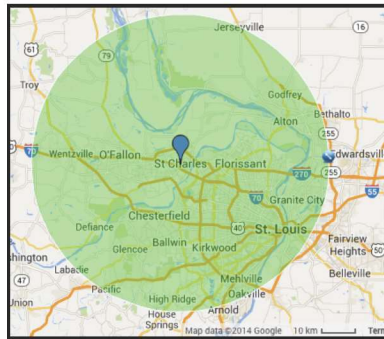


# OVERVIEW

**The St. Charles Chill is a professional hockey team that is a franchise of the Central Hockey League (CHL). The team was announced on August 1, 2012 and played its first season in 2013-14.**

The St. Charles Chill operate in one of the largest and most diverse markets in the CHL.

The Market Size and exclusive franchise territory is a 25-mile radius originating from the center of St. Charles, Missouri.



## OPERATING STRENGTHS AND EFFICIENCIES

- The St. Charles/St. Louis market size ranks in Top 20 in the U.S.
- Close proximity of opponents allow for capped travel costs.
- There is a league-wide salary cap, up to \$10,000 per week for an 18-man roster, and other league-wide operating expense caps.

## Generating Revenue With Entertainment

The Chill generate revenue by providing enjoyable family entertainment at an affordable price.

Revenue is generated from the sale of game tickets, advertising and sponsorship packages, merchandise, and other ancillary business ventures.

Revenue is maximized through a commitment to consumers to provide the ultimate entertainment value, relentless and aggressive sales strategies, and a commitment to embed the Chill within the local community.

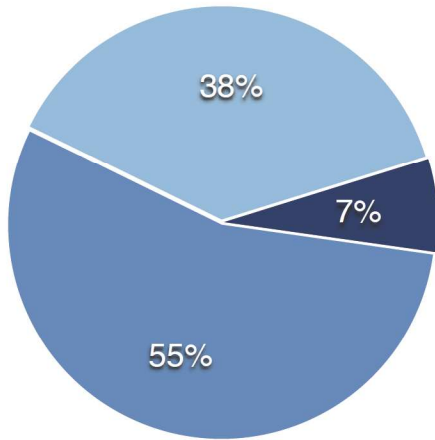
The Chill established numerous community programs; the players, ownership and management contribute to the community through public appearances, speaking engagements, fund raising and developing youth hockey programs.



# BUSINESS CONCEPT

## Revenue Sources

- Ticket Sales (55%)
- Sponsorship Sales (38%)
- Merchandise/Other Sales (7%)



## GROWTH OPPORTUNITIES

With the population and business growth in the St. Charles/St. Louis County areas, the potential to grow the Chill revenue is unlimited.

Hockey has become a very popular sport in the St. Louis area, aided by the success of the St. Louis Blues and the numerous hockey rinks (and youth hockey leagues) that have been built in the St. Louis area.

Efficiencies of scale and experience will contribute to lower operating costs which could be further reduced in the future.

In addition, the St. Charles Chill will have an attractive lease in the 10,000 seat Family Arena which houses approximately 40 suites, one Season Ticket Holder/Sponsor club, and underwent a \$1 million capital improvement of new ribbon boards and video boards completed in 2013 in conjunction with St. Louis County.



## OPERATING CHALLENGES

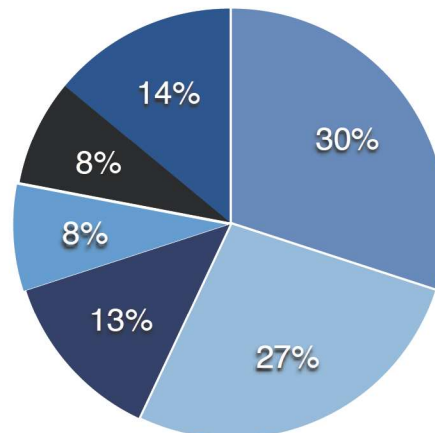
- \* Mass media coverage in the greater St. Louis market
- \* Start-up beginning 6 months prior to the following season

Since mass media exposure is difficult to attract in a sports and entertainment major league market, combined with market and media advertising rates in a large city, the Chill will focus efforts on grassroots media and targeted advertising.

The Chill will also mitigate advertising expenses by securing significant advertising on a cash/barter contract. Marketing opportunities will be generated over time for a 12 month time period.

## Operating Expenses

- Hockey Operations (30%)
- Front Office Payroll & Benefits (27%)
- Front Office & Arena Rent (13%)
- Insurance & Medical Payments (8%)
- Marketing, Advertising, Printing (8%)
- Minor operating expenses (14%)





## CHILL TICKET OPTIONS

The Chill ticket program features a variable pricing portfolio designed to appeal to all market segments and demographics. The following are the types of ticket packages that we offer.

### SEASON TICKETS

Season ticket holders are critical to the success of any professional sport organization. Season ticket sales guarantee sold seats for every game, provide positive cash flow year-round, and strengthen relationships within the community.

Chill season ticket holders are primarily comprised of two types of consumers: avid hockey fans (individual use) and corporations (business use).

Season tickets are sold in full season (32 games) or partial season (12 or 18-game) plans.

### AVAILABLE TICKETS & ESTIMATED PRICING

Seating Level	# Seats Available	Individual 1 Game	Group 25-99	Group 100+
Glass	188	\$30.00	N/A	N/A
Lower Bowl	5000	\$20.00	\$15.00	N/A
Terrace	4000	\$15.00	\$13.00	\$12.00

### VOUCHER BOOKS

Voucher books allow consumers to purchase 10 “vouchers” redeemable for any game for a discount over the single game ticket price.

In addition to economic incentives, voucher books offer consumers the flexibility to utilize vouchers for games throughout the season as they wish.

### INDIVIDUAL TICKETS

Individual game ticket sales are one of the most challenging aspects of the business.

Individual ticket purchasers are not only the sports fan, but also the non-traditional consumer.

These sales are often a function of the advertising directed at the event as well as the promotional activities scheduled for the game.

### CORPORATE CARE CLUB

The Corporate Care Club allows companies to purchase tickets on behalf of non-profit organizations in the community.

The program is administered through the St. Charles Chill Foundation, a 501(c)3 foundation, which allows the company purchasing tickets tax incentives for their purchase.

This program will generate in excess of \$100,000 in ticket revenue for the team.

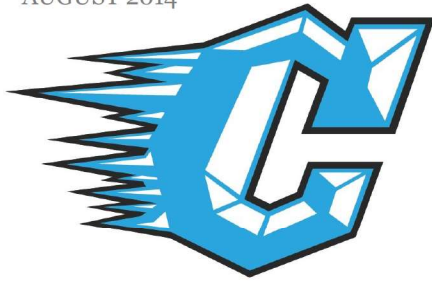
### GROUP TICKETS

Group ticket purchases involve a minimum of 20 people attending a game from the same organization.

Group tickets are purchased by various types of buyers including corporations, religious organizations, non-profit groups, schools, and area youth hockey teams.

Group discounts vary based on the size of the group and any ancillary purchases purchased by the buyer.





## PRODUCT DESCRIPTIONS

### TICKET SALES PROCESS

#### REVENUE IN MERCHANDISE

Merchandise is sold primarily at home games and on the internet.

Merchandise sold at games is essentially a function of ticket sales (the more people attending a game, the greater the sales). The average margin on merchandise sales is 60% and approximately \$30,000 is kept in inventory year-round.

The Chill will also have the advantage of a merchandise store located at the Family Arena.



The Family Arena in St. Charles, MO, and home of the Chill, is at 2002 Arena Pkwy, 63303.



There are three core elements critical to overall success:

- 1) Generating good leads
- 2) Cold-calling
- 3) Face-to-face appointments

Chill ticket sales staff solicits new season ticket and group business using qualified leads that are supplied to them by management. "Individual use" qualified leads are derived from databases created internally from fans that attend individual games during the prior season, from current season ticket holders for other sports teams in the area,

through referrals, and through other mechanisms used to identify the general sports fans in the area.

Chill sales representatives use direct mail pieces, outbound telephone calls and face-to-face meetings to solicit sales. "Business use" qualified leads are also provided to Chill sales representatives.

Chill sales representatives sell season tickets to these businesses primarily by arranging face-to-face meetings where they can describe our product, show collateral material, answer questions and close the sale.

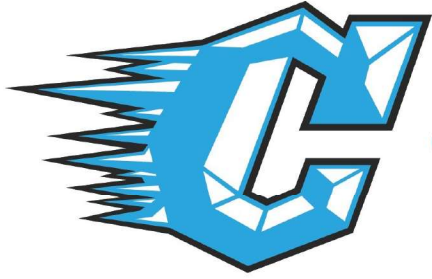


### FUTURE POTENTIAL

The opportunity for a naming rights partnership, in conjunction with the Family

Arena venue, would create a brand new revenue stream for the Chill.





# CORPORATE REVENUES

## CORPORATE SPONSORSHIPS

Corporate sponsorship sales are expected to be the strength of the franchise and are expected to generate \$400,000 in sponsorships during the initial season.

The Chill location in the dominant St. Louis area, surrounded by numerous corporate headquarters, and the overall size of the market is a competitive advantage in securing corporate sponsorship sales.

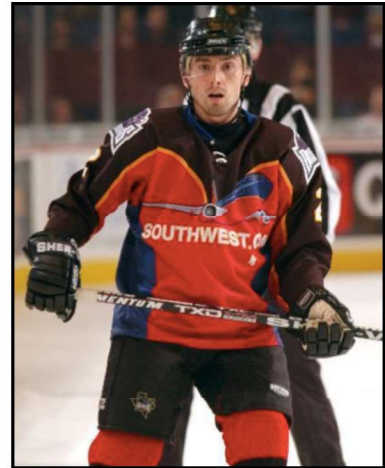
Sponsorship packages range anywhere from \$2,000 to \$100,000.

Sponsorships can be either exclusive or nonexclusive, with exclusive agreements demanding higher investment commitments. Sales for corporate sponsorships is essentially the same process (generate leads, reach decision makers, pitch proposals, close sales), but it is a longer and more involved process.

Relationship building is

a key component of generating and maintaining corporate partnerships.

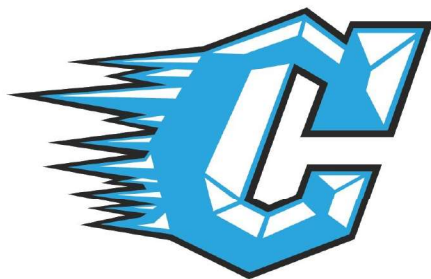
The Chill currently have several relationships with local, regional and national companies.



### CORPORATE SPONSORSHIP INVENTORY

Item	Inventory	Rate Per Item	Total Value
Scoreboard Panels	4	\$12000.00	\$48000.00
Ribbonboard Ads	10	\$10000.00	\$100000.00
Arena Signage	10	\$10000.00	\$100000.00
Dasherboards	54	\$10000.00	\$540000.00
Ice Logos	16	\$10000.00	\$160000.00
Zamboni	1	\$15000.00	\$15000.00
Banners	24	\$5000.00	\$360000.00
Jersey Patch	1	\$10000.00	\$5000.00
Helmet Stickers	1	\$7500.00	\$10000.00
Program Ads	30	\$3000.00	\$90000.00
Pocket Schedules	2	\$10000.00	\$20000.00
Blimp	1	\$12500.00	\$12500.00
Mascot	1	\$7500.00	\$7500.00
Ticket Backs	1	\$10000.00	\$10000.00





## MARKETING

### ADVERTISING

The goal of advertising is twofold.

One is to increase general awareness and brand recognition of our product in the marketplace.

Brand awareness assists our sales staff in obtaining appointments with potential clients and achieving their respective sales goals.

The second is to create purchase incentives to attract impulse buys for single game purchases (phone, internet, outlet, and walk-up purchases).

### MISCELLANEOUS

The Chill also create and execute several other components of an annual marketing plan which includes:

- Collateral (Schedule cards, posters, ticket brochures, magnets, calendars, etc.)
- Direct Mail (targeted sales pieces)
- Grassroots (festival appearances, inline hockey clinics, etc.)

The Chill annually plan and execute a comprehensive marketing plan that incorporates traditional and non-traditional marketing media and initiatives.

#### POTENTIAL 2015-16 MEDIA BUDGETS

Media	Cash Spent	Trade Received	Total Value
Newspaper	\$25000.00	\$25000.00	\$50000.00
Radio	\$20000.00	\$30000.00	\$50000.00
Television	\$0.00	\$40000.00	\$40000.00
Billboards	\$0.00	\$40000.00	\$40000.00
Social Media	\$10000.00	\$10000.00	\$20000.00
Other	\$5000.00	\$35000.00	\$40000.00

### PROMOTIONS & ACTIVITIES

In-game promotions are designed to keep customers entertained off the ice just as much as they are watching the game on the ice.

Throughout the course of the 32 game home schedule, promotional activity is executed in a variety of ways, ranging from premium giveaways at the gate (cap, puck, youth jersey, stick and trading



card giveaway nights); to on-ice contests & promotions such as the million dollar puck shoot; to post-game concerts; to

post-game skates with the players; intermission acts such as the Dallas Cowboys Cheerleaders.

The Chill ensure the success of promotional nights through creativity, media and corporate partners.

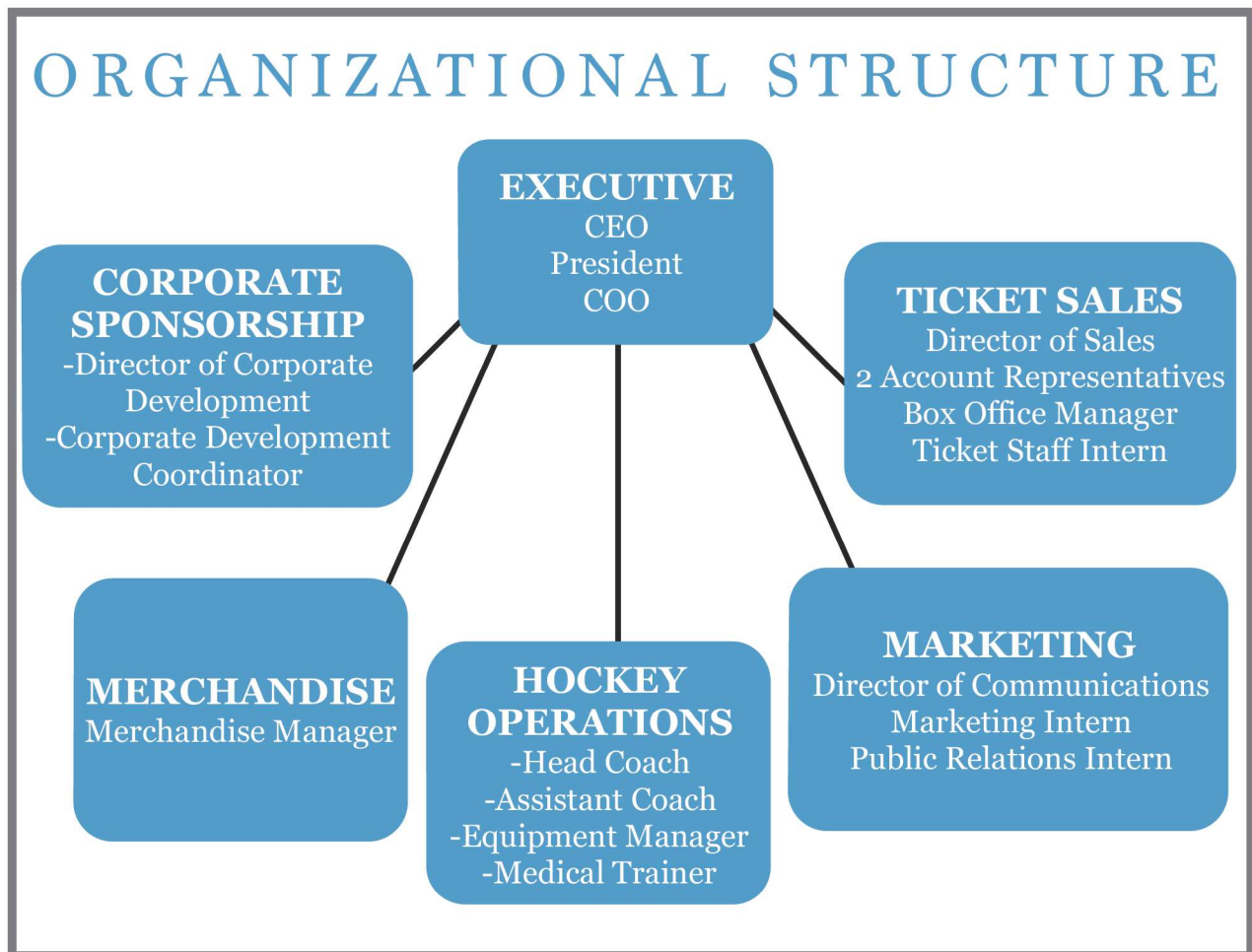




# OPERATIONS

The recruitment, trading and signing of players is the responsibility of the head coach.

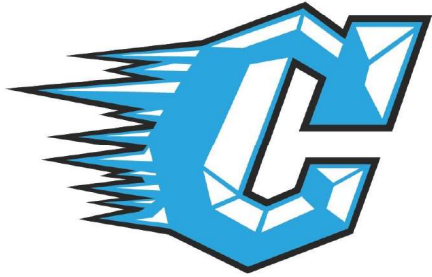
The coach reports to the President on all personnel matters and other issues such as team travel, housing, hotels, per diems and equipment.



## KEY EXECUTIVE PERSONNEL

Current Chill ownership include Matt and Mark Adams. They currently operate the Central Hockey League’s Missouri Mavericks (Independence, MO) – one of the most successful franchises in all of professional hockey.





## INDEX: ST. CHARLES HOCKEY HISTORY

The St. Charles Chill was announced as a Central Hockey League member on August 1, 2012 to begin play prior to the 2013-2014 season.

On September 17, the club announced Jamie Rivers as its first head coach. The team completed its first season, 2013-2014 in the CHL. This was the first time professional hockey returned to the Family Arena since the 2005-2006 season.

The Missouri River Otters were the first professional hockey team to play at the Family Arena. The team played from 199 to 2006 in the United Hockey League. During the 2004-2005 season — the NHL lockout — the Otters boasted St. Louis Blues players Barret Jackman, Ryan Johnson, Bryce Salvadore, and Jamal Mayers. Former NHLer Lonnie Loach is the only player to have had his number, 33, retired by the Otters.



On January 25, 2006 the River Otters hosted the 2006 United Hockey League All-Star Classic, which included multiple events on and off the ice throughout the St. Louis and St. Charles areas.

The Otters competed in the UHL for seven seasons, making the playoffs in five of the seven campaigns. The team's coaches included former NHL and St. Louis Blues forward Mark Reeds in addition to Lonnie Loach, John Wensink, Kevin Kaminski, and Jeff Brown.

The team averaged just under 6,000 fans per game in the initial season, with an average of over 3,000 per game in its first four campaigns.

The St. Charles & St. Peters areas boast of multiple amateur hockey teams and there are a myriad of teams, facilities and participants in the West St. Louis County area.

