

Ruby Tuesday

Ruby Tuesday,
Hampton, VA



Price: \$1,587,008
Cap Rate: 6.25%

- Ground lease – **Below Market Rent**
- Corner location to a 365,000 sf. power center
- Hampton, VA is an upscale area outside of Newport News, VA
- 198,527 people within a 5 mile radius
- Significant increases in option periods
- 2.00% Fee Paid

Investment Overview

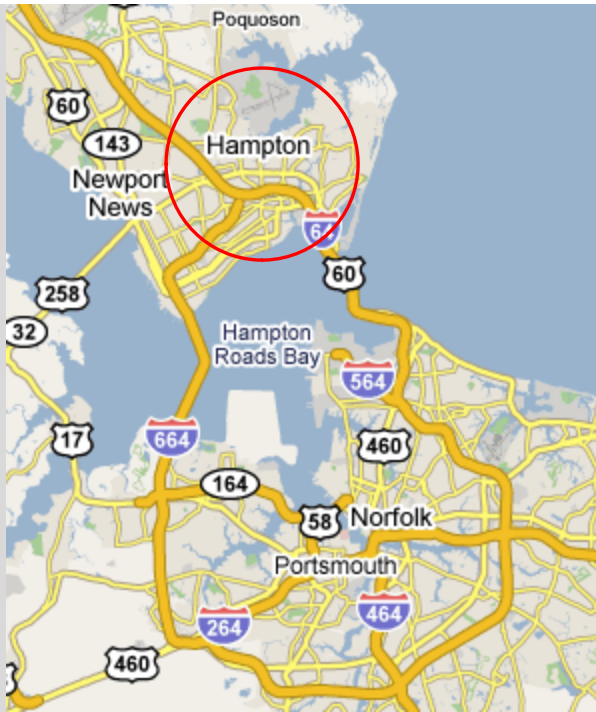
Single Tenant, Absolute NNN Ground Lease in Hampton, Virginia. This ground lease is corporately guaranteed by Ruby Tuesday which operates more than 900 restaurants and had sales in excess of \$1.3 billion dollars in fiscal year 2008. The property is an outparcel to a 365,000 sf. power center anchored by TJ Maxx, Farm Fresh and an AMC 24 theatre. The investment offers a safe return with significant upside as Ruby Tuesday only pays \$19.69 per foot which is significantly below restaurant market rents.

For more information, please contact:

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Investment Summary

Address:	60 Towne Center Way, Hampton, VA 23666
Price:	\$1,587,008
NOI:	\$99,188
Cap Rate:	6.25%
Rentable SF:	5,039
Lot Size:	.911 +- Acres
Year Constructed:	1998



- Hampton, VA is located north of Norfolk and east of Newport News. Hampton is located on I-64 giving the city easy access north to Richmond and south to Norfolk.

- The Ruby Tuesday is indicated by the red circle and is located within yards of I-64 giving it excellent access to commuters as well as local residents. Furthermore, the property is between Newport News and Hampton, giving it access to two, separate communities.



Lease Highlights

▪ Lease Start Date:	8/8/1998
▪ Lease End Date:	1/31/2014
▪ Annual Rent (1/1/2009)	\$99,188
▪ Landlord Responsibilities:	NONE (Absolute NNN Ground Lease)
▪ Options:	1 st Option \$ 114,067 2/1/14-1/31/19
	2 nd Option \$ 131,177 2/1/19-1/31/24
	3 rd Option \$ 150,854 2/1/24-1/31/30
▪ Termination Option:	NONE
▪ Option increases	15% in each option

Upside in Tenant Exercising Options

- Ruby Tuesday has two (2) five (5) year options to renew and one (1) six (6) year option. Each option has a rental increase of 15% giving the investor a significant rental increase in each option.
- Should Ruby Tuesday exercise all of their options, that will represent a rental increase of **52%** based on the current rent of \$99,188 and the rent in the third option of \$150,854.

Rent Roll

<u>Start Date</u>	<u>End Date</u>	<u>Sf. Leased</u>	<u>Annual Rent psf.</u>	<u>Expenses</u>	<u>Tenant</u>
8/8/1998	1/31/2014	5,039	\$19.64	None (NNN)	Ruby Tuesday Corp. (NYSE: RT)

Tenant Overview:

Ruby Tuesday Corporation (NYSE: "RT"):

- Publicly traded on the New York Stock Exchange: "RT"
- 950 + Company owned and franchised restaurants around the world
- More than 50,000 corporate and franchise employees
- 2007 revenue was \$1,410,000,000, an increase of almost 8% on 2006 numbers.

Overview of Ruby Tuesday:

Ruby Tuesday is driven by uncompromising freshness and quality, gracious hospitality and a growing list of Five-Star restaurants destined to be the envy of the casual dining business..

SIMPLE FRESH AMERICAN DINING

At Ruby Tuesday, we're fully committed to preparing and serving food of uncompromising freshness and quality - with signature choices like our premium Handcrafted Burgers and our bountiful, Fresh Garden Bar - and we're grateful that our restaurants are made possible by passionate employees who make it their business to delight each and every guest with an excellent dining experience. From our ongoing efforts to bring you the best menu in casual dining and the best Handcrafted Burgers anywhere, to the gracious smiles and genuine hospitality that greet you at our doors, Ruby Tuesday wants to make our Simple Fresh American Dining your favorite dining anywhere. www.rubytuesday.com

Aerial of Hampton Towne Center:



- The Ruby Tuesday is located in a 365,000 square foot shopping center called Hampton Towne Center which is anchored by TJ Maxx, Farm Fresh Markets and AMC 24 theatre.

- The property is at the main intersections of Hampton Roads and Big Bethel Rd. Hampton Roads is a main, east/west, 4 lane road that traverse the city of Hampton.

- The Ruby Tuesday has excellent visibility to shoppers as well as to local traffic on Hampton Roads.

Building Photos:



- Above is an actual aerial of the Ruby Tuesday. As shown by the photo, the property is located directly on Hampton Roads Center at the intersection of Big Bethel Rd. The visibility is perfect both from the parking lot of the shopping center and from the intersection of Big Bethel and Hampton Roads. The restaurant is only feet from cars passing by.

Area Retail and Additional Aerials:



- Directly to the south of Hampton Towne Center and the subject property, is a Food Lion anchored shopping center

- In the northwest part of the above picture is the Sandy Bottom Nature Park limiting the amount of retail that will be able to compete with the Ruby Tuesday and Hampton Towne Center.

- The subject property is on “street level” giving the Ruby Tuesday great exposure to passing traffic.

Offering Summary

Price	\$1,587,008
NOI	\$99,188 – 1/1/2009
CAP	6.25%
Rent Increases	15% in each option period.
Lease Term	15 years with 5 years remaining
Lease Expiration	1/31/2014
Options	Two (2) Five (5) and One (1) Six (6)
Existing Financing	None

Rent Schedule:

8/8/1998 - 1/31/2014	\$99,188
2/1/2014 - 1/31/2019	\$114,067 (1 st option)
2/1/2019 - 1/31/2024	\$131,177 (2 nd option)
2/1/2024 - 1/31/2030	\$150,854 (3 rd option)

Upside in Extremely Low Rents:

Ruby Tuesday is paying far below restaurant market rents compared to the Hampton, VA market and almost all other major markets. Ruby Tuesday is currently paying \$19.69 per foot. Given the location, dense demographics, corner parcel and ideal size of the building, the market rent for this building should be in the \$30+ range. Should Ruby Tuesday elect not to exercise their option, the investor is in the unique position of be in a position to add significant value through re-leasing the space. However, if Ruby Tuesday chooses to exercise their option, the investor receives a 15% rental increase. This is a safe investment with two (2) scenarios for adding value.

Actual Photos of the Subject Property:



Market Summary and Demographics Continued:

- Hampton, VA is 15 miles north of Norfolk, 75 miles from Richmond and just 4 miles from Newport News. Hampton has a very low cost of living and was rated as one of CNN Money's "Best Places to Live." Furthermore, the Northrop Grumman Newport News shipyard is a major driving force in the community, employing more than 18,000 residents of Hampton, Newport News and surrounding communities.

Demographics (taken from subject property):

Radius	Population	Avg. Household Incomes
3 Mile	90,162	\$57,143
5 Mile	195,996	\$59,714
10 Mile	373,937	\$62,902

ALL INFO found at www.demographics.com and the Census Bureau

For More Information, Please contact:

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*Special Note:

▪ RCG Ventures uses a standard LOI form for all assets sold. To submit an offer, please contact Scott Tarbet for the LOI form or any further information.

2% Fee Paid