



**SCH-SEARHC Strategic Affiliation Process  
Update for CBS Assembly**

*November 27, 2018*

**Progress Report (Activity Since 11/8 Assembly Update):**

Who	What	When
<b>CBS Negotiating Team:</b> <ul style="list-style-type: none"> <li>Keith Brady (Project Lead)</li> <li>Brian Hanson (CBS Counsel)</li> <li>Jay Sweeney (CBS Finance)</li> <li>Robert Allen (Sitka Community Hospital)</li> <li>Roger Golub, MD (Sitka Community Hospital Physician Leader)</li> <li>Sarah Cave (Project Manager/CBS Consultant)</li> <li>Steve Huebner (Finance &amp; Accounting Expert/CBS Consultant)</li> <li>Sandy Johnson (CBS Outside Counsel)</li> </ul>	<b><u>Kick-Off Meeting (Topics):</u></b> <ul style="list-style-type: none"> <li>Assign small work groups (e.g., finance, strategy, legal) for review of key provisions in draft Asset and Purchase Agreement (APA) from SEARHC</li> <li>Review summary of Assembly input in response to first Executive Summary, as well a preliminary Negotiating Team input on draft APA</li> <li>Monitor Due Diligence process and timeline</li> <li>Review and refine draft Due Diligence Checklist from SCH to SEARHC</li> </ul>	Friday, 11/9/18
<b>Key Collaborators:</b> <ul style="list-style-type: none"> <li>SCH Management Team</li> <li>SCH Board</li> </ul>	<b><u>Regular Project Updates:</u></b> <ul style="list-style-type: none"> <li>Team update to SCH Management (provided by Sarah Cave and Steve Huebner)</li> <li>SCH Management Team working through SEARHC Due Diligence Checklist</li> </ul>	Tuesday, 11/6/18 & Tuesday, 11/20/18
<b>CBS Internal Team</b> <ul style="list-style-type: none"> <li>Keith Brady</li> <li>CBS core staff</li> <li>Consultants</li> <li>Outside Counsel</li> </ul>	<b><u>Project check-in “huddles”:</u></b> <ul style="list-style-type: none"> <li>Overall project management and coordination</li> <li>Preparation for Assembly discussions, CBS and Joint Negotiating Team meetings</li> </ul>	2 meetings (11/8/18, 11/19/18)
<b>Joint Negotiating Team:</b> <ul style="list-style-type: none"> <li>CBS Negotiating Team (above)</li> <li>SEARHC Negotiating Team (SVP, Outside Counsel, etc.)</li> </ul>	<b><u>F2F Meetings (Seattle &amp; Sitka):</u></b> <ul style="list-style-type: none"> <li>Begin to negotiate resolution of critical issues, deal points</li> </ul>	Kick off 12/6/18 and 12/19/18

## What's on the Horizon:

- CBS Consultants and Outside Counsel will be on site 11/26-28/18 for meetings with SCH Management Team, CBS Assembly, and CBS Negotiating Team.
- November 27 Assembly meeting to discuss\*:
  1. Significant issues to be addressed in negotiations
  2. Due diligence data request from SCH to SEARHC
  3. Draft Asset and Purchase Agreement (APA)  
*\*Executive Session recommended due to nature of topics as they relate to maintaining integrity of negotiations and due diligence process.*
- Planning for two upcoming Joint Negotiating Team meetings (12/6/18 and 12/19/18)

The CBS Consultants and CBS Internal Team will provide periodic Executive Summaries on the project to the Assembly to keep them informed and seek input in between meetings. Regular updates like this one will be made available to the public at Assembly meetings and on the CBS website. Joint CBS-SEARHC statements and press releases will be issued periodically to the media to keep the community informed. The first of these communications will take place following the November 27 Assembly meeting.