This MASTER AGREEMENT FOR PROFESSIONAL SERVICES ("Agreement") entered into as of 07/08/2022 ("Effective Date") is between Gallagher Benefit Services, Inc., a subsidiary of Arthur J. Gallagher & Co., a Delaware corporation ("Gallagher") and City of Rapid City ("Client").

Gallagher and Client desire to arrange for the provision of services by Gallagher to the Client as set forth herein. In consideration of the promises and mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

**ENGAGEMENT OF SERVICES.** From time to time, Gallagher and Client may enter into project assignment(s) for the provision of services provided by Gallagher (each a, "Project Assignment" attached hereto as a sample). The exact nature and scope of the services shall be agreed, and the scope of services shall be detailed in a Project Assignment, and shall be governed by the terms and conditions of this Agreement.

**SCOPE OF PROJECT ASSIGNMENTS.** Gallagher will provide any services, functions, or responsibilities related to the services set forth in the Project Assignment that are: (a) reasonably required for the proper performance and delivery of such services, functions, or responsibilities in accordance with this Agreement, or (b) an inherent part of, or a necessary subpart included within such services, functions or responsibilities.

**STANDARD FOR PERFORMANCE.** Subject to the terms of this Agreement, Gallagher will use its best efforts to render the services and complete the Project Assignment by the applicable completion dates.

**COMPENSATION.** Client will pay Gallagher a fee for services rendered under this Agreement as set forth in the Project Assignment(s) undertaken by Gallagher. Client shall be responsible for all expenses incurred by Gallagher in the performance of its services under this Agreement. Upon termination of this Agreement for any reason, Gallagher will be paid fees specified on the Project Assignment for work which is then in progress on a proportional basis, and expenses incurred through the effective date of such termination. Unless other terms are set forth in the Project Assignment(s) for projects which are in progress, Client will pay Gallagher for services and will reimburse Gallagher for previously approved expenses within forty-five (45) days of the date of Gallagher’s invoice. Any amounts not paid when due will accrue interest at the rate of one percent (1%) per month or the highest rate permitted by applicable law, whichever is less. If any amount is not paid in full when due without a good faith basis to withhold, that nonpayment will constitute a material breach of this Agreement.

**INDEPENDENT CONTRACTOR RELATIONSHIP.** Gallagher’s relationship with Client will be that of an independent contractor and nothing in this Agreement should be construed to create a partnership, joint venture, agent-principal, or employer-employee relationship. In the performance of its duties, Gallagher may rely upon, and will have no obligation to independently verify the accuracy, completeness, or authenticity of, any written instructions or information provided to Gallagher by the Client or its designated representatives and reasonably believed by Gallagher to be genuine and authorized by the Client. Furthermore, Gallagher’s engagement under this Agreement will not prevent it from taking similar engagements with other clients who may be competitors of the Client. Gallagher will, nevertheless, exercise care and diligence to prevent any actions or conditions which could result in a conflict with Client's best interest.

**CONFIDENTIAL & NON-IDENTIFYING INFORMATION.**

6.1 Confidential Information. As used in this Agreement, “Confidential Information” means any non-public, proprietary or personal data and information furnished by either party or its agents or representatives to the other party or its agents and representatives, whenever furnished and regardless of the manner or media in which such information is furnished, which the receiving party knows or reasonably should know to be confidential. Each party shall treat Confidential Information as confidential and only use it in the performance of its obligations under this Agreement.
The parties acknowledge that Confidential Information includes personal data provided to Gallagher by Client for the benefit of Client and/or its employees to facilitate the performance of services set forth in this Agreement or applicable Project Assignment. Both Parties also agree that the Confidential Information may include information that alone, or in combination with other information, uniquely identifies an individual. Client agrees that Gallagher is permitted to disclose and transfer Client’s Confidential Information to Gallagher’s affiliates, agents or vendors that have a need to know the Confidential Information in connection with the services provided under this Agreement (including insurance carriers, as necessary, for quoting and/or placing insurance coverages). Gallagher has established security controls to protect Client Confidential Information from unauthorized use or disclosure. For additional information, please review Gallagher’s Privacy Policy located at https://www.ajg.com/privacy-policy/.

Both Gallagher and Client agree to comply with all state and federal laws, rules, and orders that relate to privacy and data protection and open records which are, or which in the future may be, applicable to Confidential Information, the services or the performance of obligations under this Agreement. Upon request, Gallagher will cooperate with Client pursuant to applicable law(s) to comply with requests from individuals regarding their personal information.

6.2 Non-Identifying Information. Notwithstanding Section 6.1 above, Gallagher may collect, use, transfer, and disclose information in a form that does not specifically identify Client ("Non-Identifying Information") for any purpose. Non-Identifying Information can include certain organizational and personal information that has been de-identified; that is, information that has been rendered anonymous. Gallagher may obtain Non-Identifying Information about Client from information provided to Gallagher by Client. Furthermore, Gallagher may combine and aggregate Client Non-Identifying Information with information collected from other sources for internal and external research purposes. Gallagher certifies that it shall comply with applicable laws, with respect to privacy and data security relative to Non-Identifying Information.

REPRESENTATIONS AND WARRANTIES.

- **Gallagher Representations and Warranties.** Gallagher represents and warrants that its services shall be performed by personnel possessing competency consistent with applicable industry standards.

- **Client Representations and Warranties.** Client hereby represents and warrants that: (a) materials provided to Gallagher for use in connection with the services provided hereunder will not infringe the intellectual property rights of any third party; and (b) Client has full right and power to enter into and perform this Agreement without the consent of any third party.

- **No Other Representations and Warranties.**

EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, NO OTHER REPRESENTATION, EXPRESS OR IMPLIED, AND NO WARRANTY OR GUARANTEES ARE INCLUDED OR INTENDED BY GALLAGHER IN THIS AGREEMENT, OR IN ANY REPORT, OPINION, DELIVERABLE, WORK PRODUCT, DOCUMENT OR OTHERWISE. THIS SECTION SETS FORTH THE ONLY WARRANTIES PROVIDED BY GALLAGHER CONCERNING THE MATTERS COVERED BY THIS AGREEMENT. THIS WARRANTY IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY.

LIMITED LIABILITY. Gallagher’s liability to the Client and any other party for any losses, injury or damages to persons or properties or work performed arising out of in connection with this Agreement and for any other claim, whether the claim arises in contract, tort, statute or otherwise, shall be limited to $1,000,000 in the aggregate.
NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, GALLAGHER SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, LOST PROFITS, OR PUNITIVE DAMAGES SUSTAINED OR INCURRED IN CONNECTION WITH THIS AGREEMENT, AND WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE.

Gallagher shall be given the opportunity, upon receipt of written notice, to use commercially reasonable efforts to cure, at its expense, the matter that gave rise to the claim for which Gallagher is at fault.

1. **INDEMNIFICATION.** City agrees to hold Gallagher and its affiliates and their respective directors, officers, employees, and agents harmless from any and all losses, liabilities, exposures, damages, and all related costs and expenses, including reasonable legal fees, to the extent arising from or relating to any third-party claims, demands, suits, allegations, causes, or threats of action based on the City’s: (a) breach of any representation, warranty or covenant made by such party hereunder; or (b) grossly negligent acts, omissions, or intentional misconduct; provided, however, that the City’s indemnification obligations hereunder shall be reduced to the extent that such losses and damages arise from the acts or omissions of Gallagher or its employees or agents.

To the fullest extent permitted by law, Gallagher, its subcontractors, agents, servants, officers, or employees shall indemnify and hold harmless the City of Rapid City, including, but not limited to, its elected and appointed officials, officers, employees, and agents, from any and all claims brought by any person or entity whatsoever, arising from any negligent act, error, or omission of Gallagher during the firm’s performance of the agreement or any other agreements of Gallagher, entered into by reason thereof. Gallagher shall indemnify and defend the City of Rapid City, including, but not limited to, its elected and appointed officials, officers, employees, and agents, with respect to any claim arising, or alleged to have arisen from negligence, and/or willful, wanton, or reckless acts or omissions of Gallagher, its subcontractor, agents, servants, officers, or employees and any and all losses or liabilities resulting from any such claims, including, but not limited to, damaged awards, costs, and reasonable attorney’s fees. The indemnification shall not be affected by any other portions of the agreement relating to insurance requirements.

2. **TERM AND TERMINATION.** The term of this Agreement will commence on the Effective Date and shall remain in effect until terminated in accordance with this Agreement. Gallagher shall complete services on or before December 1, 2022 based on a notice to proceed on or before July 18, 2022. Either party may terminate this Agreement by giving the other party at least sixty (60) days written notice of its intent to terminate. Client shall be responsible to Gallagher for any services performed prior to the date of termination and Gallagher shall be responsible to Client to continue to provide services until the date of termination of this Agreement. Upon termination of the Agreement, contingent upon Client’s full payment for services and incurred expenses, Gallagher will deliver to Client any and all of its information, forms and documentation.
3. GENERAL PROVISIONS.

3.1. Assignment and Subcontractors. Client may not assign this Agreement without Gallagher’s prior written consent. Gallagher may deem it necessary to outsource or subcontract all or any portion of the services to be performed by it under this Agreement. If this is necessary, Client will be notified of this and has the right to request a professional of their choice. If the person chosen by the Client requires assistance from Gallagher, Client will be billed for Gallagher’s time at its regular hourly rate. This Agreement shall inure to the benefit of, and shall be binding upon, both Gallagher and Client and their respective heirs, legal representatives and permitted assigns.

3.2. Travel Expenses. Expenses are to be kept to a minimum and are billed at actual cost for (but not limited to) the following: consultant travel, lodging, meals, local transportation, and airport, meeting, and parking expenses. Hotel expenses will typically be based on preferred rates obtained by Client or Gallagher; however Gallagher may select a non-preferred major chain (e.g., Marriott; Hyatt; etc.) if personal safety factors, geography, or meeting requirements dictate. Charges for airfare will be based on the most economical means of travel wherever possible, however, due to scheduling difficulties, aircraft capacity, and/or fare availability, charges may on occasion include higher cost, refundable fares fees, full coach, or non-refundable business/first class charges.

3.3. Force Majeure. Except for Client’s payment obligations under this Agreement, neither party shall be liable for any delay or failure in performance due to causes beyond its reasonable control.

3.4. No Legal Advice Intended. The advice given by Gallagher is not intended to be nor shall it be construed as legal advice. Client is recommended, at its own cost, to have its own independent legal counsel review all documentation provided by Gallagher. Gallagher will not be obligated to perform, and the Client will not request performance of, any services which may constitute unauthorized practice of law. The Client will be solely responsible for obtaining any legal advice, review or opinion as may be necessary to ensure that its own conduct and operations, including the engagement of Gallagher under the scope and terms as provided herein, conform in all respects with applicable State and Federal laws and regulations (including ERISA, the Internal Revenue Code, State and securities laws and implementing regulations) and, to the extent that the Client has foreign operations, any applicable foreign laws and regulations.

3.5. Severability. In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

3.6. Notices. All notices, requests and other communications under this Agreement must be in writing, and must be mailed by registered or certified mail, postage prepaid and return receipt requested, delivered by overnight delivery or delivered by hand to the party to whom such notice is required or permitted to be given. If mailed, any such notice will be considered to have been given five (5) business days after it was mailed, as evidenced by the postmark. If delivered by overnight delivery or hand, any such notice will be considered to have been given when received by the party to whom notice is given, as evidenced by written and dated receipt of the receiving party. The mailing address for notice to either party will be the address shown on the signature page of Agreement. Either party may change its mailing address by notice as provided by this section.

3.7. Governing Law. The parties agree that this Agreement shall be governed by, interpreted and construed in accordance with the laws of the State of South Dakota.

3.8. Waiver. No waiver by either party of any breach of this Agreement shall be a waiver of any preceding or succeeding breach. No waiver by either party of any right under this Agreement shall be construed as a waiver of any other right. Neither party shall be required to give notice to enforce strict adherence to all terms of this Agreement.
3.9. **Entire Agreement.** This Agreement is the final, complete and exclusive agreement of the parties with respect to the subject matter hereof and supersedes and merges all prior discussions between them. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing and signed by the party to be charged. The terms of this Agreement will govern all Project Assignments and services undertaken by Gallagher for Client. In the event of any conflict between this Agreement and a Project Assignment, the Project Assignment shall control, but only with respect to the matters set forth therein.

3.10. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. One or more counterparts of this Agreement may be delivered by facsimile, with such delivery having the same effect as delivery of an original counterpart.

3.11 **Insurance.** Gallagher shall secure the insurance specified below. All insurance secured by Gallagher under the provisions of this section shall be issued by insurance companies acceptable to the City. Certificates of all required insurance shall be provided to the City upon execution of this agreement.

1. Workers’ compensation insurance providing the statutory limits required by South Dakota law. In addition, it shall provide Coverage B, Employer’s Liability Coverage, of not less than $1,000,000 each accident, $1,000,000 disease–policy limits. The required limit may be met by excess liability (umbrella) coverage.

2. Commercial general liability insurance providing occurrence form contractual, personal injury, bodily injury, and a property damage liability coverage with limits of at least $1,000,000 per occurrence, $2,000,000 general aggregate, and $2,000,000 aggregate products and completed operations. The required limit may include excess liability (umbrella) coverage. The policy shall name the City and its representatives as an additional insured. If “occurrence form” insurance is not available, “claims made” insurance will be acceptable. The policy shall be maintained for two years after completion of this agreement.

Any cancelled or non-renewed policy will be replaced with no coverage gap and a current Certificate of Insurance will be provided to the City.

The City’s approval or acceptance of certificates of insurance does not constitute the City’s assumption of responsibility for the validity of any insurance policies nor does the City represent that the above coverages and limits are adequate to protect any individual/group/business, its consultants’ or subcontractors’ interests, and assumes no liability therefore.

3.12 **Non-appropriation.** In the event funds are not budgeted or appropriated for the fiscal year for services provided by the terms of this Agreement and due for the then current fiscal year, this Agreement shall impose no obligation on the City as to such current year or succeeding year and shall become null and void except as to the annual payments herein agreed upon for which funds have been budgeted or appropriated, and no right of action or damage shall accrue to the benefit of Gallagher, its successors or assignees, for any further payments. However, Gallagher will still get paid for satisfactorily completed work up until the date it receives notice of non-appropriation or until the termination date listed in such notice, whichever is later.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date first written above.
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<tr>
<th>Client: Gallagher Benefit Services, Inc.</th>
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<tr>
<td>By:</td>
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<tr>
<td>Name: Erik Henry-Smetana</td>
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<tr>
<td>Date: July 8, 2022</td>
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<tr>
<td>Address: 8 Cadillac Drive, Suite 200</td>
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<tr>
<td>Brentwood, TN 37027</td>
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**Project Assignment**

This Project Assignment is issued pursuant to the terms and conditions of the Master Agreement for Professional Services with an Effective Date of 06/01/2022 (the “Agreement”), by and between Gallagher Benefit Services, Inc. (“Gallagher”) and City of Rapid City (“Client”). Defined terms used herein and not otherwise defined in this Project Assignment shall have the same meaning ascribed to the in the Agreement.

**Scope of Services:**
Deliverables and timeline as outlined in Attachment A.

**Schedule / Period of Performance:**
Deliverables and timeline as outlined in Attachment A.

**Fees & Expenses:**
$80,000 fixed fee, payable in four (4) monthly installments ($20,000), with the first installment initiated within thirty (30) days upon formal project kickoff. Final invoicing (payment 4) will occur following client receipt and acceptance of final deliverables. Should final deliverables be completed in advance of the project timeline, any remaining portion of the fee will be billed within thirty (30) days upon completion of final deliverables as outlined in Attachment A, including all anticipated project related expenses.

This fixed fee is inclusive of the work agreed to in the final scope of work including initial onsite employee discussions. Any additional on-site days not included in the attached scope (Attachment A), as requested by and pre-approved by the client will be invoiced at $4,000 per day.

**Key Assumptions:**
Client will provide Gallagher with access to the necessary resources (i.e. internal salary data, job descriptions, study related materials, etc.) required to complete the assignment.

**Special Requirements:**
N/A

The terms and conditions contained in this Project Assignment constitute the parties’ complete understanding and agreement relating to the subject matter hereof. Notwithstanding anything to the contrary in the Agreement or elsewhere, in the event of a conflict between this Project Assignment and the Agreement, the Agreement will control. No other terms and conditions, beyond those contained herein, will be valid unless mutually agreed to by Client and Gallagher in a writing signed by authorized representatives of each party.

**ACCEPTED AND AGREED:**

**City of Rapid City:**

By:  
Name:  
Title:  
Date:  
Address:

**Gallagher Benefit Services, Inc.:**

By:  
Name: Erik Henry-Smetana  
Title: Principal Consultant  
Date: July 8, 2022  
Address: 8 Cadillac Drive, Suite 200  
Brentwood, TN 37027
ATTACHMENT A

PROJECT ASSIGNMENT & SCOPE OF WORK

HIGH LEVEL PROJECT TIMELINE & SCOPE OF WORK PER PHASE

Phase 1 (July through August 2022) – Study Initiation, Strategy Development & Project Administration
- Meeting via telephone/online platform to initiate project and discuss timelines and key deliverables.
- Organization & salary material collected.
- Discussion of the City’s current compensation philosophy and supporting strategies.
- Project timetable confirmed.
- Employee orientation sessions conducted, if applicable.
- Initial phase will include one onsite visit to introduce the project, meet with project team and conduct 15-18 identified interviews over the course of three days.

Phase 2 (July through November 2022) – Compensation Study

CUSTOM SURVEY
- Conduct of meetings with HR/leadership/project team at critical intervals to discuss deliverables.
- Labor market confirmed and survey participants identified to gather data from local, state and regional sources.
- Benchmark jobs identified and summarized.
- Identification of hard to recruit positions and assessment of the relevance of compensation for recruiting.
- Benefit and pay practice questions determined for inclusion in the custom survey.
- Custom survey developed and conducted, including collection of specified contracts

INTEGRATE PUBLISHED SURVEY SOURCES
- Identify appropriate published survey sources.
- Collect market data from published survey sources using data cuts from public, private, local, state and regional sources.

The following activities will be performed on all data:
- Comprehensive internal salary relationship analysis of data to ensure the structure is internally equitable and externally competitive.
- Competitive analysis of market data (salary, benefits, and contracts) performed.
- Diagnostic review of current salary structures conducted to identify opportunities for simplification, reduction in pay compression.
- Recommended pay structure developed or existing structures updated (includes 1 revision if requested).
- Internal review conducted and consolidated feedback provided by the City. The City approves the updates to the pay plan(s) and other recommendations and implementation options.
- Provide the City with up to three (3) transition options, recommendations and next steps/ongoing maintenance.

Phase 3 (August through December 1, 2022) – Project Finalization, Final Report Development & Delivery
- Conduct of meetings with HR/leadership/project team at critical intervals to discuss deliverables.
- Draft and final report and presentations developed
- Quality assurance reviews conducted.
- Finalization of the City’s compensation philosophy and supporting strategies alongside compensation study results.
- Training provided for staff including necessary tools to maintain the system.
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