

CHICAGO BLAZE BUILDING CORPORATION, INC.

2011 ANNUAL MEETING SUMMARY

AND

NEW CLUBHOUSE/SHARE SALE MEMORANDUM



June 30, 2011

To the Shareholders of the Chicago Blaze Building Corporation, Inc. and Potential Stock Purchasers:

Re: Summary from 2011 Annual Meeting, Stock Offering, New Building Plans

As most of you know the Chicago Blaze Rugby Club was formed in 1982 and will turn 30 years old next year. The Chicago Blaze Building Corporation, Inc was formed in 1984, as an Illinois for profit entity, to purchase the initial 10 acres of land and with the mission of creating the top Rugby facility in the United States. We have made great progress in that mission including adding 5 acres in 1998 and expanding to 3 pitches.

The Board of Directors of the corporation has been working on plans that will fulfill our base mission and help the rugby club, rugby in Chicago and the Midwest reach the next level. **All of us now have the opportunity to help take rugby and the clubs to another level with a facility which will help self generate an income stream to ensure its prosperity for the next 100 years as well as provide a return on stockholder's investment.**

In summary, the following are the pertinent facts from several months of planning by the Board and approvals by the current stockholders at the 2011 Annual meeting held on June 17, 2011:

- The Board of Directors of Thornley, Rebenson, Klemp, Kanzler and Cobb were reelected for another year.
- The authorized shares were increased to 8,500 from 3,500 shares.
- The goal is to sell the additional 5,000 shares at \$200 per share to raise \$1.0 M to construct a new state of the art clubhouse, banquet and bar facility and add a 4th pitch. Plans will also double the current parking.
- The corporation will collect money from share sales but hold the cash until we raise enough money to build the new clubhouse. Once the \$1.0 M in share sales is reached we will issue the stock and release the architects to complete the plans. If for some reason, we cannot raise sufficient funds then those purchasers who choose a refund will receive their money back. **Our goal is to raise these funds over the next 60-90 days or by the end of September 2011.**
- Once the money is raised and stock issued, we are estimating a spring 2012 construction start with a 6-7 month construction schedule. The new clubhouse and bar would then be open by October 2012.

- As part of the increase in authorized stock, the Board will also institute a dividend policy for all shareholders starting in the 4th Quarter 2011. We will pay a prorated Base Dividend for 2011. **We will pay a Base Dividend of 3% per year and a Bonus Dividend of 50% of the net operating income (after payment of the Base Dividend) once the new building is open in 2012. Per projections we should be able to pay a dividend of approximately 6.57% per year. The dividends will be based on 8,500 shares with a par value of \$200 per share.**
- **With these annual dividend payments we expect to repay stockholder's base investment (\$1.7 M – 8,500 shares X \$200 par value) over a 10-15 timeline. Once repaid, you will still own your stock in land and building worth at least \$4.0 M.**
- Current NOI for the past several years has been \$52,000 primarily from the cell tower leases. Thus, we already cover the Base Dividend 3% or \$51,000 per year.
- We are projecting NOI, after payment of the Base Dividend, of \$72,100 in 2013 with the new building operating a full year. Fifty (50%) percent of this amount would make up the Bonus Dividend to be paid annually to stockholders. We have also created what we believe to be conservative net operating income projections to make sure we can attain the financial results. Of course we hope our expenses are lower and income higher.
- We are also seeking corporate sponsorships from major US and foreign corporations which we will offer naming rights to one field, field signs, website marketing, and event marketing.
- The corporation has also added additional benefits to those individuals who purchase certain amounts of stock. Please see the attached sheet for these additional benefits.
- The new bar and banquet room will be professionally managed and operate 12 months per year and at least 5 days per week. The facility will be rented for private parties and weddings. Renters may use their own caterer for food services at these larger events.
- The plans are to demolish the current clubhouse and locker room and we will be improving the property with Village supplied sewer and water services. The fields will be kept on the well sprinkler system. This will also allow us to substantially increase our onsite parking.
- **Before the June 17 annual meeting, we already had commitments from several people that total over \$150,000 of the \$1.0 M offering. And we are just getting started in the stock sale effort!**

With the leadership of Peter Thornley, we have created plans to construct and operate a new 6,000 square foot clubhouse. The plans include a 2 story building with bathrooms, locker rooms and meeting space on the first floor and a full bar, banquet room and kitchen on the second floor. The second floor plan also includes a large deck overlooking the pitches. Our vision is to bring in professional management and operate the bar/banquet facility as a full time operation, not just practice and game days. We are also looking at the costs to grade and finish the fourth pitch. As part of the plans we will expand onsite parking and create a rugby clubhouse that our wives, children, and paying guests will be pleased to use. In addition, the club has been supporting grade school, high school, and college level teams to use the fields. We have also been approached by a men's soccer league that has been paying in excess of \$65,000 per year for forest preserve land use. These additional uses will also increase our revenues from the new clubhouse and bar.

Our goal is to raise \$1.0 million in share sales so the corporation does not have to borrow any money to build the new clubhouse. There will also be other capital raising efforts including selling select parking space rights, interior bricks with patron's names, naming rights to 2 of the 3 pitches (Field No. 1 remains Thornley Pitch) and corporate sponsorships. If needed we project we could borrow up to \$350,000 of the total project costs based on our projected income stream and still repay this loan within 15 years, but we would much rather construct the facility with equity from the share sales.

This is the time for all of us to step forward and help take the corporation, the facilities and the rugby club to the next level. We all know this is a safe investment as the land itself is worth far more than when we bought it. With a new state of the art clubhouse we can help ensure the long term viability of this club and Rugby in the Chicago area. We need everyone's financial investment. Now is the time for us to take action especially while construction costs are low. Please consider stepping up to make sure you are one of the key "founders" for the corporation and the Chicago Blaze Rugby Club.

Please note that any investment is risky and the stocks are not publicly traded and thus liquidity is limited. Only individuals who are accredited and can afford to possibly lose their investment should consider purchasing stock in the corporation. Although we have taken care to be conservative in our projections, they are just that and are subject to impacts beyond the control of the corporation. If you want to commit to purchasing stock please contact Board Members or members of the Committee. Checks for stock purchases should be made payable to the Chicago Blaze Building Corporation, Inc. and mailed to Walt Rebenson, 1021 Edgewood Court, Lemont, IL. 60439.

Sincerely,

Board Members

Peter Thornley Walt Rebenson Al Klemp Chris Cobb Mike Kanzler

Committee Members

Bryce Elliot Nick Gambino

**CHICAGO BLAZE BUILDING CORPORATION, INC.
NEW STOCK OFFERING
ADDITIONAL BENEFITS**

The corporation is seeking to raise \$1.0 M through the sale of 5,000 Class A shares priced at \$200 per share. The corporation approved 8,500 Class A shares up from the previous 3,500 authorized shares.

The land, before any new building improvements, is currently valued between \$3.5-\$4.0 M. Thus, each share after the new stock issuance and after the new building is constructed is projected to be worth \$411.76-\$470.58 per share. Priced at only \$200 per share, all stockholders will have a good value spread on their investment.

Beginning in 2012, the Board would begin to pay a dividend to all shareholders equal to 3% based on the \$200 share price ("Base Dividend"). The dividend would be paid annually.

In addition, the Board would also commit to pay a Bonus Dividend, once the new building is open, equal to 50% of any Annual Net Operating Income after deducting the Base Dividend for that year. Per projections, we anticipate the Bonus Dividend will be \$51,000. Per projections, we anticipate total annual dividends of 6.57% once the building is open for a full year.

We believe through additional beverage sales, banquet rentals, and field rentals, the corporation can generate this incremental NOI after the building is open. Investors may buy from one share to the total amount offered for sale. But in an effort to reach the \$1.0M goal, the Board has set the following targets and added incentive beyond the share values and dividends.

5 INVESTORS – 250 SHARES-\$50,000	\$250,000
15 INVESTORS – 125 SHARES-\$25,000	\$375,000
15 INVESTORS-50 SHARES-\$10,000	\$150,000
30 INVESTORS-25 SHARES-\$5,000	\$150,000
75 INVESTORS – 5 SHARES-\$1,000	\$ 75,000

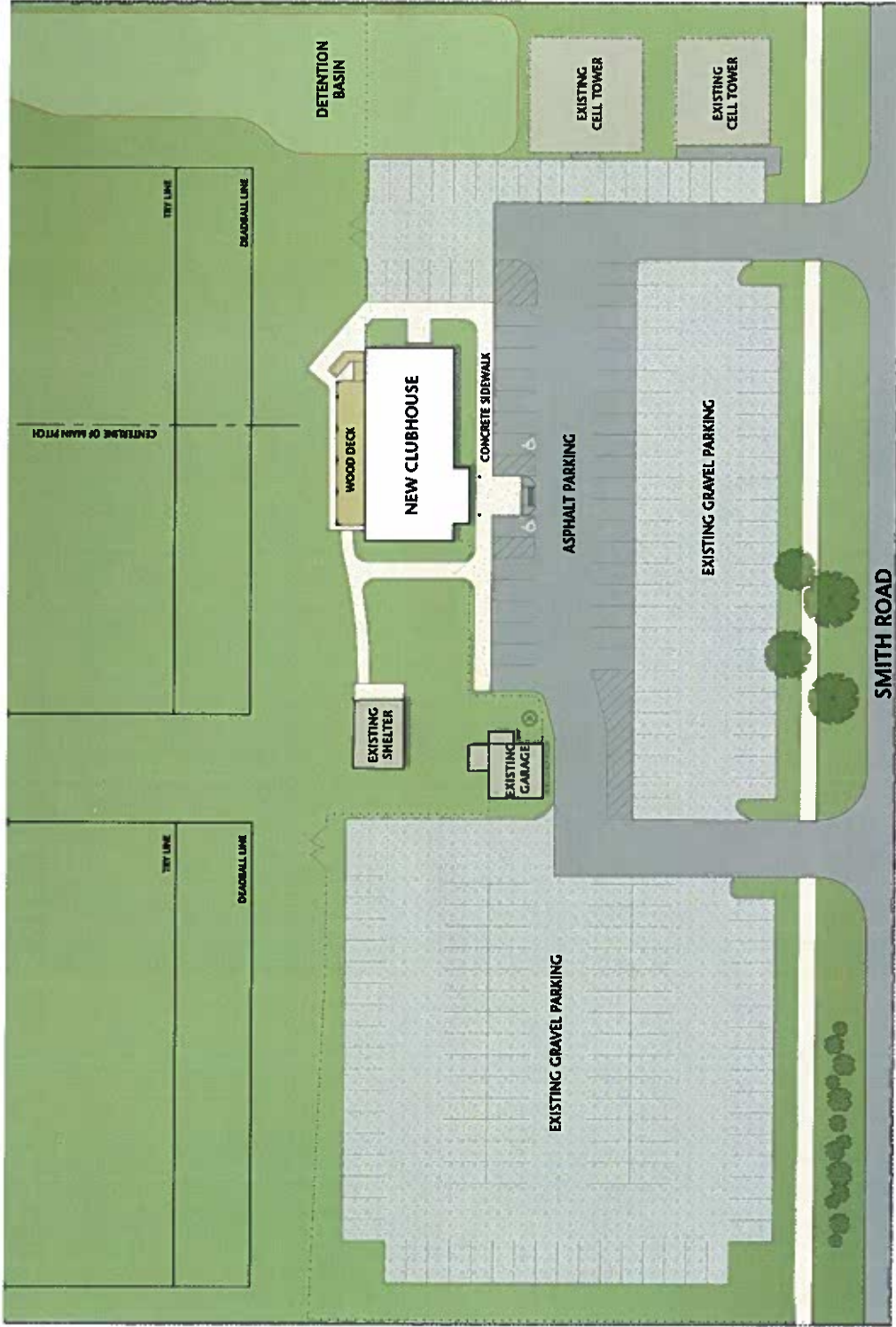
The investors who purchase at least \$50,000 in new shares will also receive a commemorative plaque in the new clubhouse and a preferred parking space with their name and for their use until they are no longer on earth. The plaque will remain for as long as we own the property. The investors who purchase at least \$25,000 in new shares will be grouped on a permanent plaque to be displayed in the clubhouse for as long as we own the property.

In addition, if any investor purchases at least \$75,000 worth of new stock they will receive all the above benefits including dividends plus one of the four pitches will be named after that investors. Field 1 will remain Thornley Field. We currently have 2 other fields and plan on adding a 4th field. Thus, 3 fields are available for naming rights.

Given that we are currently generating approximately \$52,000 per year from the cell tower income and net of all operating expenses, the Board is confident that we can meet the Base Dividend. With the new building and a 4th field, we believe we have several sources of additional revenue. It is our stated goal to try and return, through dividends, all of the \$1.7 M in total outstanding stock over a 10-15 year period. There is obviously risk in building the new facility but we believe the projections are attainable and we can reach our goals. The other 50% of incremental revenue generated and not distributed as a Bonus Dividend would be used to create capital reserves for the corporation and maintaining the new building and the Property.

Please refer to the financial projections for details on the projected costs and net operating income.

SITE PLAN



RENDERING

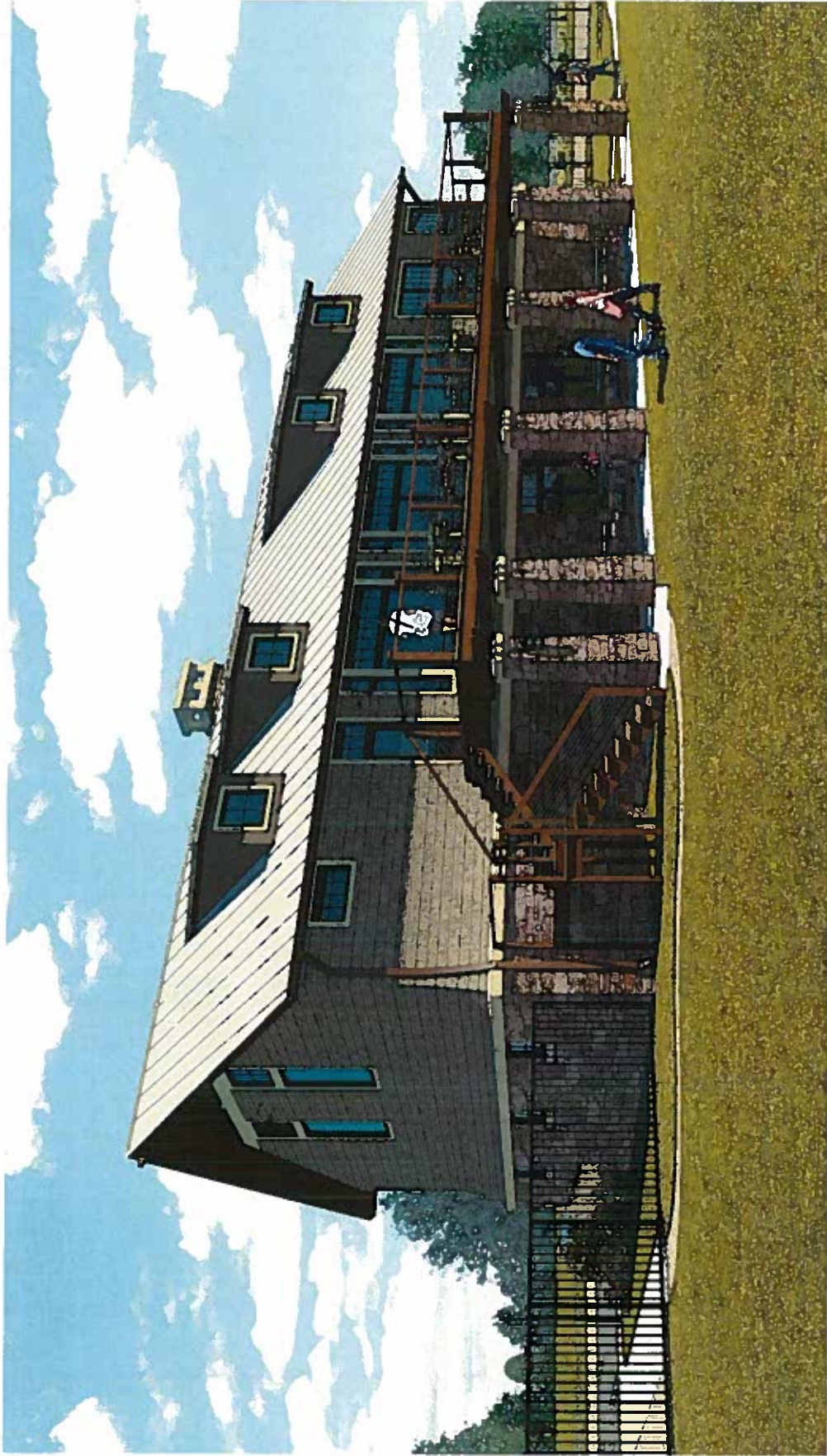


 **CHICAGO BLAZE**
NEW CLUBHOUSE
APRIL 2011

 **wight**

02-5367-01

RENDERING

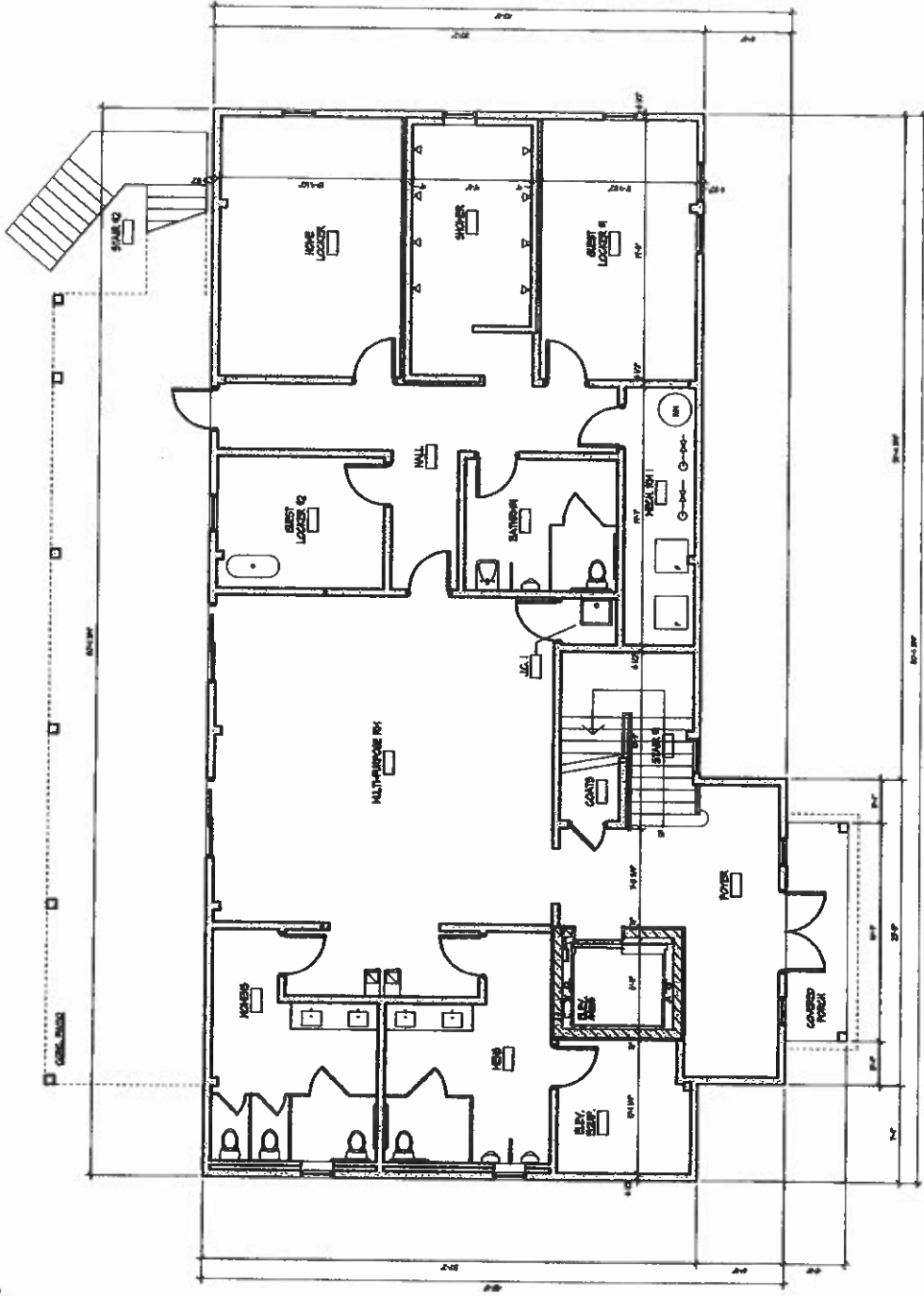


 **CHICAGO BLAZE**
NEW CLUBHOUSE
APRIL 2011

 **Wight**

02-5367-01

1 FLOOR PLAN



SCALE 1/8" = 1'-0"

02-5367-01



CHICAGO BLAZE BUILDING CORPORATION, INC.

BALANCE SHEET (Assets at Fair Market Value Clubhouse Completed)

	December 31, 2012 (Prospective)
ASSETS	
Current Assets	
Cash	\$ 129,634
Total Current Assets	<u>129,634</u>
Property & Equipment (Net realizable value)	
Building	1,010,000
Equipment	8,930
	<u>1,018,930</u>
Accumulated Depreciation	<u>-</u>
	1,018,930
Land (\$4.25 per sf)	<u>2,763,882</u>
	3,782,812
TOTAL ASSETS	<u>\$ 3,912,446</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Stock Purchase Deposit	<u>200</u>
Total Liabilities	<u>200</u>
Equity	
Retained Earnings	37,157
Unrealized Appreciation in Land	2,512,671
Stock	1,335,500
Income (after stock dividend)	<u>13,779</u>
Total Equity	<u>3,899,107</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 3,899,307</u>
Shares Outstanding	8,500
Value per Share	\$458.72

CHICAGO BLAZE BUILDING CORPORATION, INC.

CASH FLOW PROJECTION FOR FIVE YEARS WITH NEW BUILDING OPEN

PREPARED JUNE 2011

WITH NEW BUILDING

	2011	2012	2013	2014	2015	2016	2017	TOTAL	% To Revenue
INCOME									
AMERICAN TOWER (NEXTEL) RENTAL PAYMENTS (1)	\$ 17,790	\$ 18,370	\$ 18,970	\$ 19,590	\$ 20,230	\$ 20,890	\$ 21,570	\$ 137,410	11.66%
AMERICAN TOWER (50% SHARE OF SPRINT)	8,520	8,520	8,520	8,520	8,520	8,520	8,520	59,640	5.06
AMERICAN TOWER (US CELLULAR)	12,246	12,686	13,143	13,616	14,106	14,614	15,140	95,552	8.11
AMERICAN TOWER (FIBERTOWER CORP)	2,520	2,520	2,520	2,520	2,520	2,520	2,520	17,640	1.50
AMERICAN TOWER (DENALI)	23,101	23,910	24,747	25,613	26,509	27,437	28,397	179,714	15.25
SPRINT RENTAL PAYMENTS (2)	15,552	15,552	15,552	15,552	15,552	15,552	15,552	108,864	9.24
AMERICAN TOWER (T MOBILE)	13,140	13,140	13,140	13,140	13,140	13,140	13,140	91,980	7.80
REAL ESTATE TAX REIMBURSEMENTS (1,2)	3,336	3,453	3,574	3,699	3,828	3,962	4,101	25,954	2.20
CHICAGO BLAZE RUGBY CLUB CORP LEASE (3)	1,000	3,600	3,600	3,600	3,600	3,600	3,600	22,600	1.92
NEW RENTAL INCOME BAR/BANQUETS (Net)	3,500	4,000	82,300	82,300	82,300	82,300	82,300	419,000	35.55
MISCELLANEOUS INCOME (4)	400	2,027	2,269	2,900	3,544	4,203	4,877	20,221	1.72
TOTAL INCOME	101,105	107,779	188,334	191,050	193,850	196,739	199,718	1,178,575	100.00

EXPENSES

BASE DIVIDEND ON SHARES (5)	12,750	51,000	51,000	51,000	51,000	51,000	51,000	318,750	27.05
REAL ESTATE TAXES (6)	17,200	17,700	25,000	25,800	26,600	27,400	28,200	167,900	14.25
LIABILITY INSURANCE (7)	930	1,000	3,000	3,090	3,180	3,280	3,380	17,860	1.52
PROPERTY INSURANCE	-	-	8,000	8,000	8,000	8,000	8,000	40,000	3.39
INCOME TAXES/ANNUAL FEES	300	300	300	300	300	300	300	2,100	0.18
LEGAL EXPENSES/ANNUAL FEES	300	300	300	300	300	300	301	2,101	0.18
ACCOUNTING EXPENSES	500	1,500	1,500	1,500	1,500	1,500	1,500	9,500	0.81
UTILITY EXPENSES	6,080	6,400	9,300	9,580	9,870	10,170	10,480	61,880	5.25
OFFICE EXPENSES	200	300	300	300	300	300	301	2,001	0.17
EQUIPMENT MAINTENANCE (8)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	14,000	1.19
FIELD MAINTENANCE (8)	9,800	9,800	9,800	9,800	9,800	9,800	9,800	68,600	5.82
CAPITAL IMPROVEMENTS	4,000	3,000	5,000	5,000	5,000	5,000	5,000	32,000	2.71
VARIOUS CONTRIBUTIONS	500	500	500	500	500	500	500	3,500	0.30
MISCELLANEOUS	200	200	200	200	200	200	200	1,400	0.12
TOTAL ANNUAL OPERATING EXPENSES	54,760	94,000	116,200	117,370	118,550	119,750	120,962	741,592	62.92
NET OPERATING CASH FLOW	46,345	13,779	72,134	73,680	75,300	76,989	78,756	436,983	37.08

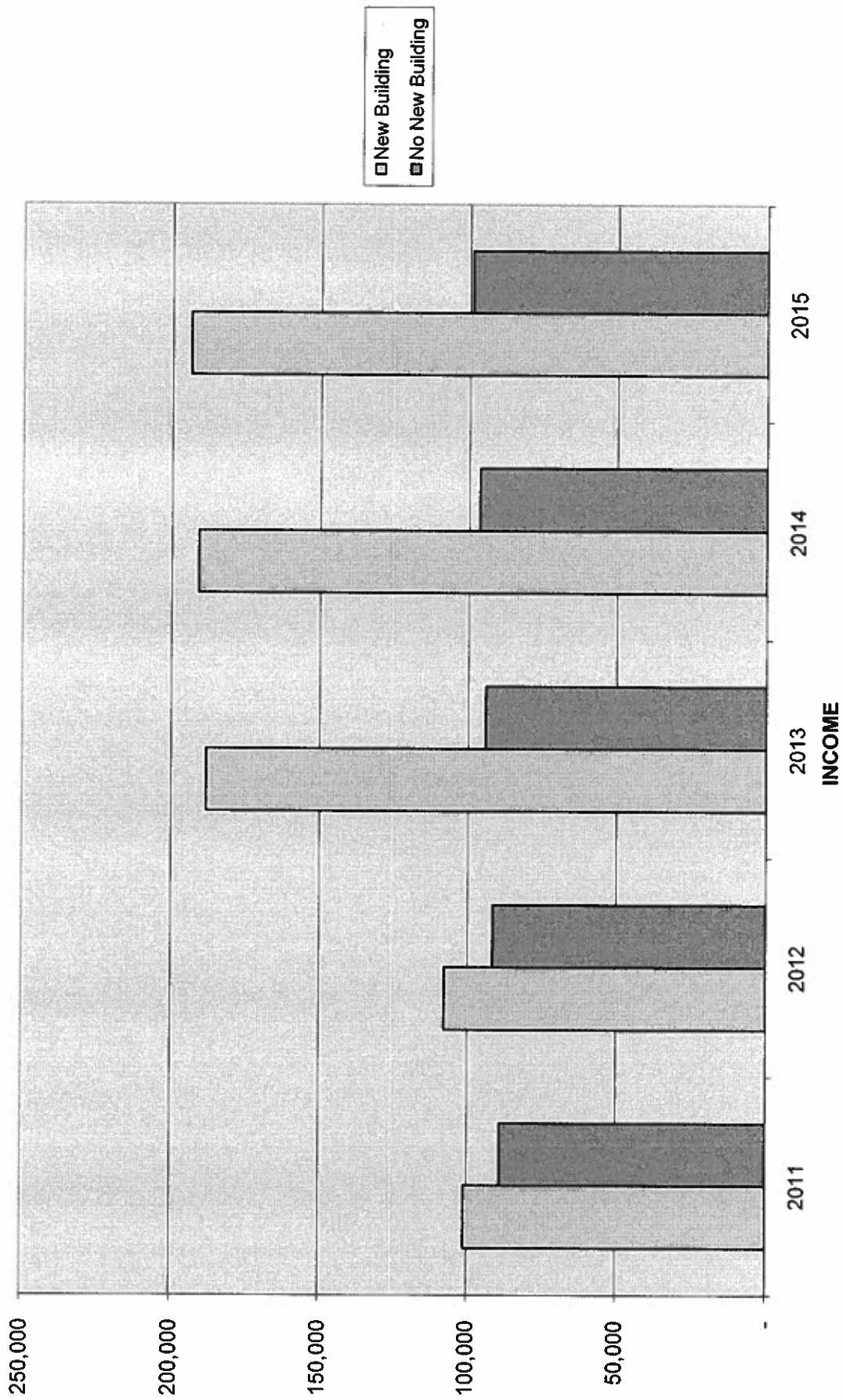
BONUS DIVIDEND (9)

			(36,067)	(36,840)	(37,650)	(38,495)	(39,378)	(188,430)	
NET CASH FLOW	46,345	13,779	36,067	36,840	37,650	38,495	39,378	248,553	
BEGINNING BALANCE 1/1/2011	69,511								
PROJECTED ENDING CASH BALANCE	\$ 115,856	\$ 129,634	\$ 165,701	\$ 202,541	\$ 240,191	\$ 278,686	\$ 318,064	\$ 318,064	
PERCENTAGE RETURN ON SHARES			6.57%	6.63%	6.69%	6.75%	6.82%		

Note: Projections do not consider federal and state income taxes as the New Building will provide depreciation to offset taxable income.

- 1 SEE LEASE AGREEMENT. 10 YEARS WITH 4 - 5 YEAR EXTENSIONS. RENT INCREASE OF 3.5% PER YEAR. PAYS PORTION OF RE TAXES.
- 2 SEE LEASE AGREEMENT. 10 YEARS WITH 4 - 5 YEAR EXTENSIONS. RENT INCREASES 20% EVERY 10 YEARS. INCREASED MARCH 2008. PAYS PORTION OF RE TAXES
- 3 SEE LEASE AGREEMENT. PAYS PORTION OF RE TAXES, ALL UTILITIES, UPKEEP AND SOME MAINTENANCE.
- 4 ASSUMED 1.75% ON PREVIOUS YEAR ENDING ACCOUNT BALANCE.
- 5 3% ON ALL SHARES AT DEEMED SHARE PRICE OF \$200; 8,500 SHARES OUTSTANDING; 2011 DIVIDEND PAID FOR LAST QUARTER ON SHARES SOLD BY SEPTEMBER 30, 2011
- 6 PER 2010 BILL PAYABLE 2011 AND INCREASED 3% PER YEAR.
- 7 PER 2010 ACTUAL BILL INCREASED 3% PER YEAR.
- 8 BASED ON PAST TWO YEAR AVERAGE COSTS.
- 9 50% OF NOI, AFTER BASE DIVIDEND AND NEW BUILDING OPEN AND OPERATING. PERCENTAGE RETURN BASED ON \$1,325,500 OF SHARE CAPITAL WHICH INCLUDES CURRENT OUTSTANDING SHARES AND NEW STOCK SALES BASED ON STOCK PRICES.

CHICAGO BLAZE BUILDING CORPORATION, INC.



CHICAGO BLAZE BUILDING CORPORATION, INC.

NEW INCOME BAR BANQUETS RENTAL

<u>INCOME</u>	<u>2012</u>	<u>% To Revenue</u>
Food (1)	\$52,000	18.2%
Beverage (2)	208,000	73.0%
Field Rental (3)	10,000	3.5%
Building Rental/Banquets (4)	15,000	5.3%
TOTAL INCOME	\$285,000	100.0%
 <u>EXPENSES</u>		
Cost of Sales Food	20,800	7.3%
Cost of Sales Beverage	62,400	21.9%
Employee Expense	45,000	15.8%
Management	65,000	22.8%
General and Administrative	6,000	2.1%
Selling & Advertising	3,500	1.2%
	<u>202,700</u>	<u>71.1%</u>
	<u>\$82,300</u>	<u>28.9%</u>

1 20 covers five days/week \$10 average cover

2 45 covers five days/week \$20 average cover

3 25 days two games \$200 per game

4 15 nights at \$1,000

CHICAGO BLAZE BUILDING CORPORATION, INC.

Projected Cell Tower Rental

	<u>MONTHLY</u>	<u>ANNUAL</u>
Sprint	<u>\$ 1,296.00</u>	<u>\$ 15,552.00</u>
American Tower Base Rent (Nextel Lease)	\$ 1,435.51	\$ 17,226.12
American Tower 50% Share		
Sprint	\$ 710.00	\$ 8,520.00
US Cellular	\$ 985.00	\$ 11,820.00
T-Mobile Central LLC	\$ 1,095.00	\$ 13,140.00
Denali	\$ 1,860.00	\$ 22,320.00
Fibertower Corp.	\$ 4,860.00	<u>\$ 2,520.00</u>
Total American Tower	<u>\$ 6,295.51</u>	<u>\$ 75,546.12</u>
Grand Total	<u>\$ 7,731.02</u>	<u>\$ 91,098.12</u>

CHICAGO BLAZE BUILDING CORPORATION, INC.

DEVELOPMENT BUDGET NEW BUILDING

GROSS BUILDING SIZE	5,950	<u>TOTAL</u>	<u>PER</u>
NEW GARAGE	<u>0</u>		<u>SQUARE FOOT</u>
	5,950		
ENGINEERING/PLANNING /SURVEYS	\$	5,000	\$ 0.84
LEGAL	\$	6,000	1.01
ARCHITECTS		16,000	2.69
PERMITS/TAP IN FEES		15,000	2.52
BUILDING COSTS		886,200	148.94
OWNER CONSTRUCTION CONTINGENCY	3.00%	26,600	4.47
REAL ESTATE TAXE† (pay from current cash flow)		-	-
INSURANCE		10,000	1.68
LOAN COSTS	2.50%	8,000	1.34
LOAN INTEREST	6.50%	22,200	3.73
SOFT COST CONTINGENCY		10,000	1.68
RESERVES		<u>5,000</u>	<u>0.84</u>
TOTAL PROJECT COSTS		<u>\$ 1,010,000</u>	<u>\$ 169.75</u>
VALUE OF LAND	\$	<u>2,763,882</u>	\$ 4.25 PER SQFT OF LAND
ADD IMPROVEMENTS (Costs only)		<u>1,010,000</u>	
TOTAL VALUE	\$	<u>3,773,882</u>	