

FRANCHISE DISCLOSURE DOCUMENT



GROUND ROUND INDEPENDENT OWNERS COOPERATIVE, LLC

(a Delaware Limited Liability Company)

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Franchisees of Ground Round Independent Owners Cooperative, LLC, will operate a family-oriented, full-service, casual dining restaurant operated under the name "Ground Round Grill & Bar" or "Ground Round Sports Grille." The total investment necessary to begin operation of a Ground Round Grill & Bar franchise ranges from approximately \$1,140,000 - \$2,205,000, including a \$35,000 Franchise Fee (or \$30,000 Franchise Fee if you purchase a membership interest in Ground Round Independent Owners Cooperative, LLC, as described in Item 5 below) that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a Ground Round Sports Grille franchise ranges from approximately \$320,000 - \$730,000, including a \$20,000 Franchise Fee that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different forms, contact Ground Round Independent Owners Cooperative, LLC's franchise group at 15 Main Street, Suite 210, Freeport, Maine 04032 by calling (207) 865-4433.

The terms of your contract will govern your franchise relationship. Do not rely on this disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

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Exhibits

- A. List of State Administrators
- B. Agents for Service of Process
- C. Development Agreement
- D. Commitment Agreement
- E. Franchise Agreement
- F. Letter of Intent
- G. Confidentiality Agreement
- H. List of Franchisees
- I. Financial Statements
- J. Operating Manual Table of Contents
- K. Receipts

ITEM 1: THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor

To simplify the language in this Disclosure Document, the words “we”, “us”, or “our” mean Ground Round Independent Owners Cooperative, LLC, a Delaware limited liability company founded on March 2, 2004 and the franchisor of the business described in this Disclosure Document. Our principal business address is 15 Main Street, Suite 210, Freeport, Maine 04032. Our agent for service of process is CT Corporation System 1536 Main Street Readfield, ME 04355. Our agent for service of process in the states whose franchise laws require us to name an agent for service within such state is shown on Exhibit B. “You” or “your” means the person or entity that buys the franchise and includes any owners of a franchise entity. If you are a business entity, certain provisions of this Disclosure Document also apply to your owners personally.

Our Parents

There are no parent companies that require disclosure pursuant to this Disclosure Document.

Our Predecessor

Restaurants operating under the “Ground Round” name have been in operation since 1969. Since 2004, we have owned the Ground Round franchise rights, trademarks, and intellectual property, which we purchased from The Ground Round, Inc. (“TGRI”). We currently have 24 franchised Ground Round Grill & Bar and Ground Round Sports Grille Restaurants in 9 states.

TGRI was a Delaware corporation incorporated on September 4, 1985 with its principal place of business at 703 Granite Street, Braintree, Massachusetts 02184. TGRI had been operating and franchising restaurants under the “Ground Round” name since 1985. TGRI also offered franchises for Gold Fork restaurants from 1998-2000 and offered franchises for Berkshire Grill restaurants in 2000. TGRI also operated several Berkshire Grill restaurants, Tin Alley Grill restaurants, and Tap & Grill restaurants. We currently have no members who Franchise or operate a Gold Fork restaurant or Tin Alley Grill restaurants. We do not own or operate any Berkshire Grill restaurants or Tap & Grill restaurants.

Franchisor Members

To enable us to purchase the assets of TGRI, each of the franchisee entities that chose to remain Ground Round Grill & Bar Restaurant franchisees agreed to pay us a membership fee in the amount of \$40,000 for each Ground Round Grill & Bar Restaurant they operated. In exchange, each member received a membership interest in us for each of their franchises.

Ground Round Restaurants

As described in this Disclosure Document, you can purchase a franchise to operate one or more Ground Round Grill & Bar Restaurants and/or Ground Round Sports Grille Restaurants. Both Ground Round Grill & Bar Restaurants and Ground Round Sports Grille Restaurants are good time meeting places where family and friends can always enjoy an interesting selection of good food and drink that won’t break the bank. Ground Round Grill & Bar

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