

SINGLE-TENANT ABSOLUTE NNN INVESTMENT OFFERING

Tulsa, OK





LOGAN'S ROADHOUSE ABSOLUTE NNN LEASED INVESTMENT

7588 SOUTH OLYMPIA AVENUE, TUSLA, OK 74132



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

Oklahoma Co-Broker: Jerry Hocker
Broker License No. 079803

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

Faris Lee Investments (“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 Tulsa, County of Tulsa, State of Oklahoma (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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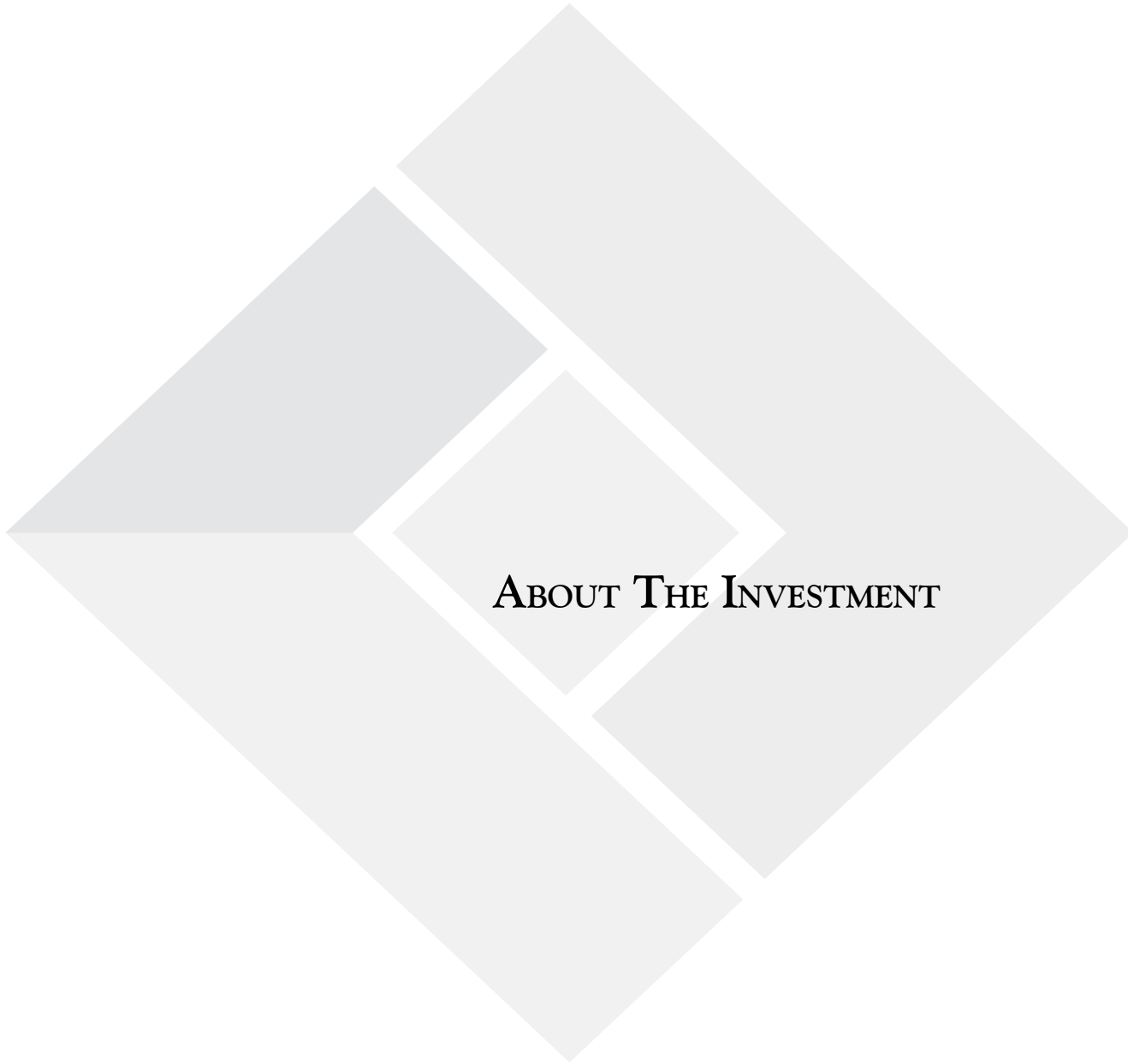
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Logan's
ROADHOUSE

Logan's
ROADHOUSE

Logan's
ROADHOUSE



ABOUT THE INVESTMENT

INVESTMENT SUMMARY

OFFERING

Summary:

This offering is for the **Fee Simple Interest (Land & Building)** in a **Single Tenant Absolute NNN leased, Corporate Guaranteed Logan's Roadhouse located in Tulsa, Oklahoma**. The 20-Year Absolute NNN lease provides the Investor with a long-term and stable investment as there are over **16 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 2015, 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.

Logan's Roadhouse benefits from being located off the highly traveled Highway 75 (**approximately 52,200 vehicles per day**) and an excellent demographic trade area including **63,000 daytime consumers, a total population of 111,300 and an average household income in excess of \$70,800 within a 5-mile radius**. The subject property is located adjacent to Sam's Club, Buffalo Wild Wings and the **Tulsa Hills Shopping Center (777,000 SF)** with national credit tenants such as Target, Lowe's, Best Buy, Ross, Marshalls, Petsmart, Michaels, and Dollar Tree, bringing added traffic to the trade area and contributing to the strength of the Logan's Roadhouse location.

Pricing:	\$3,554,000
Net Operating Income:	\$248,746
Cap Rate:	7.00%
Cap Rate 2015:	7.70%

PROPERTY SPECIFICATIONS

Rentable Area:	6,503 SF
Year Built:	2010
Land Area:	1.40 Acres
Property Address:	7588 S. Olympia Avenue, Tulsa, Oklahoma, 74132
Parcel Number:	73709-82-11-62190
Tenant:	Logan's Roadhouse, Inc. (Corporate Guaranty)





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 75 ADJACENT TO THE TULSA HILLS SHOPPING CENTER (777,000 SF)

- Logan's Roadhouse is located off of U.S. Route 75 (approximately 52,200 vehicles per day)
- National / credit tenants in the immediate trade area include: Target, Lowe's, Belks, Best Buy, Ross, Marshalls, PetSmart, Michaels, and Dollar Tree.
- 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

LONG-TERM LEASE (OVER 16 YEARS REMAINING)

- There are over 16 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

- 63,072 daytime consumers within a 5-mile radius
- Total population of 111,300 in a 5-mile radius
- Average Household Income in excess of \$70,800 in a 5-mile radius

OVERSIZED PARCEL INTRINSIC VALUE

- Approximately 1.40 Acres
- There are 94 dedicated parking stalls on the owned parcel.
- The parking ratio is approximately 14.60 per 1000 SF of leasable area



ESTIMATED DAYTIME EMPLOYEES
63,000 WITHIN 5 MILES

ESTIMATED AVERAGE HOUSEHOLD INCOME
\$97,100 WITHIN 1 MILE

NORTH ↓

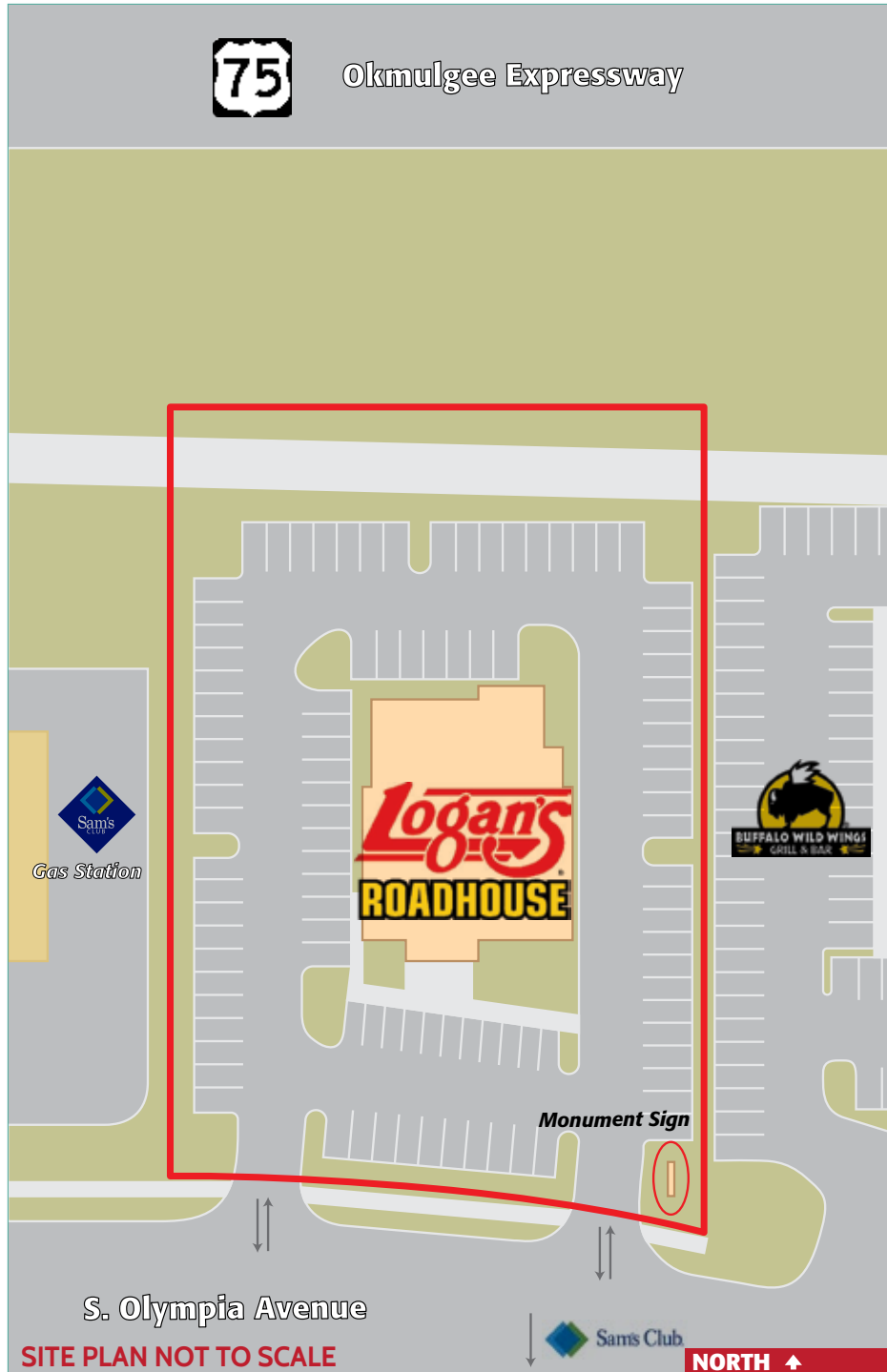
TULSA HILLS SHOPPING CENTER (777,000 SF)



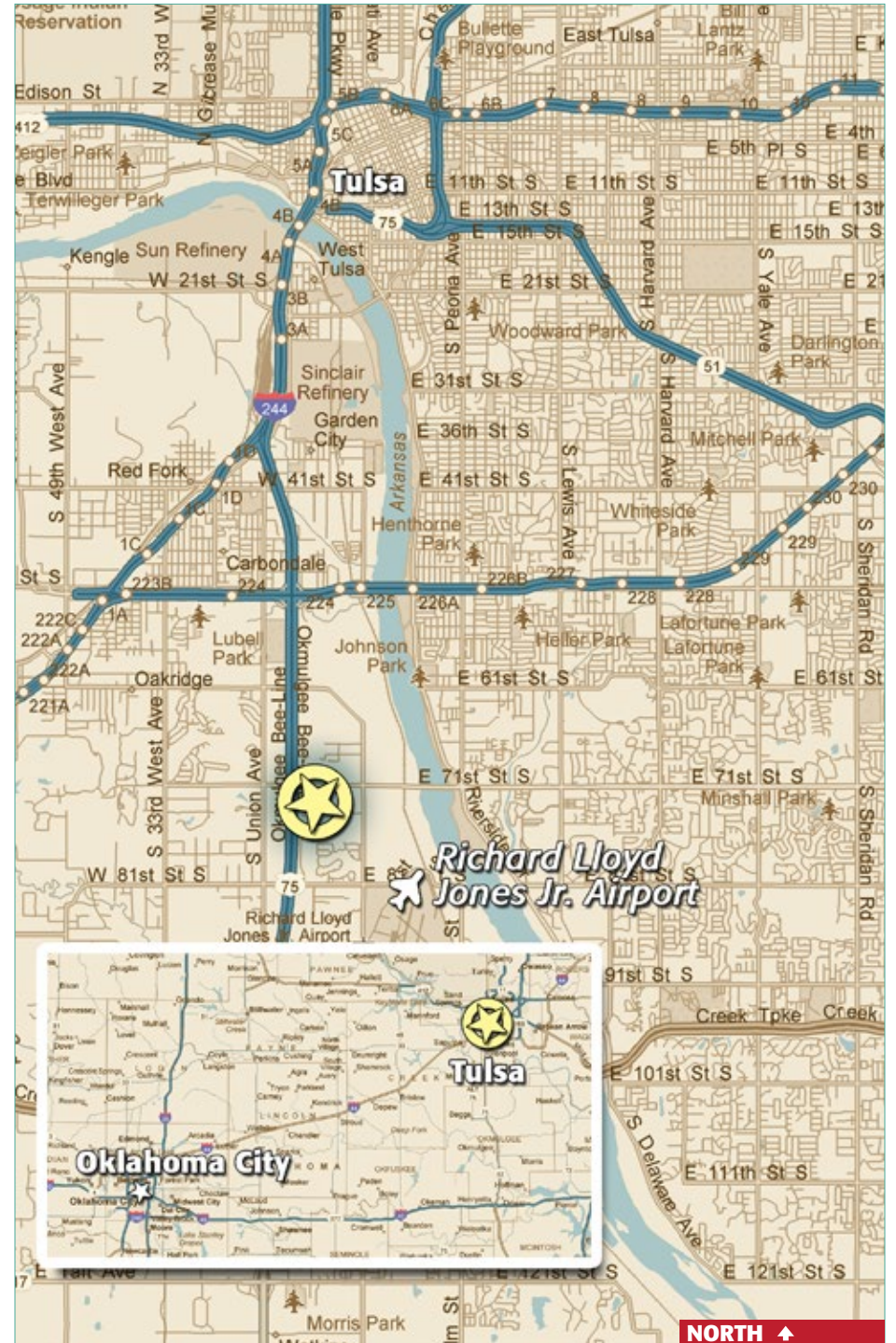
ABOUT THE INVESTMENT // LOGAN'S ROADHOUSE - TULSA, OK



SITE PLAN



LOCATION MAP



ABOUT THE INVESTMENT // LOGAN'S ROADHOUSE - TULSA, OK

The Above Information Has Been Obtained From Sources We Believe To Be Reliable, However We Do Not Take Responsibility For Its Correctness.





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	Monthly Rent	Annual Rent				
Logan's Roadhouse, Inc.	6,503	\$20,729	\$248,746	10% Increases Every 5 Years			Absolute NNN	8/9/2010	8/31/2030	3 (5-Year) Options: Option 1: \$364,189 Option 2: \$400,608 Option 3: \$440,669
				Aug-15	\$22,802	\$273,621				
				Aug-20	\$25,082	\$300,983				
				Aug-25	\$27,590	\$331,081				

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: \$3,554,000

Lease Type: Absolute NNN

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

Property Specifications

Rentable Area: 6,503 SF

Land Area: 1.40 Acres

Year Built: 2010

Address: 7588 S. Olympia Avenue
Tulsa, OK 74132

APN: 73709-82-11-62190

Tenant: Logan's Roadhouse, Inc. (Corporate Guaranty)

Estimated Operating Information

	<u>In-Place</u>	<u>Aug-15</u>
Gross Potential Rent	\$248,746	\$273,621
Plus Recapture	NNN	NNN
Effective Gross Income	\$248,746	\$273,621
Less Expenses	(NNN)	(NNN)
Net Operating Income	\$248,746	\$273,621

Cap Rate: 7.00% 7.70%



Logan's
ROADHOUSE

Logan's
ROADHOUSE

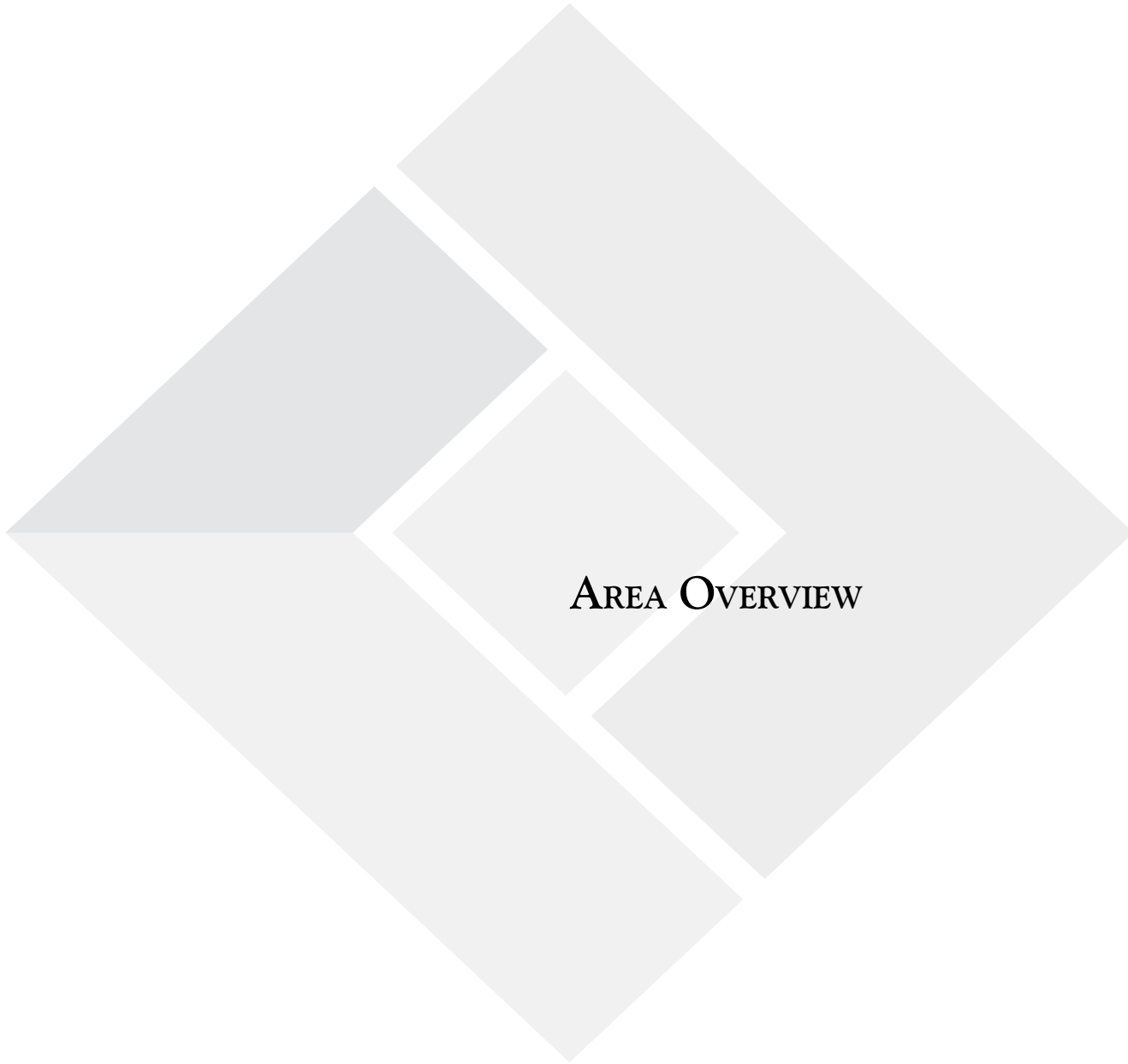
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AREA OVERVIEW

PROPERTY OVERVIEW

LOGAN'S ROADHOUSE - TULSA, OK // AREA OVERVIEW



LOCATION

Logan's Roadhouse benefits from being located off the highly traveled Highway 75 (approximately 52,200 vehicles per day) and an excellent demographic trade area including 63,000 daytime consumers, a total population of 111,300 and an average household income in excess of \$70,800 within a 5-mile radius. The subject property is located adjacent to Sam's Club, Buffalo Wild Wings and the Tulsa Hills Shopping Center (777,000 SF) with national credit tenants such as Target, Lowe's, Best Buy, Ross, Marshalls, Petsmart, Michaels, and Dollar Tree also bring added traffic to the trade area and contribute to the strength of the Logan's Roadhouse location.

PARCEL

PARCEL	ACRES	SQUARE FEET
73709-82-11-62190	1.40	61,061

ZONING

CO: Commercial

ACCESS

There are two (2) points of access to the property off of S. Olympia Avenue.

PARKING

There area approximately 94 dedicated parking stalls on the owner parcel. The parking ratio is 14.60 per 1000 SF of leaseable area.

TRAFFIC COUNTS

Highway 75

VEHICLES PER DAY

52,200

YEAR BUILT

2010





DEMOGRAPHICS

DESCRIPTION

1 MILE 3 MILES 5 MILES

	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION	2013 Estimated Population	1,073	40,769	111,352
	2018 Projected Population	1,136	43,014	117,557
	2010 Census Population	1,048	39,870	108,861
	2000 Census Population	711	38,420	106,224
	Projected Annual Growth 2013 to 2018	1.2%	1.1%	1.1%
	Historical Annual Growth 2000 to 2013	3.9%	0.5%	0.4%
HOUSEHOLDS	2013 Median Age	36.3	32.7	37.9
	2013 Estimated Households	430	17,067	48,448
	2018 Projected Households	459	18,185	51,619
	2010 Census Households	420	16,660	47,302
	2000 Census Households	259	16,308	46,150
	Projected Annual Growth 2013 to 2018	1.3%	1.3%	1.3%
RACE AND ETHNICITY	Historical Annual Growth 2000 to 2013	5.1%	0.4%	0.4%
	2013 Estimated White	84.7%	63.9%	74.5%
	2013 Estimated Black or African American	2.7%	14.6%	8.4%
	2013 Estimated Asian or Pacific Islander	3.1%	3.0%	2.3%
	2013 Estimated American Indian or Native Alaskan	4.8%	6.2%	5.8%
	2013 Estimated Other Races	4.7%	12.3%	9.0%
INCOME	2013 Estimated Hispanic	4.7%	12.1%	8.0%
	2013 Estimated Average Household Income	\$97,109	\$48,843	\$70,813
BUSINESS	2013 Estimated Total Businesses	69	1,709	5,365
	2013 Estimated Total Employees	806	20,580	63,072

AREA OVERVIEW // LOGAN'S ROADHOUSE - TULSA, OK



AREA OVERVIEW

CITY OF TULSA

Tulsa is the second-largest city in the state of Oklahoma and 47th-largest in the United States. It is the principal municipality of the Tulsa Metropolitan Statistical Area, a region of 905,755 residents projected to reach one million by 2012.

Tulsa's major industries are aerospace - including aerospace manufacturing and air transportation - health care, telecommunications, petroleum and natural gas, and architectural and structural metals manufacturing.

Infrastructure for business includes the Port of Catoosa, an inland port that makes bulk shipping to and from coastal ports accessible and economical, and two central networks for broadband interconnect. Forbes magazine in 2007 ranked Tulsa as the sixth best city for jobs among the 100 largest metro areas in the country. The ranking takes into account median household income, unemployment, income growth, cost of living and job growth.

In 2008, as growth has slowed nationwide, Tulsa has fared better than the nation, ranked by Forbes as the fifth best metro area in the country to weather the recession.

Economic growth in 2008-09 as measured by employment positioned Tulsa as one of the fastest growing job markets in the country.

A number of large financial corporations are headquartered in Tulsa, the largest being the BOK Financial Corporation. The semi-national convenience store chain QuikTrip, the international car rental company of Dollar Thrifty Automotive Group, Hilti, and Mazzi's semi-national pizza

chain also call Tulsa home. Many international oil and gas-related companies have headquarters in Tulsa, including Williams Companies, SemGroup, Syntroleum, ONEOK, Samson and Excel Energy. Meanwhile, there are 30 companies in Tulsa that employ more than 1,000 people, though small businesses make up more than 80% of the city's companies.

COUNTY OF TULSA

Tulsa County is a county located in the U.S. state of Oklahoma. According to the 2010 U.S. Census, the population is 603,403. Its county seat is Tulsa. Located on the Arkansas River on lands that were once part of the Creek and Cherokee nations, Tulsa County was created at statehood and took its name from the town of Tulsa in the Creek Nation, Indian Territory. The name, Tulsa, is derived from Tulsey Town, and old Creek settlement in Alabama. The county is part hills and bluffs and part wide prairie, marking the dividing line between the ridges of the Ozarks in the East and the broad plains of the West.

It could be said that it is the gateway to the area of Oklahoma known as "Green Country" for its lush rolling hills. Tulsa County's western tip reaches Lake Keystone, while the Arkansas River, in its wide bed, rolls southeastward across the county. Cattle and horse ranches and rich farmland lie almost within the shadow of urban buildings.

The county has the state's second largest city, Tulsa, whose energy, aviation, finance, computer and electronics bases are supported by a broad complex of institutes of higher learning. Surrounding this core is a rapidly growing ring of suburban cities, including Broken Arrow, Bixby, Jenks,





AREA OVERVIEW (CONT'D)

Owasso and Sand Springs. A secondary ring of thriving rural communities include the towns of Collinsville, Glenpool, Liberty, Mannford, Skiatook, and Sperry. Beyond these areas, close at hand, there are still quiet, backwood areas.

STATE OF OKLAHOMA

Oklahoma is a state located in the South Central region of the United States of America. Oklahoma is the 20th most extensive and the 28th most populous of the 50 United States. Formed by the combination of Oklahoma Territory and Indian Territory on November 16, 1907, Oklahoma was the 46th state to enter the union. Its residents are known as Oklahomans or, informally “Okies”, and its capital and largest city is Oklahoma City.

A major producer of natural gas, oil, and agriculture, Oklahoma relies on an economic base of aviation, energy, telecommunications, and biotechnology. It has one of the fastest growing economies in the nation, ranking among the top states in per capita income growth and gross domestic product growth. Oklahoma City and Tulsa serve as Oklahoma’s primary economic anchors, with nearly 60 percent of Oklahomans living in their metropolitan statistical areas.

Oklahoma is situated between the Great Plains and the Ozark Plateau in the Gulf of Mexico watershed, generally sloping from the high plains of its western boundary to the low wetlands of its southeastern boundary. Transportation in Oklahoma is generated by an anchor system of Interstate Highways, intercity rail lines, airports, inland ports, and mass transit networks. Situated along an integral point in the United States Interstate network, Oklahoma contains three

interstate highways and four auxiliary Interstate Highways.

Four Fortune 500 companies and six Fortune 1000 companies are headquartered in Oklahoma, and it has been rated one of the most business-friendly states in the nation, with the 7th-lowest tax burden in 2007. In 2010, Oklahoma City-based Love’s Travel Stops & Country Stores ranked 18th on the Forbe’s list of largest private companies, Tulsa-based QuikTrip ranked 37th, and Oklahoma City-based Hobby Lobby ranked 198th in 2010 report. From 2006 to 2010, Oklahoma’s gross domestic product grew from \$131.9 billion to \$147.5 billion, a jump of 10.6 percent. Oklahoma’s gross domestic product per capita was \$35,480 in 2010, which was ranked 40th among the states. As of August 2011, the state’s unemployment rate is 5.6%.



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