



## Tenant Description

Bojangles' is a fast growing operator and franchisor with a menu centered on chicken and biscuits. Founded in 1997 in Charlotte, NC, Jack Fulk and Richard Thomas based their restaurant on distinctive flavor, high-quality products made from scratch, along with a festive design. The concept caught on fast with the first franchise location opening one year later.

Today, Bojangles' has 761 restaurants across 11 states and Washington DC, clustered around their core market, North Carolina. Bojangles' has grown at an impressive rate, opening 48 locations during 2017 alone. Bojangles' looks to continue this growth with franchisees expanding into adjacent markets.

## Net Lease Overview

Bojangles' are great net lease tenants because their locations have strong real estate fundamentals. They operate in an internet proof industry, and their leases are investor friendly.

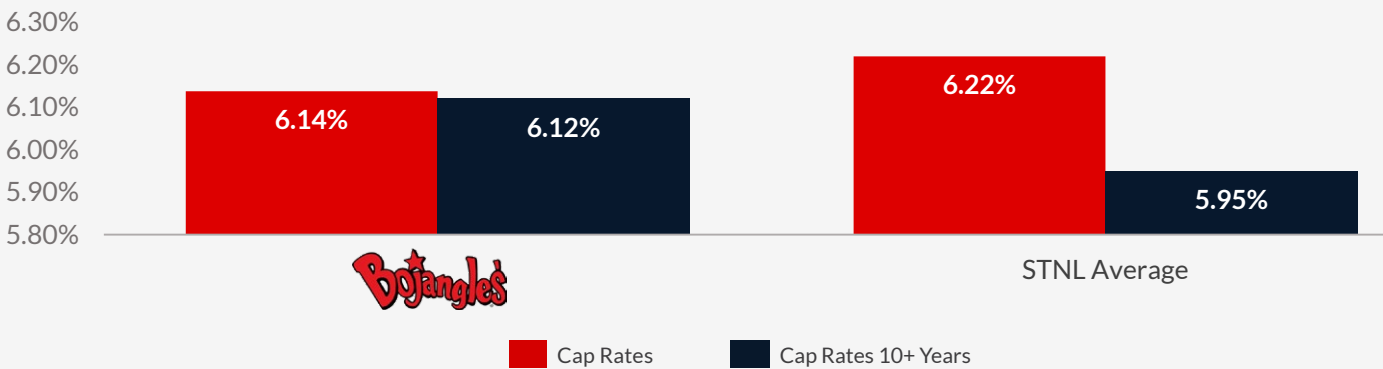
Bojangles' knows a restaurant's location can be critical to its success. Their in-house development team evaluates site's demographics, traffic counts, and visibility. These factors not only lead to the success of a tenant but the real estate will hold its value.

The entire QSR sector is well positioned against any online competition. Tenants, such as Bojangles', are able to provide their customers with food immediately, something an internet-based service cannot do.

Bojangles' leases are very investor friendly. Bojangles' tends to sign 15-year triple net leases, leaving the investor with no landlord responsibilities. The leases will also feature some form of rental increase, providing a hedge against inflation.

State	Number of Restaurants
NC	313
SC	134
GA	102
TN	73
VA	67
AL	36
KY	14
WV	8
FL	7
MD	5
PA	1
DC	1
<b>Total</b>	<b>761</b>

## Average Cap Rates Over the Past 12 Months

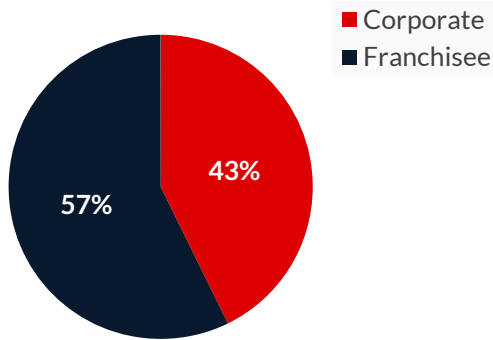


## CALKAIN | Research

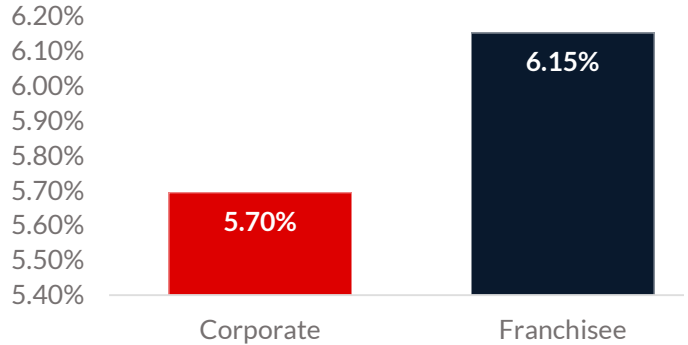
12930 Worldgate Dr | Suite 150  
Herndon, VA 20170  
703.787.4714

*DISCLOSURES: As part of our market research, we collect sales price, cap rate, and lease years remaining for all publicly advertised and sold STNL properties. a) We are not able to capture 100% of the off-market transactions that occur; however the nature of off-market typically limits their value as true market comps. b) Sources include public records, sales announcements, Calkain sales, and appraiser obtained sales amongst others. c) Our collection process, while thorough, is not all encompassing and there may be biases in the data as it relates to geography, tenancy, or brokers involved in the transaction. d) Public records often lag behind when transactions actually close, months in some cases. e) In sectors with a skew of greater than |2|, we have replaced the mean with the median to better describe these sectors. Consequently the data supplied here for any given quarter is likely to miss a material amount of transactions that actually closed in it.*

**Franchised vs Company Operated Locations**

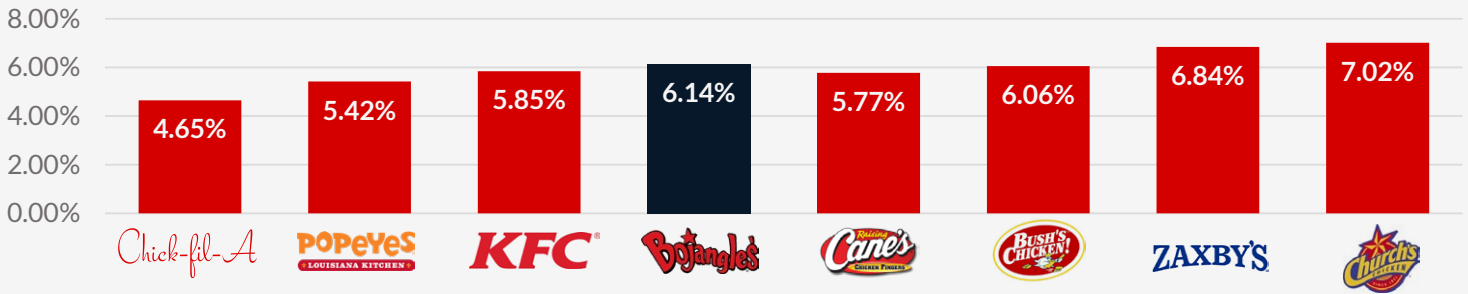


**Average Cap Rate by Guarantor**



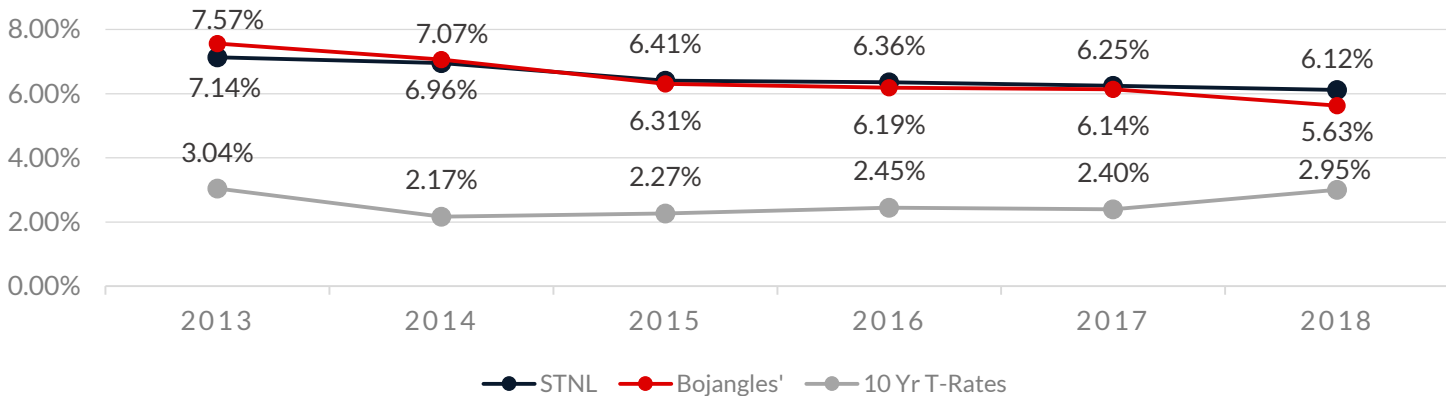
Bojangles' has slightly more franchisee operators than corporate-operated locations. The corporate locations tend to trade at slightly lower cap rates because of the strong guarantee behind their leases.

**Average Cap Rate by Tenant**



Bojangles' has traded at higher cap rates than the national chain chicken restaurants and on the lower end of the regional chains. This shows Bojangles' relative strength among the many chicken chains.

**STNL Cap Rates vs Bojangles' Cap Rates vs 10-Yr T-Rates**



Bojangles' cap rate has compressed faster than the Single Tenant Net Lease (STNL) average. This rapidly changing cap rate is due to the growth of the chain.