

**ART INSTITUTE SERVICE AGREEMENT BETWEEN
THE MACOMB COUNTY ART INSTITUTE AUTHORITY AND
THE DETROIT INSTITUTE OF ARTS, INC.**

THIS ART INSTITUTE SERVICES AGREEMENT (this “Agreement”) is made between the **MACOMB COUNTY ART INSTITUTE AUTHORITY**, a Michigan public body corporate (the “Authority”), organized pursuant to Articles of Incorporation filed by the County of Macomb a Michigan municipal corporation (“Macomb County”), and **THE DETROIT INSTITUTE OF ARTS, INC.**, which is a Michigan not-for-profit corporation (the “DIA”).

WHEREAS, the DIA manages and operates the museum, which is commonly referred to as “The Detroit Institute of Arts” (the “Museum”) pursuant to the terms and conditions of an Operating Agreement between the City of Detroit, a Michigan municipal corporation (the “City of Detroit”), and the DIA, formerly known as the Founders Society Detroit Institute of Arts, dated December 12, 1997, (the Operating Agreement”);

WHEREAS, the DIA is seeking to establish a stable funding source from local government to provide for its long-term financial stability;

WHEREAS, it is commonplace for encyclopedic art institutions to receive public funding from local government or a special tax;

WHEREAS, the Authority, if first approved by the electors of Macomb County, is authorized by Act 296 of Public Acts of Michigan 2010 (as may be amended from time to time, the “Art Institute Act”) to provide funding to an art institute services provider to support the provision of art institute services to an encyclopedic art institution for the benefit of the residents of Macomb County by levying a special tax;

WHEREAS, the Authority deems it in the best interests of the residents of Macomb County to contract with the DIA, an art institute services provider operating an encyclopedic art museum whose primary art collection and facility are owned by a municipality located in this state, for art institute services pursuant to the terms and conditions of this Agreement as authorized by the Art Institute Act in order to provide revenue to the DIA to carry out its obligations under the Operating Agreement relating to the provision of art institute services to the Museum.

NOW, THEREFORE, it is agreed by the Authority and the DIA as follows:

I. POWER AND AUTHORITY

1.1 DIA's Power and Authority.

The DIA represents and warrants that it has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder, and that the execution, delivery and performance of this Agreement have been authorized by all necessary action.

1.2 Authority's Power and Authority.

The Authority represents and warrants that it has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder, and the execution, delivery and performance of this Agreement have been authorized by all necessary action.

II. ENGAGEMENT OF THE DIA FOR ART INSTITUTE SERVICES

2.1 Engagement.

In exercise of the authority granted to the Authority by the Art Institute Act, the Authority hereby engages the DIA to perform Art Institute Services (as defined below), and the DIA hereby agrees to perform Art Institute Services in accordance with the terms and conditions of this Agreement. For purposes of this Agreement, "Art Institute Services" means the DIA's performance of its obligations under the Operating Agreement.

2.2 Independent Contractor Relationship.

The DIA is an independent contractor and as such shall have full authority and responsibility to discharge the duties imposed upon it hereunder without restrictions other than those imposed by or pursuant to this Agreement. Neither the DIA nor the Authority shall have the right or authority to bind the other party, without the express written authorization of such other party, to any obligation to a third party. Nothing contained in this Agreement shall constitute the parties as partners or joint venturers for any purpose, it being the express intention of the parties that no such partnership or joint venture exist and that each party has only those duties to the other than are specified in this Agreement.

2.3 Governance.

The Authority shall have the right to nominate for appointment by the DIA two (2) voting members to serve on the DIA's Board of Directors during the term of this Agreement. The DIA agrees that it shall appoint not less than (2) voting members to serve on the DIA's Board of Directors during the term of this Agreement from among the nominees named by the Authority. Should a vacancy occur, the DIA Board of Directors shall appoint a voting member from the nominations submitted by the Authority.

2.4 Privileges to Macomb County Residents.

While the parties acknowledge and agree that the primary benefit to be received by the residents of Macomb County under this Agreement is the DIA's continued performance of its obligations under the Operating Agreement in accordance with Section 2.1 above, the DIA agrees that it will also provide the residents of Macomb County with the following additional benefits and privileges.

A. Free Admission.

The DIA will provide unlimited, free museum admission for all residents of Macomb County, including self-guided student field trips.

B. Student Curriculum Development.

Given that the most successful school programs are those crafted with the active participation of school districts, DIA educators will work with Macomb County schools to develop programs that support Michigan curriculum guidelines and promote student success.

DIA educators will offer to work with Macomb Schools to develop a curriculum-based tour available to an entire grade (usually fourth or fifth graders) county-wide. The program will involve a number of learning methods utilizing in-museum and on-line techniques. Experience teaches that the most significant increase in student progress is fostered by consistent, multiple-visit programs (either in-museum or in-school) and in-school follow-up. To that end, in order to further develop the student/museum relationship, the DIA will work with the schools to develop an in-school program of multiple visits for an entire grade level. A two-year program – supplemented with suggestions for parents to expand the museum experience – will fully engage students with the art museum, stimulate critical thinking skills, promote verbal and written skills, and solidify a relationship between the students and the DIA that will create many life-long museum visitors.

Since high school requirements vary, the DIA will work with Macomb County high schools to develop a more individualized project designed to sharpen specific skills. For example, students will be introduced to Visual Thinking Strategies – a DIA teaching method that is used across the country in museums and schools – to engage in a facilitated conversation around art objects that could culminate in a writing project. The DIA has several examples of successful writing projects that can be shared with Macomb Schools to form the basis of a program tailored to Macomb's needs.

Because of the timing of the millage and the advanced planning utilized by schools planning their academic calendars, it is understood that it will be difficult to develop and fully implement this program in the 2012-13 academic year. Nevertheless, the DIA commits to use its best efforts to work with Macomb County schools to launch at least a

partial program in the 2012-13 academic year with a goal of full implementation in the 2013-14 academic year.

To address the goal of removing barriers to student attendance be as quickly as possible, the DIA will provide transportation subsidies to Macomb schools during the 2012-13 academic year and shall extend transportation subsidies to the curriculum-based grade program participants throughout the entire term during which the millage is levied. Based on past attendance levels and DIA capacity (assuming additional open hours to better accommodate schools) the DIA is proposing an annual transportation set-aside of at least \$ 75,000.00. That amount will ensure free admission and transportation to approximately 8,000 students and teachers and approximately 265 classrooms. The DIA will work with school districts to advise them of the availability of these funds, and encourage attendance. The museum will focus initially on under-served school districts, but all Macomb students shall be eligible for this subsidy. The DIA will dedicate a portion of the Macomb County millage proceeds to support student curriculum development.

C. Professional Development For Teachers.

The DIA will dedicate a portion of the Macomb County millage proceeds to re-vitalize the professional development program for teachers, a program that was almost completely eliminated when the DIA was forced to reduced its operating budget in 2009. Training on the use of the “Visual Thinking Strategies” teaching method used by the DIA to engage students in a facilitated discussion about art is an example of the type of training will be offered on an annual basis to Macomb County teachers. Other teacher enrichment programming could include, but is not limited to:

- How to Engage your Students with the DIA
- Museum Support for the Social Studies Curriculum
- Museum Support for the World Languages Curriculum
- Narrative and art – How to Use Visual Art to Expand Critical Thinking and Writing
- Science and art – How the Visual Arts Integrate with Science

In the past, the DIA has worked with Marygrove College to provide teachers with Continuing Education Unit credits for some programming and will continue to offer this type of options. Upon request, the DIA will work with Macomb Schools to create customized programs for Macomb teachers.

Finally, the DIA will expand its popular program of teacher open houses, which bring teachers into the museum to meet DIA educators and curators, sample tours and discuss issues with their peers. These events include an informal reception and would be available to Macomb teachers without charge.

D. Senior Programs.

The DIA has existing relationships with senior citizen organizations and communities throughout Macomb County and is experienced at providing museum trips that meet seniors' requirements for a meaningful learning experience and superior hospitality. Building on this experience, the DIA shall initiate a subsidized tour program for Macomb County seniors. Based on past attendance, the museum will initially set aside \$ 50,000.00 annually for a subsidized senior program. This will fund 35 senior tours (approximately 35 individuals per tour) including transportation, a 30-minute lecture by a museum volunteer or staff member and access to the galleries. Initially, the DIA will market this program initially to all publicly supported senior programs in the county and, based on response and capacity, will extend the program to private programs, expanding the subsidy as needed.

The DIA will also use the tour program to expand its contacts with senior organizations, offering talks and art-making projects in the communities. The DIA will track those contacts and include them in its annual report to the Authority, the Office of the County Executive, and Macomb County Board of Commissioners.

E. Community Collaborations with Local Arts Organizations and Macomb County Cities, Townships and Villages

The DIA is committed to strengthening relationships with Macomb County's cities, villages and townships. To that end, the museum will set aside at least \$ 75,000 annually to support community partnership projects that assist in bringing DIA programming to communities where there is a demonstrated commitment to increasing local arts programs. These collaborations will be developed cooperatively between the DIA and local organizations to respect and sustain the mission of the local organization and preserve the local character of each program.

2.5 Parity.

The DIA shall not provide additional or enhanced benefits and privileges to any other county's residents by agreement with a public body established and organized pursuant to the Art Institute Act as compared to those required by this Agreement unless the DIA also makes such additional or enhanced benefits and privileges available to the Macomb Authority under the same terms and conditions enjoyed by the other county's residents.

2.6 Duty to Submit to Audit.

Upon reasonable notification, the DIA shall submit to an annual financial and/or performance audit pursuant to reasonable parameters set from time to time by the Authority, at the DIA's expense.

2.7 Duty to Provide Annual Report.

The DIA will submit a written annual report that will include an evaluation of the student curriculum development, professional teacher development, senior, and community collaboration programs and the funds set aside to support those programs. The DIA will use all reasonable efforts to expand those programs based upon past attendance.

2.8 Duty to Provide Other Information Requested by the Authority.

From time to time, the DIA shall provide the Authority, within a timely manner, with such other information as the Authority may reasonably request.

2.9 Duty to Provide Indemnification.

The DIA is liable for and will indemnify, defend and hold the Authority harmless of and from any and all liability from injuries, including disease and death, to a person or damage to property of third parties arising from or claimed to have arisen out of the DIA's performance of Art Institute Services, provided such injury or damage is alleged to have occurred during the term of this Agreement. The Authority hereby waives any claims of liability that it may have, now or in the future, against the DIA, its officers, directors, agents, representatives, heirs and employees except as set forth in this Section. Nothing in this Section 2.7 is intended to limit the rights of the Authority to recover damages it shall have sustained as a result of acts of fraud or embezzlement by a DIA employee, agent or vendor, as evidenced by a final, non-appealable by right judgment of a court of competent jurisdiction or a guilty plea.

III. OBLIGATIONS OF THE AUTHORITY

3.1 Authority Commitment Regarding Funding.

A. The Authority, except as provided in Sub-section 3.1(B) below, if first approved by the electors of Macomb County, will levy the approved .20 mil in each successive year for ten (10) years, starting with 2013.

B. Notwithstanding subsection 3.1(A), the Authority shall have no obligation to levy a tax in any year unless the electors in both Macomb County and Wayne County have also approved a levy authorized under Act 296 of Public Acts of Michigan 2010, as may be amended from time to time, (the "Art Institute Act").

3.2 Transfer of Levy Proceeds

Except as otherwise provided in 2010 PA 296 or in the Authority's the Articles of Incorporation, all funds collected under the authority of the levy shall be reserved and transferred solely to the DIA with ten business days of receipt of the funds from any local property tax collecting unit.

IV. JOINT COMMITMENTS OF THE AUTHORITY AND THE DIA

4.1 Implementation.

The Authority and the DIA agree that they will execute and deliver any assignment agreements, consents or similar documents which may be necessary to implement this Agreement which the parties hereby stipulate sets forth all of the necessary principles of agreement.

4.2 Notice.

All notices, consents, approvals, requests, reports and other communications required or permitted under this Agreement shall be in writing and sent and addressed as follows:

If to the Authority: Macomb County Art Institute Authority
Attention: Macomb County Corporation Counsel
One S. Main Street, 8th Floor
Mt. Clemens, MI 48043

If to the Detroit Institute of Arts: The Detroit Institute of Arts
Attention: Chief Executive Officer
5200 Woodward Avenue
Detroit, Michigan 48202

Either party to this Agreement may change its address of notices at any time by giving notice thereof to the other as herein provided.

4.3 Term.

The initial term of this Agreement shall commence on the effective date as described in Section 4.12 below and shall run through December 31, 2023.

4.4 Early Termination.

This Agreement shall automatically terminate upon the termination of the Operating Agreement or any successor agreement between the City of Detroit and the DIA.

4.5 Entire Agreement; Amendment; Waiver.

This Agreement is and shall be deemed to be the complete and final expression of the agreement among the parties as to the matters contained in and related to this Agreement and supersedes any previous understandings, dealings and communications, including negotiations, discussions, representations, warranties, information, documents and agreements, among the parties pertaining to such matters. This Agreement shall not be modified or amended except

pursuant to a written agreement signed by both parties. Any waiver of any party's rights or obligations under this Agreement must be in writing and must be signed by the party against which such waiver is to be enforced. No party's failure to exercise a right or to invoke a remedy in any particular circumstance shall be construed as a waiver of such right or remedy, and no waiver by either party of any right or remedy in one situation shall constitute a waiver of such party's rights or remedies in any other subsequent situation, whether similar or not.

4.6 Governing Law.

This Agreement is governed by and will be construed in accordance with the laws of the State of Michigan.

4.7 Arbitration

In the event of any dispute between the parties which arises under this Agreement, such dispute shall be settled by arbitration in accordance with the rules for commercial arbitration of the American Arbitration Association (or a similar organization) in effect at the time such arbitration is initiated. The hearing shall be conducted in Mount Clemens, Michigan, unless both parties consent to a different location. The decision of the arbitrator shall be final and binding upon all parties.

The prevailing party shall be awarded all of the filing fees and related administrative costs. Administrative and other costs of enforcing an arbitration award, including the costs of subpoenas, depositions, transcripts and the like, witness fees, payment of reasonable attorney's fees, and similar costs related to collecting an arbitrator's award, will be added to, and become a part of, the amount due pursuant to this Agreement.

4.8 Headings

The headings of the provisions used in the Agreement are for convenience only and shall not be deemed to explain, limit or amplify the provisions of this Agreement.

4.9 Severability.

If any court, agency, commission, legislative body or other authority of competent jurisdiction declares invalid, illegal or unenforceable any portion of this Agreement (including, but not limited to, Section 2.3), or its application to any person, that decision shall not affect the validity of the remaining portions of this agreement.

4.10 No Third Party Beneficiaries.

Except to the extent expressly contemplated in this Agreement, the obligations undertaken by the Authority and the DIA in this Agreement are for the benefit of the Authority and the DIA only, and neither any creditor of the Authority or the DIA, nor any other party, shall have the right to rely on or enforce the provisions of this Agreement as a third-party beneficiary or otherwise.

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4.11 Successors and Assigns.

This Agreement shall be binding on the DIA, its successors and assigns, by merger, sale, transfer, consolidation and lease of either party and it shall not be modified, altered or changed in any respect whatsoever by change of ownership.

4.12 Condition to the Obligations of each Party to Effect This Agreement.

The respective rights, duties and obligations of each party under this Agreement shall be subject to the occurrence of the following conditions precedent: (i) the passage by the electors of Macomb County of a .20 mill (ten-year) levy proposed by the Authority; (ii) the passage by the members of the DIA of an amendment to the DIA's Bylaws that would allow the DIA to comply with its obligations set forth in Section 2.3 above; (iii) the approval of a .20 mill (ten-year) levy in Oakland, Wayne and Macomb Counties.

4.13 Effective Date of This Agreement.

The effective date of this Agreement shall be the day after the conditions pursuant to Section 4.11 have occurred, and the respective parties have signed the Agreement.

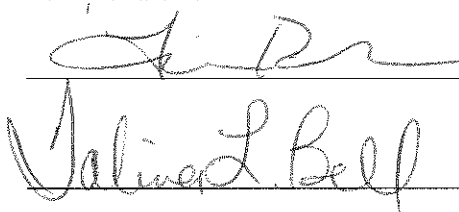
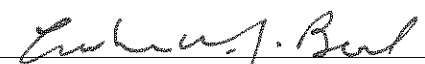
4.14 Authorization and Capacity.

Each party warrants that the person signing this Agreement is authorized to do so on behalf of its principal and is empowered to bind its principal to this Agreement.

IN WITNESS WHEREOF, the Authority and the Society, by and through their duly authorized officers and representatives, have executed this contract as of the dates of their respective signatures:

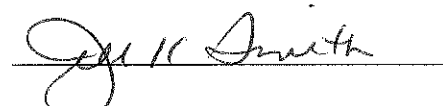
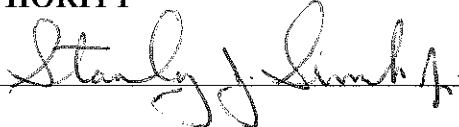
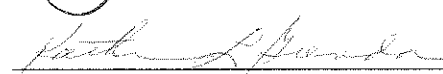
WITNESSES:

THE DETROIT INSTITUTE OF ARTS

 By: 
Its: Director, President + CEO

WITNESSES:

**MACOMB COUNTY ART INSTITUTE
AUTHORITY**

 By: 
 Its: Chairman