

**SINGLE-TENANT ABSOLUTE NNN
INVESTMENT OFFERING**
San Antonio, TX





LOGAN'S ROADHOUSE ABSOLUTE NNN LEASED INVESTMENT

5423 WEST LOOP 1604, SAN ANTONIO, TX 78253



18301 Von Karman Avenue, Suite 800
Irvine, CA 92612
Phone: (949) 221-1800
Fax: (949) 221-1830
www.farislee.com

Listed in Cooperation With TX Licensed Broker:
Charles McClure
TX Broker # 481620

EXCLUSIVE ADVISORS:

MATTHEW MOUSAVI
Managing Director
mmousavi@farislee.com
(949) 221-1817
R.E. License No. 01732226

PATRICK R. LUTHER, CCIM
Director
pluther@farislee.com
(949) 221-1834
R.E. License No. 01209944

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STATEMENT OF CONFIDENTIALITY & DISCLAIMER

FarisLeeInvestments (“FLI”) has been engaged as the exclusive financial advisor to the Seller in connection with Seller’s solicitation of offers for the purchase of the property known as Logan’s Roadhouse, located in the City of San Antonio, County of Bexar, State of Texas (the “Property”). Prospective purchasers are advised that as part of the solicitation process, Seller will be evaluating a number of factors including the current financial qualifications of the prospective purchaser. Seller expressly reserves the right in its sole and absolute discretion to evaluate the terms and conditions of any offer and to reject any offer without providing a reason therefore. Further, Seller reserves the right to terminate the solicitation process at any time prior to final execution of the Purchase Agreement.

The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property, and it is not to be used for any other purpose or made available to any other person without the express written consent of Seller or FLI. The material is based in part upon information supplied by the Seller and in part upon financial information obtained by FLI from sources it deems reasonably reliable. Summaries of any documents are not intended to be comprehensive or all-inclusive, but rather only outline some of the provisions contained therein and qualified in their entirety by the actual document to which they relate.

No representation or warranty, expressed or implied, is made by the Seller, FLI, or any of their respective affiliates as to the accuracy or completeness of the information contained herein. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence, including engineering and environmental

inspections, to determine the condition of the Property and the existence of any potentially hazardous material located at the Property site or used in the construction or maintenance of the building at the Property site.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or FLI or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

Prospective purchasers are not to construe the contents of this Offering Memorandum or any prior or subsequent communication from FLI or Seller or their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents as legal, tax, or other advice. Prior to submitting an offer, prospective purchasers should consult with their own legal counsel and personal and tax advisors to determine the consequences of an investment in the Property and arrive at an independent evaluation of such investment.



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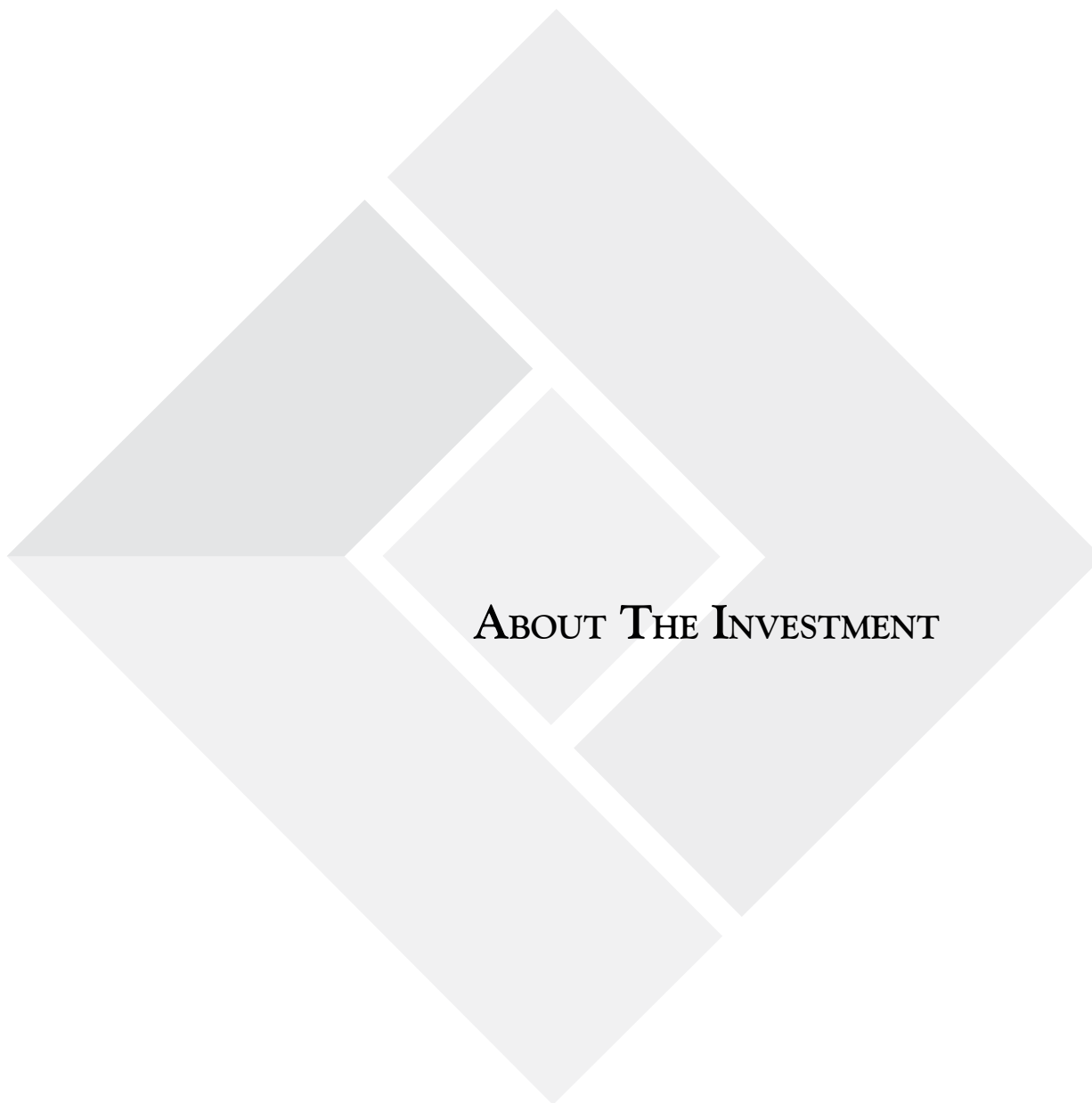
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Logan's
ROADHOUSE

5423

TEXAS
CVK-0079



ABOUT THE INVESTMENT

INVESTMENT SUMMARY

OFFERING

Summary:

Faris Lee is pleased to offer for sale the **fee simple interest (land & building) in a single tenant absolute NNN leased, corporate guaranteed Logan's Roadhouse located in San Antonio, Texas.** The 20-year absolute NNN lease provides the investor with a long-term and stable investment as there are over **15 years remaining on the initial term with 3 (5-year) options to extend the lease.** The **10% rent increases every 5 years** help hedge against inflation and allows the investor to realize an increasing return throughout the primary lease-term and each option period. In 2019, a 10% rent escalation increases yield to **7.70%.**

Logan's Roadhouse is a subsidiary of Kelso & Company and has over 220 company-owned and 26 franchised restaurants in 23 states. Kelso & Company is a private equity firm that invests in multiple sectors including communication, manufacturing and restaurants. Their joint venture, BlackRock Kelso Capital Corp. (NASDAQ: BKCC), is organized as a type of publicly traded private equity company known as a Business Development Company.

The subject property is located within the Alamo Ranch Power Center (900,000 SF) with national tenants consisting of Target, Lowe's, JC Penney, Dick's Sporting Goods, Pets Smart, Office Max, Best Buy, and Michaels, bringing added traffic to the trade area and contributing to the strength of the Logan's Roadhouse location. Logan's Roadhouse benefits from being located off the highly traveled Highway 151 (approximately 99,700 vehicles per day) and West Loop 1604 (approximately 92,000 vehicles per day). Excellent demographic trade area including a total population of 210,100, 42,600 daytime employees, and an average household income in excess of \$71,500 within a 5-mile radius.

Pricing:	\$4,504,000
Net Operating Income:	\$315,252
Cap Rate:	7.00%
Cap Rate 2019:	7.70%

PROPERTY SPECIFICATIONS

Rentable Area:	6,613 SF
Year Built:	2010
Land Area:	1.468 Acres
Property Address:	75423 West Loop 1604, San Antonio, TX 78253
Parcel Number:	18299-002-0230
Tenant:	Logan's Roadhouse, Inc. (Corporate Guaranty)
Ownership:	Fee Simple (Land & Building)





INVESTMENT HIGHLIGHTS

STRONG NATIONAL TENANT - LOGAN'S ROADHOUSE, INC. CORPORATE GUARANTY

- **Logan's Roadhouse** has 220 company-owned and 26 franchised Logan's Roadhouse restaurants in 23 states with approximately 15,000 employees. Logan's Roadhouse, Inc. is the parent company of Logan's Roadhouse.
- **Company Type:** Subsidiary of Kelso & Company
- **Kelso & Company** invests in a variety of sectors, including communication, manufacturing and restaurants. Since 1980, the firm has raised approximately \$10.1 billion of investor commitments to its private equity funds and was among the 50 largest private equity firms globally. Kelso also provides mezzanine capital through a joint venture with BlackRock, an asset management firm. Their joint venture, BlackRock Kelso Capital Corp. (NASDAQ: BKCC), is organized as a type of publicly traded private equity company known as a Business Development Company.
- **Company Type:** Private
- **Fiscal Year-End:** December
- **2012 Revenue:** \$630 Million

ABSOLUTE TRIPLE NET (NNN) LEASE

- Logan's Roadhouse features an Absolute Triple Net (NNN) lease
- Tenant is responsible for taxes, insurance, CAM, management, roof and structure
- Zero Landlord responsibilities

LOGAN'S ROADHOUSE 2012 HIGHLIGHTS COMPARED TO 2011

- Opened 18 new company-owned Logan's Roadhouse restaurants in 2012
- Net sales increased 6.9% to \$470.2 million from \$439.9 million

EXCELLENT LOCATION - FRONTING HIGHWAY 151 TEXAS AND LOOP 1604 WITHIN THE ALAMO RANCH POWER CENTER (900,000 SF)

- Logan's Roadhouse is located off Highway 151 (99,700 vehicles per day) and Loop 1604 (92,400 vehicles per day)
- National tenants within the Alamo Ranch Power Center include Target, Lowe's, JC Penney, Dick's Sporting Goods, Pets Smart, Office Max, Best Buy, and Michaels
- These tenants speak to the strength of the location as a main retail corridor in Tulsa and contribute to increased traffic flow in the area
- National/Credit retailers in the immediate trade area include Walmart Supercenter (open 24-hours), Home Depot, and Hobby Lobby

LONG-TERM LEASE (OVER 15 YEARS REMAINING)

- There are over 15 years remaining on the initial 20-year term
- The lease features 3 (5-year) options to extend
- Long-term security and stability for the Investor

RARE 10% RENT INCREASES THROUGHOUT THE INITIAL TERM AND OPTIONS

- 10% Annual Increases every 5 years throughout the initial term and each option period
- Increases return on investment
- Hedges against inflation

STRONG DEMOGRAPHIC TRADE AREA

- Total population of 210,100 in a 5-mile radius
- 42,600 daytime consumers within a 5-mile radius
- Average Household Income in excess of \$71,500 in a 5-mile radius

OVERSIZED PARCEL INTRINSIC VALUE

- Approximately 1.468 Acres
- There are 107 dedicated parking stalls on the owned parcel.
- The parking ratio is approximately 16.46 per 1,000 SF of leasable area



ALAMO RANCH POWER CENTER (900,00 SF)



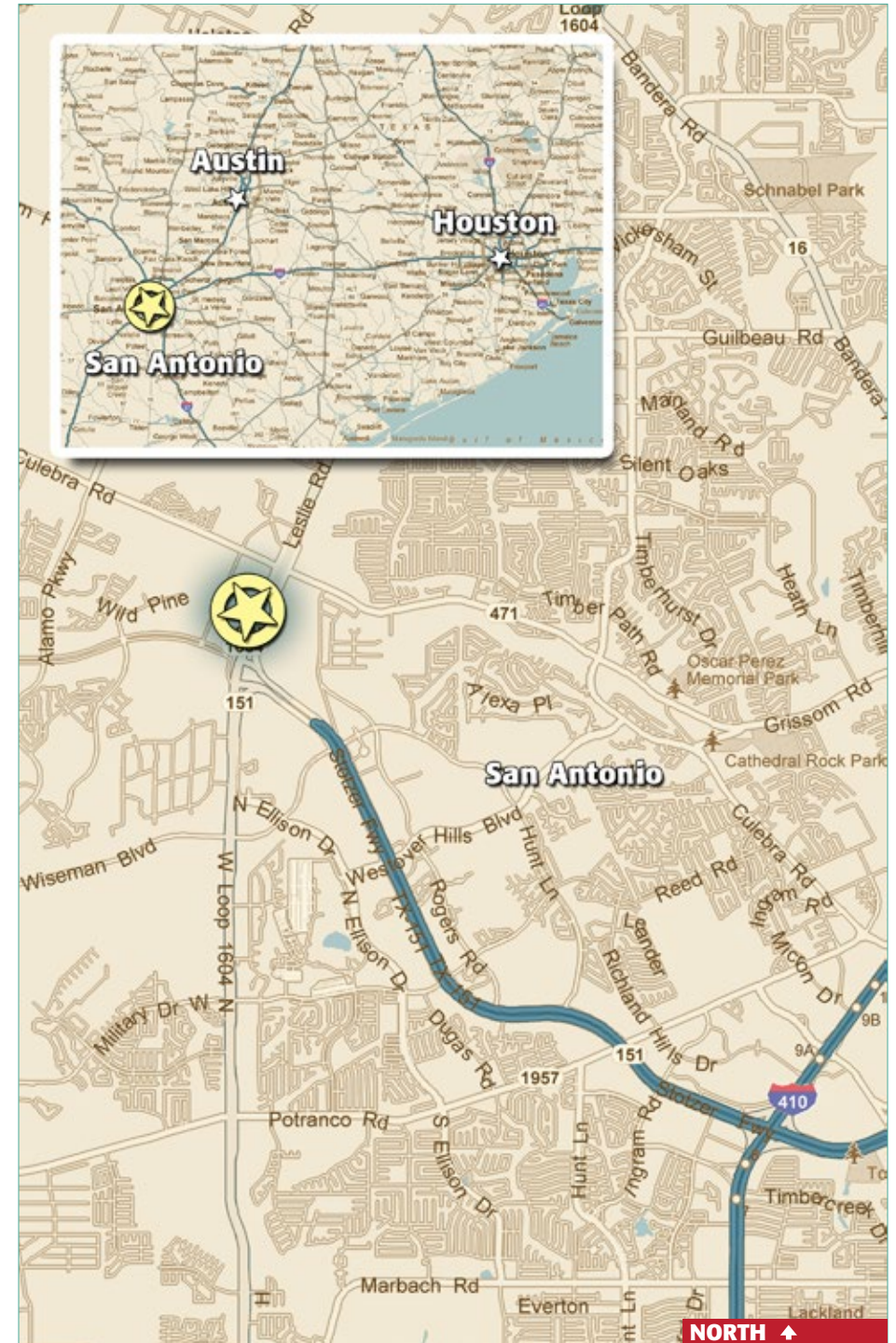
ABOUT THE INVESTMENT // LOGAN'S ROADHOUSE - SAN ANTONIO, TX



SITE PLAN



LOCATION MAP



ABOUT THE INVESTMENT // LOGAN'S ROADHOUSE - SAN ANTONIO, TX





FINANCIAL INFORMATION



RENT ROLL

Tenant	Size (SF)	Current Monthly Rent	Current Annual Rent	Rental Increases				CAM Recovery Type	Lease Start	Lease Expires	Lease Options
				Increase Date	Increase	Monthly Rent	Annual Rent				
Logan's Roadhouse, Inc.	6,613	\$26,271	\$315,252	Sep-19	10%	\$28,898	\$346,777	Absolute NNN	9/21/2009	9/30/2029	3 (5-Year) Options: Option 1: \$419,602 Option 1: \$461,562 Option 1: \$507,718
				Sep-24	10%	\$31,788	\$381,455				

(1) Rent as of September 2014 - Seller to credit the difference in rent between September and close of escrow.

TENANT SYNOPSIS



Logan's Roadhouse opened its first restaurant in 1991 in Lexington, KY, and has grown as an affordable, full-service restaurant chain to 220 company-owned and 26 franchised Logan's Roadhouse restaurants in 23 states with approximately 15,000 employees. The Company's mission is to recreate the traditional American roadhouse by offering consumers value-oriented, high quality, meals for lunch and dinner served in the hospitable tradition and distinctive atmosphere reminiscent of an American roadhouse of the 1930's and 1940's. Logan's Roadhouse, Inc. is the parent company of Logan's Roadhouse.

Company Type: Subsidiary of Kelso & Company

Kelso & Company is a private equity investment firm focused on leveraged buyouts, recapitalizations and growth capital transactions. Kelso invests in a variety of sectors, including communication, manufacturing and restaurants. Since 1980, the firm has raised approximately \$10.1 billion of investor commitments to its private equity funds and was among the 50 largest private equity firms globally. Kelso also provides mezzanine capital through a joint venture with BlackRock, an asset management firm. Their joint venture, Blackrock Kelso Capital Corp. (NASDAQ: BKCC), is organized as a type of publicly traded private equity company known as a Business Development Company.

Fiscal Year-End: December





TRANSACTION SUMMARY

Financial Information

Price: \$4,504,000

Lease Type: Absolute NNN

Tenant is responsible for taxes, insurance, CAM, roof and structure. Landlord has zero responsibilities.

Property Specifications

Rentable Area: 6,613 SF

Land Area: 1.468 Acres

Year Built: 2008

Address: 5423 West Loop 1604
San Antonio, TX 78251

APN: 18299-002-0230

Tenant: Logan's Roadhouse, Inc. (dba Logan's Roadhouse)

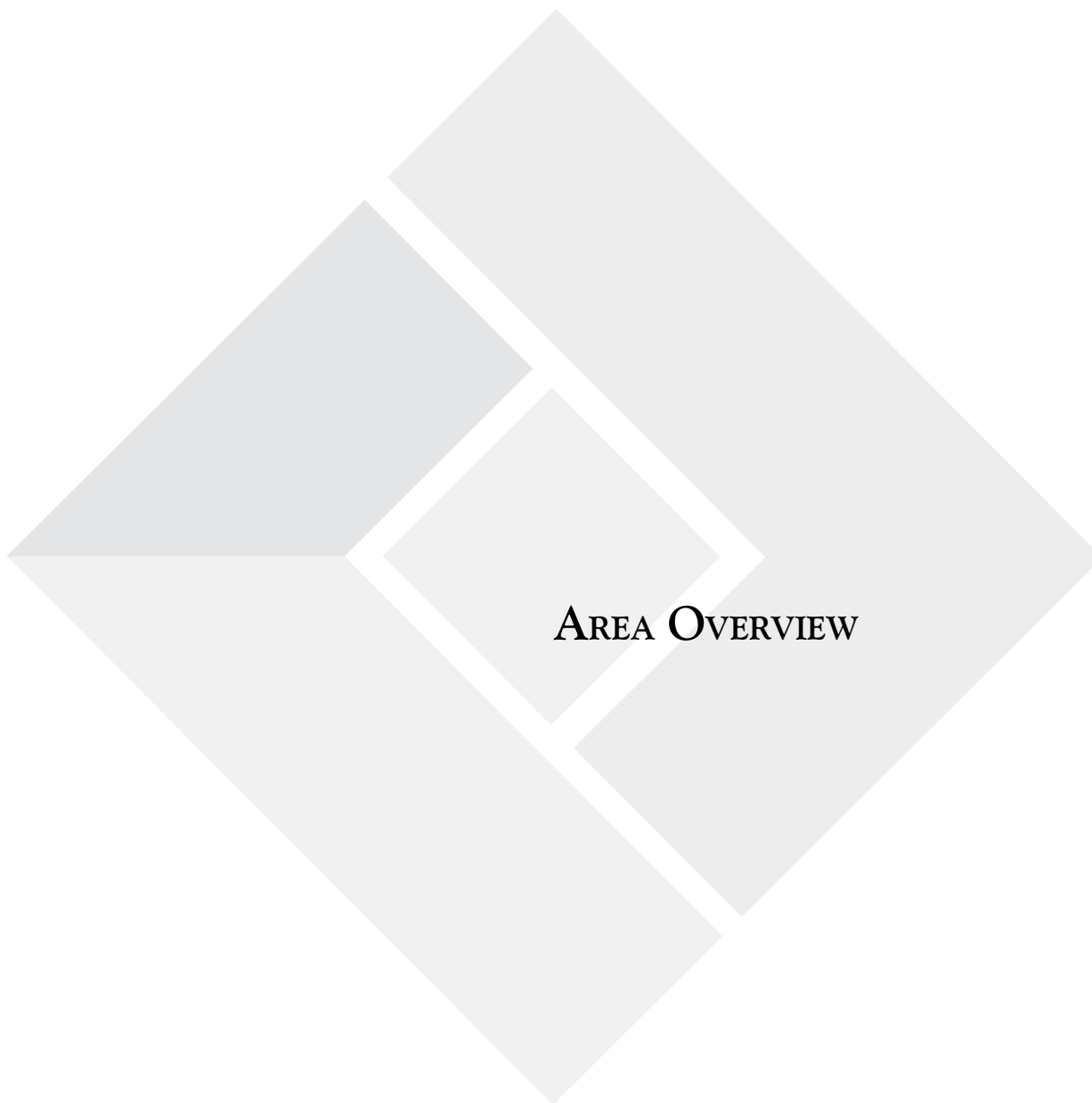
Guaranty: Logan's Roadhouse, Inc.

Estimated Operating Information

	<u>In-Place</u>	<u>Feb-19</u>
Gross Potential Rent	\$315,252	\$346,777
Plus Recapture	NNN	NNN
Effective Gross Income	\$315,252	\$346,777
Less Expenses	(NNN)	(NNN)
Net Operating Income	\$315,252	\$346,777

Cap Rate: 7.00% 7.70%





AREA OVERVIEW



PROPERTY OVERVIEW

LOCATION

The subject property is located within the Alamo Ranch Power Center (900,000 SF) with national tenants consisting of Target, Lowe's, JC Penney, Dick's Sporting Goods, Pets Smart, Office Max, Best Buy, and Michaels, bringing added traffic to the trade area and contributing to the strength of the Logan's Roadhouse location. Logan's Roadhouse benefits from being located off the highly traveled Highway 151 (approximately 99,700 vehicles per day) and West Loop 1604 (approximately 92,000 vehicles per day). Excellent demographic trade area including a total population of 210,100, 42,600 daytime employees, and an average household income in excess of \$71,500 within a 5-mile radius.

PARCEL

PARCEL	ACRES	SQUARE FEET
18299-002-0230	1.468	63,946

ZONING

C3: Commercial

ACCESS

There is (1) access point off Westwood Loop.

IMPROVEMENTS

Logan's Roadhouse has 6,500 SF of recently constructed improvements.

PARKING

There are approximately 107 dedicated parking stalls on the owner parcel. The parking ratio is 16.46 per 1,000 SF of leasable area.

TRAFFIC COUNTS

	VEHICLES PER DAY
Highway 151	99,700
Loop 1604	92,400
Culebra Road	30,800

YEAR BUILT

2008

BUILDING SIGNAGE (VISIBLE FROM LOOP 1604)





DEMOGRAPHICS

DESCRIPTION

1 MILE 3 MILES 5 MILES

POPULATION	2013 Estimated Population	5,224	76,294	210,124
	2018 Projected Population	5,485	80,112	220,639
	2010 Census Population	4,999	73,020	201,108
	2000 Census Population	2,133	43,376	119,068
	Projected Annual Growth 2013 to 2018	1.0%	1.0%	1.0%
	Historical Annual Growth 2000 to 2013	11.1%	5.8%	5.9%
	2013 Median Age	29.2	30.9	31.7
HOUSEHOLDS	2013 Estimated Households	1,751	25,350	70,508
	2018 Projected Households	1,856	26,867	74,727
	2010 Census Households	1,680	24,319	67,635
	2000 Census Households	672	13,741	39,130
	Projected Annual Growth 2013 to 2018	1.2%	1.2%	1.2%
	Historical Annual Growth 2000 to 2013	12.4%	6.5%	6.2%
RACE AND ETHNICITY	2013 Estimated White	70.8%	72.6%	73.1%
	2013 Estimated Black or African American	8.3%	7.7%	7.7%
	2013 Estimated Asian or Pacific Islander	3.5%	2.8%	3.0%
	2013 Estimated American Indian or Native Alaskan	0.7%	0.7%	0.7%
	2013 Estimated Other Races	16.7%	16.1%	15.4%
	2013 Estimated Hispanic	58.6%	58.0%	56.9%
INCOME	2013 Estimated Average Household Income	\$73,141	\$69,996	\$71,564
	2013 Estimated Median Household Income	\$72,155	\$67,216	\$68,524
	2013 Estimated Per Capita Income	\$24,522	\$23,267	\$24,024
BUSINESS	2013 Estimated Total Businesses	135	1,024	3,259
	2013 Estimated Total Employees	3,531	20,352	42,609

AREA OVERVIEW // LOGAN'S ROADHOUSE - SAN ANTONIO, TX



AREA OVERVIEW

CITY OF SAN ANTONIO

San Antonio is the seventh-largest city in the United States and the second-largest city within the state of Texas, with a population of 1.33 million. Located in the American Southwest and the south central part of Texas, the city serves as the seat of Bexar County.

San Antonio has characteristics of other western urban centers in which there are sparsely populated areas and a low density rate outside of the city. It was the fourth-fastest growing large city in the nation from 2000 to 2006 and the fifth-fastest-growing from 2007 to 2008. The San Antonio-New Braunfels metropolitan area has a population of over 2.14 million based on the 2010 U.S. Census, making it the 25th-largest metropolitan area in the United States and third-largest in Texas.

The city was named for San Antonio de Padua, whose feast day is on June 13, when a Spanish expedition stopped in the area in 1691. Famous for Spanish missions, the Alamo, the River Walk, the Tower of the Americas, the Alamo Bowl, and host to SeaWorld and Six Flags Fiesta Texas theme parks, the city is visited by approximately 26 million tourists per year according to the San Antonio Convention and Visitors Bureau. The city is home to the four-time NBA champion San Antonio Spurs and the annual San Antonio Stock Show & Rodeo, one of the largest in the country.

ECONOMY OF SAN ANTONIO

San Antonio has a diversified economy with four primary focuses: financial services, government, health care, and tourism. Located northwest of the city center is the South

Texas Medical Center, which is a conglomerate of various hospitals, clinics, and research and higher educational institutions.

The city is also home to one of the largest military concentrations in the United States. The defense industry in San Antonio employs over 89,000 and provides a \$5.25 billion impact to the city's economy.

Twenty-six million tourists visit the city and its attractions every year, contributing substantially to the city's economy. The Henry B. Gonzalez Convention Center alone hosts more than 300 events each year with over 750,000 convention delegates from around the world. Tourism employs 94,000 citizens and makes an economic impact of over \$10.7 billion in the local economy as revealed in the Economic Impact Study conducted every two years by the San Antonio Tourism Council and the research team of Dr. Richard Butler and Dr. Mary Stefl of Trinity University. Tourism also brings new annual revenues to the City of San Antonio and other governmental entities with the hotel & motel tax, sales taxes and other revenues from hospitality agreements and contracts. This number exceeded over \$160 million in the 2004 study.

Of the 140 Fortune Global 500 companies headquartered in the US, San Antonio is home to two: Valero Energy Corp #33, and Tesoro Petroleum Corp #317.

San Antonio is home to five Fortune 500 companies: Valero Energy Corp, Tesoro, USAA, Clear Channel





AREA OVERVIEW (CONT'D)

Communications and NuStar Energy. H-E-B, the 19th largest private company in the United States is also headquartered in San Antonio. Other companies headquartered in San Antonio are: Kinetic Concepts, Frost National Bank, Harte-Hanks, Eye Care Centers of America, Bill Miller Bar-B-Q Enterprises, Taco Cabana, Whataburger, and Rackspace.

Other large companies that operate regional headquarters in the city include: Nationwide Mutual Insurance Company, Lack's, Kohl's, Allstate, Chase Bank, Philips, Wachovia, Toyota, Medtronic, Sysco, Caterpillar Inc., AT&T, West Corporation, Citigroup, Boeing, QVC, and Lockheed Martin.

SAN ANTONIO ATTRACTIONS

San Antonio is a popular tourist destination. The jewel of the city is the River Walk, which meanders through the downtown area. Lined with numerous shops, bars, and restaurants, as well as the Arneson River Theater, this attraction is transformed into an impressive festival of lights during the Christmas and New Year holiday period, and is suffused with the local sounds of folklorico and flamenco music during the summer, particularly during celebrations such as the Fiesta Noche del Rio. Also based along the River Walk is the newly restored Aztec On The River, the only surviving exotic-themed movie palace in Texas.

The Alamo, located nearby, is Texas' top tourist attraction, while the River Walk is the second most visited attraction. SeaWorld, located 16 miles west of downtown, is the number 3 attraction. Also, there is the very popular Six Flags Fiesta Texas.

The downtown area also features Cathedral of San Fernando, The Majestic Theatre, HemisFair Park (home

of the Tower of the Americas and the Institute of Texan Cultures), La Villita, El Mercado, the Spanish Governor's Palace, and the historic Menger Hotel. On the northern side of the Alamo complex, beside the Emily Morgan Hotel, is the San Antonio Cavalry Museum, which features cavalry artifacts and exhibits and is frequented by local re-enactors.





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