



**THE HOWARD E. NYHART COMPANY, INC. ("NYHART")  
SERVICE AGREEMENT ("AGREEMENT")**

**Agreement Between Nyhart, and:**

<b>Client Name:</b>	William S. Hart Union High School District
<b>Primary Contact Name:</b>	Ms. Erin Lillibridge
<b>Primary Contact Address:</b>	21380 Centre Pointe Parkway Santa Clarita, CA 91350
<b>Primary Contact Phone:</b>	661-259-0033 x254
<b>Primary Contact Email:</b>	elillibridge@hartdistrict.org

**Services to be provided by Nyhart**

All services to be provided by Nyhart are subject to your full cooperation and prompt submission of complete and accurate information. Nyhart will rely on any and all information that you provide pursuant to this agreement and on file at our office as to accuracy and completeness. Nyhart will have no responsibility to verify such information and no liability for errors or omissions as a result of relying on such information. Nyhart is not a law firm or a public accounting firm and does not provide legal or tax advice.

Nyhart will provide the following actuarial services:

- Data collection and analysis for full actuarial valuation
- Actuarial valuation and preparation of a funding report using a valuation date July 1, 2017
- GASB 74 disclosure information for the fiscal year ending June 30, 2017, if required by auditors
- GASB 75 accounting & disclosure report for the fiscal year ending June 30, 2018 to reflect discount rate change and assets at June 30, 2018

**Fees for services provided by Nyhart**

The fees listed below are subject to annual adjustments.

<b><u>Service</u></b>	<b><u>Fee</u></b>
Full Actuarial Valuation @6/30/2017*	\$6,950
GASB 74 Disclosure Information Section FYE2017, if required*	\$ 750
Interim GASB 75 Accounting & Disclosure Report FYE2018**	\$2,250

\* Will incorporate updated census, premiums and assets as of the Valuation Date (6/30/2017)

\*\* Based on roll-forward of liabilities from full valuation report with discount rate and asset adjustment only.

Other services are available on an out of scope basis.

**Additional services available if requested by Client**

In addition to GASB 74 & 75 services, Nyhart offers the following additional services. Fee estimates will be provided upon request. Please visit [www.nyhart.com](http://www.nyhart.com) or contact your Nyhart consultant for more information.

- Defined Benefit & Pension consulting and administration
- Defined Contribution, 401(k) & 403(b)
- CalPERS Pension Related (e.g. GASB 68 Support, Section 115 Supplemental Funding Trusts)
- Health Care Reform financial impact consulting
- Calculation of self-funded and COBRA premium rates
- Incurred But Not Reported (IBNR) Reserve calculations
- Medicare Part D Attestation
- Flex Accounts – FSA, HRA, & HSA consulting and administration

**Relationship of the Parties**

The legal relationship between Client and Nyhart shall be exclusively that of principal and agent. The parties hereto specifically agree and acknowledge that Nyhart shall not:

- Have discretionary authority over any aspect of the Plan;
- Be a fiduciary;
- Be responsible for ensuring that the Plan complies with any requirement to which the Plan is subject, or be liable to the Plan, Client, or any person if the Plan fails to comply with any such requirement;
- Have any duty or authority to enforce the payment of any contribution owed under the Plan;
- Be responsible for the adequacy of the trust established as part of the Plan, or be liable for any benefits owed under the Plan;
- Exercise discretion as to any Plan function; or
- Have any obligation to perform any service not specified in this Agreement or otherwise agreed to in writing by the parties (regardless of whether such service may be considered “customary” services to be provided by Nyhart).

Client agrees that Nyhart shall use all information and data supplied by or on behalf of the Client without having independently verified the accuracy or completeness of it except to the extent required by generally accepted professional standards and practices. If any documentation or information supplied to Nyhart at any time is incomplete, inaccurate or not up-to-date, or its provision is unreasonably delayed, Nyhart will not be responsible for any delays or liability arising therefrom, and will be entitled to charge the Client in respect of any resulting additional work actually carried out.

The Client further understands that the failure to provide, or cause to provide, complete, accurate, up-to-date, and timely documentation and information to Nyhart, whether intentional or by error, could result in an impairment of Nyhart’s services. Material changes required after draft report delivered may result in additional fees.

**Client Responsibilities and Representations**

The Client has general responsibilities with respect to the Plan, including

- Providing all information required by Nyhart to perform its services under this Agreement on a timely basis;
- Serving as fiduciary for the Plan;
- Communicating Plan details to employees and answering employee questions;
- Ensuring adequate funding of the Plan; and
- Authorizing plan disbursements and ensuring accuracy of information provided.

### **Dispute Resolution**

Nyhart and Client agree that before commencing any action or proceeding with respect to any dispute between the parties arising out of or relating to this Agreement or the Services they first shall attempt to settle such dispute through consultation and negotiation in good faith and in a spirit of mutual cooperation. Any such dispute will be submitted in writing to a panel of one (1) senior executive or official of each of Nyhart and Client, who will promptly meet and confer in an effort to resolve such dispute. Each party's representative will be identified by notice to the other, and may be changed at any time thereafter by notice to the other. Any mutually agreed decisions of the executives will be final and binding on the parties. In the event the executives are unable to resolve any dispute within thirty (30) days after submission to them, either party may then refer such dispute to mediation by a mutually acceptable mediator to be chosen by Nyhart and Client within forty-five (45) days after written notice by either party demanding mediation. Neither party may unreasonably withhold consent to the selection of a mediator. All communications and discussions in furtherance of this paragraph shall be treated as confidential settlement negotiations, which are not subject to discovery. The costs of the mediator shall be shared equally, but each party shall pay its own attorneys' fees.

Any dispute which cannot be resolved between the parties through negotiation, mediation or other form of alternative dispute resolution within six months of the date of the initial demand for mediation by one of the parties may then be submitted to a court of competent jurisdiction. To facilitate an expeditious and economical judicial resolution of such dispute, Nyhart and Client agree to waive and not to demand a trial by jury, and not to include any employee, officer, director or trustee of either as a party, in any action, proceeding or counterclaim relating to such dispute. Nothing in this section will prevent either party from resorting to judicial proceedings if interim relief from a court is necessary to prevent serious and irreparable injury to that party or to others. Any claim, action or proceeding against Nyhart will be barred unless Client initiates the dispute resolution procedures outlined below within one year of first discovering the act, error or omission that is the basis for such claim.

### **Indemnification and Limitation of Liability**

The liability of Nyhart, in tort, contract or otherwise, to Client, a Plan and the officers, directors, trustees, employees or shareholders of any of them, and to any other third party, for all claims arising in connection with or contribution to by this Agreement and the Services (including without limitation multiple claims arising out of or based upon the same act, error or omission, or series of continuous, interrelated or repeated acts, errors or omissions) shall not include loss of profit or incidental, consequential, indirect, punitive or similar damages and shall be further limited to the amount of fees for Services received by Nyhart under this Agreement for the twelve (12) months immediately preceding the act, error or omission upon which such liability is based. Nothing in this paragraph shall apply to any liability which has been finally determined to have arisen from willful misconduct or fraud on the part of Nyhart or which cannot lawfully be limited, modified or excluded.

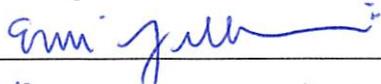
Client shall indemnify Nyhart from and against any and all claim, loss, liability or damage (including attorney's fees) which Nyhart may incur by reason of its good faith service delivery to Client.

Nyhart shall indemnify the Client from and against any and all claim, loss, liability or damage (including attorney's fees) which the Client may incur: (i) arising out of any material breach by Nyhart of any of its material obligations, representations or warranties contained in this Agreement; or (ii) arising out of Nyhart's negligence, gross negligence or willful, fraudulent, or criminal misconduct associated with its performance of services under this Agreement. The parties further recognize that clerical errors and variations may occur. When discovered, they will be corrected or adjusted by Nyhart, in accordance with its normal procedures, to the extent reasonable and possible.

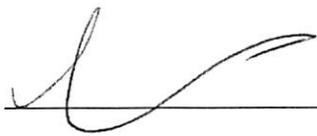
**Acceptance**

The items and conditions of this Agreement are agreed to and accepted by Client on behalf of the Plan. This Agreement is effective only when signed by all parties.

**William S. Hart Union High School District**

By:   
Printed Name: ERIN LILLIBRIDGE, CFO  
Date: 5/17/17

**Nyhart**

By:   
Printed Name: Marilyn Jones, Principal & Actuary  
Date: May 17, 2017