

MAY 21, 2010

RFP 09024IM INDEPENDENT FINANCIAL ADVISOR

Response to Questions 3

ATTENTION ALL PROPONENTS:

This notification is being provided to all proponents as GHS's response to the following vendor questions.

QUESTION: Is vendor registration required to submit a response to this proposal?

GHS RESPONSE: NO

QUESTION: Is a plan of action in response to Section 7: Economic Opportunity Plan required within the RFP response?

GHS RESPONSE: GHS encourages participation in the EOP process from all its vendors. Please provide as much a detailed response as possible.

QUESTION: Do the board and management have any immediate areas of concern regarding the investment pools?

GHS RESPONSE: No, just need to get this started.

QUESTION: What is the purpose of these investments?

GHS RESPONSE: Foundation assets for the benefit of Grady.

QUESTION: Is there an investment committee responsible for the oversight of these assets?

GHS RESPONSE: If there is not, one will be formed.

QUESTION: Is there an Investment Policy Statement? If so, when was it adopted and last updated? May we review the document?

GHS RESPONSE: This is a part of what we need an advisor for.

QUESTION: What is the estimated market value of the portfolio and how are those assets split between the Foundation and GHS?



GHS RESPONSE: Currently plan on foundation \$20M and right now hospital 0

QUESTION: How/with whom are the assets currently invested?

GHS RESPONSE: Very liquid money market accounts at various commercial banks around Atlanta

QUESTION: Does the Foundation have a current spending policy?

GHS RESPONSE: Yes, that governs there operations.

QUESTION: Is a custodian used currently? If so, who?

GHS RESPONSE: No, just the bank.

QUESTION: Did the market declines of 2007-2008 have a material adverse impact on operations?

GHS RESPONSE: We didn't have this cash back then.

QUESTION: How much debt does Grady Health System have on its balance sheet?

GHS RESPONSE: Other than some leases and debt being forgiven by the medical schools, none. The county took over our debt payments when we reorganized.

All other Terms & Conditions remain the same.

Please acknowledge receipt of this addendum on Appendix C of the RFP.