

Appraisal of Going Concern

Novi Ice Arena

Ice Sports Arena Property
42400 Nick Lidstrom Dr.
Novi, Oakland County, Michigan 48375

Prepared For:

City of Novi

Effective Date of the Appraisal:

August 15, 2025

Report Format:

Appraisal Report

IRR - Detroit

File Number: 142-2025-1030



Subject Photographs



Novi Ice Arena
42400 Nick Lidstrom Dr.
Novi, Michigan

Aerial Photograph





August 26, 2025

Victor Cardenas
City Manager
City of Novi
45175 W. Ten Mile Road
Novi, MI 48375

SUBJECT: Market Value Appraisal
 Novi Ice Arena
 42400 Nick Lidstrom Dr.
 Novi, Oakland County, Michigan 48375
 Client Reference:
 IRR - Detroit File No. 142-2025-1030

Dear Mr. Cardenas:

Integra Realty Resources – Detroit is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the going concern value of the fee simple interest in the property. The client for the assignment is City of Novi, and the intended use is for property disposition purposes.

The subject is an existing ice sports arena property containing approximately 77,000 square feet of gross building area, including a 14,000 SF mezzanine area. The improvements were constructed in 1998 on a site estimated at approximately 7 acres.

The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, applicable state appraisal regulations, and the appraisal guidelines of City of Novi. The appraisal is also prepared in accordance with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report.

Based on the valuation analysis in the accompanying report, and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Going Concern Value	Fee Simple	August 15, 2025	\$3,600,000

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. The valuation assumes an easement access from Nick Lidstrom Drive

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. The site area is estimated at approximately 7 acres, in the location indicated in the report exhibits.

The value conclusion(s) in this report consider the impact of COVID-19 on the subject property. If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

Integra Realty Resources - Detroit



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Summary of Salient Facts and Conclusions

Property Name	Novi Ice Arena		
Address	42400 Nick Lidstrom Dr. Novi, Oakland County, Michigan 48375		
Property Type	Ice Sports Arena - Skating Rink		
Owner of Record	City of Novi		
Tax ID	22-26-101-018 (part of)		
Land Area	7.00 acres; 304,920 SF		
Gross Building Area	76,707 SF		
Rentable Area	76,707 SF		
Year Built	1998		
Zoning Designation	I-1, Light Industrial		
Highest and Best Use - As if Vacant	Industrial use		
Highest and Best Use - As Improved	Privately owned ice arena use		
Exposure Time; Marketing Period	12 months; 12 months		
Effective Date of the Appraisal	August 15, 2025		
Date of the Report	August 26, 2025		
Property Interest Appraised	Fee Simple		
Market Value Indications			
Cost Approach	Not Used		
Sales Comparison Approach	\$5,000,000		
Income Capitalization Approach	\$3,400,000		
Market Value Conclusion	\$3,600,000		
		Per SF	\$46.93

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than City of Novi may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

Strengths, Weaknesses, Opportunities, Threats (SWOT Analysis)

Strengths

- The subject is a multi-sheet ice sports arena that has a strong historic performance record
- The subject has been well maintained over time, has good curb appeal, and represents one of the newest public ice rink facilities in Michigan
- The subject is located on a site (hypothetical) of sufficient size to support the improvements and associated parking needs, and includes a 2+ acre parking lot
- The subject is a well-managed property, with strong attention to detail and growing income
- Recent capital expenditures include replacement of the roof cover, a large air handling unit, and new refrigeration control system.

Weaknesses

- The property is somewhat removed from area freeways and has no main road exposure
- The parking lot is original, and will require some replacements in the near term
- The subject has been operated as a municipal arena, which are generally known to have reduced rates, as they are viewed a community amenity, thus do not focus on profit.

Opportunities

- The southeast Michigan market is one of the hockey strongholds in the United States, and Detroit is commonly known as “Hockeytown”, thus the future of the facility is promising
- A large number of hockey teams continue to rent ice at the subject, and it includes a large figure skating program, providing positive cash flow, which could be expanded
- Some of the marginal rinks in the market area may have to permanently close down, providing additional clientele to be distributed amongst the healthy facilities
- The subject is a municipal arena, with a current prime ice rate of \$340 per hour, which is below that of other competing private facilities, allowing for some upside in revenue

Threats

- Economic declines overall typically lead to reduced sports participation levels, and hockey and figure skating are more expensive than most other youth sports

General Information

Identification of Subject

The subject is an existing ice sports arena property containing approximately 77,000 square feet of gross building area, including a 14,000 SF mezzanine area. The improvements were constructed in 1998 on a site estimated at approximately 7 acres.

Property Identification

Property Name	Novi Ice Arena
Address	42400 Nick Lidstrom Dr. Novi, Michigan 48375
Tax ID	22-26-101-018 (part of)
Owner of Record	City of Novi

Sale History

The subject has been under the same ownership since original construction. To the best of our knowledge, no sale or transfer of ownership has taken place within a three-year period prior to the effective appraisal date.

Pending Transactions

To the best of our knowledge, the property is not subject to an agreement of sale or an option to buy, nor is it listed for sale, as of the effective appraisal date.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the going concern value of the fee simple interest in the property as of the effective date of the appraisal, August 15, 2025. The date of the report is August 26, 2025. The appraisal is valid only as of the stated effective date or dates.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Definition of Market Value

Market value is defined as:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Definition of Going-Concern

A going concern is an established and operating business with an indefinite future life. For certain types of property (e.g., hotels and motels, restaurants, bowling alleys, golf courses, marinas, skating rinks, athletic clubs, landfills, etc.), the physical real property assets are integral parts of an on-going business.

(The Appraisal of Real Estate, 14th Edition, The Appraisal Institute, Chicago, Illinois, U.S., 2013, page 63)

Definition of Property Rights Appraised

Fee simple estate is defined as, “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015)

While there are rented spaces, all leases but one have one year or less to run; there are licenses for locker rooms, however, these are conditioned upon seasonal ice rental contracts, thus are not strictly enforceable leases.

Leased fee interest is defined as, “A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).”

Lease is defined as: “A contract in which rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent.”

(Source: The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, Chicago, Illinois, 2010)

Intended Use and User

The intended use of the appraisal is for property disposition purposes. The client and intended user is City of Novi. The appraisal is not intended for any other use or user. No party or parties other than City of Novi may use or rely on the information, opinions, and conclusions contained in this report.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations.

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Scope of Work

To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the complexity of the property, and other pertinent factors. Our concluded scope of work is described below.

Valuation Methodology

Appraisers usually consider the use of three approaches to value when developing a market value opinion for real property. These are the cost approach, sales comparison approach, and income capitalization approach. Use of the approaches in this assignment is summarized as follows:

Approaches to Value

Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

The **income capitalization approach** is the most reliable valuation method for the subject due to the following:

- The probable buyer of the subject would base a purchase price decision primarily on the income generating potential of the property and an anticipated rate of return.
- Sufficient market data regarding income, expenses, and rates of return, is available for analysis.

The **sales comparison approach** is an applicable valuation method because:

- There is an active market for similar properties, and sufficient sales data is available for analysis.
- This approach directly considers the prices of alternative properties having similar utility.

The **cost approach** is not applicable to the assignment considering the following:

- The age of the property would limit the reliability of an accrued depreciation estimate.
- There are limited land transactions in the market area of the subject, making estimates of underlying land value subjective.
- This approach is not typically used by market participants, except for new or nearly new properties.

Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Inspection

H. William Hansen, Jr., MAI, conducted an interior and exterior inspection of the property on August 18, 2025.

Economic Analysis

Oakland County Area Analysis

Oakland County is located in Michigan and is 868 square miles in size and has a population density of 1,465 persons per square mile.

Population

Oakland County has an estimated 2025 population of 1,271,424, which represents little to no change from the 2020 census of 1,274,395. The level population trend in Oakland County is similar to that of the State of Michigan.

Looking forward, Oakland County's population is projected to increase at a 0.1% annual rate from 2025-2030, equivalent to the addition of an average of 1,735 residents per year. Oakland County's growth rate is expected to lag that of Michigan, which is projected to be 0.2%.

Population Trends

	Population			Compound Ann. % Chng	
	2020 Census	2025 Estimate	2030 Projection	2020 - 2025	2025 - 2030
Oakland County	1,274,395	1,271,424	1,280,099	0.0%	0.1%
State of Michigan	10,077,331	10,052,475	10,129,941	0.0%	0.2%

Source: Claritas

Employment

Total employment in Oakland County was estimated at 734,885 jobs as of June 2024. Between year-end 2014 and 2024, employment rose by 29,608 jobs, equivalent to a 4.2% increase over the entire period. There were gains in employment in nine out of the past ten years. Although Oakland County's employment rose over the last decade, it underperformed Michigan, which experienced an increase in employment of 7.8% or 324,864 jobs over this period.

A comparison of unemployment rates is another way of gauging an area's economic health. Over the past decade, the Oakland County unemployment rate has been consistently lower than that of Michigan, with an average unemployment rate of 4.4% in comparison to a 5.3% rate for Michigan. A lower unemployment rate is a positive indicator.

Recent data shows that the Oakland County unemployment rate is 3.8% in comparison to a 5.0% rate for Michigan, a positive sign for the Oakland County economy but one that must be tempered by the fact that Oakland County has underperformed Michigan in the rate of job growth over the past two years.

Employment Trends

Year	Total Employment (Year End)				Unemployment Rate (Ann. Avg.)	
	Oakland County	% Change	Michigan	% Change	Oakland County	Michigan
2014	705,277		4,155,638		6.4%	7.2%
2015	720,268	2.1%	4,219,861	1.5%	4.7%	5.4%
2016	731,967	1.6%	4,283,497	1.5%	4.1%	5.0%
2017	735,240	0.4%	4,321,713	0.9%	3.5%	4.6%
2018	744,401	1.2%	4,366,147	1.0%	3.4%	4.2%
2019	754,275	1.3%	4,387,708	0.5%	3.4%	4.1%
2020	681,420	-9.7%	3,999,406	-8.8%	9.3%	10.0%
2021	714,072	4.8%	4,251,309	6.3%	4.6%	5.8%
2022	725,078	1.5%	4,353,358	2.4%	3.0%	4.2%
2023	731,030	0.8%	4,409,498	1.3%	2.9%	3.9%
2024*	734,885	0.5%	4,480,502	1.6%	3.6%	4.5%
Overall Change 2014-2024	29,608	4.2%	324,864	7.8%		
Avg Unemp. Rate 2014-2024					4.4%	5.3%
Unemployment Rate - December 2024					3.8%	5.0%

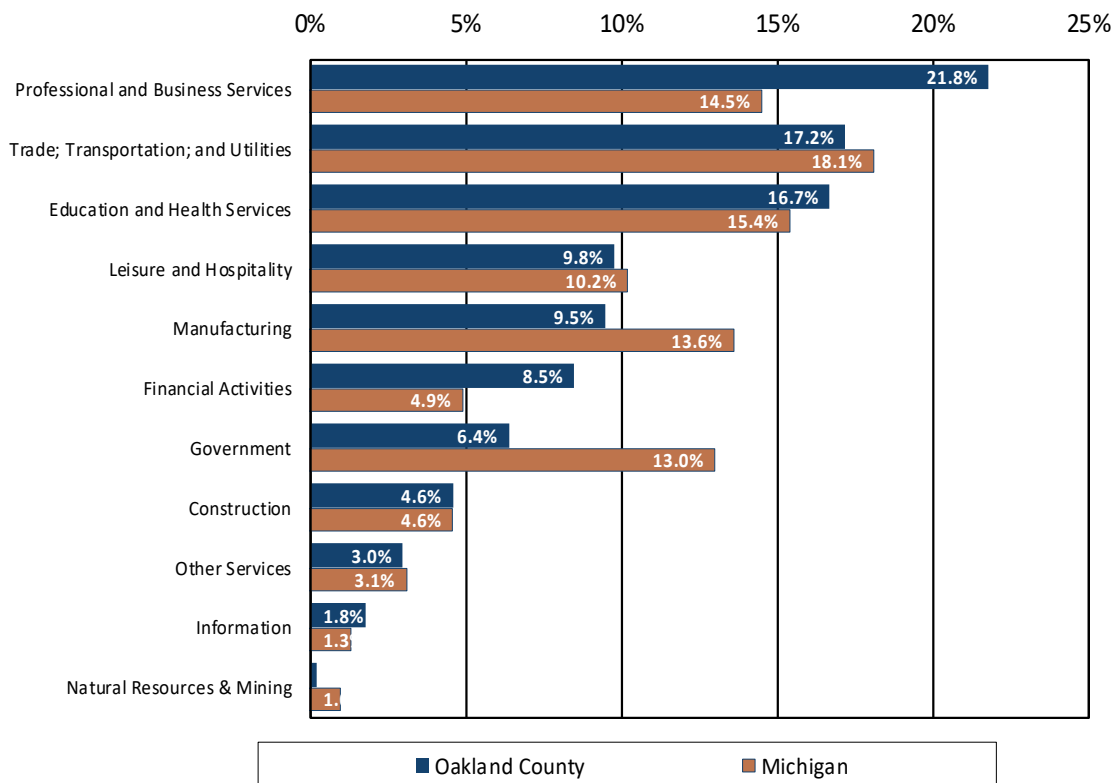
*Total employment data is as of June 2024.

Source: U.S. Bureau of Labor Statistics and Moody's Analytics. Employment figures are from the Quarterly Census of Employment and Wages (QCEW). Unemployment rates are from the Current Population Survey (CPS). The figures are not seasonally adjusted.

Employment Sectors

The composition of the Oakland County job market is depicted in the following chart, along with that of Michigan. Total employment for both areas is broken down by major employment sector, and the sectors are ranked from largest to smallest based on the percentage of Oakland County jobs in each category.

Employment Sectors - 2024



Source: U.S. Bureau of Labor Statistics and Moody's Analytics

Oakland County has greater concentrations than Michigan in the following employment sectors:

1. Professional and Business Services, representing 21.8% of Oakland County payroll employment compared to 14.5% for Michigan as a whole. This sector includes legal, accounting, and engineering firms, as well as management of holding companies.
2. Education and Health Services, representing 16.7% of Oakland County payroll employment compared to 15.4% for Michigan as a whole. This sector includes employment in public and private schools, colleges, hospitals, and social service agencies.
3. Financial Activities, representing 8.5% of Oakland County payroll employment compared to 4.9% for Michigan as a whole. Banking, insurance, and investment firms are included in this sector, as are real estate owners, managers, and brokers.
4. Information, representing 1.8% of Oakland County payroll employment compared to 1.3% for Michigan as a whole. Publishing, broadcasting, data processing, telecommunications, and software publishing are included in this sector.

Oakland County is underrepresented in the following sectors:

1. Trade; Transportation; and Utilities, representing 17.2% of Oakland County payroll employment compared to 18.1% for Michigan as a whole. This sector includes jobs in retail trade, wholesale trade, trucking, warehousing, and electric, gas, and water utilities.
2. Leisure and Hospitality, representing 9.8% of Oakland County payroll employment compared to 10.2% for Michigan as a whole. This sector includes employment in hotels, restaurants, recreation facilities, and arts and cultural institutions.
3. Manufacturing, representing 9.5% of Oakland County payroll employment compared to 13.6% for Michigan as a whole. This sector includes all establishments engaged in the manufacturing of durable and nondurable goods.
4. Government, representing 6.4% of Oakland County payroll employment compared to 13.0% for Michigan as a whole. This sector includes employment in local, state, and federal government agencies.

Major Employers

Major employers in Oakland County are shown in the following table.

Major Employers - Oakland County			
	Name	Number of Employees	Industry
1	Corewell Health	13,712	Health Care System
2	Stellantis (formerly FCAUS LLC)	1,462	Automobile Manufacturer
3	General Motors Co.	7,451	Automobile Manufacturer
4	UWM Holdings Corp.	730	Mortgage Lender
5	Henry Ford Health	5,588	Health Care System
6	Ascension Michigan	5,250	Health Care System
7	U.S. Postal Service	4,873	Postal Service
8	Amazon	4,310	E-Commerce, Tech & Telecom
9	Oakland County	3,742	County Government
10	Comerica Bank	3,021	Financial Institution

Source: Crain's Detroit Business, The Book, July 2024

Gross Domestic Product

Gross Domestic Product (GDP) is a measure of economic activity based on the total value of goods and services produced in a defined geographic area, and annual changes in Gross Domestic Product (GDP) are a gauge of economic growth.

Economic growth, as measured by annual changes in GDP, has been slightly higher in Oakland County than Michigan overall during the past decade. Oakland County has grown at a 1.7% average annual rate while the State of Michigan has grown at a 1.6% rate. Oakland County continues to perform better than Michigan. GDP for Oakland County rose by 2.2% in 2023 while Michigan's GDP rose by 1.9%.

Oakland County has a per capita GDP of \$90,422, which is 64% greater than Michigan's GDP of \$55,220. This means that Oakland County industries and employers are adding relatively more value to the economy than their counterparts in Michigan.

Gross Domestic Product

Year	(\$,000s) Oakland County	% Change	(\$,000s) Michigan	% Change
2013	96,781,619	—	472,779,900	—
2014	97,813,071	1.1%	479,534,900	1.4%
2015	100,405,846	2.7%	490,618,700	2.3%
2016	102,272,094	1.9%	500,159,500	1.9%
2017	103,948,141	1.6%	505,101,500	1.0%
2018	106,919,794	2.9%	516,843,000	2.3%
2019	108,730,076	1.7%	521,085,100	0.8%
2020	104,254,094	-4.1%	501,893,800	-3.7%
2021	109,665,412	5.2%	530,380,900	5.7%
2022	112,436,089	2.5%	543,720,900	2.5%
2023	114,874,085	2.2%	554,256,200	1.9%
Compound % Chg (2013-2023)		1.7%		1.6%
GDP Per Capita 2023	\$90,422		\$55,220	

Source: U.S. Bureau of Economic Analysis and Moody's Analytics; data released December 2024.

The release of state and local GDP data has a longer lag time than national data. The data represents inflation-adjusted "real" GDP stated in 2017 dollars.

Household Income

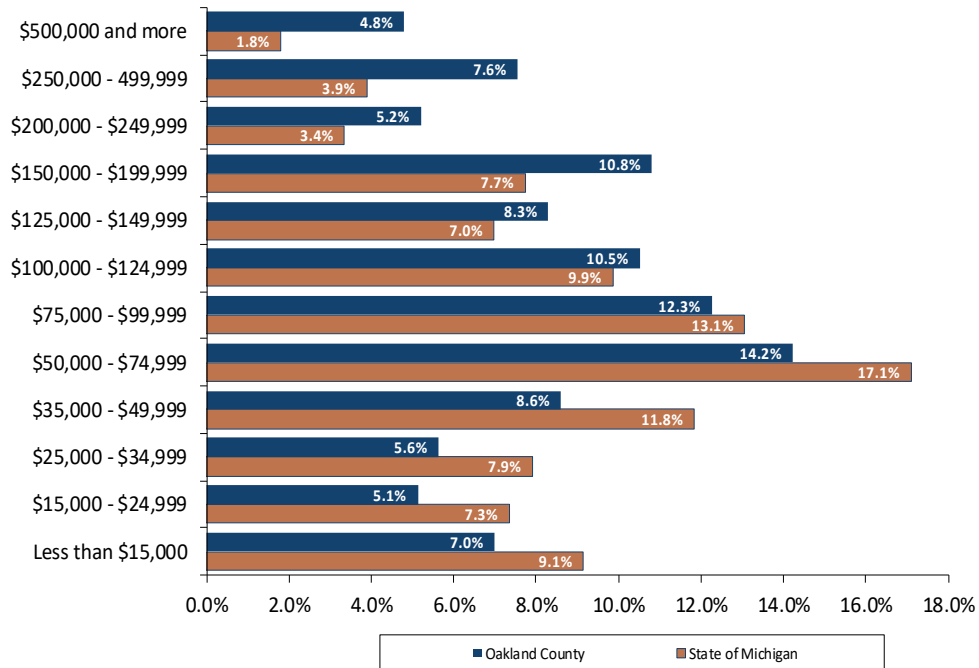
Oakland County is more affluent than Michigan. Median household income for Oakland County is \$93,885, which is 34.8% greater than the corresponding figure for Michigan.

Median Household Income - 2025

	Median
Oakland County	\$93,885
State of Michigan	\$69,662
Comparison of Oakland County to State of Michigan	+ 34.8%

Source: Claritas

The following chart shows the distribution of households across twelve income levels. Oakland County has a greater concentration of households in the higher income levels than Michigan. Specifically, 28% of Oakland County households are at the \$150,000 or greater levels in household income as compared to 17% of Michigan households. A lesser concentration of households is apparent in the lower income levels, as 26% of Oakland County households are below the \$50,000 level in household income versus 36% of Michigan households.

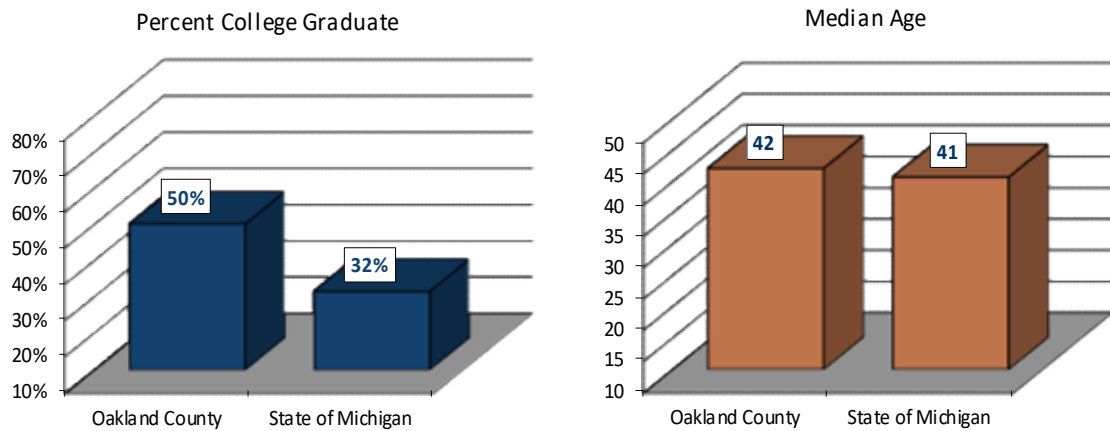
Household Income Distribution - 2025

Source: Claritas

Education and Age

Residents of Oakland County have a higher level of educational attainment than those of Michigan. An estimated 50% of Oakland County residents are college graduates with four-year degrees, versus 32% of Michigan residents. People in Oakland County are slightly older than their Michigan counterparts. The median age for Oakland County is 42 years, while the median age for Michigan is 41 years.

Education & Age - 2025

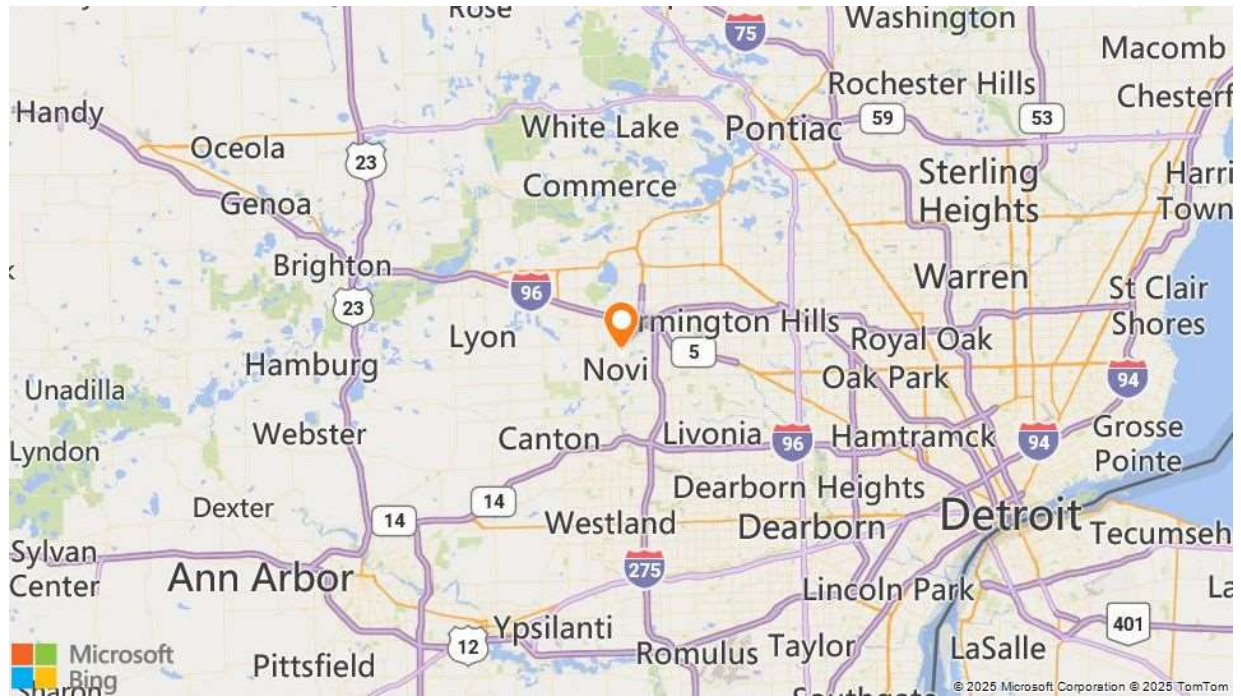


Source: Claritas

Conclusion

The Oakland County economy will benefit from a stable to slightly growing population base and higher income and education levels. Oakland County experienced growth in the number of jobs and has maintained a consistently lower unemployment rate than Michigan over the past decade. It is anticipated that the Oakland County economy will improve and employment will grow, strengthening the demand for real estate.

Area Map



Surrounding Area Analysis

Location

The subject is located in the south central area of the City of Novi, which contains 31.28 square miles and are surrounded by the communities of Commerce Township, Walled Lake, and Wixom to the north, Farmington and Farmington Hills to the east, Northville and Wayne County to the south, and Lyon Township to the west. Novi is situated in the southwest portion of Oakland County. The market area is located approximately 30 miles north of downtown Detroit, 25 miles northeast of Ann Arbor, 50 miles southeast of Flint, and 65 miles east of Lansing. Area boundaries and delineation are indicated in the following table. A map identifying Novi and the location of the property follows below.

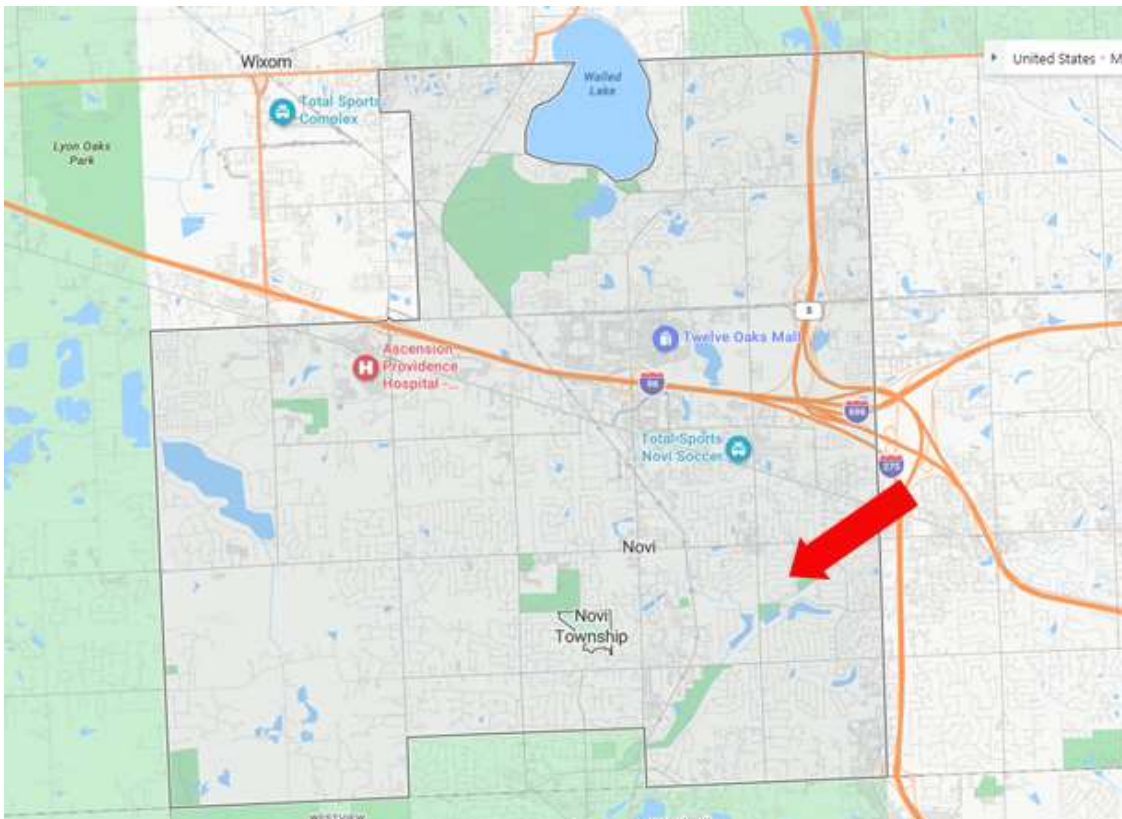
Boundaries & Delineation

Boundaries

Market Area	Metropolitan Detroit
Area Type	Suburban

Delineation

North	West 14 Mile Road/ Pontiac Trail
South	8 Mile Road
East	Haggerty Road
West	Napier Road



Access and Linkages

Primary access and linkages to the market area, including highways, roadways, public transit, and airports, are summarized in the following table.

Access & Linkages	
Vehicular Access	
Major Highways	I-96, I-696, and I-275
Primary Corridors	Beck Road, Pontiac Trail, Napier Road, Grand River Avenue, 7 - 11 Mile Roads
Vehicular Access Rating	Average
Public Transit	
Providers	Not Provided
Airport(s)	
Name	Detroit Metropolitan Wayne County Airport (DTW)
Driving Time	25 - 30 Minutes
Primary Transportation Mode	Automobile

Novi has a logistical advantage given the access to I-96, I-696, and I-275. These freeways allow quick access to major employers throughout Southeastern Michigan. As a result, the city has a strong residential foundation. In fact, Novi is annually recognized by various national publications as one of the top places to live and work in Michigan.

Public transportation in metro-Detroit is provided by the SMART bus service (Suburban Mobility Authority for Regional Transportation); however, this system does not extend to Novi except for limited services available to senior residents. Train services are provided by Amtrak and nearby stations are found in Ann Arbor, Birmingham, Dearborn, Detroit, Pontiac, and Royal Oak.

Demand Generators

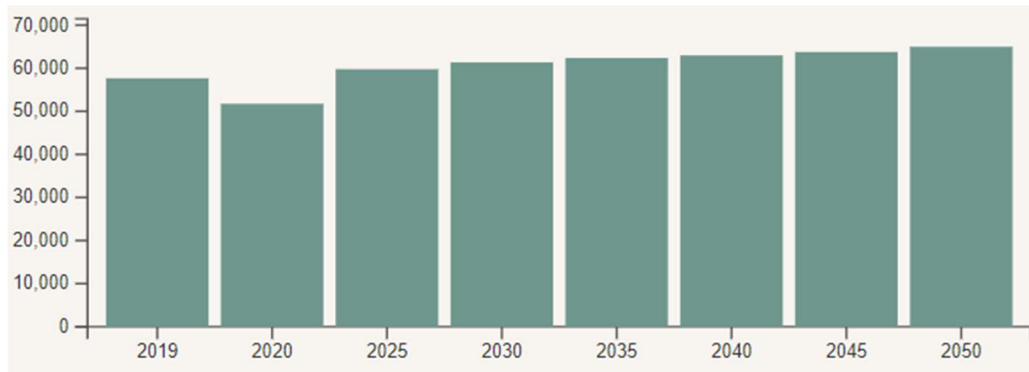
The typical generators of demand affecting the Novi market area are discussed and analyzed below.

Employment and Employment Centers

Novi is viewed as a desirable residential address in Southeastern Michigan. While primarily a bedroom community, the city is home to a number of major employers. The city is home to a mix of 3,000 large and small businesses including 1,000 international companies. The city has a varied employment base from manufacturing, energy, high tech, construction and logistics.

Major employers in Novi include Henry Ford Providence Hospital, Harman International, Novi Community Schools, Fox Run Retirement, Ryder Systems, ITC Holdings, Eberspaecher North America, Magna International, and Cooper Standard.

The Southeast Michigan Council of Governments (SEMCOG) is projecting that employment in Novi will continue to grow through 2050.



Forecasted Jobs By Industry Sector	2019	2020	2025	2030	2035	2040	2045	2050	Change 2019-2050	Pct Change 2019-2050
Natural Resources, Mining, & Construction	2,219	2,200	3,029	3,015	2,991	2,906	2,831	2,840	621	28%
Manufacturing	4,670	4,239	4,627	4,575	4,344	4,101	3,935	3,913	-757	-16.2%
Wholesale Trade	3,118	2,929	3,139	3,197	3,288	3,266	3,202	3,138	20	0.6%
Retail Trade	7,892	6,944	7,207	6,823	6,338	6,029	5,777	5,623	-2,269	-28.8%
Transportation, Warehousing, & Utilities	1,418	1,410	1,667	1,701	1,747	1,751	1,774	1,783	365	25.7%
Information & Financial Activities	6,576	6,145	7,173	7,806	8,290	8,615	8,922	9,254	2,678	40.7%
Professional and Technical Services & Corporate HQ	8,452	7,940	9,299	9,800	10,237	10,599	11,019	11,441	2,989	35.4%
Administrative, Support, & Waste Services	3,477	3,026	3,421	3,565	3,729	3,854	3,960	4,107	630	18.1%
Education Services	2,212	2,060	2,213	2,286	2,347	2,362	2,379	2,398	186	8.4%
Healthcare Services	7,679	7,095	7,941	8,216	8,579	8,969	9,388	9,839	2,160	28.1%
Leisure & Hospitality	7,103	5,217	7,105	7,275	7,317	7,335	7,346	7,405	302	4.3%
Other Services	2,137	1,851	2,247	2,373	2,429	2,452	2,499	2,513	376	17.6%
Public Administration	719	682	718	732	736	732	732	731	12	1.7%
Total Employment Numbers	57,672	51,738	59,786	61,364	62,372	62,971	63,764	64,985	7,313	12.7%

The table above shows that most Novi residents are employed in healthcare services, professional and technical services, as well as corporate HQ. According to the Southeast Michigan Council of Governments (SEMCOG), over the next 25 years Novi will continue to experience positive job growth with an increase of about 7,300 jobs.

Nearby Retail Uses

The I-96 and Novi Road Interchange in Novi is commonly referred to as the retail epicenter of Western Oakland County. The interchange is anchored by Twelve Oaks Mall at the northwest corner; a regional mall containing over 1.5 million square feet anchored by Macy's, Nordstrom, and JCPenney. Novi Town Center is situated at the southwest corner and is a regional shopping center anchored by Walmart Supercenter. The northeast corner of this intersection includes the West Oaks I and II

regional shopping centers anchored by Michaels, Old Navy, Kohl's, and Marshall's. Twelve Mile Crossing at Fountain Walk, anchored by Dick's Sporting Goods, Powerhouse Gym, and Emagine Novi Theatre, is located south of I-96 on the west side of Novi Road. The southeast corner of the intersection is the site of the former Novi Expo Center that has been redeveloped into a large-scale mixed-use development that is planned to include hotels, restaurants, an indoor skydiving facility, and a Planet Fitness. Along Grand River Avenue in Novi is the Suburban Collection Showplace, a 340,000 square-foot convention center.

Population and Income

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics

2025 Estimates	Novi	Oakland County	State of Michigan
Population 2020	66,243	1,274,395	10,077,331
Population 2025	68,209	1,271,424	10,052,475
Population 2030	70,435	1,280,099	10,129,941
Compound % Change 2020-2025	0.6%	0.0%	0.0%
Compound % Change 2025-2030	0.6%	0.1%	0.2%
Households 2020	26,459	524,047	4,041,760
Households 2025	27,173	526,492	4,063,373
Households 2030	28,045	532,520	4,114,212
Compound % Change 2020-2025	0.5%	0.1%	0.1%
Compound % Change 2025-2030	0.6%	0.2%	0.2%
Median Household Income 2025	\$110,958	\$93,885	\$69,662
Average Household Size	2.5	2.4	2.4
College Graduate %	64%	50%	32%
Owner Occupied %	63%	70%	71%
Renter Occupied %	37%	30%	29%
Median Owner Occupied Housing Value	\$438,222	\$350,594	\$249,348
Median Year Structure Built	1993	1975	1972
Average Travel Time to Work in Minutes	28	28	26

Source: Claritas

Population in the area has grown in recent years, and this trend is expected to continue in the foreseeable future. Income levels and the median owner-occupied housing value in Novi are higher than Oakland County and Michigan.

Services and Amenities

The nearest public services, including police and fire departments, as well as public schools are summarized in the following table.

Public Services

Service

Police Department	Novi
Fire Department	Novi
Hospital	Ascension Providence Hospital - Novi
School District(s)	Novi, Northville, South Lyon, and Walled Lake Schools Districts

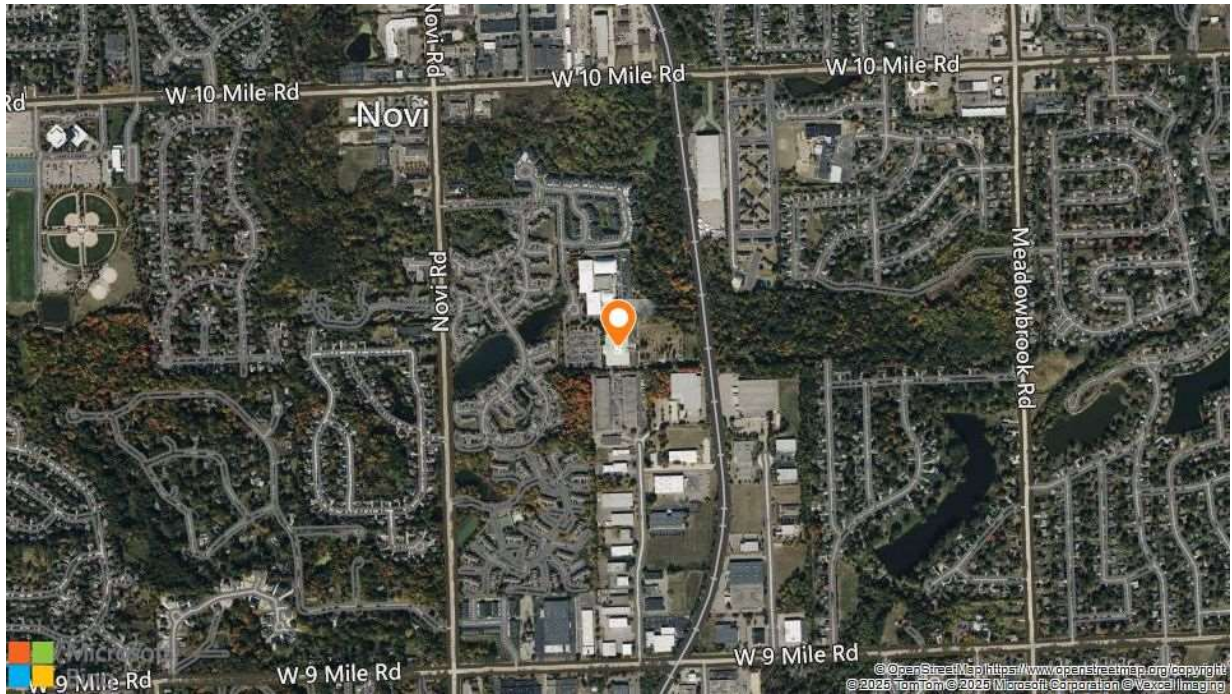
Novi has a variety of recreational amenities including several public parks and golf courses with a large public park on Walled Lake. Lyon Oaks is located within the market area and includes an 18-hole public golf course. The Proud Lake Recreation area and Kensington Metropark are located within city limits as well. The city offers several public libraries and a parks and recreation department.

Nearby Land Use

Land uses immediately surrounding the subject are predominantly residential with typical ages of building improvements ranging from 10 to 30 years. Property types adjoining the subject include a municipal recreation building to the north, a municipal dog park to the east, and residential to the west and southwest; due to the rail trunk line that lies adjacent to the dog park to the east, and the property zoning, there are industrial uses to the south/southeast.

Outlook and Conclusions

The area is in the growth to maturity stage of its life cycle. Recent development activity has been slow, with some new housing being constructed in the area. We anticipate that property values will remain stable in the near future.

Surrounding Area Map

Ice Arena Market Analysis

An intrinsic component of the valuation process is an analysis of the subject's market, which is intended to identify supply and demand factors and market trends. First, the competitive market for similar ice arenas, or supply, is surveyed. Secondly, the demand for ice time is considered. In the past ten+ years, demand for ice time has increased significantly in Metro Detroit, largely the result of the interest in hockey based on the Detroit Red Wings National Hockey League (NHL) franchise success in recent years. This included several Stanley Cup victories for the Red Wings in the recent past after a four-decade drought, and a recently ended 25 year run to the playoffs. This success has bolstered ice hockey participation in southeast Michigan, which has produced significant hockey talent in the past decade or more, including a number of NHL stars.

Additionally, parental trends to expand the horizons of their children has significantly contributed to ice skating lessons and an expansive interest in figure skating. This is further fueled by continuing Olympic and World Championships (two years after each Olympics) success by US competitors in all ice sports, including figure skating, ice dancing and speed skating.

The subject is largely utilized for ice hockey, with additional usage for figure skating, special events and learn to skate programs.

Supply Factors

While the subject is situated in southwestern Oakland County, it is surrounded by competing ice arenas especially in the more densely populated areas. A number of the local youth hockey participants in the local area travel to the subject, as well as nearby facilities including nearby municipal arenas, and private arenas. Following is a summary of these facilities:

Local Ice Arena Inventory

Location	Private/ Municipal	No. of Sheets	Seasonal/Year Round
Farmington Hills Arena 35500 W. 8 Mile Rd Farmington Hills, MI	Municipal	2	Seasonal
Suburban Farmington Hills Arena 23996 Freeway Park Dr. Farmington Hills, MI	Private	2	Year round
Novi Arena 42400 Nick Lidstrom Dr. Novi, MI	Municipal	2	Year round
USA Arena 14900 Beck Rd Plymouth, MI	Private	2	Year Round
Arctic Edge Coliseum 44615 Michigan Ave Canton, MI	Private	2	Year Round
Victory Arena 40475 Plymouth Rd Birmingham, MI 48009	Private	1	Year Round
Redford Arena 12400 Beech Daly Redford, MI	Municipal	1	Seasonal

All of the area facilities are well utilized, with virtually all prime-time ice sold. Based on a survey of competing ice arenas in the local area, there is very little prime time (generally defined as weeknights between 5 – 11 PM and weekends from 8 AM to 11 PM) ice available.

Area arenas reported selling virtually all of their prime time ice for the current season. Rates and usage during non-prime hours fluctuates, as some of the municipal facilities are closed during non-prime hours, and for the summer, to avoid operating costs.

Most of the area facilities reported that they filled in the non-prime hours with public figure skating (figure skating practice with number of participant limits), open skating (circular skating, which can

accommodate large numbers of skaters), drop-in hockey, senior hockey, sticks and pucks, and other similar events.

There are no known ice arenas that are planned for the local market area. The Arena Guide from hockeyweekly.com listed arenas that opened in Michigan since 2002; they include the single sheet St. Mary's athletic complex in Orchard Lake, the three sheet Hartland Sports Center in Howell (M-59 east of US-23) and the two-sheet Suburban Arena in Macomb Township. No arenas have been built in Michigan since the mid 2000's.

Overall, the supply of ice in the local area appears to be fixed for the near term. However, several arenas were closed in the recent past; Allen Park Civic Arena was permanently closed in 2012, while the Ice Mountain complex in Davison was sold in foreclosure also in 2012, however, has since reopened. City Sports Arena in Detroit, also a newer facility, was closed in 2015. The Berkley Municipal Ice Arena in Oakland County was closed in fall 2016 due to refrigeration failure, and will not reopen. The Monroe City Council voted in April 2016 to close the 1998 built Monroe Multi-Sports Complex facility for the 2016-17 year, although it was reopened in December 2016 after resident opposition, but required a \$140,000 subsidy.

The Brownstown Sports Center, a three sheet arena, sold for approximately \$7/SF in February 2015; the new ownership subsequently took one of the ice sheets out, and renovated it for indoor soccer, while two sheets continued to operate. This property is in the southerly end of the MSA, and is in an area with declining participation levels, particularly since the opening of the nearby Taylor Sportsplex in 2002. Most recently, this property has been proposed for conversion to self-storage.

The 2000 constructed Polar Palace in Lapeer also faced financial difficulties, as it is removed from dense populations, and ultimately closed in Spring 2019, and was reopened in 2024 as a multi sports facility, including turf fields. The Summit Sports complex in Lansing closed permanently in late 2020, and was converted to alternate use.

Demand Factors

While a complete demographic and demand analysis on hockey participation rates has not been completed, the growth trends in this area lend support for continued demand for ice time in the local area.

The following data is from the Season Registration Reports from USA Hockey, the national governing body for amateur hockey in the United States. Registrations for the Pandemic influenced 2020-21 season are not demonstrative.

USA Hockey Total Registration			
Year	USA	Michigan	MI %
2000-01	519,533	69,199	13.3%
2001-02	525,373	69,111	13.2%
2002-03	530,368	68,302	12.9%
2003-04	535,439	67,973	12.7%
2004-05	531,850	67,904	12.8%
2005-06	527,269	65,450	12.4%
2006-07	539,399	62,789	11.6%
2007-08	548,551	62,207	11.3%
2008-09	548,289	61,491	11.2%
2009-10	558,476	60,709	10.9%
2010-11	583,262	63,238	10.8%
2011-12	594,959	61,787	10.4%
2012-13	591,418	60,319	10.2%
2013-14	598,841	58,164	9.7%
2014-15	611,926	57,546	9.4%
2015-16	622,833	57,029	9.2%
2016-17	637,744	57,074	8.9%
2017-18	646,120	55,578	8.6%
2018-19	653,474	55,495	8.5%
2019-20	648,742	53,311	8.2%
2020-21	528,944	37,381	7.1%
2021-22	630,561	43,270	6.9%
2022-23	646,237	37,024	5.7%
2023-24	659,873	39,990	6.1%

On a state-by-state breakdown, Michigan is fourth in the nation for total registered players (includes players, coaches and officials); Massachusetts, New York and Minnesota are the only other states to have more players registered. Participation rates in Michigan grew rapidly in the 1990's and peaked in 2000-01, and have been slightly declining since to a level approximately 40% below the peak; 2013-14 marked the first season that Michigan dipped below 10% of national registrations.

Michigan is presently just above 6% of the US total, although registration changed for adults in Michigan changed in the past two years, with many opting out of USA Hockey due to the restrictions imposed by USA Hockey, and have disaffiliated.

Local Market and Conclusion

Generally speaking, demand levels in many of the area ice arenas located in competitive proximity to the subject appear strong, with most prime time ice sold out for the coming year. Discussions with arena managers active in the market indicate that each ice arena is able to maintain a respectable market share, thereby suggesting some level of profitability among all properties, excepting for the aforementioned closures.

Based on the above analysis, there appears to be sufficient demand to support the subject as well as the existing properties in the market. The general lack of prime-time ice being available within the competing rinks is empirical evidence that there is sufficient demand for ice rental for prime-time slots. The demand for ice time in nearby arenas indicates that the market can easily support the subject property and is further supported by the subject's historic revenue and corresponding gross sales levels.

Additionally, travel and high school teams have greater ice utilization, hence, hours consumed, and revenue. It is noted that the house teams and 8 and under players utilize less ice, but have a greater number of participants per team/group, and are doubled up on the ice, with two teams, or say 25-30 kids are on the ice at a time. As such, the enrollment data alone does not substantiate the actual usage of the facility in hours, but does provide a relative comparison.

While the overall enrollments in USA Hockey in Michigan have declined, the sustained level of enrollments is indicative of the continued demand for ice. It is noted that of the truly competitive, modern arenas, all are charging \$350-\$400 per hour for prime time ice, (the subject charges 340 per hour for its prime time ice) to cover increasing costs, primarily of electricity, as well as wages. Further, like many other recreational properties, the operators tend to be keenly aware of competition, and set rates accordingly.

In addition, the reach of an arena is typically wide in southern Michigan. Parents will drive their kids long distances to play for a travel team, so the geographics are not nearly as important, but rather, the team base. The same dynamic holds true for adult leagues; they will play where they know other people, from prior teams, work, friends, etc., thus drive time is not critical. Similarly, figure skaters will follow coaches. However, the novice kids just learning to skate tend to gravitate locally.

Overall, market conditions are strengthening due to the healthy economy in the market area, coupled with elimination of some competition by the aforementioned closures. Contrarily, there are lower USA Hockey enrollments in Michigan, likely due to the lack of replacement participants of younger ages entering hockey likely attributable to rising costs. It is generally thought that children above the age of 10 are less likely to start playing hockey; while entries were limited due to the pandemic, this is viewed as a temporary anomaly. Hockey enrollments are expected to have a neutral impact on the occupancy and income potential of the subject due to its historical income pattern, and past success.

The primary criterion for rink success is its utilization of non-prime ice, for which the subject has a diverse mix of events, including significant consumption for figure skating, as well as hockey, which is the primary driver of most area rinks.

Property Analysis

Land Description and Analysis

Land Description	
Land Area	7.00 acres; 304,920 SF
Source of Land Area	Appraiser estimate
Primary Street Frontage	Nick Lidstrom Dr. - No frontage; easement only
Shape	Basically rectangular
Corner	No
Rail Access	Possible
Topography	Generally level and at street grade
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed
Ground Stability	No problems reported or observed
Flood Area Panel Number	26125 C 0628 & 29 F
Date	September 29, 2006
Flood Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No
Zoning; Other Regulations	
Zoning Jurisdiction	Novi
Zoning Designation	I-1
Description	Light Industrial
Legally Conforming?	Appears to be legally nonconforming
Zoning Change Likely?	No
Permitted Uses	Most light industrial uses.
	"In the I-2 district, indoor tennis courts, roller skating rinks, and ice-skating rinks are a permitted use when, together with accessory uses such as offstreet parking, they are located at least one hundred (100) feet from any adjacent residential district."
Utilities	
Service	Provider
Water	Municipal
Sewer	Municipal
Electricity	DTE Energy
Natural Gas	Consumers Energy
Local Phone	Lines by AT&T

We are not experts in the interpretation of zoning ordinances. An appropriately qualified land use attorney should be engaged if a determination of compliance with zoning is required.

It is noted that current zoning only permits ice arenas in I-2 zones, implying that the subject is a legal non-conforming use.

Easements, Encroachments and Restrictions

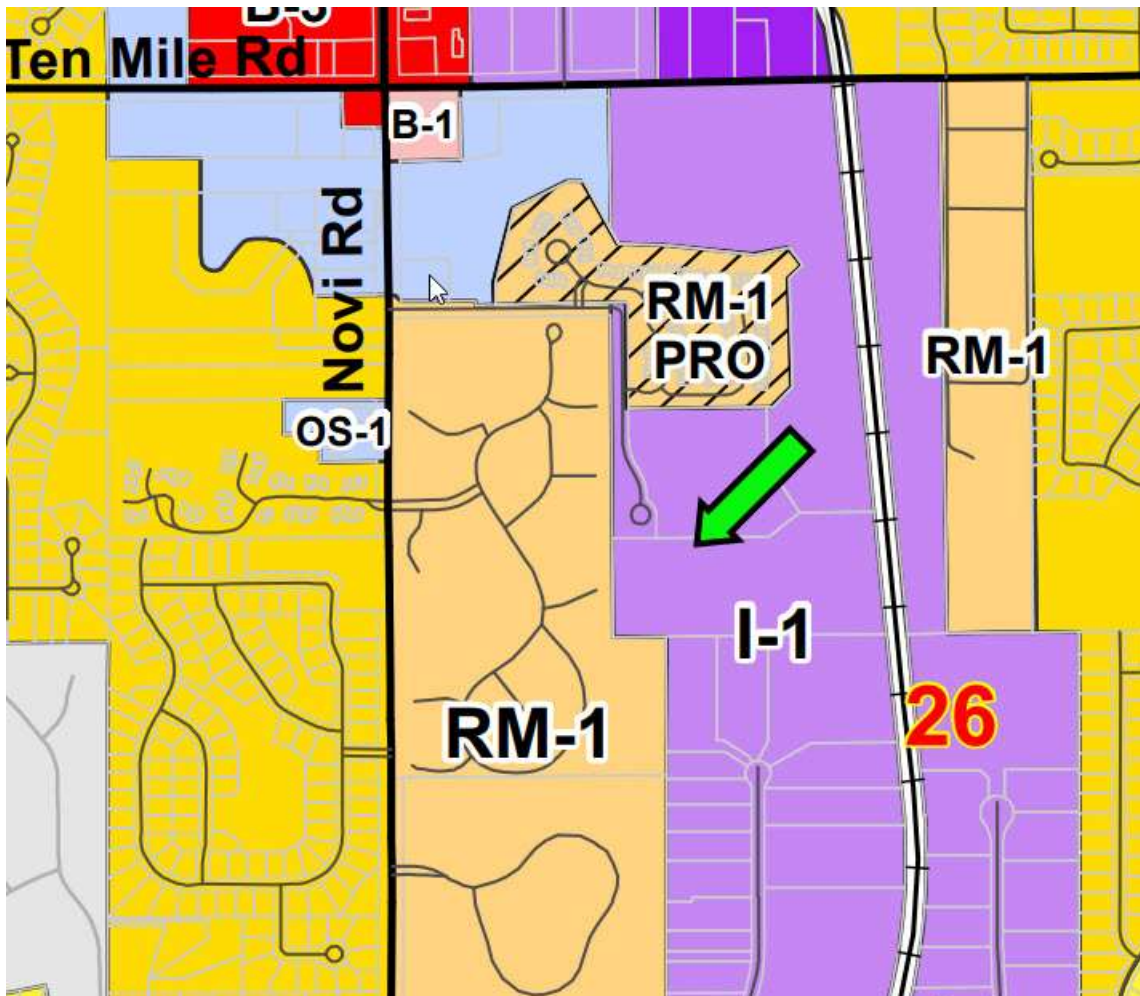
We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Further, a special assumption is employed to provide easement access to the Nick Lidstrom Drive cul-de-sac, which does not touch the existing platted property line.

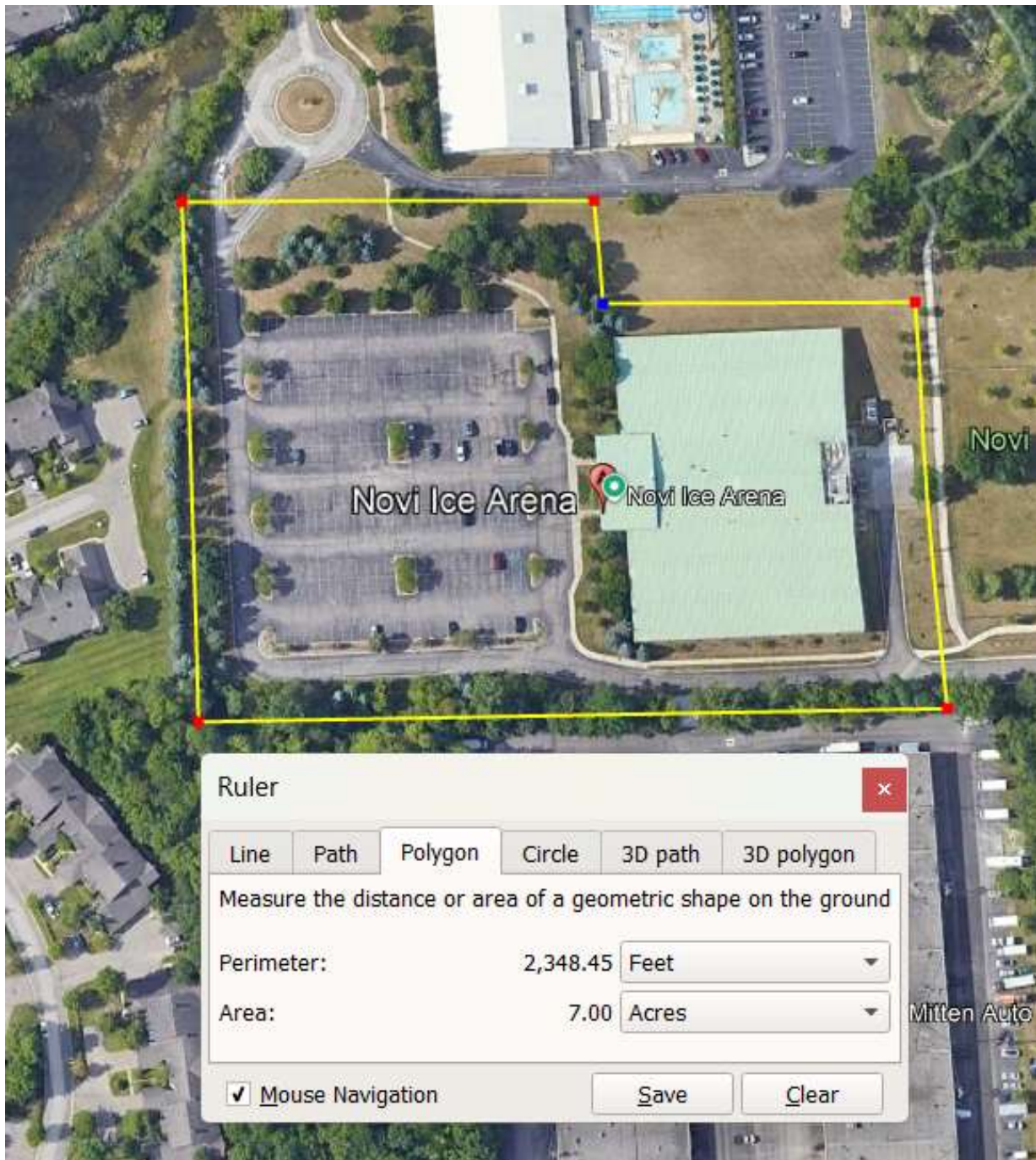
Conclusion of Land Analysis

Overall, the physical characteristics of the hypothetical site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. We are not aware of any other particular restrictions on development.

Zoning Map



Aerial with Hypothetical split



Aerial Plat Overlay (with hypothetical land division)



Improvements Description and Analysis

The subject is an existing ice sports arena property containing approximately 77,000 square feet of gross building area, including a 14,000 SF mezzanine area. The improvements were constructed in 1998 on a site estimated at approximately 7 acres.

Improvements Description	
Name of Property	Novi Ice Arena
General Property Type	Ice Sports Arena
Property Sub Type	Skating Rink
Competitive Property Class	A-
Occupancy Type	Owner Occupied
Number of Buildings	1
Stories	Two stories in most of central section, one in rink areas
Construction Class	C
Construction Type	Masonry
Construction Quality	Average
Condition	Good
Gross Building Area (SF)	76,707
Rentable Area (SF)	76,707
Land Area (SF)	304,920
Floor Area Ratio (RA/Land SF)	0.25
Floor Area Ratio (GBA/Land SF)	0.25
Building Area Source	Public Records
Year Built	1998
Actual Age (Yrs.)	27
Estimated Effective Age (Yrs.)	20
Estimated Economic Life (Yrs.)	45
Remaining Economic Life (Yrs.)	25
Number of Parking Spaces	Ample
Parking Type	Asphalt; 2 acres + at west side of building, in moderate to fair condition
Special Features	Two NHL (85' x 200') ice sheets with bleacher seating; central mezzanine area contains pro shop, concession stand, multiple offices, gym, voluminous common area, public restrooms and viewing area. Locker rooms all located in central area on ground floor; accessible via stairways, or single elevator. Industrial grade ammonia based refrigeration system with three compressors and detailed electronic program controls; heat waste attributable to refrigeration equipment utilized to melt ice resurfacing machine shavings in concrete pits for same.

Construction Details

Foundation	Concrete
Structural Frame	Masonry with steel interior columns and beams
Exterior Walls	Decorative block with metal panel fascia near roof line
Windows	Anodized aluminum sash storefront
Roof	Slight gable with membrane cover over metal deck
Ceiling Height in Feet	Approx. 17
Column Spacing in Feet	Clear span in rink areas
Drive-in Doors	1 for ice resurfacing garage area
Interior Finishes	Ice arenas typically have modest finishes; subject is above average
Floors	Interlocking rubber in common areas, rinks and locker rooms; carpet in offices and pro shop and ceramic tile in wet areas. Rink surfaces have a sand bed.
Walls	Typically painted block in public areas, with painted wallboard in offices and pro shop.
Ceilings	Acoustic tile in common areas with wallboard in restrooms; other areas exposed construction.
Lighting	High intensity in rinks; fluorescent in other locations.
Electrical	Typical in common area; heavy electric for refrigeration
Plumbing	Copper supply; iron or plastic waste; PVC brinewater piping below ice surface.
Heating	Gas forced air; radiant heating in rinks above patron seating areas.
Air Conditioning	All except rinks, which include dehumidification units.
Hot Water	Gas fired; high capacity for ice resurfacing machine filling and showers
Utility Meters - Central	All
Elevators	One serving mezzanine
Rest Rooms	Public restrooms for men and women in easterly area of mezzanine. Restrooms with showers in locker rooms.
Sprinklers	Wet

Improvements Analysis

Quality and Condition

The quality and condition of the subject is considered to be superior to that of competing properties. The subject appears to have been well maintained, as indicated by historic expenditures and has good public appeal.

Functional Utility

The subject is a dual NHL sized (200' x 85') sheet facility that has the economies afforded by utilizing efficiencies not afforded in single sheet arenas. There is ample spectator seating, and locker rooms are of sufficient size and quantity, although accessible only via stairway, or a single elevator with a smaller cab. Common areas are ample, with modern finishes, and multiple seating areas. There is a pro shop, concession stand, meeting/conference room, and more than ample number of offices.

The subject contains a significant amount of space for a dual sheet arena, noting that it is similar in size to some three sheet facilities.

Deferred Maintenance

No deferred maintenance is apparent from our inspection, and none is identified based on discussions with management.

Following is a summary of recent improvements to the subject:

Reported Capital Expenditures Since 2022	
Item	
Refrigeration pump	\$32,000
Roof cover	\$556,874
Refrigeration control system	\$87,990
2023 Zamboni Resurfacer	\$100,000 (est).
Locker room fresh air system and Rooftop Air Handling Unit	\$670,000
Total	\$1,446,864

ADA Compliance

Based on our inspection and information provided, we are not aware of any ADA issues. However, we are not expert in ADA matters, and further study by an appropriately qualified professional would be recommended to assess ADA compliance.

Hazardous Substances

An environmental assessment report was not provided for review and environmental issues are beyond our scope of expertise. No hazardous substances were observed during our inspection of the improvements; however, we are not qualified to detect such substances. Unless otherwise stated, we assume no hazardous conditions exist on or near the subject.

Personal Property

Personal property items that are included in the appraisal are as follows:

Personal Property	QTY
Ice Resurfacer, 2023 Zamboni	1
Ice Resurfacer, 2018 Zamboni	1
Sets Dasher Boards/Glass	2
Sets Bleachers	2
Refrigeration Compressors/Dehumidifiers	2
Office Equipment, Computers, software	Pkg
Miscellaneous Rink Tools and Equipment	Pkg
Concession Equipment	Pkg

Conclusion of Improvements Analysis

In comparison to other competitive properties in the region, the subject improvements are rated as follows:

Improvements Ratings

Visibility/Exposure	Average
Design and Appearance	Above Average
Age/Condition	Above Average
Clear ceiling heights	Above Average
% Sprinklered	Average
Lobby	Above Average
Interior Amenities	Above Average
Bathrooms	Average
Layout - Rink to Rink Proximity	Average
Parking Ratios	Average
Distance of Parking to Building Access	Average

The subject is a dual sheet (sand bed) facility that has certain economies not afforded by single sheet facilities, with a common ice resurfacing low bay (cannot accommodate all ice resurfacing machines) garage between them. There is adequate seating in the rinks, with a set of bleachers in each that have some low bay storage underneath. Locker rooms are of sufficient size and quantity, with average quality finishes, with two rental locker rooms that are of above average finish. There is a small pro shop near the entrance, and a concession area with cooking facilities. There is a very large, open, large common area space adjacent to the concession that appears underutilized, and excessive.

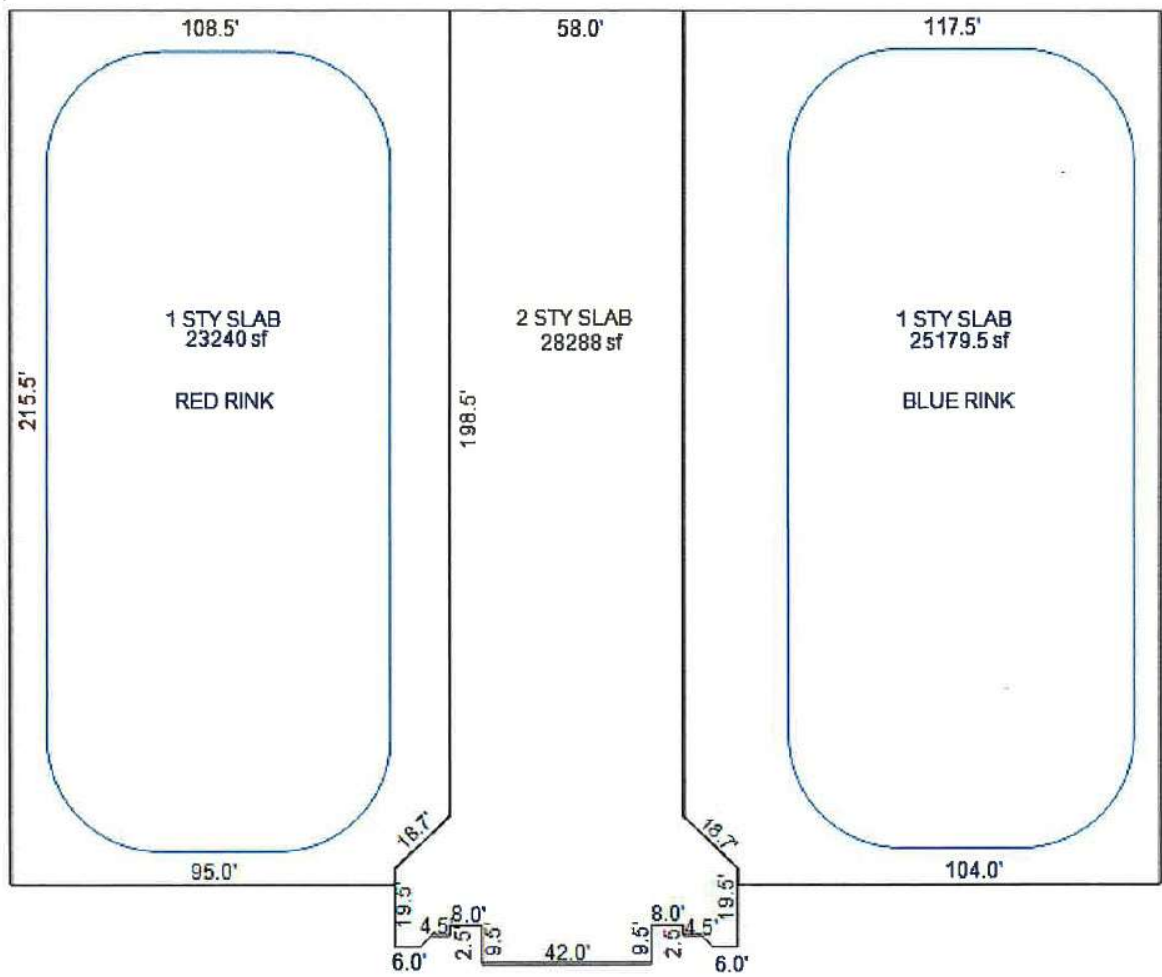
The rink refrigeration equipment incorporates a newer energy efficient electronic control system that allows for ice temperature to be adjusted for hockey or figure skating, or laying fallow. The refrigeration equipment has been well maintained, including the tri annual rebuild of the three compressors, and recent replacement of a brine pump.

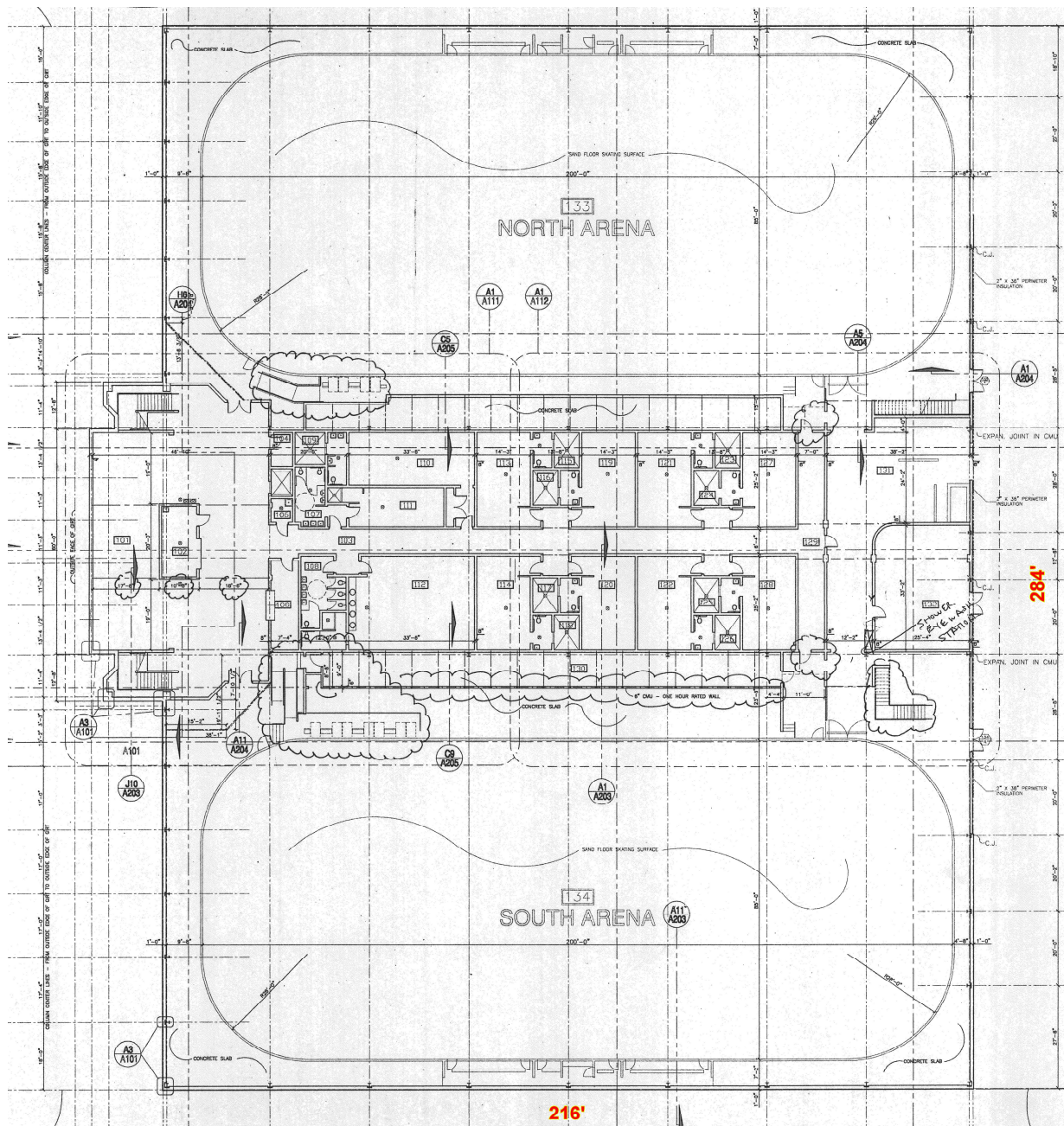
As indicated by the recent capital expenditures, replacements have been made on an ongoing basis, including a new roof cover in 2023, and a new air handling unit that incorporates a new fresh air system for locker rooms completed in August 2025. These replacements will allow the property to compete for the foreseeable future.

Perhaps the only large item imputing a future issue to be addressed is the parking lot, although it is currently functional.

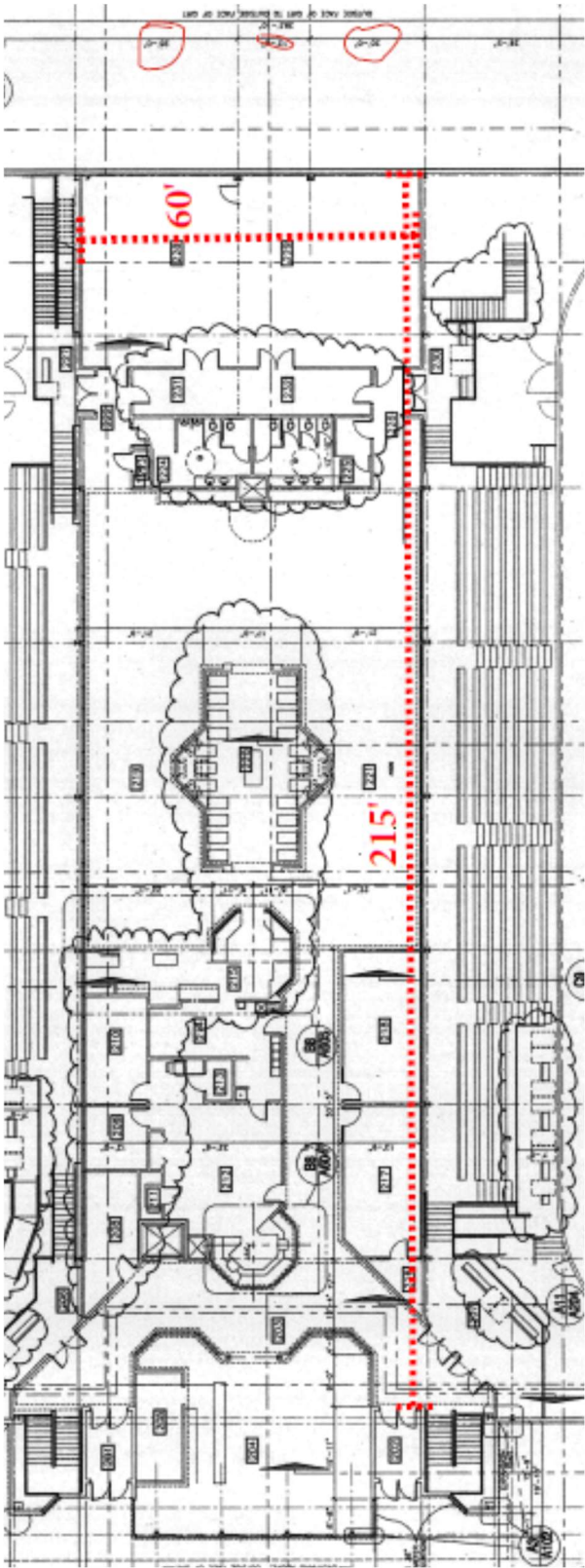
Overall, the quality and condition of the improvements are above average for their age and location.

Floor Plans





Mezzanine Plan



Real Estate Taxes

In Michigan, three values are carried on the assessment roll for any property; i.e. a state equalized value, SEV; a capped valuation, CV; and a taxable value, TV, the latter being the lower of the first two values. The SEV for property tax purposes in any given year are not to exceed 50% of Market Value as of December 31 of the preceding year and are to be similar to assessments for similar property. The capped value, CV, is proprietary, and results from a constitutional provision for a cap on increases of assessments limiting any increase to the rate of inflation in any year, or an overall constitutional limit of 5% per year, whichever limitation results in the lowest assessment. This limitation continues until a property is sold or transferred as defined by assessment regulations whereupon the cap provision is suspended, thus is proprietary. Real estate taxes and assessments for the current tax year are shown in the following table.

Real estate taxes and assessments for the current tax year are shown in the following table; it is noted that as the subject is publicly owned and occupied, it is not subject to taxation.

Taxes and Assessments - 2025				
Tax ID	Assessed Value	Taxes and Assessments		
		Ad Valorem		
	Total	Tax Rate	Taxes	Total
22-26-101-018 (part of)	\$0	5.312740%	\$0	\$0

As indicated in the following section, the subject's highest and best use is for private ownership; as such, taxes will be applicable in the future. As such, a tax capitalization analysis will be applied, which is a common practice, often utilized in property tax appeals in Michigan. Further discussion is presented in the analysis of this expense in the Income Approach.

Highest and Best Use

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as if vacant, and as improved or proposed. By definition, the highest and best use must be:

- Physically possible.
- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

As If Vacant

Physically Possible

The physical characteristics of the site do not appear to impose any unusual restrictions on development. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses.

Legally Permissible

The site is zoned I-1, Light Industrial. Permitted uses include most light industrial uses.

"In the I-2 district, indoor tennis courts, roller skating rinks, and ice-skating rinks are a permitted use when, together with accessory uses such as offstreet parking, they are located at least one hundred (100) feet from any adjacent residential district."

To our knowledge, there are no legal restrictions such as easements or deed restrictions that would effectively limit the use of the property. Given prevailing land use patterns in the area, only industrial use is given further consideration in determining highest and best use of the site, as though vacant.

Financially Feasible

Based on our analysis of the market, there is limited demand for additional industrial development at the current time. It appears that a newly developed industrial use on the site would not have a value commensurate with its cost; therefore, industrial use is not considered to be financially feasible. Nevertheless, we expect an eventual recovery of the market accompanied by a rise in property values to a level that will justify the cost of new construction. Thus, it is anticipated that industrial development will become financially feasible in the future.

Maximally Productive

There does not appear to be any reasonably probable use of the site that would generate a higher residual land value than holding the property for future development of an industrial use. Accordingly, it is our opinion that holding the property for future industrial use, based on the normal market density level permitted by zoning, is the maximally productive use of the property.

Conclusion

Holding the property for future development of an industrial use is the only use that meets the four tests of highest and best use. Therefore, it is concluded to be the highest and best use of the property as if vacant.

As Improved

The subject site is developed with an ice sports arena, which is generally consistent with the zoning, but not with highest and best use of the site as if it were vacant. The existing improvements currently produce a significant positive cash flow that we expect will continue; however, the subject has been publicly owned, and as stated previously, municipal owners tend to view properties like this as a public amenity, and often do not try to maximize the income stream as a result. Therefore, a continuation of this use, as privately owned, is concluded to be financially feasible.

Based on our analysis, there does not appear to be any alternative use that could reasonably be expected to provide a higher present value than the current use, as privately owned and operated, and the value of the existing improved property exceeds the value of the site, as if vacant. For these reasons, privately owned ice arena use is concluded to be maximally productive and the highest and best use of the property as improved.

Most Probable Buyer

Taking into account the size and characteristics of the property and its occupancy, the likely buyer is an investor.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

The methodology employed in this assignment is summarized as follows:

Approaches to Value		
Approach	Applicability to Subject	Use in Assignment
Cost Approach	Not Applicable	Not Utilized
Sales Comparison Approach	Applicable	Utilized
Income Capitalization Approach	Applicable	Utilized

Sales Comparison Approach

The sales comparison approach develops an indication of value by comparing the subject to sales of similar properties. The steps taken to apply this approach are:

- Identify relevant property sales;
- Research, assemble, and verify pertinent data for the most relevant sales;
- Analyze the sales for material differences in comparison to the subject;
- Reconcile the analysis of the sales into a value indication for the subject.

To apply the sales comparison approach, we searched for sale transactions within the following parameters:

- Property Type: Ice Arena
- Location: Southeast Michigan
- Size: All
- Age/Quality: All/Similar
- Transaction Date: Since 2022

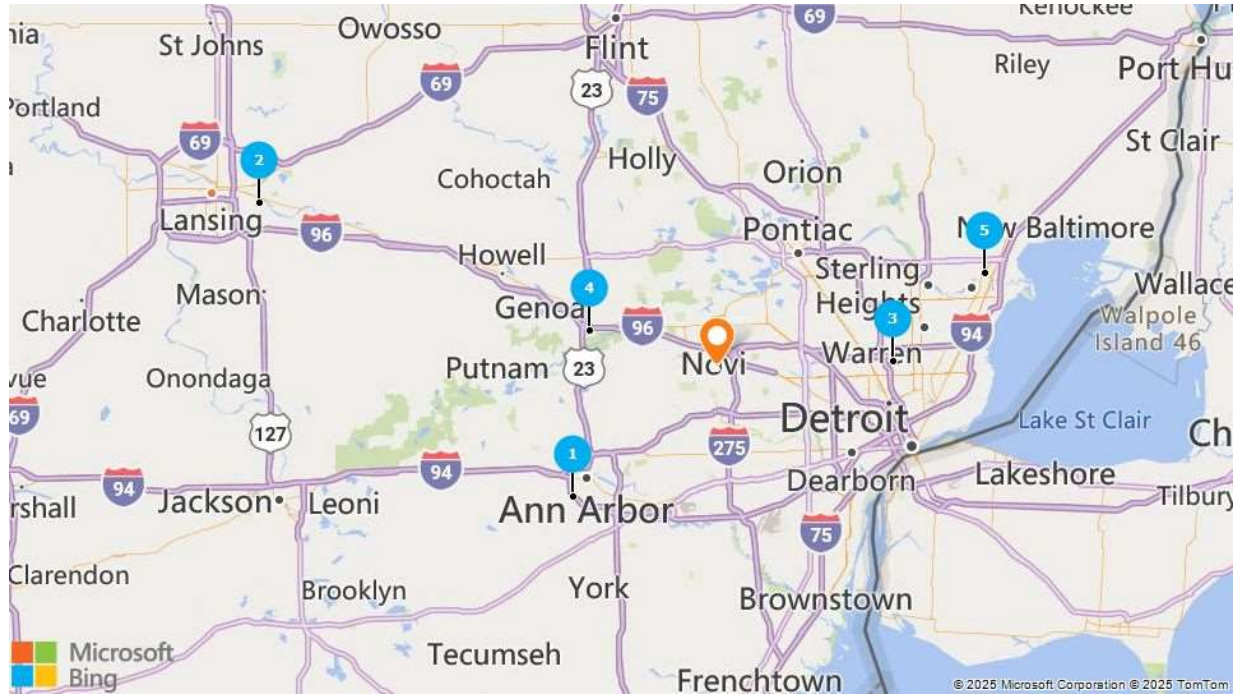
For this analysis, we use price per square foot of gross building area as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis. All the comparables were sold for continued ice arena use. As such, the sale prices reported reflected the going concern; e.g., real estate, personalty, and any applicable business value.

The most relevant sales are summarized in the following table.

Summary of Comparable Improved Sales

No.	Name/Address	Sale Date; Status	Yr. Blt.; # Stories; % Occ.	Acres; FAR; Parking Ratio	# Ice Sheets; Gross SF; Avg SF/Sheet	Effective Sale Price	\$/Ice Sheet; \$/SF	Gross SF	\$/Gross SF
1	A2Ice3 (Ann Arbor Ice 2121 Oak Valley Dr Pittsfield Township (Ann Washtenaw County MI	Dec-22 Closed	1995 1 –	14.39 0.19 1.85/1,000	3 121,406 40,469	\$8,375,000	\$2,791,667 \$68.98	121,406	\$68.98
<i>Comments: A party familiar with the sale indicated that the seller was a partnership, and the managing partner moved forward with the sale, as there was intent to dispose of the property. The property reportedly sold at an actual price between \$8.25MM and \$8.5MM, but the recorded amount of \$7,450,000 represents the real estate, without personal property or any going concern contribution. An additional offer that was reportedly submitted prior to the sale at \$10MM and was turned down; the buyer is a national concern that had cash, and the managing partner was motivated to dispose of the property, hence, the lower price. Additionally, the property was not listed, only casually offered by the managing partner.</i>									
2	Ice Arena 2810 Hannah East Lansing (Meridian Ingham County MI	May-23 Closed	1998 1 –	8.39 0.25 3.33/1,000	2 89,821 44,911	\$7,500,000	\$3,750,000 \$83.50	89,821	\$83.50
<i>Comments: Buyer approached seller unsolicited; buyer is a large concern that has been actively building a portfolio of rinks in a number of northern states. An allocation of \$2MM to Goodwill was made for transactional purposes and was reported to be attributable to hockey contracts; however, there was limited managerial expertise for this property, as it is the only remaining operational rink in the greater Lansing area (excluding the MSU Munn Arena, which does not rent hourly ice to the general public and is targeted for student activities, including the D1 hockey program).</i>									
3	Viking Arena 1555 E. Woodward Hazel Park Oakland County MI	Jun-23 Closed	1999 1 –	5.00 0.32 –	2 70,682 35,341	\$2,900,000	\$1,450,000 \$41.03	70,682	\$41.03
<i>Comments: Property had deferred maintenance, and had been a negative cash flow for the City. The purchaser was managing the facility for the City; an original offer was rejected, and the parties later came to terms.</i>									
4	Biggby Coffee Ice Cube- 10540 Citation Dr. Brighton Livingston County MI	Feb-24 Closed	1999 1 –	6.12 0.37 2.66/1,000	3 99,850 33,283	\$8,000,000	\$2,666,667 \$80.12	99,850	\$80.12
<i>Comments: The Arena is home to the Kensington Valley Hockey Association, Brighton High School, South Lyon Unified, and various other local high schools, clubs and adult hockey leagues. The purchaser, Black Bear Sports Group, is the largest owner-operator of ice rinks in the U.S., and approached the buyer directly and paid cash.</i>									
5	Mt Clemens Arena 300 N. Groesbeck Hwy. Mount Clemens Macomb County MI	Jan-25 Closed	1994 1 –	17.91 0.08 –	2 62,916 31,458	\$4,000,000	\$2,000,000 \$63.58	62,916	\$63.58
<i>Comments: City had passed a \$3MM bond in 2020 for upgrades to compressors for the dual sheet arena, as well as a new parking lot and roof. The property was not listed, and was purchased by Black Bear Sports Group out of Bethesda, MD, which has been on a buying spree of arenas in the northeast and midwest.</i>									
Subject			1998	7.00	2			76,707	
Novi Ice Arena			Two stories	0.25	76,707				
Novi, MI			NA	–	38,354				

Comparable Improved Sales Map





Sale 1
A2Ice3 (Ann Arbor Ice Cube)



Sale 2
Ice Arena



Sale 3
Viking Arena



Sale 4
Biggby Coffee Ice Cube- Brighton



Sale 5
Mt Clemens Arena

Novi Ice Arena



Analysis and Adjustment of Sales

The sales are compared to the subject and adjusted to account for material differences that affect value. Adjustments may be considered for the following factors, in the sequence shown below.

Adjustment Factors	
Effective Sale Price	Accounts for atypical economics of a transaction, such as excess land, non-realty components, expenditures by the buyer at time of purchase, or other similar factors. Usually applied directly to sale price on a lump sum basis.
Real Property Rights	Leased fee, fee simple, leasehold, partial interest, etc.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.
Conditions of Sale	Extraordinary motivation of buyer or seller, such as 1031 exchange transaction, assemblage, or forced sale.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on sale price; surrounding land use influences.
Access/Exposure	Convenience to transportation facilities; ease of site access; visibility from main thoroughfares; traffic counts.
Size	Inverse relationship that often exists between building size and unit value.
Parking	Ratio of parking spaces to building area.
Building to Land Ratio	Ratio of building area to land area; also known as floor area ratio (FAR).
Building Quality	Construction quality, amenities, market appeal, functional utility.
Age/Condition	Effective age; physical condition.
Economic Characteristics	Non-stabilized occupancy, above/below market rents, and other economic factors. Excludes differences in rent levels that are already considered in previous adjustments, such as for location or quality

The following table summarizes the adjustments we make to each sale.

Improved Sales Adjustment Grid						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Property Name	Novi Ice Arena	A2Ice3 (Ann Arbor Ice Cube)	Ice Arena	Viking Arena	Biggby Coffee Ice Cube- Brighton	Mt Clemens Arena
Address	42400 Nick Lidstrom Dr.	2121 Oak Valley Dr	2810 Hannah	1555 E. Woodward Heights Blvd.	10540 Citation Dr.	300 N. Groesbeck Hwy.
City	Novi	Pittsfield Township (Ann Arbor)	East Lansing (Meridian Twp)	Hazel Park	Brighton	Mount Clemens
County	Oakland	Washtenaw	Ingham	Oakland	Livingston	Macomb
State	Michigan	MI	MI	MI	MI	MI
Sale Date		Dec-22	May-23	Jun-23	Feb-24	Jan-25
Sale Status		Closed	Closed	Closed	Closed	Closed
Conditions of Sale Adjustment		—	—	—	—	—
Other Adjustment		—	—	—	—	—
Description of Adjustment		Personalty, GC				
Effective Sale Price		\$8,375,000	\$7,500,000	\$2,900,000	\$8,000,000	\$4,000,000
Gross Building Area	76,707	121,406	89,821	70,682	99,850	62,916
Rentable Area	76,707	121,406	89,821	70,682	99,850	62,916
Year Built	1998	1995	1998	1999	1999	1994
FAR	0.25	0.19	0.25	0.32	0.37	0.08
Number of Rinks	2	3	2	2	3	2
Database ID		2984663	3019614	3328752	3230921	3328656
Price per SF of Gross Building Area		\$68.98	\$83.50	\$41.03	\$80.12	\$63.58
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		—	—	—	—	—
Financing Terms		All cash	All cash	Cash to seller	Cash to seller	Cash to seller
% Adjustment		—	—	—	—	—
Conditions of Sale		Not listed	Not listed	Not listed	Not listed	Distressed Seller
% Adjustment		5%	5%	5%	5%	10%
Market Conditions	8/15/2025	Dec-22	May-23	Jun-23	Feb-24	Jan-25
Annual % Adjustment	2%	5%	5%	4%	3%	1%
Cumulative Adjusted Price		\$76.05	\$92.06	\$44.80	\$86.65	\$70.63
Location		—	—	—	—	—
Access/Exposure		-5%	-5%	-5%	—	-5%
Size		5%	—	—	5%	—
Parking/FAR		—	—	—	—	—
Age/Condition		—	—	15%	—	5%
Economic Characteristics (Market Competition)		-10%	-10%	—	-5%	—
Net \$ Adjustment		-\$7.61	-\$13.81	\$4.48	\$0.00	\$0.00
Net % Adjustment		-10%	-15%	10%	0%	0%
Final Adjusted Price		\$68.45	\$78.25	\$49.28	\$86.65	\$70.63
Overall Adjustment		-1%	-6%	20%	8%	11%
Range of Adjusted Prices		\$49.28 - \$86.65				
Average		\$70.65				
Indicated Value		\$65.00				

Value Indication

Prior to adjustment, the sales reflect a range of \$41.03 - \$83.50 per square foot. After adjustment, the range is narrowed to \$49.28 - \$86.65 per square foot, with an average of \$70.65 per square foot.

Sales No. 2, 3 and 5 represent purchases of ice arenas by a single national buyer, Black Bear Sports Group, and none were listed for sale on the open market; as such, adjustments are made for conditions of sale. Further, No. 5, the Mt. Clemens arena had deferred maintenance, and the City wanted to get out from under the facility; the actual land area is not yet available to the public, as the land area cited included additional facilities the City retained; as such no adjustment was made for the indicated excess land. Sale No. 3 is the Viking Arena in Hazel Park, also in Oakland County, which also had some deferred maintenance.

It is noted that adjustments were made to some of the sales to account for their respective market position, attributable to a lack of competition, although in a viable market.

Our value conclusion is as follows:

Value Indication by Sales Comparison	
Indicated Value per SF	\$65.00
Subject Square Feet	76,707
Indicated Value	\$4,985,955
Rounded	\$5,000,000

Income Capitalization Approach

The income capitalization approach converts anticipated economic benefits of owning real property into a value estimate through capitalization. The steps taken to apply the income capitalization approach are:

- Analyze the revenue potential of the property.
- Consider appropriate allowances for vacancy, collection loss, and operating expenses.
- Calculate net operating income by deducting vacancy, collection loss, and operating expenses from potential income.
- Apply the most appropriate capitalization method to convert anticipated net income to an indication of value.

The two most common capitalization methods are direct capitalization and discounted cash flow analysis. In direct capitalization, a single year's expected income is divided by an appropriate capitalization rate to arrive at a value indication. In discounted cash flow analysis, anticipated future net income streams and a future resale value are discounted to a present value at an appropriate yield rate.

As the subject is currently investor owned and the most probable purchaser is another investor, we test market rates, and project historical income as the basis of our projection and apply only the direct capitalization method. Our valuation assumes stabilized occupancy without a deduction for stabilization costs.

Following is a summary of the subject historical income production, by category, which are based on the 2023-2025 period.

Ice Rental/Hockey Income

This income source is attributable to a variety of factors, particularly considering the age and condition of the property, its location and proximity to a higher median income population, coupled with the success of arenas in the immediate market area, which influences overall demand, hence, hourly/participation rates.

As the income and expense reports indicate, roughly 65% of the revenue is derived from hockey ice rental and player fees, which are the primary sources of income from individual, and contract (albeit seasonal/periodic), clients. Ice sales (including hockey leagues and seasonal rental contracts) is the primary source of income for the subject, as it is for nearly all rinks.

Ice Rental/Hockey Income was growing from approximately \$1.15MM in 2023 then to \$1.25MM for 2024 and 2025. As such, \$1,300,000 is projected for this source, allowing for some upside for the coming year.

Figure Skating Income

This is the second largest source of revenue for the subject's enterprise operation, and includes revenue from the various skating programs within the subject, including special events, freestyle figure skating, ice dancing, and the Learn to Skate program. Some of these events often use non-prime ice, which is the most difficult to sell.

This source of income has been increasing, indicating roughly \$550K to \$600K from 2023-25. Our projection is \$600,000, which is similar to the prior levels.

Concession Income

Concession income has been analyzed net of its cost of goods sold, and has seen recent increases, from roughly \$5K in 2023, to \$20K in 2024, and \$40K in 2025. Our projection is \$40,000, which is similar to the recent year level.

Miscellaneous Income

This category includes public skating and skate rentals, the pro shop, drop in hockey, room rentals, and advertising.

Program income has been increasing from roughly \$90K in 2023, to \$160K in 2024, and \$180K in 2025. Our projection is \$180,000, which is similar to the recent year level.

Cost of Goods Sold

The Cost of Goods sold has been decreasing, from approximately \$180K in 2023, to \$170K in 2024 and again to \$140K in 2025, primarily attributable to costs of operating hockey leagues; the current projection is \$150,000, between the 2024 and 2025 levels.

Vacancy & Credit Loss:

As the income projection is based on historical revenue, no vacancy or credit loss is applied.

Effective Gross Income/Gross Profit

The total effective gross income for the subject was approximately \$1.6MM for 2023, increasing to \$1.85MM in 2024, and again to \$1.9MM for 2025. As such, our total projection of \$1,970,000 is deemed reasonable, and is slightly above the amount indicated for 2025 at the subject.

Operating Expenses

To develop projections of stabilized operating expenses, we analyze the subject's expenses, comparable data, and industry benchmarks. The following table summarizes our analysis. As appropriate, the owner's operating expenses are reclassified into standard categories and exclude items that do not reflect normal operating expenses for this type of property.

Operating History and Projections				
	Actual 2023	Actual 2024	Actual 2025	IRR Projection
Income				
Hockey	\$1,140,936	\$1,254,047	\$1,249,839	\$1,300,000
Figure Skating/Learn to Skate	544,738	583,865	565,232	600,000
Misc	87,863	168,027	179,525	180,000
Concession (Net of COGS)	4,918	18,694	42,229	40,000
Program COGS	-179,597	-166,193	-136,356	-150,000
Effective Gross Income	\$1,598,857	\$1,858,439	\$1,900,469	\$1,970,000
Expenses				
Property Taxes	\$0	\$0	\$0	\$90,684
Insurance	12,867	13,412	14,135	15,000
Utilities	248,357	251,634	231,342	240,000
Repairs/Maintenance	263,709	262,922	220,790	260,000
Payroll/Benefits	719,663	847,643	891,977	900,000
General/Administrative	104,186	138,705	131,835	140,000
Management Fee	122,376	142,128	121,330	0
Total Expenses	\$1,471,157	\$1,656,444	\$1,611,408	\$1,645,684
Net Operating Income	\$127,700	\$201,996	\$289,061	\$324,316
Operating Expense Ratio	92.0%	89.1%	84.8%	83.5%
* Historical income is the actual income that has been collected by the property owner. The annualized amount for 2021 incorporates reduced income for the first quarter due to the pandemic.				

Unit expense data for the subject, comparable properties, and industry benchmarks are summarized in the following tables.

Expense Analysis per Square Foot

	Comp Data*			Subject			
	Comp 1	Comp 2	Comp 3	Historical and Projected Expenses			
Year Built	1999	2005	1972; renov 1998	1998			
SF	115,996	70,239	65,631	76,707			
Prevailing Lease Type	—	—	—	Full Service			
Operating Data Type	—	—	—	Actual	Actual	Actual	
Year	2024	2024	2024	2023	2024	2025	IRR Projection
Property Taxes	\$1.42	\$1.01	\$0.77	\$0.00	\$0.00	\$0.00	\$1.18
Insurance	\$0.26	\$0.24	\$0.25	\$0.17	\$0.17	\$0.18	\$0.20
Utilities	\$3.11	\$2.25	\$2.96	\$3.24	\$3.28	\$3.02	\$3.13
Repairs/Maintenance	\$0.68	\$0.84	\$1.31	\$3.44	\$3.43	\$2.88	\$3.39
Payroll/Benefits	\$4.95	\$5.87	\$7.72	\$9.38	\$11.05	\$11.63	\$11.73
General/Administrative	\$1.06	\$1.60	\$1.69	\$1.36	\$1.81	\$1.72	\$1.83
Total	\$11.47	\$11.81	\$14.70	\$19.18	\$21.59	\$21.01	\$21.45
Operating Expense Ratio	58.3%	64.1%	45.4%	92.0%	89.1%	84.8%	83.5%

Expense Analysis % EGI

	Comp 1	Comp 2	Comp 3	Subject			
	1999	2005	1972; renov	1998			
Operating Data Type	—	—	—	Actual	Actual	Actual	IRR Projection
Year	2024	2024	2024	2023	2024	2025	
Property Taxes	7.2%	5.5%	2.4%	0.0%	0.0%	0.0%	4.6%
Insurance	1.3%	1.3%	0.8%	0.8%	0.7%	0.7%	0.8%
Utilities	15.8%	12.2%	9.1%	15.5%	13.5%	12.2%	12.2%
Repairs/Maintenance	3.5%	4.5%	4.0%	16.5%	14.1%	11.6%	13.2%
Payroll/Benefits	25.1%	31.8%	23.8%	45.0%	45.6%	46.9%	45.7%
General/Administrative	5.4%	8.7%	5.2%	6.5%	7.5%	6.9%	7.1%
Management Fee	0.0%	0.0%	0.0%	7.7%	7.6%	6.4%	0.0%
Total	58.3%	64.1%	45.4%	92.0%	89.1%	84.8%	83.5%

Operating Expense Analysis by Category

Discussions of our operating expense projections are presented in the following paragraphs.

Real Estate Taxes

This expense category includes all local, county, and state property tax levies. As the valuation of the subject entails an enterprise valuation, personal property taxes are also included. It is noted that the proprietary cap value is the basis of the indicated expense for some of the comparable data, comparable data is less reliable.

Property Taxes Expense

	Comp 1	Comp 2	Comp 3	Actual	Actual	Actual	IRR
	2024	2024	2024	2023	2024	2025	Projection
Total	—	—	—	\$0	\$0	\$0	\$90,684
% of EGI	7.2%	5.5%	2.4%	—	—	—	4.6%
\$/SF	\$1.42	\$1.01	\$0.77	—	—	—	\$1.18

As the subject is not taxed, a tax capitalization analysis is utilized wherein the net operating income is projected without taxes. The base capitalization rate concluded in the following section is then loaded (added to) with the local tax rate; the mil rate is converted to a percentage, then divided by 2, as Michigan taxes at 50% of assessed value. This is a common practice utilized in property tax appeals in Michigan.

The NOI without taxes is then capitalized by the loaded capitalization rate, resulting indicated tax amount appears in the projection; the tax indication is within the range of comparable data.

9.50% Base Cap Rate
<u>2.65637%</u> Mil Rate as %/2
12.15637% Tax Cap Rate
\$415,000 NOI w/o Taxes
\$3,413,848 Indicated Value
\$90,684 Indicated Taxes
\$1.18 Per SF
4.60% of Projected EGI

Insurance

Insurance expense includes property and casualty insurance for the subject. Our projection is above the subject's historical expenses, similar to the comparable data, as the historical level for the subject likely reflects a bulk rate.

Insurance Expense							
	Comp 1 2024	Comp 2 2024	Comp 3 2024	Actual 2023	Actual 2024	Actual 2025	IRR Projection
Total	–	–	–	\$12,867	\$13,412	\$14,135	\$15,000
% of EGI	1.3%	1.3%	0.8%	0.8%	0.7%	0.9%	0.8%
\$/SF	\$0.26	\$0.24	\$0.25	\$0.17	\$0.17	\$0.18	\$0.20

Utilities

Utility charges include water, sewer, gas, and electricity expenses, all of which are centrally metered and billed to the owner. Electricity typically comprises one of the largest expenses for an ice arena, and the portion necessary for refrigeration is somewhat of a fixed expense. A prior conversation with DTE on electric charges, in a general sense, revealed that the reason for limited changes that is that total charges reflect both consumption, and grid capacity burden charges, which are based on the maximum consumption to an account; infrastructure billings were reported to typically approximate half the billing charges.

Our utilities projection is similar to the subject's historical expenses, similar to the comparable data unit rates and the % of total income range.

Utilities Expense							
	Comp 1 2024	Comp 2 2024	Comp 3 2024	Actual 2023	Actual 2024	Actual 2025	IRR Projection
Total	—	—	—	\$248,357	\$251,634	\$231,342	\$240,000
% of EGI	15.8%	12.2%	9.1%	15.5%	13.5%	14.5%	12.2%
\$/SF	\$3.11	\$2.25	\$2.96	\$3.24	\$3.28	\$3.02	\$3.13

Repairs/Maintenance

Repairs and maintenance includes expenditures to repair and maintain mechanical systems and structural components, encompassing payroll and contract costs, as appropriate. Also included are grounds maintenance, trash removal, and security expenses, if applicable. Excluded are alterations and major replacements, which are considered capital costs rather than periodic expenses, however, may appear as expenses. Our projection is similar to the subject's expenses for 2022-2023, and above the range of the comparable data, but below the 2024 level.

Repairs/Maintenance Expense							
	Comp 1 2024	Comp 2 2024	Comp 3 2024	Actual 2023	Actual 2024	Actual 2025	IRR Projection
Total	—	—	—	\$263,709	\$262,922	\$220,790	\$260,000
% of EGI	3.5%	4.5%	4.0%	16.5%	14.1%	13.8%	13.2%
\$/SF	\$0.68	\$0.84	\$1.31	\$3.44	\$3.43	\$2.88	\$3.39

Payroll/Benefits

Payroll and benefits expenses pertain to onsite personnel including managers, general public (front of house) rink employees, Zamboni drivers, figure skating instructors, and clerical staff.

According to the International Skating Institute (ISI), staffing and utilities are the two highest costs of operating an ice arena. The percentage of payroll to revenue varies depending on whether the arena:

- Operates the concessions and pro shop
- Pays hockey coaches and/or referees for arena-run programs
- Pays skating instructors as employees rather than independent contractors

Seasonal revenue fluctuations will significantly affect payroll percentages, but the average annual payroll expenditure - without any of the above-mentioned responsibilities - should be 30-33 percent of revenue. With some or all of the above-referenced payroll obligations, the average may increase to 35-38 percent.

This category consists all payroll costs, including base wages, benefits, and labor burden costs such as health insurance, FICA match, etc. As noted by the comparables, it is typically the largest expense category.

It is noted that the historic amounts include an additional charge back by the management firm, which accounts for administration costs that would be experienced above the level charged, for elements such as graphic design, publicity, and the other miscellaneous items that the management firm

provided over and above the actual wages incurred. The higher wage projection is made in lieu of additional administrative charges.

Payroll/Benefits Expense							
	Comp 1 2024	Comp 2 2024	Comp 3 2024	Actual 2023	Actual 2024	Actual 2025	IRR Projection
Total	–	–	–	\$719,663	\$847,643	\$891,977	\$900,000
% of EGI	25.1%	31.8%	23.8%	45.0%	45.6%	55.8%	45.7%
\$/SF	\$4.95	\$5.87	\$7.72	\$9.38	\$11.05	\$11.63	\$11.73

Our projection is consistent with the subject's recent expense for 2025, although well above the comparable data, recognizing the higher staffing need correlating with higher revenue levels, due to program expansion.

Further, it is again noted that there is an additional charge for miscellaneous administrative costs that would otherwise be applicable.

General/Administrative

General and administrative expenses consist of legal, accounting and other professional fees, office operational costs, license fees, and business taxes. Our projection is consistent with the subject's recent expense, which is similar to comparable data.

General/Administrative Expense							
	Comp 1 2024	Comp 2 2024	Comp 3 2024	Actual 2023	Actual 2024	Actual 2025	IRR Projection
Total	–	–	–	\$104,186	\$138,705	\$131,835	\$140,000
% of EGI	5.4%	8.7%	5.2%	6.5%	7.5%	8.2%	7.1%
\$/SF	\$1.06	\$1.60	\$1.69	\$1.36	\$1.81	\$1.72	\$1.83

Management

Management fees for properties of this type are typically not incorporated, as both the general manager's and assistant manager's salary are included in payroll costs. As indicated previously, the comparables do not include a line item for a management fee, but rather, the managers wages are incorporated in payroll costs.

Management Fee Expense							
	Comp 1 2024	Comp 2 2024	Comp 3 2024	Actual 2023	Actual 2024	Actual 2025	IRR Projection
Total	–	–	–	\$122,376	\$142,128	\$121,330	\$0
% of EGI	–	–	–	7.7%	7.6%	7.6%	–
\$/SF	–	–	–	\$1.60	\$1.85	\$1.58	–

It is noted that the subject has incurred a management fee, this is not a normal expense, as the typical privately owner rink is internally managed. As such, no management fee is incorporated in the projection.

Total Operating Expenses

Total operating expenses are projected at \$1,645,684 overall, or \$21.45 per square foot and 83.5% of EGI. These figures are above the total operating expenses at comparable properties, further noting that the management fee is excluded, and an appropriate tax burden is incorporated.

Net Operating Income

The projection of \$324,316 is between the 2024 and 2025 levels, again considering that there was a management fee, but no tax burden. As such, the overall projection is considered reasonable; this factor is considered in the selection of the capitalization rate.

Capitalization Rate Selection

A capitalization rate is used to convert net income into an indication of value. Selection of an appropriate capitalization rate considers the future income pattern of the property and investment risk associated with ownership. We consider the following data in selecting a capitalization rate for the subject.

Capitalization Rate Comparables					
No.	Property Name	State	Year Built	Sale Date	Cap Rate
1	Ice Arena	MI	1998	5/1/2023	8.76%
2	Beacon Hill & Brentwood Golf Clubs	MI	1995,	8/18/2023	11.52%
3	Bristol Oaks Golf Club	WI	1930	1/30/2025	12.00%
4	Prairie View Golf Club	IN	1996	2/1/2025	10.94%
5	Woodmont Golf & Country Club	GA	1999	4/11/2022	9.79%
6	Mark's Par Three Golf Course	IN	1963	6/30/2022	9.70%
Average (Mean) Cap Rate:					10.45%

All the comparables represent sales of recreational facilities. No. 1, a skating rink in Michigan indicated 8.76%. No. 2 is a golf course in Michigan that indicated 11.52%. The golf courses tend to be in the upper end of the range, which is somewhat counterintuitive, as they generally have less improvements. The range is relatively wide, ranging from 8.76% for the skating rink, to 12.00%; all the comparables except No. 5 are in the Midwest.

Following is a cap rate survey for Public Daily Fee Golf Courses, which are considered somewhat similar to skating rinks, as they represent recreational facilities that are a product of discretionary spending, although golf courses are somewhat riskier, as they are not as contract oriented as ice arenas, and dependent on weather:

Golf Courses & Country Clubs: Public Daily Fee Courses

Item	Input					OAR
Minimum						
Spread Over 10-Year Treasury	1.32%	DCR Technique	1.31	0.083362	0.65	7.11
Debt Coverage Ratio	1.31	Band of Investment Technique				
Interest Rate	5.62%	Mortgage	65%	0.083362	0.054185	
Amortization	20	Equity	35%	0.093480	0.032718	
Mortgage Constant	0.083362	OAR				8.69
Loan-to-Value Ratio	65%	Surveyed Rates				8.17
Equity Dividend Rate	9.35%					
Maximum						
Spread Over 10-Year Treasury	9.34%	DCR Technique	1.80	0.156917	0.50	14.12
Debt Coverage Ratio	1.80	Band of Investment Technique				
Interest Rate	13.64%	Mortgage	50%	0.156917	0.078459	
Amortization	15	Equity	50%	0.210890	0.105445	
Mortgage Constant	0.156917	OAR				18.39
Loan-to-Value Ratio	50%	Surveyed Rates				17.29
Equity Dividend Rate	21.09%					
Average						
Spread Over 10-Year Treasury	5.33%	DCR Technique	1.46	0.118399	0.58	9.91
Debt Coverage Ratio	1.46	Band of Investment Technique				
Interest Rate	9.63%	Mortgage	58%	0.118399	0.068079	
Amortization	18	Equity	43%	0.146315	0.062184	
Mortgage Constant	0.118399	OAR				13.03
Loan-to-Value Ratio	58%	Surveyed Rates				11.99
Equity Dividend Rate	14.63%					
*1st Quarter 2025 Data						
Realty Rates Investor Survey 2025 Q2						

Band of Investment Method**Lender Survey**

Source	Date	LTV	Amort. (Years)	Interest Rate
Realty Rates (Average), Golf Courses	Q2 2025	67%	23	9.26%

Mortgage/Equity Assumptions

Loan To Value Ratio	65%
Interest Rate	7.50%
Amortization (Years)	25
Mortgage Constant	0.0887
Equity Ratio	35%
Equity Dividend Rate	12.00%

Weighted Average of Mortgage and Equity Requirements

Mortgage Requirement	65%	x	8.87% =	5.76%
Equity Requirement	35%	x	12.00% =	4.20%

Indicated Capitalization Rate**9.96%****Rounded****10.00%**

Based on an analysis of the preceding data, a going-in capitalization rate for the subject is indicated within a range of 10.0% to 11.0%. To reach a capitalization rate conclusion, we consider each of the following investment risk factors to gauge its impact on the rate. The direction of each arrow in the following table indicates our judgment of an upward, downward, or neutral influence of each factor.

Risk Factor	Issues	Impact on Rate
Patron Appeal	Notoriety, facility success, curb appeal, consistency of income stream (relates to overall existing enterprise).	↓
Competitive Market Position	Construction quality, appeal, condition, effective age, functional utility, upside potential for additional income.	↓
Location	Market area demographics and life cycle trends; proximity issues; access and support services.	↔
Market	Vacancy rates and trends; rental rate trends; supply and demand.	↔
Highest & Best Use	Upside potential from redevelopment, adaptation, expansion.	↔
Overall Impact		↓

- The subject is located in Novi, a market that had suffered less than other markets due to the down economy, the risk is lower than indicated in past years, again as evidenced by the slight decline in USA Hockey enrollments in Michigan, hence, the current player/team utilization.
- The population continues to grow in in the market area, adding to the potential client base.
- The income is projected at a level between that for 2024 and 2025, and expenses similar to the recent indications (due to the exclusion of the historic management fee, and inclusion of property taxes), reducing the risk in attaining the projected net income.
- There is the potential for upside income, as the subject prime ice rate of \$340 per hour is below some of the other privately operated rinks in the market area.
- The subject represents a contemporary arena, and is one of the newest in the market area.
- The cost of funds has recently increased over prior year levels.

Therefore, we conclude an enterprise capitalization rate as follows:

Capitalization Rate Conclusion	
Going-In Capitalization Rate	9.50%

Direct Capitalization Analysis

Net operating income is divided by the concluded capitalization rate to arrive at a value indication by the income capitalization approach as follows:

Direct Capitalization Analysis

	SF	% EGI	Annual	\$/SF Bldg.
Income				
Base Rent	76,707			
Hockey		66.0%	\$1,300,000	\$16.95
Figure Skating/Learn to Skate		30.5%	\$600,000	\$7.82
Misc		9.1%	\$180,000	\$2.35
Concession (Net of COGS)		2.0%	\$40,000	\$0.52
Program COGS		-7.6%	-\$150,000	-\$1.96
Effective Gross Income		100.0%	\$1,970,000	\$25.68
Expenses				
Property Taxes		4.6%	\$90,684	\$1.18
Insurance		0.8%	\$15,000	\$0.20
Utilities		12.2%	\$240,000	\$3.13
Repairs/Maintenance		13.2%	\$260,000	\$3.39
Payroll/Benefits		45.7%	\$900,000	\$11.73
General/Administrative		7.1%	\$140,000	\$1.83
Total Expenses		83.5%	\$1,645,684	\$21.45
Net Operating Income			\$324,316	\$4.23
Capitalization Rate			9.50%	
Indicated Value			\$3,413,848	
Rounded			\$3,400,000	\$44.32

Reconciliation and Conclusion of Value

The values indicated by our analyses are as follows.

Summary of Value Indications		Per SF
Cost Approach	Not Used	
Sales Comparison Approach	\$5,000,000	\$65.18
Income Capitalization Approach	\$3,400,000	\$44.32
Reconciled	\$3,600,000	\$46.93

The income capitalization approach is given the greatest weight because it is the most reliable valuation method for the subject. The sales comparison approach is given less weight because it does not directly consider the income characteristics of the property. The cost approach is not applicable to the subject and is not used. Accordingly, our value opinion follows.

Value Conclusion			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Going Concern Value	Fee Simple	August 15, 2025	\$3,600,000

The opinions of value expressed in this report are based on estimates and forecasts that are prospective in nature and subject to considerable risk and uncertainty. Events may occur that could cause the performance of the property to differ materially from our estimates, such as changes in the economy, interest rates, capitalization rates, financial strength of tenants, and behavior of investors, lenders, and consumers. Additionally, our opinions and forecasts are based partly on data obtained from interviews and third party sources, which are not always completely reliable. Although we are of the opinion that our findings are reasonable based on available evidence, we are not responsible for the effects of future occurrences that cannot be reasonably foreseen at this time.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Based on the concluded market values stated previously, it is our opinion that the probable exposure time is 12 months.

Marketing Period

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. We estimate the subject's marketing period at 12 months.

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. H. William Hansen, Jr., MAI, made a personal inspection of the property that is the subject of this report. Anthony Sanna, MAI, CRE, has not personally inspected the subject.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.
14. As of the date of this report, H. William Hansen, Jr., MAI and Anthony Sanna, MAI, CRE have completed the continuing education program for Designated Members of the Appraisal Institute.

15. Appraisers in Michigan are required to be licensed by the Department of Licensing and Regulatory Affairs, P.O. Box 30004, Lansing, MI 48909.



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State Certified General Real Estate Appraiser
Michigan Certificate # 1205001420
Telephone: 248-593-9787
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Anthony Sanna, MAI, CRE
Certified General Real Estate Appraiser
Michigan Certificate # 1205001360
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Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.

6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – Detroit, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. Integra Realty Resources – Detroit is not a building or environmental inspector. Integra Detroit does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.
25. Integra Realty Resources – Detroit, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

Addendum A

Appraiser Qualifications

H. William Hansen, Jr., MAI

Experience

A Senior Director of Integra Dean Appraisal – Detroit (formerly Dean Appraisal). Duties consist of preparing commercial real estate appraisals and market analyses. Employed as a full time commercial real estate appraiser since 1987.

Valuations have been performed on various properties including, but not limited to, marinas and marine terminals, schools, funeral homes, truck terminals and repair garages, parking garages, industrial buildings, office buildings, shopping centers, restaurants, apartments, subdivisions, condominiums, mini-storage facilities, cemeteries, casino, concrete batch plant, hotels, automobile factories, billboards, cellular tower, campgrounds, mixed used facilities, vacant land and various other commercial and industrial facilities.

Valuations have been performed for condemnation purposes, estates, financing, equity participation, litigation, ad valorem, and due diligence support. Valuations have been done on proposed, partially completed, renovated and existing structures.

Additional experience includes over ten years in construction and property management.

Professional Activities & Affiliations

MAI Designation, Appraisal Institute Appraisal Institute

Licenses

Michigan, Certified General Real Estate Appraiser, 1205001420, Expires July 2027

Education

Bachelor of Science, Management (Real Estate emphasis), Metropolitan State College, Denver, Colorado, 1983. Associate of Arts, Accounting, Oakland Community College Farmington Hills, Michigan, 1981.

Successfully completed numerous real estate related courses sponsored by the Appraisal Institute, including Courses 530, Advance Sales Comparison and Cost Approaches; 2-2, Report Writing; 2-1, Case Studies in Real Estate Valuation; 1B- A & B, Capitalization Theory Parts A & B; SPP, Standards of Professional Practice A, B & C; 1A-2, Basic Valuation Procedures; 1A-1, Real Estate Appraisal Principles

Appraisal Institute sponsored seminars include Highest & Best Use Applications, Analyzing Operating Expenses, Appraising Troubled Properties, Report Writing, Retail Properties, Separating Real and Personal Property from Intangible Business Assets, Special Purpose Properties

Other Real Estate Courses include Commercial & Investment Real Estate, Real Estate Law, Real Estate Finance, Principles of Real Estate, Broker's Preparation Course, Project Training Seminar, Argus Training Seminar, HUD Valuation Seminar.



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GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF PROFESSIONAL LICENSING
CERTIFIED GENERAL REAL ESTATE APPRAISER LICENSE

H WILLIAM HANSEN, JR



LICENSE NO.
1205001420

EXPIRATION DATE
07/31/2027

25196120711

THIS DOCUMENT IS DULY
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Anthony Sanna, MAI, CRE

Experience

Mr. Sanna, Executive Director, has actively counseled and advised clients on issues relating to the sale, leasing, valuation, management, and development of commercial real estate assets since 1989. Mr. Sanna served as the Managing Director of IRR Detroit from 2003-2018.

He has a diversified background in real estate with primary emphasis in the areas of valuation for investment property, institutional assets, portfolio asset management and complex real estate issues. Conversely, Mr. Sanna continually manages a re-occurring volume of traditional mortgage loan appraisal work on all varieties of properties, large and small, focusing on core real estate assets including hotel, office, industrial, retail, and multifamily properties.

Mr. Sanna has extensive consulting and valuation experience relating to corporate and private clients on an array of issues pertaining to estate and property trust matters, partnership disputes, air rights, partial and fractional interests, contract disputes, and mediation/arbitration disputes. Mr. Sanna's experience in these matters provides clients with a well-rounded framework for valuation and consulting solutions.

Professional Activities & Affiliations

MAI Designation, Appraisal Institute

CRE Designation, Counselors of Real Estate

Board of Director: Integra Realty Resources - 2005-2008; 2012-2017 and 2019-Current

Board of Director: Commercial Board of Real Estate - Michigan Chapter

Licenses

Michigan, Certified General Real Estate Appraiser, 1205001324, Expires July 2027

Education

Bachelor of Science (Business Administration) Wayne State University, Detroit, MI

Appraisal Institute Courses:

- Principals of Real Estate Appraisal
- Procedures of Real Estate Appraisal
- Uniform Standards of Professional Practice
- Basic Income Capitalization
- Advanced Income Capitalization
- Report Writing
- Advanced Applications/Case Studies

Qualified Before Courts & Administrative Bodies

Qualified expert witness before the Michigan Tax Tribunal, various Circuit Courts, planning boards, commissioner hearings and County Tax Boards.



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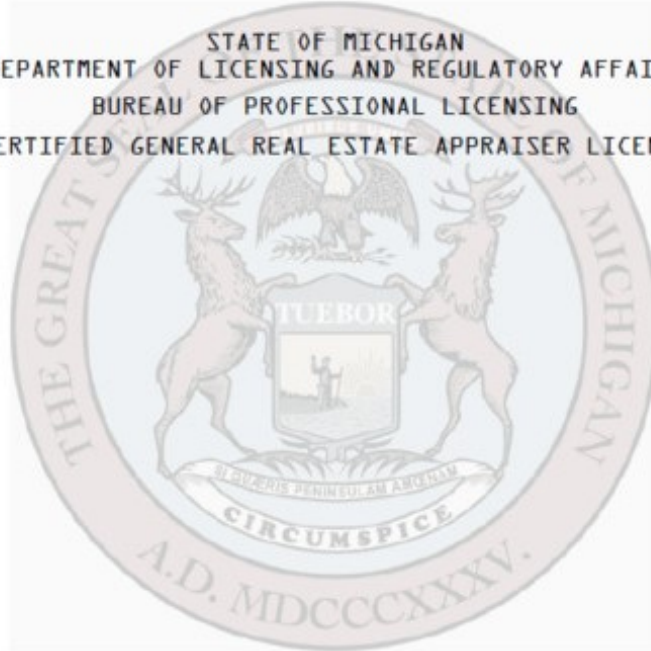
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DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF PROFESSIONAL LICENSING
CERTIFIED GENERAL REAL ESTATE APPRAISER LICENSE

ANTHONY SANNA



LICENSE NO.
1205001324

EXPIRATION DATE
07/31/2027

25169150621

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About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

Local Expertise...Nationally!

irr.com



Addendum B

Financials and Property Information

08/06/2025		REVENUE AND EXPENDITURE REPORT FOR CITY OF NOVI			
		Month Ended: June			
		BALANCE AS OF	BALANCE AS OF	BALANCE AS OF	Unaudited BALANCE AS OF
GL NUMBER	DESCRIPTION	06/30/2022	06/30/2023	06/30/2024	06/30/2025
Fund 570 - ICE ARENA FUND					
Revenues					
Dept 000.00 - TREASURY					
Program revenue					
570-000.00-653.801	Youth hockey & ice rentals	705,729.75	810,029.16	922,464.73	992,504.90
570-000.00-653.802	Concession sales	37,736.05	23,222.38	49,640.41	86,661.30
570-000.00-653.805	Learn to skate	239,548.83	248,502.52	280,506.77	286,926.66
570-000.00-653.806	Public skating/open skate	39,575.00	36,910.00	72,345.00	87,855.70
570-000.00-653.807	Figure skating	146,416.23	168,056.84	174,478.33	153,586.10
570-000.00-653.809	Skate rental	28,184.66	26,010.71	29,443.39	30,699.99
570-000.00-653.816	Room rental	2,662.50	8,910.00	4,850.00	6,960.00
570-000.00-653.818	Rink advertising	4,404.17	5,200.00	5,440.58	5,237.39
570-000.00-653.821	Individual ice rentals	545.00	4,132.50	6,800.00	2,413.75
570-000.00-653.822	Leagues (adult) & tournaments	360,505.95	330,906.59	331,582.25	257,334.31
570-000.00-653.823	Drop-in	17,150.00	7,385.00	22,055.00	30,022.50
570-000.00-653.824	Ice Dancing	107,019.00	128,178.20	128,880.00	124,719.00
570-000.00-653.829	Vending machine revenue	79.50	1,683.00	1,738.00	1,836.00
Program revenue		1,689,556.64	1,799,126.90	2,030,224.46	2,066,757.60
Interest income					
570-000.00-665.000	Interest in investments	20,744.71	35,508.70	31,465.91	26,273.25
570-000.00-665.010	Interest - Pro Shop Lease	0.00	1,668.23	1,256.02	0.00
570-000.00-665.100	Interest - Cell tower leases	0.00	96,385.97	96,191.99	95,992.18
570-000.00-669.500	Gain (loss) on investments	(55,940.86)	(613.19)	19,232.60	11,785.44
Interest income		(35,196.15)	132,949.71	148,146.52	134,050.87
Other revenue					
570-000.00-675.000	Miscellaneous income	0.00	0.00	9,555.00	0.00
570-000.00-675.590	Pro shop lease	0.00	(2,368.23)	15,800.33	14,500.00
570-000.00-675.592	Cell tower revenue	117,166.82	23,194.53	25,371.19	34,159.05
Other revenue		117,166.82	20,826.30	50,726.52	48,659.05
Total Dept 000.00 - TREASURY		1,771,527.31	1,952,902.91	2,229,097.50	2,249,467.52
TOTAL REVENUES		1,771,527.31	1,952,902.91	2,229,097.50	2,249,467.52



Parcel Number: 50-22-26-101-018 Jurisdiction: CITY OF NOVI County: OAKLAND Printed on 08/06/2025

Grantor	Grantee	Sale Price	Sale Date	Inst. Type	Terms of Sale	Liber & Page	Verified By	Prct. Trans.	
Property Address									
42400 NICK LIDSTROM DR									
Owner's Name/Address									
CITY OF NOVI 45175 W TEN MILE NOVI MI 48375									
Tax Description									
TIN, R8E, SEC 26 PART OF NW 1/4 BEG AT PT DIST N 86-27-27 E 1061.55 FT & S 02-47-25 E 1043.98 FT FROM NW SEC COR, TH N 86-27-27 E 80.24 FT, TH S 02-47-33 E 652.58 FT, TH ALG CURVE TO LEFT, RAD 250 FT, CHORD BEARS S 19-18-40 E 141.97 FT, DIST OF 143.95 FT, TH ALG CURVE TO RIGHT, RAD 280 FT, CHORD BEARS S 20-25-19 E 148.55 FT, DIST OF 150.35 FT, TH ALG CURVE TO LEFT, RAD 34 FT, CHORD BEARS S 30-16-27 E 29.02 FT, DIST OF 29.98 FT, TH ALG CURVE TO RIGHT, RAD 76 FT, CHORD BEARS S 29-17-48 E 67.20 FT. DIST OF									
Public Improvements									
Dirt Road									
Gravel Road									
Paved Road									
Storm Sewer									
Sidewalk									
Water									
Sewer									
Electric									
Gas									
Curb									
Street Lights									
Standard Utilities									
Underground Utils.									
Topography of Site									
Level									
Rolling									
Low									
High									
Landscaped									
Swamp									
Wooded									
Pond									
Waterfront									
Ravine									
Wetland									
Flood Plain									
Who	When	What	Year	Land Value	Building Value	Assessed Value	Board of Review	Tribunal/ Other	Taxable Value
CW	08/01/2025	INSPECTED	2026	EXEMPT	EXEMPT	EXEMPT			EXEMPT
CW	06/30/2025	INSPECTED	2025	EXEMPT	EXEMPT	EXEMPT			EXEMPT
			2024	0	0	0			0
			2023	0	0	0			0

90-3226-101-418

9/16/2025

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*** Information herein deemed reliable but not guaranteed***

Desc. of Bldg/Section: Novi Ice Arena Calculator Occupancy: Skating Rinks - Ice		<<<<<< Calculator Cost Computations Class: C Quality: Average Stories: 2 Story Height: 20 Perimeter: 1000 Base Rate for Upper Floors =		>>>>>>	
Class: C Floor Area: 76,707 Gross Bldg Area: 76,707 Stories Above Grd: 2 Average Sty Hght: 20 Bsmnt Wall Hght		Construction Cost High Above Ave. Ave. X Low ** ** Calculator Cost Data ** ** Quality: Average Heat#1: Package Heating & Cooling 42% Heat#2: Package Heating & Cooling 58% Ave. SqFt/Story: 38354 Ave. Perimeter: 1000 Has Elevators: X *** Basement Info *** Area: Perimeter: Type: Heat: Area #1: Type #1: Area #2: Type #2: Area: 76707 Type: Average		(10) Heating system: Package Heating & Cooling Cost/SqFt: 42% (10) Heating system: Package Heating & Cooling Cost/SqFt: 58% Combined Heating System adjustment: 100% Adjusted Square Foot Cost for Upper Floors = Total Floor Area: 76,707 Base Cost New of Upper Floors = 76,707 Sq.Ft. of Sprinklers @ Cost New = Reproduction/Replacement Cost = Eff.Age:27 Phy.%Good/Abnr.Phy./Func./Econ./Overall %Good: 58 /100/100/100/58.0 Total Depreciated Cost = Unit in Place Items Rate Quantity Arch %Good Depr.Cost /C18/ELEE/PASES/SMAE/SMOARAE 1 1.00 73 ECF (WAREHOUSE) => TCV of Bldg: 1 = Replacement Cost/Floor Area= Est. TCV/Floor Area=	
(1) Excavation/Site Prep:		(7) Interior:		(11) Electric and Lighting:	
(2) Foundation: Footings X Poured Conc Brick/Stone Block		(8) Plumbing: Many Above Ave. Average Typical Few None Total Fixtures Urinals 3-Piece Baths Wash Bowls 2-Piece Baths Water Heaters Shower Stalls Wash Fountains Toilets Water Softeners		Outlets: Fixtures: Few Average Few Many Many Unfinished Unfinished Typical Typical Flex Conduit Incandescent Rigid Conduit Fluorescent Armored Cable Mercury Non-Metallic Sodium Vapor Bus Duct Transformer	
(3) Frame:		(9) Sprinklers:		(40) Exterior Wall: Thickness Bsmnt Insul.	
(4) Floor Structure:		(10) Heating and Cooling: Gas Coal Hand Fired Oil Stoker Boiler		(13) Roof Structure: Slope=0	
(5) Floor Cover:		(6) Ceiling:		(14) Roof Cover:	

*** Information herein deemed reliable but not guaranteed***

Addendum C

Comparable Data

Improved Sales

Location & Property Identification

Property Name: A2Ice3 (Ann Arbor Ice Cube)
 Sub-Property Type: Sport & Entertainment, Skating Rink
 Address: 2121 Oak Valley Dr
 City/State/Zip: Pittsfield Township (Ann Arbor), MI 48103-8901
 County: Washtenaw

Market Orientation: Suburban
 Property Location: S of Scio Church, W of I-94
 IRR Event ID: 2984663



Sale Information

Sale Price: \$7,450,000
 Effective Sale Price: \$8,375,000
 Sale Date: 12/19/2022
 Recording Date: 01/04/2023
 Sale Status: Closed
 \$/SF GBA: \$68.98
 \$/SF NRA: \$68.98
 Grantor/Seller: Good Sports Limited Partnership
 Grantee/Buyer: Ann Arbor Holdings, Inc. (Black Bear Sports)
 Assets Sold: Going concern, total assets of the business
 Property Rights: Fee Simple
 Exposure Time: 0 (months)
 Financing: All cash
 Conditions of Sale: Motivated Seller
 Terms of Sale Comments: Not listed
 Document Type: Deed
 Recording No.: 5507-940
 Verified By: H. William Hansen, Jr., MAI
 Verification Date: 03/14/2023
 Verification Type: Secondary Verification
 Secondary Verific. Source: CoStar

Sale Analysis

Adjustment Comments: Personalty, GC

Occupancy

Occupancy Type Before Sale: Owner Occupied
 Occupancy Type After Sale: Owner Occupied

Improvement and Site Data

MSA: Ann Arbor
 Legal/Tax/Parcel ID: 12-06-280-007
 GBA-SF: 121,406
 NRA-SF: 121,406
 Acres(Gross): 14.39
 Land-SF(Gross): 626,811
 Year Built: 1995
 Property Class: B
 M&S Class: C
 Improvements Cond.: Average
 Exterior Walls: Block
 Construction Desc.: Face block, with EIFS at entryway
 Multi-Tenant/Condo.: No/No
 Ceiling Height Minimum: 13.00
 Ceiling Height Maximum: 28.00
 Total Parking Spaces: 225

Improvement and Site Data (Cont'd)

Park. Ratio 1000 SF GLA:	1.85
Park. Ratio 1000 SF GBA:	1.85
Air-Conditioning Type:	Central
Bldg. to Land Ratio FAR:	0.19
Land to Building Ratio:	5.16
Zoning Code:	PUD
Bldg. Phy. Info. Source:	Public Records
Source of Land Info.:	Other

Comments

A party familiar with the sale indicated that the seller was a partnership, and the managing partner moved forward with the sale, as there was intent to dispose of the property. The property reportedly sold at an actual price between \$8.25MM and \$8.5MM, but the recorded amount of \$7,450,000 represents the real estate, without personal property or any going concern contribution. An additional offer that was reportedly submitted prior to the sale at \$10MM and was turned down; the buyer is a national concern that had cash, and the managing partner was motivated to dispose of the property, hence, the lower price. Additionally, the property was not listed, only casually offered by the managing partner.

Three-sheet arena with sixteen locker rooms, 820 seats on one rink, 720 on the second rink and none on the third rink. Includes a pro-shop, concessions, figure skating locker, wood floor ballet room, team room, medical room, day care, restaurant/ bar, and a sports injury rehabilitation clinic. Building includes a two story fitness area of 8,881 SF that was added in 1997.

Location & Property Identification

Property Name:	Ice Arena
Sub-Property Type:	Sport & Entertainment, Skating Rink
Address:	2810 Hannah
City/State/Zip:	East Lansing (Meridian Twp), MI 48823
County:	Ingham
Market Orientation:	Suburban
Property Location:	West of Hagadorn
IRR Event ID:	3019614



Sale Information

Sale Price:	\$7,500,000
Effective Sale Price:	\$7,500,000
Sale Date:	05/01/2023
Sale Status:	Closed
\$/SF GBA:	\$83.50
\$/SF NRA:	\$83.50
\$/Unit:	\$3,750,000 /Unit
Grantor/Seller:	Suburban Properties
Grantee/Buyer:	Black Bear Sports Group
Property Rights:	Fee Simple
Exposure Time:	0 (months)
Financing:	All cash
Conditions of Sale:	Arm's-length
Verified By:	H. William Hansen, Jr., MAI
Verification Date:	06/19/2023
Confirmation Source:	Seller
Verification Type:	Confirmed-Seller

Operating Data and Key Indicators

Operating Data Type:	In Place
Net Operating Income:	\$ 656,768
Reserves Included:	No
Cap Rate - Derived:	8.76%

Improvement and Site Data

MSA:	Lansing-East Lansing, MI
Legal/Tax/Parcel ID:	33-02-02-20-176-006 and 09-83-54755-1 (Personal Property) and 09-83-54755-1 (Personal Property)
GBA-SF:	89,821
NRA-SF:	89,821
Acres(Usable/Gross):	7.94/8.39
Land-SF(Usable/Gross):	345,866/365,468
Usable/Gross Ratio:	0.95
Year Built:	1998
Property Class:	A-
M&S Class:	S
Construction Quality:	Good
Improvements Cond.:	Good
Exterior Walls:	Metal
Construction Desc.:	Metal
No. of Buildings/Stories:	1/1
Ceiling Height Minimum:	25.00
Ceiling Height Maximum:	28.00
Clear Height(Feet):	16.00
Total Parking Spaces:	299
Park. Ratio 1000 SF GLA:	3.33
Park. Ratio 1000 SF GBA:	3.33

Improvement and Site Data (Cont'd)

Parking Ratio(/Unit):	149.50
Elevators/Count:	Yes/1
Fire Sprinkler Type:	Wet
Roof,Heating,AC Comm.:	Gable style metal roof
Shape:	Irregular
Topography:	Level
Corner Lot:	No
Frontage Feet:	375
Frontage Desc.:	Hannah
Density-Unit/Gross Acre:	0.24
Density-Unit/Usable Acre:	0.25
Bldg. to Land Ratio FAR:	0.25
Land to Building Ratio:	4.07
Zoning Code:	RP
Zoning Desc.:	Research Park and Office
Flood Plain:	No
Flood Zone Designation:	X
Comm. Panel No.:	26065C0152D
Date:	08/16/2011

Source of Land Info.: Public Records

Comments

Buyer approached seller unsolicited; buyer is a large concern that has been actively building a portfolio of rinks in a number of northern states. An allocation of \$2MM to Goodwill was made for transactional purposes and was reported to be attributable to hockey contracts; however, this is the only remaining operational rink in the greater Lansing area (excluding the MSU Munn Arena, which does not rent hourly ice to the general public and is targeted for student activities, including the D1 hockey program).

Two NHL size ice sheets, pro shop, concession stand, large fitness/dance area

Location & Property Identification

Property Name: Viking Arena
 Sub-Property Type: Sport & Entertainment, Skating Rink
 Address: 1555 E. Woodward Heights Blvd.
 City/State/Zip: Hazel Park, MI 48030
 County: Oakland
 Market Orientation: Suburban
 Property Location: N side, E of Dequindre Rd
 IRR Event ID: 3328752



Sale Information

Sale Price: \$2,900,000
 Effective Sale Price: \$2,900,000
 Sale Date: 06/26/2023
 Recording Date: 06/29/2023
 Sale Status: Closed
 \$/SF GBA: \$41.03
 \$/SF NRA: \$41.03
 \$/Unit: \$1,450,000 /TBD
 Grantor/Seller: City of Hazel Park
 Grantee/Buyer: Black Bear Sports Group (Maryland)
 Assets Sold: Going concern, total assets of the business
 Property Rights: Fee Simple
 Exposure Time: 0 (months)
 Financing: Cash to seller
 Conditions of Sale: Motivated Seller
 Terms of Sale Comments: Not Listed
 Document Type: Deed
 Recording No.: 58795/583
 Verified By: H. William Hansen, Jr., MAI
 Verification Date: 02/18/2025
 Verification Type: Secondary Verification

MSA: Detroit-Warren-Dearborn, MI

Legal/Tax/Parcel ID: 25-25-253-047, 25-25-226-010
 GBA-SF: 70,682
 NRA-SF: 70,682
 Acres(Gross): 5.00
 Land-SF(Gross): 217,800
 Year Built: 1999
 M&S Class: C
 Construction Quality: Average
 Exterior Walls: Concrete Precast
 No. of Buildings/Stories: 1/1
 No. of Units/Unit Type: 2/TBD
 Multi-Tenant/Condo.: No/No
 Ceiling Height Minimum: 12.00
 Ceiling Height Maximum: 24.00
 Elevators/Count: None
 Air-Conditioning Type: Central
 Frontage Feet: 460
 Frontage Desc.: Woodward Hgts
 Frontage Type: 2 way, 2 lanes each way
 AccessibilityRating: Average
 Density-Unit/Gross Acre: 0.40
 Bldg. to Land Ratio FAR: 0.32
 Land to Building Ratio: 3.08
 Bldg. Phy. Info. Source: Public Records
 Source of Land Info.: Other

Improvement and Site Data

Comments

Property had deferred maintenance, and had been a negative cash flow for the City. The purchaser was managing the facility for the City; an original offer was rejected, and the parties later came to terms.

Building constructed of fluted and washed aggregate tilt up precast panels, with one NHL size sheet and one Olympic sized sheet; the common lobby, snack bar, pro shop is constructed of split face block. Property has over an acre of parking.

Location & Property Identification

Property Name: Biggby Coffee Ice Cube-
Brighton

Sub-Property Type: Sport & Entertainment,
Skating Rink

Address: 10540 Citation Dr.

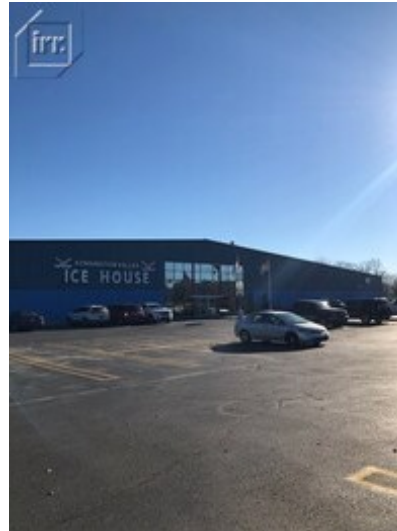
City/State/Zip: Brighton, MI 48116

County: Livingston

Market Orientation: Suburban

Property Location: South of Grand River

IRR Event ID: 3230921



Sale Information

Sale Price: \$8,000,000

Effective Sale Price: \$8,000,000

Sale Date: 02/01/2024

Sale Status: Closed

\$/SF GBA: \$80.12

\$/SF NRA: \$80.12

\$/Unit: \$2,666,667 /TBD

Grantee/Buyer: Black Bear Sports Group

Assets Sold: Going concern, total assets of
the business

Property Rights: Fee Simple

Exposure Time: 0 (months)

Financing: Cash to seller

Conditions of Sale: Motivated Seller

Terms of Sale Comments: Not Listed

Verified By: H. William Hansen, Jr., MAI

Verification Date: 04/25/2024

Confirmation Source: Nearby Rink Owner

Verification Type: Confirmed-Other

NRA-SF: 99,850

Acres(Gross): 6.12

Land-SF(Gross): 266,587

Year Built: 1999

M&S Class: S

Construction Quality: Average

Improvements Cond.: Good

Exterior Walls: Metal

No. of Buildings/Stories: 1/1

No. of Units/Unit Type: 3/TBD

Total Parking Spaces: 266

Park. Ratio 1000 SF GLA: 2.66

Park. Ratio 1000 SF GBA: 2.66

Parking Ratio(/Unit): 88.67

Elevators/Count: Yes/1

Air-Conditioning Type: Central

Shape: Irregular

Topography: Level

Corner Lot: No

Frontage Feet: 583

Frontage Desc.: S side Citation cul-de-sac

Frontage Type: 2 way, 1 lane each way

Density-Unit/Gross Acre: 0.49

Bldg. to Land Ratio FAR: 0.37

Land to Building Ratio: 2.67

Zoning Code: B3

Zoning Desc.: Special Business District

Flood Plain: No

Improvement and Site Data

MSA: Detroit-Warren-Dearborn, MI

Legal/Tax/Parcel ID: 4712-33-300-022

GBA-SF: 99,850

Improvement and Site Data (Cont'd)

Comm. Panel No.: 26093C0363 D

Date: 09/17/2008

Source of Land Info.: Other

Comments

The Arena is home to the Kensington Valley Hockey Association, Brighton High School, South Lyon Unified, and various other local high schools, clubs and adult hockey leagues. The purchaser, Black Bear Sports Group, is the largest owner-operator of ice rinks in the U.S., and approached the buyer directly and paid cash.

3 sheet arena with pro shop, concession and typical rink amenities; there is a small training facility and restaurant/bar with viewing windows on a central mezzanine that is included in the GBA.

Location & Property Identification

Property Name: Mt Clemens Arena
 Sub-Property Type: Sport & Entertainment, Skating Rink
 Address: 300 N. Groesbeck Hwy.
 City/State/Zip: Mount Clemens, MI 48043
 County: Macomb
 Market Orientation: Suburban
 Property Location: SEC Rose, between Elizabeth and Cass
 IRR Event ID: 3328656



Sale Information

Sale Price: \$4,000,000
 Effective Sale Price: \$4,000,000
 Sale Date: 01/01/2025
 Contract Date: 11/24/2024
 Sale Status: Closed
 \$/SF GBA: \$63.58
 \$/SF NRA: \$63.58
 \$/Unit: \$2,000,000 /TBD
 Grantor/Seller: City of Mount Clemens
 Grantee/Buyer: Black Bear Sports Group
 Assets Sold: Going concern, total assets of the business
 Property Rights: Fee Simple
 Financing: Cash to seller
 Conditions of Sale: Motivated Seller
 Terms of Sale Comments: Not listed
 Verified By: H. William Hansen, Jr., MAI
 Verification Date: 02/17/2025
 Verification Type: Secondary Verification

NRA-SF: 62,916
 Acres(Gross): 17.91
 Land-SF(Gross): 780,160
 Year Built: 1994
 Property Class: A-
 M&S Class: C
 Construction Quality: Good
 Exterior Walls: Block
 No. of Buildings/Stories: 1/1
 No. of Units/Unit Type: 2/TBD
 Air-Conditioning Type: Central
 Shape: Very Irregular
 Topography: Level
 Corner Lot: Yes
 Frontage Feet: 454
 Frontage Desc.: SE side Groesbeck
 Frontage Type: 2 way, 3 lanes each way
 Traffic Flow: High
 Density-Unit/Gross Acre: 0.11
 Bldg. to Land Ratio FAR: 0.08
 Land to Building Ratio: 12.40
 Zoning Code: MU
 Bldg. Phy. Info. Source: Public Records
 Source of Land Info.: Public Records

Improvement and Site Data

MSA: Detroit-Warren-Dearborn, MI
 Legal/Tax/Parcel ID: 05-11-10-280-001 (Part of)
 GBA-SF: 62,916

Comments

City had passed a \$3MM bond in 2020 for upgrades to

Comments (Cont'd)

compressors for the dual sheet arena, as well as a new parking lot and roof. The property was not listed, and was purchased by Black Bear Sports Group out of Bethesda, MD, which has been on a buying spree of arenas in the northeast and midwest.

Two NHL-size ice surfaces linked by mezzanine seating and skyboxes, capacity to host over 1,000 spectators and features modern amenities, including locker rooms, concession stands, and a pro shop.

