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July 11, 1996

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CITY CLERK
CITY OF NOVI

Mayor McLallen and City of Novi
Council Members
City of Novi
45175 West Ten Mile Road
Novi, MI 48375

RE: Ice Arena documents

Dear Mayor McLallen and City of Novi Council Members:

As you are aware, the Board of Trustees of Community Clubs of Novi has been meeting and reviewing the various ice arena agreements prior to authorizing the execution of the same by the Community Clubs. The Board has requested a number of changes to the Development Agreement and Management Agreement, which are being provided to you by Community Clubs under separate cover. We have reviewed those matters with Community Clubs and concur with the changes that have been made.

In addition, Community Clubs is considering some additional minor changes to the Management Agreement, which are discussed in a letter from Mr. Robert Shaw to the Council. Because the Management Agreement is an agreement between Community Clubs and Center Ice, we suggest that these final changes be resolved by Community Clubs and copies of the final documents provided to the Council for its information.

There is one change being considered which is of particular significance. Community Clubs is considering requiring Center Ice to provide a surety bond in the amount of \$1,000,000.00 as security for Center Ice's obligations. The bond requirement is proposed because of Center Ice's limited assets. We concur in this requested revision for additional reasons. Community Clubs requested this office to do a litigation check on Center Ice, Mr. Seyler and other entities with which Mr. Seyler has been associated. That investigation reveals no outstanding litigation involving Center Ice. However, it did reveal prior litigation involving a corporation known as "Seyler Associates, Inc.". On July 9, 1993, a default judgment was entered in the Wayne County Circuit Court against Seyler Associates in the amount of \$96,060.94. The Plaintiff was an entity known as "400

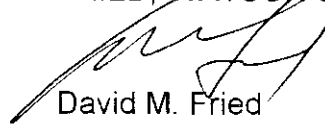
Mayor McLallen and City of Novi
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Limited" and the claim was for failure to pay rent. On December 9, 1992, Seyler Associates, Inc. was sued by an Alexander Stanko for claimed violations of "Blue Sky" laws. From what we have learned of the underlying facts, we question whether there is any legitimate claim against Mr. Seyler. However, as of the present time, the case remains unresolved. In addition, a credit check of Mr. Seyler reveals several occasions over the last two years in which credit card companies have written off credit card debts of Mr. Seyler. In light of these matters, we believe that the bond requirement is a prudent measure.

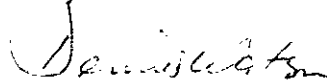
If there are additional questions regarding this matter, do not hesitate to contact the undersigned.

Very truly yours,

FRIED, WATSON & BUGBEE, P.C.



David M. Fried
City Attorney
City of Novi



Dennis Watson
Assistant City Attorney
City of Novi

DMF/DW/kb

cc: Tonni Bartholomew
Community Clubs of Novi
Dan Davis
Terry Seyler



Director

Daniel R. Davis

**Parks & Recreation
Commission**

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Dennis Colligan
Philip Koneda
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**City of Novi
Parks & Recreation**

45175 W. Ten Mile
Novi, MI 48375
(810) 347-0400
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TO: Mayor McLallen and City Council Members
FROM: Daniel R. Davis, Director of Parks & Recreation *DRD*
DATE: December 14, 1995
SUBJECT: Ice Arena Project

The attached documentation will summarize the status of the Ice Arena Project which I believe has addressed the questions and concerns from the City Council. The direction and process undertaken by the Parks and Recreation Commission has been to provide an ice arena facility at no risk of general tax obligation to the Novi taxpayers. This is the primary reason we have sought a joint public/private venture with Center Ice Management.

I believe we are at the point where we can make a decision on whether we should proceed with this project as proposed.

Thank you for your consideration.

DRD:snj
Attach.



'The meaning of Leisure, is the meaning of Life'

History of the Ice Arena Facility Project

1. Ice Arena Feasibility Report

A citizens initiated committee working cooperatively with the Novi Parks and Recreation Commission, provided an in-depth preliminary feasibility study to the Novi City Council on September 21, 1992. The study requested the Novi City Council to approve the following.

- Endorse the concept of an arena facility within the City of Novi.
- Refine and formalize the type of facility and programming desired for the city
- Conduct a site selection process
- Participate in land acquisition, if necessary
- Solicit proposals from private developers and management companies for the designs, construction and operation of the facility, in cooperation with the city.

2. Request for Proposals Process

The Department of Parks & Recreation proceeded to prepare and release the request for proposals (RFP) on March 18, 1994.

3. Award of RFP to Center Ice Managements

The City of Novi received (5) five proposals from the private sector for this request for proposals. The Ice Arena Study Committee evaluated each proposal based upon the criteria set forth in the RFP. The committee recommended that the Novi City Council Award the RFP to Center Ice Management. This action was approved on June 20, 1994.

4. Approval to Proceed with Contract Documents

Center Ice Management presented a report to the Novi City Council at a special meeting on September 19, 1994. Mr. Terry Seyler provided council with a report that demonstrated feasibility and need for a ice arena facility in the City of Novi. The city council, by consensus, authorized the city administration and attorneys to review and proceed with the preparation of the necessary documents.

5. Presentation of Contract Documents

After many months of negotiations and modifications, we are please to present to you our recommendation concerning the necessary contract documents relative to the design, construction, operation and management of a Ice Arena Facility for the City of Novi.