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9 UNITED STATES BANKRUPTCY COURT
10 SOUTHERN DISTRICT OF CALIFORNIA

11 In re

12 BORREGO COMMUNITY
HEALTH FOUNDATION,

13 Debtor and Debtor In
14 Possession.

Case No. 22-02384-11

Chapter 11 Case

Judge: Honorable Laura S. Taylor

**NOTICE OF QUALIFIED BIDDERS
AND STALKING HORSE BIDDER RE
DEBTOR’S NOTICE OF MOTION AND
MOTION FOR THE ENTRY OF (I) AN
ORDER (1) APPROVING FORM OF
ASSET PURCHASE AGREEMENT; (2)
APPROVING AUCTION SALE
FORMAT AND BIDDING
PROCEDURES, (3) APPROVING
PROCESS FOR DISCRETIONARY
SELECTION OF STALKING HORSE
BIDDER AND BID PROTECTIONS; (4)
APPROVING FORM OF NOTICE TO
BE PROVIDED TO INTERESTED
PARTIES; (5) SCHEDULING A COURT
HEARING TO CONSIDER APPROVAL
OF THE SALE TO THE HIGHEST AND
BEST BIDDER; AND (6) APPROVING
PROCEDURES RELATED TO THE
ASSUMPTION OF CERTAIN
EXECUTORY CONTRACTS AND
UNEXPIRED LEASES; AND (II) AN
ORDER AUTHORIZING THE SALE OF
PROPERTY FREE AND CLEAR OF
ALL CLAIMS, LIENS AND
ENCUMBRANCES**

[RELATES TO DOCKET NOS. 161, 321]

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NOTICE OF QUALIFIED BIDDERS AND STALKING HORSE BIDDER

PLEASE TAKE NOTICE that, on December 19, 2022, the Court entered an order (the “Bidding Procedures Order”) [Docket No. 321] granting the *Debtor’s Motion For The Entry of (I) An Order (1) Approving Form Of Asset Purchase Agreement; (2) Approving Auction Sale Format and Bidding Procedures, (3) Approving Process For Discretionary Selection Of Stalking Horse Bidder And Bid Protections; (4) Approving Form Of Notice To Be Provided To Interested Parties; (5) Scheduling A Court Hearing To Consider Approval Of The Sale To The Highest And Best Bidder; And (6) Approving Procedures Related To The Assumption Of Certain Executory Contracts And Unexpired Leases; And (II) An Order Authorizing The Sale Of Property Free And Clear Of All Claims, Liens And Encumbrances* [Docket No. 161] (the “Motion”).¹

PLEASE TAKE FURTHER NOTICE that the Bidding Procedures Order governs (i) the bidding process for the sale of substantially all of the Debtor’s assets (the “Purchased Assets”) of the Debtor, and (ii) procedures for the assumption and assignment of certain of the Debtor’s executory contracts and unexpired leases, as detailed in the Bidding Procedures Order.

PLEASE TAKE FURTHER NOTICE that the Potential Bidders listed on **Exhibit A** hereto submitted Qualified Bids for the Purchased Assets. Accordingly, pursuant to the Bid Procedures Order, the Debtor shall conduct an auction for the sale of the Purchased Assets on **February 6, 2023**, at the offices of Dentons US LLP, 601 S. Figueroa Street, Suite 2500, Los Angeles, California 90017, commencing at 10:00 a.m. Pacific Time (the “Auction”).

PLEASE TAKE FURTHER NOTICE that, pursuant to the Motion and Bid Procedures Order, the Debtor has designated Desert AIDS Project d/b/a DAP Health (“DAP”) as the Stalking Horse Bidder. Unless the Debtor receives a higher and better bid (as determined by the Debtor after consultation with the Committee) prior to the Auction, the Opening Bid at the Auction shall be DAP’s bid on the Purchased Assets.

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

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1 Dated: February 2, 2023

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5 By /s/ Tania M. Moyron
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Exhibit A

(List of Potential Bidders that Submitted Qualified Bids)

- **Desert AIDS Project d/b/a DAP Health¹**
- **Family Health Centers of San Diego**
- **Altamed Health Services Corporation**
- **Friends of Family Health Center**
- **St. John’s Community Health**
- **San Ysidro Health**

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¹ Designated as Stalking Horse Bidder.