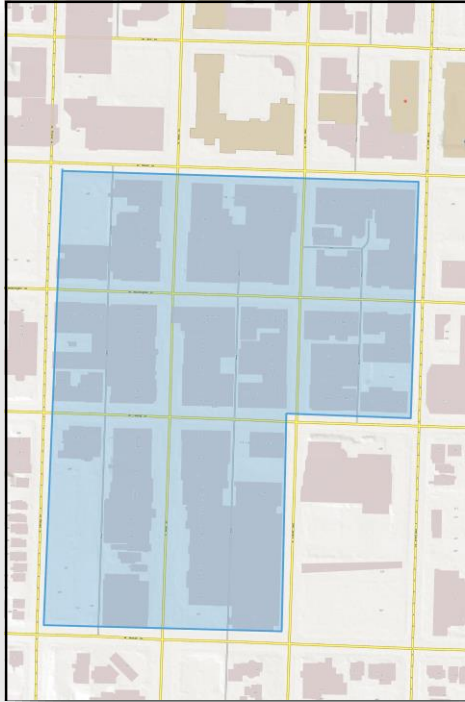


**MAIN STREET AREA BUSINESS IMPROVEMENT ZONE PLAN (draft)  
2024-2034**

Prepared by:  
Main Street Business Improvement Zone Initiative  
4.15.24

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## I. Main Street Area Business Improvement Zone Boundary



The Main Street Business Improvement Zone (the “BIZ”) was established under Chapter 2 of Act 120 of 1961, as amended, of the Michigan Compiled Laws (the “BIZ Statute”) by a Zone Plan initially approved in 2010 to include as its zone area the commercial properties on the east and west sides of Main Street from Huron Street on the north to William Street on the South. In 2014, the zone area of the BIZ was expanded to additionally include commercial properties in parcels to the east and west of the original zone area, the name of the BIZ was changed to the Main Street Area Business Improvement Zone, the term of the BIZ was expanded to ten years and other changes were made to the governance of the BIZ. No changes in the zone area are proposed in connection with the re-approval of this further amended Zone Plan for the BIZ in 2024

The zone area of the Main Street Area Business Improvement Zone (the “Zone Area”) is (a) bounded on the north by the south side of Huron Street (from east side of South Ashley Street to west side of South Fifth Avenue); (b) bounded on the east by the west side

of South Fifth Avenue (from south side of East Huron Street to the north side of East Liberty Street), by the north side of East Liberty Street (from the west side of South Fifth Avenue to the west side of South Fourth Avenue), by the west side of South Fourth Avenue (from the north side of East Liberty Street to the north side of East William Street); (c) bounded on the south by the north side of East William Street (from the west side of South Fourth Avenue to the east side of South Ashley Street); and (d) bounded on the west by the east side of South Ashley Street (from the north side of West William Street to the south side of West Huron Street).

The boundary was approved by the City of Ann Arbor in 2014. In 2014, proposed services by the BIZ did not include services to the alleys. In this amended Zone Plan for 2024, services to be provided by the BIZ include services to the alleys in the Zone Area

Within the Zone Area are both commercial properties and properties identified on the Ann Arbor City Tax Rolls as tax-exempt and residential properties. Only commercial properties (including rental apartments classified as commercial properties in the City Tax Rolls) will be subject to the Main Street Area BIZ assessment; *tax-exempt properties and residential properties are not included in the BIZ assessment formula or petition process, as required by the BIZ Statute.*

A Zone Map appears in Attachment A.

## II. Term of Operation

As permitted by MCL 125.990 (the “BIZ Statute”), the term of the BIZ, scheduled in the 2014 Zone Plan to expire on June 30, 2024, will operate for an additional ten (10) years, beginning July 1, 2024 and ending, unless renewed or dissolved, on June 30, 2034.

### **III. BIZ Services**

The purpose of the BIZ is to achieve the highest quality, best maintained urban commercial environment that is financially possible. To accomplish this, the BIZ will arrange for, oversee, and fund the following projects in the Zone Area:

#### Sidewalk Snow Removal

Wintry weather can be an impediment to shopping anywhere in Michigan. But if the customers confront sidewalks with ice or snow, and crosswalks impassable with slush, they will not return. The BIZ will address this problem by providing the following sidewalk snow removal services to commercial properties in the Zone Area:

- Environmentally friendly snow-melting compounds will be applied to any accumulations under one-inch. Applications will extend from storefront vestibules to the edge of the curb where it meets the roadbed, and will include all crosswalks and curb cuts.
- Accumulations of more than one inch will be shoveled, again from the storefront vestibule to the edge of the curb where it meets the roadbed, and all crosswalks and curb cuts.
- Snow removal services will be completed, whenever possible, before the commencement of business, by 6:30am and will be repeated, as necessary, when accumulation reaches one inch.
- Up to forty (40) snow removal visits per year will be funded; any unused visits will roll over to the next season.

#### Sidewalk Cleaning

While snow can impede access to downtown during the winter, a dirty, littered sidewalk can discourage patronage year round. The BIZ will provide the following year-round services to commercial properties in the Zone Area:

- Vacuum clean the sidewalks from the storefront vestibule to the edge of the curb where it meets the roadbed once a week, from April 1 to November 30
- Handbills will be removed from all surfaces in the public realm (lampposts, news boxes, telephone poles, public phones, water fountains, trash cans, etc.), once a week.
- Graffiti will be removed from vertical and horizontal surfaces in the public realm (not on private property), on demand, and not to exceed 24 graffiti removal calls per year.

#### Landscaping

Creating and maintaining a world-class downtown environment requires the investment of time, money, and attention. The BIZ will build upon the attractive urban landscape in the Zone Area by contributing to the planting and plant maintenance of the planter boxes and in other planting areas that have been or will be established throughout the Zone Area.

#### Alley Cleaning

The appearance and sanitary conditions of alleys directly affect the function and aesthetic quality of the downtown and also require the investment of time, money and attention. The BIZ will provide the following services to the alleys between commercial properties in the Zone Area as permitted by weather conditions:

- Seasonal sweeping of the alleys.
- Other services as determined by Board of Directors.

#### General

In the future, the BIZ may engage in other activities with the purpose to enhance the economic

prosperity, enjoyment, appearance, image, and safety of the Zone Area, as permitted in the BIZ Statute and approved by the Board of Directors.

#### Duration

The duration of each of the services will continue through the entire ten-year term of the BIZ, beginning July 1, 2024. The scope and detail of the services will be adjusted over that ten-year period as permitted or dictated by actual conditions and budgetary considerations. As mandated in the BIZ Statute, in no instance will the BIZ provide services that are the responsibility of the City of Ann Arbor.

#### **IV. Budget & Assessment Formula**

The purpose of a business improvement zone is to create consistently high levels of service in the Zone Area. To do so requires the financial participation of every commercial property owner in the Zone Area. The BIZ provides the mechanism to assess properties, control the funds collected, and govern the process providing those services.

#### Estimated Budget

In an effort to create the most cost-effective program, the BIZ Board of Directors has created a budget that minimizes, to the greatest extent possible, operational costs. This has been accomplished by contracting out both the service and management elements of the program. The BIZ does not have and will not create a stand-alone organization with an office, staff, and the overhead required. Rather, the BIZ board will contract with (1) an operations manager, who will oversee the work of the contractors selected to deliver BIZ services and prepare all financial reports of the BIZ; and (2) an administrator, who will maintain contact with the property owners and other stakeholders within the Zone Area, and serve as staff to the BIZ Board of Directors.

<b>MAIN STREET AREA BUSINESS IMPROVEMENT ZONE BUDGET 2024-2034 (ESTIMATED)</b> <b>YEAR ONE</b>
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**INCOME**

BIZ Assessment Revenue	\$312,158.00
Payment in lieu of assessment by DDA	\$ 33,734.00
Interest Income	<u>\$ 1,430.00</u>
<b>TOTAL BIZ INCOME</b>	<b>\$347,322.00</b>

**EXPENSE**

**BIZ SERVICES**

***SNOW REMOVAL***

▪ Snow melt and shoveling; up to 40 service visits	\$ 85,450.00
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***SIDEWALK CLEANING & ENHANCEMENTS***

▪ Sidewalk sweeping 1/week; Handbill removal & graffiti removal	\$ 92,227.00
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<b><i>LANDSCAPE IMPROVEMENTS &amp; MAINTENANCE</i></b>	<u>\$ 80,000.00</u>
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<b>TOTAL BIZ SERVICES EXPENSE</b>	<b>\$280,777.00</b>
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**OTHER EXPENSES**

Delinquency Fund (2.5% of assessment)	\$ 7,804.00
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Contingency Fund (4.7% of assessment)	<u>\$ 14,671.00</u>
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<b>TOTAL OTHER EXPENSES</b>	<b>\$ 22,475.00</b>
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**ORGANIZATIONAL EXPENSES**

Operations Manager & Administrator	\$ 32,400.00
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Insurance	\$ 2,400.00
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Legal Services	\$ 1,500.00
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Audit	\$ 4,200.00
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Printing, Postage, Website management, etc.	\$ 3,550.00
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Misc. Admin. Expenses	<u>\$ 20.00</u>
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<b>TOTAL BIZ ORGANIZATIONAL EXPENSES</b>	<b>\$ 44,070.00</b>
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<b>TOTAL EXPENSE</b>	<b>\$347,322.00</b>
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<b>NET RESERVE (LOSS)</b>	<b>\$ 0.00</b>
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**Sources of Funds**

In accordance with the BIZ Statute, the BIZ will assess properties designated by the City as commercial properties (including rental apartments classified as commercial properties in the City Tax Rolls) within the Zone Area. *Residential properties and properties exempt from property taxes are exempt from the assessment by the BIZ Statute.*

However, the BIZ Statute does permit the *voluntary* contribution of funds to the BIZ from residential, governmental, and nonprofit owners. In the case of the BIZ, the Ann Arbor Downtown Development Authority (DDA) has since 2010 made voluntary contributions to the BIZ in lieu of assessment for services rendered to its properties within the Zone Area and the budget estimates of the BIZ (under "Income" above) anticipate a continuation of those contributions and services in the future.

The BIZ may in the future seek voluntary contributions from owners of residential properties within the Zone Area, as well as to pursue other sources of funding, including grants.

#### Explanation of Assessment Formula

The BIZ assessment formula establishes a fixed assessment percentage for each commercial property in the BIZ Zone Area based on the number of lineal feet of sidewalks abutting that property and the number of square feet of commercial area in the building on that property. This calculation formula reflects a determination that the services of the BIZ will provide a direct benefit to each property in relieving the property owner of the responsibility for snow removal and cleaning of the sidewalks abutting the owner's property and a common benefit to all properties in landscaping and general maintenance of the BIZ Zone Area. The factors used in the calculations reflect an estimate of the relative cost of the services providing specific benefits and the costs of the services providing common benefits. The factors applied in this calculation are as follows:

- **Direct Benefit** – Improving the condition of the sidewalks directly affect each and every property owner in the Zone Area. Therefore, snow removal, and sidewalk cleaning services are “direct benefits” to each property in the Zone Area, the cost of which are calculated against the total linear feet of each assessable property in the Zone Area. Direct benefit costs represent fifty-six percent (56%) of the total assessment for each property.

Based on the past fourteen years of BIZ budgeting, the estimated direct benefit cost will be initially assessed at \$22.41/linear foot.

- **Common Benefit** – The organizational costs of the BIZ, the appearance of the urban landscape, the appearance of the alleys, and actions taken to enhance the economic prosperity, enjoyment, appearance, image, and safety of the Zone Area are considered “common benefits”. As such, these costs are calculated against the total commercial square footage of each assessable property in the Zone Area. Common benefit costs represent forty-four percent (44%) of the total assessment for each property.

Based on the past fourteen years of BIZ budgeting, the estimated common benefit cost will be initially assessed at \$0.11/commercial square foot.

Example: Property A has 45 linear feet of sidewalk and 7,500 square feet of commercial space. The assessment rate would be calculated as follows:  
45 linear feet X \$22.41= \$1008.45 (55% of total)  
7,500 commercial square feet X \$0.11 . = \$825 (45% of total)  
Total assessment for Property A = \$1,833.45  
Assessment formula: The percentage that Property A pays to the total assessment of \$312,158 is 0.59%

The 56% and 44% factors used in the calculations reflect an estimate of the relative cost of the services providing direct benefits and the costs of the services providing common benefits. The percentage relationship of actual costs for these services will, of course, vary from year to year, but for administrative purposes the assessment percentages for each property will remain fixed for the ten-year renewal term of the BIZ.

Attachment B – BIZ Assessment Roster – itemizes the Year One assessment for each commercial property within the district, based on 2023 figures provided by the Ann Arbor City Assessor.

### Ten-Year Budget & Assessment Projections

As required by the BIZ Statute, the Zone Plan must project expenditures over the ten-year renewal term of the BIZ. While projections can be affected by the level of snow falls, rollover balances from service contracts, contract increases, and the other day-to-day increases incurred in running an organization, the BIZ board of directors will strive to keep increases in expenditures at or below two percent (2%) per annum, as outlined below:

<u>Year</u>	<u>Projected BIZ Expenditures &amp; Assessments</u>
7.1.24-6.30.25	\$312,158
7.1.25-6.30.26	\$318,401
7.1.26-6.30.27	\$324,769
7.1.27-6.30.28	\$331,264
7.1.28-6.30.29	\$337,889
7.1.29-6.30.30	\$344,647
7.1.30-6.30.31	\$351,540
7.1.31-6.30.32	\$358,571
7.1.32-6.30.33	\$365,742
7.1.33-6.30.34	\$373,057
Total Over Ten Years	\$3,418,038

Until or unless other sources of funding are secured, BIZ expenditures and BIZ assessments are equal.

Projected BIZ expenditures will not alter the assessment formula (the percentage of total BIZ assessment applied to each commercial property), as indicated in Attachment B – BIZ Assessment Roster. Changes to the type of services offered by the BIZ or the formula used to assess for services cannot be made without the affirmative vote of a majority of the property owners.

### **V. Governance & Management**

The Main Street Area Business Improvement Zone will be governed by a Board of Directors of five to fifteen members and organized as a body public corporate, as required by the BIZ Statute (see Attachment C – Bylaws of Main Street Area Business Improvement Zone).

As of July 1, 2024, the Board of Directors will be composed of not less than five (5) and not more than fifteen (15) members. Directors will serve either one, two or three year terms, and the Board of Directors will include one (1) Director appointed by the Mayor and approved by the City Council, and may include one (1) Director nominated from the ranks of either downtown business tenants or downtown residential property owners.

<b>Current BIZ Board Members</b>			
<b>Name</b>	<b>Business Name</b>	<b>Term ending</b>	<b>Status</b>
Roger Ahn	Circ Bar	June 30, 2025	Mayoral Representative
James R. Beuche	Hooper Hathaway	June 30, 2025	Representative of Property Owner
Jon Carlson	2Mission	June 30, 2024	Representative of Property Owner
James G. Curtis	Curtis Commercial	June 30, 2025	Property Owner
Ronald K. Dankert	Swisher Commercial	June 30, 2024	Representative of Property Owner
Jeffrey T. Harshe	MAV Development Company	June 30, 2024	Representative of Property Owner
Katie Marek	First Martin Corporation	June 30, 2025	Representative of Property Owner and Secretary
Richard Mitchell	Mitchell + Mouat	June 30, 2026	Property Owner
Tom Murray	Conor O'Neill's	June 30, 2026	Commercial Tenant
Edward A. Shaffran	The Shaffran Companies, LTD	June 30, 2025	Property Owner and Board Chair
Michael Van Patten	Oxford Companies	June 30, 2026	Representative of Property Owner
Michael Watts	Hook, LLC	June 30, 2025	Property Owner

The Main Street BIZ is in the process of identifying another Director who will replace a Director who resigned in connection with her sale of her property within the Zone and will complete that appointment by June 30<sup>th</sup> so that, by the commencement of the renewal term on July 1<sup>st</sup> the Board will consist of an odd number of Directors as required by the BIZ Statute.

The Main Street Area BIZ Board of Directors will be responsible for the following activities, as specified in the BIZ Statute:

- Developing administrative procedures relating to the implementation of this Zone Plan.
- Recommending amendments to the Zone Plan.
- Scheduling and conducting an annual meeting of the property owners, to include election of the next year's Board of Directors.
- Developing a Zone Plan following the expiration of the current term of the BIZ.

In addition, the Board of Directors will be responsible for:

- Approving any significant contracts and contractors.
- Adhering to Bylaws for the BIZ consistent with the Zone Plan and the BIZ Statute.

Nomination to the Board



Section 7.3 of the Bylaws for the BIZ outlines the nomination process for the BIZ Board of Directors. (Attachment C)

#### Selection, Removal and Replacement of Members to the BIZ Board of Directors

Article V of the Bylaws for the BIZ (Attachment C) describes the size of the Board, the required representation, removal from the Board, and replacement of Board members.

#### Staffing & Administration

The BIZ Board of Directors will contract for management with a qualified company doing business in the City of Ann Arbor. The contractor will be responsible for:

- The management of all contracts for BIZ services;
- Preparation of all financial reports, receipt of revenue, and payment of expenses;
- All communications and administrative support to the Board of Directors; and
- All communications with BIZ Zone stakeholders.

### **VI. Transparency and Accountability**

In addition to its accounting, audit, and governance procedures, the Main Street Area Business Improvement Zone is committed to transparency and accountability in the following ways:

- The BIZ will stay in regular contact with the stakeholders within the Zone Area via written and digital reporting, regularly scheduled meetings of the board of directors, and an annual meeting of the stakeholders within the district.
- The BIZ will maintain and update its website with relevant information regarding BIZ services, meetings, and other communications.
- BIZ leaders will meet with City officials and stakeholder groups as requested.

### **VII. Amendment of the Zone Plan**

As specified in the BIZ Statute, the BIZ Zone Plan may be amended if approved by a majority of the property owners voting on the amendment at the regularly scheduled annual meeting of the property owners, or at a special meeting called for that purpose. Any amendment that involves a change to the assessment formula also requires approval by the City Council.

### **VIII. Renewal of the Zone**

As specified by the BIZ Statute, the business improvement zone may be renewed for successive additional ten (10) year periods. Prior to the expiration of the current term of the BIZ, the BIZ Board of Directors must establish a date, time and location for a special meeting and duly notify the property owners at least fourteen (14) days in advance. Approval of the new Zone Plan at the special meeting by sixty percent (60%) of the owners of Zone Property voting at the time constitutes reauthorization of the BIZ for an additional ten-year term. If the new Zone Plan includes any change to the assessment formula, then the vote of approval of the property owners must be supported by a vote to approve the new Zone Plan by the City Council.

### **IX. Dissolution of the Zone**

The BIZ Statute also specifies the process for dissolution of a business improvement zone:

Cause for Dissolution. The BIZ will be dissolved upon the earlier to occur of the following:

- (i) June 30, 2034 unless the owners of the Zone Property reauthorize the BIZ for an additional ten-year period in accordance with the procedures of the BIZ Statute; or
- (ii) The BIZ is dissolved upon written petition duly signed by 30% of the property owners of assessable property with the Zone Area and the vote of 50% or more of the owners of commercial properties in the Zone Area at an annual meeting or a special meeting of those property owners called for that purpose. The petition may not be initiated sooner than two

years following the adoption of the BIZ and the dissolution shall not take effect until either all BIZ liabilities are discharged, or the end of the second calendar year after the vote to dissolve, whichever is later.

Procedure upon Dissolution. Upon dissolution of the BIZ, the Board of Directors of the BIZ will dispose of all remaining physical assets of the BIZ and thereafter the proceeds of such disposition and any monies collected through assessments that are not required to defray the expenses of the BIZ shall be refunded on a prorated basis to the owners of commercial properties in the Zone Area from whom the assessments were collected; provided, however, that if the Board of Directors of the BIZ determines such refundable amount is so small as to make impracticable the computation of the refunding of the money, that money may at the discretion of the Board of Directors be transferred to the Treasurer of the City of Ann Arbor for deposit in the Treasury of the City of Ann Arbor. Any assets of the BIZ that are not disposed of shall be transferred to the City of Ann Arbor.

## **X. Timetable**

In March of 2024, the BIZ Board of Directors approved the renewal of the term of the BIZ through June 30, 2034, an expansion of the services provided by the BIZ and the adoption of this amended Zone Plan, subject to receipt of required approvals by the property owners in the original Zone Area and the Ann Arbor City Council.

A special meeting of the property owners in the original Zone Area is being convened in May of 2024 to approve of the adoption of this amended Zone Plan.

### *May*

- City Council approves of the renewal of the term of the BIZ and this Zone Plan

### *June*

- BIZ assessment to be sent as line item on the 2024 summer tax bill for each of the commercial properties in the expanded Zone Area of the BIZ

### *July*

- This amended Zone Plan becomes effective and the BIZ continues its operations in the manner described in this Zone Plan

## **XI. Conclusion**

Every owner of commercial property in the BIZ Zone Area has made a significant investment in that property. And everyone is invested in the future of the Zone Area for the long term. The Main Street Area Business Improvement Zone will help to enhance that investment and take care of the Zone Area while the owners and tenants take care of business.

## **XII. Amendments**

## **XIII. Attachments**

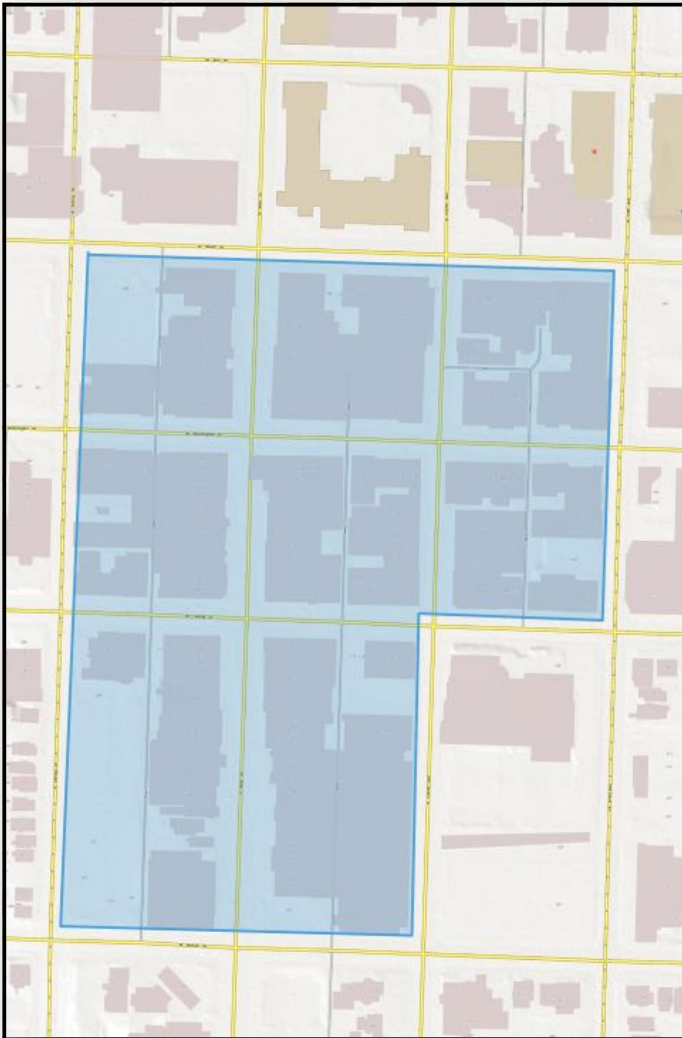
- A. BIZ Boundary Map
- B. BIZ Assessment Roster
- C. Bylaws of Main Street AREA Business Improvement Zone

## ATTACHMENT A

### Main Street Area Business Improvement Zone Boundary Map

The Business Improvement Zone is as follows:

- bounded on the north by the south side of Huron Street (from the east side of South Ashley Street to the west side of South Fifth Avenue);



- bounded on the east by the west side of South Fifth Avenue (from the south side of East Huron Street to the north side of East Liberty Street), by the north side of East Liberty Street (from the west side of South Fifth Avenue to the west side of South Fourth Avenue), by the west side of South Fourth Avenue (from the north side of East Liberty Street to the north side of East William Street);
- bounded on the south by the north side of East William Street (from the west side of South Fourth Avenue to the east side of South Ashley Street);
- and bounded on the west by the east side of South Ashley Street (from the north side of West William Street to the south side of West Huron Street).

**ATTACHMENT B**

**BIZ Assessment Roster**

Owner	Parcel number	Property Address	Front feet	Width (corner properties)	Total Linear Feet	Comm. s.f.	BIZ Assessment Formula (Direct Costs applied to total linear feet) + (Common Costs applied to commercial square feet)			Weighted Formula Value (% of Total Assessment per Property)
							Assessment for Direct Costs (\$22.41/total linear ft.)	Assessment for Common Costs (\$.11 /comm. s.f.)	Total Assessment	
103 EAST LIBERTY LLC	09-09-29-131-001	221 S. Main	44	124	168	14,985	\$ 3,764.88	\$ 1,648.35	\$ 5,413.23	1.7%
111 SOUTH MAIN, LLC	09-09-29-132-014	111 S. Main	22		22	10,912	\$ 493.02	\$ 1,200.32	\$ 1,693.34	0.5%
24 LIBERTY BLDG LLC	09-09-29-143-022	112 W LIBERTY ST	20		20	3,920	\$ 448.20	\$ 431.20	\$ 879.40	0.3%
113 EAST LIBERTY, LLC	09-09-29-131-002	113 E LIBERTY ST (includes 115)	42		42	6,027	\$ 941.22	\$ 662.97	\$ 1,604.19	0.5%
24 LIBERTY BLDG LLC	09-09-29-143-021	114 W LIBERTY ST	20		20	3,920	\$ 448.20	\$ 431.20	\$ 879.40	0.3%
116 S MAIN, LLC	09-09-29-142-005	116 S. Main	20		20	3,933	\$ 448.20	\$ 432.63	\$ 880.83	0.3%
18 LIBERTY, LLC	09-09-29-143-019	118 W LIBERTY ST	20		20	3,200	\$ 448.20	\$ 352.00	\$ 800.20	0.3%
118 EAST WASHINGTON ASSOCIATES LLC	09-09-29-131-012	118 E WASHINGTON ST	21		21	2,457	\$ 470.61	\$ 270.27	\$ 740.88	0.2%
118-124 S MAIN ASC/shaffran	09-09-29-142-022	120 S Main	83		83	29,268	\$ 1,860.03	\$ 3,219.48	\$ 5,079.51	1.6%

124 EAST WASHINGTON LLC	09-09-29-131-009	124 E WASHINGTON ST (includes 204 S. Fourth)	20	66	86	2,640	\$ 1,927.26	\$ 290.40	\$ 2,217.66	0.7%
126 SOUTH MAIN ASSOICATES PC	09-09-29-142-001	126 S. Main	22	124	146	7,436	\$ 3,271.86	\$ 817.96	\$ 4,089.82	1.3%
150 S. FIFTH LLC	09-09-29-127-051	150 S. Fifth Avenue	0	0	0	3,360	\$ -	\$ 369.60	\$ 369.60	0.1%
150 S. FIFTH LLC	09-09-29-127-052	150 S. Fifth Avenue	0	0	0	3,215	\$ -	\$ 353.65	\$ 353.65	0.1%
201 PARTNERS LLC	09-09-29-127-004	115 S FOURTH AV	14		14	-	\$ 313.74	\$ -	\$ 313.74	0.1%
201 PARTNERS LLC	09-09-29-127-037	201 E WASHINGTON ST (1st fl. comm. condo)	33	96	129	4,216	\$ 2,890.89	\$ 463.76	\$ 3,354.65	1.1%
201 PARTNERS, LLC	09-09-29-127-039	203 E WASHINGTON ST- Unit 3 (2nf fl. comm. condo)	11		11	1,781	\$ 246.51	\$ 195.91	\$ 442.42	0.1%
205-207 EAST WASHINGTON, LLC	09-09-29-127-007	205 E WASHINGTON ST (includes 207)	44		44	10,692	\$ 986.04	\$ 1,176.12	\$ 2,162.16	0.7%
206 S FOURTH AVE PTR	09-09-29-131-008	206 S FOURTH AV	22		22	3,124	\$ 493.02	\$ 343.64	\$ 836.66	0.3%
206 INVESTMENTS LLC	09-09-29-128-021	204 E WASHINGTON ST (includes 206)	48		48	6,338	\$ 1,075.68	\$ 697.18	\$ 1,772.86	0.6%
BSG207 S MAIN LLC	09-09-29-131-016	207 S. Main	22		22	6,996	\$ 493.02	\$ 769.56	\$ 1,262.58	0.4%
208 EAST WASHINGTON, LLC	09-09-29-128-019	208 E WASHINGTON ST	28		28	3,624	\$ 627.48	\$ 398.64	\$ 1,026.12	0.3%
210 S MAIN, LLC	09-09-29-143-007	210 S. Main	18		18	3,600	\$ 403.38	\$ 396.00	\$ 799.38	0.3%

212-214 E WASHINGTON, LLC	09-09-29-128-027	212 E WASHINGTON ST (includes 214)	21		21	1,130	\$ 470.61	\$ 124.30	\$ 594.91	0.2%
212-214 E WASHINGTON, LLC	09-09-29-128-028	212 E WASHINGTON ST (includes 214)	23		23	933	\$ 515.43	\$ 102.63	\$ 618.06	0.2%
213 SMS LLC	09-09-29-131-020	213 S. Main	22		22	5,412	\$ 493.02	\$ 595.32	\$ 1,088.34	0.3%
215-217 SMS, LLC	09-09-29-131-021	215 S. Main	44		44	11,946	\$ 986.04	\$ 1,314.06	\$ 2,300.10	0.7%
220 MAIN LLC	09-09-29-143-002	220 S. Main	21		21	7,812	\$ 470.61	\$ 859.32	\$ 1,329.93	0.4%
224-226 MAIN LLC	09-09-29-143-001	226 S. Main	45	124	169	5,592	\$ 3,787.29	\$ 615.12	\$ 4,402.41	1.4%
301 SMS LLC	09-09-29-130-005	301 S. Main	24	122	146	8,784	\$ 3,271.86	\$ 966.24	\$ 4,238.10	1.4%
309 S MAIN STREET HOLDINGS, LLC	09-09-29-130-009	309 S. Main	22		22	4,796	\$ 493.02	\$ 527.56	\$ 1,020.58	0.3%
312 SMS LLC	09-09-29-144-029	312 S MAIN ST - Unit 1 (basement comm. condo)	35		35	6,976	\$ 784.35	\$ 767.36	\$ 1,551.71	0.5%
312 SMS LLC	09-09-29-144-030	314 S MAIN ST	31		31	6,297	\$ 694.71	\$ 692.67	\$ 1,387.38	0.4%
315-317 SMS LLC	09-09-29-406-008	313 S. Main (inc. 315 &317)	66		66	35,656	\$ 1,479.06	\$ 3,922.16	\$ 5,401.22	1.7%
321 MAIN LLC	09-09-29-406-007	319 S. Main	45		45	12,144	\$ 1,008.45	\$ 1,335.84	\$ 2,344.29	0.8%
MERMICORN, LLC	09-09-29-407-004	328 S. Main	22		22	2,400	\$ 493.02	\$ 264.00	\$ 757.02	0.2%
330 S. MAIN INVESTMENT, LLC	09-09-29-407-003	330 S. Main	32		32	3,132	\$ 717.12	\$ 344.52	\$ 1,061.64	0.3%
333 MAIN, LLC	09-09-29-406-004	333 S. Main	23		23	5,764	\$ 515.43	\$ 634.04	\$ 1,149.47	0.4%
343 MAIN, LLC	09-09-29-406-003	335 S. Main	91		91	17,729	\$ 2,039.31	\$ 1,950.19	\$ 3,989.50	1.3%
350 SOUTH MAIN L.L.C.	09-09-29-407-001	350 S. Main	143	124	267	64,186	\$ 5,983.47	\$ 7,060.46	\$ 13,043.93	4.2%
SHALIMAR BUILDING PTR	09-09-29-130-012	303 S. Main	25		25	2,045	\$ 560.25	\$ 224.95	\$ 785.20	0.3%

AMIRI ALI A TRUST	09-09-29-131-004	119 E LIBERTY ST	21		21	2,640	\$ 470.61	\$ 290.40	\$ 761.01	0.2%
ANN ARBOR MAIN ST REAL ESTATE, LLC	09-09-29-407-002	332 S. Main	23		23	2,281	\$ 515.43	\$ 250.91	\$ 766.34	0.2%
ARCURE JOSEPH & C REALTA CAPITAL 125 S MAIN LLC & HALL GRATIOT PARTNERS LLC	09-09-29-144-004	111 W. Liberty	20		20	3,382	\$ 448.20	\$ 372.02	\$ 820.22	0.3%
BENNETT HOLDING COMPANY LLC	09-09-29-132-015	117 S. Main	22		22	4,257	\$ 493.02	\$ 468.27	\$ 961.29	0.3%
BIG KAHUNA PROPERTIES, LLC	09-09-29-131-017	209 S. Main	22		22	6,226	\$ 493.02	\$ 684.86	\$ 1,177.88	0.4%
BIRNKRANT JON & BIRNKRANT STEPHEN	09-09-29-142-009	108 S. Main	20		20	4,000	\$ 448.20	\$ 440.00	\$ 888.20	0.3%
BN REAL ESTATE, LLC	09-09-29-127-043	150 S FIFTH AV (unit 2)	62	132	194	4,770	\$ 4,347.54	\$ 524.70	\$ 4,872.24	1.6%
CAMERON HOLDINGS, LLC	09-09-29-128-002	200 E WASHINGTON ST (includes 202, AND 201,203,205 S. Fourth)	48	88	136	25,392	\$ 3,047.76	\$ 2,793.12	\$ 5,840.88	1.9%
COOPERATIVE INVESTMENTS, L.L.C.	09-09-29-143-027	119 W WASHINGTON ST (includes 115, 117, 121,123 & 207-209 S. Ashley)	105	132	237	33,935	\$ 5,311.17	\$ 3,732.85	\$ 9,044.02	2.9%
A2 COURTHOUSE SQUARE LDHA LLC	09-09-29-132-002	100 S FOURTH AV	132	116	248	133,940	\$ 5,557.68	\$ 14,733.40	\$ 20,291.08	6.5%
C.R. SINCOCK II	09-09-29-143-026	116 W LIBERTY ST	9		9	2,184	\$ 201.69	\$ 240.24	\$ 441.93	0.1%
CURTIS PROPERTY MANAGEMENT LLC	09-09-29-143-005	214 S. Main	22		22	6,248	\$ 493.02	\$ 687.28	\$ 1,180.30	0.4%
CURTIS PROPERTY MANAGEMENT LLC	09-09-29-143-003	218 S. Main	22		22	6,248	\$ 493.02	\$ 687.28	\$ 1,180.30	0.4%

CURTIS PROPERTY MANAGEMENT LLC	09-09-29-143-004	216 S. Main	22		22	6,248	\$ 493.02	\$ 687.28	\$ 1,180.30	0.4%
DAHLMANN FLORIDA CORPORATION	09-09-29-142-011	100 S. Main	44	99	143	31,192	\$ 3,204.63	\$ 3,431.12	\$ 6,635.75	2.1%
DAHLMANN FLORIDA CORPORATION	09-09-29-142-010	106 S. Main	21		21	5,796	\$ 470.61	\$ 637.56	\$ 1,108.17	0.4%
DAHLMAN APTS LTD	09-09-29-127-022	218 E HURON ST (includes 220)	88	132	220	77,171	\$ 4,930.20	\$ 8,488.81	\$ 13,419.01	4.3%
DAHLMANN FLORIDA CORPORATION	09-09-29-142-013	209 W HURON ST	168	128	296	-	\$ 6,633.36	\$ -	\$ 6,633.36	2.1%
DAHLMANN FLORIDA CORPORATION	09-09-29-142-012	123 W HURON ST	26	74	100	-	\$ 2,241.00	\$ -	\$ 2,241.00	0.7%
DANCING STAR, LLC	09-09-29-142-006	114 S. Main	17		17	4,340	\$ 380.97	\$ 477.40	\$ 858.37	0.3%
DEAN ZAHN PROPERTIES L.L.C.	09-09-29-405-007	314 S FOURTH AV	66		66	8,184	\$ 1,479.06	\$ 900.24	\$ 2,379.30	0.8%
DEL RIO DE LOS SUENOS LLC	09-09-29-142-015	122 W WASHINGTON ST	21	66	87	4,158	\$ 1,949.67	\$ 457.38	\$ 2,407.05	0.8%
THE DOWNER GROUP LLC	09-09-29-407-005	318 S. Main	110		110	20,548	\$ 2,465.10	\$ 2,260.28	\$ 4,725.38	1.5%
EAST HURON LLC	09-09-29-127-053	206 E HURON ST	110		110	23,491	\$ 2,465.10	\$ 2,584.01	\$ 5,049.11	1.6%
EMABEN CORPORATION	09-09-29-127-009	209 E WASHINGTON ST (includes 211)	36		36	9,609	\$ 806.76	\$ 1,056.99	\$ 1,863.75	0.6%
EMBASSY HOTEL OF ANN ARBOR, INC	09-09-29-127-001	200 E HURON ST	23	100	123	6,831	\$ 2,756.43	\$ 751.41	\$ 3,507.84	1.1%
FCB ASSOCIATES, LLC	09-09-29-128-024	220 E WASHINGTON ST (includes 206 S. Fifth)	57	80	137	19,140	\$ 3,070.17	\$ 2,105.40	\$ 5,175.57	1.7%
FOURTH & LIBERTY ASSOCIATES LLC	09-09-29-131-023	121 E LIBERTY ST	20		20	780	\$ 448.20	\$ 85.80	\$ 534.00	0.2%



FOURTH & LIBERTY ASSOCIATES LLC	09-09-29-131-024	123 E LIBERTY ST	20	48	68	960	\$ 1,523.88	\$ 105.60	\$ 1,629.48	0.5%
FOURTH & LIBERTY ASSOCIATES LLC	09-09-29-131-025	220 S FOURTH AV	18		18	920	\$ 403.38	\$ 101.20	\$ 504.58	0.2%
GRS PROPERTIES 2LLC	09-09-29-131-026	211 S. Main	22		22	1,794	\$ 493.02	\$ 197.34	\$ 690.36	0.2%
HWGA LIMITED PARTNERSHIP	09-09-29-128-025	209 S FOURTH AV	22		22	5,456	\$ 493.02	\$ 600.16	\$ 1,093.18	0.4%
HWGA PARTNERSHIP	09-09-29-128-026	211 S FOURTH AV	22		22	5,148	\$ 493.02	\$ 566.28	\$ 1,059.30	0.3%
HWGA LIMITED PARTNERSHIP	09-09-29-128-004	213 S FOURTH AV	23		23	6,214	\$ 515.43	\$ 683.54	\$ 1,198.97	0.4%
HWGA LIMITED PARTNERSHIP	09-09-29-128-005	215 S FOURTH AV	19		19	3,784	\$ 425.79	\$ 416.24	\$ 842.03	0.3%
JMC 347 LLC	09-09-29-406-002	347 S. Main	45		45	5,176	\$ 1,008.45	\$ 569.36	\$ 1,577.81	0.5%
SKULL MOUNTAIN, LLC.	09-09-29-131-022	219 S. Main	22		22	6,842	\$ 493.02	\$ 752.62	\$ 1,245.64	0.4%
LIBERTY MAIN L.L.C.	09-09-29-144-009	304 S. Main	22		22	1,608	\$ 493.02	\$ 176.88	\$ 669.90	0.2%
LIBERTY MAIN L.L.C.	09-09-29-144-010	302 S. Main	22		22	1,659	\$ 493.02	\$ 182.49	\$ 675.51	0.2%
LIBERTY MAIN L.L.C.	09-09-29-144-011	300 S. Main	22	104	126	1,561	\$ 2,823.66	\$ 171.71	\$ 2,995.37	1.0%
LIBERTY PLAZA ASSOCIATES LLC	09-09-29-128-022	213 E LIBERTY ST (includes 217,227,241,251,255,279,293)	176	86	262	15,418	\$ 5,871.42	\$ 1,695.98	\$ 7,567.40	2.4%
LIBERTY STREET PARTNERS LLC	09-09-29-128-006	201 E LIBERTY ST (includes 217 S. Fourth)	63	91	154	11,496	\$ 3,451.14	\$ 1,264.56	\$ 4,715.70	1.5%
LIBERTY STREET PARTNERS LLC	09-09-29-128-008	209 E LIBERTY ST (includes 211)	40		40	5,000	\$ 896.40	\$ 550.00	\$ 1,446.40	0.5%
M GO BLUE EWP, LLC	09-09-29-127-040	217 E WASHINGTON ST (includes 213)	62		62	11,194	\$ 1,389.42	\$ 1,231.34	\$ 2,620.76	0.8%
MAIN/WASHINGTON ASSC	09-09-29-131-014	201 S. Main	66	124	190	47,798	\$ 4,257.90	\$ 5,257.78	\$ 9,515.68	3.0%

MEDICAL PHYSICS CONSULTANTS INC	09-09-29-127-032	214 E HURON ST - Unit 1 (1st fl. comm. condo)	29		29	3,520	\$ 649.89	\$ 387.20	\$ 1,037.09	0.3%
MERMICORN, LLC	09-09-29-144-005	113 W LIBERTY ST	22		22	4,400	\$ 493.02	\$ 484.00	\$ 977.02	0.3%
212 4TH AVE LLC	09-09-29-131-059	212 S FOURTH AV -	88		88	42,015	\$ 1,972.08	\$ 4,621.65	\$ 6,593.73	2.1%
OMPHQ, LLC	09-09-29-128-023	210 S FIFTH AV (includes 212)	50		50	12,400	\$ 1,120.50	\$ 1,364.00	\$ 2,484.50	0.8%
PAWLICKI JEROME & INNOCENTIA TRUST	09-09-29-143-017	122 W LIBERTY ST (includes 225 S Ashley)	22	88	110	4,400	\$ 2,465.10	\$ 484.00	\$ 2,949.10	0.9%
PAWLICKI JEROME & INNOCENTIA TRUST	09-09-29-143-018	120 W LIBERTY ST	22		22	4,176	\$ 493.02	\$ 459.36	\$ 952.38	0.3%
PNC BANK, NATIONAL ASSOCIATION	09-09-29-132-027	101 S. Main	132	97	229	41,514	\$ 5,131.89	\$ 4,566.54	\$ 9,698.43	3.1%
QUESTOR DEVELOPMENT	09-09-29-130-027	118 E LIBERTY ST (includes 116,120,122)	88	66	154	17,424	\$ 3,451.14	\$ 1,916.64	\$ 5,367.78	1.7%
KUNIN JAMES & GUZMICH SUSAN RETRO DEVELOPMENT COMPANY, L.L.C.	09-09-29-127-033	216 E HURON ST-Unit 2 (2nd fl. comm. condo)	17		17	2,104	\$ 380.97	\$ 231.44	\$ 612.41	0.2%
	09-09-29-142-035	110 S. Main - Unit 2	37		37	11,100	\$ 829.17	\$ 1,221.00	\$ 2,050.17	0.7%
ROCHMAN BETTY I	09-09-29-128-007	207 E LIBERTY ST	45		45	5,700	\$ 1,008.45	\$ 627.00	\$ 1,635.45	0.5%
SAVCO PROPERTIES, LLC	09-09-29-128-015	216 E WASHINGTON ST	22		22	2,200	\$ 493.02	\$ 242.00	\$ 735.02	0.3%
SCHLANDERER PROPERTIES LLC	09-09-29-143-008	208 S. Main	17		17	3,513	\$ 380.97	\$ 386.43	\$ 767.40	0.3%
SCOTT KARL WESLEY III	09-09-29-131-007	208 S FOURTH AV	22		22	3,960	\$ 493.02	\$ 435.60	\$ 928.62	0.3%
SHAFFRAN EQUITIES, LLC	09-09-29-144-002	306 S. Main	66		66	23,930	\$ 1,479.06	\$ 2,632.30	\$ 4,111.36	1.4%

SHAFFRAN COMPANIES, LTD	09-09-29-131-013	114 E WASHINGTON ST	43		43	7,056	\$ 963.63	\$ 776.16	\$ 1,739.79	0.6%
SHAFFRAN EQUITIES LLC	09-09-29-130-011	112 E LIBERTY ST (includes 114)	36		36	-	\$ 806.76	\$ -	\$ 806.76	0.3%
SHAFFRAN EQUITIES, LLC	09-09-29-131-011	120 E WASHINGTON ST	19		19	2,223	\$ 425.79	\$ 244.53	\$ 670.32	0.2%
SHALIMAR PARTNERSHIP, LLC	09-09-29-130-013	305 S MAIN ST	19		19	1,166	\$ 425.79	\$ 128.26	\$ 554.05	0.2%
SHALIMAR PARTNERSHIP, LLC	09-09-29-130-014	307 S MAIN ST	22		22	2,630	\$ 493.02	\$ 289.30	\$ 782.32	0.3%
SHAPIRO HARVEY L TRUST	09-09-29-143-009	204 S MAIN ST	40		40	8,164	\$ 896.40	\$ 898.04	\$ 1,794.44	0.6%
SHAPIRO HARVEY L TRUST	09-09-29-143-010	200 S MAIN ST	43	124	167	10,540	\$ 3,742.47	\$ 1,159.40	\$ 4,901.87	1.7%
SMH HOLDINGS, LLC	09-09-29-144-008	303 S ASHLEY ST	40	66	106	1,228	\$ 2,375.46	\$ 135.08	\$ 2,510.54	0.9%
STROZYNSKI PAUL	09-09-29-131-010	122 E WASHINGTON ST	22		22	2,904	\$ 493.02	\$ 319.44	\$ 812.46	0.3%
TARO PROPERTIES LLC	09-09-29-143-025	116 W LIBERTY ST - Unit 1 (1st fl comm. condo)	10		10	1,404	\$ 224.10	\$ 154.44	\$ 378.54	0.1%
THE ASHLEY GROUP, L.L.C.	09-09-29-143-016	213 S ASHLEY ST (includes 215 & 217)	44		44	21,824	\$ 986.04	\$ 2,400.64	\$ 3,386.68	1.2%
UZUNJIAN SHAHIN & A	09-09-29-143-006	212 S. Main	15		15	3,060	\$ 336.15	\$ 336.60	\$ 672.75	0.2%
113 WEST WASHINGTON, LLC.	09-09-29-143-011	113 W WASHINGTON ST	20		20	3,520	\$ 448.20	\$ 387.20	\$ 835.40	0.3%
WSSA ANN ARBOR MAIN, LLC	09-09-29-406-006	327 S. Main	21		21	7,869	\$ 470.61	\$ 865.59	\$ 1,336.20	0.5%
WSSA ANN ARBOR MAIN, LLC	09-09-29-406-005	329 S. Main	44		44	5,484	\$ 986.04	\$ 603.24	\$ 1,589.28	0.6%
WONG PATRICIA TRUST	09-09-29-130-010	311 S. Main	22		22	4,224	\$ 493.02	\$ 464.64	\$ 957.66	0.3%

WWSA, LLC	09-09-29-142-023	120 W WASHINGTON ST - Unit A/Unit 1 (1st fl comm. condo)	69	69	5,618	\$ 1,546.29	\$ 617.98	\$ 2,164.27	0.8%	
WWSA, LLC	09-09-29-142-024	120 W WASHINGTON ST - Unit B/Unit 2 (1st fl comm. condo)	45	45	3,648	\$ 1,008.45	\$ 401.28	\$ 1,409.73	0.5%	
WWSA, LLC	09-09-29-142-029	120 W WASHINGTON ST- Unit G	11	11	957	\$ 246.51	\$ 105.27	\$ 351.78	0.1%	
WWSA, LLC	09-09-29-142-030	120 W WASHINGTON ST- Unit H	38	38	1,080	\$ 851.58	\$ 118.80	\$ 970.38	0.3%	
WWSA, LLC	09-09-29-142-032	120 W WASHINGTON ST- Unit J	44	44	1,256	\$ 986.04	\$ 138.16	\$ 1,124.20	0.4%	
WWSA, LLC	09-09-29-142-033	120 W WASHINGTON ST- Unit K	43	43	1,224	\$ 963.63	\$ 134.64	\$ 1,098.27	0.4%	
YO MAMA LLC	09-09-29-127-036	113 S FOURTH AV (comm. condo)	23	23	1,936	\$ 515.43	\$ 212.96	\$ 728.39	0.3%	
Z LIBERTY CORP	09-09-29-131-003	117 E LIBERTY ST	22	22	2,945	\$ 493.02	\$ 323.95	\$ 816.97	0.3%	
<b>TOTAL -</b>			<b>4875</b>	<b>2945</b>	<b>7820</b>	<b>1,244,649</b>	<b>\$175,246.20</b>	<b>\$136,911.39</b>	<b>\$312,157.59</b>	<b>100.0%</b>

# ATTACHMENT C

## BYLAWS OF MAIN STREET BUSINESS IMPROVEMENT ZONE

(July 1, 2024)

### ARTICLE I

#### NAME

The name of the Corporation is the Main Street Area Business improvement Zone.

### ARTICLE II

#### DEFINITIONS

As used in these Bylaws, the following terms shall have the meanings set forth below:

**“BIZ Assessments”** means assessments made against Zone Properties under the Zone Plan.

**“BIZ Statute”** means Chapter 2 of Act 120 of 1961, as amended, MCL 125.990 et seq., or comparable provisions of any subsequent Michigan legislation applicable to the BIZ.

**“Board of Directors”** or “Board” means the board of directors of the Business Improvement Zone.

**“Business Improvement Zone”** means the Main Street Area Business Improvement District as created and operating under the BIZ Statute.

**“Corporation”** means the Main Street Area Business Improvement Zone, a Michigan non-profit corporation organized under the Non Profit Corporation Act and the BIZ Statute.

**“Director”** means an individual who is serving on the Board of Directors.

**“Internal Revenue Code”** means the United States Internal Revenue Code of 1986, as amended.

**“Non Profit Corporation Act”** means of Act 162 of 1982, as amended, MCL 450.2101 et seq., or comparable provisions of any subsequent Michigan legislation applicable to non-profit corporations

**“Open Meeting Act”** means Act 267 of 1976, as amended, MCL 15.261 et seq., or comparable provision of any subsequent Michigan legislation applicable to the Business Improvement Zone.

**“Property Owner”** means each owner of record of title to a Zone Property. Where a Zone property is subject to a sale by land contract, the land contract vendee will be treated as the owner of record of that Zone Property. Where a Property is owned by more than one party, all parties shall be deemed one Property Owner.

**“Per Property Owner Vote”** means one vote for each Property Owner with respect to the matter subject to the vote, with all votes having the same weight for purposes of that vote.

**“Weighted Vote”** means, for each Property Owner, the weighted vote for each Property Owner equal to the assessment percentage assigned to the Zone Property of the Property in the Zone Plan.

**“Zone Area”** means the area in the City of Ann Arbor served by the Business Improvement Zone as more specifically identified in the Zone Plan, as it may have been amended or renewed from time to time.

**“Zone Plan”** means the Business Improvement Zone Plan for the Business Improvement Zone effective July 1, 2024.

**“Zone Property”** means real property in the Zone Area, other than property classified as residential real property under Section 34c of the General Property Tax Act, Act 206 of 1893, as amended, MCL 21 1.34c and other than property exempt from the collection to taxes under the General Property Tax Act, Act 206 of 1893, as amended, MCL 211.7 to 211.57. The term “Zone Property” includes taxable leaseholds and other taxable interests in exempt real property in the Zone Area.

### **ARTICLE III**

#### **PURPOSES**

The purpose or purposes for which the Corporation is organized are:

To provide for the ongoing maintenance, beautification, promotion, marketing and advocacy of the Business Improvement Zone established pursuant to Act 120 of 1961 of the State of Michigan in the Zone Area of the City of Ann Arbor, Michigan, as that Business Improvement Zone is defined or redefined by the Board of Directors of the Corporation from time to time consistent with the provisions of the BIZ Statute.

### **ARTICLE IV**

#### **PROPERTY OWNERS**

##### **4.1 ANNUAL MEETINGS OF PROPERTY OWNERS.**

A. The Annual Meeting of the Property Owners shall be held on such date and time in the month of May of each year beginning in 2025. Such meetings may be conducted by means of an in-person assembly, electronic communications or a combination of an in-person assembly and electronic communications to the extent permitted by and in compliance with the requirements of the Open Meetings Act. If

conducted by in-person assembly, such meetings shall be at a place in the City of Ann Arbor available to the public and reasonably accessible from the Zone Area as determined by the Board.

B. The business conducted at the annual meeting of the Property Owners shall include:

1. Electing individuals to fill expiring terms on the Board (if any), including the terms of any Directors elected by the Board of Director to fill vacancies;
2. Receiving and discussing a report on the activities of the Business Improvement Zone during the preceding calendar year;
3. Receiving and discussing a report on the financial activities and status of the Business Improvement Zone;
4. Considering any amendments to the Zone Plan proposed by the Board; and
5. Considering such other business within the powers of the Property Owners as may be proposed by the Board, a Property Owner or a person acting as proxy for a Property Owner.

#### **4.2 SPECIAL MEETINGS OF THE PROPERTY OWNERS.**

The Board may call a Special Meeting of the Property Owners to consider such business as the Board considers appropriate and shall call a Special Meeting of the Property Owners upon the written request of Property Owners holding or representing at least ten (10%) of all the Per Property Owner Votes. A Special Meeting may be conducted by means of an in-person assembly, electronic communications or a combination of an in-person assembly and electronic communications to the extent permitted by and in compliance with the requirements of the Open Meetings Act. If conducted by in-person assembly, such Special Meetings shall be held at a place in the City of Ann Arbor available to the public and reasonably accessible from the Zone Area as determined by the Board. At a Special Meeting, the Property Owners shall consider only such business as specified in the resolution of the Board calling the meeting or in the written notice of Property Owners requesting the meeting.

#### **4.3 NOTICE OF MEETINGS OF THE PROPERTY OWNERS.**

A. The Corporation shall provide public notice of all Annual Meetings and Special Meetings of the Property Owners, including adjourned, recessed and rescheduled meetings, as required by the Open Meetings Act.

B. At least fourteen (14) days prior to each Annual Meeting or Special Meeting of the Property Owners, the Corporation shall provide written notice to each Property Owner of Zone Property of the time and place of each Annual Meeting and Special Meeting of the Property Owners (and of the purpose or purposes of each Special

Meeting of the Property Owners) by first class mail addressed to the Property Owner at the address provided by the Property Owner to the Corporation for that purpose, or if none has been provided, at the Property Owner's address (if any) as shown in the records of the Ann Arbor City Treasurer as of a date not more than ninety (90) days before the date on which the notice is given. The written notice of the Annual Meeting of the Property Owners shall also include information about the availability of reports on the activities and financial status of the Business Improvement District. No such written notice is required for an adjourned, recessed or rescheduled meeting of the Property Owners. Except as otherwise required by the BIZ Statute, as long as notice of a meeting of the Property Owners has been given in accordance with the Open Meetings Act, the failure to give or receive written notice by mail or any defect in such written notice shall not affect the validity of any meeting or of any action taken at a meeting by the Property Owners.

#### **4.4 QUORUM.**

A minimum of ten (10%) percent of the Property Owners (without regard to assessed value or number of Zone Area tax parcels owned or represented) present in person or by proxy constitute a quorum for the transaction of business at any Annual or Special Meeting of the Property Owners. Property Owners present in person or by proxy at an Annual or Special Meeting of the Property Owners may continue to do business until adjournment or recess, notwithstanding the withdrawal of enough Property Owners to leave less than a quorum. Whether or not a quorum is present, a meeting of the Property Owners may be adjourned by the vote of the Property Owners present.

#### **4.5 PROXIES.**

A. Subject to the limitation below, a Property Owner may authorize one (1) or more persons (including Directors) to act for the Property Owner by proxy. A proxy shall be in writing and signed by the Property Owner or by an agent or representative of the Property Owner. Unless otherwise provided in the proxy, a proxy is not valid after the expiration of three (3) years from its date. A proxy is revocable at the pleasure of the Property Owner executing it.

B. Unless the instrument appointing a person to act on behalf of a Property Owner specifically states otherwise, a person designated in a proxy shall not be considered to be a Property Owner or to be an agent of the Property Owner for purposes other than voting and taking other actions at meetings of the Property Owners.

C. One person or group of persons may not act as a proxy for more than five (5) different Property Owners at one time; provided, however, that the Board may designate one (1) or more Directors to exercise proxies on behalf of the Property Owners who shall not be subject to that limitation. For purposes of applying the preceding limitation, however, a group of business entities under common control or the Property Owners of a single family (consisting of an individual and that individual's spouse, parents, descendants and spouses of descendants) shall each be considered to be a single Property Owner. Any limitations on Weighted Votes cast by a person acting as proxy for multiple Property Owners shall be determined for each Property Owner separately.

#### **4.6 VOTING.**



A. Each Property Owner shall be entitled to cast a number of votes equal to the Weighted Vote of the Property Owner with respect to each of the following matters:

1. The adoption of an amendment or amendments to a previously approved Zone Plan;
2. The adoption of a new 10-year Zone Plan; and
3. The dissolution of the Business Improvement District.

An amendment to or renewal of a Zone Plan that changes the assessment or extends an assessment beyond the period previously approved by the Ann Arbor City Council shall require approval by the Ann Arbor City Council as well as by the Property Owners to be effective.

B. Each Property Owner, present in person or by proxy, shall be entitled to cast one (1) vote (the Per Property Owner Vote) on each matter coming before the Property Owners other than the actions listed in Section 4.6A. Such votes shall not be affected by the number of Zone Properties owned by the Property Owner or their taxable values.

C. The approval of a new 10-year Zone Plan shall be authorized by at least fifty percent (50%) of the Weighted Votes cast, in person or by proxy, by Property Owners entitled to vote on the matter at the meeting. When an action other than the approval of a new 10-year Zone Plan or the election of Directors is to be taken by vote of the Property Owners, it shall be authorized by a majority of the votes cast, in person or by proxy, by Property Owners entitled to vote on the matter at the meeting.

D. In the election of Directors, each Property Owner may cast one (1) vote, in person or by proxy for as many persons as there are Directors to be elected. Directors shall be elected by a plurality of the votes cast at an election. If Directors are to be elected to fill terms that have different durations, the candidates receiving the highest number of votes shall serve in the positions having the longest terms (unless candidates have been nominated for or have chosen to run for specific terms).

E. All Weighted Votes on behalf of Property Owners shall be cast in writing.

F. The fact that a particular Zone Property is owned by more than one (1) person does not affect the total Weighted Vote or Per Owner Vote that may be cast by the Property Owner in the election of Directors or on other matters coming before the Property Owners. If the records of the Ann Arbor City Treasurer show that a parcel of Zone Property is owned by two or more persons, any one of those persons may cast the entire Weighted Vote or Per Owner Vote of the Property Owner, in person or by proxy, at a meeting of the Property Owners, unless another person shown as an owner of the Zone Property in the records of the Ann Arbor City Treasurer seeks to vote. In the latter event, the Weighted Vote or the Per Owner Vote (a) shall be allocated equally between owners who hold Zone Property as tenants by the entirety; (b) shall be allocated equally among those owners seeking to vote who hold Zone Property as joint tenants; and (c) shall be

allocated among those owners seeking to vote who hold Zone Property as tenants in common in proportion to their respective interests in the Zone Property.

G. For purposes of determining voting rights under Sections 4.6B and 4.6D: (1) two or more Zone Properties that are shown in the records of the Ann Arbor City Treasurer as having multiple owners shall be treated as being held by a single Property Owner if, but only if, the identities of all the owners as shown in the records of the Ann Arbor City Treasurer are the same; and (2) the voting rights of a person acting as a designated agent or proxy shall be determined based upon the ownership of the Zone Properties represented, as shown in the records of the Ann Arbor City Treasurer.

#### **4.8 CONDUCT OF PROPERTY OWNER MEETINGS.**

All meetings of the Property Owners shall be conducted in accordance with the applicable provisions of the Open Meetings Act. A chair shall preside at each meeting of Property Owners. In the absence of a specific selection by the Board, the chair shall be the Chairman or another Director designated in writing by the Chairman. Subject to the provisions of these Bylaws, the Open Meetings Act and other applicable law, the Board may establish reasonable rules and regulations for the conduct of meetings that are fair to Property Owners and to others attending the meeting. The chair of the meeting shall announce at the meeting when the polls close for each matter voted upon. If no such announcement is made, the polls shall be deemed to have closed upon the earlier to occur of the beginning of voting on the next matter coming before the Property Owners or the final adjournment of the meeting. After the poll is closed, no ballots, proxies or votes, nor any revocations or changes thereto may be accepted.

### **ARTICLE V**

#### **BOARD OF DIRECTORS**

##### **5.1 BOARD COMPOSITION.**

The affairs of the corporation shall be managed by a Board of Directors consisting of not less than five (5) and not more than fifteen (15) Directors.

##### **5.2 DUTIES OF THE BOARD OF DIRECTORS.**

The Board shall be the governing body of the Corporation and shall manage the activities of the Business Improvement Zone and the implementation of the Zone Plan, including approving annual budgets and work programs. Specific duties of the Board include the following:

- A. Developing administrative procedures relating to the implementation of the Zone Plan.
- B. Recommending amendments to the Zone Plan as necessary.
- C. Scheduling and conducting Annual and Special Meetings of the Property Owners.
- D. Developing a proposed Zone Plan for the next 10-year period.

- E. Approving the hiring or removal of independent contractors or employees for the Business Improvement Zone.
- F. Approving any contract or contracts for delivery of services to the Business Improvement Zone.
- G. Approving other contracts for the Business Improvement Zone requiring payments in excess of amounts established from time to time by resolution of the Board of Directors.
- H. Allocating funds between service elements in the Zone Plan as is prudent and responsive, and based on historic data, and based on a two-thirds (2/3) affirmative vote of the board of directors present at the meeting in which the vote is being taken.

### **5.3 QUALIFICATIONS OF DIRECTORS.**

Each Director (other than the Director who may be nominated by the Mayor and approved by Ann Arbor City Council) must be:

- A. An individual who meets one (1) of the following requirements:
  - 1. Is a Property Owner;
  - 2. Has been designated in writing by a Property Owner;
  - 3. Is an owner of property in the Zone Area that is exempt from the payment of real property taxes but voluntarily contributes to the Business Improvement Zone under written agreement;
  - 4. Has been designated in writing by an owner of property in the Zone Area that is exempt from the payment of real property taxes but voluntarily contributes to the Business Improvement Zone under written agreement;
  - 5. Is a proprietor or an owner of a business occupying space in the Zone Area under a lease that requires that the tenant pay or reimburse the landlord for BIZ Assessments; or
  - 6. Has been designated in writing by a proprietor or an owner of a business occupying space in the Zone Area under a lease that requires that the tenant pay or reimburse the landlord for BIZ Assessments;
- B. An individual who at all times is not, or represents the owner or tenant of property in the Zone Area that is not, delinquent in the payment of BIZ Assessments, payments to a landlord reimbursing BIZ Assessments or contractual payment to the Business Improvement Zone, as the case may be.

A Director who has failed to meet the applicable requirements either Section 5.3A or 5.3B for a period of thirty (30) days shall cease to be a Director unless the Board has adopted a resolution extending the period for compliance. Whether or not the Board has adopted such a resolution, a Director who has failed to meet all of the applicable qualifications in this Section 5.3 for a period of sixty (60) days, shall immediately cease to be a Director and his or her position on the Board shall be considered to be vacant.

#### **5.4 SELECTION AND REMOVAL OF DIRECTORS**

A. One (1) position on the Board (which is identified in the Zone Plan) shall be filled by an individual appointed by the chief executive officer of the City of Ann Arbor and confirmed (or deemed confirmed as provided in the BIZ Statute) by the Ann Arbor City Council That Director may be appointed for a one (1), two (2), or three (3) year term and shall serve at the pleasure of the Mayor. Other Directors shall serve for one (1), two (2) or three (3) year terms, as set forth in the Zone Plan or in the resolutions of the Board establishing the size of the Board.

A. The other positions on the Board shall initially be filled by the individuals identified in the Zone Plan. These other Directors shall serve for one (1), two (2) or three (3) year terms, as set forth in the Zone Plan or in the resolutions of the Board establishing the size of the Board.

C. The terms of office of Directors identified in the Zone Plan shall be scheduled to end on June 30, 2025 for Directors identified in the Zone Plan as serving for one (1) year terms, on June 30, 2026 for Directors identified in the Zone Plan as serving for two (2) year terms and on June 30, 2027 for Directors identified in the Zone Plan as serving for three (3) year terms. The Director appointed by the Mayor of the City of Ann Arbor may be appointed for a one, two, or three-year term, as determined by the Mayor. The terms of office of Directors (other than Directors identified in the Zone Plan and Directors elected to fill vacancies) shall commence on July 1<sup>st</sup> and shall be scheduled to end on June 30<sup>th</sup> of the first, second or third year thereafter. At each Annual Meeting of the Property Owners, the Property Owners shall elect Directors to fill positions on the Board having terms that are due to expire on June 30<sup>th</sup> of that year. Individuals so elected shall take office on July 1<sup>st</sup>. A Director shall be eligible for re-election to an unlimited number of terms.

D. A Director may resign by written notice mailed or delivered personally to the principal office of the Corporation or to the Chairman. The resignation shall be effective immediately upon receipt at the principal office of the Corporation unless a later date is specified in the resignation. A resignation does not need to be accepted or ratified by the Board of Directors in order to be effective.

E. Any Director may be removed from office for cause at any meeting of the Board of Directors by the vote of a majority of the Directors then serving. Because active involvement of all Directors is necessary for the Corporation to function effectively (and without limiting the preceding), the failure to attend three (3) consecutive meetings of the Board of Directors held during any period, whether or not the absences have been excused, shall be conclusively presumed to constitute cause for removal of a Director.

F. Vacancies in positions on the Board (other than in the position filled by a nominee of the Mayor of the City of Ann Arbor) arising from death, resignation,

removal, termination of office for failure to meet the qualifications under Section 5.4, the failure of Property Owners to elect a Director to fill an expired term or for any other reason, may be filled by the Board. The term of office of Director elected to fill a vacancy shall begin immediately upon election by the Board and shall continue until the following June 30<sup>th</sup>. The Property Owners shall elect a successor (or re-elect the Director) at the Annual Meeting immediately preceding expiration of the term. Unless the term of the Director whose position became vacant was scheduled to expire on the following June 30<sup>th</sup>, the Director elected by the Property Owners to fill the vacancy shall serve for the remainder of the term of the Director whose position became vacant.

## **5.5 MEETINGS OF THE BOARD OF DIRECTORS.**

A. The Board shall adopt, and may modify, a schedule of regular meetings of the Board. The first regular meeting held in the month of July of each year shall be the Annual Meeting of the Board. At the Annual Meeting, Directors shall elect officers and consider such other business as may properly be brought before the meeting. If, for any reason, the Annual Meeting is not held in any year, the matters that might have been considered at that meeting may be taken up at any later regular, Special or Annual Meeting.

B. Special Meetings of the Board may be called by the Board or by the Chairman and shall be called by the Chairman upon the written request of at least three (3) Directors. The Board may conduct any business at a Special Meeting as may properly be brought before the meeting and is not limited to matters that may have been specified in the notice of the meeting.

C. All Annual and Special Meetings of the Board may be conducted by means of an in-person assembly, electronic communications or a combination of an in-person assembly and electronic communications to the extent permitted by and in compliance with the requirements of the Open Meetings Act. If by in person assembly such meetings shall be held at such places in the City of Ann Arbor available to the public and reasonably accessible from the Zone Area as determined by the Board or, if the Board has not acted, by the Chairman.

D. All meetings of the Board shall be conducted in accordance with the applicable provisions of the Open Meetings Act.

## **5.6 NOTICE OF MEETINGS OF THE BOARD OF DIRECTORS.**

A. The Corporation shall provide public notice of all Annual and Special Meetings of the Board, including adjourned, recessed and rescheduled meetings, as required by the Open Meetings Act.

B. Written notice of the time and place of all Annual and Special Meetings of the Board shall be given to each Director at least three (3) days before the date of the meeting, either personally or by sending such notice to each director by regular or electronic mail at the address designated by the director for such purposes, or if none is designated, at the Director's last known address. No such notice is required for an adjourned, recessed or rescheduled meeting of the Directors. As long as notice of a meeting of the Board has been given in accordance with the Open Meetings Act, the failure to give or receive written notice by regular or electronic mail or any defect in such written

notice shall not affect the validity of any meeting or of any action taken at a meeting by the Board.

#### **5.7 QUORUM AND VOTING REQUIREMENTS.**

A majority of the Directors then in office constitutes a quorum for the transaction of business. Each Director shall have one (1) vote on all matters coming before the Board (without regard to the Weighted Vote of any Zone Property owned, leased or represented by the Director). The vote of a majority of the Directors then in office shall be the act of the Board, unless a larger vote may be required by law, under the Zone Plan or in these bylaws. A Director may not designate a proxy or other representative to cast a vote or to take any other action on his or her behalf at a meeting of the Board of Directors or of a committee of the Corporation.

#### **5.8 COMPENSATION.**

Directors shall receive no compensation for their services as Directors of the Board or as Officers of the Corporation. The preceding shall not, however, prevent the Corporation from purchasing insurance providing coverage to Directors or BIZ officers nor shall it prevent the Board from reimbursing Directors for their actual and necessary expenses incurred in the performance of their official duties as Directors or Officers of the BIZ and authorized by the Board.

#### **5.9 CONFLICTS OF INTEREST.**

Directors and officers of the Corporation are subject to, and must comply with, Act No. 317 of 1968 (MCL 15.321 et seq.), which governs contracts directly and indirectly between public servants and public bodies, and with other applicable laws addressing conflicts of interest, incompatibility of public office and ethical standards for public officials and public servants.

#### **5.10 EXECUTION OF CONTRACTS AND CONVEYANCES.**

The Board may in any instance designate one or more Officers, agents or employees to execute any contract, conveyance, mortgage or other instrument on behalf of the Corporation, and such authority may be general or confined to specific transactions. The Board may also ratify any execution. When the execution of any instrument has been authorized without specifying the executing officers or agents, the Chairman or any Vice Chairman and the Secretary or the Treasurer may execute such instrument on behalf of the Corporation.

### **ARTICLE VI**

#### **OFFICERS**

#### **6.1 OFFICERS.**

The Officers of the Corporation shall be a Chair, a Vice Chair, a Secretary and a Treasurer. All Officers shall be Directors when elected. A Director resigning his or her position as an Officer shall remain on the Board. No individual may hold more than one (1) office at a time.

## **6.2 ELECTION AND TERM OF OFFICE.**

All Officers shall be elected for a term of one (1) year (or until their successors have been elected) by the Board at its annual meeting.

## **6.3 REMOVAL.**

Any Officer may be removed with or without cause by vote of the Directors at any Annual or Special Meeting of the Board.

## **6.4 VACANCIES.**

In the event of the death, resignation, removal or other inability to serve of any Officer, the Board shall elect a successor who shall serve until the expiration of the normal term of such office or until his or her successor shall be elected.

## **6.5 CHAIR.**

The Chair shall be the chief policy officer of the Corporation, shall preside at all meetings of the Board at which the Chair is present and shall preside at meetings of the Property Owners. If the Board has not designated an executive director for the Business Improvement Zone, the Chair shall also see that all orders and resolutions of the Board are carried into effect, and shall have the general powers of supervision and management usually vested in the chief executive officer of a public body.

## **6.6 VICE CHAIR.**

The Vice Chair shall have such duties as determined from time to time by the Board or the Chair.

## **6.7 SECRETARY.**

The Secretary shall see that all required notices of meetings of the Property Owners and the Board are given, shall see that minutes of meetings of the Property Owners and the Board are maintained, shall receive and attend to correspondence of the Board, shall have custody of documents belonging to the corporation (except as otherwise provided in these bylaws or by the Board) and shall perform such other duties as usually pertain to the office or as shall be determined from time to time by the Board.

## **6.8 TREASURER**

The Treasurer shall have charge of the funds of the Corporation, except for such funds as the Board may designate; shall see that an accounting system is maintained that will give a true and accurate accounting of the financial transactions of the Corporation; shall see that audits of the Corporation and the Business Improvement Zone are conducted in accordance with applicable law; and shall render reports from time to time as requested by the Board of his or her activities and the financial condition of the Corporation and the Business Improvement Zone. All funds received by the Treasurer

shall immediately be deposited in a depository designated by the Board in accordance with the BIZ Statute and other applicable laws.

## **ARTICLE VII**

### **COMMITTEES**

#### **7.1 COMMITTEES.**

The Board shall establish an Executive Committee and a Nominating Committee and may establish and define the responsibilities of such additional standing and special committees as it determines are appropriate from time to time to carry out the purposes and programs of the Corporation. Notwithstanding the preceding, however, committees shall perform only administrative and advisory functions and no committee shall exercise any governmental or proprietary powers or functions on behalf of the Corporation. Except as otherwise provided by the Board or in these bylaws, individuals who are not Directors shall be eligible to serve on committees but shall not be eligible to serve as chair of any committee. Unless the composition of a committee is set forth in these Bylaws, the Property Owners and chairs of committees shall be nominated by the Chair and elected by the Board at its annual meeting for one (1) year terms or until their successors have been duly elected, but may be removed and replaced at any time by the Board. The Chair and, if elected, the executive director of the Corporation may attend and participate, without a vote, in the meetings of all committees of which the Chair or the executive director is not otherwise a Property Owner.

#### **7.2 EXECUTIVE COMMITTEE.**

The Executive Committee shall consist of the Chair, the Vice Chair, the Secretary and the Treasurer of the Corporation. The Executive Committee shall supervise matters involving the proposed agendas for meetings of the Board of Directors and of the Property Owners; the negotiation and performance of contracts for the Business Improvement Zone; the selection, compensation and supervision of personnel (if any) for the Corporation; the preparation of proposed budgets for the Corporation and the Business Improvement Zone; audits and financial management of the Corporation and the Business Improvement Zone; and other issues relating to the day-to-day operation of the Corporation and the Business Improvement Zone and shall provide recommendations with respect to such matters, as necessary, to the Board of Directors. The Executive Committee shall perform such additional tasks as determined from time to time by the Board of Directors.

#### **7.3 NOMINATING COMMITTEE.**

The Board shall appoint a Nominating Committee consisting of the Chair and at least two (2) other Directors. The Nominating Committee shall recommend: procedures for carrying out the nominating process to the Board; a slate of one or more candidates for each position on the Board to be filled at Annual Meetings of the Property Owners and, when requested to do so by the Board, candidates to fill vacancies occurring on the Board between Annual Meetings of the Property Owners and candidates to serve as officers. An individual need not be recommended by the Nominating Committee to be elected as a Director or officer. In recommending candidates, the Nominating Committee shall seek and consider recommendations from Property Owners and tenants of Zone Property and



shall promote the goal expressed in the Zone Plan that the Board represent the diversity of the business and property owners the Zone Area, including those situated in various parts of the Zone Area, owners of large and modest properties, Property Owners of differing racial and ethnic groups and those providing various kinds of goods or services.

## **ARTICLE VIII**

### **INDEMNIFICATION OF OFFICERS, EMPLOYEES, DIRECTORS AND AGENTS**

#### **8.1. INDEMNIFICATION FROM CLAIMS OF THIRD PARTIES**

The Corporation shall indemnify a Director, Officer, employee or agent who was or is a party or is threatened to be made a party to a threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative and whether formal or informal, other than an action by or in the right of the Corporation, by reason of the fact that he or she is or was a Director, officer, employee or agent of the Corporation against expenses, including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred in connection with the action, suit, or proceeding, if the person to be indemnified acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, if he or she had no reasonable cause to believe the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that he or she did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.

#### **8.2. INDEMNIFICATION FROM CLAIMS BY OR BY RIGHT OF THE CORPORATION**

The Corporation shall indemnify a Director, Officer, employee or agent who was or is a party to or is threatened to be made a party to a threatened, pending, or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a Director, officer, employee or agent of the Corporation against expense, including actual and reasonable attorneys' fees, and amounts paid in settlement incurred by the person in connection with the action or suit, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation. However, indemnification under this Section shall not be made for a claim, issue, or matter in which he or she has been found liable to the Corporation unless and only to the extent that the court in which the action or suit was brought has determined upon application that, despite the adjudication of liability but in view of all circumstances of the case, he or she is fairly and reasonably entitled to indemnification for the expenses which the court considers proper.

#### **8.3 CONDITIONS TO INDEMNIFICATION**

An indemnification under Sections 8.1 or 8.2 hereof, unless ordered by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification is proper in the circumstances because the applicable

standard of conduct has been met. This determination shall be made in any of the following ways:

A. By a majority vote of a quorum of the Board of Directors consisting of Directors who were not parties to the action, suit, or proceeding.

B. If the quorum described in subdivision A is not obtainable, then by a majority vote of a committee of Directors who are not parties to the action. The committee shall consist of not less than two (2) disinterested Board Property Owners.

C. By independent legal counsel in a written opinion.

#### **8.4. EXPENSES**

A. Expenses incurred in defending a civil or criminal action, suit, or proceeding described in Sections 8.1 or 8.2 above shall be paid by the corporation in advance of the final disposition of the action, suit, or proceeding upon receipt of any undertaking by or on behalf of the person being indemnified to repay the expenses if it is ultimately determined that he or she is not entitled to be indemnified by the corporation. The undertaking shall be by unlimited general obligation of the person on whose behalf advances are made but need not be secured.

B. If a person is entitled to indemnification under Sections 8.1 or 8.2 for a portion of expenses including attorneys' fees, judgments, penalties, fines, and amounts paid in settlement, but not for the total amount thereof, the corporation shall indemnify the portion of the expenses, judgments, penalties, fines, or amounts paid in settlement for which the person is entitled to be indemnified.

C. The indemnification or advancement of expenses provided under Sections 8.1 through 8.4 is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Articles of Incorporation, or Bylaws of the Corporation, or a contractual agreement of the Corporation. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses. The indemnification provided for in Sections 8.1 through 8.4 continues as to a person who ceases to be a Director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, administrators of the person.

#### **8.5. INSURANCE**

The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a Director, officer, employee, or agent of another corporation, business corporation, partnership, joint venture, trust or other enterprise against any liability asserted against the person and incurred by the person in any such capacity or arising out of the person's status as such, whether or not the Corporation would have the power to indemnify the person against such liability under the provisions of the Michigan Nonprofit Corporation Act.

### **IX**

## **MISCELLANEOUS**

### **9.1 PRINCIPAL OFFICE.**

The principal office of the Corporation shall be at such place in Zone Area as the Board shall determine from time to time.

### **9.2 FISCAL YEAR.**

The fiscal year of the Corporation shall begin on July 1st of each year and continue until June 30th of the following year (or until the earlier termination of the Corporation).

### **9.3 DISSOLUTION.**

The Corporation may be dissolved under the procedures set forth in Section 10 I of the BIZ Statute, MCL 125.990I and the Zone Plan.

### **9.4 AMENDMENTS.**

These Bylaws may be amended, and new Bylaws adopted, by the Board of Directors. Amendments to these Bylaws and any new bylaws may be proposed at any meeting of the Board of Directors, but shall not be effective until ratified by the Board of Directors at a subsequent Annual or Special meeting; provided, however, that no provision of any amended or new Bylaw that is inconsistent with the Zone Plan shall be effective until a corresponding amendment to the Zone Plan has been adopted by the Property Owners (and, if applicable, by the Ann Arbor City Council).