Presentation Topics

- TopGolf Concept Overview and History
- TopGolf’s Current Position & Financial Partners
- TopGolf Current and Future Growth
- El Segundo – A Review of What’s Happened to Date
- Misconceptions About TopGolf

- The Lakes At El Segundo
  - Benefits of TopGolf Facility
  - Shared Principals that will guide TopGolf facility
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What Is TopGolf?

TopGolf Currently Introduces More Than 5,000 People to Golf Every Week. This Number will Increase to over 20,000 People/Week by end of 2014.

- 12-year operating history
- Patent-protected concept
- Players use real golf clubs to hit golf balls into targets on an outfield. Golf balls have embedded RFID tags that do not affect the performance of the ball.
- Points are awarded based on the distance and accuracy of the shot, promoting friendly competition.
- The facility features hitting bays with individual ball dispensers, bays designated for golf instruction, comfortable seating for up to 6 people per bay, a full-service restaurant, private event space and family entertainment zone, making TopGolf a fun place that the serious and casual golfer, friends, families and groups can enjoy.
How Did TopGolf Begin?

- Jack Nicklaus Driving Range, Watford, England

- TopGolf was invented by avid golfers and identical twin brothers, Steve & Dave Jolliffe, back in 1998.

- Came up with the idea of coding the golf ball to an individual player using Radio Frequency Identification (RFID) technology

- Designed a range outfield with targets for golfers to aim

- **Vision was to create a way to practice golf that was more fun, would attract new people into the game, and would promote competition.**


- Site now has a 12-year operating history.

- 2013 will be a record revenue year. (revenues are trending 45% higher than the first full year of operation)
TopGolf evolved from the traditional driving range.

<table>
<thead>
<tr>
<th>Feature</th>
<th>Traditional Range</th>
<th>TopGolf Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>200+ yard outfield</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Solitary practice</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Golf instruction</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Youth programs/camps</td>
<td>Sometimes</td>
<td>Yes</td>
</tr>
<tr>
<td>Yardage feedback / ability to compete</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Friendly competition and interactivity between families and groups</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>High quality food and beverage offering</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Amenity for whole community - attracts non golfers and the entire family</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Corporate event destination</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Job creation</td>
<td>Normally under 20 jobs</td>
<td>400 jobs</td>
</tr>
</tbody>
</table>
TopGolf Attracts Residents Who Golf and Residents Who Don’t Use More Traditional Golf Facilities

- TopGolf attracts serious golfers, casual golfers, and people who have never picked up a golf club
- TopGolf attracts a larger % of community residents than a driving range (more than 50% of Allen, TX residents have visited TopGolf Allen)
- TopGolf can be both a solitary and interactive social activity
- Our customers frequently showcase their experiences through social media – like this proud father and his little girl Avery.
A Third Party Review of TopGolf By The Golf Channel

- In May of 2013, the Golf Channel was live at our Houston facility, performing a two-day live shoot as part of an hour long, nationwide broadcast feature.

- The reporters, who are golfers, go to facilities all over the country.

- This is not a TopGolf video and the Golf Channel has no ownership or affiliated interest in TopGolf.

- This two-minute coverage is by Comcast NBC Sports and was a behind the scenes interview of the Golf Channel reporters while the Golf Channel was on break from their live feed.

http://www.csnhouston.com/video_content_type/golf-channel-visits-top-golf
### TopGolf Attracts More Than Just the Golfer: Here Is A Breakdown of Who Plays At TopGolf

<table>
<thead>
<tr>
<th>Time of Day:</th>
<th>Morning Till Noon</th>
<th>Lunch – 1:30ish</th>
<th>2 PM to 4:30</th>
<th>4:30 – 6:30 PM</th>
<th>6:30 PM to Close</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday</td>
<td>MORNINGS</td>
<td>LUNCH</td>
<td>AFTER SCHOOL</td>
<td>LATE AFTERNOON</td>
<td>EVENINGS</td>
</tr>
<tr>
<td></td>
<td>Seniors/Retirees</td>
<td>Corporate Folks</td>
<td>Mom’s (one parent) w/ kids</td>
<td>Families</td>
<td>Corporate Folks</td>
</tr>
<tr>
<td></td>
<td>Serious/Casual Golfers</td>
<td>Seniors/Retirees</td>
<td>Serious/Casual Golfer</td>
<td>Team Practice</td>
<td>Couples</td>
</tr>
<tr>
<td></td>
<td>People playing “hooky” from work</td>
<td>Golfers on Lunch Break</td>
<td>Team Practice</td>
<td>Serious/Casual Golfer</td>
<td>Families</td>
</tr>
<tr>
<td>Wednesday</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thursday</td>
<td></td>
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<td></td>
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<tr>
<td>Friday</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saturday</td>
<td>Families</td>
<td>Families</td>
<td>Families</td>
<td>Families</td>
<td>Families</td>
</tr>
<tr>
<td></td>
<td>Seniors / Golfers</td>
<td>Seniors / Golfers</td>
<td>Serious/Casual Golfers</td>
<td>Groups</td>
<td>Groups</td>
</tr>
<tr>
<td>Sunday</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# TopGolf Has Become a Local Amenity for Corporate Groups

<table>
<thead>
<tr>
<th>Fortune 500</th>
<th>Consulting</th>
<th>Real Estate</th>
<th>Technology/Electronics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exxon Mobil</td>
<td>Accenture</td>
<td>CBRE</td>
<td>Apple</td>
</tr>
<tr>
<td>AT&amp;T</td>
<td>Deloitte</td>
<td>Colliers International</td>
<td>IBM</td>
</tr>
<tr>
<td>JPMorgan</td>
<td>PricewaterhouseCoopers</td>
<td>Ernst &amp; Young</td>
<td>Dell</td>
</tr>
<tr>
<td>HP</td>
<td></td>
<td>Jones Lang LaSalle</td>
<td>Samsung</td>
</tr>
<tr>
<td>Texas Instruments</td>
<td>McKinsey &amp; Company</td>
<td>Cushman &amp; Wakefield</td>
<td>Google</td>
</tr>
</tbody>
</table>
TopGolf Invests $300,000 a Year in Local Marketing & Outreach Per Site

- Partnerships with national & local charities, as well as schools
  - Elementary school outreach programs
  - Practice facilities for team sports
  - Partnership with the First Tee
  - Work with dozens of charities
The numbers below are based off of an audit performed by Grant Thornton, LLP for our Houston, TX facility. The construction cost for an El Segundo facility would be estimated at $20 million.

<table>
<thead>
<tr>
<th>Construction Expenditure</th>
<th>$16+ Million Construction Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>262 Jobs Created</td>
</tr>
<tr>
<td>Annual Economic Output</td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>403 Jobs Created</td>
</tr>
<tr>
<td>Annual Economic Output</td>
<td></td>
</tr>
<tr>
<td>Ten Year Total Fiscal Impact</td>
<td>$31.6 Million</td>
</tr>
<tr>
<td></td>
<td>(Direct Sales Tax, Property Taxes, Business Tax, etc.)</td>
</tr>
<tr>
<td>Local Impact</td>
<td>$264.5 Million</td>
</tr>
<tr>
<td>Ten Year Total Economic Output</td>
<td></td>
</tr>
<tr>
<td>State Impact</td>
<td>$305.4 Million</td>
</tr>
<tr>
<td>Ten Year Total Economic Output</td>
<td></td>
</tr>
</tbody>
</table>
TopGolf Has Been Nominated For Several Awards

- **2013 Workplace Achiever** by the *Dallas Morning News* for top places to work in Dallas

- **Inc. Magazine 500|5000 Fastest Growing Private Companies in America** list (Consumer Product & Services category)

- **2013 Finalist (Pending Award Presentation)** - British-American Business Council Houston International Business Awards

- **2013 Finalist, Ernst & Young Entrepreneur of the Year**, Southwest Area North region

- **2013 Landmark Award for Hospitality/Entertainment** by the *Houston Business Journal* for real estate projects that have made a significant impression on the Houston landscape.
Presentation Topics

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- TopGolf Current and Future Growth
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  - Benefits of TopGolf Facility
  - Shared Principals that will guide TopGolf facility
TopGolf Today

• Company revenue on pace to exceed $95 million in 2013.

• 1.5 million visits companywide in 2013

• 77.5 million balls projected to be hit in 2013

• 10 million customers have visited a TopGolf since the concept began

• More than 2,000 employees at 10 locations

• More than $300,000 spent annually per site for marketing

• 4 sites selected as Top 50 range by Golf Range Association of America
TopGolf’s Key Investors and Financial Backers

**Investors**
- Callaway Golf Company (NYSE: ELY)
- West River Capital
- Tom Dundon (CEO, Santander Commercial USA)

**Financing Partners**
- Entertainment Properties Trust (NYSE: EPR), a $3.5 Billion publicly traded REIT (construction and land financing)
- Bank of America (Credit Facility Provider)
Presentation Topics

- TopGolf Concept Overview and History
- TopGolf’s Current Position & Financial Partners

**TopGolf Current and Future Growth**

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TopGolf Has Begun Expanding Throughout the U.S.

TopGolf will open 12 new locations in the following markets by the 1st Quarter 2015 (financing has been committed for the following projects):

- **California (1)**
  - Sacramento (Roseville)

- **Arizona (2)**
  - Scottsdale
  - Gilbert/Chandler

- **Florida (2)**
  - Tampa
  - Orlando

- **Georgia (2)**
  - Alpharetta
  - Atlanta

- **Kansas (1)**
  - Kansas City (Overland park)

- **Texas (3)**
  - Dallas
  - Houston
  - San Antonio

- **Virginia (1)**
  - Washington DC (Dulles, VA)
TopGolf U.S. Expansion By Year End 2014
(Color Code Status As of November 2013)

- OPERATIONAL - 7
- UNDER CONSTRUCTION - 3
- TG BOARD APPROVED - 8
TopGolf Is In or is Entering Communities That Are Family Oriented (like El Segundo)

<table>
<thead>
<tr>
<th>Market</th>
<th>City</th>
<th>Comments</th>
</tr>
</thead>
</table>
| Chicago      | Wood Dale  | - Similar to El Segundo within greater LA. 15,000 residents within greater 10 million “Chicagoland.”  
- Proud, quiet community surrounded by larger suburbs, bordering the major airport  
- TopGolf on same parcel as 18 hole executive course |
| Dallas       | Allen      | - Conservative, values-oriented community  
- Heavy focus on family-friendly activities and school                                                                                   |
| Phoenix      | Gilbert    | - “Safest City in Arizona”                                                                                                                                 |
| Sacramento   | Roseville  | - Our landlord, if a deal is finalized, will be one of the largest churches in Sacramento. The Church views TopGolf as an “awesome” amenity next door. |
| Salt Lake City | Taylorsville | - In discussions with City Officials                                                                                                       |
Expansion Plans for the West Coast

California will be a major state for TopGolf facility growth within the next 2-3 years. With its location near LAX, El Segundo would be the West Coast flagship facility for TopGolf.

Below are communities that TopGolf is speaking with at this time:

• Anaheim
• Irvine
• Tustin
• Ontario
• San Jose
• Roseville
• San Mateo
• Carlsbad
Presentation Topics

- TopGolf Concept Overview and History
- TopGolf’s Current Position & Financial Partners
- TopGolf Current and Future Growth

El Segundo – A Review of What’s Happened to Date

- Misconceptions About TopGolf

The Lakes At El Segundo
  - Benefits of TopGolf Facility
  - Shared Principals that will guide TopGolf facility
In 2012, TopGolf began initial discussions with City staff as part of an economic development initiative.

Centercal Properties, based in El Segundo, had received favorable reports about TopGolf from contacts in other markets and made the introduction.

TopGolf was asked to provide overview of concept and company to City Council.

TopGolf’s initial presentation covered typical questions espoused by City Councils: company history/financial backing/quality of facility and management/job creation/economic impact.

TopGolf was not aware of the current programs at the Lakes.

Daily Breeze issued an article covering the TopGolf presentation.

Concerns/Questions from stakeholders (Lakes management company, PGA professionals and their students, high school golf teams) quickly emerged.
Concerns From Stakeholders and Community

Over the past several months, various concerns have been brought up by current stakeholders as well as community residents.

- Would TopGolf be taking over the entire facility, including the golf course? Is the golf course going away?
- What will happen to the great youth instruction programs? And team practice?
- What about the PGA Pros that use the facility as their primary teaching platform?
- Will TopGolf price out Seniors? Can they still come and hit balls in the morning?
- Is TopGolf some faddish, arcade-style golf concept that will be gone in a few years?
- Is TopGolf family-friendly? Can I drop off my kids at the facility like I currently do at the Lakes?
- Is TopGolf just about drinking? The TopGolf website and affiliated Facebook pages have photos of people drinking. Are they trying to fool us?
- Do people dress in bathing suits?
- Will TopGolf attract a “bad crowd”?

These are valid, heartfelt concerns, and TopGolf would like to take this opportunity to set the record straight.
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Misconceptions About TopGolf
- Families & Youth Programming
- Suits & Boots Charity Event

The Lakes At El Segundo
- Benefits of TopGolf Facility
- Shared Principals that will guide TopGolf facility
<table>
<thead>
<tr>
<th>Concern/Misconception</th>
<th>The Real Story</th>
</tr>
</thead>
<tbody>
<tr>
<td>TopGolf is a faddish concept that will lose popularity once the “newness” wears off</td>
<td>TopGolf has a 12-year operating history. Revenues have increased every year at every facility in the U.S. TopGolf is celebrating its 10 millionth customer this week.</td>
</tr>
<tr>
<td>TopGolf is not family-friendly</td>
<td>TopGolf is literally “overrun” by families, especially on weekends, holidays, and after school.</td>
</tr>
<tr>
<td>I can’t drop off my kids at TopGolf</td>
<td>Parents do it every day at all of our facilities, whether it be for a junior camp, after-school programs, or just to have fun with their friends. TopGolf recommends that parents show good parental judgment depending on the age of their children.</td>
</tr>
<tr>
<td>TopGolf is just about drinking</td>
<td>The data doesn’t support this accusation. Walk-in alcohol sales make up a small percentage of total sales. Driving range and group events alone account for nearly 70% of sales.</td>
</tr>
<tr>
<td>Why does the TopGolf website have people dressed in bathing suits and partying?</td>
<td>Every photo taken of our customers in bathing suits is based off one 3-hour event per year. The event is called Suits &amp; Boots and is a charity event.</td>
</tr>
<tr>
<td>Does TopGolf attract a “bad” crowd</td>
<td>City of El Segundo’s research supported the fact that TopGolf is considered to be a great community asset and partner across the board.</td>
</tr>
</tbody>
</table>
TopGolf Is A Family Activity: The “Entire” Family can play together!

Examples of families at Houston Facility – November 3, 2013
Over 150 Children Showed Up for Our Halloween Fest in Houston. (Photos Taken 10/31/2013)
TopGolf Is Excited To Continue The Junior Programs At The Lakes

- We average, by site, 65-85 kids per camp depending on instructor availability and capacity.

- With the current exemplary programs already in place, TopGolf is excited to help promote these programs in the future.

Reaction of the young boy with his arms up is after he hit the ball into a “target.”
TopGolf Has Its Own Program Just For Kids: Began in September 2013 and 1,600 kids are already members

Kids Events Held Throughout the Year. No cost to join. Events always include:

- Golf pro instruction
- Fun tournament style play with prizes for all
- Partnership with golf industry partners such as Dicks Sporting Goods

Parents, visit TOPGOLF.COM/KIDZONE for all the details!
Suits & Boots: What It Is, and What It Is Not

- Suits & Boots is an annual charity event that started in Chicago. It was a joint idea between a local charity, and the TopGolf team, to provide a creative way to get some publicity during the dead of winter in Chicago.

- It was so successful, that our other sites joined in. Every event has sold out and there is a wait list for attendees.

- We have raised, in aggregate, over $100,000 in charitable fundraising from this one event.

- Money is raised through entrance fees and donations from local businesses. Facility is closed to the public.

- Event lasts from 8 PM until 11 PM, one night a year.

- It is a party. But it’s also a tournament with prizes. There is drinking. There is music. There is a lot of fun. And yes, it appears a lot of photos are taken.

- This is NOT a typical night at TopGolf. This is a special event night, closed to the general public, that was devised by a local charity. The event has received no negative publicity from local communities or charity sponsors.
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El Segundo Proposal Highlights

- State-of-the-art driving range facility at The Lakes driving range with three levels and 102 hitting bays
- Unique, patented concept that makes golf accessible to people of all ages and skill-levels
- Full-service restaurant and ample corporate event space
- Existing golf course as well as all driving range youth programs, lessons and team access at The Lakes remain intact
- City and associated golf services to receive income during driving range and golf course construction period
TopGolf is **not** taking over the golf course.

The existing driving range would be converted into a brand standard TopGolf facility that would include the following:

**Ground Level**
- 34 hitting stations completely separated from other levels (separate access entrance)
- Golf instruction and team practice space
- Putting green that would be connected to the teaching areas and adjacent to the golf course
- Family lounge

**Main & Upper Levels**
- Friendly competitions in each hitting bay where anyone from a single golfer to a group of 6 friends or family members can hit golf balls
- Restaurant / food & beverage service
- Corporate and group entertainment space
- Outdoor roof terrace on Upper Level
Benefits for El Segundo Community & Economy

- Family-friendly golf practice and recreation facility for El Segundo residents of all ages
- Unique amenity for corporate meetings and events
- Creation of nearly 700 new local jobs (400 permanent, 275 construction)
- $300,000 in local annual outreach, including philanthropic support for local schools, community organizations and community initiatives
- $20m capital investment in a facility on municipal land, which will become a City asset at end of operating term
- A projected $265m added to the local economy over 10 years
Continuation of the Lakes Traditions

- Commitment to continuing The Lakes tradition as a place for golfers to practice their games and for youth instructional programming.

- Accommodation and growth of existing instructional component and youth programs under the leadership of the current Lakes golf pros.

- Accommodation of reasonable access to a normative driving range experience for those who want it.

- Engagement with local golf stakeholders and teachers, and an open-minded approach to fulfilling their needs and vision for an El Segundo TopGolf.

- Productive conversations have resulted in a strong set of “shared principles”.

As part of our ongoing commitment to the community, we have listened closely to local golf organizations and professionals, and reached consensus on the following:

- **Lakes Golf Course**
  - Maintain the integrity/scope of the current course’s footprint, including the possibility of redesigning / rerouting the course to qualify for the USGA Course/Slope Rating necessary to host a Type I golf club
  - Ability for early morning golfers to hit balls before playing the golf course at special discount rates. Driving range will open at 6 am.

- **Discounts for El Segundo Residents, Seniors & Active Military Personnel**
  - 10% discount on driving range for El Segundo residents
  - 20% for Seniors/Active Military Personnel
  - 30% cumulative discount for customers who belong to 2 of the categories

- **Promote and accommodate the exemplary teaching and junior programs**
  - Employ full-time Class A PGA Golf Professionals as well as provide space for teaching on a contract basis
  - Preference to retain current Lakes golf pros
Shared Principles Summary Continued

- Putting Green: provide a natural grass putting green that would be adjacent to the golf course.

- Team Practice: Provide access to the facility for all local junior high and high school teams that currently practice at The Lakes, and ensuring they have the practice time they need outside of formal team sessions.

- Work collaboratively with local stakeholders such as SGCA and PGA Southern California on implementing programs to expand community access to golf.

- Establish a dedicated citizens oversight body to meet regularly with us throughout the development process, and ensure that TopGolf upholds the commitments embodied in the “shared principles.”
Commitment to Community Outreach

- Since beginning this process, TopGolf has worked hard to reach out to residents, community stakeholders and golfers, and listen closely to feedback on our efforts.

- Discussions with community leaders and organizations:
  - El Segundo Chamber of Commerce
  - El Segundo Rotary
  - El Segundo Kiwanis
  - Local El Segundo businesses
  - El Segundo Education Foundation
  - Presentations at numerous City Council meetings
Commitment to Community Outreach Continued

- Discussions with residents
  - Conducted direct outreach to thousands of El Segundo residents
  - Educated residents on the basic facts of our proposal, and solicited their feedback on our plans, both from a golf and general community perspective
  - Received support for the project from nearly 500 El Segundo residents

- Discussions with local golf stakeholders
  - Southern California Golf Association
  - Southern California PGA
  - Current Lakes golf professionals
The Beginning of an Ongoing Dialogue

- If given the opportunity to move forward, TopGolf is committed to an open and ongoing dialogue about our plans for the site.

- TopGolf thrives through a model of community service everywhere we open, and evidence of this can be seen in the words of community leaders nationwide.

- Our philosophy would be no different in El Segundo – we will work hard to continue outreach to golf and community organizations, and listen to all feedback throughout the process with an open mind.

- TopGolf takes great pride in community partnership. We’re here today because we want to become your partners.