



Arctic
Circle

Where the Good Stuff is.

Introduction

We share your enthusiasm in pursuing a Franchise with Arctic Circle Restaurants, Inc. We are very excited about our concept and the opportunity to include you in our strong franchise community.

Attached is our brochure to provide you with information about our franchising program. After reviewing information within, please complete the qualifying Franchise Application and send it back to my attention at franchiseinfo@acburger.com.

Again, we appreciate your interest in the Arctic Circle Franchise concept, and look forward to receiving your qualifying application. We will review the application and forward additional information to you should a business relationship appear to be beneficial for both parties.

If you have any questions, please do not hesitate to call (801-561-3620).

Sincerely,

Scott Ricks
Director of Franchise Operations
Arctic Circle Restaurants, Inc.

Concept

In 1950, the Edwards family constructed a small walk-up ice cream stand in Salt Lake City and called it Arctic Circle. From that original location, Arctic Circle Restaurants, Inc. has grown to become a leader of Regional Fast Food Franchisors.

Our restaurants have evolved into modern attractive buildings with comfortable relaxed dining rooms, and also feature fast and friendly drive-thru service windows.

Product quality, innovation in food items and “more than satisfying the guest” has been the key to our success.

Over the years, Arctic Circle Restaurants, Inc. has emphasized its quality products. We use only Black Angus beef, real Alaskan Halibut and made to order “Shakes Above the Rim”.

Under our current leadership, we continue to move forward with new restaurant openings, continuing our emphasis on innovative food products and fast and friendly service.

We are able to offer a franchise opportunity that will place you in a prime position to become part of the Arctic Circle Team and the profitable fast food industry. Arctic Circle Restaurants, Inc. is an exceptional investment for you today and in the future.



Questions & Answers

The purpose of this page is to provide you with more information about Arctic Circle Restaurants, Inc.'s Franchise Program. The answers to these frequently asked questions will help you decide whether to contact us for more information concerning your interest in our franchise opportunities.

This information is not intended to replace the information contained in our Franchise Disclosure Document.

QUESTION 1:

What is the cost of an Arctic Circle Franchise?

ANSWER:

The initial Franchise Fee is \$25,000. The initial Franchise Fee is paid upon execution of the Franchise Agreement.

QUESTION 2:

How long is the term of the Franchise Agreement?

ANSWER:

The initial Franchise Agreement is for a term of 15 years, with the option of an additional 15 years for 50% of the Franchise Fee at the time of renewal.

QUESTION 3:

What are Arctic Circle's Royalty Service and Advertising Fees?

ANSWER:

Our Royalty and Service Fee is 3% of Gross Sales (exclusive of any applicable sales tax) due monthly. Our Advertising Fee is 4% (Idaho) or 4.5% (all other states) of Gross Monthly Sales.

QUESTION 4:

Do I have to purchase, or may I lease the land and building for my Arctic Circle Restaurant?

ANSWER:

You may do either – whether you purchase or lease the real estate should be determined by your personal preference and your financial strength.

QUESTION 5:

What help will I receive in building construction?

ANSWER:

You will receive two sets of plans with detailed specifications. Arctic Circle Restaurants, Inc. will help with site layout, construction advice and general consultation. You will pay directly for additional sets of plans and the modifications to qualify the plans for a building permit.

QUESTION 6:

Where do I purchase my signs and equipment?

ANSWER:

Arctic Circle Restaurants, Inc., will supply each franchisee a detailed list of all equipment and signs needed. You must purchase all signs and certain equipment from an approved supplier.

QUESTION 7:

Where do I purchase my products and supplies?

ANSWER:

There are approved distributors who provide a full line of products and supplies. Also, there is an Approved Brands List for consistency of quality products.

QUESTION 8:

Will I receive any training or assistance in opening an Arctic Circle Restaurant?

ANSWER:

Initially, you and/or your manager will be required to train in one of Arctic Circle Restaurants, Inc. training stores for a period of five weeks. This training program has been designed to cover all areas of importance to your success as a franchise owner. Included are step-by-step procedures in the use and understanding of the Operations

Manual, Methods of Inventory Control, Bookkeeping and Accounting, Advertising, Promotion Methods, Corporate Policies, Hiring and Training of Employees, and many detailed operational techniques. In addition, during the first week of opening, we will provide assistance by Corporate Personnel.

QUESTION 9:

What on-going support will I receive?

ANSWER:

Each restaurant is assigned to a Franchise Business Consultant. This individual is a direct liaison between the Franchisee and the Corporate Office. They also assist the Franchisee with Operations, Marketing Programs, and Review of Profit/Loss Statements.

QUESTION 10:

Ok, this sounds really exciting. I am ready to proceed. What's next?

ANSWER:

Fill out the attached confidential Personal and Financial Disclosure including the Financial Statement and submit that back to me at franchiseinfo@acburger.com.

We have attempted to answer the most commonly asked questions about an Arctic Circle Franchise. We are sure you have a few questions we haven't covered, so please feel free to contact our office.

ARCTIC CIRCLE RESTAURANTS, INC.
4214 West 8370 South, West Jordan, Utah 84088
P.O. Box 517, West Jordan, Utah 84084-0517
(801) 561-3620



Site Criteria

BUILDING:

2400 – 3300 square feet.

LOT:

130' (Street Frontage) X 155' minimum (20,150) square feet. Suggested size of one acre.

ZONING:

Suitable for commercial, fast food restaurant, and sign.

VISIBILITY:

Good visibility from all angles approaching the restaurant. Street sign required.

FILL IN CRITERIA ITEMS BELOW TO HELP US EVALUATE YOUR SITE.

POPULATION: 1 mile _____ 3 miles _____ 5 miles _____

TRAFFIC COUNTS:

AVERAGE AREA RESIDENT INCOME:

LOT DIMENSIONS:

GRADE (Evaluations):

SOIL TYPE:

IMPROVEMENTS REQUIRED OR PRESENTLY INSTALLED

(Curbs, gutters, sidewalks):

LANDSCAPING REQUIRED:

OTHER SITE INFORMATION (Adjacent streets, utility hook-ups,
electric, gas, sewer and water):

COMPETITION:

These outlines do not express or imply any warranty on the part of Arctic Circle Restaurants, Inc. It is not intended to be complete, but should serve as a guide for opening an Arctic Circle Restaurant.

BLACK ANGUS
**RANCH
BURGER**



Shared Occupancy Store Concept

1. New Store: 2,050-2,500 square foot – Dual occupancy pad
2. Initial Investment: Roughly \$400,000 for equipment, plus cost of remodel
3. Rent paid directly to landlord of shopping center
4. Potential ownership of entire pad and rental of other side



Financial Requirements

Approximately \$500,000 net worth, of which at least \$150,000 must be liquid.

FRANCHISEE’S ESTIMATED INITIAL INVESTMENT

Franchise Fee	\$25,000
Building (Does not include property).....	\$400,000 - \$1,000,000
Equipment and Sign.....	\$400,000 - \$500,000
Inventory (Opening).....	\$10,000 - \$20,000
Operational Capital*	\$50,000 - \$75,000

(*Includes business permits, license training costs, utility deposits, insurance, labor expenses prior to opening, payroll.)

At least \$600,000 net worth, of which at least \$200,000 must be liquid.

The minimum financial requirements of your bank will vary with the sources used for financing the property, building and equipment.

Release of Financial Information

IMPORTANT:

MUST BE SIGNED AND RETURNED WITH THE ARCTIC CIRCLE RESTAURANT FRANCHISE APPLICATION.

In connection with the foregoing application, I hereby authorize the release to Arctic Circle Restaurants, Inc., its officers agents and employees, of any information, records and reports, whether of a confidential nature or otherwise, relating to me, including, but not limited to, credit rating and reports, employment records, police and court records and medical reports. I hereby release any person, firm or agency in possession of such information, records or reports that releases the same pursuant to this authorization from any liability to me.

Authorized Signature

Bank or Organization

Name of Banker or other Person authorized to disclose information to Arctic Circle Restaurants, Inc.

Telephone Number



Arctic
Circle