



SCH-SEARHC Strategic Affiliation Process
Update for CBS Assembly

November 8, 2018

Progress Report (Activity Since 10/23 Assembly Update):

Who	What	When
CBS Negotiating Team: <ul style="list-style-type: none">Keith Brady (Project Lead)Brian Hanson (CBS Counsel)Jay Sweeney (CBS Finance)Robert Allen (Sitka Community Hospital)Roger Golub, MD (Sitka Community Hospital Physician Leader)Sarah Cave (Project Manager/CBS Consultant)Steve Huebner (Finance & Accounting Expert/CBS Consultant)Sandy Johnson (CBS Outside Counsel)	<u>Kick-Off Meeting (Topics):</u> <ul style="list-style-type: none">Introductions and review of Negotiation and Due Diligence processes, rolesBuilt on existing, and identify new, significant issues to be addressed in Due Diligence/NegotiationsDiscussed initial data/information to request of SEARHC as part of due diligenceAssigned team accountabilities and content expertise (finance, strategy, clinical services/operations, legal)	Friday, 10/26/18
New CBS Assembly Members	<u>Orientation:</u> As part of their CBS Orientation, Consultants and Outside Counsel provided a 90-minute overview of the affiliation process to-date (RFP, selection, and Letter of Intent), and answered questions to bring new Assembly members up to speed.	Monday, 10/29/18
Key Collaborators: <ul style="list-style-type: none">SCH Management TeamSCH Board	<u>Regular Project Updates:</u> Team update to SCH Management (provided by Rob Allen)	Tuesday, 10/30/18
CBS Internal Team <ul style="list-style-type: none">Keith BradyCBS core staffConsultantsOutside Counsel	<u>Project check-in “huddles”:</u> <ul style="list-style-type: none">Overall project management and coordinationPlan/approach to initial draft document review	2 weekly meetings (10/25/18, 11/1/18)

Who	What	When
Joint Negotiating Team: <ul style="list-style-type: none"> CBS Negotiating Team (above) SEARHC Negotiating Team (SVP, Outside Counsel, etc.) 	<u>Meetings (F2F/conference call):</u> <ul style="list-style-type: none"> Negotiate resolution of critical issues, deal points 	Monthly (Kick-off meeting likely early December)

What's on the Horizon:

- Second CBS Negotiating Team meeting scheduled for Friday, November 9
- Anticipating receipt of Due Diligence Checklist from SEARHC to SCH any day now
- Planning ahead for November 27 Assembly meeting to discuss*:
 - List of significant issues to be addressed in negotiations (under development)
 - Due diligence data request from SCH to SEARHC (under development)
 - Draft documents from SEARHC (under review by Outside Counsel and Negotiating Team)**Executive Session recommended due to nature of topics as they relate to maintaining integrity of negotiations and due diligence process.*
- Joint Negotiating Team meeting to be scheduled following November 27 Assembly discussion

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.