

REQUEST FOR PROPOSAL
TO PURCHASE
FRANKLIN FOUNDATION HOSPITAL BUILDING

St. Mary Parish Hospital Service District No. 1 (“District”) owns land and a building located at 1501 Hospital Avenue, Franklin, Louisiana (“Facility”) in which it operates Franklin Foundation Hospital (“FFH”), a general acute care hospital. Because FFH is relocating to a smaller, newer facility, the District has elected to issue this Request for Proposal (RFP) to solicit proposals from organizations that have an interest in purchasing the Facility.

Special Note: The issuance of this RFP by the District should in no way be construed as an indication that the District has, in fact, elected to sell the Facility.

The District must receive your organization’s proposal on or before February 15, 2007. You must submit your proposal to the District in the care of J. Calvin Green, Chief Executive Officer. You must also direct any questions or comments regarding the RFP to Mr. Green at the same address.

WARNING: ANY QUESTIONS OR OTHER CONTACT RELATED TO THIS RFP WITH THE DISTRICT, DISTRICT BOARD MEMBERS, OR FFH PERSONNEL; ANY ATTEMPT TO ACCESS INFORMATION, OTHER THAN AS SPECIFICALLY PROVIDED FOR HEREIN; OR ANY ATTEMPT TO INFLUENCE THIS PROCESS IS FORBIDDEN AND WILL RESULT IN THE CANDIDATE’S DISQUALIFICATION.

This RFP is divided into the following sections:

- I. Description of Franklin Foundation Hospital Facility
- II. Qualifications for Responding Organization
- III. Proposal Process Procedures Outline
- IV. Summary of Due Diligence Materials

Responses to the RFP Bidder Questionnaire must be carefully, thoroughly, and unambiguously completed. The District will verify all representations made by parties responding to this RFP. If the District elects to sell the Facility, the District will include the potential purchaser’s responses and representations in materials made available to the public and such responses and representations will be included within the closing documents, imposing legally binding obligations on the purchasers with respect to such responses and representations.

Bidders may provide supplemental materials to aid the District in its evaluation and decision-making. However, please be advised that supplemental materials will not be viewed as substitutes for appropriate responses to the information that must be submitted in response to this RFP. All supplemental materials must be submitted as appendices to

your response, referenced in the body of your response, and submitted simultaneously with your response.

Your organization must provide ten (10) original copies of your proposal. Please call J. Calvin Green to verify receipt of this RFP as soon as you receive it and inform Mr. Green's office of your organization's intention to submit a proposal in the time specified.

I. DESCRIPTION OF FRANKLIN FOUNDATION HOSPITAL FACILITY

The existing Franklin Foundation Hospital facility was constructed in 1952 with major additions adding to the total area of 90,000 sq. ft. in 1966 and 1985. There have been numerous interior remodels and renovations to the campus during its 52 years in operation.

Currently the facility operates 19 medical/surgical, 6 ICU, and 2 LDR beds. It also provides 3 operating rooms, an emergency department, a diagnostic imaging department (CT, Mammography, Nuclear Camera, RF and General X-Ray), nursery, laboratory, pharmacy, respiratory/physical therapy and a dietary department functions to the citizens of Franklin Parish and St. Mary Parish.

The legal description of the property is attached.

II. QUALIFICATIONS FOR RESPONDING ORGANIZATIONS

The District will consider responses only from organizations that are qualified. To be qualified, an organization must meet the criteria contained in sections A and B of this Section II. Organizations must establish their satisfaction of the financial and non-financial qualifications through stipulations, warranties, and descriptions and any form of documentation, the contents of which are verifiable.

A. Financial Qualifications

1. An organization must demonstrate adequate cash or cash equivalents on hand or other financing arrangements acceptable to the District to honor its purchase price.

B. Non-financial Requirements

1. The sale documents will include a restriction that the facility may not be used to provide hospital services or any other services that directly compete with FFH.

C. General Information

Include a narrative on your organization that describes your operations and its strategic plan, and how the acquisition of the Facility fits into that plan. The description of operations should incorporate the types and levels of health care services provided, including:

1. A list of all hospitals or other healthcare facilities owned, leased, or operated including bed size.
2. Levels and setting of care provided (e.g. tertiary, SNF, rehabilitation, psychiatric, etc.)

III. PROPOSAL PROCESS PROCEDURES OUTLINE

A. Correspondence and Inquiries

Please address all correspondence and inquiries regarding this RFP to:

J. Calvin Green, CEO
Franklin Foundation Hospital
1501 Hospital Avenue
Franklin, LA 70538

B. Submission Deadline and Other Process Dates

Any party interested in conducting due diligence prior to submission of a RFP response ("Proposals") shall complete and return the attached Confidentiality Agreement. Upon receipt of this document, a due diligence package previously prepared by the District will be provided. The District, under procedures outlined in this RFP, will facilitate an on-site visit.

1. All RFP responses ("Proposals") must be received in completed form at the above address no later than 5:00 P.M., February 15, 2007.
2. The Proposals will be reviewed by the District over the following 45 days, during which time the District may request additional information.

C. Proposals

Interested parties that execute the attached Confidentiality Agreement will receive information to perform due diligence prior to submitting their proposals. By the deadline, the District must receive completed proposals with documentation containing adequate evidence of the responding organization's financial qualifications. The District will not consider proposals that do not fully satisfy all requirements specified in this document.

If the District receives acceptable Proposals upon the completion of the due diligence process, the District will comprehensively review the completed Proposals. If the District deems any of the Proposals acceptable, the District will provide notice of its decision to the submitting organization and advise all submitting organization of its decision. At that time, the organization and District will cooperate in preparing documents required for regulatory reviews. The District reserves the right to reject any and all bids.

D. Minimum Number of Copies of Proposal Required

At least ten (10) originals must be received.

E. Site Visits

The District intends to make the facility available for site visits. All site visits must be fully coordinated through Mr. Green's office. Any questions in connection with the review of the physical plant should be submitted to Mr. Green's office in advance.

F. Additional Information Required

Please provide the following minimum additional information:

1. Copies of responding organization's audited financial statement for at least the last full five (5) fiscal years as well as the latest interim internal financial statements for the most recent month available.
2. Description of any other legal proceedings pending against the responding organization, which might adversely affect its ability to fulfill its responsibilities under this Proposal.
3. Description of any legal action filed by the responding organization that could interfere with, or conflict with, this proposal process.

G. Effect of Proposal

THE DISTRICT RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REJECT ANY AND ALL PROPOSALS OR TO FURTHER NEGOTIATE WITH ANY ONE OF THE BIDDERS.

IV. SUMMARY OF DUE DILIGENCE MATERIALS TO BE MADE AVAILABLE

Potential bidders who have executed the Confidentiality Agreement will be provided with materials to conduct their due diligence reviews.