LSF3 CAPITAL INVESTMENTS I LLC Form SC 13D/A August 13, 2001

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SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549

SCHEDULE 13D (RULE 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(a) (AMENDMENT NO. 1)

U.S. RESTAURANT PROPERTIES, INC.

(Name of Issuer)

COMMON STOCK, PAR VALUE \$0.001 PER SHARE

(Title of Class of Securities)

90 2 97110

(CUSIP NUMBER)

J.D. DELL
HUDSON ADVISORS, LLC
600 NORTH PEARL STREET, SUITE 1500
DALLAS, TEXAS 75201
(214) 754-8400

(Name address and telephone number of person

(Name, address and telephone number of person authorized to receive notices and communications)

AUGUST 13, 2001
-----(Date of event which requires filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), (f) or (g), check the following box. []

(Continued on following pages)

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NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (entities only)

	LSF3 CAPITAL INVEST	MENTS I, LLC		
2	CHECK THE APPROPRIA	TE BOX IF A	MEMBER OF A GROUP*	(a)[] (b)[]
3	SEC USE ONLY			
4	SOURCE OF FUNDS*			
5	CHECK BOX IF DISCLC REQUIRED PURSUANT T	SURE OF LEGA		
6	CITIZENSHIP OR PLAC			
	DELAWARE			
	NUMBER OF		SOLE VOTING POWER	
	SHARES BENEFICIALLY OWNED BY EACH		SHARED VOTING POWER	2,312,753
	REPORTING PERSON WITH	9	SOLE DISPOSITIVE POWER	
	WIII	10	SHARED DISPOSITIVE POWER	2,312,753
11	AGGREGATE AMOUNT BE	NEFICIALLY (WNED BY EACH REPORTING PER	
12	CHECK BOX IF THE AGENCLUDES CERTAIN SH	GREGATE AMOU		
13	PERCENT OF CLASS RE	PRESENTED BY	Z AMOUNT IN ROW 11	
14	TYPE OF REPORTING P	ERSON*		
	00			
	*SEE INSTRUCTIONS B		IG OUT!	
3				
CUSIP No	o. 90 2 97110	13D	Page 3 of	
1	NAME OF REPORTING P		BOVE PERSON (entities only)	
	LSF3 REOC I, L.P.			
2	CHECK THE APPROPRIA	TE BOX IF A	MEMBER OF A GROUP*	

				(a)[] (b)[]
3	SEC USE ONLY			
4	SOURCE OF FUNDS* WC, OO			
5	CHECK BOX IF DISCLOSUI REQUIRED PURSUANT TO			[]
6	CITIZENSHIP OR PLACE (OF ORGANIZ		
	DELAWARE			
	NUMBER OF	7	SOLE VOTING POWER	
	SHARES BENEFICIALLY OWNED BY	8	SHARED VOTING POWER	
	EACH REPORTING PERSON WITH	9	SOLE DISPOSITIVE POWER	
	WIIN	10	SHARED DISPOSITIVE POWER	2,312,753
11	AGGREGATE AMOUNT BENEF 2,312,753	FICIALLY C	WNED BY EACH REPORTING PERS	SON
12	CHECK BOX IF THE AGGRI		NT IN ROW 11	
13	PERCENT OF CLASS REPRI	ESENTED BY	AMOUNT IN ROW 11	
14	TYPE OF REPORTING PER	SON*		
	PN			
	*SEE INSTRUCTIONS BEF	ORE FILLIN	G OUT!	
4				
CUSIP	No. 90 2 97110	13D	Page 4 of	
1	NAME OF REPORTING PER: I.R.S. IDENTIFICATION		OVE PERSON (entities only)	
	LSF3 GENPAR I, LLC			
2	CHECK THE APPROPRIATE			(a)[] (b)[]
3	SEC USE ONLY			

4	SOURCE OF FUNDS* WC, OO			
5	CHECK BOX IF DISCLOS REQUIRED PURSUANT TO			
6	CITIZENSHIP OR PLACE		ATION	
	DELAWARE			
	NUMBER OF SHARES		SOLE VOTING POWER	
	BENEFICIALLY OWNED BY		SHARED VOTING POWER	
	EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER	
	WITH		SHARED DISPOSITIVE POWER	
11	2,312,753		WNED BY EACH REPORTING PERS	
12	CHECK BOX IF THE AGG EXCLUDES CERTAIN SHA	GREGATE AMOU		. []
13	PERCENT OF CLASS REF	RESENTED BY		
14	TYPE OF REPORTING PE			
	00			
	*SEE INSTRUCTIONS BE	EFORE FILLIN	G OUT!	
5				
CUSIP No	. 90 2 97110	13D	Page 5 of	34 Pages
1	NAME OF REPORTING PE		OVE PERSON (entities only)	
	Lone Star Fund III ((U.S.), L.P.		
2	CHECK THE APPROPRIAT	TE BOX IF A		(a)[] (b)[]
3	SEC USE ONLY			
4	SOURCE OF FUNDS*			

	REQUIRED PURSUANT TO I	IEM Z(Q)	or 2(e)	[]
6	CITIZENSHIP OR PLACE O		ATION	
	DELAWARE			
	NUMBER OF		SOLE VOTING POWER	
	SHARES BENEFICIALLY OWNED BY	8	SHARED VOTING POWER	2,312,753
	EACH REPORTING PERSON		SOLE DISPOSITIVE POWER	
	WITH	10	SHARED DISPOSITIVE POWER	2,312,753
11	2,312,753	ICIALLY C	WNED BY EACH REPORTING PERSO	ON
12	CHECK BOX IF THE AGGRE EXCLUDES CERTAIN SHARE	GATE AMOU	NT IN ROW 11	
13	PERCENT OF CLASS REPRE		AMOUNT IN ROW 11	
14	TYPE OF REPORTING PERS	 ON*		
	PN			
	*SEE INSTRUCTIONS BEFO		IG OUT!	
6				
SIP No.	90 2 97110	13D	Page 6 of	34 Pages
1	NAME OF REPORTING PERS	ON		
	I.N.S. IDENTIFICATION		SOVE PERSON (entities only)	
	LONE STAR PARTNERS III	NO. OF AE	OVE PERSON (entities only)	
2		NO. OF AE		(a)[
2	LONE STAR PARTNERS III	NO. OF AE , L.P. BOX IF A		(a)[] (b)[]
	LONE STAR PARTNERS III	NO. OF AE , L.P. BOX IF A	MEMBER OF A GROUP*	(a) [] (b) []
3	LONE STAR PARTNERS III CHECK THE APPROPRIATE SEC USE ONLY SOURCE OF FUNDS*	NO. OF AE , L.P. BOX IF A	MEMBER OF A GROUP*	(a) [(b) [

	BERMUDA			
	NUMBER OF SHARES		SOLE VOTING POWER	
	BENEFICIALLY OWNED BY		SHARED VOTING POWER	3,729,7
	EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER	
	WITH	10	SHARED DISPOSITIVE POWER	3,729,7
11	AGGREGATE AMOUNT BENE 3,729,765	FICIALLY C	WNED BY EACH REPORTING PERS	ON
12	CHECK BOX IF THE AGGR EXCLUDES CERTAIN SHAR		UNT IN ROW 11	
13	PERCENT OF CLASS REPR	ESENTED BY		
14	TYPE OF REPORTING PER			
	PN			
	*SEE INSTRUCTIONS BEF	ORE FILLIN	IG OUT!	
7				
STP No	. 90 2 97110			
DII NO		13D	Page 7 of 	34 Page
	NAME OF REPORTING PER	SON	Page 7 of	34 Pag
	NAME OF REPORTING PER	SON NO. OF AE	OVE PERSON (entities only)	
	NAME OF REPORTING PER I.R.S. IDENTIFICATION LSF III CAPITAL INVES CHECK THE APPROPRIATE	SON NO. OF AE TMENTS L.F BOX IF A	OVE PERSON (entities only) MEMBER OF A GROUP*	(a) [(b) [
1	NAME OF REPORTING PER I.R.S. IDENTIFICATION LSF III CAPITAL INVES CHECK THE APPROPRIATE	SON NO. OF AE TMENTS L.F BOX IF A	OVE PERSON (entities only)	(a) [(b) [
2	NAME OF REPORTING PER I.R.S. IDENTIFICATION LSF III CAPITAL INVES CHECK THE APPROPRIATE SEC USE ONLY SOURCE OF FUNDS* WC, OO	SON NO. OF AE TMENTS L.F BOX IF A	BOVE PERSON (entities only) MEMBER OF A GROUP*	(a) [(b) [
2	NAME OF REPORTING PER I.R.S. IDENTIFICATION LSF III CAPITAL INVES CHECK THE APPROPRIATE SEC USE ONLY SOURCE OF FUNDS* WC, OO	SON NO. OF AE TMENTS L.F BOX IF A	MEMBER OF A GROUP* SL PROCEEDINGS IS or 2(e)	(a) [
1 2 3	NAME OF REPORTING PER I.R.S. IDENTIFICATION LSF III CAPITAL INVES CHECK THE APPROPRIATE SEC USE ONLY SOURCE OF FUNDS* WC, OO CHECK BOX IF DISCLOSU	SON NO. OF AE TMENTS L.F BOX IF A RE OF LEGA	DOVE PERSON (entities only) OUT OF THE PROCEEDINGS IS or 2(e)	(a) [

	NUMBER OF	7	SOLE VOTING POWER	
	SHARES BENEFICIALLY OWNED BY	8	SHARED VOTING POWER	1,417,012
	EACH REPORTING PERSON		SOLE DISPOSITIVE POWER	
	WITH		SHARED DISPOSITIVE POWER	
11	1,417,012		DWNED BY EACH REPORTING PERS	ON
12	CHECK BOX IF THE AG	GREGATE AMOU		
13	PERCENT OF CLASS RE	PRESENTED BY	Y AMOUNT IN ROW 11	
14	TYPE OF REPORTING P	ERSON*		
	00			
	*SEE INSTRUCTIONS B		 NG OUT!	
8				
CUSIP No	. 90 2 97110	13D	Page 8 of	34 Pages
1	NAME OF REPORTING P		BOVE PERSON (entities only)	
	LONE STAR MANAGEMEN	T CO. III, 1	LTD.	
2	CHECK THE APPROPRIA	TE BOX IF A	MEMBER OF A GROUP*	
				(a)[] (b)[]
3	SEC USE ONLY			
4	SOURCE OF FUNDS*			
5	CHECK BOX IF DISCLO REQUIRED PURSUANT T		AL PROCEEDINGS IS	
6			7 A T T (M)	
U	CITIZENSHIP OR PLAC	E OF ORGANIA	TALLON	
	DEVIJONY			
	NUMBER OF SHARES	7	SOLE VOTING POWER	

	BENEFICIALLY OWNED BY	8	SHARED VOTING POWER	3,729,765
	EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER	
	WITH		SHARED DISPOSITIVE POWER	
11	AGGREGATE AMOUNT BENE		OWNED BY EACH REPORTING PER	
12	CHECK BOX IF THE AGGR EXCLUDES CERTAIN SHAR	EGATE AMO	UNT IN ROW 11	
13	PERCENT OF CLASS REPR	ESENTED B		
14	TYPE OF REPORTING PER			
	00			
	*SEE INSTRUCTIONS BEF	ORE FILLI	NG OUT!	
9				
	90 2 97110	13D	Page 9 of 	34 Pages
1	NAME OF REPORTING PER		BOVE PERSON (entities only)	
	HUDSON ADVISORS, L.L.			
2	CHECK THE APPROPRIATE		MEMBER OF A GROUP*	(a)[] (b)[]
3	SEC USE ONLY			
4	SOURCE OF FUNDS* WC, OO			
5	CHECK BOX IF DISCLOSU REQUIRED PURSUANT TO			[]
6	CITIZENSHIP OR PLACE	OF ORGANI	ZATION	
	TEXAS			
		7	SOLE VOTING POWER	
	NUMBER OF SHARES			
	BENEFICIALLY OWNED BY	8	SHARED VOTING POWER	
	EACH REPORTING	9	SOLE DISPOSITIVE POWER	

	PERSON WITH	10	SHARED DISPOSITI	 VE POWER	3,729,765
11	AGGREGATE AMOUNT BEN	 NEFICIALLY C	WNED BY EACH REPOR	 ΓING PERS	ON
12	CHECK BOX IF THE AGG EXCLUDES CERTAIN SHA		NT IN ROW 11		[]
13	PERCENT OF CLASS REP	PRESENTED BY	AMOUNT IN ROW 11		
14	TYPE OF REPORTING PR	ERSON*			
	*SEE INSTRUCTIONS BE		G OUT!		
10					
CUSIP No.	90 2 97110	13D	Page :	10 of	34 Pages
1	NAME OF REPORTING PH I.R.S. IDENTIFICATION HUDSON ADVISORS ASSO	ON NO. OF AB		es only)	
2	CHECK THE APPROPRIAT				(a)[] (b)[]
3	SEC USE ONLY				
4	SOURCE OF FUNDS*				
5	CHECK BOX IF DISCLOS				
6	CITIZENSHIP OR PLACE	E OF ORGANIZ	ATION		
	NUMBER OF	7	SOLE VOTING POWE		
	SHARES BENEFICIALLY OWNED BY	8	SHARED VOTING PO		
	EACH REPORTING PERSON	9	SOLE DISPOSITIVE	POWER	
	WITH	10	SHARED DISPOSITI	VE POWER	3,729,765

11	AGGREGATE AMOUNT BENEFICIA	ALLY O	WNED BY EACH REPORTING PERSO	ON
12	CHECK BOX IF THE AGGREGATE EXCLUDES CERTAIN SHARES*			[]
13	PERCENT OF CLASS REPRESEN		AMOUNT IN ROW 11	
14	TYPE OF REPORTING PERSON*			
	PN			
	*SEE INSTRUCTIONS BEFORE		G OUT!	
11				
CUSIP No.	90 2 97110	13D	Page 11 of	34 Pages
1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NO.	OF AB	OVE PERSON (entities only)	
	ADVISORS GENPAR, INC.			
2	CHECK THE APPROPRIATE BOX	IF A I	MEMBER OF A GROUP*	(a)[] (b)[]
3	SEC USE ONLY			
4	SOURCE OF FUNDS* WC, OO			
5	CHECK BOX IF DISCLOSURE OF REQUIRED PURSUANT TO ITEM	F LEGA	L PROCEEDINGS IS	[]
6	CITIZENSHIP OR PLACE OF O	RGANIZ	ATION	
	TEXAS			
	NUMBER OF SHARES	7	SOLE VOTING POWER	
	BENEFICIALLY OWNED BY		SHARED VOTING POWER	
	EACH REPORTING PERSON		SOLE DISPOSITIVE POWER	
	WITH	10	SHARED DISPOSITIVE POWER	
11	AGGREGATE AMOUNT BENEFICE 3,729,765		WNED BY EACH REPORTING PERSO	

12	CHECK BOX IF THE AGGI		NT IN ROW 11	
				[]
13	PERCENT OF CLASS REP		AMOUNT IN ROW 11	
14	TYPE OF REPORTING PE			
	CO			
	*SEE INSTRUCTIONS BE	FORE FILLIN	IG OUT!	
12				
CUSIP No.	90 2 97110	13D	,	34 Pages
1	NAME OF REPORTING PERIOR I.R.S. IDENTIFICATION		OVE PERSON (entities only)	
	JOHN P. GRAYKEN			
2	CHECK THE APPROPRIATE			(a)[] (b)[]
3	SEC USE ONLY			
4	SOURCE OF FUNDS*			
5	CHECK BOX IF DISCLOSE REQUIRED PURSUANT TO	URE OF LEGA	L PROCEEDINGS IS	
6	CITIZENSHIP OR PLACE		ATION	= =
	IRELAND			
	NUMBER OF	7	SOLE VOTING POWER	
	SHARES BENEFICIALLY OWNED BY EACH	8	SHARED VOTING POWER	3,729,765
	REPORTING PERSON	9	SOLE DISPOSITIVE POWER	
	WITH		SHARED DISPOSITIVE POWER	
11	AGGREGATE AMOUNT BENI	EFICIALLY C	WNED BY EACH REPORTING PERS	ON
12	CHECK BOX IF THE AGGI	REGATE AMOU		
	EXCLUDES CERTAIN SHA	red^		[]

13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11 19.7%
14	TYPE OF REPORTING PERSON*
	IN
	*SEE INSTRUCTIONS BEFORE FILLING OUT!

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This Amendment No. 1 to Schedule 13D is being filed by the Reporting Persons (as defined below). This Amendment No. 1 to Schedule 13D amends and supplements Items 2, 5, 6 and 7 contained in the Reporting Persons' original Schedule 13D, dated March 9, 2001. Items 1, 3 and 4 of the original Schedule 13D remain unchanged. Each capitalized term used herein and not otherwise defined has the meaning given such term in the original Schedule 13D. Each Reporting Person disclaims responsibility for the completeness and accuracy of the information contained in this Schedule 13D concerning the other Reporting Persons.

ITEM 1. SECURITY AND ISSUER

This statement relates to the common stock, \$0.001 par value per share (the "Common Stock"), of U.S. Restaurant Properties, Inc., a Maryland corporation ("USRP"). The address of the principal executive offices of USRP is 12240 Inwood Road, Suite 300, Dallas, Texas 75244.

ITEM 2. IDENTITY AND BACKGROUND

(a)-(c). This statement is filed on behalf of LSF3 Capital Investments I, LLC, a Delaware limited liability company ("Investments I") and LSF III Capital Investments L.P., a Delaware limited partnership, and a successor by merger to LSF3 Capital Investments II, LLC, a Delaware limited liability company ("Investments II").

The sole member of Investments I is LSF3 REOC I, L.P., a Delaware limited partnership ("REOC"). The general partner of REOC is LSF3 GenPar I, LLC, a Delaware limited liability company ("GenPar"). The sole member of GenPar is Lone Star Fund III (U.S.), L.P. a Delaware limited partnership ("Fund III"). The general partner of Fund III is Lone Star Partners III, L.P., a Bermuda limited partnership ("Partners III"). The general partner of Partners III is Lone Star Management Co. III, Ltd., a Bermuda exempted limited liability company ("Management III"). John P. Grayken ("Grayken"), a citizen of Ireland, is the sole stockholder, a director and President of Management III. Grayken is also sole shareholder and director of Advisors GenPar, Inc., a Texas corporation ("Advisors GenPar") as discussed below. Effective May 1, 2001, Investments II merged with and into LSF3 Capital Investments II, LLC, with Investments II as the surviving entity. The general partner of Investments II is Partners III, and the general partner of Partners III is Management III. Hudson Advisors, L.L.C., a Texas limited liability company ("Hudson"), is an asset manager and, has certain dispositive rights with respect to the shares of Common Stock owned by Investments I and Investments II, pursuant to an agreement among Investments I, Investments II and Hudson (the "Asset Management Agreement"), a copy of which is attached hereto as Exhibit 10.7 and incorporated herein by reference. The managing member of Hudson is Hudson Advisors Associates, L.P., a Texas limited partnership ("Advisors"). The general partner of Advisors is Advisors GenPar.

The address of the principal offices and business address of Investments I, Investments II, REOC, GenPar and Fund III is 600 North Pearl Street, Suite 1550, Dallas, Texas 75201. The address of the principal offices and business address of Hudson, Advisors and Advisors GenPar is 600 North Pearl Street, Suite 1500, Dallas, Texas 75201. The address of the principal offices and business address of Partners III and Management III is Clarendon House, Two Church Street, Hamilton, HM 11, Bermuda The business address of Grayken, is 50 Welbeck Street, London, United Kingdom, W1M7HE.

Investments I, Investments II, REOC, GenPar, Fund III, Partners III, Management III, Hudson, Advisors and Advisors GenPar (collectively, the "Lone Star Entities" and with Grayken, the "Reporting Persons") are all part of a series of private investment entities investing in a broad range of primarily real estate related investments. Investors in these entities are

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primarily pension funds and other institutional investors. Grayken's principal occupation is serving in the aforementioned offices of Management III.

- (d). None of the Reporting Persons has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors).
- (e). None of the Reporting Persons has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Other Information

Attached as Schedule I hereto is a list of the directors and executive officers of Management III, GenPar and Advisors GenPar which contains the following information with respect to each person:

- (i) name;
- (ii) principal business address; and
- (iii) present principal occupation or employment.

None of the persons identified on Schedule I hereto has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors). None of the persons identified on Schedule I hereto has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Each person identified on Schedule I hereto is a United States citizen, other than Grayken, who is a citizen of Ireland, and John C.R. Collis and Dawn C. Griffiths, both of whom are citizens of Bermuda.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

(a) On March 9, 2001 Investments I paid USRP \$3,100,403 and Investments II paid USRP \$1,899,601 for 291,118 and 178,366 shares of Common Stock, respectively, pursuant to the terms of that certain Amended and Restated Stock Purchase Agreement dated as of February 27, 2001, (the "REIT Stock Purchase Agreement") attached hereto as Exhibit 10.1 and incorporated herein by reference, by and between USRP and Lone Star U.S. Acquisitions, LLC, a Delaware limited liability company ("LS Acquisitions"), which subsequently assigned its rights and obligations thereunder to Investments I and Investments II pursuant to an Assignment and Assumption Agreement dated as of March 9, 2001, a copy of which is attached hereto as

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Exhibit 10.2 and incorporated herein by reference. The purchase price for these shares was paid from working capital of Investments I and Investments II that was provided by capital contributions of the members of Investments I and Investments II. Under the terms of the REIT Stock Purchase Agreement, Investments I and Investments II have agreed to purchase from USRP an additional 873,353 and 535,098 shares of Common Stock, respectively, also at a price of \$10.65 per share on or before September 5, 2001. The purchase price for these shares is also expected to be paid out of working capital.

(b) On March 9, 2001 Investments I paid the Selling Stockholders an aggregate of \$13,033,023 and Investments II paid the Selling Stockholders \$7,985,269 for 1,148,284 and 703,548 shares of Common Stock, respectively, pursuant to the terms of that certain Amended and Restated Stock Purchase Agreement, dated as of February 27, 2001, (the "Stockholders Stock Purchase Agreement", together with the REIT Stock Purchase Agreement, the "Stock Purchase Agreements") attached hereto as Exhibit 10.3 and incorporated herein by reference, by and among Fred H. Margolin, Darrel L. Rolph, David K. Rolph and certain of their affiliates (the "Selling Stockholders") and LS Acquisitions, which subsequently assigned its rights and obligations thereunder to Investments I and Investments II pursuant to an Assignment and Assumption Agreement dated as of March 9, 2001, a copy of which is attached hereto as Exhibit 10.4 and incorporated herein by reference. The purchase price for these shares was paid primarily from working capital of Investments I and Investments II that was provided by capital contributions of the members of Investments I and Investments II. A total of \$401,899 and \$246,242 of the purchase price for the shares of Common Stock purchased under the Stockholders Stock Purchase Agreement will be paid to the Selling Stockholders pursuant to promissory notes delivered by Investments I and Investments II, respectively. The notes are unsecured obligations of Investments I and Investments II, do not bear interest and are due and payable on September 9, 2002. Each of these promissory notes has been guaranteed by Lone Star Fund III (U.S.), L.P.

ITEM 4. PURPOSE OF TRANSACTION

The reporting persons have acquired shares and propose to acquire the additional shares of Common Stock referred to herein for investment purposes. The Reporting Persons intend to review the investment in USRP on a continuous basis and, depending on the price of, and other market conditions relating to, the Common Stock, subsequent developments affecting USRP, USRP's business and prospects, other investment and business opportunities available to the Reporting Persons, general stock market and economic conditions, tax considerations and other factors deemed relevant by the Reporting Persons, the Reporting Persons may decide to increase or decrease their respective investments in USRP.

Pursuant to the Stock Purchase Agreements, four members of USRP's board of directors, Fred H. Margolin, Darrel L. Rolph, David K. Rolph and Gerald H. Graham, resigned effective March 9, 2001. In addition, Mr. Margolin resigned as the Chairman and Chief Executive Officer of USRP and from any other positions he held with USRP or any of its subsidiaries. Four individuals designated by Investments I and Investments II, David W. West, Robert Gidel, Len W. Allen, Jr. and Gregory I. Strong, were appointed to fill the vacancies created by these resignations. In addition, Mr. West was appointed to serve as interim Chief Executive Officer of

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USRP while the USRP board of directors identifies a permanent replacement for Mr. Margolin. In connection with their resignations, Messrs. Margolin, Rolph and Rolph entered into Noncompetition and Release Agreements with USRP pursuant to which each of them agreed not to (a) submit or cause the submission of any proposals or nominations of candidates for election as directors of USRP or (b) solicit proxies from any USRP stockholders, in each case prior to December 31, 2003.

Other than described above, none of the Reporting Persons has any present plan or intention which would result in or relate to any of the transactions described in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

ITEM 5. INTEREST IN SECURITIES OF ISSUER

(a)-(b). Upon consummation of all of the transactions contemplated by the Stock Purchase Agreements, the Reporting Persons will have the following rights:

Investments I will directly and beneficially own and have the power to vote and dispose of 2,312,753 shares of Common Stock as described above, which is equal to approximately 12.2% of the shares of Common Stock outstanding on March 9, 2001 pursuant to information provided by USRP as of that date. Investments I granted Hudson certain rights to dispose of such shares pursuant to the Asset Management Agreement.

Through its ownership interests in Investments I, REOC will beneficially own and have the power to vote and dispose of 2,312,753 shares of Common Stock as described above, which is equal to approximately 12.2% of the shares of Common Stock outstanding on March 9, 2001 pursuant to information provided by USRP as of that date. Hudson has certain rights to dispose of such shares pursuant to the Asset Management Agreement.

Through its general partner interest in REOC, GenPar will beneficially own and have the power to vote and dispose of 2,312,753 shares of Common Stock as described above, which is equal to approximately 12.2% of the shares of Common Stock outstanding on March 9, 2001 pursuant to information provided by USRP as of that date. Hudson has certain rights to dispose of such shares pursuant to the Asset Management Agreement.

Through its ownership interests in GenPar, Fund III will beneficially own and have the power to vote and dispose of 2,312,753 shares of Common Stock as described above, which is equal to approximately 12.2% of the shares of Common Stock outstanding on March 9, 2001 pursuant to information provided by USRP as of that date. Hudson has certain rights to dispose of such shares pursuant to the Asset Management Agreement.

Through its general partner interest in Fund III and its managing membership in Investments II, Partners III will beneficially own and have the power to vote and dispose of 3,729,765 shares of Common Stock as described above, which is equal to approximately 19.7% of the shares of Common Stock outstanding on March 9, 2001 pursuant to information provided by USRP as of that date. Hudson has certain rights to dispose of such shares pursuant to the Asset Management Agreement.

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Through its general partnership interest in Partners III, Management III will beneficially own and have the power to vote and dispose of 3,729,765 shares of Common Stock as described above, which is equal to approximately 19.7% of the shares of Common Stock outstanding on March 9, 2001 pursuant to information provided by USRP as of that date. Hudson has certain rights to dispose of such shares pursuant to the Asset Management Agreement.

Through his ownership interests in Management III and Advisors GenPar, Grayken will beneficially own and have the power to vote and to dispose of 3,729,765 shares of Common Stock as described above, which is equal to approximately 19.7% of the shares of Common Stock outstanding on March 9, 2001 pursuant to information provided by USRP as of that date. Hudson has certain rights to dispose of such shares pursuant to the Asset Management Agreement.

Upon consummation of the transactions contemplated by the Stock Purchase Agreement, Investments II will directly and beneficially own and have the power to dispose of 1,417,012 shares of Common Stock as described above, which is equal to approximately 7.5% of the shares of Common Stock outstanding on March 9, 2001 pursuant to information provided by USRP as of that date. Investments II granted Hudson certain rights to dispose of such shares pursuant to the Asset Management Agreement.

Pursuant to the Asset Management Agreement, Hudson will have certain powers to dispose of, but not vote, and may be deemed to beneficially own 3,729,765 shares of Common Stock as described above, which is equal to approximately 19.7% of the shares of Common Stock outstanding on March 9, 2001 pursuant to information provided by USRP as of that date. Through its managing member interest in Hudson, Advisors will have certain powers to dispose of, but not vote, and may be deemed to beneficially own 3,729,765 shares of Common Stock as described above, which is equal to approximately 19.7% of the shares of Common Stock outstanding on March 9, 2001 pursuant to information provided by USRP as of that date. Through its general partner interest in Advisors, Advisors GenPar will have certain powers to dispose of, but not vote, and may be deemed to beneficially own 3,729,765 shares of Common Stock as described above, which is equal to approximately 19.7% of the shares of Common Stock outstanding on March 9, 2001 pursuant to information provided by USRP as of that date.

- (c). Except as described herein, none of the Reporting Persons has effected any transaction in any shares of Common Stock during the past sixty (60) days.
 - (d). Not applicable.
 - (e). Not applicable.
- ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Certain rights relating to the Common Stock are set forth in the Stock

Purchase Agreements set forth as Exhibits 10.1 and 10.3 to this statement and as further described in Item 3 herein.

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USRP, Investments I and Investments II entered into a Registration Rights Agreement as of March 9, 2001 (the "Registration Rights Agreement") filed as Exhibit 10.5 hereto and incorporated herein by reference. The Registration Rights Agreement covers the shares of Common Stock purchased under the Stock Purchase Agreements. Subject to certain restrictions, the holders of a majority of such shares will have the right to make up to three requests for underwritten registration of such securities for resale under the Securities Act of 1933, as amended (the "Securities Act"). Also, such holders will have certain rights to request piggyback registrations of such securities in the event that USRP proposes to file a registration statement on its own behalf for on behalf of another person during the term of the Registration Rights Agreement. Also, beginning June 9, 2001, a majority of such holders may request that USRP effect a "shelf registration" covering all or a portion of the Common Stock covered by the Stock Purchase Agreements. Such holders will have certain rights to require one underwritten offering off the shelf registration (a "take down") and to require additional take downs equal to the number of unused Demand Registrations.

Subject to certain restrictions, pursuant to the Excepted Holder Agreement among USRP, Investments I and Investments II dated as of March 9, 2001 (the "Excepted Holder Agreement"), USRP granted Investments I and Investments II the right to acquire additional Common Stock up to an aggregate of forty percent (40%) of the outstanding Common Stock. The Excepted Holder Agreement is filed as Exhibit 10.6 hereto and incorporated herein by reference. Investments I and Investments II have granted certain rights, including dispositive rights with respect to certain matters, in the Common Stock held by them to Hudson, pursuant to the Asset Management Agreement. The Asset Management Agreement is filed as Exhibit 10.7 hereto and incorporated herein by reference.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

Exhibit 10.1	Amended and Restated Stock Purchase Agreement among U.S. Restaurant Properties, Inc., Lone Star U.S. Acquisitions, LLC and Lone Star Fund III (U.S.), L.P., dated as of February 27, 2001 (1)
Exhibit 10.2	Assignment and Assumption Agreement among Lone Star Fund III (U.S.), L.P., LSF3 Capital Investments I, LLC and LSF3 Capital Investments II, LLC dated as of March 9, 2001 (relating to the REIT Stock Purchase Agreement)(1)
Exhibit 10.3	Amended and Restated Stock Purchase Agreement among certain U.S. Restaurant Properties, Inc. shareholders and Lone Star U.S. Acquisitions, LLC, dated as of February 27, 2001 (1)
Exhibit 10.4	Assignment and Assumption Agreement among Lone Star Fund III (U.S.), L.P., LSF3 Capital Investments I, LLC and LSF3 Capital Investments

II, LLC dated as of March

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	9, 2001 (related to Purchase Agreement) (ckhol	der	Stock	
Exhibit 10.5	Registration Right Restaurant Propertie Investments I, LLC a II, LLC dated as of	es, Inc.	, LSF: Capit	3 Cag tal	pital	
EXHIBIT 10.6	Excepted Holder Agree Properties, Inc., LS LLC and LSF3 Capital as of March 9, 2001(F3 Capi	tal I	nves	tments	I,
Exhibit 10.7	Asset Management Agr Advisors, L.L.C., LS LLC and LSF III Capi dated August 13, 200	F3 Capi tal Inve	tal I	nves	tments	I,
Exhibit 99.1	Agreement Among Fi March 19, 2001(1)	ling P	artie:	s d	ated a	s of

^{*} Filed herewith.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

LSF3 Capital Investments I, LLC, a Delaware limited liability company

By: LSF3 REOC I, L.P., its Sole Member and a Delaware limited partnership

By: LSF3 GenPar I, LLC, its General Partner and a Delaware limited liability company

By: /s/ BENJAMIN D. VELVIN III

Benjamin D. Velvin III Vice President

⁽¹⁾ Previously filed as an Exhibit to Schedule 13D filed by the Reporting Persons on March 9, 2001, and is incorporated herein by reference. 20

Date: August 8, 2001 _____ 21 CUSIP No. 90 2 97110 13D Page 21 of 34 Pages LSF3 REOC I, L.P., a Delaware limited partnership By: LSF3 GenPar I, LLC, its General Partner and a Delaware limited liability company By: /s/ BENJAMIN D. VELVIN III ._____ Benjamin D. Velvin III Vice President Date: August 8, 2001 22 13D Page 22 of 34 Pages CUSIP No. 90 2 97110 _____ LSF3 GenPar I, LLC, a Delaware limited liability company By: /s/ BENJAMIN D. VELVIN III Benjamin D. Velvin III Vice President Date: August 8, 2001 ______ 23 CUSIP No. 90 2 97110 13D Page 23 of 34 Pages Lone Star Fund III (U.S.), L.P., a Delaware limited partnership By: Lone Star Partners III, L.P., its General Partner and a Bermuda limited partnership By: Lone Star Management Co. III, Ltd., its General Partner and a Bermuda exempted limited liability company By: /s/ BENJAMIN D. VELVIN III _____ Benjamin D. Velvin III Vice President

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13D CUSIP No. 90 2 97110 Page 24 of 34 Pages Lone Star Partners III, L.P., a Bermuda limited partnership By: Lone Star Management Co. III, Ltd., its general partner and a Bermuda exempted limited liability company By: /s/ MICHAEL D. THOMSON ._____ Michael D. Thomson Vice President Witnessed on 10th day of August, 2001 in Jakarta, Indonesia By: /s/ Richard Smith 25 13D Page 25 of 34 Pages CUSIP No. 90 2 97110 _____ Lone Star Management Co. III, Ltd., a Bermuda exempted liability company By: /s/ MICHAEL D. THOMSON _____ Michael D. Thomson Vice President Witnessed on 10th day of August, 2001 in Jakarta, Indonesia By: /s/ RICHARD SMITH 26 13D Page 26 of 34 Pages CUSIP No. 90 2 97110 _____ LSF III Capital Investments L.P., a Delaware limited partnership By: Lone Star Partners III, L.P., its General Partner and a Bermuda limited partnership By: Lone Star Management Co. III, Ltd., its General Partner and a Bermuda exempted limited liability company By: /s/ J.D. DELL

J.D. Dell Vice President

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/s/ JOHN P. GRAYKEN

Date: August 8 , 2001 ------ JOHN P. GRAYKEN

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Hudson Advisors, L.L.C., a Texas limited liability company

By: /s/ ROBERT J. CORCORAN

Robert J. Corcoran President

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Hudson Advisors Associates, L.P., a Texas limited partnership

By: Advisors GenPar, Inc., its General Partner and a Texas corporation

By: /s/ ROBERT J. CORCORAN

Robert J. Corcoran

President

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Advisors GenPar, Inc., a Texas corporation

By: /s/ ROBERT J. CORCORAN

Robert J. Corcoran

President

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SCHEDULE I

Instruction C. Information for Officers and Directors of Management III, GenPar and Advisors GenPar.

OFFICERS AND DIRECTORS OF MANAGEMENT III

Name: John P. Grayken

Present Principal Occupation or President and Director

Employment:

Business Address: 50 Welbeck Street London, United Kingdom

W1M 7HE

Name: J.D. Dell

Present Principal Occupation or Vice President and Director

Employment:

Business Address: Lone Star Management Co. III, Ltd.

600 North Pearl Street, Suite 1550

Dallas, Texas 75201

Name: John C.R. Collis

Present Principal Occupation or Director

Employment:

Business Address: Clarendon House, Two Church Street

Hamilton, HM11 Bermuda

Name: Dawn C. Griffiths

Present Principal Occupation or Alternate Director

Employment

Business Address: Clarendon House, Two Church Street

Hamilton, HM11 Bermuda

Name: Ginger M. Quillen

Present Principal Occupation or Vice President

Employment:

Business Address: Lone Star Management Co. III, Ltd.

600 North Pearl Street, Suite 1550

Dallas, Texas 75201

Name: Steven R. Shearer

Present Principal Occupation or Vice President

Employment:

Business Address: Lone Star Management Co. III, Ltd.

600 North Pearl Street, Suite 1550

Dallas, Texas 75201

Name: Ellis Short IV

Present Principal Occupation or

Employment:

Vice President

Business Address: Toranomon 45

Mori Building 5th Floor

1-5, Toranomon 5-Chome MINATO - KU, Toyko Japan

105-0001

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Name: Benjamin D. Velvin III

Present Principal Occupation or Vice President and Assistant Secretary

Employment:

Business Address: Lone Star Management Co. III, Ltd.

600 North Pearl Street, Suite 1550

Dallas, Texas 75201

OFFICERS AND DIRECTORS
OF GENPAR

Name: J.D. Dell

Present Principal Occupation or President

Employment:

Business Address: Lone Star Management Co. III, Ltd.

600 North Pearl Street, Suite 1550

Dallas, Texas 75201

Name: Benjamin D. Velvin III

Present Principal Occupation or Vice President

 ${\tt Employment:}$

Business Address: Lone Star Management Co. III, Ltd.

600 North Pearl Street, Suite 1550

Dallas, Texas 75201

Name: Louis Paletta

Present Principal Occupation or Vice President

Employment:

Business Address: Lone Star Management Co. III, Ltd.

600 North Pearl Street, Suite 1550

Dallas, Texas 75201

OFFICERS AND DIRECTORS OF ADVISORS

Name: John P. Grayken

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Present Principal Occupation or Director

Employment:

Present Principal Occupation or 50 Welbeck Street Employment: London, United Kingdom

W1M 7HE

Name: Robert J. Corcoran

Present Principal Occupation or President

Employment:

Present Principal Occupation or Hudson Advisors, LLC

Employment: 600 North Pearl Street, Suite 1500

Dallas, Texas 75201

Name: J.D. Dell

Present Principal Occupation or Vice President

Employment

Business Address: Lone Star Management Co. III, Ltd.

600 North Pearl Street, Suite 1550

Dallas, Texas 75201

Name: Benjamin D. Velvin III

Present Principal Occupation or Vice President

Employment:

Business Address: Lone Star Management Co. III, Ltd.

600 North Pearl Street, Suite 1550

Dallas, Texas 75201

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EXHIBIT INDEX

Exhibit 10.1 Amended and Restated Stock Purchase Agreement among U.S.

Restaurant Properties, Inc., Lone Star U.S. Acquisitions, LLC and Lone Star Fund III (U.S.),

L.P., dated as of February 27, 2001(1)

Exhibit 10.2	Assignment and Assumption Agreement among Lone Star Fund III (U.S.), L.P., LSF3 Capital Investments I, LLC and LSF3 Capital Investments II, LLC dated as of March 9, 2001 (relating to the REIT Stock Purchase Agreement) (1)
Exhibit 10.3	Amended and Restated Stock Purchase Agreement among certain U.S. Restaurant Properties, Inc. shareholders and Lone Star U.S. Acquisitions, LLC, dated as of February 27, 2001(1)
Exhibit 10.4	Assignment and Assumption Agreement among Lone Star Fund III (U.S.), L.P., LSF3 Capital Investments I, LLC and LSF3 Capital Investments II, LLC dated as of March 9, 2001 (related to the Stockholder Stock Purchase Agreement) (1)
Exhibit 10.5	Registration Rights Agreement among U.S. Restaurant Properties, Inc., LSF3 Capital Investments I, LLC and LSF3 Capital Investments II, LLC dated as of March 9, 2001(1)
Exhibit 10.6	Excepted Holder Agreement among U.S. Restaurant Properties, Inc., LSF3 Capital Investments I, LLC and LSF3 Capital Investments II, LLC dated as of March 9, 2001(1)
Exhibit 10.7	Asset Management Agreement among Hudson Advisors, L.L.C., LSF3 Capital Investments I, LLC and LSF III Capital Investments L.P. dated August 13, 2001.*
Exhibit 99.1	Agreement Among Filing Parties dated as of March 19, 2001(1)

^{*} Filed herewith.

⁽¹⁾ Previously filed as an Exhibit to Schedule 13D filed by the Reporting Persons on March 9, 2001, and is incorporated herein by reference.