

## SERVICE AGREEMENT

This Service Agreement ("Agreement") is entered into this \_\_\_\_\_ by and between \_\_\_\_\_ ("Employer") and NH Hicks with respect to \_\_\_\_\_ ("Plan"). For all purposes of the Agreement, the Employer is the "Plan Sponsor", and the Plan Sponsor is deemed to be the "Plan Administrator" unless specified otherwise.

1. NH HICKS Administrative Functions. NH Hicks agrees to perform the following administrative functions for the Employer for fees to be paid:
  - 1.1 Preparation of IRS pre-approved Plan & Trust Documents (including Summary Plan Description) for defined contribution and/or defined benefit plans and for approval by the Employer and review by Employer's legal counsel. NH Hicks will also prepare restatement of the Employer's document when required;
  - 1.2 Verification of the rules for determining eligibility for participation in or benefits under the Plan;
  - 1.3 Performance of the required testing and presentation of correction methods so that Employer can take action to maintain the Plan's annual compliance;
  - 1.4 Calculation of Plan benefits and/or contribution allocations for the review and approval of the Employer;
  - 1.5 Preparation of participants' annual benefit and/or account statements and the Summary Annual Report;
  - 1.6 Annual reconciliation of distributions;
  - 1.7 Preparation of information required to be communicated to employee/participants by Employer;
  - 1.8 Preparation of reports required by Federal and State governmental agencies for review, execution and filing by the Employer, including Form 5500 and 1099R when applicable;
  - 1.9 Correspondence work with the IRS, DOL or other governmental agencies regarding plan audits or inquiries. Any time spent over two hours will be charged at current hourly rate of \$200.00.
  - 1.10 Upon Employer request, NH Hicks will prepare documents needed to terminate Plan
2. Employer's Responsibilities. It is understood that NH Hicks will assist the Employer in sustaining compliance, but is not responsible for the compliance of the Plan. The Employer understands that they have a duty to perform functions necessary for the Plan such as the following:
  - 2.1 Timely submission of information requested by NH Hicks. NH Hicks will generally state the deadline for returning information in written form. If NH Hicks does not receive all requested information within 8 months after the Plan year end, Employer recognizes that NH Hicks may not have sufficient time to prepare the Annual Return/Report forms (i.e. Form 5500). NH Hicks cannot be responsible for any late filings, penalties, fines, or taxes that result from Employer failure to provide NH Hicks with complete information on a timely basis.
  - 2.2 Timely depositing funds as needed. As regulations on deadlines may change, NH Hicks will assist Employer in determining any current deadlines upon request. Some of the deadlines under current regulation include:
    - Deductibility by the due date of Employers corporate return including extensions;
    - Minimum funding standards for pension plans within 8 ½ months of the end of the Plan year; and
    - 401(k) salary deferrals and loan repayments should be made as soon as possible, but depending on the number of participants, generally within 7 days after the relevant payroll date.
  - 2.3 Meeting IRS filing deadlines. This includes the Employer being responsible for following NH Hicks' instructions to review, sign and file reports required by Federal and State governmental agencies including Form 5500 and 1099-R. Please note that some forms must be filed electronically.
  - 2.4 Ensuring NH HICKS is provided with copies of all necessary investment statements.
  - 2.5 Maintaining an ERISA/Fidelity bond as needed. NH Hicks will assist Employer in determining the required bond face amount upon request.
  - 2.6 Ensuring participants receive all required notices, elections, and reports provided to Employer by NH Hicks, including enrollment forms prior to meeting entry date, Summary Plan Description (SPD) within 90 days of plan entry, and any required Blackout Participant Notice (typically provided by Financial Institution and not

NH Hicks). NH Hicks does not communicate directly with participants except when specifically authorized by Employer to do so. NH Hicks is not authorized to, and will not, independently initiate communications with participants. NH Hicks is not responsible for advising participants regarding their Plan options, any rights they have under the Plan, or any issues in relation to the Plan and its operations of which they should be aware.

- 2.7 Notifying NH Hicks in writing of any participant terminations, loans or hardship requests. Employer is responsible to obtain participants' and, if required, spouses' signatures on all benefit distribution and loan forms. While NH Hicks will assist Employer in preparing loan documentation and amortization schedules for participant loans, Employer is responsible for setting up procedures relating to making loans to participants from the Plan, including uploading the loan repayment schedule on Employer's payroll system, and obtaining timely repayment of the loan. While NH Hicks will assist Employer in preparing distribution documentation for hardship withdrawals, Employer is responsible for establishing procedures relating to approving and disbursing hardship distributions, including the evaluation of the participant's hardship to determine if it qualifies for a distribution, maintaining the documentation needed from the participant to support the claim that a hardship has occurred, ensuring any cessation of deferrals upon receipt of the hardship distribution, as well as notifying the participant when deferrals may resume.
  - 2.8 Retention of a certified public accountant to audit the Plan if required. In that event, NH Hicks must await the completion of the audit before preparation of the Form 5500 can be finalized.
  - 2.9 As a fiduciary, Employer is responsible for monitoring the performance of any party providing services to the Plan. Employer must review the reports or other items that NH Hicks prepares for Employer on a regular basis, and notify NH Hicks immediately of any errors or inconsistencies that Employer identifies on any report, form, or other communication from NH HICKS. Employer is also responsible for ensuring that the fees paid with Plan assets for services are reasonable. Therefore, Employer is responsible for reviewing this Agreement and the contracts into which Employer enters on behalf of the Plan to ensure that Employer understands what is being paid to all of Employer's service providers and that the amount being paid is reasonable. If NH Hicks were to recommend other service providers or financial institutions for the Plan, NH Hicks is not endorsing the performance or amount of any compensation paid to those providers or institutions, and should not be considered to be a substitute for Employer's own judgment as a plan fiduciary.
  - 2.10 Maintenance of signed and dated copies of all plan documents at all times. These documents must be made available for inspection by participants and beneficiaries at Employer's principal office. In addition, Employer must furnish copies of these documents in writing if a participant so requests. Although NH Hicks keeps copies of documents, these copies are for NH Hicks' files.
  - 2.11 Maintenance of information related to the preparation of the Forms 5500 and 1099-R, generally for at least six years after the forms are due. In addition, the DOL requires Employer to retain sufficient information to determine the benefits of the participants and beneficiaries. Although NH Hicks keeps copies of work performed, these copies are for NH Hicks' files. Therefore, Employer must retain copies of the work performed and the information sent by NH Hicks. Failure to do so can result in a civil penalty payable to the DOL.
3. NH Hicks and Employer Acknowledgements and Representations. It is understood and acknowledged by and between NH Hicks and Employer that:
- 3.1 Neither this nor any other agreement shall relieve Employer or any other designated fiduciaries or other responsible persons providing services to the Plan of any responsibilities or liabilities imposed by the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code of 1986, as amended from time to time
  - 3.2 NH Hicks is not a fiduciary and shall not at any time under this Agreement or otherwise act in any capacity that is or may be construed as that of a fiduciary, or investment counselor to the Employer's Retirement Plan or Trust, or handle Plan assets in any manner. NH Hicks does not provide legal services or advice and makes no representations or warranties that its services have been reviewed or approved by legal counsel. NH HICKS does not provide tax advice. NH Hicks is not responsible for ensuring that Employer is in compliance with the requirements under ERISA Sections 404(c) or Labor Regulations Section 2550.404a-5. If the feature is in the Plan, NH Hicks is also not responsible for ensuring that the Employer's participants have been automatically enrolled, including necessary adjustments or for any qualified default investment alternative (QDIA) requirements.
  - 3.3 NH Hicks will annually request information from Employer, including employee census, investment statements, and updated employer information. Employer understands that NH Hicks will rely upon the information provided by the Employer for accuracy and shall not have any duty to question any action or direction of the Employer or, at Employer's direction, Employer's other advisors, and will have no responsibility to independently verify the accuracy of that information, including the value of trust investments and earnings. NH Hicks assumes no responsibility to acquire information other than to request

it from Employer, and will not be liable for any errors or omissions made as a result of incomplete or incorrect information that Employer furnishes to NH Hicks. Employer understands that NH Hicks will act in all matters only upon the express written direction of the Employer and will at no time exercise any discretion or independent authority with respect to the information received or the performance of the administrative services described in this Agreement, no such independent authority or discretionary rights having been granted to NH Hicks by the Employer under this or any other agreement.

- 3.4 If the Plan offers to participants the option of self-directed brokerage accounts, NH Hicks is not responsible for monitoring the access to any such accounts, the Plan assets invested in such accounts, or the risks of violating ERISA that may arise, including but not limited to.
- Verifying that the self-directed brokerage account option has been made available in a manner that is nondiscriminatory;
  - Monitoring such accounts for, or identifying prohibited transactions that may occur through the use of such accounts;
  - Advising you regarding additional bonding requirements that may result from investments in anything other than “qualifying assets”; and
  - Identifying and preparing tax forms in relation to Unrelated Business Taxable Income that may result from certain investments in such accounts.
- 3.5 Employer recognizes that if NH Hicks has taken over or is taking over as service provider of Employer’s Plan as of the date of this Agreement, that NH Hicks is not responsible, nor will Employer hold NH HICKS responsible, for any prior administration of Employer’s Plan or any other plans Employer may have maintained at any time before, during, or after NH Hicks’s representation of Employer. Employer further recognizes that NH Hicks can only endeavor to provide administration services based on the information provided and cannot guarantee or advise on the current or future qualification status of this or any prior plans maintained by the Employer. Further, if Employer maintains other qualified plans not being administered by NH Hicks, Employer recognizes that NH Hicks cannot be held responsible for any combined limitations or top heavy requirements that may affect the qualified plan status of the Plan or Plans being administered by NH Hicks.
- 3.6 Employer is responsible for informing NH Hicks in writing of other plans and any other entities which are in a controlled or affiliated service group with Employer, entities which may be subsequently acquired, of any leased or shared employees, and of any change in the entity type of the Employer. NH Hicks is not responsible for any penalties, plan disqualification or any other liability due to the failure of the Employer’s fiduciaries to submit said information on a timely basis or due to acts or omissions to act by said fiduciaries.
- 3.7 Neither NH Hicks, nor any of its officers, employees or agents is liable for.
- any inability to perform services or any costs or losses due to loss or corruption of data or other technology as the result of any causes outside NH Hicks’ reasonable control or force majeure;
  - any direct or indirect losses or damages of any kind arising out of or in connection with this Agreement (whether general, special, consequential, incidental, exemplary or otherwise, regardless of the form of action and regardless if an authorized representative of NH Hicks has been advised or should have known of the possibility of such damages).
- If any part of this limitation of liability is found to be invalid, inapplicable or unenforceable for any reason, then the aggregate liability of NH Hicks in such circumstances for liabilities that otherwise would have been limited shall not exceed the amount of fees that Employer paid NH Hicks for the plan year in which the damages occurred
- 3.8 Employer agrees to indemnify, defend and hold NH Hicks and each of its officers, employees, and agents harmless from and against all taxes, claims, losses, damages (including punitive), liabilities, attorney fees, costs (including court or outside CPA audit) and any other expenses of any kind whatsoever which may be incurred by or imposed upon Employer or NH Hicks, any participant under any of the Employer’s Plans or upon any third party acting in any capacity in connection with the Employer’s Plans.

#### 4. Fees and Terms of Payment

- 4.1 The fee schedule is currently available at [www.nhhicks.com](http://www.nhhicks.com) or upon request. Employer also signed NH Hicks’ Authorization Form which provides an estimate of the fees that will be incurred in the first plan year, based on the fee schedule and facts known about the Employer’s plan. In addition, prior to each annual administration, NH Hicks will submit an invoice per the current fee schedule showing the amount of fees for the period. Once the annual administration is complete, NH Hicks will submit a final invoice (including any miscellaneous fees such as trust accounting or rush fees) if additional payment is due.

- 4.2 Plan termination fees, which are in addition to annual administration charges, will be quoted on an individual basis.
- 4.3 NH Hicks' fees are the joint obligation of the Employer and the Plan (to the extent permitted by ERISA).

5. Terms of this Agreement

- 5.1 Either NH Hicks or Employer shall have the right to terminate this Agreement at any time, without cause or notice; otherwise this Agreement shall be in effect until terminated with written notice. The termination is effective upon receipt of notice.
- 5.2 NH Hicks may modify the terms of this Agreement upon thirty (30) days' prior notice to Employer. These modifications may not require a signature from Employer. Employer shall be bound by any such modification unless Employer terminates this Agreement in accordance with its terms.
- 5.3 The rights and obligations of the Employer under this agreement shall insure to the benefit of, and shall be binding upon, the successors and assigns of the Employer.
- 5.4 This Agreement is entered into, or to be performed, in Chico, California, and shall be interpreted, construed, and enforced in accordance with California law.

The parties have duly executed this Service Agreement as of the date first written above.

EMPLOYER:

\_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

PLAN:

\_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

NH HICKS:

NH Hicks



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Tom K. Hicks, President