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MADISON



TOPGOLF

VINEYARD UTAH

OFF MARKET INVESTMENT SUMMARY
CONFIDENTIAL



ON MARKET-BASED ENVIRONMENTAL
PROTECTION

1. Who is Topgolf?
2. The Opportunity
3. Market Overview
4. Utah County
5. Market Overview
6. Vineyard City
7. Business Plan
8. Lease Overview, Debt Assumptions, Fee Structure
9. Financial Model & Tax Benefits
10. The Team
11. Investment Highlights
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Toppolf at a glance

Topgolf is the largest and fastest growing golf entertainment company in the world, focused on experiential entertainment and open 365 days a year.

72 Locations Worldwide	50K Average Visits Day	44M Games Played in Hours	73% Male Visitors
52% Visitors Aged 18-34	51% Visitors are Non-Soylers	2 Hours Average Visit Length	90M Comments Posted

Topgolf has been recently acquired by Callaway and likely going public in a few years

Investing in a 20 year triple net lease backed by the world's largest golf entertainment company, in the fastest growing market in the state of Utah.

Capital Rises	Modelled Returns
\$7.75M Capital Requirement	17.6% IRR (5 years)
\$250K Minimum Investment	2.1x Equity Multiplier
\$26.7M Total Project Cost	8.5% Cash on Cash (5 years)

Readings of May 15, 1997

The Team



Cheng, A. B. and
Cheng, A. B.

Although a high correlation ($r = 0.82$) was found between the two variables, the regression analysis revealed that the model was not significant ($F = 1.02$, $p = 0.37$). The regression analysis revealed that the model was not significant ($F = 1.02$, $p = 0.37$). The regression analysis revealed that the model was not significant ($F = 1.02$, $p = 0.37$).

Source: U.S. Census Bureau, *Marriage, Divorce, Remarriage in the 1990s*, Washington, D.C., 1995.

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See [Tennis](#)
 See also [Tennis](#) and [Tennis](#)

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Partners



KIRTON | McCONKIE



Based on consultation with leading accounting firms, leading and experienced	20 years' experience in business governance to support investors	Test marketable every 3 years	Platform not required to generate sales
Low initial funding, profitable from 20 years	The strategy using a successful replication through local engagement	Successful market business leader	Market growing, global presence in the world leader's 100, but based growing, stable in the UK
Adding a page to providing personal information, their company	Not yet fully approved by the UK	Multiple exit strategies	Market leader Investment/growth potential and returns, all surrounding the UK assets

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TOPGOLF AT A GLANCE

Topgolf is the largest and fastest growing golf entertainment company in the world, focused on experiential entertainment and open 365 days a year

72 Locations Worldwide	50K Average Visits/Day	44M Golfers Played in Venue
73% Male Visitors	52% Visitors Aged 18-34	51% Visitors are Non-Golfers
2HRs Average Visit Length	90M Consumer Touch Points	IPO Anticipated in Near Future

THE OPPORTUNITY

*INVESTMENTS WILL BE ACCEPTED ON A FIRST COME FIRST SERVE BASIS

INVESTING IN A 20 YEAR **TRIPLE NET LEASE** BACKED BY THE WORLD'S LARGEST GOLF ENTERTAINMENT COMPANY, IN THE FASTEST GROWING MARKET IN THE STATE OF UTAH

CAPITAL RAISE	MODELED RETURNS
\$7.75M Capital Requirement	17.4% IRR (6 year)
\$250K Minimum Investment	2.1x Equity Multiplier
\$26.7M Total Project Cost	8.5% Cash on Cash (average)

Projections are estimates only and subject to change. Please see private placement memorandum for full list of investment risks.

MARKET OVERVIEW UTAH COUNTY

Fastest growing county in the State

650,000 population

High demand from local recruiting, direct to home sales, network marketing, and technology companies

Location is well-positioned to benefit from the continued macro shift and migration from Urban Cities and the surrounding markets

"Silicon Slopes" High growth Technology Sector

Major Employers

MARKET OVERVIEW VINEYARD CITY

VINEYARD IS THE FASTEST GROWING CITY IN THE STATE OF UTAH AND THE 3RD FASTEST GROWING CITY IN THE COUNTRY

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LEASE OVERVIEW, DEBT ASSUMPTIONS, FEE STRUCTURE

LEASE OVERVIEW

Duration: **20 Years**
Type: **Triple Net**
Amount: **\$1.83M NOI**
Rent Escalator: **10% (year 6)**
Guarantee: **Full Corporate Guarantee**

DEBT ASSUMPTIONS

Amount: **\$19M**
Loan to Cost: **71%**
Interest Rate: **4.5%**
Interest Type: **Fixed (Interest Only for 4 years)**
Amortization: **25 years**

FEES

Development Services: **5%**
Construction Management: **3%**
Property Management: **3%**
Acquisition Fee: **None**
Guarantor Fee: **None**
Disposition Fee: **None**

DEAL STRUCTURE

LP Equity: **74%**
GP Equity: **26%**
Distributions:
Operating Cash Flow:
• 74% LP
• 26% GP
Capital Event:
First 100% Return of capital to LP
Then, all profits are split:
• 74% LP
• 26% GP

*estimate based on loan offer

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FINANCIAL MODEL & TAX BENEFITS

PROFORMA

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Revenue	-	-	-	-	-	-	-	-
Cash Flow	688,038	84,524	84,524	84,524	84,524	84,524	84,524	84,524
Cost SEC Tax Savings	1,361,019	-	-	-	-	-	-	-
Total Cash Flow	2,049,057	84,524	84,524	84,524	84,524	84,524	84,524	84,524
All Cash Out	1,671,019	4,087,057	4,087,057	4,087,057	4,087,057	4,087,057	4,087,057	4,087,057
Cash on Cash	36,808	8,687	8,687	8,687	8,687	8,687	8,687	8,687
Actual Return	26.8%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%	8.6%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Cost SEC	1,361,019	4,087,057	4,087,057	4,087,057	4,087,057	4,087,057	4,087,057	4,087,057
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Cost SEC	1,361,019	4,087,057	4,087,057	4,087,057	4,087,057	4,087,057	4,087,057	4,087,057
Cost SEC	1,361,019	4,087,057	4,087,057	4,087,057	4,087,057	4,087,057	4,087,057	4,087,057

17.4%

2.1x

8.5%

Proforma is for informational purposes only and is not a guarantee.
These are proforma estimates and not a guarantee of performance.

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TOTAL PROJECT COSTS

Construction budget	\$10,000,000
Land acquisition (105 acres)	\$4,776,726
Development and construction management	\$960,000
Impact fees, entitlements, etc.	\$1,070,000
Real estate commissions	\$700,000
Property taxes	\$75,000
Construction interest reserve	\$400,000
Loan expenses	\$400,000
Legal expenses	\$160,000
Operating budget	\$1,960,000
Total project cost	\$18,761,726

ESTIMATED TAX BENEFITS:

As a result of performing a cost segregation study, we anticipate ~\$3,300,000 in depreciation benefits in year 2. This will show as a loss on partners K-1s, which may be rolled forward to offset gains on this property or other passive income.

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MANAGEMENT TEAM

X Development is a development and asset management firm with vast experience in acquisition, development and management. X Development is focused on prime locations within high growth markets.



STEVE HUTCHINGS

From an early age, Steve had a passion for real estate. He attended the University of Utah studying economics. Since 2008, Steve has purchased or built a quarter billion in real estate. Steve is a principal of X Dev, and oversees acquisitions, analysis, design and asset management. He has more than 14 years of experience in real estate investing, finance and asset management, and believes that real estate is the best asset class for long-term wealth protection and growth. Steve's core growth strategy is creating Cash Flow. The Cash Flow is a key financial result in holding properties, exchanging assets, strategic leverage, and quality dispositions in all of his projects. Steve has a beautiful family who gives him motivation to excel in business and in life.



ERIC TOWNNER

Eric is a principal of X Dev, and oversees investor relations, municipal relations, design, legal and construction management. Eric has over 16 years of real estate, mortgage and construction experience. Eric believes everyone should include real estate assets in their portfolio to generate passive income and build wealth. Eric moved to Utah from Denver, where he was in high school, and he and his wife love raising their four children here and enjoy all of the awesome activities that are close to home. They love spending time in the mountains and Lake Powell is their favorite spot on earth. Eric is a strong believer in the strength and growth of the Utah market and is a huge advocate for investment in Utah real estate.



DAVE ALLRED

Following a highly successful 17-year career with the country's largest smart home security company, Dave transitioned full time into real estate. Dave first started investing in real estate 15 years ago and has since scaled his businesses into an impressive portfolio of multifamily and commercial real estate across the country. At age 30 Dave committed to building a portfolio with ownership in 1000 rental doors by age 40. Having executed this goal, he's now launched Aria Partners, a real estate fund focused on creating wealth through recession resistant passive income. His passion lies in helping inspire others to gain financial freedom through lifestyle investing, all things high adventure, and living life to the fullest.

Partners

KIRTON | McCONKIE

Snell & Wilmer

ARCO MURRAY

Colliers

ENSIGN

aria GROUP

VINEYARD REAL ESTATE

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INVESTMENT HIGHLIGHTS

Brand new construction with 100% ownership (land, building, and improvements)	20 year triple net lease guaranteed by Topgolf corporate	Rent escalation every 5 years	Partners not required to guarantee debt
Low interest financing amortized over 25 years	Tax strategy using accelerated depreciation through cost segregation	Recession resilient business model	Fastest growing golf company in the world, located in the 3rd fastest growing state in the US
Filling a gap by providing premium entertainment in Utah County	Site and use fully approved by the city	Callaway is now 100% owner in Top Golf	Master Developer X Development operates and controls all surrounding land (35 acres)

*INVESTMENTS WILL BE ACCEPTED ON A FIRST COME FIRST SERVE BASIS

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DISCLOSURES

This presentation is for informational purposes only and is subject to change, does not constitute investment advice or a recommendation, is not an advertisement, and is not intended for public use or distribution. This presentation does not constitute an offer to sell nor the solicitation of an offer to buy interests (the interests) in Topgolf (hereafter referred to as "The Company"). Such offer or solicitation may only be made by means of delivery of a confidential private offering memorandum or other appropriate disclosure which contains a description of the material terms (including, without limitation, risk factors, conflicts of interest, fees and charges, and tax implications) relating to such investment and only in those jurisdictions where permitted by applicable law. An investment in The Company is speculative and involves a high degree of risk. An investment in The Company should be considered only by persons who can afford to sustain a loss of their entire investment or to hold their interests indefinitely without the possibility for resale. There is no secondary market for the interests, and none is expected to develop.

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