



CITY OF PONTIAC
OFFICE OF THE EMERGENCY MANAGER
LOUIS H. SCHIMMEL

47450 Woodward Avenue
Pontiac, Michigan 48342
Telephone: (248) 758-3133
Fax: (248) 758-3292

Dated: June 6, 2013

ORDER NO. S-277

**RE: Reaffirming Appointment of the Law Firm of Giarmarco, Mullins, &
Horton, P.C. to Perform All Legal Services for the City Of Pontiac**

**TO: Sherikia Hawkins, City Clerk
Leon Jukowski, Mayor
Pontiac City Council
Pontiac Election Commission
Pontiac Tax Increment Finance Authority
City Department Heads**

The Local Financial Stability and Choice Act (Act 436 of 2012/MCL 141.1541, et. seq.) in Section 10(1) states that “[a]n emergency manager shall issue orders to the appropriate local elected and appointed officials and employees, agents, and contractors of the local government the orders the emergency manager considers necessary to accomplish the purposes of [the] act, including, but not limited to, orders for the timely and satisfactory implementation of a financial and operating plan... or to take actions, or refrain from taking actions, to enable the orderly accomplishment of the financial and operating plan.” Any such orders are binding on the local elected and appointed officials and employees, agents, and contractors of the local government to whom they are issued.

Section 12(1) provides that an Emergency Manager may take one or more of the following actions: (g) Make, approve, or disapprove any appropriation, contract, expenditure, or loan, the creation of any new position, or the filling of any vacancy in a position by any appointing authority; (n) Consolidate or eliminate departments of the local government or transfer functions from 1 department to another and appoint, supervise, and, at his or her discretion, remove administrators, including heads of departments other than elected officials; (o) Employ or contract for, at the expense of the local government and with the approval of the state financial authority, auditors and other technical personnel considered necessary to implement this act; (ee) Take any other action or exercise any power or authority of any officer, employee, department, board, commission, or other similar entity of the local government, whether elected or appointed, relating to the operation of the local government. The power of the emergency manager shall be superior to and supersede the power of any of the foregoing officers or entities; and Section 19(2) Except as otherwise provided in this act, during the pendency of

power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the emergency manager.

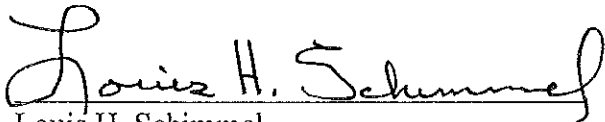
It is hereby ordered:

1. That the Contract for Continuing Legal Services made between the City of Pontiac and the Law Firm of Giarmarco, Mullins, & Horton, P.C. (the "Law Firm"), dated June 6, 2013, is hereby immediately adopted and implemented, and shall have full force and effect.
2. That the Law Firm shall continue to perform all duties and responsibilities of the Law Department for the City of Pontiac, including but not limited to all duties listed in the Contract for Continuing Legal Services executed by and between the City of Pontiac and the Law Firm, dated June 6, 2013.
3. That all terms and conditions of the Law Firm's continued representation of the City of Pontiac shall be governed by the Contract for Continuing Legal Services, executed by and between the City of Pontiac and the Law Firm, dated June 6, 2013.

The Order shall have immediate effect.

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (Public Act 442 of 1976, MCL 15.231, et. seq.).

This order is effective as indicated and is necessary to carry out the duties and responsibilities required of the Emergency Manager as set forth in the Local Financial Stability and Choice Act (Act 436 of 2012/MCL 141.15411, et. seq.) and the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager.



Louis H. Schimmel
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury

CONTRACT FOR CONTINUING LEGAL SERVICES

This Contract for continuing legal services is made on June 6, 2013, by and between the CITY OF PONTIAC, a Michigan Municipal Corporation (the "City"), whose address is 47450 Woodward Avenue, Pontiac, Michigan 48342 and GIARMARCO, MULLINS, & HORTON, P.C., a Michigan Law Firm ("Law Firm"), whose address is 101 West Big Beaver, 10th Floor, Troy, Michigan 48084.

RECITALS

WHEREAS, on or about October 28, 2011, pursuant to Emergency Manager Executive Order No. S-107, the Law Firm of Giarmarco, Mullins, & Horton, P.C. was appointed to perform "all duties and responsibilities as performed by the Law Department."

WHEREAS, this appointment was made pursuant to Public Act 4 of 2011, and then reconfirmed under Public Act 436 of 2012.

WHEREAS, the Emergency Manager believes the Law Firm should continue to represent the City regarding all legal matters, as defined below.

NOW THEREFORE, the parties to this Contract agree, as follows:

TERMS AND CONDITIONS

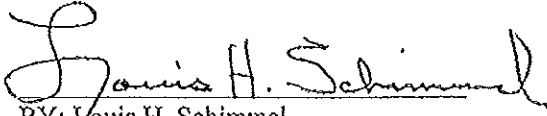
1. Scope of Representation: Law Firm shall represent the City of Pontiac in all matters as properly assigned, and as articulated in the City Charter, including but not limited to:
 - a) Supervising the conduct of all the legal business of the City and its departments;
 - b) Drafting all ordinance proposals or approving them as to form;
 - c) Preparing such leases, deeds, contracts or other papers as may be required by the Mayor, City Council or any department;
 - d) Instituting and conducting, on behalf of the People, all cases arising from the provisions of the charter or ordinances and, when authorized by law, cases arising under state law;
 - e) Defending all actions or proceedings against the City;
 - f) Prosecuting/Defending all civil actions to which the City is a party or in which the City has an interest, when directed to do so by the Emergency Manager or the Mayor; notice of any such action shall immediately be given to the City Council;
 - g) Representing the Emergency Manager, any elective officer or appointee of the City in any action court proceedings involving official duties;

- h) Performing all legal work related to central City services; labor and employment; City prosecutions; tax matters, real estate matters; or any other legal matter; and
 - i) Performing other duties assigned by any Resolution or Order.
- 2. **Rate:** All duties performed shall be paid at an hourly rate of \$125 dollars, or each part thereof. The hourly rate for MMRMA files is \$135. The rate may only be changed by written agreement of the parties.
 - a. **Statements for Legal Services:** The Law Firm shall send the City a statement on a monthly basis. The statement shall describe the services rendered and costs incurred to date. The City agrees to pay each statement within 21 days.
 - b. **Questions Regarding Statements:** Any questions or objections to a bill or statement given by the Law Firm to the City must be made within 60 days of the billing date. If the City fails to raise a question or objection within this time, the City agrees that the bill or statement is accurate and fully due and payable.
 - c. **Interest on Late Payments:** Any attorney fees or costs advanced that are not paid within 21 days after a statement is submitted to the City will accrue interest at the rate of seven percent per year until paid. Payments shall be applied first to accrued interest, then to costs, and then to attorney fees.
- 3. **Expenses:** In addition to the fees charged, the City shall pay the Law Firm for all expenses and court costs resulting from the City's legal matters, including, but not limited to, long-distance telephone charges, express mail delivery, copying, mileage, filing fees, service fees, court reporter fees and expert witness fees. Expenses under this Section will be billed and paid by the City as they are actually incurred.
- 4. **Termination:** This Contract is terminable only by:
 - a. Executive Order of the Emergency Manager;
 - b. Resolution of the City of Pontiac Receivership Transition Advisory Board, if one is appointed pursuant to Section 23 of Public Act 436 of 2012;
 - c. In accordance with the City Charter, and with 90 days' written notice to the Law Firm, but only in the event that the State of Michigan has removed the City from Receivership as defined in Public Act 436 of 2012, including the removal of the Receivership Transition Advisory Board, if one is appointed, and the State, having determined that the City's financial emergency has been rectified, has otherwise ceded and returned all control of the local government back to the City's Mayor and City Council. This third provision (known as "c") shall not apply unless all of the provisions set forth above have been met and fully satisfied.

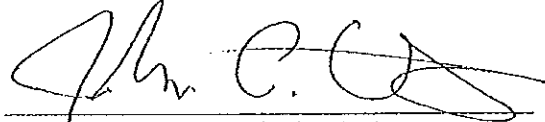
IN WITNESS THEREOF, this Contract is entered into by and between the parties on the 6th day of June, 2013

CITY OF PONTIAC

GIARMARCO, MULLINS & HORTON, P.C.



BY: Louis H. Schimmel
Its: Emergency Manager



BY: John C. Clark, Senior Equity Partner

