

ADDITIONAL INQUIRIES

To Seller:

1. In response to question number 14¹, you responded, in part: “In initial discussions the unsuccessful final bidder indicated that it may be willing to extend Mr. Carlson’s severance payment to three years.”
 - a. Who participated in those “initial” discussions? When did those discussions occur? Where did those discussions occur?

Response to Seller Question No. 1a:

Mr. Carlson was initially approached in Missoula by the CEO of the unsuccessful final bidder in the summer or fall of 2013, at which time the CEO suggested that if Community and the unsuccessful final bidder were to “merge”, that the unsuccessful final bidder would offer Mr. Carlson a three year severance. Mr. Carlson acknowledged the offer but did not accept or reject it.

- b. Did the unsuccessful final bidder make an offer to extend Mr. Carlson’s severance payment to three years?

Response to Seller Question No. 1b:

Yes.

After returning to Missoula from a site visit to a RegionalCare hospital, Mr. Carlson informed CMC Board leadership of the offers that he had received from both the unsuccessful final bidder and RegionalCare to extend his severance payment to three years. Board leadership instructed Cain Brothers to approach both final bidders to confirm their severance offers, assure that both severance offers were congruent and affirm that any severance offered would not adversely affect the purchase price or create any bias in favor of either bidder. Cain’s discussions with the unsuccessful final bidder and RegionalCare confirmed both bidders’ agreement to extend Mr. Carlson’s severance to three years, subject to Mr. Carlson remaining employed with Community until the sale was finalized.

¹ This Question was submitted in our September 23, 2014 letter and responded to on October 31, 2014.