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March 31, 2026

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Charlie-Struble Mook
Mayor
City of Deadwood
102 Sherman Street
Deadwood, SD 57732

Re: City of Deadwood
GPNA File No. 07857.0003

Dear Mayor:

This letter is to confirm our understanding of the representation Gunderson, Palmer, Nelson & Ashmore, LLP, have undertaken on your behalf, its scope, and the terms of our engagement. Experience has shown that a letter such as this is useful both to the client and to the firm to express our respective expectations and undertakings.

We ask that you carefully review this letter as it provides guidance on what procedures will be followed. If it meets with your approval and understanding of our respective responsibilities, please sign the letter and return it to us. The City is encouraged to review this contract with outside counsel.

1. Scope of Engagement:

We understand the scope of our engagement is to be limited to representing the City of Deadwood by providing legal services to the city council, city mayor, other city officials and, when acting within the scope of their employment, city employees. On behalf of the firm, Quentin L. Riggins will serve as City Attorney. Matthew E. Naasz, will serve as Deputy City Attorney to serve and assist in emergency situations or other situations where Attorney Riggins is unavailable or requires assistance. In addition, other attorneys at the firm who may have specialized knowledge or experience may also be used on an as needed basis.

2. Assumption of Files

- a. We will meet with the current City Attorney to review any currently active file and assume responsibility of the file. Substitution of counsel will have to be filed in any pending matters. Regarding general matters that are not litigation

Offices in Rapid City and Pierre, South Dakota

Attorneys licensed to practice in South Dakota, North Dakota, Nebraska, and Wyoming

matters, we will meet with the City's current legal counsel and City Finance Officer as needed.

- b. We understand that you will:
- provide us with such factual information and documents as we require to perform the services;
 - make decisions and determinations as are appropriate to facilitate the rendering of our services;
 - be available to assist us in the progress of our representation; and
 - remit payment of our invoices in accordance with the terms set forth below.

3. **Progress:**

As with any professional relationship, close cooperation and frequent communications between us will improve our ability to be of assistance and to complete our task. To that end, we will want to discuss regularly the matters facing the City. In addition, it is our practice to forward to our clients copies of significant correspondence, filings, etc. so you may keep track of any City matters under our advisement progress. If you have any questions or concerns as we go along, please bring them up promptly so that they may be addressed right away.

The firm recognizes the instantaneous nature of communication, including email, fax, and voice mail correspondence. Please understand that an instantaneous response is not always possible to an instantaneous request. However, the attorney(s) will try to respond to City requests via these modes of communication with the same sort of timeliness of response he or she would give to more "traditional" methods of communication. The same fee structure will apply to these instant messages as would apply to regular postal correspondence.

No guarantee can be made regarding the security of email and fax correspondence. Please let this caution reflect in your use of those methods. .

4. **Office Hours**

Gunderson Palmer Nelson & Ashmore, LLP will arrange regular office days for the attorneys to be in Deadwood and available to discuss city business. Attorneys will be available at least two full days during each calendar month at a designated date and time. Gunderson Palmer Nelson & Ashmore LLP will discuss increasing the number of office days in Deadwood if the City requests additional prescheduled office days. Attorneys will attend meetings as requested by the City.

The City of Deadwood agrees to make office space available for Gunderson Palmer Nelson & Ashmore, LLP to use in its capacity as City Attorney.

5. **Policies and Procedures on Fees and Costs:**

The Rules of Professional Conduct governing the legal profession require that a lawyer's fee be reasonable and they set forth the following factors to be included in considering the reasonableness of a fee:

- a. time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly;
- b. the likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the lawyer;
- c. the fee customarily charged in the locality for similar legal services;
- d. the amount involved and the results obtained;
- e. the time limitations imposed by the client or by the circumstances;
- f. the nature and length of the professional relationship with the client;
- g. the experience, reputation, and ability of the lawyer or lawyers performing the services; and
- h. whether the fee is fixed or contingent.

Having those considerations in mind, the following sets forth our agreement with respect to fees and expenses in this matter, the payment of disbursement items, the timing and content of billing statements, and the expected payment period. You understand that these fees are not set by law, but are an enforceable negotiated agreement between the City and Gunderson, Palmer, Nelson & Ashmore, LLP.

A. Fee Basis

We will undertake this representation on the following basis. For work performed by attorneys, an hourly rate of \$150.00 will be charged plus our expenses and disbursements on your behalf, as described below. This rate shall be subject to a rate review on July 1 of each calendar year. Also, an hourly rate of \$85.00 will be charged for paralegal work. We will charge for travel time to attend meetings and for mileage for travel at the federal rate at the time of travel. The firm will not charge for such things as secretarial services, stationery, supplies, and equipment, except as listed in section "B" below. Rather, the firm will restrict any cost charges to out-of-pocket expenditures.

B. Costs and Expenses

During the course of this engagement it will likely become necessary for us to advance funds on your behalf for costs and other disbursements for outside services. It is generally easier for us to do this on minor items rather than ask you to pay a succession of small invoices. Since we will be billing you on a monthly basis and you will be remitting payment within 30 days, we expect to make advances for such invoices that do not exceed \$50. Larger items may be forwarded to the City with the request that the City pay them directly. Those advances, plus the firm's charges for long-distance telephone calls,

photocopying, on-line database retrieval charges (i.e., Lexis, Westlaw) etc., will be included in our monthly invoices and details on those matters will be available on request.

C. Payment of Invoices

Gunderson, Palmer, Nelson & Ashmore, LLP, invoices are due upon receipt by the City, and are considered past due 30 days after the date they bear. Late charges may be added at the rate of 1.25% per month on an invoice where the firm has not received payment by the 31st day after the date it bears. The firm reserves the right to decline to perform further services and withdraw from representation if any account is 60 days or more past due. The City agrees that the firm may terminate its legal services and withdraw from this engagement subject to our ethical and professional obligations. The City will continue to be responsible to pay any outstanding accounts with the firm. Undisputed amounts may be deducted from any litigation or settlement proceeds belonging to you that come into Gunderson, Palmer, Nelson & Ashmore, LLP's possession.

D. Duration of Contract

This Agreement shall be terminable by either party. If the firm desires to terminate the Agreement, the firm must give the City 45 day written notice and any termination will be subject to the firm's ethical and professional obligations. The City shall be entitled to terminate this contract immediately upon resolution of the City Council.

We look forward to representing the City of Deadwood and thank you for looking to us to assist you. If at any time you have questions concerning our representation or this contract, please let me know promptly.

Sincerely,



Quentin L. Riggins

QLR/ps

Charlie Struble-Mook

Dated: _____, 2026.