



January 31, 2011

Heather Cole
State of Michigan Tax Commission
Department of Treasury
PO Box 30471
Lansing, MI 48909
Coleh2@michigan.gov

Re: 208 West Michigan, Ypsilanti
Obsolete Property Rehabilitation Exemption Certificate

Dear Ms. Cole,

I am writing to inform you that I am proceeding in good faith in the operation of the 208 West Michigan, Ypsilanti facility in a manner consistent with the purposes of the Obsolete Property Rehabilitation Act in the absence of circumstances that are beyond my control.

The City of Ypsilanti however voted at their December 21st City Council meeting to pass a resolution to revoke the Obsolete Property Rehabilitation Certificate No. 3-04-0013 for Go Downtown, LLC.

The resolution the City of Ypsilanti passed also states "BE IT FURTHER RESOLVED, that the City Council for the City of Ypsilanti requests that the Michigan State Tax Commission revoke Obsolete Property Rehabilitation Certificate No. 3-04-0013 for Go Downtown, LLC"

The City of Ypsilanti does not have the right under Public Act 146 of 2000, as amended, to revoke the Obsolete Property Rehabilitation Exemption Certificate in this case for the following six reasons:

- Public Act 146 of 2000, as amended does not read that the late payment of real estate property taxes can be used to establish a case that a property owner has "not proceeded in good faith with the operation of the rehabilitated facility in a manner consistent with the purposes of this act."
- The act clearly states that a legislative body can only revoke the OPRA if a recipient is not "proceeding in good faith in the operation of the facility in a manner consistent with the purposes of the act." The burden of proof that the City of Ypsilanti is trying to use in this case is that I did not operate the facility in good faith because they claim that the taxes that were due on September 14th 2010 were paid on November 17th, 2010. However at the time the City of Ypsilanti attempted to use the burden of proof to bolster their case for revocation (on December 21st, 2010) the taxes were in fact completely paid. Therefore the City of Ypsilanti cannot use their claim that the taxes were not paid to support their argument that I was not operating in good faith.

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- At the time the City Council of the City of Ypsilanti voted for the revocation I was proceeding in good faith in the operation of the facility in a manner consistent with the purposes of the act and in the absence of circumstances that are beyond my control. The City of Ypsilanti claims that the taxes were paid late and claims that when I received a letter notifying me of this from the City, that I made payment on the taxes. It was not until approximately 30 days after the City of Ypsilanti claims I paid the taxes did they pass a resolution to revoke the certificate.
- The taxes on 208 West Michigan, Ypsilanti are current.
- In order for the City of Ypsilanti to document and demonstrate that the taxes were past due and/or not paid and/or not paid on time they would have needed to file a certificate of nonpayment of taxes with the Washtenaw County register of deeds. This was not done and therefore it cannot be found that the taxes were paid late.
- In order for the City of Ypsilanti to properly file this certificate of nonpayment of taxes with the Washtenaw County register of deeds the managing member of Go Downtown, LLC (who is Stewart Beal) would have had to have been served. This was not done and therefore it cannot be found that the taxes were paid late.

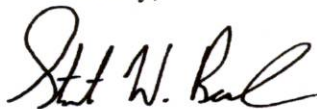
I am requesting at this time should the State of Michigan Tax Commission receive a request from the City of Ypsilanti to revoke the Obsolete Property Rehabilitation Exemption Certificate No. 3-04-0013 that they not do. I furthermore request that the State of Michigan Tax Commission find that the City of Ypsilanti does not have the right to revoke the Obsolete Property Rehabilitation Exemption Certificate No. 3-04-0013.

I furthermore request that the State of Michigan Tax Commission find that Go Downtown has proceeded to operate 208 West Michigan, Ypsilanti in good faith in a manner consistent with the purposes of the act.

I furthermore request that the State of Michigan Tax Commission find that the City of Ypsilanti's claim that the taxes were paid 63 days late does not demonstrate that "the holder of the obsolete property exemption certificate has not proceeded in good faith with the operation of the rehabilitated facility in a manner consistent with the purposes of this act"

Thank you for your time and your consideration. I look forward to continuing to operate this facility in good faith in a manner consistent with the purposes of the Obsolete Property Rehabilitation Act.

Sincerely,



Stewart Beal
President, Beal Properties, LLC
Managing Member, Go Downtown, LL

Cc: Ed Koryzno, City of Ypsilanti
Nora Lee Wright, Attorney at Law

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