

Red Robin

5029 PINNACLE SQUARE | BIRMINGHAM, AL 35235



Single-Tenant Ground Lease Investment Opportunity

CONFIDENTIAL OFFERING MEMORANDUM

Red Robin

Exclusively Marketed
By

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RED ROBIN

Executive Summary



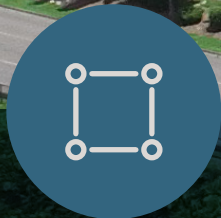
Offering Introduction

SRS National Net Lease Group & Investment Properties Group, as exclusive broker, is pleased to offer for sale **Red Robin** - a 6,350± SF **single tenant ground lease asset** located in **Birmingham, AL**.

National Tenant



6,350± SF
Offering GLA



1.67± AC
Land Area



100%
Occupancy



2006
Year Built



\$1,900,000
(6.30% Cap Rate)
Price



\$119,790
Annual Rent

Investment Highlights



100% occupied by national casual dining restaurant - Red Robin – on a single-tenant ground lease since 2007 with term through 2025

Providing a coveted 'hands-off' ownership scenario



Well-positioned fronting I-59, just south of the I-59/I-459 interchange

Which accommodates a combined traffic count of 97,495 VPD



Corporately-guaranteed by Red Robin International, Inc.

With three (5-year options), including scheduled rent escalations



Synergistic adjacent consumer draws

Include Super Target, The Home Depot, Lowe's, Academy Sports, Michaels, Best Buy, Belk, At Home, JC Penney, Hobby Lobby, Petco, HomeGoods Ulta and Five Below



Strategically-situated within Pinnacle at Tutwiler Farm – a regional retail destination recently under new ownership,

Which is investing heavily in the center's infrastructure, branding and positioning as one of the top consumer draws in northeast Birmingham



Solid demographic profile well-fit for Red Robin

Marked by a growing population of 91,072 people within a 5-mile radius, a median age of 38 and an Avg. HH Income of \$70,423



Location Attributes

Birmingham, AL at a Glance

Trussville is situated roughly 15 miles northeast of Downtown Birmingham and 12 miles northeast of Birmingham-Shuttlesworth International Airport, at the interchange of I-59 and I-459. An important regional center in the Southeast, Birmingham is Alabama's largest city - home to roughly 1.25 million people. A major industrial, finance and healthcare hub, Birmingham is home to the University of Alabama at Birmingham, the University of Alabama School of Medicine, Brookwood Baptist Health and major installations for Wells Fargo and Regions Banks.



Accolades

Top 10 City for Job Seekers
– *Indeed, 2019*

Top 10 Mid-Size Cities of the Future
– *fDi Magazine, 2019*

Top 5 Emerging Tech Hotspots in America
– *MarketWatch, 2019*

Top 10 Most Affordable Housing Markets in the U.S. – *SmartAsset, 2019*

Top 10 Fastest Growing Incomes in America – *SmartAsset, 2018*

Major Business Installations



Top Employment Sectors

Healthcare

Automotive

Financial Services

Distribution

Life Sciences

Manufacturing





 **Market Aerial**



91,072
CURRENT ESTIMATED POPULATION
within a 5-Mile Radius



38.0
MEDIAN AGE
within a 5-Mile Radius



\$70,423
HOUSEHOLD INCOME
within a 5-Mile Radius

Demographics	3 Miles	5 Miles	10 Miles	15 Miles	25 Miles
Current Estimated Population	36,976	91,072	234,756	471,330	865,891
Median Age	38.2	38.0	39.3	38.9	39.3
Current Estimated Households	14,573	35,194	91,780	191,083	345,033
2021 Average Household Size	2.51	2.57	2.53	2.40	2.46
Current Average Household Income	\$69,901	\$70,423	\$83,879	\$90,004	\$86,167
2021Total Daytime Employment	22,005	34,417	95,392	327,962	470,147
2021Total Daytime Population	39,492	83,316	223,889	533,414	899,942



INVESTMENT PROPERTIES GROUP
02
INVESTMENT PROPERTIES GROUP

RED ROBIN

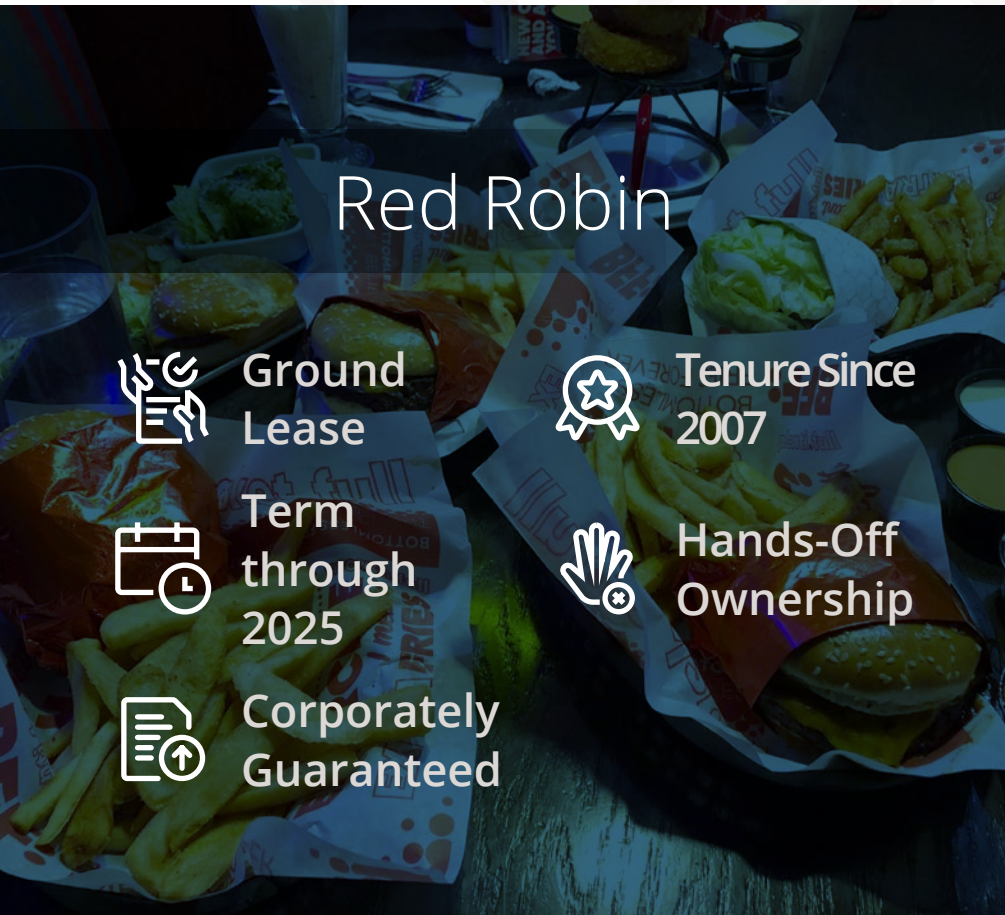
Property Details



Property Accolades

National Credit, Single-Tenant Ground Lease

Red Robin provides a **highly attractive opportunity** to acquire a **stable ground-leased retail asset**, which provides **easily financeable investment fundamentals**.



Red Robin



Ground Lease



Tenure Since 2007



Term through 2025



Hands-Off Ownership



Corporately Guaranteed



I-59 - 41,514 VPD

I-459 – 55,981 VPD

Gadsden Hwy – 33,379 VPD





#4 Target of 22 in Alabama



#6 Home Depot in Alabama







#38 Belk of 284 in the U.S.

Advantageous Position within a Robust Retail Node

Adjacent to I-59, the Property is **situated within the heart of Trussville’s retail node**, which is home to a **plethora of regional consumer draws**, which **notably benefit Red Robin**.



Michaels

ULTA BEAUTY

LOWE’S

T.J. maxx



HomeGoods

Academy SPORTS+OUTDOORS

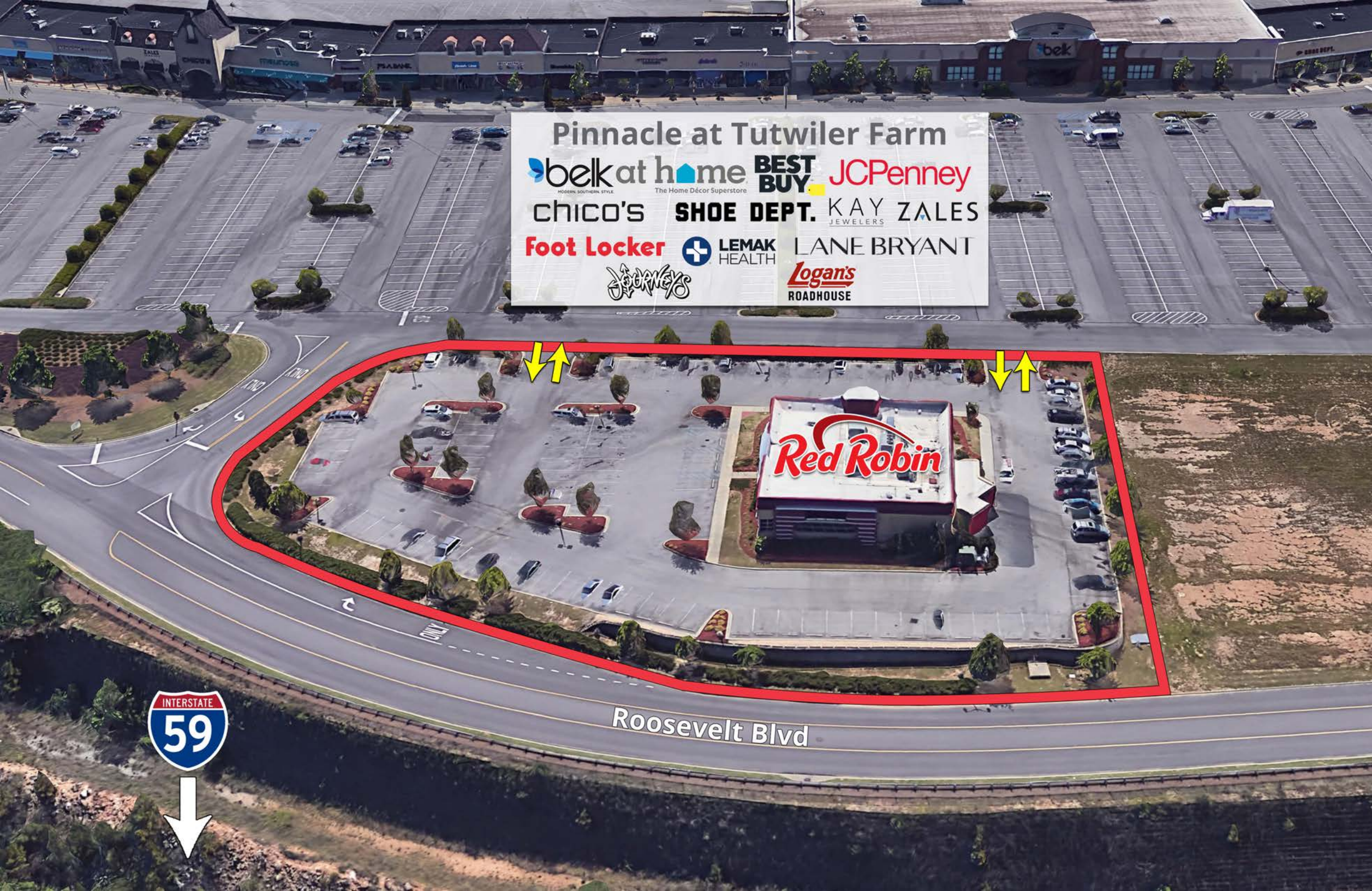
BEST BUY

belk MODERN. SOUTHERN. STYLE

petco

five BELOW

HOBBY LOBBY



Property Aerial

Red Robin is situated as an outparcel to significant regional retail destinations — Pinnacle at Tutwiler Farm and Promenade Tutwiler Farm — home to synergistic draws, including Belk, Best Buy, At Home, Super Target, The Home Depot, T.J.Maxx, Michaels, Books-A-Million, Bed Bath & Beyond and Academy Sports.

Site Details

Location



5029 Pinnacle Square
Birmingham, AL 35235
Jefferson County
Pinnacle At Tutwiler Farm

Access



There are 2 Access Points

Traffic Counts



US-11: 33,379 VPD
I-59: 41,514 VPD
I-459: 55,981 VPD

Improvements



There is approximately 77,705± SF
of existing building area



Improvement Features

Parking



There are approximately 120 parking
spaces on the owned parcel.

Parcel



Parcel Number: 12-00-28-4-000-001.004
Acres: 1.67±
Building Square Feet: 6,350±

Construction



Year Built: 2006

Zoning



G2: General Commercial District



East Facing View

The Property fronts I-59 – a significant regional traffic corridor which connects the Trussville sub-market with Downtown Birmingham and Birmingham International Airport to the southwest and Chattanooga, TN to the northeast.



RED ROBIN

Financial Summary



Rent Roll

Offering GLA	6,350 ± SF
Occupancy	100%
Annual Rent	\$119,790
Lease Type	Ground Lease

Price	\$1,900,000
Cap Rate	6.30% Cap Rate
Ownership	Fee Simple (Ground Lease)
Landlord Responsibilities	None

ANNUAL MINIMUM RENT										RENEWAL OPTIONS		
Suite	Tenant	SF	Lease Start	Lease End	Adj.	Rent \$/SF	Monthly	Annual	Recovery Method	Term	Date	Rent \$/SF
GL	Red Robin (Ground Lease)	6,350	03/01/07	03/31/25		\$18.86	\$9,982.50	\$119,790.00	CAM - SELF MAINTAIN	5 Yr.	04/01/25	\$12,200.83
									INS - SELF INSURE	5 Yr.	04/01/30	\$13,420.92
									TAX - PAY DIRECT	5 Yr.	04/01/35	\$14,763.00

* Underwriting Notes & Assumptions

6,350± SF OFFERING GLA	6,350± SF OCCUPIED	0± SF AVAILABLE	100% OCCUPANCY %	0.00% VACANCY %	\$119,790 SCHEDULED BASE RENT
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Site Plan



For Financing Options and Loan Quotes:

Please contact our SRS Debt & Equity team at debtequity-npb@srsre.com

Red Robin

Redrobin.com | NASDAQ: RRGB



570
Locations



28,000
Employees



\$868.7 Million
2020 Revenue



\$276.07 Million
2020 Net Income

Red Robin Gourmet Burgers and Brews (Red Robin), is an American chain of casual dining restaurants founded in September 1969 in Seattle, WA. In 1979, the first franchised Red Robin restaurant was opened in Yakima, Washington. Red Robin's headquarters are in Greenwood Village, Colorado. As of August 2020, the company had over 570 restaurants in operation across the United States and Canada, with 90 being operated as a franchise. Red Robin restaurants serve a variety of craveable, high-quality gourmet burgers with Bottomless Steak Fries® as well as salads, sandwiches, entrées and soups in a fun environment welcoming to guests of all ages.



Lease Overview

Tenant Name	Red Robin International, Inc. dba Red Robin
Gross Leasable Area	1.67± AC 6,350 SF
Rent Commencement	March 01, 2007
Expiration Date	March 31, 2025
Renewal Terms	Tenant has three 5-Year Options

Rent and Renewal Option Schedule

Period	PSF	Monthly	Annual
March 01, 2007 - March 31, 2025	\$18.86	\$9,982.50	\$119,790.00
Renewal Options	PSF	Monthly	Annual
April 01, 2025 - March 31, 2030	\$23.06	\$12,200.83	\$146,410.00
April 01, 2030 - March 31, 2035	\$25.36	\$13,420.92	\$161,051.00
April 01, 2035 - March 31, 2040	\$27.90	\$14,763.00	\$177,156.00

Lease Highlights

PERCENTAGE RENT

Commencing on 4/1/22 through 3/31/25, Tenant shall pay Landlord Percentage Rent in the amount of 2.85% of Gross Sales for each calendar year in excess of \$4,199,840.00 (Breakpoint), prorated for any partial calendar year.

NOTICE PERIOD

Tenant shall give Landlord notice of the election to extend the current Lease Term, at least 1 year prior to the expiration of the Primary Term or preceding Extension.

PERMITTED USE

The Premises may be used for the operation of a restaurant, with indoor seating areas, serving alcoholic beverages, with the incidental use of not less than 8 video games and the retail sale of general merchandise bearing the logo of the business operated by Tenant on the Premises or for any other lawful retail purpose that does not violate or cause Landlord to violate a then existing exclusive use or restricted use of an occupant of the Shopping Center.

EXCLUSIVE USE

Landlord agrees that, during the Lease Term, provided: (i) Tenant is open to the public and operating for business as a Red Robin restaurant in at least 5,000 square feet of rentable square feet and (ii) has not been in default beyond

any applicable cure periods under any provision of the Lease (the items set forth in (i) and (ii) each being a Section 14 Requirement), no portion of the Shopping Center as are generally depicted and as described on Exhibit A-2, shall be sold, leased, managed, used or occupied for a sit down casual style restaurant deriving more than 40% of its sales from the sale of gourmet burgers similar in style to those found on Tenant's menu attached in the Lease as Exhibit J (i.e., burgers priced between \$5.00 and \$12.00, such price to be adjusted annually by the cost of living index) (Restricted Use).

Said restriction shall be deemed a burden on the Restricted Area and for the benefit of the Premises and shall run with the land but shall not apply to any leases or agreements, including fully executed letters of intent, that have been executed as of the date of 06/01/2006, or any space or improvement within the Shopping Center, or leases therefore, that are for space equal to or less than 3,000 square feet, or any "fast food" restaurant (McDonald's or Burger King) that serves hamburgers as its principal menu item. In addition, in the event the improvements on the Premises exceed 7,000 total square feet, the restriction shall be null and void and of no further force and effect. The restriction shall be binding upon Landlord, its heirs, administrators, successors, tenants and assigns in and to the Restricted Area. Any failure of Tenant to enforce the provisions hereof in the event of a breach of said restriction

Red Robin

shall not be deemed a waiver of the restriction with respect to such breach or any subsequent or different breach.

Additionally, the parties acknowledge that the Restricted Area does not include the JC Penney Tract, the Parisian Tract, the Belk Tract and Outparcels 2 and 13 as generally depicted and as described on Exhibit A-3 attached to the Lease because such parcels are, as of the date hereof, have been sold to, or leased by, third parties or are under agreement to be sold to, or leased by, third parties.

REPORT SALES

Commencing on 4/1/22, within 15 days after the end of each month through 3/31/25, Tenant will furnish to Landlord a statement in writing certified by Tenant to be correct, showing Gross Sales during such month.

COMMON AREA MAINTENANCE

CAM Charges: Intentionally Deleted.

INSURANCE

N/A

TAXES



(a) Separate Tax Parcel: If the Premises is assessed as a separate tax parcel, Tenant shall pay before delinquent, all real estate taxes and assessments which may be levied upon or assessed against the Premises (Real Estate Taxes) and all taxes or assessments levied upon or assessed against the Improvements situated thereon, together with all taxes levied on or assessed against the personal property of Tenant situated on the Premises, subject always to Tenant’s right to offset taxes and assessments as may be provided for elsewhere in the Lease or in any other agreement between Landlord and Tenant.

ASSIGNMENT & SUBLETTING

Tenant shall not voluntarily, involuntarily, by operation of law or otherwise assign, sublet or otherwise transfer or encumber all or any part of Tenant’s interest in the Lease or in the Premises, without first obtaining Landlord’s express written consent, which consent shall not be unreasonably withheld; provided, in no event shall Tenant be entitled to partially assign its interest in the Lease or sublet less than the entire Premises.

Approved Transfers: Tenant shall not be required to obtain Landlord’s consent and said acts shall not constitute Transfers or be subject to the provisions of the Section 20

relating to Transfers: (i) assignment to an affiliate, parent company, or subsidiary of Tenant; (ii) assignment of the Lease to any person, firm or corporation with which Tenant has merged or consolidated, or to which Tenant sells all or substantially all of its assets; (iii) a public or private offering or new issuance of shares of stock in Tenant; (iv) the transfer of stock between or among existing shareholders in Tenant or pursuant to an Employee Stock Option Plan; (v) a mortgage or other hypothecation of Tenant’s interest under the Lease or of the Improvements.

CO-TENANCY

N/A

TERMINATION RIGHT

N/A





INVESTMENT PROPERTIES GROUP
04
INVESTMENT PROPERTIES GROUP

RED ROBIN

Procedure for Offers



Procedure for Offers

Qualified investors who have been invited by the owner or its exclusive disposition agent, SRS Real Estate Partners (SRS), should put their offer in writing as a non-binding letter of intent and deliver it to SRS via the email address(es) shown below. No consideration will be given to uninvited offers, nor real estate commission or other form of compensation paid by the owner in relation to offers without a signed broker/principal confidentiality agreement/broker registration that has been approved by the owner and SRS. The owner reserves the right to reject any or all proposals and to negotiate with any investor exclusively at any time. All other inquiries may be directed to the contact information of the individuals identified below.

IMPORTANT OFFER SELECTION CRITERIA

When submitting offers, please be advised that SRS will give preference to buyers that:

- Can demonstrate their ability to close, lending source, and required equity funds
- Have visited and inspected the property first-hand prior to submitting an offer
- Can complete their due diligence in a timely manner
- Have prior experience in similar property types and established lender relationships
- Have a successful track record of closings and can provide references from previous sellers

Buyers are encouraged to provide relevant written or digital information about their background and experience when submitting offers.

BIDDER NOTIFICATION

All bidders will be notified in writing of their offer’s acceptance or rejection.

DUE DILIGENCE DOCUMENTS

Seller will provide buyer with organized due diligence documents during buyer’s due diligence period. Specific documents will include, but are not limited to:

- Lease agreements
- Title report
- Survey
- Historic operating statements
- Declaration of covenants, operations, and reciprocal easements

Report updates, reliance letters, and/or new reports shall be the responsibility of the buyer.

Confidentiality and Conditions of Sale

This offering memorandum is a solicitation of interest with respect to a possible sale of the property described in this offering memorandum. It is not intended to constitute an offer.

This offering memorandum has been prepared by SRS Real Estate Partners and approved for distribution by the owner. Although every effort has been made to provide accurate information, neither owner nor SRS can warrant or represent accuracy or completeness of the materials presented herein or in any other written or oral communications transmitted or made available to the purchaser. Many documents have been summarized and these summaries do not purport to represent or constitute a legal analysis of the contents of the applicable documents. Neither owner nor SRS represent that this offering summary is all inclusive or contains all the information a purchaser may require. All the financial projections and/or conclusions presented herein are provided strictly for reference purposes and have been developed based upon assumptions and conditions in effect at the time the evaluations were undertaken. They do not purport to reflect changes in the economic performance of the property or the business activities of the owner since the date of preparation of this offering memorandum. The projected economic performance of the property, competitive submarket conditions, and selected economic and demographic statistics may have changed after the preparation of this package. Qualified purchasers are urged to inspect the property and undertake their own independent evaluation of the property, the market, and the surrounding competitive environment.

Environmental matters can and do have dramatic impact, not only on the physical conditions of a property, but also on its economic performance and underlying value. If such substances exist, special governmental approvals and permits may be required. Purchasers are encouraged to engage qualified professionals to determine whether hazardous or toxic substances or wastes, including asbestos, polychlorinated

biphenyls, petrochemicals, or other contaminants or conditions are present at the property. Neither SRS nor the owner performs or conducts investigations or analyses of environmental matters. It is the sole responsibility of qualified purchasers to review all applicable laws and regulations applying to either the existence, transportation, or removal of hazardous materials and to prudently have an on-site investigation and inspection of the property conducted. The cost and removal of hazardous materials may be substantial; therefore, SRS strongly encourages qualified purchasers to engage legal counsel and appropriate technical professionals if any of these conditions are discovered during the inspection.

No person, firm, or entity is authorized to make or submit offers on behalf of anyone or divulge or reproduce the contents of this executive summary or discuss the availability or the purchase of the property without first having registered in writing the name of the party receiving the material and received written authorization to proceed from SRS. The owner and SRS reserve the right, at their discretion, to reject any or all expressions of interest with any party at any time with or without notice. Purchasers may not conduct site visits at the property without first notifying and/or scheduling a site visit with SRS, nor may purchasers discuss the sale of the property with any tenant. The terms and conditions stated herein apply to all sections of the executive summary.

SRS is acting as an exclusive disposition agent, and the owner reserves the right to withdraw the property from the market, to change the price and terms, or sell the property at any time without notice being given.

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