequate Assurance Information for any purpose other than (i) to evaluate whether the adequate assurance requirements under section 365(f)(2)(B) of the Bankruptcy Code and, if applicable, section 365(b)(3) of the Bankruptcy Code have been satisfied and (ii) to support any Contract Objection or Supplemental Contract Objection filed by the Counterparty; *provided that*, if the Counterparty seeks to disclose confidential, non-public information included in the Adequate Assurance Information, it shall request Court authority to redact such information, unless disclosure of the such confidential, non-public information is authorized by the Debtors, the applicable Successful Bidder, and any known proposed assignee(s) of the relevant Designated Contracts (if different from the Successful Bidder), or ordered by the Court.

21. At the Sale Hearing, the Debtors will seek Court approval of the assumption and assignment of Designated Contracts to the applicable Successful Bidder(s). The inclusion of a Designated Contract on an Assumption and Assignment Notice will not (i) obligate the Debtors to assume any Designated Contract listed thereon nor the applicable Successful Bidder to take assignment of such Designated Contract or (ii) constitute any admission or agreement of the Debtors that such Designated Contract is an executory contract.

22. If no Contract Objection (or, if applicable, Supplemental Contract Objection) is timely received with respect to a Designated Contract, (i) the Counterparty to such Designated Contract will be deemed to have consented to the assumption by the Debtors and assignment to the applicable Successful Bidder of the Designated Contract and be forever barred from asserting any objection with regard to such assumption and assignment (including with respect to adequate assurance of future performance by the applicable Successful Bidder), (ii) any and all defaults under the Designated Contract and any and all pecuniary losses related thereto will be deemed cured and compensated pursuant to sections 365(b)(1)(A) and (B) of the Bankruptcy Code upon payment of the Cure Amount set forth in the Assumption and Assignment Notice for such Designated Contract, and (iii) the Counterparty will be forever barred from asserting any other claims related to such Designated Contract against the Debtors and their estates or the applicable Successful Bidder, or the property of any of them, that existed prior to the entry of the applicable Sale Order.

23. To the extent that the parties are unable to consensually resolve any Contract Objection prior to the Sale Hearing, including any dispute with respect to the Cure Amount required to be paid to the applicable Counterparty under sections 365(b)(1)(A) and (B) of the Bankruptcy Code or to a Successful Bidder's proposed form of adequate assurance of future performance, such Contract Objection will be adjudicated at the Sale Hearing or at such other hearing date as the Court may determine, including a hearing scheduled after the Sale Hearing without delaying or otherwise affecting the closing of the applicable Sale Transaction.

V. Sale Hearing

24. A Sale Hearing to (i) approve any proposed Sale Transaction, (ii) approve the designation of any Back-Up Bids and Back-Up Bidders, if applicable, in accordance with the Bid Procedures, and (iii) authorize the assumption and assignment of Designated Contracts will be

held before the Court on **March __, 2026, at __:__ a.m./p.m. (prevailing Central Time)** and may be adjourned or rescheduled upon notice by the Debtors. At the Sale Hearing, the Debtors will seek Court approval of the Successful Bids and Back-Up Bids, if applicable. Unless the Court orders otherwise, the Sale Hearing will be an evidentiary hearing on matters relating to any applicable proposed Sale Transaction, and there will be no further bidding at such hearing. In the event that a Successful Bidder cannot or refuses to consummate a Sale Transaction because of a breach or failure on the part of such Successful Bidder, the Debtors may, in accordance with the Bid Procedures, designate the Back-Up Bid for the applicable Asset(s) to be the new Successful Bid and the Back-Up Bidder to be the new Successful Bidder, and the Debtors will be authorized, but not required, to consummate the applicable Sale Transaction with the Back-Up Bidder without further order of the Court.

25. Any Sale Objections must be filed by **March 16, 2026, at 4:00 p.m. (prevailing Central Time)** (the "Sale Objection Deadline"). If a timely Sale Objection cannot otherwise be resolved by the parties, such objection will be heard by the Court at the Sale Hearing. The failure to file a Sale Objection by the Sale Objection Deadline will forever bar the assertion of any objection to entry of a Sale Order or consummation of a Sale Transaction and will be deemed to constitute a party's consent to entry of the applicable Sale Order and consummation of the applicable Sale Transaction.

VI. Miscellaneous

26. To the extent any provisions of this Order are inconsistent with the Motion, the terms of this Order shall control.

27. The Debtors are authorized to make non-substantive changes to the Bid Procedures, the Assumption and Assignment Procedures, and any related documents without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors.

28. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

29. Any Bankruptcy Rule or Bankruptcy Local Rule that might otherwise delay the effectiveness of this Order is hereby waived, and the terms and conditions of this Order shall be effective and enforceable immediately upon its entry.

30. The Debtors are authorized to take any action necessary or appropriate to implement and effectuate the terms of, and the relief granted in, this Order.

31. This Court retains exclusive jurisdiction over any matter arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: February __, 2026

CHRISTOPHER M. LOPEZ
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Bid Procedures

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

In re:

CARBON HEALTH TECHNOLOGIES, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 26-90306 (CML)

(Jointly Administered)

BID PROCEDURES

On February 2, 2026 (the "Petition Date"), Carbon Health Technologies, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the "Debtors"), filed voluntary petitions for relief (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas (the "Court").

On [____], 2026, the Court entered the *Order (A) Approving Bid Procedures for the Sale of Debtors' Assets, (B) Scheduling Sale Process Deadlines, Auction, Objection Deadlines, and Sale Hearing, (C) Establishing Assumption and Assignment Procedures, (D) Approving the Form and Manner of Notice of Sale, Auction, Sale Hearing, and Assumption and Assignment Procedures, and (E) Granting Related Relief* (Docket No. ____) (the "Bid Procedures Order").² The Bid Procedures Order, among other things, authorized and approved the Debtors to solicit bids and, if necessary, conduct an auction (the "Auction") to determine the Successful Bidder(s) (as defined below) in accordance with the procedures outlined herein (the "Bid Procedures") for the potential sale (the "Sale") of the Debtors' assets, in whole or in part (collectively, the "Assets"), in one or more sale transactions pursuant to section 363 of the Bankruptcy Code (each, a "Sale Transaction"), on the terms and conditions set forth herein.

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/CarbonHealth>. The location of Carbon Health Technologies, Inc.'s principal place of business and the Debtors' service address in these chapter 11 cases is 500 East Remington Drive, Suite 20, Sunnyvale, CA 94087.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Bidding Procedures Order or the *Debtors' Emergency Motion for Entry of Orders (I) (A) Approving Bid Procedures for the Sale of Debtors' Assets, (B) Scheduling Sale Process Deadlines, Auction, Objection Deadlines, and Sale Hearing, (C) Establishing Assumption and Assignment Procedures, (D) Approving the Form and Manner of Notice of Sale, Auction, Sale Hearing, and Assumption and Assignment Procedures, and (E) Granting Related Relief; and (II) (A) Approving Sale of Debtors' Assets, (B) Authorizing Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* (Docket No. ____) (the "Sale Motion"), as applicable.

The Debtors are conducting a marketing and sale process (the “Sale Process”) for the Assets. These Bid Procedures describe, among other things: (i) the procedures for bidders to submit bids for the acquisition of any or all of the Assets, (ii) the manner in which bidders and bids become Qualified Bidders and Qualified Bids (each as defined below), respectively, (iii) the conduct of the Auction, if necessary, (iv) the selection of any Successful Bidder(s), and (v) the process for the approval by the Court of any Sale Transaction at the Sale Hearing (as defined below). Sale Transactions will be made pursuant to a purchase agreement (a “Purchase Agreement”). A form of the purchase agreement (the “Form Purchase Agreement”) will be posted to the Data Room (as defined below).

Copies of the Bid Procedures Order and other related documents are available by visiting the Debtors’ case information website at <https://restructuring.ra.kroll.com/CarbonHealth> or by email at CarbonHealthInfo@ra.kroll.com.

I. Assets to Be Sold

The Debtors seek to sell the Assets, in whole or in part, to one or more purchasers and consummate one or more Sale Transactions in connection therewith, in each case, free and clear of all liens, pledges, security interests, encumbrances, claims, charges, options, restrictions, and other interests (collectively, “Encumbrances”), except to the extent otherwise set forth in a Purchase Agreement executed by the Debtors and any Successful Bidder(s) (as defined herein). The Assets comprise two (2) principal segments:

- a. any and all assets associated with the Debtors’ network of ninety-three (93) urgent care and primary care medical facilities; and
- b. any and all assets associated with the Debtors’ proprietary, end-to-end software platform, CarbyOS.

As used in these Bid Procedures, (i) an “Enterprise Sale Transaction” is one or more Sale Transactions for all or substantially all of the Assets and (ii) a “Partial Sale Transaction” is any Sale Transaction for less than all or substantially all of the Assets.³

Any party interested in submitting a bid for any of the Assets should contact the Debtors’ proposed investment banker, Stifel, Nicolaus & Company, Incorporated, 787 7th Avenue, 11th Floor, New York, NY, 10019, Attn: Patrick Krause (krausepa@stifel.com), Vladimir Moshinsky (vladimir.moshinsky@stifel.com), and Charles Simon (simonch@stifel.com), with a copy to IB-ProjectShamrock@stifel.com.

II. Important Dates and Deadlines

The key dates and deadlines with respect to the Sale Process are as follows. The Debtors, after consultation with the Consultation Parties (as defined below), may extend any of the

³ For the avoidance of doubt, an Enterprise Sale Transaction would include multiple Partial Sale Transactions if such Partial Sale Transactions, in the aggregate, encompass all or substantially all of the Assets.

deadlines or delay any of the applicable dates set forth in these Bid Procedures or in the Bid Procedures Order.

Date	Event
March 6, 2026, at 5:00 p.m. (prevailing Central Time)	<ul style="list-style-type: none"> • Bid Deadline
March 9, 2026	<ul style="list-style-type: none"> • Deadline to notify Qualified Bidders of which bids qualify as Qualified Bids • Deadline to notify Qualified Bidders of Auction • Deadline to file Assumption and Assignment Notice (with Contracts List)
March 11, 2026, at 12:00 p.m. (prevailing Central Time)	<ul style="list-style-type: none"> • Auction, if any
March 12, 2026	<ul style="list-style-type: none"> • Deadline to file Post-Auction Notice • Deadline to file proposed form of Sale Order(s) • Deadline to file proposed Purchase Agreement(s) • Deadline to file amended Assumption and Assignment Notice (with Contracts List), if applicable
March 16, 2026, at 4:00 p.m. (prevailing Central Time)	<ul style="list-style-type: none"> • Sale Objection Deadline • Contract Objection Deadline
March 18, 2026	<ul style="list-style-type: none"> • Deadline for Debtors to reply to Sale Objections and Contract Objections
March __, 2026, at [•]:[•] a.m./p.m. (prevailing Central Time)	<ul style="list-style-type: none"> • Sale Hearing

III. Submissions to the Debtors

All submissions to the Debtors required or permitted under these Bid Procedures must be directed to each of the following persons or entities unless otherwise provided (collectively, the “Recipient Parties”):

- a. **Debtors’ Proposed Counsel.** Pachulski Stang Ziehl & Jones LLP, One Sansome Street, Suite 3430, San Francisco, CA 94104, Attn: Debra I. Grassgreen

(dgrassgreen@pszjlaw.com), John W. Lucas (jlucas@pszjlaw.com), Maxim B. Litvak (mlitvak@pszjlaw.com), and Theodore S. Heckel (theckel@pszjlaw.com).

- b. **Debtors' Proposed Investment Bankers.** Stifel, Nicolaus & Company, Incorporated, 787 7th Avenue, 11th Floor, New York, NY, 10019, Attn: Patrick Krause (krausepa@stifel.com), Vladimir Moshinsky (vladimir.moshinsky@stifel.com), and Charles Simon (simonch@stifel.com), with a copy to IB-ProjectShamrock@stifel.com.
- c. **Debtors' Proposed Financial Advisor.** Alvarez & Marsal North America, LLC, 50 W Madison Street, Suite 1800, Chicago, IL 60661, Attn: Douglas Staut (dstaut@alvarezandmarsal.com) and Reilly Olson (rolson@alvarezandmarsal.com)

IV. Consultation Parties and Consent Rights

The term "Consultation Parties" as used in these Bid Procedures means (i) the Agent⁴ and its professional advisors and (ii) any official committee appointed in these Chapter 11 Cases (the "Committee"). Any failure to specifically identify consultation rights in any section of these Bid Procedures shall not limit or otherwise impair the rights of the Consultation Parties to consult with the Debtors. For the avoidance of doubt, other than any consent rights provided to the Agent in accordance with these Bid Procedures, any consultation rights provided to the Consultation Parties by these Bid Procedures will not limit the Debtors' discretion in any way and shall not include the right to veto any decision made by the Debtors in the exercise of their reasonable business judgment.

If a member of the Committee or its affiliate submits any bid for the Assets, the Committee will maintain its consultation rights as a Consultation Party; *provided* that the Committee excludes the such member from any discussions or deliberations regarding a transaction involving any Assets and does not provide any confidential information regarding any Asset, any combination of any Assets or any other bids to such member.

Notwithstanding anything to the contrary in these Bid Procedures, nothing in these Bid Procedures shall impair, limit, or otherwise modify any of the Agent's rights (i) to submit a Credit Bid (as defined below) on account of the Prepetition Secured Claims, the DIP Claims, or both pursuant to section 363(k) of the Bankruptcy Code (the "Credit Bid Right") or (ii) under the DIP Order (whether or not the Agent exercises the Credit Bid Right or otherwise submits a bid for the Assets). If the Agent exercises its Credit Bid Right in connection with any Sale Transaction, then

⁴ As used herein, the term "Agent" means Future Solution Investments LLC, in its capacity as agent for: (i) the lenders (the "Prepetition Secured Lenders" and, together with the Agent in its capacity as the agent for the Prepetition Secured Lenders, the "Prepetition Secured Parties") under that certain *Prepetition Loan and Security Agreement*, dated as of November 14, 2025 (as amended, restated, amended and restated, modified, or supplement from time to time) (the claims arising thereunder, the "Prepetition Secured Claims"), and (ii) the lenders (the "DIP Lenders") under that certain *Senior Secured Superpriority Debtor-In-Possession Financing Agreement*, dated as of February __, 2026 (as amended in accordance with the terms thereof and any orders of the Court related thereto, the "DIP Credit Agreement," and the claims arising thereunder, the "DIP Claims"). As used herein, the term "DIP Order" shall have the meaning ascribed to such term in the DIP Credit Agreement.

(x) any such Credit Bid will be deemed a Qualified Bid and the Agent a Qualified Bidder, with no requirement to satisfy either the Participation Requirements or the Bid Requirements (each as defined below), as applicable, and (y) the Agent shall no longer be a Consultation Party with respect to the Assets subject to the Credit Bid until such time as the Agent withdraws from bidding on the applicable Assets. For the avoidance of doubt, the Agent's support for, acceptance of, or vote in favor of any Plan, including any Plan incorporating a debt-for-equity exchange or any other restructuring transaction, shall not constitute, and shall not be deemed to constitute, the submission of a Credit Bid or any other bid for any Assets for any purpose under these Bid Procedures.

If any other Consultation Party or an affiliate thereof submits a bid that is a Qualified Bid (as defined below), any obligation of the Debtors to consult with or obtain the consent of such Consultation Party established under these Bid Procedures will be waived, discharged, and released without further action; *provided, however*, that such Consultation Party or its affiliate will have the same rights as any other Qualified Bidder (as defined below).

V. Participation Requirements

To participate in the Sale Process or otherwise be considered for any purpose under these Bid Procedures, each interested person or entity (an "Interested Party") must:

- a. enter into a confidentiality agreement or already be party to a confidentiality agreement with the Debtors in form and substance satisfactory to the Debtors (a "Confidentiality Agreement");⁵
- b. upon request by the Debtors, submit to the Debtors or their advisors sufficient information, as reasonably determined by the Debtors, to allow the Debtors to determine that such Interested Party (i) has the financial wherewithal to consummate a Sale Transaction and (ii) has a *bona fide* interest in purchasing some or all of the Assets; and
- c. provide the Debtors with the contact information, including electronic mailing address, mailing address, and phone number, of a person (each such person, the "Potential Bidder Contact Person") that such Interested Party wishes to serve as the primary point of contact for the Debtors and their advisors for, among other things, receiving communications regarding the Sale Process.

(collectively, the foregoing (a)–(c), the "Participation Requirements"). An Interested Party shall be a "Potential Bidder" if the Debtors determine in their reasonable discretion that such Interested Party has satisfied the Participation Requirements.

VI. Due Diligence

As soon as practicable, subject to the terms and conditions set forth herein, the Debtors will provide any Potential Bidder that has executed a Confidentiality Agreement with reasonable access

⁵ Any Interested Party may obtain a form of confidentiality agreement by requesting a copy from the Debtors' proposed investment banker, Stifel, Nicolaus & Company, Incorporated ("Stifel").

to the Debtors' confidential electronic data room concerning the Assets (the "Data Room") and any other additional information that the Debtors believe to be reasonable and appropriate under the circumstances.

Only Potential Bidders shall be eligible to receive due diligence information and access to the Data Room and to additional non-public information regarding the Debtors. The Debtors will provide to each Potential Bidder reasonable due diligence information, as requested by such Potential Bidder in writing, as soon as reasonably practicable after such request, and the Debtors shall post all written due diligence provided to any Potential Bidder to the Data Room.

Unless otherwise determined by the Debtors in their reasonable discretion and after consultation with the Consultation Parties, the availability of additional due diligence to a Potential Bidder will cease if (i) the Potential Bidder does not become a Qualified Bidder or (ii) the Sale Process is terminated.

Neither the Debtors nor any of their representatives are obligated to furnish any information relating to the Assets (i) to any Interested Party who is not a Potential Bidder that has executed a Confidentiality Agreement, (ii) to any Potential Bidder that does not comply with the Participation Requirements set forth herein, (iii) if the Debtors, in their reasonable business judgement, determine that such information is sensitive or otherwise not appropriate for disclosure to any Potential Bidder (or their representatives) that the Debtors determine, in their reasonable business judgement, is a competitor of the Debtors or is affiliated with any competitor of the Debtors (except pursuant to "clean team" or other information sharing procedures reasonably satisfactory to the Debtors), *provided* that the Debtors shall give notice to the Consultation Parties of any Interested Party that they have designated as a competitor of the Debtors and restricted access to information, or (iv) to the extent not permitted by applicable law or confidentiality provisions in third party contracts. Due diligence will be completed on or before the Bid Deadline (as defined below). The Debtors and their representatives will not be obligated to furnish any due diligence information after the Bid Deadline except as may be required under the terms of any Successful Bid.

Without the written consent of the Debtors (email being sufficient and such consent not to be unreasonably withheld), no Potential Bidder shall, directly or indirectly, initiate, solicit or maintain contact or otherwise engage in any communication with any director, officer, current or former employee of the Debtors or their affiliates, equity holders, affiliates, creditors, suppliers, distributors, vendors, customers, providers, agents, regulators, landlords or other commercial counterparty of the Debtors regarding the Debtors or their business, financial condition, operations, strategy, prospects, assets or liabilities or concerning any confidential information of the Debtors or any potential Sale Transaction or other transaction involving the Debtors.

All due diligence requests directed to the Debtors must be directed to Stifel at: IB-ProjectShamrock@stifel.com.

Each Potential Bidder and Qualified Bidder (as defined below) shall comply with all reasonable requests with respect to information and due diligence access by the Debtors or their advisors regarding such Potential Bidder or Qualified Bidder, as applicable, and its contemplated proposed Sale Transaction.

VII. Right to Credit Bid

Unless the Court determines otherwise and except as otherwise provided herein, any person or entity who has a valid, perfected, and unavoidable lien on any of the Debtors' Assets (a "Secured Creditor"), shall have the right to credit bid all or a portion of their secured claims for their respective collateral pursuant to section 363(k) of the Bankruptcy Code (each such bid, a "Credit Bid"); *provided* that, for the avoidance of doubt, (i) a Secured Creditor shall have the right to Credit Bid such claims only with respect to the collateral by which such Secured Creditor is secured, (ii) the Credit Bid shall include cash consideration sufficient to pay in full all claims for which there are valid, perfected, and unavoidable liens on any Assets included in such bid that are senior in priority to those of the party seeking to Credit Bid (unless such senior lien holder consents to alternative treatment) and (iii) the Credit Bid shall otherwise comply with the DIP Order. The Debtors shall evaluate any such Credit Bid and may, in their reasonable business judgment and in consultation with the Consultation Parties, deem such Credit Bid an Acceptable Bid (as defined below) without any requirement that the Secured Creditor and Credit Bid satisfy either the Participation Requirements or the Bid Requirements, as applicable.

VIII. Plan Toggles

If no Acceptable Bids are received, then the Debtors, after consultation with the Consultation Parties, may elect to toggle to seek confirmation of a chapter 11 plan (a "Plan") premised upon a debt-for-equity exchange (the "Plan Without Sale Toggle").

If Acceptable Bid(s) are received with respect to Partial Sale Transaction(s) (which combined do not constitute an Enterprise Sale Transaction), then the Debtors, after consultation with the Consultation Parties, may elect to both (a) consummate the applicable Partial Sale Transaction(s) and (b) seek confirmation of a Plan premised upon a debt-for-equity exchange.

IX. Bid Deadline

A Potential Bidder that desires to make any proposal, solicitation, or offer to consummate a Sale Transaction (each, a "Bid") shall deliver electronic copies of its Bid to the Recipient Parties so as to be received actually **no later than March 6, 2026, at 5:00 p.m. (prevailing Central Time)** (the "Bid Deadline"); *provided* that, subject to the DIP Order, the Debtors may, in their reasonable business judgment after consultation with the Consultation Parties, modify the Bid Deadline for any reason whatsoever for all or certain Potential Bidders without further order of the Court. If the Debtors extend the Bid Deadline, the Debtors will promptly notify all Potential Bidders and the Consultation Parties of such extension. **A Bid (other than pursuant to an exercise of the Credit Bid Right) received after the Bid Deadline shall not constitute an Acceptable Bid.**

X. No Communications Without Debtors' Consent

There must be no communications between and among the Potential Bidders, Acceptable Bidders, Qualified Bidders (each as defined below), and/or the Consultation Parties regarding the Debtors, any potential Sale Transaction, or these Bid Procedures, unless the Debtors have

previously authorized such communication in writing (email being sufficient). The Debtors shall have the right, in their reasonable business judgment and after consultation with the Consultation Parties, to disqualify any Potential Bidder(s), Acceptable Bidder(s), or Qualified Bidder(s) that have communications between and among themselves or with the Consultation Parties unless the Debtors have previously authorized such communication in writing (email being sufficient). For the avoidance of doubt, the joining of Bids between Potential Bidders, Acceptable Bidders, or Qualified Bidders may be permitted by the Debtors, after consultation with the Consultation Parties; *provided* that the Debtors are authorized to approve joint Bids in their reasonable discretion on a case-by-case basis.

XI. Bid Requirements

All Bids must be actually received by the Recipient Parties no later than the Bid Deadline and must, at a minimum comply with the following requirements (collectively, the “Bid Requirements”):

- a. **Irrevocability of Bid.** Each Bid must provide that (i) such Bid is irrevocable and binding in all respects until the closing of the Sale Transaction if the Potential Bidder is a Successful Bidder (as defined herein); and (ii) the Potential Bidder agrees to serve as a Back-Up Bidder (as defined herein) if the Debtors select such Potential Bidder’s Bid as the next highest or otherwise best bid for the applicable Asset(s).
- b. **Assets and Liabilities.** Each Bid must clearly identify: (i) the Asset(s) to be acquired; and (ii) the liabilities and obligations to be assumed, including any indebtedness to be assumed, if any.
- c. **Purchase Price.** Each Bid must be for cash. The Bid must set forth the cash purchase price to be paid (the “Purchase Price”). Any Bid for an Enterprise Sale Transaction must be sufficient to pay in full, in cash, on the closing of the Sale Transaction, the DIP Claims, plus the Prepetition Secured Claims, plus allowed administrative expense claims incurred through the closing of the Sale Transaction, plus the administrative expense claims projected to be incurred from the closing of the Sale Transaction through the wind-down of the Debtors’ estates, plus allowed priority claims. The Debtors will determine, after consultation with the Consultation Parties and subject to the consent of the Agent under the DIP Order, if the Purchase Price proposed for any Partial Sale Transaction is sufficient for such Bid to constitute an Acceptable Bid.
- d. **Purchase Price Allocation.** If a Potential Bidder submits a Bid for two or more Assets, then such Bid must specify the portion of the aggregate Purchase Price that is being allocated to each of the Assets and include the basis and methodology for such allocation.
- e. **Deposit.** Each Bid must be accompanied by a good faith deposit in the form of cash in an amount equal to not less than ten percent (10%) of the Purchase Price (with the value of any non-cash consideration determined by the Debtors, in

consultation with the Consulting Parties) of the Bid, to be held in an escrow account to be identified and established by the Debtors (the “Deposit”); *provided* that the Debtors, in their reasonable business judgment and in consultation with the Consultation Parties, may elect to waive or modify the requirement of a Deposit on a case-by-case basis.

- f. **Contracts and Leases.** Each Bid must: (i) identify each and every executory contract and unexpired lease of the Debtors to be assumed and assigned in connection with the proposed Sale Transaction (collectively, the “Designated Contracts”); (ii) confirm that the Potential Bidder agrees to pay any amounts necessary to cure any monetary defaults (“Cure Amounts”) associated with the Designated Contracts; and (iii) include financial or other information evidencing the Potential Bidder’s ability to establish adequate assurance of future performance with respect to the Designated Contracts (“Adequate Assurance Information”) as part of a standalone compiled .pdf document (“Adequate Assurance Package”) for transmission to the counterparties to any Designated Contracts, who may request additional Adequate Assurance Information.
- g. **Management and Employee Obligations.** A Bid must indicate whether the Potential Bidder intends to hire all or some of the employees who are primarily employed in connection with the Assets to be included in the proposed Sale Transaction.
- h. **Executed Agreement.** Each Bid must include, in both PDF and MS-WORD format, a duly authorized and executed purchase agreement, inclusive of all disclosure schedules and exhibits thereto, providing for the purchase of the applicable Asset(s) (a “Modified Purchase Agreement”). **The Modified Purchase Agreement must include a commitment to close the Sale Transaction contemplated thereby by no later than March 31, 2026.** The Bid must also include a copy of the Modified Purchase Agreement marked against the Form Purchase Agreement to show the specific changes desired by the Potential Bidder.
- i. **Identity.** Each Bid must fully disclose the legal identity of each person or entity (including such entity’s shareholders, partners, investors, and ultimate controlling entities) bidding for the Assets or otherwise participating in the Auction in connection with such Bid (including any parent companies, equity holders, or other financial backers), and the complete terms of any such participation and must also disclose any connections, arrangements or agreements, whether oral or written, (i) with the Debtors, any other known bidder, and any officer or director of the foregoing and (ii) concerning a collaborative or joint bid or any other combination concerning the Bid.
- j. **Evidence of Financial Ability to Perform.** Each Bid must include written evidence to allow the Debtors to reasonably conclude that the Potential Bidder has the financial ability to close the proposed Sale Transaction. Such information may include, without limitation, the following:

- i. evidence of such Potential Bidder's internal resources, proof of unconditional debt funding commitments from a recognized financial institution and, if applicable, equity commitments in an aggregate amount equal to the Purchase Price, the Cure Amounts and other assumed liabilities or the posting of an irrevocable letter of credit from a recognized banking institution issued in favor of the Debtors in such amount, in each case, as are needed to consummate such Sale Transaction;
 - ii. contact names and telephone numbers for verification of financing sources;
 - iii. current audited financial statements (or such other form of financial disclosure and credit-quality support or enhancement, acceptable to the Debtors in consultation with the Consultation Parties) of such Potential Bidder or those entities that will guarantee in full the payment obligations of such Potential Bidder;
 - iv. a description of such Potential Bidder's pro forma capital structure; and
 - v. any such other form of financial disclosure or credit-quality support information or enhancement reasonably requested by the Debtors demonstrating that such Potential Bidder has the ability to close such Sale Transaction.
- k. **Contingencies; No Financing or Diligence Outs.** A Bid may not be conditioned on the obtaining or sufficiency of financing or any internal approval, or on the outcome or review of due diligence. A Bid must disclose any governmental approval identified by the Potential Bidder that may impact the evaluation of such Bid.
- l. **Contact Information.** A Bid must be accompanied by the contact information of the specific person(s) whom the Debtors or their advisors should contact in the event that the Debtors have any questions or wish to discuss the Bid submitted by the Potential Bidder.
- m. **Regulatory and Third-Party Approvals.** A Bid must set forth each regulatory and third-party approval required for the Potential Bidder to consummate the proposed Sale Transaction, if any, and the date by which the Potential Bidder expects to receive such approvals, and those actions the Potential Bidder will take to ensure receipt of such approvals as promptly as possible.
- n. **Representations and Warranties; As-Is, Where-Is; No Collusion.** Each Bid must include the following representations and warranties:
- i. a statement that the Potential Bidder has had an opportunity to conduct, and has completed, any and all due diligence deemed necessary by the Potential Bidder prior to submitting its Bid;

- ii. a statement that the Potential Bidder has relied solely upon its own independent review, investigation, or inspection of any relevant documents and the Asset(s) in making its Bid
- iii. a statement that the Potential Bidder did not rely on any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express or implied, by operation of law or otherwise, by the Debtors or the Debtors' advisors regarding the Debtors' businesses or the Asset(s) or the completeness of any information provided in connection therewith, except, solely with respect to the Debtors, as expressly stated in the representations and warranties contained in the Potential Bidder's Bidder Purchase Agreement ultimately accepted and executed by the Debtors;
- iv. an agreement of the Potential Bidder not to use information obtained from the Data Room or the diligence process in connection with, or related to, any litigation between such Potential Bidder (including its affiliates and any related persons) and any Debtor or any current or former directors and officers of the Debtors;
- v. an acknowledgment that: (a) in connection with submitting its Bid, the Potential Bidder has not engaged in any collusion that would be subject to section 363(n) of the Bankruptcy Code with respect to any Bids or the Sale Process, specifying that it did not agree with any other Potential Bidder to control the price; and (b) the Potential Bidder agrees not to engage in any collusion that would be subject to section 363(n) of the Bankruptcy Code with respect to any Bids, the Auction, or the Sale; and
- vi. a statement that all proof of financial ability to consummate a Sale Transaction in a timely manner and all information provided to support adequate assurance of future performance furnished by the Potential Bidder is true and correct.
- o. **Corporate Authority**. Each Bid must be accompanied with a copy of a board resolution or similar document demonstrating the authority of the Potential Bidder to make a binding and irrevocable bid on the terms proposed and to consummate the Sale Transaction.
- p. **Covenant to Cooperate**. Each Bid must be accompanied with a covenant to cooperate with the Debtors to provide pertinent factual information regarding the Potential Bidder's operations reasonably required to analyze issues arising with respect to any applicable antitrust laws and other applicable regulatory requirements.
- q. **No Bid Protections or Fees**. Each Bid must unequivocally disclaim and waive any right to (i) receive a fee analogous to a break-up fee, expense reimbursement, "topping" or termination fee, or any other similar form of compensation; and

(ii) request any substantial contribution administrative expense claim under section 503(b) of the Bankruptcy Code in connection with the bidding process.

- r. **Compliance with Bid Procedures.** Each Bid must contain a statement that (i) the Potential Bidder has acted in good faith consistent with section 363(m) of the Bankruptcy Code, (ii) the Bid constitutes a *bona fide* offer to consummate the proposed Sale Transaction, and (iii) the Potential Bidder agrees to be bound by these Bid Procedures.
- s. **Consent to Jurisdiction and Authority to Enter Final Orders.** Each Bid must contain a statement that the Potential Bidder knowingly and voluntarily: (i) submits to the jurisdiction of the Court with respect to all matters related to the terms and conditions of the transfer of any Asset, the Auction, and any Sale Transaction; (ii) consents to the entry of a final judgment or order by the Court with respect to the Sale Motion, the Bid Procedures Order, the Bid Procedures, its Bid, and all matters arising therefrom or related thereto to the extent it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection with the foregoing consistent with Article III of the United States Constitution; and (iii) waives any right to a jury trial in connection with any disputes relating to any of the foregoing.

The submission of a Bid by the Bid Deadline shall constitute a binding and irrevocable offer to acquire the Asset(s) reflected in such Bid.

A Bid received that meets the Bid Requirements, as determined by the Debtors, in their reasonable business judgment after consultation with their advisors and the Consultation Parties, will constitute an “Acceptable Bid” for such Assets (and the Potential Bidder submitting such Acceptable Bid will constitute an “Acceptable Bidder”); *provided* that, if the Debtors receive a Bid that does not meet the Acceptable Bid requirements, the Debtors may provide the Potential Bidder with the opportunity to remedy any deficiencies to render such Bid an Acceptable Bid. The Debtors may also, after consulting with the Consultation Parties, waive or modify any of the above requirements in the exercise of their reasonable business judgment.

XII. Review of Acceptable Bids and Designation of Qualified Bidders

The Debtors will deliver, within one (1) business day after receipt thereof, copies of all Acceptable Bids to the Consultation Parties. The Debtors will evaluate all Acceptable Bids, including combinations of Acceptable Bids, in consultation with the Consultation Parties, and may, based upon their evaluation of each Acceptable Bid, engage in negotiations with Acceptable Bidders that submitted Acceptable Bids as the Debtors deem appropriate, in the exercise of their reasonable business judgment and in a manner consistent with their fiduciary duties and applicable law.

The Debtors, in consultation with the Consultation Parties, will evaluate whether an Acceptable Bid or a combination of Acceptable Bids constitutes a Qualified Bid (as defined below) using any and all factors that the Debtors deem reasonably pertinent, including, without limitation, (i) the amount of the Purchase Price set forth in the Acceptable Bid, including, for the avoidance

of doubt, whether the Purchase Price provides for the full or partial satisfaction of the DIP Claims, the Prepetition Secured Claims, and any ordinary course operational liabilities and accrued and unpaid administrative claims ; (ii) the risks and timing associated with consummating a Sale Transaction(s) with the Acceptable Bidder(s); (iii) any Assets included in or excluded from the Acceptable Bid, including any proposed Designated Contracts; (iv) any liabilities and obligations assumed as part of the Acceptable Bid; (v) the ability to obtain any and all necessary regulatory approvals for the proposed Sale Transaction, including any considerations related to the timing of such approvals or potential risk of non-approval; (vi) the net benefit to the Debtors' estates, including as compared to a Plan Without Sale Toggle; (vii) the tax consequences of such Bid, and (viii) the impact on employees and the proposed treatment of employee obligations, as applicable. An Acceptable Bid or a combination of Acceptable Bids shall not be designated a Qualified Bid if the applicable Sale Transaction(s) are not permitted pursuant to the terms of the DIP Order without the Agent's consent, in each case, absent the consent of the Agent.

The Debtors may, after consultation with the Consultation Parties, amend or waive any one or more of the conditions precedent to being a Qualified Bidder (as defined herein) at any time, in their reasonable business judgment, in a manner consistent with their fiduciary duties and applicable law.

The Debtors will, in their reasonable business judgment after consulting with their financial and legal advisors and the Consultation Parties and with the consent of the Agent (subject to the limitations set forth in Section IV hereof), will determine whether one or more Acceptable Bids qualify as "Qualified Bid." By no later than **March 9, 2026** (the "Qualified Bid Determination Deadline") the Debtors shall notify each Acceptable Bidder that submitted a Qualified Bid (a "Qualified Bidder") of its status as a Qualified Bidder, which will enable such Qualified Bidder to participate in the Auction. For the avoidance of doubt, the Debtors' may, in their reasonable business judgment, after consultation with the Consultation Parties, with the consent of the Agent (subject to the limitations set forth in Section IV hereof), and in a manner consistent with their fiduciary duties, determine to exercise the Plan Without Sale Toggle without designating any Acceptable Bid as a Qualified Bid.

The Debtors may, after consultation with the Consultation Parties, accept a single Acceptable Bid or multiple Acceptable Bids for non-overlapping Assets such that, if taken together, would otherwise meet the standards for a single Qualified Bid. For the avoidance of doubt, Acceptable Bidders who collectively are referred to as a Qualified Bidder need not be affiliates and need not act in concert with one another, and the Debtors may, in consultation with the Consultation Parties, aggregate separate Acceptable Bids from unaffiliated persons to create one bid from a Qualified Bidder; *provided, however*, that all bidders will remain subject to the provisions of section 363(n) of the Bankruptcy Code regarding collusive bidding and the applicable Confidentiality Agreements.

On or before the Qualified Bid Determination Deadline, the Debtors, after consultation with the Consultation Parties, shall make a determination regarding the highest or otherwise best Qualified Bid (or collection of Qualified Bids) (each, a "Baseline Bid," and such bidder or group of bidders, a "Baseline Bidder") to serve as the starting point at the Auction for such Assets and provide notice thereof to the Qualified Bidders. As soon as practicable, but no later than the

commencement of the Auction, the Debtors will provide copies of each Baseline Bid to the Consultation Parties and the Qualified Bidders participating in the Auction.

Between the date the Debtors notify an Acceptable Bidder that it is a Qualified Bidder and the Auction, the Debtors may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder. Without the written consent of the Debtors, a Qualified Bidder may not modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase the Purchase Price or otherwise improve the terms of its Qualified Bid, during the period that such Qualified Bid remains binding as specified herein; *provided* that any Qualified Bid may be improved at the Auction as set forth herein.

The Debtors are under no obligation to (i) select any Baseline Bid or (ii) conduct separate Auctions for any Assets, whether before or after selecting a Baseline Bid. Notwithstanding anything to the contrary contained herein, the Debtors may elect, in their reasonable discretion, and after consultation with the Consultation Parties, to adjourn the Auction.

XIII. Failure to Receive a Qualified Bid

If no Qualified Bid for the Assets is received by the Bid Deadline, the Debtors, in consultation with the Consultation Parties and with the written consent of the Agent (email being sufficient) (subject to the limitations set forth in Section IV hereof), may (i) terminate the Sale Process, (ii) file and serve a notice indicating that no Qualified Bids were received prior to the Bid Deadline, and (iii) exercise the Plan Without Sale Toggle.

XIV. Auction

Other than as expressly set forth herein, if the Debtors receive more than two Qualified Bids for any Asset(s),⁶ the Debtors shall conduct the Auction on **March 11, 2026, at 12:00 p.m. (prevailing Central Time)**, at the offices of Pachulski Stang Ziehl & Jones LLP, One Sansome Street, Suite 3430, San Francisco, CA 94104, or at such other place and time as the Debtors, after consultation with the Consultation Parties, will select. Only the Qualified Bidders who have made a Qualified Bid and the Agent by exercising the Credit Bid Right will be entitled to make any subsequent Qualified Bids at the Auction (collectively, the "Auction Participants"), subject to such limitations as the Debtors may impose in good faith. In addition, professionals or other representatives of the Consultation Parties will be permitted to attend and observe the Auction.

The following auction rules will apply to the Auction to promote a spirited and robust auction.

The Debtors, the Consultation Parties, the Auction Participants, the respective professionals of each of the foregoing parties, and the United States Trustee for Region 7 may participate and be heard at the Auction, but only the Auction Participants will be entitled to make any subsequent Qualified Bids at the Auction. If any Qualified Bidder appears through a duly

⁶ For the avoidance of doubt, unless otherwise agreed between the Debtors and the Agent, the potential exercise of the Credit Bid Right by the Agent shall constitute a Qualified Bid for purposes of determining whether the Auction will be held as set forth in this Section.

authorized representative, such representative must have been granted a valid and enforceable power of attorney or have other written proof evidencing his or her ability to bind such party, which document(s) will be delivered to the Debtors at least one business day before the Auction.

All Qualified Bids in the Auction will be made and received on an open basis, and all Auction Participants will be entitled to be present for all bidding with the understanding that the true identity of each Auction Participant placing a Qualified Bid at the Auction will be fully disclosed to all other Auction Participants participating in the Auction (including any equity holders, in the case of an Auction Participant that is an entity specially formed for the purpose of effectuating the contemplated Sale Transaction) and that all material terms of a Qualified Bid submitted in response to any successive bids made at the Auction will be disclosed to all other Auction Participants. Each Auction Participant will be permitted what the Debtors reasonably determine to be an appropriate amount of time to respond to the previous bid at the Auction. The Auction will be conducted openly and will be transcribed or recorded.

At the Auction, Auction Participants will be permitted to increase their bids. For each Baseline Bid, bidding will start at the purchase price and terms proposed in the applicable Baseline Bid and will proceed thereafter in increments to be announced at the Auction (in each case, a "Minimum Overbid Amount"). The Debtors reserve the right to, in consultation with the Consultation Parties, increase or decrease the Minimum Overbid Amount at any time during the Auction for any Asset.

To facilitate a deliberate and orderly consideration of competing Qualified Bids submitted at the Auction, the Debtors may adjourn the Auction at any time and from time to time and may conduct multiple rounds of bidding. Before conclusion of the Auction, the Debtors may, in consultation with the Consultation Parties, permit one or more Auction Participants to join together as a single Qualified Bidder for the purpose of submitting a joint Qualified Bid to acquire all or any part of the Assets.

The Debtors may adopt additional rules, after consultation with the Consultation Parties, for the Auction at any time that the Debtors reasonably determine to be appropriate to promote the goals of maximizing the value of the Assets; *provided, however*, that such rules are not inconsistent with these Bid Procedures.

Absent consent of the Debtors, Auction Participants and their representatives may not communicate with one another, collude, or otherwise coordinate for purposes of participating in the Auction. Each Auction Participant will be required to confirm in writing and on the record at the Auction that (i) it has not engaged in any collusion with respect to the submission of any Qualified Bid or at the Auction and (ii) its bid represents a binding, good faith, and bona fide offer to purchase the Asset(s) identified in such bid if selected as a Successful Bidder.

All parties attending the Auction must keep the proceedings and results of the Auction confidential until the Debtors have closed the Auction; *provided, however*, that parties may speak with clients or other parties necessary to place their bid or increase it so long as such individuals are advised of the confidentiality restrictions provided hereunder and in the Confidentiality Agreement.

The Debtors will, after consulting the Consultation Parties and with the consent of the Agent (subject to the limitations set forth in Section IV hereof), identify the highest or otherwise best Qualified Bid for particular Assets as the successful bid (each, a “Successful Bid” and the Qualified Bidder submitting such Bid, a “Successful Bidder”); *provided, however*, that the Agent’s consent shall not be required for the selection by the Debtors of a Successful Bid that, on its own or together with one or more other Successful Bids selected in accordance with these Bid Procedures, provides the estates with sufficient sale proceeds that will allow for the repayment in full in cash of all outstanding DIP Claims and Prepetition Secured Claims. For the avoidance of doubt, nothing herein shall limit, modify, impair, or otherwise affect the rights of the Agent, the Prepetition Secured Lenders, or the DIP Lenders, including under the Bankruptcy Code (including under section 363(f)) or other applicable law, under the DIP Order or to object to any sale of the Assets or otherwise, and all such rights are expressly preserved.

The Debtors may also identify a Qualified Bidder that submitted the next highest or otherwise best Qualified Bid for particular Assets as a back-up bid (each, a “Back-Up Bid” and the Qualified Bidder submitting such bid, a “Back-Up Bidder”). Back-Up Bids will remain open and irrevocable until the earliest to occur of (i) consummation of the Sale Transaction for the applicable Asset(s) with the applicable Successful Bidder, and (ii) the release of such Back-Up Bid by the Debtors in writing (such date, the “Back-Up Bid Expiration Date”). If a Sale Transaction with a Successful Bidder is terminated prior to the Back-Up Bid Expiration Date, the applicable Back-Up Bidder will be deemed a Successful Bidder and will be obligated to consummate the Back-Up Bid as if it were the Successful Bidder.

Within one business day following the conclusion of the Auction, or at such later time agreed to by the Debtors in their reasonable business judgment and in consultation with the Consultation Parties, each Successful Bidder will submit to the Debtors fully executed documentation memorializing the terms of the applicable Successful Bid. A Successful Bid may not be assigned to any party without the consent of the Debtors, in consultation with the Consulting Parties.

At any time before the designation of a Successful Bid and a Back-Up Bid, if any, the Debtors reserve the right to and may, in consultation with the Consultation Parties, reject such Qualified Bid if such Qualified Bid, in the Debtors’ reasonable business judgment, is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, these Bid Procedures, or the terms and conditions of the applicable Sale Transaction, or (iii) contrary to the best interests of the Debtors and their estates.

XV. Sale Hearing

The Debtors intend to proceed with consummation of the Sale Transaction(s) pursuant to the terms of the applicable Successful Bid(s) and will seek entry of one or more orders authorizing and approving, among other things, the applicable Sale Transaction(s) (each, a “Sale Order”) at a hearing before the Court to be held on **March __, 2026 at [●]:00 [a./p.]m. (prevailing Central Time)** or such other date as the Court’s docket may accommodate (the “Sale Hearing”).

Each Successful Bidder will appear at the Sale Hearing and be prepared to have a representative testify in support of its Successful Bid and such Successful Bidder's ability to close the applicable Sale Transaction in a timely manner and provide adequate assurance of its future performance under any and all Designated Contracts to be assumed and assigned as part of the applicable Sale Transaction.

The Sale Hearing may be adjourned or continued to a later date by the Debtors, after consultation with the Consultation Parties, as the Debtors deem appropriate by filing a notice on the Court's docket prior to or making an announcement at the Sale Hearing. No further notice of any such adjournment or continuance will be required to be provided to any party.

The deadline to file an objection to any Sale Transaction to be considered for approval at the Sale Hearing will be **March 16, 2026, at 4:00 p.m. (prevailing Central Time)** (the "Sale Objection Deadline"). Objections to any Sale Transactions, including any objection to the sale of any Assets free and clear of Encumbrances (each, a "Sale Objection"), must:

- a. be in writing;
- b. state the name and address of the objecting party;
- c. state with particularity the basis and nature of any objection;
- d. conform to the Bankruptcy Code, Bankruptcy Rules, and Bankruptcy Local Rules;
- e. be filed with the Court and served upon the following parties (collectively, the "Objection Notice Parties") by the Sale Objection Deadline:
 - i. Carbon Health Technologies, Inc., 500 East Remington Drive, Suite 20, Sunnyvale, CA 94087, Attn: Kerem Ozkay, Chief Executive Officer;
 - ii. proposed counsel to the Debtors, Pachulski Stang Ziehl & Jones LLP, One Sansome Street, Suite 3430, San Francisco, CA 94104, Attn: Debra Grassgreen (dgrassgreen@pszjlaw.com), John W. Lucas (jlucas@pszjlaw.com), Maxim B. Litvak (mlitvak@pszjlaw.com), and Theodore S. Heckel (theckel@pszjlaw.com);
 - iii. counsel to the Committee;
 - iv. counsel to the DIP Lenders, KTBS Law LLP, 1801 Century Park East, 26th Floor, Los Angeles CA 90067, Attn: Nir Maoz (nmaoz@ktbslaw.com); and
 - v. the United States Trustee for the Southern District of Texas, 515 Rusk Street, Suite 3516, Houston, TX 77002, Attn: Jayson B. Ruff (jayson.b.ruff@usdoj.gov) and Ha Nguyen (ha.nguyen@usdoj.gov).

In addition to being filed with the Court, any Sale Objections or such responses thereto must be served on the Objection Notice Parties and any such other parties as the Court may order by the Sale Objection Deadline; *provided, however*, that the Debtors may extend such Sale

Objection Deadline as the Debtors deem appropriate. If a timely Sale Objection cannot otherwise be resolved by the parties, such objection will be heard by the Court at the Sale Hearing.

Any party who fails to file with the Bankruptcy Court and serve on the Objection Notice Parties a Sale Objection by the Sale Objection Deadline may be forever barred from asserting, at the Sale Hearing or thereafter, any objection to the relief requested in the Sale Motion with regard to a Successful Bidder, or to the consummation and performance of a Sale Transaction, including the transfer of Assets to such Successful Bidder, free and clear of Encumbrances pursuant to section 363(f) of the Bankruptcy Code.

XVI. Post-Auction Process

As soon as practicable after the conclusion of the Auction and in no event later than **March 12, 2026**, the Debtors will file with the Court a notice identifying the Successful Bidder(s) and Back-Up Bidder(s) (the "Post-Auction Notice").

Except as otherwise provided herein, within seven business days after the conclusion of the Auction, the Debtors will return the Deposit of any Potential Bidder that is not declared a Successful Bidder or a Back-Up Bidder. Within five business days after the Back-Up Bid Expiration Date, the Debtors will instruct the deposit agent, if any, to return the Deposit of each Back-Up Bidder. Upon return of any Deposit, the bid of such Qualified Bidder or Back-Up Bidder, as applicable, will be deemed revoked and no longer enforceable.

Each Successful Bidder's Deposit will be applied against the cash portion of the Purchase Price of such bidder's Successful Bid upon the consummation of a Sale Transaction pursuant to and in accordance with (i) the applicable Purchase Agreement and (ii) any escrow agreement pursuant to which such Deposit is held.

XVII. Failure to Consummate Sale Transaction

Following entry of the Sale Order(s), if any Successful Bidder fails to consummate an approved Sale Transaction, the Back-Up Bidder for the applicable Asset(s) will be deemed to be the new Successful Bidder, and the Debtors, after consultation with the Consultation Parties and with the consent of the Agent (subject to the limitations set forth in Section IV hereof), will be authorized to consummate such Sale Transaction with the applicable Back-Up Bidder without further order of the Court. For the avoidance of doubt, nothing herein shall limit, modify, impair, or otherwise affect the rights of the Agent, the Prepetition Secured Lenders, or the DIP Lenders, including under the Bankruptcy Code (including under section 363(f)) or other applicable law, under the DIP Order or to object to any sale of the Assets or otherwise, and all such rights are expressly preserved.

In addition to the foregoing, the Deposit of any Qualified Bidder will be forfeited to the Debtors if (i) the Qualified Bidder attempts to modify, amend, or withdraw its Qualified Bid, except as permitted herein or with the Debtors' written consent, during the time the Qualified Bid remains binding and irrevocable or (ii) except as provided herein, the Qualified Bidder is selected as a Successful Bidder and fails to enter into the required Purchase Agreement and other definitive documentation or to consummate the applicable Sale Transaction in accordance with these Bid

Procedures, in each case, without limiting any other right or remedy available to the Debtors under contract, equity, or applicable law.

XVIII. Sale Is “As-Is, Where-Is”

Except as otherwise provided in the applicable Purchase Agreement(s) with the Successful Bidder(s) or the applicable Sale Order(s), any Asset(s) of the Debtors sold pursuant to the Bid Procedures shall be conveyed at the closing of a Sale Transaction with a Successful Bidder in their then-present condition, **“AS IS, WITH ALL FAULTS, AND WITHOUT ANY WARRANTY WHATSOEVER, EXPRESS OR IMPLIED.”** Except as may be set forth in the applicable Purchase Agreement(s) with the Successful Bidder(s) or the applicable Sale Order(s), the Assets are sold free and clear of any and all Encumbrances of any kind or nature to the fullest extent permissible under the Bankruptcy Code, with such liens, claims, interests, restrictions, charges, and encumbrances to attach to the proceeds of sale paid directly to the Debtors (to be held by the Debtors for the benefit of, and pending the distribution of such proceeds to, the Agent and other holders of liens in accordance with the priority of their respective liens and otherwise subject to the debtor-in-possession financing orders in place in the Chapter 11 Cases) with the same validity and in the same order of priority.

XIX. Reservation of Rights

The Debtors reserve the right, in their reasonable business judgment, in a manner consistent with their fiduciary duties, applicable law, and the DIP Order, after consultation with the Consultation Parties to: (i) determine which (a) Potential Bidders are Acceptable Bidders and (b) which Acceptable Bidders are Qualified Bidders; (ii) determine (a) which Bids are Acceptable Bids and (b) which Acceptable Bids are Qualified Bids; (iii) determine which Qualified Bid(s) are the highest or otherwise best proposal and which is the next highest or otherwise best proposal with respect to a Sale Transaction; (iv) modify these Bid Procedures; (v) waive the terms and conditions set forth herein with respect to any Interested Parties, Potential Bidders, Acceptable Bidders, or Qualified Bidders; (vi) extend the deadlines set forth herein; (vii) designate any materials related to any Sale Transaction as “professional eyes only” and share such materials with the Consultation Parties on a “professional eyes only” basis; (viii) cancel the Auction or elect not to hold the Auction; (ix) reject any or all Bids, Acceptable Bids, or Qualified Bids; and (x) announce at the Auction any modified or additional procedures for conducting the Auction. Nothing in these Bid Procedures will obligate the Debtors to consummate or pursue any transaction with a Qualified Bidder with respect to any Asset.

XX. Fiduciary Out

Nothing in these Bid Procedures will require the board of directors, board of managers, or similar governing body of a Debtor to take any action, or to refrain from taking any action, with respect to the Bid Procedures or the Sale Process, to the extent such board of directors, board of managers, or similar governing body reasonably determines in good faith, after consultation with counsel, that taking such action, or refraining from taking such action, as applicable, would be inconsistent with applicable law or its fiduciary obligations under applicable law.

Exhibit 2

Form of Sale Notice

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

In re:

CARBON HEALTH TECHNOLOGIES, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 26-90306 (CML)

(Jointly Administered)

NOTICE OF SALE, BID PROCEDURES, AUCTION, AND SALE HEARING

PLEASE TAKE NOTICE THAT, on February 2, 2026 (the “Petition Date”), Carbon Health Technologies, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”), filed voluntary petitions for relief (the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE THAT, on the Petition Date, the Debtors filed with the Bankruptcy Court a motion (the “Motion”),² seeking, among other things, entry of an order (i) approving bid procedures (the “Bid Procedures”) ³ in connection with the sale of all, substantially all, or any part of the Debtors’ assets (the “Assets”) through one or more Sale Transactions (the “Sale Process”), (ii) scheduling certain dates and deadlines related to the Sale Process, (iii) approving the form and manner of certain notices related to the Sale Process and any proposed Sale Transaction, and (iv) establishing procedures for the assumption and assignment of contracts and leases in connection with any proposed Sale Transaction.

PLEASE TAKE FURTHER NOTICE THAT, on [____], 2026, the Bankruptcy Court entered the *Order (A) Approving Bid Procedures for Sale of Debtors’ Assets, (B) Scheduling Sale Process Deadlines, Auction, Objection Deadlines, and Sale Hearing, and Assumption and Assignment Procedures, (C) Establishing Assumption and Assignment Procedures, and*

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://restructuring.ra.kroll.com/CarbonHealth>. The location of Carbon Health Technologies, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is 500 East Remington Drive, Suite 20, Sunnyvale, CA 94087.

² *Debtors’ Emergency Motion for Entry of Orders (I) (A) Approving Bid Procedures for Sale of Debtors’ Assets, (B) Scheduling Sale Process Deadlines, Auction, Objection Deadlines, and Sale Hearing, and Assumption and Assignment Procedures, (C) Establishing Assumption and Assignment Procedures, and (E) Granting Related Relief; and (II) (A) Approving Sale of Debtors’ Assets, (B) Authorizing Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* (Docket No. ____).

³ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Bid Procedures or the Bid Procedures Order (as defined below), as applicable.

(E) *Granting Related Relief* (Docket No. ___) (the “Bid Procedures Order”) approving, among other things, the Bid Procedures, which establishes the key dates and times related to the Sale Process and the Auction, if any. All parties interested in bidding should carefully read the Bid Procedures Order and the Bid Procedures in their entirety.⁴

Contact Persons for Parties Interested in Submitting a Bid

The Bid Procedures, among other things, set forth the requirements for submitting an Acceptable Bid and the evaluation process for the designation of a Qualified Bid. Any person or entity interested in making an offer to purchase the Assets, in whole or in part, must comply strictly with the Bid Procedures. Only Acceptable Bids will be considered by the Debtors for designation as a Qualified Bid.

Any party interested in submitting a bid for any of the Assets should contact, as soon as practicable, the Debtors’ proposed investment banker, Stifel, Nicolaus & Company, Incorporated, 787 7th Avenue, 11th Floor, New York, NY, 10019, Attn: Patrick Krause (krausepa@stifel.com), Vladimir Moshinsky (vladimir.moshinsky@stifel.com), and Charles Simon (simonch@stifel.com), with a copy to IB-ProjectShamrock@stifel.com.

Obtaining Additional Information

Copies of the Motion and the Bid Procedures Order, as well as all related exhibits (including the Bid Procedures) and all other documents filed with the Bankruptcy Court, are available free of charge on the Debtors’ case information website located at <https://restructuring.ra.kroll.com/CarbonHealth>. or by email at CarbonHealthInfo@ra.kroll.com.

Important Dates and Deadlines⁵

- **Bid Deadline.** A Potential Bidder that desires to make any proposal, solicitation, or offer to consummate a Sale Transaction (each, a “Bid”) is **March 6, 2026, at 5:00 p.m. (prevailing Central Time)** (the “Bid Deadline”).

The submission of a Bid by the Bid Deadline (as may be extended) will constitute a binding and irrevocable offer to acquire the Asset(s) reflected in such Bid. A Bid that constitutes an Acceptable Bid will be evaluated and the Debtors will determine, in consultation with the Consultation Parties, which Acceptable Bids to designate as Qualified Bids and notify each Qualified Bidder of its status by no later than **March 9, 2026**.

⁴ To the extent of any inconsistencies between the Bid Procedures and the summary descriptions of the Bid Procedures in this notice, the terms of the Bid Procedures shall control in all respects.

⁵ The following dates and deadlines may be extended by the Debtors or the Court pursuant to the terms of the Bid Procedures and the Bid Procedures Order.

- **Auction.** In the event that the Debtors timely receive more than two Qualified Bids for any Asset(s),⁶ and subject to satisfaction of any further conditions set forth in the Bid Procedures, the Debtors intend to conduct an Auction for the applicable Assets. An Auction, if held, will be conducted at Pachulski Stang Ziehl & Jones LLP, One Sansome Street, Suite 3430, San Francisco, CA 94104, on **March 11, 2026, at 12:00 p.m. (prevailing Central Time)**.
- **Sale Objection Deadline.** Objections to a proposed Sale Transaction (each, a “Sale Objection”), including any objection to the sale of any Assets free and clear of liens, claims, encumbrances, and other interests, must (i) be in writing, (ii) state the name and address of the objecting party, (iii) conform to the Bankruptcy Code, Bankruptcy Rules, and Bankruptcy Local Rules, (iv) be filed with the Bankruptcy Court and served on the Objection Notice Parties (as identified in the Bid Procedures) **by no later than March 16, 2026, at 4:00 p.m. (prevailing Central Time)** (the “Sale Objection Deadline”). If a timely Sale Objection cannot otherwise be resolved by the parties, such objection will be heard by the Bankruptcy Court at the Sale Hearing.
- **Sale Hearing.** The Sale Hearing will be held before the Bankruptcy Court, 515 Rusk, 4th Floor (Courtroom 402), Houston, TX 77002, before the Honorable Christopher M. López, United States Bankruptcy Judge, on **March __, 2026, at [·]:[·] a.m./p.m. (prevailing Central Time)**. If you wish to participate telephonically, you must use the Bankruptcy Court’s teleconference system at **1-832-917-1510** and enter conference code **590153**. You may also join by videoconference by use of an internet connection, using the website **www.gotomeet.me**, selecting “**join a meeting**,” and entering meeting code “**JudgeLopez**”.

At the Sale Hearing, the Debtors will seek the entry of one or more orders authorizing and approving, among other things, the applicable Sale Transaction(s) to the Successful Bidder(s) on the terms and conditions of the Successful Bid(s). Each Successful Bidder will appear at the Sale Hearing and be prepared to have a representative testify in support of its Successful Bid and such Successful Bidder’s ability to close the applicable Sale Transaction in a timely manner and provide adequate assurance of its future performance under any and all Designated Contracts to be assumed and assigned as part of the applicable Sale Transaction.

The Sale Hearing may be adjourned or continued to a later date by the Debtors, after consultation with the Consultation Parties, as the Debtors deem appropriate by sending notice prior to or making an announcement at the Sale Hearing; *provided, however*, that if no Acceptable Bids are received, then the Debtors, after consultation with the Consultation Parties, may elect to toggle to seek confirmation of a chapter 11 plan (a “Plan”) premised upon a debt-for-equity exchange; *provided, further, however*, that if Acceptable Bid(s) are received with respect to Partial Sale Transaction(s) (which combined do not constitute an Enterprise Sale Transaction), then the Debtors, after consultation with the Consultation

⁶ For the avoidance of doubt, unless otherwise agreed between the Debtors and the Agent, the potential exercise of the Credit Bid Right by the Agent shall constitute a Qualified Bid for purposes of determining whether the Auction will be held as set forth in the Bid Procedures.

Parties, may elect to both (a) consummate the applicable Partial Sale Transaction(s) and (b) seek confirmation of a Plan premised upon a debt-for-equity exchange. No further notice of any such adjournment or continuance will be required to be provided to any party.

Consequences of Failing to Timely Assert an Objection

THE FAILURE OF ANY PERSON OR ENTITY TO FILE AND SERVE AN OBJECTION IN ACCORDANCE WITH THE BID PROCEDURES ORDER BY THE SALE OBJECTION DEADLINE WILL FOREVER BAR SUCH PERSON OR ENTITY FROM ASSERTING ANY OBJECTION TO A SALE ORDER, ANY PROPOSED SALE TRANSACTION, OR THE DEBTORS CONSUMMATION OF ANY PURCHASE AGREEMENT EXECUTED BY THE DEBTORS AND A SUCCESSFUL BIDDER AS A RESULT OF THE AUCTION.

Reservation of Rights

The Debtors reserve the right, in their reasonable business judgment, in a manner consistent with their fiduciary duties, and applicable law, after consultation with the Consultation Parties to (i) modify the Bid Procedures, (ii) waive the terms and conditions set forth in the Bid Procedures with respect to any Potential Bidders or Qualified Bids, (iii) extend the deadlines set forth in the Bid Procedures, and (iv) announce at the Auction any modified or additional procedures for conducting the Auction. Nothing in the Bid Procedures will obligate the Debtors to consummate or pursue any transaction with a Qualified Bidder with respect to any Asset.

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Dated:

PACHULSKI STANG ZIEHL & JONES LLP

/s/

Maxim B. Litvak (SBT 24002482)
Theodore S. Heckel (SBT 24133488)
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jlucas@pszjlaw.com

Proposed Counsel to the Debtors and Debtors in Possession

Exhibit 3

Form of Assumption and Assignment Notice

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

In re:

CARBON HEALTH TECHNOLOGIES, INC., *et al.*,
Debtors.¹

Chapter 11

Case No. 26-90306 (CML)

(Jointly Administered)

**NOTICE OF PROPOSED ASSUMPTION AND ASSIGNMENT OF
EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION
WITH SALES AND PROPOSED CURE AMOUNTS WITH RESPECT THERETO**

PLEASE TAKE NOTICE THAT, on February 2, 2026 (the “Petition Date”), Carbon Health Technologies, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”), filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE THAT, on the Petition Date, the Debtors filed with the Bankruptcy Court a motion (the “Motion”),² seeking, among other things, entry of an order (i) approving bid procedures (the “Bid Procedures”)³ in connection with the sale of all, substantially all, or any part of the Debtors’ assets (the “Assets”) through one or more Sale Transactions (the “Sale Process”), (ii) scheduling certain dates and deadlines related to the Sale Process, (iii) approving the form and manner of certain notices related to the Sale Process and any proposed Sale Transaction, and (iv) establishing procedures for the assumption and assignment (the “Assumption and Assignment Procedures”) of certain executory contracts and unexpired leases of the Debtors (each, a “Contract”) in connection with any proposed Sale Transaction and the determination of such amounts necessary to cure any monetary defaults thereunder (such amounts, “Cure Amounts”).

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://restructuring.ra.kroll.com/CarbonHealth>. The location of Carbon Health Technologies, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is 500 East Remington Drive, Suite 20, Sunnyvale, CA 94087.

² *Debtors’ Emergency Motion for Entry of Orders (I) (A) Approving Bid Procedures for Sale of Debtors’ Assets, (B) Scheduling Sale Process Deadlines, Auction, Objection Deadlines, and Sale Hearing, and Assumption and Assignment Procedures, (C) Establishing Assumption and Assignment Procedures, and (E) Granting Related Relief; and (II) (A) Approving Sale of Debtors’ Assets, (B) Authorizing Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* (Docket No. ____).

³ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Bid Procedures or the Bid Procedures Order (as defined below), as applicable.

PLEASE TAKE FURTHER NOTICE THAT, on [____], 2026, the Bankruptcy Court entered the *Order (A) Approving Bid Procedures for Sale of Debtors' Assets, (B) Scheduling Sale Process Deadlines, Auction, Objection Deadlines, and Sale Hearing, and Assumption and Assignment Procedures, (C) Establishing Assumption and Assignment Procedures, and (E) Granting Related Relief* (Docket No. __) (the "Bid Procedures Order") approving, among other things, the Bid Procedures and the Assumption and Assignment Procedures.

You are receiving this notice (the "Assumption and Assignment Notice")⁴ because you may be a counterparty (a "Counterparty") to a Contract that is proposed to be assumed and assigned to a Qualified Bidder (or designated assignee(s), if applicable).

In accordance with the Assumption and Assignment Procedures and the Bid Procedures Order, the Debtors may, in connection with a Sale Transaction with a Successful Bidder, seek to assume and assign to such bidder (or its designated assignee, if applicable) certain Contracts (each, a "Designated Contract"). Attached hereto as **Exhibit A** is a schedule of Designated Contracts identified by Qualified Bidders for assumption and assignment (the "Contracts List"), which includes the Cure Amounts, if any, that the Debtors believe are required to be paid if the Debtors ultimately assume and assign such Designated Contract.

The inclusion of any Contract on the Contracts List does not constitute an admission that a particular Contract is an executory contract or unexpired lease within the meaning of section 365 of the Bankruptcy Code or require or guarantee that such Contract ultimately will be assumed or assigned. All rights of the Debtors with respect thereto are reserved.

Any time after the date of service of this Assumption and Assignment Notice and not later than **March 12, 2026**, the Debtors may (i) add previously omitted Contracts as Designated Contracts to be assumed and assigned to a Successful Bidder (or its designated assignee(s), if applicable) in accordance with the definitive agreement for the applicable proposed Sale Transaction, (ii) remove a Designated Contract from the Contracts List and later seek to reject such Contract, or (iii) modify the previously stated Cure Amount associated with any Designated Contract; *provided, however*, that the Debtors may take any of the actions set forth in the foregoing (i) and (iii) after March 12, 2026, by filing and serving a supplemental Assumption and Assignment Notice upon affected Counterparties, who will have ten (10) days from the service thereof (the "Supplemental Contract Objection Deadline") to file a Contract Objection with respect thereto (a "Supplemental Contract Objection"), which, if unresolved, will be heard by the Court on an expedited basis, but upon not less than five (5) days' notice to any applicable objecting Counterparty. The Debtors reserve all rights to seek relief from the Bankruptcy Court to reject any Contract that is not a Designated Contract, including to file a motion to reject Contracts effective as of the date such motion is filed.

⁴ To the extent of any inconsistencies between the Bid Procedures Order and the summary descriptions of the Assumption and Assignment Procedures in this notice, the terms of the Bid Procedures Order shall control in all respects.

Objections

Any objection to the proposed assumption or assignment of a Designated Contract (a “Contract Objection”), including to the Debtors’ proposed Cure Amounts or to the Qualified Bidder’s proposed form of adequate assurance of future performance with respect to any Designated Contract to be assigned to such Qualified Bidder, must (i) be in writing, (ii) state the name and address of the objecting party, (iii) comply with the Bankruptcy Rules and Bankruptcy Local Rules, (iv) state with specificity the grounds for such objection, including the fully liquidated Cure Amount and the legal and factual bases for any unliquidated Cure Amount that the Counterparty believes is required to be paid under sections 365(b)(1)(A) and (B) of the Bankruptcy Code for the applicable Designated Contract, along with the specific nature and dates of any alleged defaults, the pecuniary losses, if any, resulting therefrom, and the conditions giving rise thereto; and (v) be filed with the Bankruptcy Court and served on the Objection Notice Parties (as identified in the Bid Procedures Order) **on or before March 16, 2026, at 4:00 p.m. (prevailing Central Time)** (the “Contract Objection Deadline”).

IF NO CONTRACT OBJECTION (OR, IF APPLICABLE, SUPPLEMENTAL CONTRACT OBJECTION) IS TIMELY RECEIVED BY THE CONTRACT OBJECTION DEADLINE (OR, IF APPLICABLE, THE SUPPLEMENTAL CONTRACT OBJECTION DEADLINE) WITH RESPECT TO A DESIGNATED CONTRACT, (I) THE COUNTERPARTY TO SUCH DESIGNATED CONTRACT WILL BE DEEMED TO HAVE CONSENTED TO THE ASSUMPTION BY THE DEBTORS AND ASSIGNMENT TO THE APPLICABLE SUCCESSFUL BIDDER OF THE DESIGNATED CONTRACT AND BE FOREVER BARRED FROM ASSERTING ANY OBJECTION WITH REGARD TO SUCH ASSUMPTION AND ASSIGNMENT (INCLUDING WITH RESPECT TO ADEQUATE ASSURANCE OF FUTURE PERFORMANCE BY THE SUCCESSFUL BIDDER), (II) ANY AND ALL DEFAULTS UNDER THE DESIGNATED CONTRACT AND ANY AND ALL PECUNIARY LOSSES RELATED THERETO WILL BE DEEMED CURED AND COMPENSATED PURSUANT TO SECTIONS 365(B)(1)(A) AND (B) OF THE BANKRUPTCY CODE UPON PAYMENT OF THE CURE AMOUNT SET FORTH IN THIS ASSUMPTION AND ASSIGNMENT NOTICE FOR SUCH DESIGNATED CONTRACT, AND (III) THE COUNTERPARTY WILL BE FOREVER BARRED FROM ASSERTING ANY OTHER CLAIMS RELATED TO SUCH DESIGNATED CONTRACT AGAINST THE DEBTORS AND THEIR ESTATES OR THE APPLICABLE SUCCESSFUL BIDDER, OR THE PROPERTY OF ANY OF THEM, THAT EXISTED PRIOR TO THE ENTRY OF THE APPLICABLE SALE ORDER.

Sale Hearing

The Sale Hearing to approve any proposed Sale Transactions will be held before the Bankruptcy Court, 515 Rusk, 4th Floor (Courtroom 402), Houston, TX 77002, before the Honorable Christopher M. López, United States Bankruptcy Judge, on **March __, 2026, at [•]:[•] a.m./p.m. (prevailing Central Time)**. If you wish to participate telephonically, you must use the Bankruptcy Court’s teleconference system at **1-832-917-1510** and enter conference code **590153**. You may also join by videoconference by use of an internet connection, using the website **www.gotomeet.me**, selecting “**join a meeting**,” and entering meeting code “**JudgeLopez**”.

At the Sale Hearing, the Debtors will seek the entry of one or more orders authorizing and approving, among other things, the applicable Sale Transaction(s) to the Successful Bidder(s) on the terms and conditions of the Successful Bid(s). Each Successful Bidder will appear at the Sale Hearing and be prepared to have a representative testify in support of its Successful Bid and such Successful Bidder's ability to close the applicable Sale Transaction in a timely manner and provide adequate assurance of its future performance under any and all Designated Contracts to be assumed and assigned as part of the applicable Sale Transaction.

The Sale Hearing may be adjourned or continued to a later date by the Debtors, after consultation with the Consultation Parties, as the Debtors deem appropriate by sending notice prior to or making an announcement at the Sale Hearing; *provided, however*, that if no Acceptable Bids are received, then the Debtors, after consultation with the Consultation Parties, may elect to toggle to seek confirmation of a chapter 11 plan (a "Plan") premised upon a debt-for-equity exchange; *provided, further, however*, that if Acceptable Bid(s) are received with respect to Partial Sale Transaction(s) (which combined do not constitute an Enterprise Sale Transaction), then the Debtors, after consultation with the Consultation Parties, may elect to both (a) consummate the applicable Partial Sale Transaction(s) and (b) seek confirmation of a Plan premised upon a debt-for-equity exchange. No further notice of any such adjournment or continuance will be required to be provided to any party.

Additional Information

Copies of the Motion, the Bid Procedures Order, and the Bid Procedures are available free of charge on the Debtors' case information website located at <https://restructuring.ra.kroll.com/CarbonHealth> or by email at CarbonHealthInfo@ra.kroll.com.

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Dated:

PACHULSKI STANG ZIEHL & JONES LLP

/s/

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Proposed Counsel to the Debtors and Debtors in Possession

Exhibit 4

Form of Post-Auction Notice

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

In re:

CARBON HEALTH TECHNOLOGIES, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 26-90306 (CML)

(Jointly Administered)

NOTICE OF SUCCESSFUL BIDDER(S) AT AUCTION

PLEASE TAKE NOTICE THAT, on February 2, 2026 (the “Petition Date”), Carbon Health Technologies, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”), filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE THAT, on the Petition Date, the Debtors filed with the Bankruptcy Court a motion (the “Motion”),² seeking, among other things, entry of an order (i) approving bid procedures (the “Bid Procedures”) ³ in connection with the sale of all, substantially all, or any part of the Debtors’ assets (the “Assets”) through one or more Sale Transactions (the “Sale Process”), (ii) scheduling certain dates and deadlines related to the Sale Process, (iii) approving the form and manner of certain notices related to the Sale Process and any proposed Sale Transaction, and (iv) establishing procedures for the assumption and assignment (the “Assumption and Assignment Procedures”) of certain executory contracts and unexpired leases of the Debtors (each, a “Contract”) in connection with any proposed Sale Transaction and the determination of such amounts necessary to cure any monetary defaults thereunder (such amounts, “Cure Amounts”).

PLEASE TAKE FURTHER NOTICE THAT, on [____], 2026, the Bankruptcy Court entered the *Order (A) Approving Bid Procedures for Sale of Debtors’ Assets, (B) Scheduling Sale*

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://restructuring.ra.kroll.com/CarbonHealth>. The location of Carbon Health Technologies, Inc.’s principal place of business and the Debtors’ service address in these chapter 11 cases is 500 East Remington Drive, Suite 20, Sunnyvale, CA 94087.

² *Debtors’ Emergency Motion for Entry of Orders (I) (A) Approving Bid Procedures for Sale of Debtors’ Assets, (B) Scheduling Sale Process Deadlines, Auction, Objection Deadlines, and Sale Hearing, and Assumption and Assignment Procedures, (C) Establishing Assumption and Assignment Procedures, and (E) Granting Related Relief; and (II) (A) Approving Sale of Debtors’ Assets, (B) Authorizing Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* (Docket No. ____).

³ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Bid Procedures or the Bid Procedures Order (as defined below), as applicable.

Process Deadlines, Auction, Objection Deadlines, and Sale Hearing, and Assumption and Assignment Procedures, (C) Establishing Assumption and Assignment Procedures, and (E) Granting Related Relief (Docket No. __) (the “Bid Procedures Order”) approving, among other things, the Bid Procedures.

Pursuant to the Bid Procedures Order, the deadline for submitting any proposal, solicitation, or offer to consummate a Sale Transaction (each, a “Bid”) was **March 6, 2026, at 5:00 p.m. (prevailing Central Time)** (the “Bid Deadline”). On **March 11, 2026**, the Debtors conducted the Auction in accordance with the Bid Procedures and certain rules were distributed or announced to Auction Participants prior to and/or at the Auction. The Auction concluded on **March __, 2026**.

Exhibit A annexed hereto sets forth:

- the identities of the Successful Bidder(s) (and, in certain cases, Back-Up Bidder(s)) for the applicable Asset(s);
- the Asset(s) to be sold in each Successful Bid; and
- the purchase price of each Successful Bid.

Important Dates and Deadlines

Sale Objection Deadline.

Objections to the consummation of any proposed Sale Transaction (each, a “Sale Objection”), including any objection to the sale of any Assets free and clear of liens, claims, encumbrances, and other interests, must (i) be in writing, (ii) state the name and address of the objecting party, (iii) conform to the Bankruptcy Code, Bankruptcy Rules, and Bankruptcy Local Rules, (iv) be filed with the Bankruptcy Court and served on the Objection Notice Parties (as identified in the Bid Procedures) **by no later than March 16, 2026, at 4:00 p.m. (prevailing Central Time)** (the “Sale Objection Deadline”). If a timely Sale Objection cannot otherwise be resolved by the parties, such objection will be heard by the Bankruptcy Court at the Sale Hearing.

ANY PARTY WHO FAILS TO FILE WITH THE BANKRUPTCY COURT AND SERVE ON THE OBJECTION PARTIES A SALE OBJECTION BY THE SALE OBJECTION DEADLINE MAY BE FOREVER BARRED FROM ASSERTING, AT THE SALE HEARING OR THEREAFTER, ANY OBJECTION WITH REGARD TO A SUCCESSFUL BIDDER OR TO THE CONSUMMATION AND PERFORMANCE OF A SALE TRANSACTION, INCLUDING THE TRANSFER OF ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS PURSUANT TO SECTION 363(f) OF THE BANKRUPTCY CODE.

Sale Hearing.

The Sale Hearing to consider the approval of any Sale Transaction will be held before the Bankruptcy Court, 515 Rusk, 4th Floor (Courtroom 402), Houston, TX 77002, before the

Honorable Christopher M. López, United States Bankruptcy Judge, on **March __, 2026, at [•]:[•] a.m./p.m. (prevailing Central Time)**. If you wish to participate telephonically, you must use the Bankruptcy Court's teleconference system at **1-832-917-1510** and enter conference code **590153**. You may also join by videoconference by use of an internet connection, using the website **www.gotomeet.me**, selecting **"join a meeting,"** and entering meeting code **"JudgeLopez"**.

At the Sale Hearing, the Debtors will seek the entry of one or more orders authorizing and approving, among other things, the applicable Sale Transaction(s) to the Successful Bidder(s) on the terms and conditions of the Successful Bid(s). Each Successful Bidder will appear at the Sale Hearing and be prepared to have a representative testify in support of its Successful Bid and such Successful Bidder's ability to close the applicable Sale Transaction in a timely manner and provide adequate assurance of its future performance under any and all Designated Contracts to be assumed and assigned as part of the applicable Sale Transaction.

The Sale Hearing may be adjourned or continued to a later date by the Debtors, after consultation with the Consultation Parties, as the Debtors deem appropriate by sending notice prior to or making an announcement at the Sale Hearing.

Following entry of the Sale Order(s), if any Successful Bidder fails to consummate an approved Sale Transaction, the Back-Up Bidder for the applicable Asset(s) will be deemed to be the new Successful Bidder, and the Debtors, after consultation with the Consultation Parties, will be authorized to consummate such Sale Transaction with the applicable Back-Up Bidder without further order of the Bankruptcy Court. In addition to the foregoing, the Deposit of any Qualified Bidder will be forfeited to the Debtors if (i) the Qualified Bidder attempts to modify, amend, or withdraw its Qualified Bid, except as permitted in the Bid Procedures or with the written consent of the Debtors and the Agent, during the time the Qualified Bid remains binding and irrevocable or (ii) except as provided in the Bid Procedures, the Qualified Bidder is selected as a Successful Bidder and fails to enter into the required definitive documentation or to consummate the applicable Sale Transaction in accordance with the Bid Procedures, in each case, without limiting any other right or remedy available to the Debtors under contract, equity, or applicable law.

Additional Information

Copies of the Motion, the Bid Procedures Order, and the Bid Procedures are available free of charge on the Debtors' case information website located at <https://restructuring.ra.kroll.com/CarbonHealth>, or by email at CarbonHealthInfo@ra.kroll.com.

Dated:

PACHULSKI STANG ZIEHL & JONES LLP

/s/

Maxim B. Litvak (SBT 24002482)
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jlucas@pszjlaw.com

Proposed Counsel to the Debtors and Debtors in Possession

Exhibit B

Moshinsky Declaration

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

In re:

CARBON HEALTH TECHNOLOGIES, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 26-90306 (CML)

(Jointly Administered)

**DECLARATION OF VLADIMIR MOSHINSKY OF STIFEL, NICOLAUS
& COMPANY IN SUPPORT OF DEBTORS' BID PROCEDURES MOTION**

I, Vladimir Moshinsky, hereby declare under penalty of perjury as follows:

1. I submit this declaration (the "Declaration") in support of the *Emergency Motion for Entry of Orders (I) (A) Approving Bid Procedures for Sale of Debtors' Assets, (B) Scheduling Sale Process Deadlines, Auction, Objection Deadlines, and Sale Hearing, (C) Establishing Assumption and Assignment Procedures, (D) Approving the Form and Manner of Notice of Sale, Auction, Sale Hearing, and Assumption and Assignment Procedures, and (E) Granting Related Relief; and (II) (A) Approving Sale of Debtors' Assets, (B) Authorizing Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* (the "Bid Procedures Motion"), filed concurrently herewith by the above-captioned debtors and debtors in possession (the "Debtors," the "Company," or "Carbon Health").²

2. Unless otherwise indicated, the statements set forth in this Declaration are based on: (a) my personal knowledge or views based on my experience; (b) information I have received from the Debtors, my colleagues at Stifel, Nicolaus & Company, Incorporated ("Stifel") working

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/CarbonHealth>. The location of Carbon Health Technologies, Inc.'s principal place of business and the Debtors' service address in these chapter 11 cases is 500 East Remington Drive, Suite 20, Sunnyvale, CA 94087.

² Capitalized terms used but not defined herein shall have the meanings set forth in the Bid Procedures Motion.

directly with me or under my supervision, direction, or control, or other advisors of the Debtors; and (c) my review of relevant documents.

3. I am over the age of 18 and am authorized to submit this Declaration on behalf of the Debtors. I am not being specifically compensated for this testimony other than through payments received by Stifel, as engaged by the Debtors; none of those payments are specifically payable on account of this testimony. If I were called upon to testify, I could and would testify competently to the facts and views set forth herein.

Professional Background and Qualifications

4. I am a Managing Director at Stifel, which is headquartered at 501 North Broadway, St. Louis, Missouri 63102 and has its principal investment banking office at 787 Seventh Avenue, New York, New York 10019. The Debtors retained Stifel as its investment banker prepetition, and the Debtors intend to file an application to retain Stifel as its investment banker in these chapter 11 cases.

5. Stifel is an investment bank that provides strategic and financial advisory services in large-scale corporate restructuring transactions. Stifel professionals have extensive experience providing such services to financially distressed companies and to creditors, equity holders, and other constituencies in reorganization proceedings and complex financial restructurings, both in- and out-of-court.

6. Stifel is the primary investment banking and broker-dealer subsidiary of Stifel Financial Corp. ("SF", NYSE: SF). SF conducts a wide range of financial services globally through its approximately 100 subsidiaries, including Stifel.

7. I have over ten years of investment banking experience and my work has focused on advising debtors, creditors, and equity holders in a wide range of recapitalization and

restructuring transactions. My experience includes sales of distressed assets across a broad spectrum of industries, and I have structured, negotiated, and conducted many postpetition sale processes. Prior to joining Stifel full-time in 2013, I worked as a Senior Consultant in the Financial Valuation Group of American Appraisal Associates, a division of Kroll. I hold an M.B.A. with high distinction from the Ross School of Business at the University of Michigan and a B.S. in Finance, with honors, from Rutgers Business School in New Brunswick, New Jersey.

Retention of Stifel

8. In March 2025, Carbon Health engaged Stifel, Nicolaus & Company, Incorporated (“Stifel”), the Debtors’ proposed investment banker, to aid the Company in exploring strategic transactions (the “2025 Marketing Process”). At the time, Carbon Health was facing a liquidity shortfall and tapped Stifel’s expertise in mergers and acquisitions and restructuring to develop solutions. Among other things, Stifel was tasked with marketing certain of the Company’s assets for sale, raising equity financing, and procuring alternative sources of debt financing. Accordingly, in preparation for the launch of this multifaceted process, Stifel worked closely with the Company to build a financial model, draft marketing materials, including a teaser and confidential information memorandum (a “CIM”), establish a virtual data room (a “Data Room”) containing customary due diligence materials, and formulate an outreach strategy, among other things.

The Debtors’ 2025 Marketing Process

9. In April 2025, the Company, assisted by Stifel, commenced the 2025 Marketing Process. Stifel contacted approximately thirty-one (31) strategic buyers and approximately forty-two (42) financial sponsors (the “2025 Outreach Parties”). By early May, approximately thirty-one (31) of seventy-three (73) of the 2025 Outreach Parties executed confidentiality

agreements to gain access to the Data Room and participate in the process (the “2025 Process Participants”).

10. Over the following months, Carbon Health received indications of interest and entered into multiple letters of intent at various points with certain 2025 Process Participants who were interested in acquiring some or all of the Company’s assets. Through November 2025, Carbon Health, with Stifel’s assistance, engaged in serious, and at times exclusive, negotiations with several of the 2025 Process Participants. However, none of the potential sale transactions explored as part of the 2025 Marketing Process were ultimately consummated.

The Debtors’ Prepetition Marketing Efforts

11. Prior to the Petition Date and as a result of their negotiations with prepetition secured parties, Carbon Health determined to conduct a competitive marketing process (the “Prepetition Marketing Process”) in hopes of building upon the efforts undertaken in connection with the recently-concluded 2025 Marketing Process. The Prepetition Marketing Process was from its conception intended to continue postpetition so that interested parties would have more time to evaluate potential sale transactions within a structured, court-supervised process. Accordingly, in December 2025, the Company directed Stifel to begin preparing for the Prepetition Marketing Process.

12. Prior to launching the Prepetition Marketing Process, Stifel worked collaboratively with the Carbon Health’s management team to build an updated financial model, prepare refreshed marketing materials, including a teaser, CIM, and process letter, and revitalize the Data Room, among other things. In late January 2026, Stifel, acting at the direction of the Company, commenced formal outreach and provided the teaser to potential purchasers. Stifel engaged with over ninety (90) potentially interested parties, including over thirty (30) strategic buyers and

sixty (60) financial sponsors (the “Prepetition Outreach Parties”). The Prepetition Outreach Parties included fifty-eight (58) of the 2025 Outreach Parties, many of whom previously conducted meaningful due diligence in connection with the 2025 Marketing Process.

Proposed Bid Procedures

13. I believe that the proposed Bid Procedures are designed to promote a competitive, transparent, and timely marketing and sale process for the Debtors’ Assets, in whole or in part. The Bid Procedures describe, among other things, the procedures for accessing due diligence, the process for submitting a bid, the manner in which bidders and bids become “qualified,” the conduct of an Auction if one is required, the selection and approval of a Successful Bidder, and the deadlines with respect to the foregoing. If approved, the Bid Procedures will allow the Debtors to solicit and identify bids from potential buyers that constitute the highest or otherwise best offer(s) for the Assets in an efficient manner and on a reasonable timeline consistent with applicable milestones and the Debtors’ strategy for maximizing value for their stakeholders.

14. If the Debtors do not receive a bid or bids that, combined, are sufficient to pay certain claims and interests, the Debtors have the right to toggle to pursue confirmation of a chapter 11 plan (“Plan”) premised on a debt-for-equity exchange. On the other hand, if bids are received with respect to Partial Sale Transactions, which combined do not constitute an Enterprise Sale Transaction, then the Debtors may elect both to consummate the Partial Sale Transaction(s) under the Bid Procedures and pursue confirmation of the Plan premised on a debt-for-equity exchange.

15. For the above reasons, and based on my experience as an investment banking professional and involvement in other bankruptcy sale transactions, I believe that the proposed Bid Procedures are reasonable and appropriate under the circumstances and the relief requested in the

Bid Procedures Motion will serve to maximize value and is in the best interests of the Debtors' estates.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: February 3, 2026

/s/ Vladimir Moshinsky

Vladimir Moshinsky

Managing Director

Stifel, Nicolaus & Company, Incorporated