

NORTH CAROLINA FURNITURE DIRECT FARM CLUB

BUSINESS PLAN

EXECUTIVE SUMMARY

The North Carolina Furniture Direct Farm Club was established in 2012 and open for business in 2014. The purpose of the NCFD Farm Club is to provide the youth baseball communities of Austin-San Antonio with access to baseball practice and game fields at a professional level that did not previously exist in this region. The NCFD Farm Club currently has five practice infields with batting cages, six 12U stadium type fields, 5,800 sq ft indoor concession stand and a 6,000 sq ft indoor training facility operated by former major league baseball players.

The facility is built on farm land in Zorn, Texas that is centrally located and just ten minutes from Seguin, New Braunfels and San Marcos. Youth baseball programs (Little League, Select Baseball and High School Teams) in the area have experienced double digit growth in players and teams in recent years, however each of these programs have no room for adding playing or practice fields.

Local Little Leagues and High Schools have either banned or severely restricted use of their facilities to rent for practices or games by Select Baseball Teams. The Little Leagues limit practice to Sunday only during league play so their own league teams do not have enough practice fields to meet their needs. NCFD Farm Club provides affordable practice fields with batting cages and game fields for the tee-ball teams to the high school/college age select teams.

The design of the NCFD Farm Club complex is based on years of research and experience by NCFD's president, Earl Studdard. Earl has interviewed designers of baseball complexes and grounds keepers from all over the country as well as local parks like Nolan Ryan's minor league facility at Round Rock, TX and locally at the Texas State University Baseball stadium to help shape the layout of the complex. Earl's coaching experience and his coordination of the construction of five baseball fields for the New Braunfels Little League helped develop the knowledge of what it takes to build a

player, coach and fan friendly baseball complex. The complex design enables a coach to use a practice field and batting cage to warm up his team before a game. The dugouts and stands have mist cooling fans to help everyone battle the heat of the Texas summer. Safety for the players and fans has been designed into every area of the complex to provide a great safe visit to the complex for all. Consultants from major league suppliers like Rawlings, Wilson, John Deere, Beacon Athletics and Texas Multi Chem have been very helpful in every aspect of the design of the complex to ensure the success of the facility.

Teams currently playing in select baseball tournaments have to travel to Houston or Dallas to play in tournaments that are held on fields comparable to our complex. Parents of players on local teams are very excited about having a baseball complex in our community that saves them over \$500 per weekend tournament in travel and lodging expenses. The San Marcos area offers many tourist interests with small town affordable restaurants and hotels that lures teams from outside our community to come and play in our tournaments throughout the year.

NCFD Farm Club is a Texas limited partnership that is part of a family owned and managed business that was founded in 1996 by Earl, Lorene and Ken Studdard. The Zorn farm land is owned by another family business (NCFD Warehouse I Ltd) that purchased the property in 2008. The site for the baseball complex is leased to the NCFD Farm Club by NCFD Warehouse I Ltd. All of the field operations are conducted by NCFD Farm Club.

BUSINESS DESCRIPTION

North Carolina Furniture Direct Farm Club is in the business of renting baseball practice fields with batting cages, regulation size ball fields, and concession stand operations. In addition to these services NCFD Farm Club currently hosts local and national select baseball tournaments on weekends and week long events in the summer. NCFD is promoted as the complex owner/operator and sponsor.

Our baseball tournaments will begin in February, March, April, May, June, and July 2017. We currently host tournaments from 2 companies which are Nations Select Baseball hosted by Rally Cap Tournaments and Centex Select Baseball hosted by Keith Hamilton who is 25 year veteran official from Pony Elite Baseball organization. Based on feed back from our customers of what they wanted to see from a youth baseball tournament company, on the top of everyone's list was better customer service by the tournament company. Customer service will be our top priority. We will do it better than any of our competitors in the central Texas market.

NCFD Farm Club has purchased a state of the art computer software package that enables economical and efficient operations of the concession stand. We are using the restaurant software package Focus which has worked very well for payroll as well as food operations.

We are located in a rapidly growing region that has experienced double digit population increases each of the last ten years. This significant growth should continue for several years as more and more families relocate to the area.

We plan to maintain our policy of very affordable rental charges that will encourage higher levels of utilization of the baseball fields. The current need for baseball fields has stimulated exceptional interest from local coaches and teams at the NCFD Farm Club. Our business philosophy of maintaining a player, coach and family friendly atmosphere will contribute to our future growth.

MISSION STATEMENT

The NCFD Farm Club baseball complex provides affordable and professional style baseball venues for youth and adult baseball players throughout the Central Texas community.

GOALS AND OBJECTIVES

The design of our baseball complex allows a coach to plan practices on fields that will fulfill their goals at a price that is affordable for any team to use. The practice infields have batting cages next to them which

accommodates a professional style practice and lets the coach conduct infield work and hitting/pitching drills at the same time. The regulation game fields accommodate on the field hitting practice as well as infield and outfield practice workouts.

BUSINESS PHILOSOPHY

The NCFD Farm Club's business philosophy is to provide affordable and professional style baseball facilities to the Central Texas area. We are proud to make available a facility that offers the finest select baseball fields in Texas.

MARKET

The NCFD Farm Club market includes New Braunfels, Seguin and San Marcos as well as the Austin and San Antonio areas. Teams from Austin and San Antonio are our regular customers and enjoy playing at our new facility. Several large select baseball groups have asked to use our complex as their host field for workouts and home games.

The San Marcos, Seguin and New Braunfels area combined have over 180 youth baseball teams active in league play. When you include the Austin/San Antonio areas there are over 1,200 teams active. Area high schools, colleges and select baseball teams have over 100 teams, who are active year round. As more families move to our communities the demand for baseball fields will far exceed the capacities of the local leagues.

BASEBALL AS AN INDUSTRY

Youth baseball continues to grow despite the current economic conditions. Currently over 2.6 million children play organized baseball or softball nationwide according to Little League Baseball. This economy could force parents to find local alternatives in playing organized youth baseball versus traveling to other areas such as Houston or Dallas where travel, lodging and tournament expenses are high. The savings in travel related expenses to each family would be in excess of \$500 a weekend.

Youth baseball tournaments hosted by select teams in our area now have to split their games between area high schools and limited city fields. This creates difficult logistic issues for players, coaches, game officials and families. The largest Little League complex in our area is the New Braunfels Little League, which does not allow select baseball to play at their facility.

Our baseball complex is the largest in the area with room for expansion as demand requires. Our design for the baseball facility has 3 complexes and a pro style practice facility. The practice area was completed in 2011 has 5 pro-style practice infields with attached covered batting cages, a pro style bull pen with 8 pitching mounds, an 800 square foot Information Center with restrooms and sitting area for guests to check in, as well as a 4,800 square foot equipment building. Complex 2 has six 12U stadium fields with a press box at each field, a ticket booth, and 5,800 square foot air conditioned concession stand. Our media guide shows our future plans for Complex 1 and Complex 3 which will be constructed in the near future. Complex 1 will have 4 high school/college size fields. Complex 3 will have 6 youth baseball/ softball fields which will make the NCFD Farm Club a complete solution for any size baseball/softball tournament or event. Complex 3 is will be serviced by the current concession stand and ticket booth at complex 2.

Our short term goal was to build 6 youth baseball stadium fields, to host at least 40 tournaments a year and be number one on the list of choices for sports complexes by players, coaches and families.

Our long term goal will be the completion of complex 1 and 3 as well as addressing our customer's needs in improvements to the facilities as we grow.

STRENGTHS AND CORE COMPENTENCIES

Our location is a key feature to our success as a baseball complex venue. The NCFD Farm Club is centrally located less than 10 miles from San Marcos, New Braunfels and Seguin. Our immediate area has more than 2,000 youngsters playing organized baseball with no place to play except their league facilities with very limited access. We offer practice infields

with batting cages, full game fields and an exclusive professional training facility.

We offer a real value to teams looking for a professional level facility but at local league prices. Our rates for practice infields with batting cages are less than the charges for a batting cage in some San Antonio locations. The NCFD Farm Club rates equate to just a few dollars per player per team for each practice representing a real value that parents can afford.

The design of the NCFD Farm Club complex gives priority recognition to the needs of coaches, players and parents. The coach has a warm up practice infield with batting cage to get his team ready for a game. The players have water misting fans in each dugout to provide cool surroundings between innings. The parents will have covered seating to protect them from the hot summer sun. Parking is centrally located for each complex. Concession stands and bathrooms offer many comfort features to provide a pleasant and enjoyable visit.

The experience of Earl, Ken and Lorene Studdard as owner operators of North Carolina Furniture Direct since 1996, Earl's experience with local organized baseball organizations for the last 15 years will guide the NCFD Farm Club with the skills needed to ensure a profitable business venture.

MARKETING PLAN

Naming our baseball complex North Carolina Furniture Direct Farm Club has created sponsorship recognition for NCFD in our trade area. NCFD receives name and brand recognition with all of the participants and spectators who visit the Farm Club.

Local media coverage on television, radio and newspaper stories have promoted NCFD as the lead sponsor every time they mention the NCFD Farm Club in their reports. NCFD has a great relationship with the local media in San Marcos, New Braunfels, Seguin, Austin and San Antonio that have helped us promote the Farm Club and its activities.

The target market of NCFD is the families of the participants at the Farm Club. The demographics (adults 25-55 years old with \$70,000 annual

household income) are the same for both NCFD and select baseball customers.

NCFD has branded each ball field with our name and our paid sponsors. The Farm Club provides sponsorship opportunities for both local and national sponsors. We have had great success in marketing sponsorships for the complex. We will produce a new Media Guide for the Farm Club after the summer tournaments later this year.

The Farm Club has marketing gifts such as the replica baseball bats and balls that NCFD currently sells at the NCFD Farm Club. In addition, we sell shirts, hats and other items with the NCFD Farm Club Logo.

Our facility is a perfect venue for large outdoor events outside of baseball. The amount of parking and large concession stand with big clean restrooms as well as the thousands of square feet of paving for outdoor marketing and vending makes the Farm Club a very attractive location for big events.

The growth potential in youth baseball in our market is great. The demographics of our baseball complex match perfectly with NCFD's customer base. We have no competition in the area for the baseball complex thereby enhancing our unique business as a profitable endeavor. We look forward to making this project another great success story.