



FRANCHISE INFORMATION PACKAGE

Dreamland Bar-B-Que



Dreamland Holding Co., LLC
19 West Oxmoor Rd
Birmingham, AL 35209
205-822-9800
fransales@dreamlandbbq.com
www.dreamlandbbq.com

Franchise Information Package



Dear Prospective Franchisee:

Thank you for your interest in franchise opportunities with Dreamland Bar-B-Que. Since our start in Tuscaloosa, Alabama in 1958, we have strived to provide a high quality product served with excellent customer service at a great value. Whether stopping by the original in Tuscaloosa or one of our other locations, ordering our ribs online to ship to your Uncle in California, or having a large backyard bar-b-que for 1000 of your closest friends catered by any of our Dreamlands, one bite is all you need to see why there “Ain’t Nothing Like ‘Em Nowhere!” We are famous for our hickory smoked ribs and signature sauce, but try any of our other products and you won’t be disappointed. Our achievements in the restaurant industry have been recognized in such national publications as *Southern Living*, *The Wall Street Journal*, *Sports Illustrated*, and *Rolling Stone* to name a few.

To maintain consistency and the high standards associated with the Dreamland brand, Dreamland Holding Co., LLC is interested in attracting only the highest caliber franchisee. We seek individuals who meet the following criteria:

- Exceptional business skills and operational experience, particularly in the casual dining industry;
- Financial strength and stability to sustain a rapid development schedule;
- Financial resources that meet our requirements. Typically for single-unit development, a prospective franchisee should have a minimum net worth of \$750,000, excluding personal residence, with \$200,000 in liquid assets (i.e., cash or marketable securities only). For multi-unit development (for example, 3 or more restaurants), we require a minimum net worth of \$2.25 million with \$600,000 in liquid assets.

To pursue a franchise opportunity with Dreamland, please complete the Personal Profile form contained in this Franchise Information Packet for you and all potential investors for preliminary consideration. If qualifications are met and a mutual agreement to progress towards a possible franchise is established with Dreamland Holding Co., LLC, a more detailed account of finances must be provided by all partners or investors for the franchise. Three years of personal income tax returns, most recent personal income statements and balance sheets for each individual and/or related businesses, and verification of all liquid cash assets will be required along with other documentation.

As of March 2011, Dreamland, its related parties and franchisees own and operate Dreamland restaurants in Tuscaloosa, Birmingham, Mobile, Huntsville, Northport, Montgomery, and Atlanta.

We hope you find the enclosed material informative. If you have any questions on the enclosure or the foregoing, please contact the Dreamland Holding Co., LLC corporate office at 205-822-9800.

Sincerely,

The Dreamland Team



Dreamland's History

The Dreamland concept originated in Tuscaloosa, Alabama in 1958. Mr. John "Big Daddy" Bishop began serving his legendary ribs and sauce in a small, quaint location in a section of Tuscaloosa known as Jerusalem Heights.

A brick mason by trade, Big Daddy spent hours stooped over or down on his knees laying brick. His body wore for the wear, he longed for another means by which to support his family. Big Daddy had narrowed it down to opening either a mortuary or a restaurant. Legend has it that he awoke from a dream in which God had directed him to build a little café on the bare land adjoining his home. Big Daddy called the restaurant Dreamland.

Like many other small, family-owned restaurants, Dreamland became the neighborhood hub, initially serving everything from Southern-fried catfish and bream sandwiches to candy bars and postage stamps. More than anything else, it was the ribs that caught the customer's attention. Big Daddy was constantly experimenting in the sauce house behind the café, refining a recipe for bar-b-que sauce to compliment the ribs. Ms. Lilly, Big Daddy's wife, spent much of her time cooking the juicy slabs of pork, and though they often had leftover inventory of hamburger meat and hot dogs, they always seemed to be running out of ribs. Once the final sauce recipe was realized, Big Daddy decided to focus on ribs alone. Little did he know that a legend had been born!

During the 1970's and 80's, it was common for University of Alabama football games played on campus in Tuscaloosa to be televised. Visiting sports broadcasters often found their way up the winding hill to Jerusalem Heights and Dreamland for a sample of local flavor. Often as not they'd end up bragging on their experience at Dreamland during their national telecasts. As a consequence of these on-air mentions, and the grass roots marketing ability of Big Daddy's son, John, Jr., Dreamland's notoriety and revenues began to grow.

In the mid- 1980's, Big Daddy's daughter, Jeanette Bishop-Hall, took over the day to day operations of the restaurant. Under her leadership Dreamland experienced an unmatched period of growth. Expansion lay just around the corner.

In 1993, Dr. Bobby Underwood opened a Dreamland restaurant in Birmingham, Alabama, adhering to the original principles of the highest quality food, service and authentic down-home atmosphere. In 1995 Dr. Underwood founded an additional location in Mobile, Alabama. In January 2000, Dreamland debuted in Roswell, Georgia (just north of Atlanta), perpetuating the legendary service, ribs and sauce that have made Dreamland famous. Since then, other locations have opened including, Montgomery, Huntsville, and Northport in Alabama, and Norcross in Georgia.

Gradually the menu has been expanded to offer customers a full-service bar-b-que experience including chicken, pork sandwiches, salads, appetizers, desserts and side items. Ultimately though, the focus remains the signature item: The Ribs!





Franchise Facts

TOTAL RESTAURANTS OPENED AS OF MAY 2011

Company-Owned Restaurants	3
Franchised	5
Total Restaurants	8

FRANCHISE QUALIFICATIONS

FINANCIAL

Single Restaurant	\$750K Net Worth (excluding personal residence) \$200K Liquid Assets
Three Restaurants	\$2.25M Net Worth (excluding personal residence) \$600K Liquid Assets

OPERATIONAL EXPERIENCE

Personal record of success in business, preferably retail.

Has demonstrated an ability to recruit, develop and train an organization from the ground up.

Experienced in marketing and understands its importance.

Has a designated Director of Operations or General Manager with direct P&L experience, preferably with a multi-unit organization and at least 10% ownership opportunity (equity or vesting).

PERSONAL CHARACTERISTICS

Has a realistic expectation for growth and return on investment.

Understands the franchise system and is willing to work within it.

Aggressive in the pursuit of success with a well developed brand, yet cooperative with franchisor and other franchisees.

A highly developed sense of ethics and strong character.

FEES

Initial Franchise Fee	\$45,000 per restaurant
Royalties	5% of net sales
Dreamland National Adv Fund Contribution	.25% of net sales

Additional fees and detailed information are found in the Franchise Disclosure Document.



MANAGEMENT BIOGRAPHIES

Betsy McAtee is Chief Executive Officer. Ms. McAtee joined Dreamland in 2000 in an ownership and supervisory role of two Dreamland restaurants. Subsequently, she assumed responsibility for marketing and purchasing for the existing Dreamland restaurants. Prior to joining Dreamland, Ms. McAtee worked with Frito-Lay, Inc. the salty snack division of PepsiCo for ten years. In her tenure with Frito-Lay, she held such positions as District Sales Manager, Area Training Manager, Product Manager, and Senior Key Account Manager. She was selected to participate in the National Training Re-Design Task Force, Sales Force Training National Implementation Team, and Product Manager responsible for Sara Lee/Frito-Lay Breakaway's national test market. Ms. McAtee holds a B.S. in Geology, University of Alabama, 1986, B.S. in Economics, University of Alabama, 1986, M.B.A., University of West Florida, 1989.

Jennifer McMullan is Human Resource & Finance Manager. Ms. McMullan is responsible for all areas of HR, Accounting, and Administration for the Dreamland corporate office and its related restaurant locations. Mrs. McMullan started as the Controller for Birmingham Dreamland, Mobile Dreamland, and Dreamland USA in November 1997. She has established and implemented cost accounting procedures and cost saving measures for Dreamland Holding Co., LLC and its related organizations. Mrs. McMullan holds a B.A. in English from Randolph Macon Woman's College, 1993.

Patrick Hall was hired as the Operations Manager for Dreamland Holding Co., LLC in March 2010. He brings over 20 years of industry experience to Dreamland BBQ. Mr. Hall has an extensive culinary background, as well as ownership of franchise and independent concepts. Mr. Hall also has served as a Regional Operations Manager, a General Manager, and a Director of F&B for multiple brands such as Cici's Pizza, Landry's, and Copeland's. He has built successful marketing strategies for grass roots operations. His hands-on approach to training managers and franchisees has been a fundamental building block of his career. Patrick is originally from Pensacola, FL, and studied Political Science at the University of South Alabama.

Rob Ferrebee is the Retail Operations Manager. Mr. Ferrebee joined Dreamland Shipping in 2007 as the Plant Manager/HACCP Coordinator of the USDA Shipping facility. Mr. Ferrebee was put in charge of retail operations in Sept. 2010. He is responsible for all USDA production, HACCP Coordinating, Plant Management, Retail and Concession Operations. Prior to joining the Dreamland team, Mr. Ferrebee worked with Sara Lee Corporation as Area Manager for all smoke meat operations at their West Point Bryan Foods facility. His duties also included RTR Team leader and 5S representative for the Bryan facility and a member of the HACCP Team.

Franchise Information Package



INITIAL INVESTMENT

TOTAL ESTIMATED INITIAL INVESTMENT

\$620,000 to \$1,160,000

The total estimated initial investment does not include the cost of real estate or constructing a building. The cost of purchasing a site and constructing a building for a Dreamland Restaurant will vary considerably, depending on such factors as location, size and the local real estate market. We are unable to estimate these costs.

The total estimated initial investment does include potential leasehold improvements, furniture & fixtures, equipment, training, beginning inventories, a point of sale system, phone system, licenses, and signage. Your actual costs in starting the restaurant will depend on many factors such as your management skill & experience; local economic conditions; local market for the restaurant; the prevailing wage rate; competition in the market place; and the sales level reached during the start up phase.

INITIAL FRANCHISE FEE

If you are preliminarily chosen as a qualified candidate based on the information you provided on the Personal Profile Form, and Dreamland Holding Co., LLC has an interest in opening a franchise in the geographical area you are requesting, then a current Franchise Disclosure Document (FDD) will be sent to you. The Franchise Application is Exhibit A of the FDD; a processing fee of **\$10,000** is due upon submission of the completed application. Please note that before we enter into any binding agreement with a prospective franchisee or accept any form of payment (including the application fee), you must have at least **14 days** to review the Franchise Disclosure Document. The application processing fee is deemed fully earned upon payment and is **NON-REFUNDABLE** unless we reject your application. If your application is rejected, we will refund the fee to you less any expenses (including any sales commissions) we have incurred in connection with the application. After approval of your application, you will have 90 days to submit a proposed restaurant site before your application expires. You must sign the Franchise Agreement not earlier than 5 business days and not later than 15 business days after our approval of your proposed site or your application may be terminated. On the date you sign the Franchise Agreement, you must pay us \$25,000 of the \$45,000 initial franchise fee. We will credit your application fee against this \$25,000 payment. The remaining amount of the initial franchise fee is due no less than 20 days prior to the date on which your restaurant opens for business. Each portion of the initial franchise fee is deemed fully earned upon payment and is **NON-REFUNDABLE**. None of the fees referred to above are refundable under any other circumstances.

AREA DEVELOPMENT AGREEMENT

If we agree to grant you development rights, the Area Development Agreement requires you to pay a development fee of \$10,000 per restaurant to be developed. The number of restaurants in an Area Development Agreement varies depending upon a variety of factors, including (1) existing population and anticipated population growth within the Development Area; (2) competition within the Development Area; and (3) the number of Dreamland Restaurants we estimate can be developed within the Development Area.

Franchise Information Package



You are required to pay the then-current initial franchise fee for each Dreamland Restaurant you are required to develop under an Area Development Agreement; however the application fee for each restaurant developed under an Area Development Agreement is waived. The development fee is **NON-REFUNDABLE**, in whole or in part, except if we terminate the Area Development Agreement as a result of adverse franchise legislation. In this event, we will refund the unapplied portion of the development fee.

SITE CRITERIA

Building Type:	Existing, Free-Standing	Traffic Count:	25,000 cars per day; Visibility: Maximum
Building Size:	3,500 to 5,000 square feet	Demographics:	18 to 49 – Middle to upper-middle income
Lot Size:	25,000 square feet	Population:	1 restaurant per 150- 200,000 within 5mi

Personal Profile Form



This request is for general information to evaluate your preliminary qualifications to be awarded a franchise. **This is not an application.** Should you preliminarily qualify and a mutual interest develops, more detailed personal and financial information will be required and background information confirmed.

Personal Information

Last Name	First Name	M.I.	Maiden
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Home Address	City	State	Zip
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Years at address	SSN	Date of Birth	Email Address
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Home Phone	Work Phone	Cell Phone	Fax	Best Time & Number to Reach
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Are you a U.S. Citizen?

Marital Status	Spouse's Legal Name
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Degree/Course of Study	Educational Institution	Dates Attended
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Business Experience

Please provide 10 years employment history. Attach a current resume if applicable.

Current Employer	Position
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Business Address	City	State	Zip
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Business Phone	Annual Salary	Dates of Employment
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Previous Employer	Position
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Personal Profile Form



Business Address	City	State	Zip
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Business Phone	Annual Salary	Dates of Employment
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Previous Employer	Position
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Business Address	City	State	Zip
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Business Phone	Annual Salary	Dates of Employment
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Have you ever owned and/or operated a business or franchise in the past? Yes No

If yes, please explain: _____

Do you currently own and/or operate a business or franchise? Yes No

If yes, please explain: _____

Have you ever had administrative, criminal or material civil action (or significant number of civil actions irrespectively or materiality) alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair, or deceptive practices, misappropriation of property or comparable allegations? Yes No

If yes, please explain fully on additional sheet.

Have you ever been convicted of a felony charge or been held liable in a civil action by final judgment or been subject of a material complaint or other legal proceeding if such felony, civil action, complaint or other legal proceeding involving violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegations? Yes No

If yes, please explain fully on additional sheet.

Personal Profile Form



Have you ever been adjudged bankrupt or reorganized due to insolvency or been an officer, director or owner of any company or partner in any partnership that was adjudged bankrupt or reorganized due to insolvency?
Yes No

If yes, please explain fully on additional sheet.

In what areas of restaurant development and operations have you had experience. Please describe:

In what geographical areas are you interested in opening a Dreamland Bar-B-Que?

How many locations are you planning on developing? _____

Please describe your preliminary plans for financing this venture? _____

What is your approximate capital available? \$ _____

I do hereby represent that all of the above answers and information are true and complete to the best of my knowledge as of the date signed. I understand that Dreamland Holding Co., LLC is relying upon the above information as a factor in considering my potential to become one of its franchisees. The submission of this Personal Profile in no way obligates me, my partners, or Dreamland Holding Co., LLC and its representatives in any manner. Nor does it imply that there is any legal or commercial relationship between the parties.

Signature: _____ Date Signed: _____

Printed Name: _____

Please submit completed form to fransales@dreamlandbbq.com or to Dreamland Holding Co., LLC, Franchise Sales Department, 19 West Oxmoor Rd., Birmingham, AL 35209.



INSTRUCTIONS FOR COMPLETING APPLICATION PROCESS

If you are preliminarily chosen as a qualified candidate based on the information you provided on the Personal Profile Form, and Dreamland Holding Co., LLC has an interest in opening a franchise in the geographical area you are requesting, then you will be provided with the Dreamland Franchise Disclosure Document (FDD). No less than **14 days after** receipt of the FDD, you may submit a completed application along with the \$10,000 application fee and the following financial information. Each individual who will be a partner, shareholder, or officer of the potential franchise location must sign the application and submit:

- Copies of your personal income tax returns for the past three (3) years.
 - Two most recent Personal Financial Statements.
 - If your assets include stock in your own business, please provide the company's financial statements for the past two (2) years.
 - Evidence of the market value of your residence (i.e., current tax assessment).
 - If applicable, provide brokerage statements from a recent month on all publicly traded stocks, bonds, and certificates.
 - List all mortgage(s) and note(s) payable.
 - List amount(s) and relationship(s) if you are a co-signor, guarantor, or endorser on anyone else's financial obligation(s).
 - Provide verification of all liquid cash assets (i.e., recent bank statements & recent brokerage statements for marketable securities).
- Completed Authorization to Release Information Form
 - Completed Dreamland Franchise Application – Exhibit A located in FDD
 - Return all of the above to :
Dreamland Holding Company, LLC
Franchise Sales Department
19 West Oxmoor Rd
Birmingham, AL 35209
OR
Submit electronically to: fransales@dreamlandbbq.com

All submitted information will be kept secure & confidential.

Site Information Form



Date Submitted: _____

Franchisee: _____

Part of an Existing ADA? No: _____
Yes: _____ (Attach Development Schedule)

Site Address: _____

City/State: _____

Zip Code: _____

County: _____

DMA: _____

Site Information (check one) Free-Standing, Existing Building _____
Free-Standing, New Building _____
Out-Parcel, Existing Building _____ S/C Anchor(s): _____
Out-Parcel, New Building _____ S/C Anchor(s): _____
In-Line Building _____
Other: _____ Describe: _____

Current Use of Site: _____

Existing Building Information: Building Size: _____
of Seats: _____
of Parking Spaces: _____
Existing Signage _____

Lot Information Lot Size: _____
Frontage: _____
Visibility: _____
Present Zoning: _____
Zoning Needed: _____
Utilities Present? No: _____ Yes: _____

Distance To Closest Dreamland Restaurant: _____

Site Information Form



Ownership: Purchase _____ Price: _____
Lease _____ Rent: _____
Term of Lease: _____

Traffic: # of Lanes: _____
Median: No: _____
Yes: _____
Speed Limit: _____
Primary Traffic Count: _____
Secondary Traffic Count: _____

Demographics: Population: 1 Mile _____
3 Miles _____
5 Miles _____
Daytime Population: 1 Mile _____
3 Miles _____
5 Miles _____
Median Age 5 Miles _____
Median Household: _____
Income: 5 Miles _____

Casual Dining Competition: Competitors Within 1 Mile: _____

Competitors Within 2 Miles: _____

Competitors Within 3 Miles: _____

Sales Generators: Office Buildings Within 3 Miles: _____

Hospitals Within 3 Miles: _____

Site Information Form



Universities/Colleges Within 3 Miles:

Other Generators Within 3 Miles:

Decision Logic: Positive Features:

Negative Features:

Special Considerations:

Attachments: **The following items must be attached and submitted with this Dreamland Site Information Form.**

Site Plan: A preliminary or proposed site plan. This plan should indicate all existing or proposed curb cuts and access points.

Floor Plan: An actual or proposed floor plan of the restaurant. A kitchen, bar and cooking pit layout is to be included.

Demographics: A standard demographics package can be obtained from a variety of sources. Attach the entire Demographic Report to this report. Dreamland's source for demographics is Nielsen Claritas. Order reports online at www.claritas.com or Call 1-800-234-5973, option #5 (sales dept.)

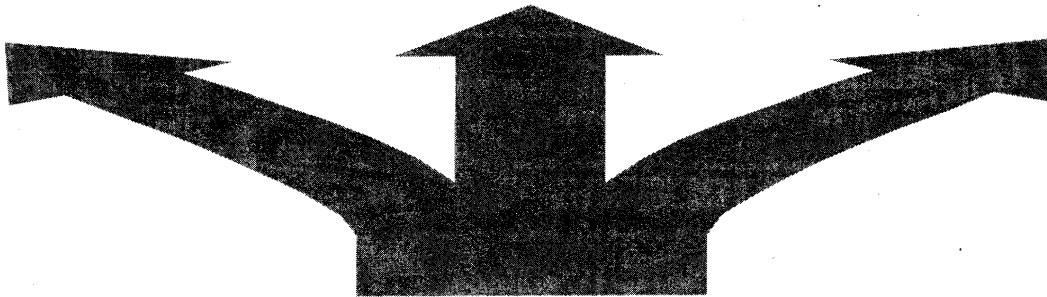
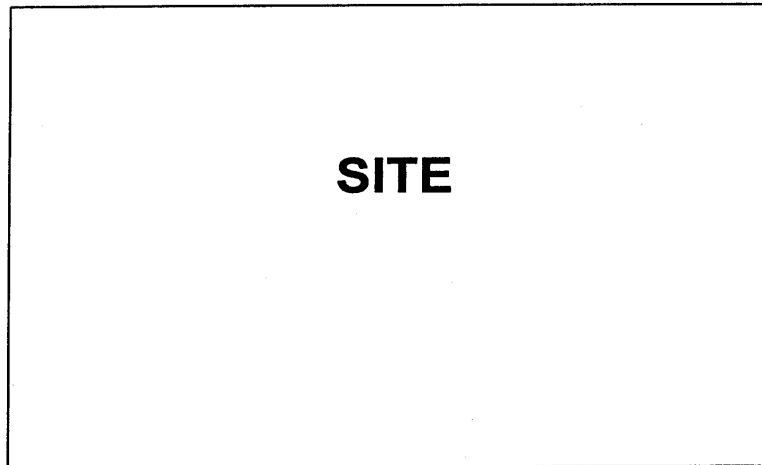
Ask for the Demographic Snapshot Report with 1, 3, & 5 Mile Rings and the Workplace & Employment Summary Report. The cost for both reports is approximately \$238.

Traffic Counts: The actual Traffic Count Report. If available, the Traffic Count Map should be included.

Photographs: Ground photographs showing panoramic view of each frontage of the site (see attached sample "Panoramic Photo Layout").



PANORAMIC PHOTO LAYOUT



From a stationary position, shoot 180° panoramic photographs

Also take photographs of any unusual site features such as:

- Ditches
- Retaining Walls
- Draining Structures
- Signs
- etc...