

CHRISTIE'S APPRAISALS, INC.


DATE: 09 August 2013

THIS AGREEMENT is between the City of Detroit c/o Kevyn Orr, Emergency Manager with an office located at Coleman A. Young Municipal Center, 2 Woodward Avenue – Suite 1126, Detroit, MI 48226 ("Owner") and CHRISTIE'S APPRAISALS, INC. with offices at 20 Rockefeller Plaza, New York, N.Y. 10020 ("Christie's")

We confirm our agreement as follows:

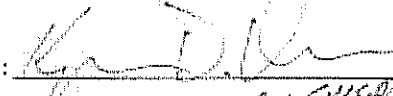
1. This fair market value appraisal is to be made for the following purpose: Financial Planning (the "Appraisal")
2. Christie's will furnish a written appraisal of certain property (the "Property") on behalf of Owner, who represents and warrants to Christie's that Owner has free, clear and marketable title to the Property. Christie's may, at its sole discretion, deliver an electronic version of the Appraisal in addition to delivering hard-copies. The Appraisal data may only be used by the aforementioned parties and for the specific purpose for which it was requested. Owner acknowledges that i) the data will be kept in Owner's safekeeping and ii) Christie's accepts no responsibility for any alteration which may be made to the Appraisal after it is supplied to Owner. Such Appraisal represents Christie's opinion as to the value of the Property, but Christie's makes no representation or warranty with respect to the authenticity, authorship, period, culture, source, origin, provenance, description or condition thereof. This Appraisal is not furnished, and may not be relied upon by anyone, in connection with any purchase, sale or exchange of the Property or any other commercial transaction relating thereto. Christie's makes no representation or warranty that the Property will realize its appraised value upon subsequent sale at public auction or otherwise. The Appraisal will be conducted in accordance with Exhibit A to this Agreement.
3. Please see Exhibit A for a description of the fees for this Appraisal (the "Fee").
4. In the event that Owner requests Christie's to provide further documentation to the U.S. Internal Revenue Service or other services relating to an investigation or proceeding by the U.S. Internal Revenue Service, Christie's agrees to furnish such supplementary documentation or services for a fee which shall be determined on the basis of the additional work to be performed.
5. Owner hereby agrees not to call upon Christie's, any of its affiliates or any of their respective officers, directors, employees or agents to testify with respect to Christie's valuation or appraisal of the Property or to involve Christie's, any of its affiliates or any of their respective officers, directors, employees or agents in any manner whatsoever in any proceeding, litigation or dispute with respect thereto; provided, however, that Christie's will defend its valuation or appraisal of the Property in response to an inquiry by the U.S. Internal Revenue Service as provided in Paragraph 4 of this Agreement. In the event that Christie's, any of its affiliates or any of their respective officers, directors, employees or agents is called upon to testify in any proceeding, litigation or dispute as a result of or in connection with the appraisal services contemplated hereby, Owner will indemnify Christie's for all reasonable costs and expenses of Christie's in connection therewith (including, without limitation, reasonable attorneys' fees and expenses) and pay to Christie's such reasonable compensation for the time of such officers, directors, employees and agents as may be specified by Christie's.
6. Owner hereby releases each of Christie's, Christie's Inc. and its affiliated companies, and their respective officers, directors, employees and agents (collectively, the "Christie's Parties") from any liability of any kind whatsoever arising out of, based upon or resulting from the appraisal of the Property and the services contemplated by this Agreement. Owner further agrees to defend, indemnify and hold harmless each of the Christie's Parties from and against any and all losses, damages, penalties, liabilities and claims, and all fees, costs and expenses of any kind related thereto (including, without limitation, reasonable attorneys' fees and expenses), arising out of or resulting from third party claims based upon or related to the appraisal of the Property and the services contemplated by this Agreement.
7. This Agreement shall be governed by and construed in accordance with the laws of the State of New York. In the event of any dispute hereunder, the parties hereby consent to the exclusive jurisdiction of the courts of the State of New York and the Federal Courts of the United States of America located in the Southern District of New York.
8. EACH OF CHRISTIE'S AND OWNER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.

CHRISTIE'S APPRAISALS, INC.

Signature: 

NAME/Title: Sarah Vandeweerd/Department Head

Accepted and agreed to by the City of Detroit:

Signature: 

NAME/Title: Kevyn D. Orr / Emergency Manager

EXHIBIT A

Exhibit A – Statement of Work

Phase I:

Statement of Work:

Approximately 300 of the 3,500 works of art purchased by the City of Detroit located at the Detroit Institute of Arts are on public view. Christie's will provide the City of Detroit with a fair market value appraisal for financial planning purposes of these works. Each work will be listed individually, assigned a fair market value, identified with the museum accession number and accompanied by a thumbnail image for identification purposes.

As our specialists will not have the opportunity to physically handle the works on view (e.g., inspect the reverse of paintings, review furniture construction, confirm maker's marks, etc.), our fair market values will be based on the apparent condition of the works as they are currently displayed; we will need to rely on the descriptions provided by the Detroit Institute of Art. Restrictions on handling property on public view are common and we are comfortable performing our valuation with these conditions.

Given our research, we believe the majority of the value of the art purchased by the City of Detroit is on public exhibition. Graham Beal has indicated that a few additional works of significant value may be in storage. Phase I will also include these easily identifiable, high valued works in storage.

Timing of Phase I:

Once the agreement is executed, we will begin scheduling visits to the DIA and anticipate completing Phase I within approximately 30 working days of the Christie's specialists having completed their on-site review.

Phase II & III:

Phase II Statement of Work:

In Phase II, we will provide a comprehensive, itemized appraisal of remaining art purchased by the City of Detroit located at the Detroit Institute of Arts in storage, or located in areas not accessible to the public, that have a fair market value of \$50,000 or higher. Each work will be listed individually, assigned a fair market value, identified with the museum accession number, and accompanied by a thumbnail image for identification purposes.

Phase III Statement of Work:

In Phase III, Christie's will determine an *aggregate* fair market value for the remaining items purchased by the City of Detroit that have an individual value of less than \$50,000. We will not provide an itemized listing but we will supply a list of museum accession numbers for the works comprising this group together with one aggregate figure indicating the fair market value for all the Phase III lots. Our specialists will inspect each of these works in person, make notes, and take photos for our internal use only.

Timing of Phase II & III:

Once all the specialists' visits for Phase II and III are complete, we anticipate a turnaround time of approximately 90 to 120 working days. Our proposed timing is based on the very large number of objects that our team will need to inspect and research plus full and easy access to the DIA storage and non-public areas.

Overall Cost:

Our professional fees for this project will be \$200,000 plus out-of-pocket expenses (e.g., travel). Given the number of specialists we anticipate visiting Detroit, out-of-pocket expenses could be as high as \$50,000. We will invoice our professional fees in three installments, one-third on signing the appraisal agreement, one-third when we complete Phase I, and the remaining amount when we complete Phase III. We will include as-incurred out-of-pocket expenses in our three invoices.



CITY OF DETROIT FINANCE DEPARTMENT PURCHASING DEPARTMENT PO SUPPLIER APPLICATION

ALL INFORMATION SHOULD BE TYPED AND HAND DELIVERED TO PURCHASING, 1008 CAYMC, DETROIT, MI 48226 (PHONE) 313 224-4600,

OR E-MAIL TO: Purchasing@detroitmi.gov

<input checked="" type="checkbox"/> NEW APPLICATION <input type="checkbox"/> CHANGE (EXPLAIN IN COMMENTS P.2) SUPPLIER NO. _____	<input type="checkbox"/> TO BE COMPLETE D BY USING AGENCY (COMPLETE SECTIONS A , B & C ONLY) AGENCY PHONE# _____ AGENCY NAME _____ PRINT REQUESTOR NAME _____ AUTHORIZED SIGNATURE _____	W-9 ENCLOSED? <input checked="" type="checkbox"/> http://www.irs.gov/fo rms pubs/forms.html W-9 NOT ENCLOSED? <input type="checkbox"/> (SEE SECTION C.3 OF THIS FORM)
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SECTION A – PRIMARY BUSINESS INFORMATION (THIS SECTION MUST BE COMPLETED)

BUSINESS NAME CHRISTIE'S APPRAISALS INC.					
ADDRESS: (PLEASE ENTER FOR ALL CORRESPONDENCE, PO, RFQ)			ADDRESS: (PLEASE ENTER FOR PAY ONLY)		
20 ROCKEFELLER PLAZA					
CITY NEW YORK	STATE NY	ZIP 10020	CITY NEW YORK	STATE NY	ZIP 10020
COUNTRY USA			COUNTRY USA		
PHONE NUMBER 212-636-2641			PHONE NUMBER 212-636-2641		
FAX NUMBER 212-636-2370			FAX NUMBER 212-636-2370		
CONTACT NAME ROSS ELGIE			CONTACT NAME ROSS ELGIE		
E-MAIL ADDRESS RELGIE@CHRISTIÉS.COM			E-MAIL ADDRESS RELGIE@CHRISTIÉS.COM		

SECTION B – SUPPLIER'S NIGP COMMODITY CLASS (IDENTIFY EQUIPMENT, SUPPLIES, AND/OR SERVICES ON WHICH YOU DESIRE TO QUOTE FROM THE ATTACHED NIGP COMMODITY CLASS LISTING. A SECOND MAILING WILL BE SENT TO FURTHER IDENTIFY THE NIGP COMMODITY CODE LISTING)

SELECT THE APPROPRIATE CODES FROM THE ATTACHED NIGP COMMODITY CLASS LIST

961 _____

SECTION C – BUSINESS OWNERSHIP

<input checked="" type="checkbox"/> CORPORATION <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> SOLE PROPRIETOR/INDIVIDUAL	FEDERAL TAX ID <u>13-2954535</u> _____ SSN _____	1099 SUPPLIER? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO ARE YOU A HEALTH CARE SUPPLIER OR HEALTH CARE VENDOR? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
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SECTION D – BUSINESS ACKNOWLEDGMENT OF TERMS & AUTHORIZED SIGNATURE (TO BE COMPLETED BY SUPPLIER ONLY)

- I certify that the information supplied (including all pages attached) is correct and that neither the applicant nor any person or concern associated with the applicant as a principal or officer, so far as is known, is now debarred or otherwise declared ineligible by any government agency from bidding for furnishing materials, supplies, services, or construction to or for any government agency.
- That it is this firm's responsibility to update this data when changes occur and failure to do so may result in non-receipt of information for the City's requirements.
- I understand that I must submit a completed IRS Form W-9 with this application in order to register my business with the city and receive full consideration for awards and receive prompt payment for all invoices submitted.

SIGNATURE	VP, BUSINESS DIRECTOR TITLE	8/20/13 DATE
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PURCHASING INTERNAL USE ONLY

SUPPLIER NUMBER	DATE ENTERED	BY

Additional Site Address

ADDITIONAL ADDRESS			
ADDRESS: ((CHECK FOR RFQ ONLY) RFQ <input type="checkbox"/>			
ADDRESS			
CITY	STATE	ZIP	
COUNTRY			
PHONE NUMBER			
FAX NUMBER			
CONTACT NAME			
E-MAIL ADDRESS			
ADDITIONAL COMMODITY CODES			
<i>SELECT THE APPROPRIATE CODES FROM THE ATTACHED NIGP COMMODITY CLASS LIST</i>			
_____	_____	_____	_____
_____	_____	_____	_____

Comments:

Use this space to explain reason for revisions or changes to an existing supplier. Ex. Name change (requires additional forms to be filled out, please see instructions on separate document) or address change (please indicate whether it is an additional address or new address).

THIS PAGE MAY BE PHOTOCOPIED

Request for Taxpayer Identification Number and Certification

Give Form to the
 requester. Do not
 send to the IRS.

Name (as shown on your income tax return)
Christie's Appraisals, Inc.

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:
 Individual/sole proprietor C Corporation S Corporation Partnership Trust/estate

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ Exempt payee

Other (see instructions) ▶ _____

Address (number, street, and apt. or suite no.)
20 Rockefeller Plaza

City, state, and ZIP code
New York, NY 10020

Requester's name and address (optional)

List account number(s) here (optional)

Print or type
 See Specific Instructions on page 2.

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number									

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Employer identification number									
1	3	-	2	9	5	4	5	3	5

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here

Signature of U.S. person ▶ *Harry Kaplan*

Date ▶ *12/17/12*

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.