

**EXHIBIT D**

**EMPLOYEE LEASE ARRANGEMENT**

**1. Expiration Date.** This Employee Lease Arrangement shall commence as of the Transfer Completion Date and, unless sooner terminated in accordance with (a) Section C.4. of the Agreement or (b) the terms of this Exhibit D, shall continue in full force and effect until no further services are provided under Article II below.

**2. Services.**

2.1 Provision of the HIMs Employees. For a period of thirty (30) days from the Transfer Completion Date or such other period as the Parties may agree in writing, MHS shall provide to HHSC, and HHSC shall accept from MHS, the services of two (2) existing full time health information management personnel (“**HIMs Employees**”) that MHS deems necessary or desirable to assist HHSC with the closure of Patient Medical Records (*i.e.*, completing Patient Medical Records for charges outstanding as of the Closing Date).

2.2 Provision of the Revenue Cycle/Accounting Employees. For a period of no more than three (3) months from the Transfer Completion Date or such other period as the Parties may agree in writing, MHS shall provide to HHSC, and HHSC shall accept from MHS, the services of existing revenue cycle/accounting personnel (“**Finance Employees**”) that MHS deems necessary or desirable and on the basis (full or part time) as determined by MHS in its sole discretion to be deemed necessary or desirable to assist HHSC with the collections of the Accounts Receivable, closure of books and records, and other finance activities to wind up MRHS’ operations of the Hospitals (as detailed on Table 2.2 below). As of the Transfer Completion Date, the Parties anticipate that HHSC will need 17 FTEs for the periods set forth in Table 2.2 below:

**Table 2.2**

ROLE/ TITLE	MHS LIASION	DUTIES	FTE/ SALARY		ESTIMATED PERIOD NEEDED		HHSC FACILITY/ SUPERVISOR
					START	END	
PRE- AUDIT CLERK II	Joyce Tamori	Process and complete all Accounts Payable functions. Process invoices into AP, cut checks, liaison for vendors, etc.	1 FTE	\$24.70/hr (\$12,842 estimate)	7/1/17	9/29/17	MMMC Beth Oldenburg
ACCT II	Joyce Tamori	Reconcile the daily bank transactions for the checks and money received for legacy accounts receivables and the transferring of funds (MMMC and LCH). Books many of the month-end journal entries. Assist with FY17 Audit and Cost Report templates	1 FTE	\$30.03/hr (\$15,617 estimate)	7/1/17	9/29/17	MMMC Beth Oldenburg
ACCT II	Joyce Tamori	Reconcile the daily bank transactions for the checks and money received for legacy accounts receivables (Kula) and the transferring of funds. Books many of the month-end journal entries. Assist with FY17 Audit and Cost Report templates	1 FTE	39.56/hr (\$11,077 estimate)	8/7/17	9/22/17	Kula Beth Oldenburg

Fiscal Mgmt Officer	Joyce Tamori	Assist with YE close, FY17 Audit and cost report templates. <i>Continue CIP projects accounting.</i>	1 FTE	\$44.50/hr (\$23,139 estimate)	7/1/17	9/29/17	Kula Beth Oldenburg
ACCT III or IV	Joyce Tamori	Assist with YE close, FY17 Audit and cost report templates.	1 FTE	\$42.79/hr (\$6,846 estimate)	7/1/17	7/28/17	MMMC Beth Oldenburg
PRE-AUDIT CLERK II	Joyce Tamori	Process and complete all Accounts Payable functions. Process invoices into AP, cut checks, liaison for vendors, etc.	1 FTE Bi-weekly	\$24.70/hr (\$5,927 estimate)	7/1/17	9/29/17	MMMC Beth Oldenburg
PRE-AUDIT CLERK I	Joyce Tamori	Assist with final payrolls, vacation payout	5 FTEs	\$21.95/hr (\$43,905 estimate)	7/1/17	9/8/17	MMMC Beth Oldenburg
PRE-AUDIT CLERK III	Joyce Tamori	Supervise and assist with final payrolls, vacation payout	1 FTE	\$31.22/hr (\$12,489 estimate)	7/1/17	9/8/17	MMMC Beth Oldenburg
PRE-AUDIT CLERK I	Joyce Tamori	Assist with final payrolls, vacation payout	1 FTE	\$19.50/hr (\$7,800 estimate)	7/1/17	9/8/17	Kula/Lanai Beth Oldenburg
CLERK IV	Gina Wyffels	Assist with obtaining charge entry sheets from departments; entering charges into Soarian; clearing the charge error work list	1 FTE	\$19.50/hr (\$780 estimate)	7/1/17	7/7/17	MMMC Beth Oldenburg
CLERK IV	Gina Wyffels	Assist with obtaining charge entry sheets from departments; entering charges into Soarian; clearing the charge error work list	1 FTE	\$20.31/hr (\$812 estimate)	7/1/17	7/7/17	MMMC Beth Oldenburg
ACCOU NT CLK III	Joyce Tamori	Assist with obtaining charge entry sheets from departments; entering charges into Soarian; clearing the charge error work list	1 FTE	\$20.31/hr (\$812 estimate)	7/1/17	7/7/17	Kula Beth Oldenburg
ACCOU NT CLK III	Joyce Tamori	Assist with obtaining charge entry sheets from departments; entering charges into Soarian; clearing the charge error work list	1 FTE	\$27.75/hr (\$1,110 estimate)	7/1/17	7/7/17	Lanai Beth Oldenburg

(The HIMs Employees and Finance Employees may be referred to collectively as the “**Employees**”)

### 2.3 MHS’ General Undertakings.

- (a) During the Term, MHS shall maintain personnel records for each of the Employees and shall make such records available for inspection by HHSC and its representatives during regular business hours upon reasonable request; provided, however, that HHSC and its representatives shall have no right to review any portions of the personnel records that are not directly related to the Personnel Services provided by such Employees hereunder.
- (b) During the Term, MHS shall ensure that the Employees provided by MHS under this Agreement are in good standing with all applicable regulatory boards, and are not subject to discipline or other factors that would limit any Employee from providing services under this Employee Lease Arrangement.

## 2.4 Limitations.

- (a) MHS will provide the Personnel Services with existing MHS employees who have available capacity to provide the requested level of Personnel Services. Nothing contained in this Exhibit D shall be construed to require MHS to recruit, hire, fill any vacancies, or otherwise train personnel to provide any Personnel Services to HHSC.
- (b) Should any Employee wish to discontinue providing Personnel Services under this Employee Lease Arrangement, MHS will provide HHSC at least seventy-two (72) hours advance notice of such Employees' unavailability. MHS has no obligation to fill any vacancies caused by any Employee seeking to cease providing Personnel Services.

## 2.5 Employment Relationship.

- (a) Throughout the Term, MHS shall remain the employer of the employees, and MHS shall be solely responsible for all of the obligations of an employer with respect to the Employees. Notwithstanding the provisions of Section C.2 of the Agreement, MHS hereby appoints Joyce Tamori to act as its initial Personnel Coordinator ("**Personnel Coordinator**"), who will be directly responsible for scheduling Employees to provide services hereunder and who shall be consulted in advance and must approve any Employees working overtime or on weekends to provide services under this Employee Lease Arrangement.
- (b) Notwithstanding the provisions of Section 2.5(a), HHSC shall have the exclusive right to supervise, manage, control and direct the Employees in all respects related to the services performed by the Employees for, or for the benefit of, HHSC, including, without limitation, the result to be accomplished by such services and the details and means by which that result is accomplished. Beth Oldenburg (the "**HHSC Personnel Supervisor**") or such other person specified in Table 2.2 above shall supervise the Finance Employees.
- (c) Subject to Section B.3(b) of the Agreement, the Employees shall become familiar with, comply with and be bound by all of the work rules, procedures, practices and other instructions of HHSC (the "**HHSC Work Rules**"). HHSC shall train Employees with respect to any applicable HHSC Work Rules and shall be solely responsible for monitoring Employees' compliance with such HHSC Work Rules. HHSC shall have the exclusive right to request the removal of any Employee under subsection (e) of this Section for any violation of the HHSC Work Rules.
- (d) MHS shall employ, pay wages and provide benefits to all Employees and shall timely withhold and timely remit to all appropriate governmental agencies all federal, state and local payroll and employment taxes with respect to all such Employees.

- (e) HHSC may request the removal of any Employee from its operations or premises at any time for any reason, or for no reason, and MHS shall cause the removal of the designated Employee immediately upon receipt of any such request by HHSC. Following removal of the designated Employee, the designated Employee shall not be returned to HHSC or its operations at any time by MHS. MHS has no obligation to fill any vacancy caused by HHSC's request to remove any Employee from providing Personnel Services under this Employee Lease Arrangement.
- (f) MHS will notify HHSC promptly of any notice by it of any resignations, separations, or other circumstances that arise which prevent an Employee from being available to provide services under this Employee Lease Arrangement to HHSC.

## 2.6 HHSC's Obligations.

- (a) HHSC shall provide adequate space, supplies and equipment for the Finance Employees to provide services under this Exhibit D.
- (b) HHSC shall provide sufficient insurance (or self-insurance) to cover the Finance Employees providing services in HHSC facilities, including, without limitation, (i) workers' compensation coverage meeting the statutory requirements of the State of Hawaii, and including employers' liability coverage with minimum limits of One Million Dollars (\$1,000,000) each for bodily injury by accident (each accident), for bodily injury by disease (each employee), and for bodily injury by disease (policy limit), or as otherwise required by applicable federal and State of Hawaii laws; and (ii) commercial general liability insurance with minimum limits of One Million Dollars (\$1,000,000) each occurrence and Two Million Dollars (\$2,000,000) general aggregate coverage, covering bodily injury and death.
- (c) As between the Parties, HHSC is solely responsible for the conduct of all Employees performing services under this Employee Lease Arrangement, including, without limitation, (i) such Employees' compliance with any applicable Legal Requirements, payor requirements, contractual obligations, and HHSC Work Rules, and (ii) any negligent act or omissions of such Employees in providing services under this Employee Lease Arrangement.

## **3. Compensation, Invoicing and Offset**

3.1 Compensation for HIMs Employees. HHSC shall pay MHS the agreed amount of Seven Thousand Three Hundred Fifty Eight Dollars (\$7,358.00) for the services of the two (2) full time HIMs Employees provided by MHS for thirty (30) days under this Employee Lease Arrangement, prorated for any partial month.

3.2 Compensation for Finance Employees. In connection with the performance of services

of the Finance Employees provided by MHS under this Employee Lease Arrangement HHSC shall pay MHS based on the hourly rate per full time equivalent employee (FTE) by job function and salary reflected in Table 2.2 above, which shall be determined based on MHS time records (and which does not include any overtime or weekend pay). If the Personnel Coordinator and the HHSC Personnel Supervisor both approve overtime in accordance with Section 2.5(a) above, overtime shall be paid based on the applicable employee's pay rate as shown in Table 2.2 plus such additional compensation as determined by the overtime rules established by MHS.

- 3.3 Invoicing and Payment Procedure. Following the completion of each calendar month (or such other accounting period as the Parties hereto may otherwise agree), MHS shall provide HHSC with a detailed invoice setting forth each full time equivalent employee provided, for the previous month together with proof of payments made on behalf of the Employees pursuant to Section 2.5(d) of this Employee Lease Arrangement. The invoice shall be paid within ten (10) business days of HHSC's receipt of the invoice.