FRANCHISE DISCLOSURE DOCUMENT

Anchor Bar Franchise & Development, LLC, a Delaware limited liability company
651 Delaware Avenue
Buffalo, New York 14202
Telephone: (716) 853-1791
Email: markdempsey@anchorbar.com
Website: www.anchorbar.com

The franchisee will operate a restaurant under the name Anchor Bar® featuring buffalo wings, other food items and a full bar. The total investment necessary to begin operations ranges from $1,202,000 to $1,854,000 if the franchisee is converting an existing restaurant location or from $1,722,000 to $3,024,000 if the franchisee is converting an existing building that is not currently operated as a restaurant. This includes up to $70,000 that must be paid to the franchisor or an affiliate.

This disclosure document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this disclosure document and all accompanying 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 governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Mark Dempsey at 651 Delaware Avenue, Buffalo, New York 14202; telephone: (716) 853-1791.

The terms of your contract will govern your franchise relationship. Don't rely on the 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, D.C. 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.

Issuance Date: March 5, 2026

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Anchor Bar® franchise in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an Anchor Bar® franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **<u>Out-of-State Dispute Resolution</u>**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in California than in your own state.

2. **<u>Spousal Liability</u>.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision do/s not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this Notice shall be directed to the Department of Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48913. (517) 373-7117.

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Exhibits

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES REGARDING THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT, IF ANY, APPEAR IN THE STATE ADDENDA AT EXHIBIT E OR THE STATE SPECIFIC AMENDMENTS TO FRANCHISE AGREEMENT IN EXHIBIT D

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, “Anchor Bar,” “we” or “us” mean the franchisor – Anchor Bar Franchise & Development, LLC, a Delaware limited liability company. “You” means the person who buys the franchise. If the franchisee is a corporation, partnership, limited liability company or other entity, “you” may also refer to its owners. Anchor Bar® is a Delaware limited liability company that was formed on April 14, 2011. Our principal business address is: 651 Delaware Avenue, Buffalo, New York 14202; telephone: (716) 853-1791.

Anchor Bar® does not have any predecessors or parents, or affiliates that offer franchises. Our affiliate, Anchor Bar Distributing Company, LLC, a New York limited liability company, provides and arranges for the sale of products or services to our franchisees. Its principal address is 651 Delaware Avenue, Buffalo, New York 14202; telephone: (716) 853-1791.

Our agents for service of process are disclosed in Exhibit B.

We do not operate restaurants ourselves, but we may do so in the future. Our affiliated company, Frank and Teressa’s Anchor Bar, Inc. has operated a restaurant in Buffalo, New York since 1935. This restaurant, known as Frank and Teressa’s Anchor Bar, was where Teressa Bellissimo invented the buffalo wing utilizing the Anchor Bar secret proprietary sauce and cooking method. Frank and Teressa’s Anchor Bar, Inc.’s principal business address is 1047 Main Street, Buffalo, New York 14209.

We are in the business of franchising the right to operate restaurants offering on-site casual dining and take-out under the name “Anchor Bar®” featuring buffalo wings as well as other food products such as appetizers, sandwiches, beef, pizza, seafood and a full bar. We have not previously conducted business in any other line of business. Anchor Bar Distributing Company, LLC has developed a line of proprietary merchandise including marinades, sauces and spices featured in Anchor Bar restaurants. Franchised Anchor Bar® restaurants may not offer catering services without Anchor Bar’s consent. Franchised Anchor Bar® restaurants may offer delivery to customers including through third party services such as DoorDash, UberEats and GrubHub. Each Anchor Bar® restaurant has a dedicated space for retail merchandise sales.

The general market for the goods and services offered by an Anchor Bar® restaurant is well developed and competitive.

In addition to laws and regulations that apply to businesses generally, you may be subject to regulations relating to the operation of an eating and drinking establishment in your state, city or county, including those governing construction, site location and the sale of food and alcoholic beverages, as well as public health and safety codes and ordinances. These may include menu-labeling laws and regulations. They include regulations concerning smoking, sanitation, privacy, discrimination, employment and sexual harassment laws as well as the Americans with Disabilities Act, which requires readily accessible accommodations for disabled individuals and may affect your operations. It is your responsibility to comply with these laws and to obtain approval for an on-premises liquor license for your Anchor Bar® restaurant before you open for business and you may experience delays in obtaining this license. Some states have quotas on the number of liquor licenses they issue. In these states you may have to acquire a liquor license from a third party at a significantly higher cost and delay. Therefore, you must apply for the license as soon as you are approved as a franchisee. You should consult with your own advisors and the government agencies in your state for information on how these laws apply to you. Among the laws and regulations that apply to businesses generally, you must comply with all data protection and privacy laws. In particular, you may not copy, transfer or use data on current or past customers such as their names, addresses, phone numbers or email addresses, or provide that information to third parties.

Your competitors include other casual dining and sit-down restaurants.

Anchor Bar began offering franchises to operate Anchor Bar® restaurants in December 2011. Our affiliate, Anchor Bar Distributing Company, LLC, previously offered franchises for Anchor Bar restaurants in 2004, but did not grant any. Neither we nor any of our affiliates have offered franchises in any other line of business. However, in 2015 we entered into a Master Franchise Agreement with a master franchisee whom we granted the right to identify and enter into agreements with sub-franchisees. One franchise was granted under the Master Franchise Agreement in 2016. We no longer offer master franchise agreements.

Anchor Bar's affiliate, Anchor Bar Distributing Company, LLC, offered franchises to area developers to solicit and refer prospective franchisees and to provide services to those franchisees on behalf of the franchisor. Area developers were required to open at least one Anchor Bar restaurant. Anchor Bar Distributing Company, LLC offered these franchises from 2004 to 2006, and does not presently offer franchises in any line of business.

ITEM 2

BUSINESS EXPERIENCE

Chief Executive Officer, President and Managing Member: Mark Dempsey

Mr. Dempsey has served as our Chief Executive Officer since September 2018, and as President and a Managing Member since 2019. He served as Vice President from January 2017 to September 2018. Before that, he was Vice President of Sales beginning in January 2013. From October 2008 to 2019, Mr. Dempsey was Director of Sales for the original Anchor Bar restaurant in Buffalo, New York. In 2019 he was promoted to Vice President. Mr. Dempsey has also served as President and a Managing Member of Anchor Bar Distributing Company, LLC since 2019.

Managing Member: Marcella Wright

Ms. Wright has served as a Managing Member of Anchor Bar since February 2019. Ms. Wright has also been President of Frank and Teressa's Anchor Bar, Inc. operating the original Anchor Bar restaurant in Buffalo, New York since 2019. Ms. Wright has also served as a Managing Member of Anchor Bar Distributing Company, LLC since 2019. Before that, she has held various positions with Anchor Bar in Buffalo, New York, for the past 40 years.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

Franchisees pay a $60,000 initial franchise fee in a lump sum when they sign the Franchise Agreement for their first Anchor Bar franchise. Franchisees that are granted the right to develop additional locations will pay a reduced initial franchise fee equal to 80% of the then-current initial franchise fee for each additional location. The initial franchise fee is not refundable.

You will purchase approximately $5,000 of your initial inventory from our affiliate, Anchor Bar Distributing Company, LLC and up to $5,000 of nautically-themed décor items for your restaurant from us or our affiliate. These purchases are non-refundable.

ITEM 6

OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty Fee	5% of gross revenues	Weekly every Monday	See Note 1
Advertising Fee	Up to 3% of gross revenues	Weekly every Monday	See Note 2

Name of Fee	Amount	Due Date	Remarks
Initial Training Fee	$1,000 per additional trainee (after the first three trainees)	Upon demand	See Note 3
Additional Training Fee	Our then-current fee; currently $300 per trainer per day plus travel expenses	Upon demand	See Note 4
Transfer Fee	50% of then-current initial franchise fee if buyer is a new franchisee; 25% of then-current initial franchise fee if buyer is an existing franchisee	Before the transfer takes place	See Note 5
Dishonored Payment Fee	$100 per dishonored payment	Upon demand	See Note 6
Late Fee	2% per month	When payment or report is overdue	See Note 7
Audit Fee	Cost of the audit	Upon demand	See Note 8
Renewal Fee	$3,000	Upon franchisee's application to renew	See Note 9
Mystery Shopper Fee	Our cost plus a 5% administrative fee	Upon demand	See Note 10
Quality Assurance Audit Cost	Cost of the audit	Upon demand	See Note 11
Quality Standards Control (QSC) Audit Fees	$350 audit fee plus $500 fee if do not meet QSC standards; $350 re-audit fee; plus our travel expenses and costs	Upon demand	See Note 12
Relocation Fee	25% of the then-current initial franchise fee	Upon demand	See Note 13
Management Fee	Then-current fee; currently 10% of gross revenues plus costs	Weekly every Monday	See Note 14
Indemnification	Payment of our losses and costs	Upon demand	See Note 15

Name of Fee	Amount	Due Date	Remarks
Attorney's Fees	Attorney's fees and costs	Upon determination of prevailing party	See Note 16
Cure Fee	$1,000 per default	Upon demand after default	See Note 17
Technology Fee	Technology charges from vendors that can increase by up to $50 per month or $600 per year	Weekly every Monday	See Note 18

All fees are imposed by and are payable to Anchor Bar, unless otherwise noted. We may vary the frequency and method of payment. We currently require you to pay fees via electronic withdrawal from your bank account. If we grant your request to pay by credit card, you must also pay a fee to cover merchant services charges. Fees are currently uniformly imposed on franchisees who sign Franchise Agreements. All fees are non-refundable unless otherwise noted. If you are located in a state in which we do not have an office or other physical presence, and the state or local taxing authority imposes a tax on any payment you are required to make to us (either by requiring you to withhold the amount of the tax or by requiring us to pay it), you must pay us the difference between the payment as originally calculated and the payment we receive from you after deducting the tax (or the amount we were charged).

Notes:

1. Gross revenues means all revenues you receive from the operation of the franchised business (including any payments under your business interruption insurance coverage) deducting only amounts paid to any governmental tax authority and any customer refunds made in accordance with our policy. If you are required to withhold and pay any portion of the royalty to a governmental entity and Anchor Bar does not receive a credit or refund of that amount, Anchor Bar may require you to reimburse it for the difference.

2. You must contribute up to 3% of gross revenues to the Anchor Bar advertising fund. These contributions will be added to the advertising fund described in Item 11. Anchor Bar requires you to contribute 1% of gross revenues as of the date this Franchise Disclosure Document was issued, but it may increase this amount at any time. In addition to your contributions to the advertising fund, you must spend at least 1% of your gross revenues on local advertising and promotions. Upon request by Anchor Bar, you must submit receipts documenting these activities. Anchor Bar may require franchisees to form local marketing cooperatives when unit development in the marketing area makes such an option feasible. If such a marketing cooperative is formed in your territory, Anchor Bar may require that you

contribute to the cooperative all or a portion of the 1% of your revenues allocated to local advertising. Anchor Bar will not require that you contribute more than 1% of your revenues to the cooperative. Each participant in a local marketing cooperative (including franchisor-owned outlets) will have one vote per restaurant located in the marketing area.

3. We do not charge a separate fee for providing initial training to your first three persons who attend at the same time. We may charge a fee to provide initial training to additional or replacement personnel.

4. We may charge a fee for additional training we may require you and your personnel to attend in the future. If you request additional training and we agree to provide it, we will also charge this fee. This fee will not exceed $500 per trainer per day plus our travel expenses.

5. You must pay this fee when you submit an application to transfer. Anchor Bar retains its expenses if it does not consent to the transfer. If you are an individual and you are transferring to a wholly-owned entity, you do not pay a transfer fee, but you must reimburse Anchor Bar for its out-of-pocket expenses in documenting the transfer. There are other conditions to your ability to transfer. See Item 17.

6. Anchor Bar will collect monies from you via electronic funds transfer. In the event of a returned check or insufficient funds within your account, you must pay a fee of $100 per occurrence.

7. If you do not pay any amount when due, you must pay a late charge of 2% per month, or the maximum rate permitted by law, if less.

8. If during an audit Anchor Bar determines that you have underpaid or underreported fees due to Anchor Bar by 2% or more, then you must pay the cost of the audit. You will also have to pay any amounts you owe us due to the underreported fees and late fees.

9. You must pay this fee when you send Anchor Bar notice that you wish to sign a successor agreement 180 days before the end of the term of your Franchise Agreement. Anchor Bar may retain this fee whether or not it grants your request. You must be in good standing to renew. There are other conditions to renewal. See Item 17.

10. When Anchor Bar establishes a mystery shop program, you must pay the cost of such a program. Anchor Bar may collect this payment on behalf of the third party provider. Anchor Bar also charges a 5% administrative fee.

11. Anchor Bar may require you to participate in a quality assurance audit program to be conducted by a third party supplier. If it does so, you must pay the cost of the audit. Anchor Bar may collect this on behalf of the third party supplier.

12. Anchor Bar may conduct periodic quality standards control (QSC) audits of your business for which we charge this fee. If you do not meet the required QSC standard, we will provide you with a list of changes and steps with which you must comply and charge you a non-compliance fee. We will then re-audit your Anchor Bar restaurant and charge you the re-audit fee. In all cases you must pay our travel expenses and other costs.

13. If you request our approval for you to relocate your business and we agree, you must pay this fee to us for our assistance in evaluating the new site, reviewing your building plans and other services.

14. If you are in default of your Franchise Agreement or if you are not able to operate the restaurant due to illness, disability, death or otherwise, Anchor Bar may elect to step in and operate your franchised business. Anchor Bar is not obligated to do so. Should Anchor Bar exercise this option, you must pay our then-current management fee for managing your franchised business plus and travel and accommodation costs.

15. You must hold harmless, indemnify and defend Anchor Bar and its affiliates, partners, agents and representatives and pay for any claims and losses to them resulting from the operation of your business.

16. If there is a dispute between us, the prevailing party will be entitled to reasonable attorney's fees and costs. If we obtain injunctive relief against you because you breach the Franchise Agreement's provisions concerning use of our trademarks, trade secrets or confidential information or if you do not comply with your obligations under the Franchise Agreement upon termination or expiration, you must also reimburse us for our attorney's fees and costs.

17. If you default under your Franchise Agreement and the default is curable, you must cure the default within the time required and pay this fee.

18. This fee is used to cover items such as customer engagement and loyalty program costs, fees for a franchise portal, fees for apps related to the POS system, online ordering fees, and other fees related to technology, accounting and the operation of your business. We notify you on a weekly basis of what this fee will be depending on what the technology vendors charge. Anchor Bar or its affiliate may be vendors in the future.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT (RESTAURANT CONVERSIONS)				
TYPE OF EXPENDITURE	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
INITIAL FRANCHISE FEE	$60,000	Lump Sum	At signing of Franchise Agreement	Anchor Bar
TRAVEL AND LIVING EXPENSES WHILE TRAINING (Note 1)	$5,000 - $10,000	As incurred	During training	Airlines, hotels, restaurants and other vendors
LEASE, UTILITY & SECURITY DEPOSITS	$20,000 - $60,000	As incurred	As incurred	Lessor, utility companies
LEASEHOLD IMPROVEMENTS & DÉCOR (Note 2)	$500,000 - $800,000	As incurred	As incurred	Suppliers and Anchor Bar
DESIGN AND ARCHITECTURAL FEES	$45,000 - $70,000	As incurred	As incurred	Architects and Other Professionals
POS SYSTEM	$25,000 - $40,000	As incurred	As incurred	Vendors
KITCHEN EQUIPMENT	$130,000 - $160,000	As incurred	As incurred	Suppliers
TABLEWARE, GLASSWARE & FLATWARE	$35,000 - $50,000	As incurred	As incurred	Vendors
OFFICE EQUIPMENT	$2,000 - $4,000	As incurred	As Incurred	Vendors

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
BUSINESS LICENSES & PERMITS (Note 3)	$25,000 - $50,000	As incurred	As incurred	City, State
SIGNAGE	$35,000 - $70,000	As incurred, before opening	As incurred	Suppliers
FURNITURE & FIXTURES	$75,000 - $90,000	As incurred, before opening	As incurred	Suppliers
AUDIOVISUAL SERVICES & EQUIPMENT	$100,000 - $125,000	As incurred, before opening	As incurred	Vendors
PROFESSIONAL FEES (Note 4)	$20,000 - $50,000	As incurred	As incurred	Suppliers
INITIAL ADVERTISING (Note 5)	$10,000 - $25,000	As incurred	As incurred	Media and other vendors
INSURANCE	$20,000 - $40,000	As incurred	As incurred	Suppliers
INITIAL INVENTORY (Note 6)	$35,000 – $50,000	Lump sum	As incurred	Suppliers and our affiliate
ADDITIONAL FUNDS - 3 Months (Note 7)	$60,000 - $100,000	As incurred	As incurred	Employees and suppliers
TOTAL (Note 8)	$1,202,000 - $1,854,000			

YOUR ESTIMATED INITIAL INVESTMENT (NON-RESTAURANT CONVERSIONS)				
TYPE OF EXPENDITURE	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
INITIAL FRANCHISE FEE	$60,000	Lump Sum	At signing of Franchise Agreement	Anchor Bar
TRAVEL AND LIVING EXPENSES WHILE TRAINING (Note 1)	$5,000 - $10,000	As incurred	During training	Airlines, hotels, restaurants and other vendors
LEASE, UTILITY & SECURITY DEPOSITS	$20,000 - $60,000	As incurred	As incurred	Lessor, utility companies
LEASEHOLD IMPROVEMENTS (Note 2)	$900,000 - $1,800,000	As incurred	As incurred	Suppliers and Anchor Bar
DESIGN AND ARCHITECTURAL FEES	$60,000 - $90,000	As incurred	As incurred	Architects and Other Professionals
POS SYSTEM	$25,000 - $40,000	As incurred	As incurred	Vendors
KITCHEN EQUIPMENT	$200,000 - $250,000	As incurred	As incurred	Suppliers
TABLEWARE, GLASSWARE & FLATWARE	$35,000 - $65,000	As incurred	As incurred	Vendors
OFFICE EQUIPMENT	$2,000 - $4,000	As incurred	As incurred	Suppliers
BUSINESS LICENSES & PERMITS (Note 3)	$40,000 - $70,000	As incurred	As incurred	City, State

SIGNAGE	$35,000 - $70,000	As incurred, before opening	As incurred	Suppliers
FURNITURE & FIXTURES	$75,000 - $90,000	As incurred, before opening	As incurred	Suppliers
AUDIOVISUAL SERVICES & EQUIPMENT	$100,000 - $125,000	As incurred, before opening	As incurred	Vendors
PROFESSIONAL FEES (Note 4)	$20,000 - $50,000	As incurred	As incurred	Suppliers
INITIAL ADVERTISING (Note 5)	$10,000 - $25,000	As incurred	As incurred	Media and other vendors
INSURANCE	$20,000 - $40,000	As incurred	As incurred	Suppliers
INITIAL INVENTORY (Note 6)	$35,000 – $50,000	Lump sum	As incurred	Suppliers and our affiliate
ADDITIONAL FUNDS - 3 Months (Note 7)	$80,000 - $125,000	As incurred	As incurred	Employees and suppliers
TOTAL (Note 8)	$1,722,000 - $3,024,000			

The amounts payable to Anchor Bar are nonrefundable unless otherwise noted. The refundability of other amounts depends upon your agreement with the applicable supplier or other party.

Notes:

1. This amount varies depending on how far you are from our training location in Buffalo, New York, and on the number of people attending training.

2. This estimate includes amounts needed for construction, remodeling, decorating costs and any other leasehold improvements. The estimate for restaurant conversions assumes that your location will have certain basic equipment such as hoods, walk-in coolers, and walk-in freezers, etc. that

meet our specifications. It also includes $5,000 of décor items for your restaurant including nautically-themed pictures, murals and license plates that you purchase from us or our affiliate.

3. In addition to other licenses, you must obtain an on-premises liquor license. Some states have quotas on the number of liquor licenses the issue. In these states, you may have to acquire a liquor license from a third party at a significantly higher cost and delay.

4. This figure includes Anchor Bar's estimate of the cost for you to consult with independent legal and other professional advisors.

5. This figure includes the amounts that you must spend on marketing and promotions before opening and during the first 30 days after opening your business.

6. The amount of initial inventory you will purchase will depend on the size and type of geographic location of your Anchor Bar restaurant and the demographics of the population in the area. You must purchase some of this initial inventory from our affiliate, Anchor Bar Distributing Company, LLC. We estimate the amount of the initial inventory that you purchase from our affiliate to be $5,000.

7. These miscellaneous start-up costs are Anchor Bar's estimate of such costs as salaries and working capital. They also include an estimate for the cost of training on the accounting system Anchor Bar requires that you use. It is not a breakeven analysis. Anchor Bar bases its estimate of these expenses on research of current standards, the experiences of its franchisees, and adaptations of its affiliate's experience and the industry. You may have additional expenses in starting the business.

8. These figures are estimates and Anchor Bar cannot guarantee that you will not have additional expenses starting the business. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

Anchor Bar does not offer direct or indirect financing to franchisees for any items.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Designated Suppliers and Required Purchases

Anchor Bar and its affiliate have developed a line of proprietary marinades, sauces, soups, spices, cheeses, chicken wings, other food products and other items that you must use in your Anchor Bar restaurant. You must also purchase the spec products Anchor

Bar requires from suppliers Anchor Bar designates. Anchor Bar may designate its affiliate to as the required supplier that you must use. Spec products are products such as chicken wings that Anchor Bar requires you to use or offer and designates by type of product or brand. Anchor Bar may change the spec products or the designated supplier you must obtain spec products from at any time. By way of example, you must purchase our proprietary products such as sauces and rubs from a supplier that obtains them from our affiliate.

You must purchase all other materials, food products, spec items, supplies and equipment required or used in the operation of your Anchor Bar restaurant only from vendors, manufacturers, suppliers or distributors we designate from time to time in writing in our Operations Manual (which may include Anchor Bar and its affiliates). Anchor Bar also requires that you purchase most of the retail merchandise for sale in your gift shop such as novelty items, t-shirts and other clothing, and our proprietary food products from Anchor Bar or its affiliate.

As of the date this Disclosure Document was issued, Anchor Bar and its affiliate are the only approved suppliers of proprietary food products and merchandise for your gift shop but they may be the only approved suppliers of other items in the future.

Anchor Bar and its affiliate will derive revenues from these purchases. Anchor Bar may require that you pay for these items when you order them by electronic withdrawal from your bank account.

Anchor Bar may, at any time, also designate by brand name or by supplier certain food items, supplies, products, equipment, and services that you are required to use. We may change the items, supplies, products, equipment, services, suppliers and vendors that you must use at any time.

Computer System and Related Products and Services

We designate the supplier for your computer and point of sale software as well as the customer relations management software you must use. We can change the computer and software that you must use at any time. We will have direct and independent access to the information on these systems and we will be able to download information. To the extent that the provider requires your consent to do so, you must provide your consent. If we require any additional details or information about your business, you must provide it to us.

Anchor Bar charges a technology fee that covers expenses for customer engagement and loyalty programs, online ordering charges, apps that are used to create reports from the POS system and to monitor business operations and other fees related to technology, accounting and the operation of your business. You must obtain these services from Anchor Bar or its designated suppliers. You must use the credit card processor designated by Anchor Bar.

Other Required Suppliers, Products and Services

We may designate the company from which you must obtain all audio/visual services such as televisions, radios and security cameras. You must use the services that we require and we may add to or change required services at any time. As of the date this Disclosure Document was issued, we require that you subscribe to and broadcast NFL Sunday Ticket.

You must use the accounting system and supplier that we designate.

We may require you to use the services of a social media/website company we designate. If we do so, you will have to pay the social media/website company a periodic fee for its services.

You must also use our designated supplier for any advertising and marketing materials that you wish to prepare and submit to us for approval.

Anchor Bar also designates a real estate representative or real estate company that you must use to assist you in identifying and securing a location for your Anchor Bar restaurant.

Even though Anchor Bar may designate suppliers that you must use, it does not guarantee them or their products or services.

Mystery Shopping Programs/Quality Assurance Audits/QSC Audits

Anchor Bar may contract with third party suppliers to conduct mystery shopping programs and quality assurance audits. Anchor Bar also conducts quality standards control (QSC) audits. It may conduct them itself or have a supplier conduct them, and Anchor Bar may add to these programs at any time. You must participate in these programs and pay fees to do so.

Proposed Suppliers

You may request Anchor Bar's consent to a supplier, although Anchor Bar is not obligated to consider your request. To do so, you must satisfy all of the following conditions. We may refuse to consent to your affiliate becoming a supplier:

1. You must send a written request to Anchor Bar;

2. The supplier must demonstrate that it can supply an item or service meeting Anchor Bar's specifications. This may mean providing Anchor Bar with samples and allowing Anchor Bar representatives to inspect its facility;

3. You may need to reimburse Anchor Bar for its expenses in evaluating the proposed supplier;

4. The supplier must demonstrate its financial soundness, its reputation in the business community and the reliability of its product or service;

5. The supplier or provider must maintain the insurance coverage Anchor Bar requires and name both you and Anchor Bar as additional insureds with the right to notice before modification or cancellation of coverage; and

6. If the item will bear Anchor Bar's trademark, Anchor Bar may require the supplier to sign a license agreement which may include a royalty payment to Anchor Bar.

Anchor Bar generally will notify you of its approval or disapproval of a supplier within 90 days. Anchor Bar may notify you that the approval of a supplier is revoked at any time. Anchor Bar may elect to evaluate suppliers you propose but it has no obligation to do so.

Menu

You must also offer all menu items that Anchor Bar designates and you may not offer any other menu items without Anchor Bar's consent. You may propose to add or delete items but Anchor Bar may refuse your request. Anchor Bar can add to the approved menu items you must offer, delete them or change them at any time.

Construction Standards and Décor

The design, layout, construction, furnishing and decoration of an Anchor Bar restaurant is important to the Anchor Bar brand and system and to create the Anchor Bar experience. You must follow all of our construction standards for your Anchor Bar restaurant and you may not vary them without our consent. You must also incorporate all aspects of the décor and trade dress required by Anchor Bar including signage, paint colors, themes, photographs, memorabilia and background music. Your Anchor Bar restaurant must have a bar that is separate from the restaurant.

Lease

You must obtain Anchor Bar approval of the lease or contract for the location from which you will conduct the franchised business. You are responsible for all costs to negotiate and sign the lease or contract. We may require you to include certain terms in your lease including a conditional lease assignment to us or our nominee if your Franchise Agreement expires or is terminated. The lease must also contain the following terms:

(a) your right to assign the lease to Anchor Bar or its nominee without the landlord's consent or a rent increase or penalty;

(b) the landlord's acknowledgement that you may not transfer or sublet without Anchor Bar's consent;

(c) the landlord's consent to Anchor Bar's signage;

(d) the landlord's agreement to notify Anchor Bar if you default;

(e) no change may be made to the lease without Anchor Bar's consent;

(f) if the Franchise Agreement terminates or expires, the landlord's agreement that the lease will transfer to Anchor Bar or its nominee immediately at Anchor Bar's option upon notice by Anchor Bar without rent increase or penalty;

(g) the landlord may rely on Anchor Bar's notice;

(h) the notice operates as an assignment, but does not include liability for your prior acts or omissions;

(i) The landlord may provide to Anchor Bar, upon Anchor Bar's request, all reports, information and data about the property;

(j) Anchor Bar may enter the premises and make alterations after the expiration or termination of the Franchise Agreement; and

(k) Anchor Bar is a third party beneficiary of the lease.

<u>Insurance</u>

You must obtain and maintain the insurance coverage required by the Franchise Agreement from a carrier with a Best's rating of at least A. You must also use the insurance broker we designate. The required coverage includes the following as of the date this Disclosure Document was issued:

- Commercial General Liability - $1,000,000 per occurrence and $2,00,000 aggregate for bodily injury and property damage including product liability, personal and advertising liability with no exclusion for assault and battery on an occurrence form.
- Liquor Liability - $1,000,000 per occurrence and $2,000,000 aggregate with no exclusion for assault and battery for liquor related claims on an occurrence form
- Auto Liability - $1,000,000 combined single limit liability for all owned, non-owned and hired automobiles used in the operation of the Anchor Bar restaurant with no exclusion for third party delivery services
- Property – Equal to 100% of the replacement cost of all real and business personal property of the Anchor Bar restaurant including flood and earthquake insurance in catastrophe-prone zone
- Business Income & Extra Expense – For not less than 40% of your annual sales with at least 180 days extended period of indemnity

- Worker's Compensation – as required in the jurisdiction in which your Anchor Bar restaurant is located

- Umbrella Liability - $2,000,000 (with a higher limit required if you have more than one Anchor Bar restaurant)

- Employer's Liability - $1,000,000/$1,000,000/$1,000,000

- Employment Practices Liability – including third party liability for $1,000,000 including a minimum of $100,000 wage & hour defense coverage and naming Anchor Bar as co-defendant for employment related claims and third-party discrimination and harassment claims

- Cyber Liability - $1,000,000 including cyber data breaches, identity theft, PCI compliance, ransomware and social engineering sublimit of $100,000

- Trade Name Restoration - $500,000 for lost income due to contamination or an alleged contamination event anywhere in the brand.

Your insurance must include coverage for losses that incur after the expiration or termination of the Franchise Agreement for such period of time as we designate. We may change the required coverage and limits at any time. You must also obtain all insurance required by your lease, state, local or federal government. Anchor Bar must be listed as additional insured on all of the above policies. All policies must contain a waiver of subrogation and be primary and non-contributory to any insurance Anchor Bar might carry and provide 30 days' written notice of cancellation to Anchor Bar as an additional insured. You must send Anchor Bar a certificate of insurance naming Anchor Bar as an additional insured on all liability policies except the Employment Practices Liability policy on which you must name Anchor Bar as a co-defendant.

<u>Miscellaneous</u>

As of the date this Franchise Disclosure Document was issued, Anchor Bar has negotiated purchase arrangements with suppliers for the purchase of products for the benefit of franchisees. Anchor Bar or its affiliate sells proprietary products to suppliers for resale to Anchor Bar restaurants, and receives revenues from these sales. Anchor Bar and its affiliate also may receive revenues or rebates from suppliers on account of other purchases or leases by franchisees. You must purchase designated products from suppliers Anchor Bar mandates.

During the calendar year ending December 31, 2025, Anchor Bar received $41,893.50 in revenues on account of purchases by franchisees or 1.95% of its total revenues of $2,145,508. Anchor Bar also received rebates of $275,628.41 from suppliers on account of purchases by franchisees.

During the calendar year ending December 31, 2025, Anchor Bar's affiliate, Anchor Bar Distributing Company, LLC, received $653,459.80 in sales revenues on account of purchases by franchisees. The source of this information is Anchor Bar Distributing

Company, LLC's financial records. Some of these revenues are from purchases by Anchor Bar's affiliate that operates an Anchor Bar restaurant.

No officer of Anchor Bar owns an interest in any supplier as of the date this Disclosure Document was issued, except for Anchor Bar or its affiliate.

Anchor Bar does not provide material benefits to franchisees based on use of designated or approved suppliers as of the date this Franchise Disclosure Document was issued but it may do so in the future.

Anchor Bar estimates that the required purchases and leases described in this Item will constitute approximately 60% or more of all purchases and leases you will incur to establish and operate your Anchor Bar restaurant.

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other Items of this Disclosure Document.

Obligation	**Section in Agreement**	**Disclosure Document Item**
a. Site selection and acquisition/lease	Section 3	Items 8 and 11
b. Pre-opening purchases/leases	Section 3	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Section 3	Items 7 and 11
d. Initial and ongoing training	Section 7(a)	Item 11
e. Opening	Section 3(g)	Item 11
f. Fees	Sections 5(d), 6, 7(a)(iii); 9(a)(iii), 9(k), 11, 14(b)(iii)(G), 16(b) and 29	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	Section 7(b)	Item 11

Obligation	**Section in Agreement**	**Disclosure Document Item**
h. Trademarks and proprietary information	Sections 9(b) and 12	Items 13 and 14
i. Restrictions on products/services offered	Sections 9(a) and 9(c)(ii)	Item 16
j. Warranty and customer service requirements	Section 9	Item 11
k. Territorial development and sales quotas	Section 2	Item 12
l. Ongoing product/service purchases	Section 9	Item 8
m. Maintenance, appearance and remodeling requirements	Section 9(c)	Item 11
n. Insurance	Section 10	Item 8
o. Advertising	Section 8	Item 6 and 11
p. Indemnification	Section 11	Item 6
q. Owner's participation/ management/staffing	Section 9(c)(i)	Item 15
r. Records and reports	Sections 6(i), 9(k) and 9(m)	Item 6
s. Inspections and audits	Sections 9(j) and (k)	Item 6
t. Transfer	Section 14	Item 17
u. Renewal	Section 5	Item 17
v. Post-termination obligations	Sections 13(b) and 17	Item 17
w. Non-competition covenants	Section 13	Item 17
x. Dispute resolution	Section 25	Item 17

Obligation	Section in Agreement	Disclosure Document Item
y. Other: Spousal Consent and Personal Guaranty of franchisee and spouse (Note 1) and owner Confidentiality and Non-Competition Agreements (Note 2)	Exhibits B and D to Franchise Agreement	Item 22

Notes:

(1) The spouse of an individual franchisee (and the spouse of each owner of a franchisee that is an entity) must sign a spousal consent (Exhibit B).

(2) Each individual who owns an interest in a franchisee that is a business entity (and that individual's spouse) must sign an agreement to maintain confidentiality and not to compete and an agreement assuming and agreeing to discharge all obligations of the "Franchisee" under the Franchise Agreement (Exhibit D).

ITEM 10

FINANCING

Anchor Bar does not offer financing to you, either directly or indirectly. Anchor Bar does not guarantee your financing, borrowing, lease or other obligation.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, Anchor Bar is not required to provide you with any assistance.

Before you begin to operate your Anchor Bar restaurant, Anchor Bar:

(1) Will review the location you propose for your Anchor Bar restaurant. You must use Anchor Bar's designated real estate representative to assist you in identifying a location for your Anchor Bar restaurant. You select the location for your business subject to Anchor Bar's acceptance in writing. You must submit your request in a format that Anchor Bar requires. You must obtain Anchor Bar's acceptance before signing a lease or contract for the site. Anchor Bar does not own premises or lease them to franchisees. In general, the factors which Anchor Bar may consider include the general location and neighborhood of the business, demographics, traffic patterns, parking, size, proximity of complementary businesses, physical characteristics of the location and lease terms (See Franchise Agreement, Section 3(c)).

Anchor Bar will accept or reject your proposed location within 20 days after receiving the request and all of the information it requires concerning the proposed location. If you and Anchor Bar cannot agree on a proposed site, then you must find another site and request that Anchor Bar accept it. You must obtain Anchor Bar's acceptance of a location within 270 days after signing the Franchise Agreement if you are leasing a location and within one year after signing the Franchise Agreement if you are building your location. Anchor Bar may extend the deadline to identify the location for your Anchor Bar restaurant for up to 90 days if we determine that you have demonstrated that you are diligently taking steps to secure a location.

You must open your Anchor Bar restaurant at this type of location within 20 months after signing the Franchise Agreement if you are building a location or within 16 months after signing the Franchise Agreement if you are leasing a location. Anchor Bar may extend the deadline to open your Anchor Bar restaurant for an additional six months if you are building a location. Anchor Bar may extend the deadline to open your Anchor Bar restaurant for an additional three months if you are leasing your location. Anchor Bar will consider granting this extension if we determine that you have demonstrated that you are diligently taking steps to secure a location. If you do not open your Anchor Bar restaurant when required, your Franchise Agreement may terminate. Your lease must contain the provisions described in Item 8.

(2) Will deliver to you drawings for a conceptual appearance of an Anchor Bar restaurant and review your architect's floor plans for your Anchor Bar restaurant, for which Anchor Bar's acceptance is required. Anchor Bar may also work with your architect to develop site specific plans (See Franchise Agreement, Section 3(e)).

(3) May evaluate your architect's full construction drawings for your Anchor Bar restaurant, for which Anchor Bar's approval is required (See Franchise Agreement, Section 3(f)).

(4) Will prescribe the menu items for your Anchor Bar restaurant (See Franchise Agreement, Section 9(c)(ii)).

(5) Will designate the point-of-sale system you use in your Anchor Bar restaurant (See Franchise Agreement, Section 3(e)).

(6) Will develop proprietary ingredients and products using secret recipes or other trade secrets or information and require you to purchase those ingredients and products. Anchor Bar or its affiliate may be the sole suppliers of these products or may designate suppliers for these ingredients and products and may provide you with production methods you must use and the quality controls you must impose for Anchor Bar's proprietary products (See Franchise Agreement, Section (9)(a)(i)).

(7) Will designate suppliers for all items including fixtures, signs, merchandise, equipment, food, beverage and other inventory, supplies and services and may provide written specifications for these items. Neither Anchor Bar nor its affiliate delivers or installs these items (See Franchise Agreement, Section 9(a)).

(8) May evaluate and decide whether or not to authorize your opening of your Anchor Bar restaurant to the public (See Franchise Agreement, Section 3(f)).

(9) Will provide you with the initial training program described below (See Franchise Agreement, Section 7(a)).

(10) Will loan you one copy of the Operations Manual, which Anchor Bar may modify from time to time. A copy of the table of contents of the Operations Manual is attached as Exhibit G to this Disclosure Document. Exhibit G also includes the number of pages in the Operation Manual devoted to each subject. There are a total of 372 pages in our Operation Manual as of December 31, 2025. (See Franchise Agreement, Section 7(b)).

The typical length of time between the earlier of the signing the Franchise Agreement or the first payment of consideration for the franchise and the opening of the business is approximately 20 months or more if you are building a location, and approximately 16 months or more if you are leasing a location. It may take longer for a franchisee to open its Anchor Bar restaurant if the franchisee does not diligently pursue site selection and buildout of the restaurant. The factors that affect this are locating a satisfactory site, obtaining a lease, construction of improvements to the site, financing, obtaining building permits, obtaining a liquor license, zoning and local ordinances, acquisition of sufficient inventory, weather conditions, shortages, any delays in installation of equipment, fixtures and signs and regulations concerning the ability to operate during the public health crisis.

During the operation of your business, Anchor Bar:

(1) Will periodically furnish advice and guidance to you on the operation of your Anchor Bar restaurant which you must implement (See Franchise Agreement, Section 7(c)).

(2) May provide refresher training which you would be required to attend (See Franchise Agreement, Section 7(a)(iv)).

(3) May organize franchisee meetings periodically which you may be required to attend (See Franchise Agreement, Section 7(d)).

(4) Will provide additional training in the Anchor Bar program if you request (and we agree) or we determine it to be necessary (See Franchise Agreement, Section 7(a)(v)).

(5) Will evaluate and decide whether or not to approve any advertising materials you propose to use which must be prepared by the company Anchor Bar designates (See Franchise Agreement, Section 8(c)).

(6) May periodically make recommendations concerning menu pricing and establish and enforce menu prices, both minimum and maximum, to the extent permitted by applicable law (See Franchise Agreement, Section 9(a)(vi)).

(7) May periodically establish and publish specifications for the painting and décor, furnishings, fixtures, signage, facility and equipment of Anchor Bar restaurants (See Franchise Agreement, Section 9(e)).

Advertising

You must contribute up to 3% of gross revenues to the Anchor Bar advertising fund.

Anchor Bar may elect to disseminate advertising from the advertising fund through television, radio and print media such as magazine, billboards, flyers or mailers and newspapers. The media coverage will initially be local in scope, but may expand to be regional and later, at our discretion, national. Anchor Bar is not required to spend any specific amount on advertising in the area or territory in which your Anchor Bar restaurant is located. Anchor Bar may use the advertising fund to employ an outside consultant or advertising agency to assist in the development, production and dissemination of advertising materials. We may also use the advertising fund to develop promotional and advertising materials for your use. We may spend the advertising fund on administrative expenses including allocation of overhead and salaries of our personnel.

During the year ended December 31, 2025, Anchor Bar spent the advertising contributions it received as follows:

Category	Amount	% of Total 2025 Expenses
Production (Gallagher, Local Edge)	$10,248.40	5.13%
Media Placement	$115,486.18	57.74%
Administrative Expenses	0	0
Other: Refunds to Franchisees	$74,264.57	37.13%
Total	$199,999.15	100.0%

In addition to your contribution to the advertising fund, you must spend a minimum of 1% of your revenues on local advertising in your area. You must obtain our consent to the advertising materials that you use before you use them.

We will require franchisees to form local marketing cooperatives when unit development in the marketing area makes such an option feasible. If such a marketing cooperative is formed in your territory, Anchor Bar may require that you contribute to the cooperative all or a portion of the 1% of your revenues allocated to local advertising. Anchor Bar will not require that you contribute more than 1% of your revenues to the cooperative. Each participant in a local marketing cooperative (including franchisor-owned outlets) will have one vote per restaurant located in the marketing area.

We may require you to use the services of a social media/website company we designate. If we do so, you will have to pay the social media/website company a periodic fee for its services.

We may prepare periodic financial reports on the advertising fund and, if we do so, they will be available to you upon request. We do not audit the advertising fund as of the date this Disclosure Document was issued. We do not have financial statements for the advertising fund that are available to franchisees to review. Any amounts in the advertising fund not spent during one year will carry over to the next year. No expenditures will be made from the advertising fund principally to solicit new franchise sales.

You may use your own advertising materials such as point-of-purchase materials and menus, only after they have been approved in writing by Anchor Bar. You must submit such advertising materials to Anchor Bar at least 20 days prior to the deadline for disseminating them.

We require franchisees to contribute to the advertising fund at the same rate. Franchisees who have signed Franchise Agreements for non-traditional locations do not pay the same advertising contribution. We may also contribute to the fund.

We may develop discount programs or other customer engagement programs such as loyalty reward programs in the future. If we do so, you must participate.

Anchor Bar does not currently have a franchisee advisory council, but reserves the right to create one in the future.

Computer System and Software

As of the date this Disclosure Document was issued, we require you to purchase a computer and point of sale software that we designate to perform certain functions, some of which are to process and track: (a) purchases; (b) daily revenues; and (c) product sales. The designation of this computer software is subject to change. We estimate the cost to buy the computer system and software is $20,000 to $30,000. You must also obtain the customer relations management software we designate. We will have direct and independent access to this information and we will be able to download it. There is no contractual limit on our right to do so. If the provider requires your consent in order to provide us access, you will provide that consent. You must also provide us with any additional information or data we request. You must have high-speed access to the Internet. You must maintain all data in accordance with applicable data protection and privacy laws. In particular, you may not copy, transfer or use data on current or past customers such as their names, addresses, phone numbers or email addresses, or provide that information to third parties.

We also require you to use the accounting system we designate from time to time. You must also pay the training fee that is charged by the vendor for the use of this system.

You must keep your books of account in accordance with good accounting practices and your books of account must fully and accurately disclose your gross revenues. By the 15th day of each month, you must provide us with monthly financial statements including a profit and loss statement. Within 15 days following the end of each calendar quarter and year you must also deliver to us quarterly and annual financial statements prepared in accordance with U.S. generally accepted accounting principles. If we require it, these financial statements must be certified by an independent certified public accountant. We may also require additional financial reports that you must provide. The financial statements must accurately reflect current results of the operation of your Anchor Bar restaurant and must be on forms that we prescribe.

We do not have a contractual obligation to provide ongoing maintenance, repairs, upgrades or updates for your electronic cash register, computer hardware or software.

Training

Following is information on the training program as of Anchor Bar's fiscal year ended December 31, 2025:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Overview of Anchor Bar Concept/ Establishing the Business/History and Features of Anchor Bar Brand	4	4	Anchor Bar Headquarters in Buffalo, NY
Day-to-Day Procedures/ Product Preparation- Serv Safe	12	56	Anchor Bar Headquarters in Buffalo, NY
Reporting Functions	3	3	Anchor Bar Headquarters in Buffalo, NY
Human Resources	½	½	Anchor Bar Headquarters in Buffalo, NY
Marketing	3	1	Anchor Bar Headquarters in Buffalo, NY
Guest Services Procedures	1	8	Anchor Bar Headquarters in Buffalo, NY

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Equipment and Facility Maintenance	1	2	Anchor Bar Headquarters in Buffalo, NY
Working with Suppliers – Inventory/Invoicing	3	1	Anchor Bar Headquarters in Buffalo, NY
Quality Control	1	8	Anchor Bar Headquarters in Buffalo, NY
Administrative Issues	½	1	Anchor Bar Headquarters in Buffalo, NY
Total	29	84.5	

Training programs are held when necessary to train new franchisees, and the content and duration of the training program is subject to change. Portions of the training may be virtual.

Instructional materials provided include a curriculum of activities, training outline, information on recipes and menus, and brochures.

Anchor Bar's senior management personnel or its trainers will conduct initial training. Instructors have a minimum of six years' experience in the field and three years with Anchor Bar's affiliates.

You must attend and complete initial training to our satisfaction between 60 and 90 days before opening your Anchor Bar restaurant. If you fail to complete the training to our satisfaction, we may terminate your franchise. In addition to the initial training described above, Anchor Bar may require you and your personnel to attend refresher training before renewing the Franchise Agreement. Anchor Bar also requires you and your personnel to attend up to ten days of additional training at the daily training rate, per trainer provided every year at a location designated by Anchor Bar. Moreover, Anchor Bar may require franchisees to undergo, or franchisees may request, additional training. Franchisees must pay all of their own expenses in connection with this additional training along with all of the trainer's travel expenses, if any. Anchor Bar may also require you to attend a national business meeting or convention for up to three days per year. You will bear all direct costs, such as travel and accommodation, for attending these events.

Before you open the franchised business, you, your manager and your assistant manager must successfully complete our initial training program. It lasts approximately three weeks for you and your general manager and approximately one week for your assistant manager and for other owners of the franchise entity who will not be active in managing the business. Initial training takes place at the Anchor Bar corporate headquarters in

Buffalo, New York or another location we designate. There will be classroom training and additional training at an Anchor Bar restaurant. You will receive no compensation or reimbursement for services or expenses for participation in training. Anchor Bar will not charge you to train up to three of your personnel at the same time, but we may charge you a fee to train more than three persons or to conduct initial training at a later time. You will be responsible for all of your and your employees' expenses to attend the training program, including any lodging, transportation and food.

ITEM 12

TERRITORY

You receive the right to operate an Anchor Bar restaurant at a location in your protected territory. Your territory will generally include a radius of five miles except when Anchor Bar consents to your location in what it considers to be a densely populated area. Your territory will be defined by zip codes.

If you do not have a location for your Anchor Bar restaurant when you sign the Franchise Agreement, we will designate a general geographic area in which you may search for locations. You do not have any rights to exclusivity within this general geographic area, only in the area around your location once it is determined.

You may not relocate your business or establish additional outlets without our written consent. Anchor Bar may consider consenting to your request to relocate if there are demographic changes to the area in which your franchised business is located or if there is a there is an issue with the performance of your franchised business. Anchor Bar may also consider consenting to your relocation request if there is a natural disaster or damage to your location.

You typically will not receive any options, rights of first refusal or similar rights to acquire additional franchises, but we have granted rights of first refusal in the past for limited amounts of time. Under certain circumstances, we may allow you the right to open multiple locations in a territory

You may not sell products or services at wholesale.

We will not operate Anchor Bar restaurants in your territory and we will not license third parties to do so except in locations such as airports, hotels, convention centers, sports arenas and stadiums, casinos, college campuses, amusement parks, supermarkets, box stores, museums or similar venues. Food trucks operated by us or franchisees may operate in your territory from time to time. We also reserve the right to sell our proprietary products in your territory through any channel of distribution. If we acquire or are acquired by another food service company, there may be restaurants similar to your restaurant operating in your territory and the number of them may grow.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You may also offer delivery to your customers, including using third party delivery services such as DoorDash, UberEats and GrubHub.

You have the right to serve customers from outside of your territory but you do not have the right to use other channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing to make sales outside of your territory. You do not have the right to use the Internet, catalog sales, telemarketing or other direct marketing to make sales in your territory except for dine-in or take-out sales from your Anchor Bar restaurant.

Anchor Bar reserves all rights that it does not grant to you. For example, Anchor Bar reserves all rights to sell our proprietary products in your territory, to market similar products and services under a different trademark inside your territory without compensation to you for doing so, to promote Anchor Bar restaurants and to sell Anchor Bar products and other products using other channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing. Anchor Bar does not have to pay you if it solicits or accepts orders from inside your territory.

Only Anchor Bar may operate a website that uses its name and other trademarks or features its products. You may not develop or operate a website relating to the franchised business or using our marks without our permission.

You must follow our policy for the use of social media. We may require you to retain a designated social media/website company. If we do so, you will have to engage them and pay their fees. You may not establish an account or participate in any social networking sites (including, without limitation, Facebook, LinkedIn, Twitter, YouTube, TikTok, Instagram or any other social or professional networking blog) or mention or discuss the franchise, us or any of our affiliates, without our prior written consent. If we do consent, we have the right to review all on-line content on social media sites, blogs, in electronic communications and on other on-line sites on which our trademarks are used to protect the reputation and high quality associated with our trademarks. We may require you to remove any questionable usage or content involving our trademarks. We may also require you to cease using our trademarks at all such sites.

The continuation of your territorial rights is not dependent on achievement of any certain sales volume, market penetration or other contingency other than your compliance with the terms of the Franchise Agreement.

ITEM 13

TRADEMARKS

Anchor Bar grants you the right to conduct business operating a restaurant under the name “Anchor Bar,” a design logo using the same words as seen on the cover page to this Franchise Disclosure Document, and related trademarks. You must also use other trademarks which we develop or prescribe to identify your business and its services and products. By trademark, we mean trade names, trademarks, service marks and logos used to identify your business, its services and its products.

You must follow our rules when you use these trademarks. You cannot use a name or mark as part of a corporate name or with modifying words, designs or symbols except for those which Anchor Bar licenses to you. You may not use Anchor Bar's trademarks in the sale of an unauthorized product or service or in a manner not authorized in writing by Anchor Bar.

Anchor Bar received the right to use these trademarks and to license their use to you under a trademark license agreement with our affiliate, Anchor Bar Distributing Company, LLC, dated as of June 23, 2011. Unless terminated, the agreement continues for a 50-year term, and the agreement may not be modified without both parties' consent. The trademark license agreement provides that upon reasonable notice, the licensor can make site visits to Anchor Bar restaurants and you must provide the licensor and its representatives with access to your Anchor Bar restaurant. If the trademark license agreement is terminated for any reason or expires, it provides that Anchor Bar Distributing Company, LLC will continue to honor the rights Anchor Bar granted to you. No other agreements limit Anchor Bar's right to use or license the use of the trademarks.

Following is a chart that presents registration information on registrations with the United States Patent and Trademark Office ("USPTO") for these trademarks:

Registration Number	Description of Mark	Principal/Supplemental Register	Registration Date
2,662,608	ANCHOR BAR	Principal	December 17, 2002 (renewed April 19, 2022)
2,172,483	ORIGINAL ANCHOR BAR WING SAUCE	Principal	July 14, 1998 (renewed May 18, 2018)
1,549,347	ORIGINAL BUFFALO WINGS	Principal	July 25, 1989 (renewed September 30, 2018)

Registration Number	Description of Mark	Principal/Supplemental Register	Registration Date
4,428,337		Principal	November 5, 2013 (renewed July 21, 2023)
4,442,199		Principal	December 3, 2013 (renewed July 6, 2023)
6,644,336		Principal	February 15, 2022
6,644,336	ANCHOR BAR	Principal	February 15, 2022

Our affiliate has filed all required affidavits.

There are no currently effective material determinations of the USPTO, trademark trial and appeal board, the trademark administrator of this state or any court, or any pending infringement, opposition or cancellation or any pending material litigation involving the principal trademarks.

You must notify Anchor Bar immediately when you learn about an infringement of or challenge to your use of our affiliate's trademarks. The Franchise Agreement requires us to protect you against claims of infringement if you are using the trademarks as required by the Franchise Agreement and if you are in good standing. You must assist Anchor Bar in protecting any of its rights, at Anchor Bar's expense.

If you learn about a third party's use of our trademarks that you believe to be unauthorized, you must notify us immediately. We will decide whether or not to take action against the third party, and you must assist us, at our expense, if we decide to do so.

We have the right to control any administrative proceeding or litigation involving our trademarks. You do not have the right to settle a claim without Anchor Bar's consent.

If we decide to add a new trademark, or modify or discontinue the use of any trademark, you must use the new trademark or change or discontinue the use of the trademark, all at your expense. You must not contest Anchor Bar's right to its trademarks.

Anchor Bar does not know of any infringing uses that could materially affect your use of its trademarks.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

You do not receive the right to use any item covered by a patent.

Anchor Bar may claim a copyright in marketing materials and other promotional and operational literature it develops, although it has not filed for copyright registration.

There are no currently effective material determinations of the USPTO, the United States Copyright Office or a court regarding any copyright owned by Anchor Bar or its affiliate. There is no material pending proceeding the USPTO or any court concerning any such copyright.

You must notify Anchor Bar immediately when you learn about a challenge to use of our copyrighted materials. Anchor Bar will defend you against claims of infringement if you are using the copyrighted material as required by the Franchise Agreement, if you are in good standing and if you cooperate in the defense of the claim. You must assist Anchor Bar in protecting any of its rights, at Anchor Bar's expense. Anchor Bar will control any administrative proceedings or litigation involving the copyrighted materials. You do not have the right to settle a claim without Anchor Bar's consent.

If you learn about a third party's use of these copyrighted materials which you believe to be unauthorized, you must notify Anchor Bar immediately. Anchor Bar will decide whether or not to take action against the third party, and you must assist Anchor Bar, at Anchor Bar's expense, if we decide to do so.

If Anchor Bar decides to add, modify or discontinue the use of anything covered by a copyright, you must also do so at your expense. You must not contest Anchor Bar's right to its copyrights.

Anchor Bar does not know of any infringing uses that could materially affect your use of its copyrighted materials.

You also receive the right to use certain of our trade secrets and confidential and other proprietary information, including our proprietary practices and procedures, recipes, interior and exterior layout, construction plans and specifications, marketing strategies, operations, techniques, financial information, supplier and customer lists and data, specifications and materials about restaurant services and activities, and, in general, methods, techniques, formulas, formats, specifications standards, procedures, know-how, information systems and knowledge and the contents of our Operations Manual. You must have any of your personnel with access to this information sign a confidentiality and non-competition agreement in a form acceptable to us.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We require that you (or an operating partner whom we must approve if your business entity has more than one principal) complete initial training to our satisfaction and participate personally in the direct operation of the franchised business. If we determine you do not have sufficient restaurant experience, you must hire a full-time manager who meets our specifications (including completing initial training to our satisfaction). We may require any of your personnel who have access to our confidential information to sign a confidentiality and noncompetition agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Anchor Bar requires that you offer and sell only those goods and services that Anchor Bar has approved. You may not sell products or services at wholesale.

You must offer all goods and services that Anchor Bar designates unless we otherwise agree in writing. There are no limits on Anchor Bar's right to do so.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section in Franchise or Other Agreement	Summary
a. Length of the franchise term	Section 4	10 years.

Provision	Section in Franchise or Other Agreement	Summary
b. Renewal or extension of the term	Section 5	If you meet certain conditions, you can enter into the then-current renewal Franchise Agreement for up to 2 additional terms of 5 years.
c. Requirements for franchisee to renew or extend	Section 5	You must sign our then-current form of Franchise Agreement which may contain different terms; you must be in full compliance under all agreements with us or our affiliates; you must pay all that you owe us plus a renewal fee; successfully complete refresher training; sign a general release; fulfill all your obligations and not have received 3 or more default notices in any 24 month period; Anchor Bar must not have decided to withdraw from your market; you must meet requirements for new franchisees; remodel and update your business premises; you must have the right to occupy the premises for the renewal term; you must give us 180 days' notice of your election to renew and return documents within 20 days. You may be asked to sign an agreement with materially different terms and conditions than your original Franchise Agreement.
d. Termination by franchisee	Not Applicable	
e. Termination by franchisor without cause.	Not Applicable	
f. Termination by franchisor with cause.	Section 16	Anchor Bar can terminate only if you default or if the events described in g and h occur.
g. "Cause" defined-curable defaults	Section 16(b)	You have 5 days to cure nonpayment and up to 30 days for other types of defaults.

Provision	Section in Franchise or Other Agreement	Summary
h. “Cause” defined-non-curable defaults	Section 16(a)	Noncurable defaults: bankruptcy insolvency or appointment of a receiver; abandonment; your material misrepresentation to Anchor Bar; your failure to commence operations within the time described in Item 11; your failure to obtain Anchor Bar’s consent to your restaurant location within the time described in Item 11; conviction of a felony or other criminal misconduct or conduct which reflects unfavorably on Anchor Bar or its system; noncompliance with law within 3 days after notice including the Americans with Disabilities Act, intentional failure to report gross revenues; repeated failure to comply with Franchise Agreement requirements; seizure by government official or lienholder; eviction by lessor for any reason; final judgment of more than $5,000 remains unsatisfied for 30 days; undischarged levy of execution on franchise; danger to public health or safety; unauthorized transfer; termination of any other agreement with Anchor Bar or its affiliate; your unauthorized use of trademarks or trade secrets; you become a specially designated national or blocked person under the U.S. anti-terrorism laws.
i. Franchisee’s obligations on termination/non-renewal	Sections 13 and 17	Pay all amounts due to us; discontinue use of trademarks, and system; de-identify; return or destroy all inventory with Anchor Bar’s trademarks; return confidential information; assist in smooth transition of business; refrain from soliciting customers; refrain from making disparaging remarks; re-assign to Anchor Bar telephone and facsimile numbers and e-mail addresses; and cancel fictitious business name statement (also see r below).
j. Assignment of contract by franchisor	Section 14(a)	No restriction on Anchor Bar’s right to assign.

Provision	Section in Franchise or Other Agreement	Summary
k. “Transfer” by franchisee – definition	Section 14(b)(ii)	Includes transfer of Agreement, assets of Anchor Bar restaurant or greater than 25% ownership interest in franchisee.
l. Franchisor approval of transfer by franchisee	Section 14(b)(i)	You must obtain Anchor Bar’s consent to all transfers.
m. Conditions for franchisor approval of transfer	Section 14(b)(iii)	You must be in good standing; the premises must meet Anchor Bar’s then-current standards; your lessor consents; transferee meets qualifications for new franchisee; the transferee must sign the then-current form of Franchise Agreement and guaranty; the transferee must successfully complete Anchor Bar training; you pay transfer fee; you sign a general release; transferee’s obligations to you are subrogated to obligations to us; you must transfer all of your agreements with Anchor Bar; transferee is not a specially-designated national or blocked person. If you want to transfer your franchise to an entity, you must own the entity, sign a personal service agreement with the entity, the entity must agree to the Franchise Agreement (you remain responsible as well), the franchise business must be the sole business of the entity and you must reimburse Anchor Bar for its expenses.
n. Franchisor’s right of first refusal to acquire franchisee’s business	Section 14(c)	Anchor Bar can match any offer for your business.
o. Franchisor’s option to purchase franchisee’s business	Section 17(d)	Anchor Bar has the option of acquiring your assets if the Franchise Agreement expires or terminates.
p. Death or disability of	Section 14(d)	If you or your principal dies, your executor or representative may either

Provision	Section in Franchise or Other Agreement	Summary
franchisee		satisfy the then-current qualifications for franchisees or transfer the franchise to a qualified buyer within 60 days.
q. Non-competition covenants during the term of the franchise	Section 13(a)	You may not be involved in any similar business.
r. Non-competition covenants after the franchise is terminated or expires	Section 13(b)	You may not operate a similar business within 10 miles of another Anchor Bar restaurant for one year after termination or expiration.
s. Modification of the agreement	Section 28	No modification without a writing signed by you and Anchor Bar, except that Anchor Bar may amend the Operations Manual if it adopts one.
t. Integration/ merger clause	Section 27	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promises may not be enforceable. Nothing in the Franchise Agreement is intended to disclaim anything contained in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 25	Except for certain claims, all disputes must be mediated and if not resolved, arbitrated (subject to applicable state law).
v. Choice of forum	Section 25	City where Anchor Bar headquarters is located, currently Buffalo, New York (subject to applicable state law).
w. Choice of law	Section 24	Delaware law applies, subject to the Lanham Act (subject to applicable state law).

ITEM 18

PUBLIC FIGURES

We do not use any public figures to promote our franchise as of the date this Franchise Disclosure Document was issued, but we may do so in the future.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Following are the charts disclosing the gross sales for the calendar years 2022, 2023, 2024 and 2025 for franchised Anchor Bar restaurants. By "gross sales," we mean the total amount of sales after deducting taxes paid. Manager meals, voided sales and comps are also excluded. Affiliate-owned and non-traditional locations are not included. All of the other Anchor Bar restaurants that were open for the full applicable year in the United States and which are still in operation are included. These consist of eight franchised Anchor Bar restaurants that were open for all of 2022, nine franchised Anchor Bar restaurants that were open for all of 2023, 2024 and 2025. One franchised Anchor Bar restaurant closed in approximately June 2023 and three closed in 2025 (one in September and two in October), all due to lower sales 2023. The Anchor Bar restaurants listed are operated in locations ranging from approximately 4,000 to 9,000 square feet. Some locations operated food trucks for portions of the disclosure period, but the sales from those food trucks were not significant. This is a historical financial performance representation based on the past performance of existing outlets. The sources of the data presented are the reports submitted by franchisees through the point-of-sale system designated by Anchor Bar.

2022 Gross Sales
(See Note 1)

Average	Median	High	Low
$2,501,104	$2,438,062	$3,374,247	$1,661,831

2023 Gross Sales
(See Note 2)

Average	Median	High	Low
$2,575,195	$2,305,859	$3,895,127	$1,524,296

2024 Gross Sales
(See Note 3)

Average	Median	High	Low
$2,530,406	$2,192,582	$4,031,786	$1,293,114

2025 Gross Sales
(See Note 4)

Average	Median	High	Low
$2,449,992	$2,287,640	$3,870,935	$988,703

Notes:

(1) Other than affiliate-owned and non-traditional locations, there were eight Anchor Bar restaurants open for this year. There were ten locations at the beginning of 2022, two of which were non-traditional locations.

(2) Other than affiliate-owned and non-traditional locations, there were nine Anchor Bar restaurants open for this year. There were 12 locations at the beginning of 2023, one location closed during 2023, and two of the 12 locations were non-traditional locations.

(3) Other than affiliate-owned and non-traditional locations, there were nine Anchor Bar restaurants open for this year. There were 12 locations at the beginning of the year, one location was transferred, and two of the 12 locations were non-traditional locations.

(4) Other than affiliate-owned and non-traditional locations, there were nine Anchor Bar restaurants open for this year. There were 16 locations at the beginning of 2025, one location was transferred, three locations closed, and two of the 12 locations were non-traditional locations.

Gross Sales from our affiliate-owned location and for non-traditional locations for the years 2022 through 2025 are set forth in the following chart. This is a historical financial performance representation based on the past performance of existing outlets. The sources of the data presented are the reports submitted to Anchor Bar through the point-of-sale system designated by Anchor Bar and the books and records of our affiliate.

Affiliate Restaurant	**Gross Sales Amount 2022**	**Gross Sales Amount 2023**	**Gross Sales Amount 2024**	**Gross Sales Amount 2025**
Buffalo, New York	$4,586,565	$5,321,397	$5,446,109	$4,977,965
Non-Traditional Location Restaurant	**Gross Sales Amount 2022**	**Gross Sales Amount 2023**	**Gross Sales Amount 2024**	**Gross Sales Amount 2025**
Airport	$2,389,112	$2,776,106	$3,026,666	$3,123,124
Theme Park (Note 1)	$386,065	$410,420	$489,284	$539,069
College (Note 2)	$449,696	$409,290	$482,202	$554,519

Notes

1. This location only had seasonal operations.
2. This location opened in 2021 and operates only during the school year.

The gross sales figures do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Anchor Bar restaurant. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of information.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Written substantiation for this financial performance representation will be made available to you upon reasonable request.

Other than as set forth above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Mark Dempsey at 651 Delaware Avenue, Buffalo, New York 14202; telephone: (716) 853-1791, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION
Table No. 1
Systemwide Outlet Summary
For Years 2023 to 2025

Outlet Type	Year	Outlets at Start of the Year	Outlets at End of the Year	Net Change
Franchised	2023	12	12	0
	2024	12	16	+4
	2025	16	16	0
Affiliate-Owned	2023	1	1	0
	2024	1	1	0
	2025	1	1	0
Total Outlets	2023	13	13	0
	2024	13	17	+4
	2025	17	17	0

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For Years 2023 to 2025

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Georgia	2023	0
	2024	1
	2025	0
New York	2023 2024 2025	0 0 1
Total	2023	0
	2024	1
	2025	1

Table No. 3
Status of Franchised Outlets
For Years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
Arizona	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Colorado	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Georgia	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Illinois	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Maryland	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
New York	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
North Carolina	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
South Carolina	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	1	0	0	0	0
Texas	2023	4	0	1	0	0	0	3
	2024	3	2	0	0	0	0	5
	2025	5	1	2	0	0	0	4
Virginia	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
Total	2023	12	1	1	0	0	0	12
	2024	12	4	0	0	0	0	16
	2025	16	3	3	0	0	0	16

Table No. 4
Status of Affiliate-Owned Outlets
For Years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
New York	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Total	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1

Table No. 5
Projected New Franchised Outlets
As of December 31, 2025

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	1	0	0
Florida	1	1	0
Maryland	1	0	0
New Mexico	1	0	0
Ohio	1	0	0
Total	5	1	0

Attached to this Disclosure Document as part of Exhibit F is a list of the names, addresses and telephone numbers of all existing franchisees of Anchor Bar in the United States as of December 31, 2025.

Exhibit F also includes a list of the name, city and state, and current business, telephone number (or, if unknown, last known home telephone number) of every franchisee of Anchor Bar who has had his or her franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement with Anchor Bar during the 12 months ended December 31, 2025 or who has not communicated with Anchor Bar or its representative within the 10 week period before the date this Franchise Disclosure Document was issued. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Anchor Bar's affiliate, Frank and Teressa's Anchor Bar, Inc., has operated a restaurant under the name "Anchor Bar" in downtown Buffalo, New York since 1935.

Anchor Bar's affiliate has a licensee that operates a restaurant under the name "Anchor Bar" at the Buffalo Niagara International Airport.

In the past, a former franchisee has signed a confidentiality clause that restricts it from discussing its experience with the franchise system.

ITEM 21

FINANCIAL STATEMENTS

Anchor Bar's fiscal year end is December 31. Attached as Exhibit C to this Franchise Disclosure Document are our audited financial statements and the related balance sheet and statements of operations, members' equity and cash flows for the years ended December 31, 2025, December 31, 2024 and December 31, 2023.

ITEM 22

CONTRACTS

Attached are copies of the following agreements proposed for use in this state:

Exhibit D: Franchise Agreement and Addendum, if applicable

Exhibit B to the Franchise Agreement: Spousal Consent

Exhibit D to the Franchise Agreement: Guaranty and Assumption of Franchisee's Obligations

Exhibit H: SBA Addendum and Certification

Exhibit I: Form of General Release

If you choose to obtain an SBA loan from the lender of your choice, you and Anchor Bar will sign this Addendum which Anchor Bar has negotiated with the SBA. If the SBA imposes additional requirements on Anchor Bar, other than the annual certification, Anchor Bar will evaluate them and decide whether or not to agree with them.

ITEM 23

RECEIPT

Attached to the end of this Franchise Disclosure Document, following the Exhibits, is a receipt. Please sign it, date it the date you receive the Franchise Disclosure Document, and return it to us. Make sure that you indicate the franchise seller(s) with whom you had substantive discussions about this franchise. A duplicate of the receipt is attached for your records.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	**Effective Date**
California	Pending
Illinois	March 24, 2026
Indiana	April 7, 2026
Maryland	Pending
Michigan	March 19, 2026
New York	May 21, 2015, as amended March 31, 2026
Virginia	May 31, 2025 as amended March 23, 2026; renewal effective May 31, 2026
Wisconsin	March 17, 2026

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

The Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Anchor Bar Franchise & Development, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor in connection with the proposed franchise sale.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Anchor Bar Franchise & Development, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state agency listed in Exhibit A.

The franchisor is Anchor Bar Franchise & Development, LLC located at 651 Delaware Avenue, Buffalo, New York 14202. Its telephone number is (716) 853-1791.

Issuance date: March 5, 2026.

Following is information about the franchise seller(s) involved in this transaction [check all that apply]:

☐ Mark Dempsey, 651 Delaware Avenue, Buffalo, NY 14202, (716) 853-1791
☐ Michelle Buchholz, 651 Delaware Avenue, Buffalo, NY 14202, (716) 853-1791
☐ Matthew Ott, 651 Delaware Avenue, Buffalo, NY 14202, (716) 853-1791
☐ Jason Ryals, 651 Delaware Avenue, Buffalo, NY 14202, (716) 853-1791
☐ Joel Neumann, 5 Beacon Park, Unit H, Amherst, NY 14202, (716) 837-0595

Anchor Bar Franchise & Development, LLC authorizes the agents listed in Exhibit B to this Disclosure Document to receive service of process.

I received a Disclosure Document issued March 5, 2026 that included the following Exhibits:

A. List of State Franchise Administrators
B. List of Agents for Service of Process
C. Financial Statements
D. Franchise Agreement and State Specific Addenda
E. State-Specific Addenda to Disclosure Document
F. Information on Franchisees
G. Operations Manual Table of Contents
H. SBA Addendum and Certification
I. Form of General Release
State Effective Dates Page

__________________________ Date

_______________________________ Franchisee

____
Print Name
individually and as an officer, partner or member of
a (_______________________________ corporation)
a (_______________________________partnership)
a (__________________ limited liability company)
which has been or will be formed to act as franchisee
Address:

____
City State Zip Code

____
Area Code Phone Number

RECEIPT

The Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Anchor Bar Franchise & Development, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor in connection with the proposed franchise sale.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Anchor Bar Franchise & Development, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state agency listed in Exhibit A.

The franchisor is Anchor Bar Franchise & Development, LLC located at 651 Delaware Avenue, Buffalo, New York 14202. Its telephone number is (716) 853-1791.

Issuance date: March 5, 2026

Following is information about the franchise seller(s) involved in this transaction [check all that apply]:

☐ Mark Dempsey, 651 Delaware Avenue, Buffalo, NY 14202, (716) 853-1791
☐ Michelle Buchholz, 651 Delaware Avenue, Buffalo, NY 14202, (716) 853-1791
☐ Matthew Ott, 651 Delaware Avenue, Buffalo, NY 14202, (716) 853-1791
☐ Jason Ryals, 651 Delaware Avenue, Buffalo, NY 14202, (716) 853-1791
☐ Joel Neumann, 5 Beacon Park, Unit H, Amherst, NY 14202, (716) 837-0595

Anchor Bar Franchise & Development, LLC authorizes the agents listed in Exhibit B to this Disclosure Document to receive service of process.

I received a Disclosure Document issued March 5, 2026 that included the following Exhibits:

A. List of State Franchise Administrators
B. List of Agents for Service of Process
C. Financial Statements
D. Franchise Agreement and State Specific Addenda
E. State-Specific Addenda to Disclosure Document
F. Information on Franchisees
G. Operations Manual Table of Contents
H. SBA Addendum and Certification
I. Form of General Release
State Effective Dates Page

__________________________ _______________________________
Date Franchisee

____
Print Name
individually and as an officer, partner or member of
a (________________________________ corporation)
a (________________________________partnership)
a (__________________ limited liability company)
which has been or will be formed to act as franchisee
Address:

____
City State Zip Code

____
Area Code Phone Number