

FRANCHISE DISCLOSURE DOCUMENT

UPTOWN CHEAPSKATE®

UPTOWN CHEAPSKATE FRANCHISE SYSTEM, LLC

a Delaware Limited Liability Company

39 East Eagle Ridge Drive, #100
North Salt Lake, Utah 84054
(801) 359-0071

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www.uptowncheapskatefranchise.com

Uptown Cheapskate® franchises the right to use its trade name and system to sell used and new teen and young adult products to the public.

The total investment necessary to begin operation of an Uptown Cheapskate franchise is \$328,002 to \$596,502. This includes \$40,000 that must be paid to the franchisor or its affiliate. If you seek to develop multiple franchises and sign an Area Development Agreement, you must pay an up-front fee of \$25,000 multiplied by the number of franchises to be developed. The minimum number of franchises required to be developed under an Area Development Agreement is two (2) and the inclusion of any additional franchises will be determined by us on a case-by-case basis.

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 Alison Lair at Uptown Cheapskate at 39 E. Eagle Ridge Drive, #100, North Salt Lake, Utah 84054, telephone (801) 359-0071, ext. 176.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire 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, 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: April 11, 2024

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, such as 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 G 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 franchised and company-owned outlets.
Will my business be the only Uptown Cheapskate business 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 a Uptown Cheapskate 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 your 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, which 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 B.

Your state may also 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

1. **Out-of-State Dispute Resolution.** The Franchise Agreement and Area Development Agreement require you to resolve disputes with the franchisor by mediation and arbitration, only in Utah. Out-of-state mediation and arbitration 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 Utah than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement and Area Development Agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets (potentially including your house) at risk if your franchise fails.
3. **Mandatory Minimum Payments.** You must make minimum royalty, advertising, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Short Operating History.** The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
5. **Inventory Control.** You must maintain the Minimum Inventory Levels stipulated in the Franchise Agreement. Your inability to make these purchases or to maintain required inventory levels at all times may result in termination of your franchise and loss of your investment.
6. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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

**THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS
GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW**

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 will 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 will 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 will 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 will 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 does 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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor will, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa
Lansing, Michigan 48933
(517) 373-7117

Despite subparagraph (f) above, we intend to enforce fully the provisions of the arbitration section contained in our Franchise Agreement and Area Development Agreement. We believe that subparagraph (f) is unconstitutional and cannot preclude us from enforcing our arbitration section. You acknowledge that we will seek to enforce that section as written.

TABLE OF CONTENTS

Item 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
Item 2: BUSINESS EXPERIENCE	4
Item 3: LITIGATION	5
Item 4: BANKRUPTCY	5
Item 5: INITIAL FEES	5
Item 6: OTHER FEES	6
Item 7: ESTIMATED INITIAL INVESTMENT	10
Item 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	14
Item 9: FRANCHISEE'S OBLIGATIONS	18
Item 10: FINANCING	19
Item 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	20
Item 12: TERRITORY	35
Item 13: TRADEMARKS	39
Item 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	41
Item 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	42
Item 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	43
Item 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	43
Item 18: PUBLIC FIGURES	47
Item 19: FINANCIAL PERFORMANCE REPRESENTATION	47
Item 20: OUTLETS AND FRANCHISEE INFORMATION	53
Item 21: FINANCIAL STATEMENTS	58
Item 22: CONTRACTS	58
Item 23: RECEIPT	58

Exhibits

- A. Franchise Agreement
- B. List of State Administrators
- C. Franchisor's Agent for Service of Process
- D. Addendum to Franchise Disclosure Document
- E. Computer Equipment List
- F. List of Franchisees
- G. Financial Statements
- H. General Release
- I. Guarantee of Performance
- J. Loan
- K. Operating Manuals Table of Contents
- L. Area Development Agreement

STATE EFFECTIVE DATES

RECEIPT

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

To simplify the language in this Disclosure Document, "Uptown Cheapskate ", "UC", "we", "us", and "our" means Uptown Cheapskate Franchise System, LLC, the franchisor. "You" and "your" means the person (if you are a sole proprietor, general partner, or personal guarantor of the Franchise Agreement) or entity (if you are a limited liability company, limited partnership, or corporation) that purchases the Franchise and becomes a Franchisee. If you are a limited liability company, limited partnership, or other entity, "you" may also refer to your owners.

Franchisor, Predecessor, Parent, and Affiliates

Franchisor and Predecessor

We were organized as a limited liability company on July 15, 2022 under the laws of the State of Delaware. Our principal place of business is 39 E. Eagle Ridge Drive, #100, North Salt Lake, Utah 84054. We conduct business under the name of Uptown Cheapskate Franchise System, LLC and Uptown Cheapskate. We are not involved in any other business activities, nor does UC offer franchises in other lines of business.

We acquired the franchise assets related to the Uptown Cheapskate system on September 30, 2022, as the result of a transaction between BaseCamp Parent, LLC and our predecessor, Uptown Cheapskate, LLC ("UCF"). Following the transaction, BaseCamp Parent, LLC contributed all of the acquired assets down into its wholly-owned subsidiary, BaseCamp Franchise Holdings, LLC, which, in turn, contributed those assets down into its wholly-owned subsidiary BaseCamp Franchising, LLC. The acquired franchise agreements associated with the Uptown Cheapskate franchise were subsequently contributed down into Uptown Cheapskate Franchise System, LLC, which is a wholly-owned subsidiary of BaseCamp Franchising, LLC.

UCF opened the first Uptown Cheapskate company-owned store on February 26, 2009, and was the franchisor of the Uptown Cheapskate franchise system from September 2008 to September 2022. UCF was a Utah limited liability company and had the same principal place of business as us. It was not involved in any other business activities, nor did UCF offer franchises in other lines of business.

We franchise the right to use our Marks and System to sell used and new teen and young adult products to the public. "Marks" means such service marks, trademarks, trade dress, trade names, logos and commercial symbols, and all configurations and derivations, as may presently exist, or which may be modified, changed, or acquired by us or our affiliates, in connection with the operation of an Uptown Cheapskate store. "System" means the business system, concept, methodology and format to purchase, market and sell used and new teen and young adult products. The System includes, but is not limited to: market evaluation, site selection and leasing strategies, store design, layout and

fixturing schemes, store opening, advertising, merchandising, purchasing and sales techniques, technology, customer and community relations, financing and accounting strategies, management policies and procedures, and training programs, and may be modified from time to time. All stores operating within the franchise system use the name Uptown Cheapskate. We intend to continue to do business under the names "Uptown Cheapskate, LLC" and "Uptown Cheapskate". We began franchising in October 2022. We operate no Uptown Cheapskate stores but as of December 31, 2021, some of our predecessor's officers and founders, Scott Sloan and Chelsea Sloan Carroll, have ownership interests in various Uptown Cheapskate stores.

Parent and Affiliates

Our immediate parent is BaseCamp Franchising, LLC ("BaseCamp"). BaseCamp Franchising, LLC is wholly-owned by BaseCamp Franchise Holdings, LLC, which is wholly-owned by BaseCamp Parent, LLC. All of these entities are limited liability companies formed on July 15, 2022, in Delaware, with a principal place of business at 39 E. Eagle Ridge Drive, #100, North Salt Lake, Utah 84054.

Our affiliate Kid to Kid Franchise System, LLC is a Delaware limited liability company formed on July 15, 2022 ("Kid to Kid" or "K2K"), and has the same principal address as us. K2K is a franchisor of a franchise system that sells used and new items for children and expecting mothers. While K2K stores target a different base of customers, their operations are similar to ours. Kid to Kid's predecessor, Kid to Kid Franchise System, Inc. had owned or managed at least one Kid to Kid children's resale store since November 1992, and offered franchises from February 1994 to September 2022. As of December 31, 2024, Kid to Kid had 100 franchise stores in the United States, Canada, Portugal, and Spain and 19 company-owned stores in the United States. Kid to Kid is not involved in any other business activities and does not offer franchises in any other lines of business.

BaseCamp provides support services to our franchisees and our affiliate Kid to Kid's franchisees, including operations support, tech support, software, marketing services, and bookkeeping services. BaseCamp is not involved in any other business activities, and does not offer franchises in any line of business.

Agent for Service of Process

Our agent for service of process is listed in Exhibit C of this Franchise Disclosure Document.

The Business We Offer

We franchise Uptown Cheapskate retail stores ("Stores") under the terms of the Franchise Agreement in the form included in this disclosure document as Exhibit A (the "Franchise Agreement"). An Uptown Cheapskate Store is a retail store located at a specific address (the "Store Location") from which you will sell high-quality used and new brand name teen and young adult clothing and accessories. An Uptown Cheapskate franchise (the

"Franchise") emphasizes customer value by purchasing used merchandise from customers in the local community, and by offering high-quality used merchandise for sale at a substantial discount to the price of new merchandise.

With the purchase of an Uptown Cheapskate Franchise, you will receive: (i) the right to utilize our Marks, as defined above; (ii) the right to utilize our System, as defined above; (iii) the right to use the proprietary Software Suite provided by our affiliate BaseCamp, as defined in Item 5 below, and ; and (iv) certain territory rights, as detailed in Item 12.

The general market for the franchise is resale, consignment, and retail clothing and related items. The market is fairly well developed. Goods are sold primarily to high school and college-aged teens and young adults, and sales are somewhat seasonal, similar to traditional retail, with heavier sales in the summer and early fall for Back to School and in the early spring season.

Applicable Regulations

There are no particular federal laws or regulations specific to the industry in which the franchise business operates, but some state and local governments regulate businesses which sell second-hand merchandise.

Competition

Your competitors may include specialty stores, department stores, discount stores, big-box stores, thrift stores, consignment stores, mail order vendors, internet merchants, and other resale stores.

Uptown Cheapskate franchisees purchase product primarily from customers in their communities. In most cases, the product is purchased outright rather than consigned. Customers primarily consist of teens and young adults.

Area Development Agreement

We also grant multi-franchise development rights under an area development agreement ("Area Development Agreement") to qualified franchisees ("Area Developers"), which include the right to develop a specific number of Uptown Cheapskate franchises within defined territories according to a pre-determined development schedule (a "Development Schedule"). You will be required to sign a separate Franchise Agreement for each franchise at the time that you sign the Area Development Agreement. Our standard Area Development Agreement is attached as Exhibit L. Unless specifically stated otherwise, the disclosures for the Area Development Agreement are the same as for a single franchise.

Item 2: BUSINESS EXPERIENCE

Zach Gordon: Co-CEO

Mr. Gordon has been our Co-CEO, as well as the Co-CEO of BaseCamp and K2K, since October 2022, and previously served as Co-CEO of the predecessors of those three entities since August 2022. Mr. Gordon has also been Managing Partner of Horizon Point Capital, LLC since November 2020. Prior to that, Mr. Gordon was a Senior Director of Restaurant Brands International, Inc. in Miami, FL from August 2018 to November 2020. Mr. Gordon resides in Salt Lake City, UT and is related to our Co-CEO Tyler Gordon and to BaseCamp Director John Gordon.

Tyler Gordon: Co-CEO

Mr. Gordon has been our Co-CEO, as well as the Co-CEO of BaseCamp and K2K, since October 2022, and previously served as Co-CEO of the predecessors of those three entities since August 2022. Mr. Gordon has also been Managing Partner of Horizon Point Capital, LLC since July 2020. Prior to that, Mr. Gordon was a Principal at Apollo Global Management LLC in New York, NY from July 2015 to June 2020. Mr. Gordon resides in Salt Lake City, UT and is related to our Co-CEO Zach Gordon and to BaseCamp Director John Gordon.

John Gordon: Director of BaseCamp

Mr. Gordon has been a Director of BaseCamp since October 2022. Mr. Gordon has also been the Senior Managing Director of Deltec Asset Management Corporation in New York, NY since January 1988. Mr. Gordon resides in New York, NY and is related to our Co-CEOs Zach Gordon and Tyler Gordon.

Brent Sloan: Director of BaseCamp

Mr. Sloan has been a Director of BaseCamp since October 2022. Mr. Sloan co-founded the predecessor of our affiliate K2K in 1992 and served as the Chairman of the predecessor BaseCamp Franchising, LLC in Salt Lake City, UT from November 1992 to September 2022. Mr. Sloan resides in North Salt Lake, UT and is related to Mrs. Carroll.

Chelsea Carroll: Director of BaseCamp

Mrs. Carroll has been a Director of BaseCamp since October 2022. Mrs. Carroll co-founded our predecessor UCF in 2008 and most recently served as its President from January 2013 to September 2022. Mrs. Carroll resides in North Salt Lake, UT and is related to Mr. Brent Sloan.

Steve Murphy: Director of BaseCamp

Mr. Murphy has been Managing Director of 10K Island Investments, LLC since February 2020. Previously, Mr. Murphy held a variety of positions at Winmark Corporation in Minneapolis, MN from April 2002 to February 2020, including President of Franchising from October 2006 to February 2020. Mr. Murphy resides in Marco Island, FL.

Item 3: LITIGATION

Predecessor's Prior Actions

Maribeth Vanderbeck and M Three, Inc. v. Uptown Cheapskate, LLC, Kid to Kid Franchise System, Inc. and Basecamp Franchising, LLC. On August 11, 2014, Franchisee filed an arbitration claim against *Uptown Cheapskate, LLC* ("UCF"), *Kid to Kid Franchise System, Inc.* ("K2KF"), and the predecessor of *Basecamp Franchising, LLC* ("Predecessor Basecamp") seeking rescission of its franchise agreement and damages, alleging that our predecessor, UCF, made unlawful earnings claims and provided poor advice and support. UCF denied the allegations and defended its position in a binding arbitration action in Minnesota in October 2015. The arbitrator held on December 21, 2015, that "the evidence demonstrated that M Three (the franchisee) breached the franchise agreement and its obligations under the agreement" and that UCF was "entitled to terminate the franchise agreement." The arbitrator also found that UCF failed to advise M Three to seek legal counsel with respect to the lease it negotiated, and held that UCF, K2KF, and Predecessor Basecamp were jointly and severally liable to M Three in the amount of \$186,750 to offset some of its rent obligations. The U.S. District Court of Minnesota confirmed the arbitration award Case No.: LLC File No.: 16-cv-00042 (Minn. U.T. filed January 7, 2016).

Other than this action, 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

Initial Franchise Fee: You will pay us a \$25,000 lump sum franchise fee ("Franchise Fee") when you sign the Franchise Agreement. We will accept your application by signing and returning the Franchise Agreement to you. We will refund the entire Franchise Fee in 10 days if we do not approve your application. There are no refunds under other circumstances.

Software Installation Fee: After you have signed the lease for your store, you will pay our affiliate BaseCamp a non-refundable fee of \$15,000 to purchase a license to the BaseCamp software suite, which currently includes the IMAP™, Baseline™ point-of-sale and product appraisal program, and Vendor Check-in software (the "Software Suite").

Area Development Agreement: If you enter into an Area Development Agreement, the initial Franchise Fee for each franchise to be developed is \$25,000. You must pay an up-front fee equal to \$25,000 multiplied by the number of franchises to be developed under the Area Development Agreement (the "Area Development Fee"), which will then be credited towards the initial Franchise Fee of each franchise. You must sign a separate

Franchise Agreement for each Store to be developed under the Area Development Agreement at the time that you execute the Area Development Agreement. The minimum number of franchises required to be developed under an Area Development Agreement is two (2) and the inclusion of any additional franchises will be determined by us on a case-by-case basis. We will refund the entire Area Development Fee if we do not approve your application, as noted above. There are no refunds under other circumstances. The Area Development Fee is applied uniformly.

Item 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	5.0% of Gross Sales ¹	Payable monthly on the 10 th day of the next month	We will automatically withdraw the Royalty fees, as well as all other fees, via electronic funds transfer
Post Termination Royalty	150.0% of stated royalty rate	Payable monthly on the 10 th day of the next month	Only charged if you are operating after franchise termination and a new agreement has not been signed
Marketing Fund	0.5% of Gross Sales	Same as Royalty fee	For development and management of marketing and advertising materials and programs. In addition to Advertising Expenditure outlined below
Advertising Expenditure	You must spend the greater of 5.0% of Gross Sales or \$2,000 per month in addition to grand opening, reopening, relocation and transfer store expenditures, and Marketing Fund fee. Any expenditures via the National Marketing Program or a Local Advertising Cooperative will count towards this figure. May be modified yearly	Measured each calendar quarter	You are required to report your Advertising Expenditures to us on the 15 th day of the month following each calendar quarter
Advertising Penalty	1.0% of Gross Sales (from sales of prior month)	Payable monthly on the 10 th day of the next month for the 6 calendar months following the application of the penalty	Only charged if you fail to spend the required Advertising Expenditure during a 6-month period; does not count toward the required 5.0% Advertising Expenditure

Type of Fee	Amount	Due Date	Remarks
National Marketing Program ("NMP")	You must spend a minimum of \$2,000 per month via the NMP during the calendar year in which your store opens. At the end of the calendar year in which your Store opened, provided your Store has been open for at least 6 full months, this monthly NMP requirement will change to the lesser of (i) 2.5% of average Gross Sales and (ii) \$2,500. See Item 11: Advertising for additional detail	Payable monthly on the 20 th day of the month for advertising deployed in the subsequent month	Collected via electronic funds transfer. These amounts will count towards the minimum Advertising Expenditure requirement
Local Advertising Cooperative Fees	At Uptown Cheapskate's discretion, you may be required to direct a portion of your Advertising Expenditure into a Local Advertising Cooperative, equal to: (i) the greater of \$2,000 or 4% of Gross Sales per month ("Minimum Monthly Base"), up to a maximum of \$5,000 per month ("Maximum Monthly Ceiling"), less (ii) any NMP Required Expenditures. At present, franchisees are not required to make such contributions. Please see Item 11: Advertising and the Franchise Agreement, Exhibit G for additional detail	Payable monthly on the 20 th day of the month	Collected and deposited into an account managed by the Cooperative. Members determine how funds are spent. Each participating store, including those affiliated with the franchisor, has one vote in deciding how funds are allocated. Counts toward the minimum Advertising Expenditure requirement. Franchisor-owned outlets are treated the same as franchisee-owned outlets and do not have the authority to modify cooperative fees. Currently not required
Grand Opening Advertising	At least \$20,000	Around grand opening or reopening	Total amount must be spent between the date you sign your lease or transfer agreement and 1 month after grand opening or reopening
New Store Service ("NSS")	You must spend \$15,000 of your Grand Opening Advertising requirement via the NSS. See Item 11: Advertising for additional detail	Payable as a lump sum at least 2 weeks prior to the first day of advertising via the NSS	Collected via electronic funds transfer. These amounts will count towards the minimum Grand Opening Advertising requirement
Advertising after Transfer of Ownership or Relocation	At least \$10,000 if Store did not temporarily close prior to Transfer or Relocation and at least \$20,000 if Store temporarily closed prior to Transfer/Relocation (see Grand Opening Advertising above)	Around time of Transfer or Relocation	Must be spent within 2 months of Transfer of ownership or Relocation If Store is required to spend \$20,000, at least \$15,000 must be spent via the NSS

Type of Fee	Amount	Due Date	Remarks
Late Fees—Failure to Respond	\$200 fee for late reporting of Gross Sales, late registration for annual meeting, and failure to submit other required reports or to respond to related inquiries. Fee shall be applied monthly and increase \$50 per month for each uncured violation	Payable one day after fee is incurred, payable monthly until cured	For failure to report Gross Sales, submit other reports, or register for the annual meeting on time
Late Fees—Failure to Pay on Time	Additional fee of \$200 for each late payment. Fee shall be applied monthly and increase \$50 per month for each uncured violation	Payable on the 11 th day of each month	For failure to make proper funds available for transfer (Royalty, Marketing Fund, NMP, Local Advertising Cooperative, NSS, Computer Support Fee, or any other invoice)
Interest on Unpaid Royalty and Other Fees	Lesser of 1.5% interest per month or the highest rate allowed by law in the state in which the store is located on the unpaid balance (Maximum annual interest of 10% in California)	When Royalty or other fee is due	
Renewal Fee	25% of the then-current initial franchise fee	When new franchise agreement is signed	
Relocation Fee	\$5,000	Upon request to relocate your store	
Expansion Fee	\$2,500	Upon request for expansion of existing location	Only applies to expansion in current premises
Assignment Fee	\$25,000 to transfer to a new franchisee, \$15,000 to transfer to an existing franchisee	Payable when assignment is signed	Charge for selling your franchise to a third party
Area Development Agreement Assignment Fee	\$10,000	Payable when assignment is signed	Charge for selling your Area Development Agreement to a third party
Finder's Fee	\$10,000 to transfer to a person who had previously been identified by BaseCamp as a franchise prospect and who was actively engaged with BaseCamp's Franchise Development team (in addition to the Assignment Fee; engagement with BaseCamp's team must be documented by BaseCamp)	Payable when assignment is signed	Charge for selling your franchise to a third party
Annual Meeting Non-Attendance Penalty Fee	\$1,500. May be adjusted annually We may charge a reasonable fee to cover the costs of the meeting space if you choose not to stay at the hotel or other location we have selected	Payable on the 10 th day of the month following the annual meeting	For failure to attend the annual meeting

Type of Fee	Amount	Due Date	Remarks
Computer Support Fee	\$350 per month. May be adjusted annually	Payable on the 10 th day of the month	Affiliate BaseCamp provides software upgrades and tech support at no charge if you meet the Computer System Standards (see Item 11)
Tech Support Fee	\$50 per hour with a \$25 minimum per consultation. May be adjusted annually	Payable on the 10 th day of the month following service	Support rate for Software Suite if you do not meet the Computer System Standards
Standards Violation Fees	\$200 for each initial, ongoing, or repeated violation. Fee shall be applied monthly and increase \$50 per month for each uncured violation	The day after the fee is assessed following the 14-day cure period	For failure to cure a standards violation
Bookkeeping Service Fee	\$225 per month. May be adjusted annually	10 th day of the month following service	Required for the first year of operation, and may be required for an additional 12-month period if you fail to submit required financial reports after the first year of operation
Additional On-site Assistance	Then-current rate. Currently, \$300 per day plus transportation and lodging (3 day maximum). May be adjusted	15 days after billing	Uptown Cheapskate provides on-site opening assistance for new stores for free. See item 11 for more detail
Audit	13.5% Royalty Fee and 1.5% Marketing Fund Fee applied to amount of understatement, plus late fees and interest from date of understatement Cost of audit if the understatement is greater than 1% of Gross Sales	2 days after receipt of audit report	Payable if there is an understatement of Gross Sales for any period. If audit shows an understatement of at least 1% of Gross Sales you must also pay the cost of the audit
Closure of Store	Highest average monthly royalty fee over the past 3 years multiplied by the number of months remaining in the Franchise Agreement	Within 30 days of closure	Payable if you close your Store without our prior written consent

Note: We charge uniform fees to our franchisees with the exception that discounted initial Franchise Fees and software installation fees have historically been offered to affiliated purchasers (i.e., individuals who are affiliated with us, K2K, BaseCamp, and/or the predecessors of those entities) on occasion. Additionally, beginning in April 2024, all Franchise Agreements signed include the obligation to participate in the NMP and NSS. All fees described above (except Computer Support Fees, Tech Support Fees, and Bookkeeping Service Fees, which are paid to our affiliate BaseCamp) are imposed by and payable to us, and all fees are non-refundable.

¹ "Gross Sales" means receipts from all sales conducted within, from or through your Store or sales of product procured in your Store, from vendors or suppliers who sell to your Store, or using our brands and Marks, together with the amount of all orders taken or received at the premises, whether such orders are filled at the premises or elsewhere. Gross Sales includes such sales as described above completed via the internet, phone or

any other channel. Gross Sales shall not include the amount of any sales, use, or gross receipts tax imposed by any federal, state, municipal or governmental authority directly on sales and collected from customers, provided that the amount thereof is added to the selling price or absorbed therein, and paid by you to such governmental authority. Gross Sales shall not include sales of merchandise for which cash has been refunded. The price of merchandise returned by customers for exchange shall be deducted from Gross Sales provided that the price of the merchandise returned was originally included in Gross Sales and provided that the sales price of merchandise delivered to the Customer in exchange shall be included in Gross Sales.

Item 7: ESTIMATED INITIAL INVESTMENT

Your Estimated Initial Investment for a Single Uptown Cheapskate Franchise

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Franchise Fee	\$25,000	Lump sum	At signing of Franchise Agreement	Uptown Cheapskate
Travel and Lodging Expenses while Training	\$1,500 to \$5,500 (Note 1)	As incurred	During corporate, in-store, and internship training	Airlines, hotel, restaurants, taxis, etc.
Real Estate Deposit	\$4,500 to \$22,500 (Note 2)	Lump sum	At lease signing	Landlord
Real Estate Improvements	\$35,000 to \$150,000 (Note 3)	As incurred	As incurred	Contractors, various vendors
Exterior Signs and Graphics	\$13,500 to \$18,500 (Note 4)	Lump sum	Prior to Opening	Various vendors
Interior Signs	\$2,000 to \$5,000 (Note 5)	Lump sum	Prior to Opening	Sign contractor
Trade Fixtures	\$67,500 to \$94,500 (Note 6)	Lump sums	Prior to Opening	FC Dadson, Inc., Carlson Fixtures, various vendors
Computers, Scanners, Cash Drawers, Printers, Credit Card Machines, Routers, Cables, I-Pads, etc.	\$18,502 (Note 7)	Lump sum	Upon signing of lease	Dell, Lenovo, Netgear, CyberPower, various vendors
BaseCamp Software Suite	\$15,000 (Note 8)	Lump sum	Upon signing of lease	BaseCamp Franchising
Security Camera System	\$2,000 to \$5,000	Lump sums	Prior to Opening	Various vendors
Grand Opening Promotion	\$20,000 (Note 9)	Lump sums	Prior to Opening	LT as well as other agencies and suppliers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Opening Inventory	\$70,000 to \$90,000 (Note 10)	As purchased	Prior to Opening	Various vendors
Incorporation Documents	\$500 to \$1,000	As incurred	Prior to Opening	Attorney, state
Loan Fees	\$0 to \$27,000 (Note 11)	Lump sums	At application, at loan closing	Lenders, loan brokers
Licenses, Permits, Utility Deposits	\$1,000 to \$2,500	As incurred	As incurred	City, county, and state agencies, utilities
Supplies, Hangers, Misc. Expenses	\$12,000 to \$29,000 (Note 12)	As incurred	Prior to Opening	Various vendors
Additional Funds [initial period] 3 months	\$40,000 to \$67,500 (Note 13)	As incurred	As incurred	Employees, vendors, suppliers, utilities, insurance company
TOTAL	\$328,002 to \$596,502 (Note 14)			

Notes:

(1) You will receive approximately four (4) days of classroom and in-store training at our corporate office and a Salt Lake City area Uptown Cheapskate store. You and the Manager of your Store (to the extent you have one) must also complete a 6-day, 50-hour internship at an Uptown Cheapskate location agreed upon by you and us. Your Franchise Fee includes in-person training, as well as costs to cover an internship, for you and one other individual prior to opening your store. You must pay for travel, lodging, meals, compensation and incidental costs for you and your employee(s). To the extent you would like more than two people to attend training, the cost will be One Thousand Two Hundred and Fifty Dollars (\$1,250) per additional team member.

(2) These fees cover initial payments, such as first and last month's rent, and/or a security deposit, assuming that you will lease a space with approximately 4,500 square feet in a community shopping center. Security deposits and pre-rent payments vary according to the cost of your space. Base rent rates typically range from \$10.00 per square foot to \$30.00 per square foot per year depending on size, condition, location, and market conditions, although you may choose a location with a higher rental rate if you believe its sales potential justifies the greater cost. Note that your annual rent is not included as part of the Initial Investment outlined in this section. If you choose to purchase a building, you will likely pay more money up front for the down payment and real estate improvements, but the monthly real estate loan payments may be less than monthly rental fees.

(3) These fees cover leasehold improvements, assuming that you will lease a space with approximately 4,500 square feet in a community shopping center and that the landlord will pay for some, but not all of the improvements. Note that buildout costs can

vary considerably based on the existing condition of a site, and as a result, you should carefully consider this variable when choosing a location for your Store.

(4) This range reflects the cost to purchase and install a sign that is at least 20" tall, as well as window graphics, in a typical community shopping center. Note that your sign must be as large as the landlord and city/county/jurisdiction allow, and your costs may be higher at those locations that permit you to display a larger sign or add a second or pylon sign.

(5) Signs which describe product categories and sizes or hours of business, window stickers, wall stickers, markdown signs, Uptown Cheapskate signs, point-of-sale signs, promotional images, restroom and fitting room signs, policy signs, and other signs displayed within or on the exterior of the store.

(6) These are estimated fixture costs assuming your store will have approximately 4,500 square feet. They include the purchase of a sales and processing counter, storage cabinets, wall and floor fixtures, slat wall, shelves, shelf standards, shelf brackets, wall dividers, hardware, display hooks, and end cap bases. Fixture prices may vary but are typically \$15.00 to \$21.00 per square foot.

(7) This cost includes all computer hardware and equipment necessary to purchase, price, tag, and sell inventory, as well as track and report on sales, customers, vendors, inventory, accounts, and expenses (see Item 11). The purchase price (including estimated tax and shipping) as of March 2025 was \$18,502.

(8) These costs include computer software necessary to purchase, price, tag, and sell inventory, track and report on sales, customers, vendors, inventory, accounts, and expenses. The purchase price for the BaseCamp Software Suite as of March 2025 was \$15,000.

(9) Your grand opening promotion will have three phases: the Coming Soon phase, during which you will advertise that your Store will open in the coming months; the Open to Buy phase, during which you will advertise that you are purchasing product; and the Grand Opening phase, during which you will promote your grand opening. The minimum advertising expenditure you must make across these three phases is \$20,000. If you are purchasing a store already in operation or a store that has been relocated but has not been temporarily closed for a meaningful period of time, you must spend \$10,000 within two months following the grand reopening.

(10) You must have purchased, priced, tagged, and hung or displayed the greater of five (5) items per square foot of sales area or twelve thousand (12,000) items in gently-used, in-season inventory and at least Ten Thousand Dollars (\$10,000) at cost in new product inventory ("Minimum Inventory"), the type, assortment, and quality of which are specified in the Training and Operations Tools. It typically takes seven (7) to ten (10) weeks to build the necessary inventory level, although it may take longer.

(11) This estimates loan fees to lenders and loan brokers, such as application fees, origination fees, packaging fees, underwriting fees, and administrative fees that are due at application and/or at loan closing.

(12) Supplies and miscellaneous expenses, including hangers, bags, tags, sensors, sensor towers, cleaning supplies, office supplies, and related items.

(13) This estimates the additional funds required during the Open to Buy period and the period directly following your grand opening. It includes payroll expenses for store employees, facilities costs, utility payments, internet charges, and other operating expenses. This estimate does not include any financing costs associated with the purchase of the Franchise.

(14) This total is an estimate of your initial investment and expenses incurred during the pre-opening and Open to Buy periods for a single Franchise. In compiling these estimates, we relied on our and our predecessor's years of combined experience since 2009.

Although we do not provide financing for your initial investment, our affiliate, BaseCamp may loan you money (see Exhibit J).

Apart from a lease deposit, which may be refundable at the end of your lease, none of the other costs, fees, and expenses incurred in your Initial Investment are refundable.

Your Estimated Area Development Agreement Fees for Two Uptown Cheapskate Franchises

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Area Development Fee	\$50,000 (assuming purchase of two franchises) (Note 1)	Lump sum	At signing of Area Development Agreement	Uptown Cheapskate

Notes:

(1) If you enter into an Area Development Agreement, the initial Franchise Fee for each franchise to be developed is \$25,000. You must pay an up-front Area Development Fee equal to \$25,000 multiplied by the number of franchises to be developed, which will then be credited towards the initial Franchise Fee of each franchise. You must sign a separate Franchise Agreement for each store at the time that you execute the Area Development Agreement. The minimum number of franchises required to be developed under an Area Development Agreement is two (2) and the inclusion of any additional franchises will be determined by us on a case-by-case basis. We will refund the entire

Area Development Fee if we do not approve your application, as noted above. There are no refunds for the Area Development Fee under any other circumstances.

(2) The estimated initial investment to open each franchise under the Area Development Agreement is reflected in the first table in this Item 7. The estimated initial investment to open two (2) franchises is \$656,004 to \$1,193,004, which includes the Area Development Fee for two (2) franchises.

Item 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

We provide specifications in the Training and Operations Tools for each item you are required or suggested to purchase or lease in establishing and operating your Store. These specifications include standards for reliability, performance, design, and appearance and have been developed by our Operations team with input from our franchisee advisory board.

Required and Approved Suppliers

You must purchase your computers and related equipment from Lenovo or Dell Computers or other suppliers, as we require and outline in the Computer Equipment List in Exhibit E. You must purchase fixtures and other materials necessary to outfit your store from FC Dadson, Inc. and Carlson Fixtures. As part of the NMP and NSS, you must purchase marketing and advertising services from LT, a full-service marketing firm based in Phoenix, AZ. You must also purchase the BaseCamp Software Suite, which currently includes the IMAP™, Baseline™ point-of-sale and product appraisal, and Vendor Check-in software programs, from our affiliate BaseCamp.

The estimated proportion of these required purchases to all purchases of goods and services is between 24% and 37% in establishing your business and between 2% and 4% in operating it.

Approval of Alternative Suppliers

All other purchases may be made from any supplier you select, provided the product or service meets the specifications contained in the Training and Operations Tools and the detailed floorplan we will prepare for your Store (the "Final Plans"). In the Training and Operations Tools, we provide a general description, technical specifications, typical price, and suggested vendor(s) for each product or service you must purchase for your Store. We regularly test and evaluate the performance of those products in our corporate and franchise locations. When we find products and services that perform better than those specified in the Training and Operations Tools and the Final Plans, we may update our materials and send you the revised section, or revise the information in our web portal.

There is no fee or penalty for using a supplier that is not included in the Recommended Supplier List, nor is there any material benefit for using a supplier that is included on the list. However, we reserve the right to require you to purchase specific items from approved suppliers which we designate.

Affiliate's Revenue from Sales to Franchisees (Based on Most Recent Financial Statements)

We are not the supplier of any goods or services required to establish and operate your Store. Our affiliate BaseCamp does, however, help coordinate and process orders related to fixtures, computer hardware, and certain marketing services, and may charge a reasonable administrative fee for these activities. You must also purchase the BaseCamp Software Suite from our affiliate BaseCamp.

From January 1, 2024 to December 31, 2024, we received the following revenue: \$682,091 from technology and computer support (representing 28.9% of total revenue of \$2,361,236), \$342,513 from the bookkeeping service (representing 14.5% of total revenue), \$303,166 from the marketing service (representing 12.8% of total revenue), \$220,000 from the BaseCamp Software Suite (representing 9.3% of total revenue), and \$44,588 from fixture administrative fees (representing 1.9% of total revenue).

The \$15,000 purchase price for the BaseCamp Software Suite represents approximately 3% to 4% of the costs associated with opening your Store, and the Computer Support Fee is expected to average less than 1% of annual operating costs.

Except for the BaseCamp Software Suite, software maintenance and upgrades, tech support, marketing services, and bookkeeping services offered by our affiliate BaseCamp, there are no approved suppliers in which any of our officers, directors, principal owners or key employees owns any interest. Except for marketing and bookkeeping support and administration, as well as the administration of fixtures and computer hardware purchases, we receive no income or material consideration as a result of required purchases or leases.

Online Activities

As part of the store opening process, we will create a dedicated page for your Store within the corporate Uptown Cheapskate website (<https://www.uptowncheapskate.com>) that contains important information related to your Store. You will not be permitted to create or utilize any other website that gives the impression that it is an official website for your Store or the activities associated with your Franchise. You may, however, publicize your Store and activities associated with your Franchise via pages on third-party sites,

including Google, Facebook, Instagram, TikTok, and others (see Item 11 below for more detail).

You may market and sell merchandise associated with your Franchise via third-party channels, including online channels like eBay™, Poshmark™, the RealReal™, and depop™. However, you must enter all such sales completed via third-party channels into the Baseline™ point-of-sale program by the end of the month in which they are completed. Any failure to enter such sales into the Baseline™ point-of-sale program, and thereby include them in the appropriate Gross Sales amount reported to us, will be subject to the fees and penalties identified in the Franchise Agreement (see Franchise Agreement - Sections 2.04, 2.07, and 4.14). To the extent you utilize third-party channels to market and sell merchandise associated with your Franchise, any names, usernames, or other identifying information must include the terms "Uptown Cheapskate" and the city location of your Store.

Area Development Agreement

Your rights under the Area Development Agreement are territorial only and do not give or imply a right to use our trademarks or system. Our only obligation is to provide one Development Area, as defined in Item 12, for each Franchise Agreement associated with the Area Development Agreement. We must approve any Store Location associated with any Franchise Agreement tied to the Area Development Agreement.

Cooperatives

Except for Local Advertising Cooperatives (see Item 6), we have no purchasing or distribution cooperatives, but may, from time to time, purchase products and services in bulk and offer them to franchisees at the bulk rate or a reduced price.

Negotiated Prices

We periodically negotiate the prices and evaluate the quality, delivery time, flexibility, and service provided by suppliers. Suppliers which perform well in these areas are added to the Recommended Supplier List in our web portal, in the Training and Operations Tools and Final Plans. Suppliers that fail to perform consistently in any of these areas are removed from the Recommended Supplier List. From time to time, Recommended and Approved Supplier Lists are updated in our web portal.

Material Benefits

You will receive assistance in market evaluation, site selection, store design, layout and fixture schemes, advertising, merchandising, purchasing and sales techniques, customer and community relations, policies and procedures, and training programs.

Except for receiving a franchise-tested quality and service assurance that the product or service meets our Standards, you will not receive any material benefit if you buy from

sources we recommend or mandate. However, we reserve the right to obtain rebates or other types of commissions from your purchases from approved suppliers.

Insurance

You must maintain the types of insurance in amounts that we may require. This insurance is in addition to any other insurance that may be required by applicable law, your landlord, or otherwise. The insurance must meet the following requirements:

- The insurance policies must name us and our parent as additional insureds.
- The insurance must be placed with an approved vendor and a carrier with a Best's Rating of "A+" or better.
- The insurance may not be subject to cancellation or any material change except after 30 days' written notice to us.
- The insurance policies must provide that even if you do not comply with the contract, or engage in other conduct, the insurance coverage will not be voided or otherwise affect the coverage afforded to us and our affiliates.
- The insurance policies must contain a waiver of subrogation in favor of us or our insurer.
- Minimum coverage requirements include: general liability insurance for not less than \$2,000,000 per occurrence with a \$2,000,000 annual aggregate limit; products and completed operations insurance for not less than \$1,000,000 per occurrence with a \$2,000,000 annual aggregate limit; personal and advertising injury insurance for not less than \$1,000,000; tenant fire legal liability insurance for not less than \$100,000; medical payments insurance for not less than \$5,000; hired and non-owned auto liability insurance for not less than \$1,000,000. You shall also keep in force, as applicable, combined single limit bodily injury and property damage insurance for not less than \$1,000,000 for autos owned by your company. In addition, you must carry workers' compensation and employer's liability insurance for not less than \$100,000 for bodily injury by accident (for each accident), not less than \$500,000 for bodily injury by disease (aggregate limit), and not less than \$100,000 for bodily injury by disease (each employee).

Note: The above section is a summary. Please see Franchise Agreement Section 2.09 for details. If you do not obtain or maintain the requisite coverage, we will have the right (but not the obligation) to pay any premium or obtain the required coverage on your behalf and charge you back for those premiums.

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 in this disclosure document.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	FA: Sections 1.01, 3.02, 4.01 ADA: Sections 1, 3	Items 7, 11 and 12
b. Pre-opening purchases/leases	FA: Sections 3.02, 3.03, 3.05, 4.01 ADA: Sections 1, 3	Items 7, 8, 11
c. Site development and other pre-opening requirements	FA: Sections 3.01, 3.02, 3.03, 3.04, 3.06, 4.01 ADA: Sections 1, 3	Items 7, 11 and 12
d. Initial, ongoing, and refresher training	FA: Sections 1.03, 1.04, 2.12, 3.04, 4.01, 4.08, 4.09, 6.03 ADA: Not applicable	Items 6 and 11
e. Opening	FA: Sections, 2.06, 3.06, 4.01, 4.08 ADA: Sections 1, 3	Item 11
f. Fees	FA: Article 2, Sections 2.01-2.15, 4.02, 4.11, 4.15, 6.03 ADA: Sections 2, 7	Items 5, 6, 7
g. Compliance with standards and policies /Operating Manual	FA: Article 4, Sections 4.01 – 4.16, 6.03 ADA: Sections 1, 5	Item 11
h. Trademarks and Proprietary information	FA: Article 5, Sections 5.01-5.06 ADA: Recitals, Sections 1, 5	Items 13 and 14
i. Restrictions on products/ services offered	FA: Sections 4.01, 4.03, 4.05 ADA: Sections 1, 5	Items 8 and 16
j. Warranty and customer service requirements	FA: Sections 4.01, 4.03, 4.05 ADA: Recitals, Sections 1, 5	Item 11
k. Territorial development and sales quotas	FA: Sections 3.02, 3.04 ADA: Sections 1, 3, 4	Item 12
l. Ongoing product/service purchases	FA: Section 4.01, 4.03, 4.05 ADA: Not applicable	Item 8
m. Maintenance, appearance and remodeling requirements	FA: Sections 1.03, 3.03, 4.01, 4.13 ADA: Not applicable	Items 6 and 11
n. Insurance	FA: Section 2.09, 4.07 ADA: Not applicable	Item 7
o. Advertising	FA: Sections 2.05, 2.06, 4.01, 4.03, 4.04, 4.05, 4.11, 5.03, 5.04 ADA: Not applicable	Items 7 and 11
p. Indemnification	FA: Section 2.16 ADA: Section 8	Item 11

Obligation	Section in Agreement	Disclosure Document Item
q. Franchisee participation/management/staffing	FA: Sections 2.12, 3.04, 4.01, 4.03, 4.07, 4.08, 4.09, 4.10, 4.11 ADA: Section 3	Items 11 and 15
r. Records and reports	FA: Sections 2.06, 2.07, 2.15, 4.01, 4.12, 4.14, 4.15 ADA: Section 6	Item 11
s. Inspections/audits	FA: Sections 4.14, 4.15 ADA: Not applicable	Item 11
t. Transfer	FA: Sections 2.06, 2.11, 6.01-6.06, Article 8 ADA: Section 7	Items 6 and 17
u. Renewal	FA: Sections 1.03, 2.10, 4.01 ADA: Section 4	Item 17
v. Post-termination obligations	FA: Article 8 ADA: Section 5	Item 17
w. Non-competition covenants	FA: Sections 5.05, 5.06 ADA: Not applicable	Item 17
x. Dispute Resolution	FA: Section 10 ADA: Section 10	Item 17
y. Personal Guarantee	FA: Appendix "D" ADA: Not applicable	Item 15

Item 10: FINANCING

We do not offer direct financing. However, if our affiliate BaseCamp decides to loan you money, the term, annual percentage rate, and monthly payment will depend on a number of factors that include, but are not limited to, your financial strength, your credit history, and the current prime rate (see Exhibit J). We do not guarantee any of your notes, lease commitments, or other obligations.

BaseCamp requires no down payment but you must pay an up-front documentation fee of \$500, plus an annual interest rate (compounded monthly) of between 15% and 20%. Amortized principal and interest payments are drawn from your account on the 20th day of each month over a term of 12, 24 or 36 months.

For example, if you borrowed \$25,000 at 18% interest over 24 months, you would pay a documentation fee of \$500, and 24 monthly payments of \$1,248.10.

BaseCamp requires a security interest in the assets plus a personal guarantee signed by the Franchisee and the franchisee's spouse and/or domestic partner (or its owners if the Franchisee is an entity).

If you do not pay on time, BaseCamp can demand immediate payment of the outstanding balance, repossess the assets, and obtain court costs and attorney's fees if a collection

action is necessary. You waive your rights to notice of a collection action and to assert any defenses to collection against us or BaseCamp (see Exhibit J).

We work with Wells Fargo, Key Bank, Lendio, BaseCamp, and other lenders to assist our franchisees with financing, but receive no direct or indirect payments from them for placing financing.

BaseCamp does not plan to sell your note to a third party but reserves the right to do so, and the third party acquiring the financing arrangement would be bound by all the terms and conditions of the original agreement.

Item 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Pre-Opening Assistance

Before you open your business, we will:

- A. Assist you in the selection, leasing or purchase of your Store Location. We generally do not own the premises you will lease, nor do we select the site or approve the area in which you will operate. Instead, we may make recommendations regarding proposed sites to you, your licensed real estate agent, or attorney (see Franchise Agreement - Sections 1.01 and 3.02). The factors we typically consider in evaluating a proposed site include: nearby population, traffic flows, competition, specific location attributes, area reputation, proximity of the store to other Uptown Cheapskate stores, rental rates, and terms. It typically takes 3 to 6 months to select a site and negotiate a lease;
- B. Consult with your draftsman or architect, who will draft and file plans to obtain the required permits for the remodeling of your store in compliance with our requirements, as well as all local, state, and federal regulations. These may include, but are not limited to: health, sanitation, sign, utility, and building codes (see Franchise Agreement - Section 3.03);
- C. Provide suggestions and input to your general contractor, who will construct, remodel, and decorate the premises;
- D. Provide you and up to one other person with 4 days of training and a 6-day, 50-hour internship (see Franchise Agreement - Sections 3.04 and 4.08);
- E. Provide you with written specifications, prices and recommended or required vendors for fixtures, computers, equipment, and other supplies after you notify us that you have leased or purchased your Store Location (see Franchise Agreement - Section 3.03). We generally do not provide, sell, deliver or install any

of the items you need to establish your business. Except for the BaseCamp Software Suite, Tech Support, the bookkeeping service, and the New Store Service for marketing, all of which you are required to purchase from our affiliate BaseCamp (see Franchise Agreement Section 2.15), and certain store fixtures, which you must purchase through our preferred vendors, you may purchase the items needed to establish and operate your store from any vendor you choose, provided that those items meet your specifications;

F. Provide access to our online portal and/or loan you a copy of our Training and Operations Tools, which contain specifications, standards, policies, and procedures relating to the establishment and operation of your business (see Franchise Agreement - Sections 4.01, and 4.03). The Training and Operations Tools are confidential and remain the sole property of Uptown Cheapskate. We may modify them from time to time, but any modification will not alter your status and rights under the Franchise Agreement (see Franchise Agreement - Section 4.03);

G. Provide you (through our affiliate BaseCamp) with advice and support during regular business hours for the installation and use of your computer system (see Franchise Agreement - Section 4.01); and

H. Provide you with on-site assistance the day before, the day of, and the day after your grand opening (see Franchise Agreement - Section 3.06; applies to a Franchisee's first store only).

The length of time between (a) the earlier of the signing of the Franchise Agreement or the first payment of fees for the Franchise, and (b) the opening of the business is typically eight (8) to twelve (12) months. You cannot open the Store to sell products until you have at least 1,000 vendors in your database and have purchased the Minimum Inventory described in Item 7. If you sign an Area Development Agreement, you will be signing multiple Franchise Agreements at once, but the deadline to open each Store will be set forth in the Development Schedule, as mutually agreed upon by you and us, and therefore the length of time between signing the Franchise Agreements and opening the businesses under an Area Development Agreement will vary depending upon the Development Schedule.

As an Uptown Cheapskate franchisee, you will receive the right to identify and either acquire or sign a lease for a Store Location within the Development Area, as defined in Item 12, and a license to operate the business, utilize the Marks, and promote and use the System in conjunction with the operation of the Franchise at such Store Location. You will retain the right to identify and either acquire or sign a lease for a Store Location within the Development Area for a period of three hundred and sixty-five (365) days following the Effective Date of the Franchise Agreement (this period defined as the "Site Selection Period"). Note that we reserve the right to approve or disapprove any potential Store Location at our sole discretion. During the Site Selection Period, we will not

authorize any other franchisee to pursue the establishment of an Uptown Cheapskate Store Location within the Development Area.

If you have not signed a lease or acquired property to serve as your Store Location by the end of the Site Selection Period, or if you have not opened your Store within seven hundred and thirty (730) days from the Effective Date of the Franchise Agreement (the "Store Opening Deadline"), we have the right, in our sole discretion, to terminate the Franchise Agreement. During the Site Selection Period, if you find that you are unable to lease or purchase a Store Location within the Development Area, you shall promptly notify us in writing. At that time, we may, in our sole discretion, consider modifying the Development Area if there is a suitable alternate territory available and you demonstrate to our satisfaction that you have made a diligent effort to find a Store Location within your initial Development Area. However, at no time will we have an obligation to modify your Development Area or adjust the duration of your Site Selection Period.

If you sign an Area Development Agreement, then the amount of time you have to secure a Store Location for each Store and open each Store will be set forth in the Development Schedule, as mutually agreed upon by you and us. Once you have successfully developed the first Franchise and opened the first Store associated with the Area Development Agreement, prior to signing a lease for any incremental Store, you must meet the Development Requirements (as defined in Item 12). Your ability to meet the Development Requirements may impact the typical length of time between signing the Franchise Agreement and opening each incremental Store.

Post-Opening Assistance

During the operation of the franchised business, we will assist you with:

- A. Becoming familiar with the characteristics and features of the products and services you will be offering (see Franchise Agreement - Sections 3.05 and 4.01);
- B. Accessing training materials and best practices to utilize with your managers and employees (see Franchise Agreement - Sections 3.04, 4.08, 4.09);
- C. Implementing potential modifications and improvements to the Uptown Cheapskate System, which we may make from time to time at our sole discretion (see Franchise Agreement - Sections 4.01 and 4.03);
- D. POS-related computer technical support, through our affiliate BaseCamp. So long as you pay the Computer Support Fee and meet the Computer System Standards, this service is provided at no additional cost during regular business hours (see Computer Requirements below, Item 6, and Franchise Agreement - Section 4.01);

E. While we do not set minimum and/or maximum prices for products, we will assist you with purchasing and pricing strategies of the products and services you will be offering in certain circumstances (see Franchise Agreement - Section 4.01); and

F. Administrative, operational, bookkeeping, accounting, reporting and inventory control procedures (see Franchise Agreement - Article 3, Sections 4.01, 4.03, 4.08, 4.12, 4.14, and 4.15). During the term of the Agreement, you may contact us at any time during business hours to discuss problems and ways to improve your Store. We may hold Refresher Trainings (which may be required if your sales do not meet or exceed the System average, as defined in Item 11) and may hold annual and regional conferences or performance groups to discuss operational issues that may include: purchasing, pricing, inventory control, sales techniques, personnel, bookkeeping, accounting, marketing, merchandising procedures, or other subjects (see Franchise Agreement, Section 2.12). You must pay for your own travel, lodging, meal and living expenses for any such events. We may charge a reasonable registration or attendance fee to offset conference facility costs and may charge a pro-rated share of the conference facility expenses. Once you have signed a lease, you are required to attend the annual meeting each year, if it is held. Our annual meeting is typically held at or near the corporate headquarters, or at a hotel or resort. It typically takes place over four (4) days each year.

Advertising

You may advertise and promote your store through the following media: digital marketing (such as Instagram®, Google Ads®, Twitter®, Facebook®, TikTok®, Pinterest®), email, SMS text messaging, television, radio, newsprint, billboards, bench signs, direct mail, flyers, and other media you choose with our prior written approval. Specific considerations include:

A. We may provide you with designs for electronic media such as digital ads, web pages and emails, upon your request. You may also receive designs for non-digital ads, posters, in-store signs, window displays, banners, radio and television spots and miscellaneous point-of-sale items (see Franchise Agreement - Section 2.05). You may also receive designs for business cards, envelopes, letterhead, bags, and other items as needed. You will receive access to an electronic copy of these materials at no charge. You must meet our requirements with respect to the music and videos broadcast within your Store (see Franchise Agreement – Section 4.01);

B. We and our franchisees create and place advertising ourselves and with the services of outside local and national agencies;

C. You may develop advertising materials for your own use, at your own cost using our style guide, which lists the approved fonts and images. We must approve the advertising materials in advance and in writing. We will respond to your request to use such advertising materials within seven (7) days of receipt. (see Franchise Agreement - Section 4.04);

D. Uptown Cheapskate franchise owners have an Advisory Association in which you must participate (see Franchise Agreement - Section 4.10). It establishes its own organizational rules but must grant each franchise store and corporate store one vote. The Advisory Association's purpose is to enhance communication between us and Uptown Cheapskate franchisees and to advise us in the development and placement of advertising. It has the power to administer itself and report to its members in the manner they see fit, subject to our approval. The Advisory Association may not charge its members fees, and we may form, change, or dissolve the Advisory Association if we choose;

E. You will be required to participate in the National Marketing Program ("NMP") following your grand opening:

- 1) Services: The NMP is designed to provide a turnkey solution for the management of certain advertising content and spend across several digital channels on your behalf (the "Advertising Services"). To provide the Advertising Services, we currently partner with LT, LLC ("LT", formerly LaneTerralover), who oversees the design, implementation, tracking, and optimization of marketing campaigns tailored to the promotional calendars and needs of the Franchise. The Advertising Services cover marketing strategies and core brand messages deployed across several channels, including: (i) programmatic display; (ii) paid social media; and (iii) paid search. The Advertising Services are focused on driving customer traffic to your specific Store;
- 2) Required Expenditure: During the calendar year in which your Store opens, you must spend a minimum of Two Thousand Dollars (\$2,000) per month via the NMP (the "NMP Required Expenditure"). At the end of each calendar year, we will determine the NMP Required Expenditure that will apply for the subsequent calendar year, considering two alternatives: (i) if your Store has been open and generating sales for less than six (6) full months, the NMP Required Expenditure will remain at Two Thousand Dollars (\$2,000) per month; or (ii) if your Store has been open and generating sales for more than six (6) full months, the NMP Required Expenditure will be set at the lesser of (a) 2.5% of average monthly Gross Sales and (b) Two Thousand Five Hundred Dollars (\$2,500) per month. Within the second alternative, the

calculation of average monthly Gross Sales (the "NMP Sales Benchmark") will consider average monthly Gross Sales for your Store during the trailing twelve (12) month period, including only those months in which your Store was open and generating sales for the full month. Payment for all Advertising Services provided via the NMP must be made via automatic electronic transfer on the 20th of the month prior to the month that the Advertising Services are to be performed;

- 3) Minimum Advertising Expenditure: All expenditures made via the NMP will count towards the minimum Advertising Expenditure described below in Section K;

We reserve the right to work with agency partners of our choosing, including LT and others, and generally to deliver the Advertising Services at our discretion.

F. You will be required to participate in the New Store Service ("NSS") in advance of your grand opening or re-opening following the Transfer of a Store that had been temporarily closed:

- 1) Services: Similar to the NMP, the NSS is designed to provide a turnkey solution for the management of certain advertising strategies, particularly those in digital media, during the store opening process (the "Grand Opening Advertising Services"). Currently, LT acts as our partner for the management of these Grand Opening Advertising Services, which are deployed across several channels, including: (i) paid social media; (ii) programmatic display; (iii) video pre-roll; and (iv) streaming audio. The Grand Opening Advertising Services are focused on driving awareness for and customer traffic to your specific Store;
- 2) Required Expenditure: You will be required to spend a minimum of Fifteen Thousand Dollars (\$15,000) via the NSS, which will cover the three phases of the opening process: (i) Coming Soon, commencing soon after you sign your lease; (ii) Open to Buy, aligning with the period during which you are accumulating inventory in your store; and (iii) Grand Opening, the period leading up to your grand opening weekend. Payment for the Grand Opening Advertising Services will be due as a lump sum at least two (2) weeks prior to the commencement of advertising during the Coming Soon phase and must be made by automatic electronic transfer;

- 3) Grand Opening Marketing Requirement: All expenditures made via the NSS will count towards the \$20,000 Grand Opening Advertising requirement or \$20,000 Transfer Store Marketing Requirement, as applicable;

We reserve the right to work with agency partners of our choosing, including LT and others, and generally to deliver the Grand Opening Advertising Services at our discretion.

G. At Uptown Cheapskate's discretion, you may be required to participate in a Local Advertising Cooperative in the Area of Dominant Influence ("ADI") if there are two or more stores in your market (see Franchise Agreement – Sections 2.06(e) and 4.11 and Appendix "G"). The ADI is determined by us with input from potential members of the cooperative. Currently, there is no requirement that any franchisee participate in a Local Advertising Cooperative, although franchisees may elect to form and participate in one at their discretion. We may change the requirements for a Local Advertising Cooperative at most once per year, including as it relates to the associated fees outlined below. If any changes are made, those changes will take effect during the next calendar year. Under such determination, Uptown Cheapskate may require Cooperative members, including those that are affiliated with the franchisor, to contribute to a trust account monthly "Cooperative Fees" equal to: (i) the greater of Two Thousand Dollars (\$2,000) or 4% of Gross Sales per month ("Minimum Monthly Base"), up to a maximum of Five Thousand Dollars (\$5,000) per month ("Maximum Monthly Ceiling"), less (ii) any NMP Required Expenditures. Governing documents may include financial documentation managed by the cooperative and an advertising cooperative agreement signed by all members (See Franchise Agreement Appendix "G"). Please note that any such Cooperative Fees, if required, would count towards the minimum Advertising Expenditure requirement described below in Section K. If a requirement to participate in a Local Advertising Cooperative is instituted, the funds will be used to advertise the stores represented in the cooperative, build the Uptown Cheapskate brand, and perform all other organizational and administrative functions within the Cooperative;

H. Each store, whether owned by a franchisee or by Uptown Cheapskate, is required to contribute one-half of one percent (0.5%) of Gross Sales to the Marketing Fund in addition to the advertising requirement described below in Section K. The Marketing Fund is administered by our marketing and accounting personnel. Any remaining funds not spent in the fiscal year are carried over to the following fiscal year. We may make loans to the Marketing Fund bearing reasonable interest to cover any deficit of the Marketing Fund, and cause the Marketing Fund to invest in a surplus for future use by the Marketing Fund. Any separate account established for the Marketing Fund is not a trust or escrow account, and we have no fiduciary obligations regarding any such account. An

unaudited accounting of the receipts and disbursements of the Marketing Fund will be available upon written request to us 60 days after the end of each fiscal year;

From January 1, 2024 to December 31, 2024, we made the following expenditures from the Marketing Fund:

Category:	Expenditure:
Production	93.5%
Media Placement	6.5%
Administrative Expenses	0.0%
TOTAL	100.0%

I. We may receive income from the Marketing Fund to offset our marketing-related administrative costs, in-house production, and marketing reimbursements. We use the Marketing Fund to create, test, and manage marketing materials and programs and to place advertising that primarily benefits the entire Uptown Cheapskate system. We are not required to spend any of these funds on advertising in the area in which your store is located (see Franchise Agreement - Section 2.05). Marketing materials created with Marketing Fund contributions may also be used in materials submitted to prospective franchisees as examples of our use of such funds to benefit franchisees (see Franchise Agreement - Section 2.05). None of these funds are used for advertising that is principally a solicitation for the sale of a franchise;

J. In addition to the Marketing Fund Fee described above, you must invest at least Twenty Thousand Dollars (\$20,000) to advertise and promote the grand opening (or re-opening) of your store during the period commencing two (2) months prior to the store opening (or re-opening) and ending one (1) month after the store opens (or re-opens). In some markets, to successfully advertise your Coming Soon, Open to Buy, and Grand Opening periods may require a higher marketing budget. If you are purchasing a Store that is already operating that has not been temporarily closed (a "Transfer Store"), or relocating a Store, you must invest at least Ten Thousand Dollars (\$10,000) in additional marketing over the first two (2) months from the date of ownership or relocation;

K. In addition to the Marketing Fund Fee and grand opening marketing requirement, you are required to spend the greater of \$2,000 per month or 5.0% of Gross Sales ("Advertising Expenditure") to advertise and promote your Store. Note that any expenditures made via the NMP, as described in Section E above, will count towards this amount. Also, if you are required to participate in a Local Advertising Cooperative described in Section G above, those contributions will count toward your total advertising requirement, as well. You are required to report your Advertising Expenditures to us on the 15th day of the month following each calendar quarter. We are not required to spend any amount on advertising in the franchisee's area or territory. If during any reporting interval, you fail to

report that you spent at least the required Advertising Expenditure during that prior six (6) month period, you shall make available for electronic withdrawal from your operating account into our account, for the next six (6) calendar months, a fee ("Advertising Penalty") equal to one percent (1%) of the Gross Sales for the prior calendar month. Funds disbursed to satisfy this Advertising Penalty do not count toward the Advertising Requirement for the contemporaneous periods. We may modify the Advertising Expenditures each year.

Franchise Assistance Awards

Our franchisees are generally helpful to franchise prospects that approach them with questions about purchasing an Uptown Cheapskate franchise. We appreciate that assistance and recognize that it can be a distraction to our franchisees. Under certain circumstances, we may provide our franchisees with a \$50 gift card for responding to inquiries from prospective franchisees.

Computer Requirements

Uptown Cheapskate shall assist you with purchasing a computer system to manage your operations. As of March 2025, the computer system you are required to purchase is estimated to cost \$18,502 and is described in Exhibit E of this Disclosure Document.

BaseCamp offers technical support during regular business hours for all BaseCamp software, which currently includes the Inventory Management Appraisal Program (IMAP™), the Baseline™ point-of-sale and product appraisal program, the Vendor Check-in program, and QuickBooks®, for those franchisees that use the bookkeeping service, via telephone, internet chat, or other online communication provided that you meet the following Computer System Standards:

- A. Your computer system, including hardware and software components, back-up, networking, and anti-virus programs continue to meet our specifications;
- B. Your staff is reasonably trained in the operation of the computer system and is following standard procedures;
- C. You use any documented instructions that we have provided to self-resolve issues before calling and after receiving instruction;
- D. You participate in the support discussion(s) personally if requested by BaseCamp;
- E. Unattended access is set up and provides independent access to the Tech Team to log onto your computer at any time; and
- F. You leave your computers running 24 hours/day.

If you do not meet the Computer System Standards, you may purchase technical support from BaseCamp at its then-current rate, currently Fifty Dollars (\$50) per hour, with a minimum Twenty-Five Dollar (\$25) charge per session. Intuit®, (P.O. Box 1420, Downers Grove, Illinois, 60515), the provider of QuickBooks®, also provides free technical support via telephone.

You must upgrade and/or replace your computer software and the hardware necessary to run such software as we require, estimated not to exceed \$5,000 over a five-year period (see Franchise Agreement - Sections 2.13 and 4.01), but the cost to maintain and upgrade the Baseline™, IMAP™, and Vendor Check-in is included in the Computer Support Fee you pay to BaseCamp.

The current components of the computer system are used as follows:

Software: We use six or more software programs, including Baseline™, IMAP™, Vendor Check-in, Google Docs, Microsoft Office, and QuickBooks. Baseline™ is a custom program that generates invoices and tracks inventory, purchases, sales, customers, and Store performance. It also assists franchisees in the purchasing and pricing of inventory. IMAP™ is a custom program that assists franchisees with inventory management and reporting. Vendor Check-in is a custom program that facilitates the vendor check-in process for vendors who seek to sell merchandise to stores. Google Docs are used for collaborative operations management. Microsoft Office is used for correspondence, for reporting and analysis, and to summarize and report on management information. QuickBooks is a simplified yet powerful accounting program that works like a checkbook. We are not limited in the information we can extract from your computer and require independent access to the information generated and stored in the computer systems.

Hardware: Point-of-Sale or Buying Stations ("Buying Stations") are an important part of a system that assists you in pricing, purchasing, tagging, tracking, and selling inventory. You will be required to outfit your Buying Stations with all requisite hardware needed to operate the system and software effectively. Credit Card Processing hardware enables you to conduct credit card transactions. An Office Computer provides us with direct access to your sales, inventory, and accounting data. We are not limited in the information we can extract from your computer via the internet or other computer-to-computer transmission.

Except for the BaseCamp Software Suite, which you must purchase from our affiliate BaseCamp, we do not provide you with any computer equipment or software but shall assist you in purchasing such equipment (see Franchise Agreement - Sections 2.13, 3.03, 3.06, 4.01), or leasing it through BaseCamp (see Item 10). Except for reasonable shipping and handling charges and a reasonable administration fee, where applicable, we receive no fee, special discount, or profit of any kind from your equipment. Our affiliate BaseCamp charges a Three Hundred and Fifty Dollars (\$350) per month Computer Support Fee, and may charge an additional fee for any computer-related support you

require if you fail to meet the Computer System Standards (see Franchise Agreement Section 2.13). BaseCamp is the sole vendor for the BaseCamp Software Suite that you must purchase.

Please see Item 6 for a disclosure of expenses and fees of a recurring nature.

Training and Operations Tools

You will be given access to our “Training and Operations Tools,” which consist of online training modules in the BaseCamp Training Portal, our New Store Playbook and supporting tools, our Annual Priorities book, Operating Manuals, and other documentation located in our online portal (BaseCamp Central). These materials contain mandatory and suggested specifications, standards, systems, and procedures for opening and operating your Store. The Training and Operations Tools are proprietary, confidential, and remain our property. We may modify or improve them from time to time, but the modifications will not alter your status and rights under the Franchise Agreement (see Franchise Agreement - Section 4.03).

Currently, the Training and Operations Tools include:

OPERATIONS MANUALS	
Subject	Number of Pages
New Store Playbook	157
Annual Priorities	168
Buyer Notebook	78
Quarterly Communication Log	810
BaseCamp Wiki	140 (approx.)
Managerial Accounting Workbook	35
TOTAL	1,388

The New Store Playbook provides a step-by-step guide for all tasks a franchisee must complete between the signing of their Franchise Agreement and their grand opening. It also outlines the extensive one-on-one support provided by BaseCamp’s team throughout the process. For ease of use, the New Store Playbook links to a dedicated digital shared drive for each store, which contains a wide range of additional tools, templates, and resources.

The Annual Priorities book outlines key operational and marketing priorities for each month of the year. It is a valuable point of reference for owners, their managers, and their broader teams. The Annual Priorities book contains the highest-priority elements of execution at the

store level, which franchisees can put into action using tools like the Buyer Notebook and Quarterly Communication Log. The BaseCamp Wiki is continuously updated and contains hundreds of other resources.

The table of contents for our Operating Manuals is found in Exhibit K.

Training Program

Prior to attending our formal training program, all attendees must complete the new franchisee at-home Online Training requirements, which typically take about twenty-two (22) hours to complete. Our Online Training consists of the following:

Online Training Agenda

Subject	Hours of Training
UC-1 New Hire Training Program	2
UC-2 Register Training	1
UC-3 Gatekeeper	1
UC-4 Buyer	6
UC-5 Manager	12
UC-Additional Resources (Meetings, etc.)	Varies
TOTAL	22

Once you have completed Online Training, you will then be required to join a cohort of other new franchisees for in-person training. Our 4-Day Training Program ("In-Person Training") is held at our corporate office in North Salt Lake, UT and at one or several Salt Lake City, UT area Uptown Cheapskate stores. We reserve the right, in our sole discretion, to conduct parts of our In-Person Training Program with attendees from our affiliate Kid to Kid to the extent that such content is applicable to both brands.

There is no charge for the In-Person Training for you and up to one additional member of your team, but you will be responsible for all transportation, meals, lodging, compensation and incidental expenses. We conduct our In-Person Training at various times throughout the year, typically at least once per quarter. We may modify the schedule, classes, topics, and instructors based on specific circumstances.

If you are a new franchisee, you and up to one other team member must attend and successfully complete to our satisfaction, the In-Person Training outlined above before you begin to purchase inventory and open your Store. If you are an existing franchisee, you and up to one other team member will be required to attend our In-Person Training, if we determine it is necessary, before you begin to purchase inventory and open your Store.

Our affiliate BaseCamp has over 60 employees with specializations across Operations, Marketing, Technology, and Finance. Our In-Person Training is cross-functional, bringing together representatives from each department to provide franchisees with the knowledge and skills that we have seen drive success in opening and operating an Uptown Cheapskate store.

4-Day In-Person Training Agenda

Subject	Hours Classroom Training	Hours On-The-Job Training	Location
Welcome & Introduction to System	1	--	BaseCamp offices, North Salt Lake, Utah
In the Store: Filling Your Store with Great Product	6	--	BaseCamp offices, North Salt Lake, Utah
On the Floor: Inventory Management & Merchandising	2	--	BaseCamp offices, North Salt Lake, Utah
Out the Door: Inventory Turns, Markdowns, & Customer Experience	3	--	BaseCamp offices, North Salt Lake, Utah
Staff Management	2	--	BaseCamp offices, North Salt Lake, Utah
Technology & Reporting	3	--	BaseCamp offices, North Salt Lake, Utah
Finance & Accounting	4	--	BaseCamp offices, North Salt Lake, Utah
Marketing	3	--	BaseCamp offices, North Salt Lake, Utah
Store Operations & Field Work	--	5	Training store in Salt Lake City area
TOTAL	24	5	

Operations: BaseCamp's Operations team will provide a detailed overview of each major component of Store operations, including: (i) the Store opening process, (ii) sorting, purchasing, and processing product sourced from your local community, (iii) managing inventory, (iv) merchandising, (v) reviewing reports and optimizing inventory turns, (vi) customer service, and (vii) best practices around staff management. They will deep-dive into each topic and pair classroom instruction with hands-on exercises.

Marketing: BaseCamp's Marketing team will walk through key elements of Uptown Cheapskate's brand identity and how they are harnessed in our marketing strategies, including via the NMP and NSS. They will outline the most important channels for marketing, including digital, social media, search, radio, and out-of-home. They will also detail best practices and techniques for establishing a strong grassroots marketing program at your Store, both before your grand opening and once you are fully operational.

Technology: BaseCamp's Technology team will provide a detailed overview of all key hardware and software components required to operate an Uptown Cheapskate store. They will walk through BaseCamp's proprietary software suite, including our Baseline™ point of sale and product appraisal program, our IMAP™ inventory management program, and our Vendor Check-in program. They will also outline procedures for engaging with BaseCamp's Technical Support team, which is available 7 days a week to help resolve issues you may encounter in the setup and/or operation of your Store.

Finance: BaseCamp's Finance team will cover key aspects of store-level accounting, including how to utilize financial statements and other financial data. They will walk through how to use QuickBooks software and complete relevant financial and administrative procedures. They will also outline the BaseCamp Bookkeeping Service and the ways in which the Finance team can help you stay on top of your financial performance.

The experiences of the instructors for our training program are as follows:

Taryn Watson: Ms. Watson joined our affiliate BaseCamp in 2022 as a New Store Operations and Training Specialist and assumed the role of BaseCamp's Head of New Store in January 2025. Prior to her tenure at BaseCamp, Ms. Watson began working in Uptown Cheapskate stores in 2012 and was promoted to manager in 2015. She is also part-owner of an Uptown Cheapskate store in Richardson, Texas.

Lyndie Giles: Ms. Giles joined our affiliate BaseCamp as a Franchise Operations Consultant in 2012 and assumed the role of Franchise Operations Team Lead in 2016. Prior to her tenure at BaseCamp, she served as the Western Regional Manager for Mirabella Beauty from 2007-2011, where she managed the company's relationships with salons and wholesalers across 11 states.

Katie Clifford: Ms. Clifford has served as Marketing Director for our affiliate BaseCamp since October 2023. Prior to joining BaseCamp, Ms. Clifford held management positions in marketing from 1998-2023 at a range of consumer-oriented companies and organizations, including Puma, the U.S. Olympic Committee, the North Face, O.C. Tanner, and Cricut.

Ian Wambold: Mr. Wambold has served as Creative Director at our affiliate BaseCamp since October 2023. Prior to joining BaseCamp, Mr. Wambold served as Creative Director at Enso Rings from 2020-2023, where he spearheaded the company's partnerships with Disney and Lucasfilm. Prior to that, Mr. Wambold served as Art Director at Credit One Bank from 2016-2020 and held a range of creative marketing positions at Henry Schein from 2007-2016.

Mel Green: Mr. Green has served as Chief Technology Officer for our affiliate BaseCamp, overseeing all software development, IT infrastructure, and technical support activities, since December 2022. Prior to joining BaseCamp, Mr. Green was VP of Engineering at

Allset from 2021-2022, Director of Engineering at Instructure from 2018-2021, and held several technical leadership roles at various other companies beginning in 2007.

Craig Smith: Mr. Smith serves as Chief Financial Officer for our affiliate BaseCamp, leading BaseCamp's bookkeeping service, as well as a range of accounting, financial, and business development projects. Mr. Smith joined BaseCamp in 2013 and has multiple decades of experience across public accounting, the oil and gas industry, and the audiovisual industry.

Linmin Kuang: Ms. Kuang has served as Senior Accountant of our affiliate BaseCamp since August 2023. Ms. Kuang originally joined our affiliate BaseCamp in 2015 as an Accounting Associate and was promoted to Bookkeeping Manager and System Data Analyst in June 2021. Ms. Kuang left BaseCamp in January 2022 to pursue her CPA and worked as a tax associate at Haynie & Company from 2022-2023. After earning her CPA, Ms. Linmin returned to BaseCamp and assumed her current role.

You and your associates may be required to participate in online training modules and attend additional training meetings and refresher courses from time-to-time at our corporate offices or at another location we designate. You must pay for your travel, lodging, meals, employee compensation, and incidental expenses. We may charge a reasonable attendance fee to offset conference facility costs to attend such meetings and courses.

Store Internship

In addition to the 4-Day In-Person Training, you must complete an internship to our satisfaction by working in a designated host Uptown Cheapskate store that we and you agree upon for at least fifty (50) hours over six (6) consecutive business days (a "Store Internship"). You may also choose to bring a Manager at no additional expense. There is no charge for the Store Internship itself, but you will be responsible for all transportation, meals, lodging, employee compensation and incidental expenses. To the extent you would like more than two of your team members to attend the Store Internship, the cost will be One Thousand Two Hundred and Fifty Dollars (\$1,250) per additional team member.

Refresher Training

During any two successive years of operation, if you fail to meet or exceed the average System sales considering all Uptown Cheapskate locations that have been open for twelve (12) months or longer during that period, you may be required to attend and complete to our satisfaction a 4-Day In-Person Training and a 6-Day Store Internship (together a "Refresher Training"). There is no cost for the Refresher Training, but you are required to pay for the travel, lodging, meals, and incidental expenses related to the training (see Franchise Agreement – Section 3.04).

New Store Support

Our affiliate BaseCamp offers a variety of resources to assist you during the Store opening process. A considerable amount of that support is channeled through BaseCamp's seven-person New Store team, whose primary point of focus is to help stores open according to their initial timeline and budget.

Once your Franchise Agreement is signed, you will be assigned a dedicated New Store Lead ("NSL"), who will help you navigate each phase of the opening process. The NSL will be available to answer questions and provide general assistance through your grand opening.

For first-time operators, the NSL will visit your Store around the time that you begin purchasing inventory (the "Open to Buy Visit"). The NSL will visit a second time around your grand opening, providing on-site assistance the day before, the day of, and the day following the grand opening (the "Grand Opening Visit").

For franchisees that own more than one Uptown Cheapskate and/or Kid to Kid store, as well as Transfer Stores, the NSL will provide dedicated support throughout the opening or transfer process, but will not provide on-site support unless requested by the franchisee. In those situations, the franchisee may purchase up to three (3) days of on-site support at our then-current rate (currently, \$300 per day plus the cost of travel and lodging) for the grand opening or grand reopening of the store. The supplemental on-site support rate is subject to change.

Item 12: TERRITORY

As an Uptown Cheapskate franchisee, you will receive the right to identify and either acquire or sign a lease for a Store Location within a specific geographic area identified as part of the Franchise Agreement (the "Development Area") and a license to operate the business, utilize the Marks, and promote and use the System in conjunction with the operation of the Franchise at such Store Location. The Development Area will typically be established as a circular territory with a radius equal to the lesser of (i) five (5) miles and (ii) one that results in a minimum residential population of one hundred thousand (100,000) people within the Development Area, each as measured by a mapping software or service we select. In establishing the shape and size of the Development Area, we will take into account factors such as the local market, competition, natural barriers, and the Protected Areas, as defined later in this Item 12, of other Uptown Cheapskate stores.

Once you have leased or purchased a suitable property with our pre-approval, that property shall become the Store Location for the purposes of the Franchise Agreement. At that time, both you and we will execute an amendment to the Franchise Agreement identifying your Store Location. Such amendment will also identify a specific geographic area surrounding the Store Location that we will determine in our sole discretion (the

"Protected Area"), within which we promise not to permit the opening of another corporate or franchise Uptown Cheapskate location during the Term of the Franchise Agreement. The Protected Area will typically be established as a circular territory with the Store Location at its center and with a radius equal to the lesser of (i) five (5) miles and (ii) one that results in a minimum residential population of one hundred thousand (100,000) people within the Protected Area, each as measured by a mapping software or service we select. In authorizing the Store Location and identifying the Protected Area, we will take into account factors such as the local market, competition, natural barriers, and the Protected Areas of other Uptown Cheapskate stores.

If you have already identified your Store Location at the time that you execute the Franchise Agreement, then your Store Location and Protected Area will be identified therein at the time of execution. For the avoidance of doubt, the Development Area will cease to be relevant at the time that the Protected Area is defined, and you will no longer have any rights to any territory included within the Development Area that does not also fall within the Protected Area.

The Franchise includes:

- (1) the exclusive right to carry on business as an Uptown Cheapskate Store at the Store Location;
- (2) the right to promote, advertise, solicit, establish, service, and maintain customers and potential customers ("Customers") in the communities surrounding the Store Location; and
- (3) a license to operate the business, utilize the Marks, and promote and use the System in conjunction with the operation of the Franchise at the Store Location.

We do not promise that other Uptown Cheapskate stores will not advertise to Customers nor draw Customers from your Store, and in that sense, you will not receive an exclusive territory. You may advertise and may serve customers from outside your Protected Area, and other Uptown Cheapskate franchisees may, without any compensation to you, advertise and serve customers who reside within your Protected Area.

We and our affiliates retain all other rights, and may, among other things, on any terms and conditions we deem advisable, and without granting you any rights therein:

- (1) establish, and license others to establish, Uptown Cheapskate stores at any location outside the Protected Area, notwithstanding their proximity to your Store Location or their actual or potential impact on sales at your Store;
- (2) establish, acquire or operate, or license others to establish and operate, stores under other systems or other proprietary marks, which stores may offer or sell products or services that are different from the products and services

offered by your Store, including stores associated with our affiliate Kid to Kid. Such stores may be located within or outside the Protected Area, notwithstanding such stores' proximity to your Store Location or their actual or potential impact on sales at your Store Location; and

(3) sell and distribute, directly or indirectly, or license others to sell and distribute, directly or indirectly, any products, services or merchandise, from any location or to any purchaser (including, but not limited to, sales made at retail locations, via catalogue, mail order, and on the Internet), so long as such sales are not conducted from an Uptown Cheapskate located inside the Protected Area.

You will not need to meet any minimum sales quota to keep your territory, but you may be required to complete a Refresher Training if for two consecutive years your sales fail to meet the System average, considering all Uptown Cheapskate locations that have been open for twelve (12) months or longer during that period.

After eighteen (18) months of operation, you must have acquired, and for the remainder of the Term you must maintain, at least six (6) items per square foot of sales area of gently used inventory and at least Ten Thousand Dollars (\$10,000) at cost in new product inventory ("Minimum Inventory Levels"). For example, if you have leased a store with 4,000 sales area square feet, you must acquire and maintain at least 24,000 used product items and Ten Thousand Dollars (\$10,000) at cost of new product. Failure to meet these standards constitutes a default under the Franchise Agreement. We may modify the Minimum Inventory Levels from time to time.

You may relocate your Store only with our prior written permission. If permission is granted, you must pay a Relocation Fee of Five Thousand Dollars (\$5,000) (see Franchise Agreement – Section 1.04) and bring the relocated Store up to our then-current system standards. Unless otherwise agreed to by addendum or amendment, you may not establish additional stores or franchises unless you purchase them from us (see Franchise Agreement – Section 1.01).

We have not established company-owned or other similar franchise outlets (except Kid to Kid stores or other resale or retail-related affiliates) under a different trademark in or near markets where Uptown Cheapskate stores are currently operating.

Area Development Agreement

Upon executing an Area Development Agreement, you must sign a separate Franchise Agreement for every franchise associated with the Area Development Agreement. Within each such Franchise Agreement, we will identify a distinct Development Area within which you will have the exclusive right to search for a Store Location in accordance with the Development Schedule outlined in the Area Development Agreement. Such Development Schedule will be negotiated between you and us prior to execution of the Area Development Agreement, and to maintain your territorial rights, you must develop a set

number of franchises in accordance with deadlines identified therein. Note that any Store Location must be approved by us in our sole discretion before you pursue the establishment of a Store.

Once you have leased or purchased a suitable property to serve as the Store Location for a franchise associated with the Area Development Agreement, both you and we will execute an amendment to the Franchise Agreement associated with such Store Location identifying your Store Location and Protected Area, as defined above.

Once you have successfully developed the first Franchise and opened the first Store associated with an Area Development Agreement, prior to signing a lease for any incremental Store, you must meet each of the following requirements (the "Development Requirements"):

(1) demonstrate to us that you have a minimum of \$50,000 of liquid capital for each open and operating Store within the Development Areas, plus an additional \$100,000 in liquid capital for the incremental Store associated with the prospective lease that you wish to sign;

(2) demonstrate to us that you have an experienced management team and structure in place that allows for the successful management of each of your then-open and operating Stores, as well as the incremental Store associated with the prospective lease. To meet to this requirement, you must have a full-time, experienced manager (a "Store Manager") in place for each open and operating Store, as well as the incremental Store associated with the prospective lease. You may act as Store Manager for one Store so long as you will directly oversee the day-to-day management of such Store. Compliance with this condition must be approved by us, such approval not to be unreasonably withheld;

(3) demonstrate to us that all of your open and operating Stores exceed \$1,000,000 of Gross Sales on an annualized basis;

(4) each of your open and operating Stores is in full compliance with the terms of its respective Franchise Agreement; and

(5) receive our written approval, which we shall provide in our sole discretion, of the Store Location associated with such lease.

You must meet all of the Development Requirements in order to develop incremental Franchises and open incremental Stores associated with your Area Development Agreement.

You will not receive any additional territorial rights under the Area Development Agreement other than the territorial rights that are granted to you under each Franchise Agreement that you sign when you enter into the Area Development Agreement.

We and our affiliates shall not establish, nor license anyone other than you to establish, an Uptown Cheapskate Franchise with a physical location within any of the Development Areas during the term of the Area Development Agreement. However, we and our affiliates retain all other rights, and may, among other things, on any terms and conditions we deem advisable, and without granting you any rights therein:

(1) establish, and license others to establish, Uptown Cheapskate stores at any location outside the Development Areas, notwithstanding their proximity to your Development Areas or Store Locations, or their actual or potential impact on sales at any of your Stores;

(2) establish, acquire or operate, or license others to establish and operate, stores under other systems or other proprietary marks, which stores may offer or sell products or services that are different from the products and services offered by your Stores, and which stores may be located within or outside the Development Areas, notwithstanding such stores' proximity to your Development Areas or Store Locations, or their actual or potential impact on sales at any of your Stores; and

(3) sell and distribute, directly or indirectly, or license others to sell and distribute, directly or indirectly, any products, services or merchandise, from any location or to any purchaser (including, but not limited to, sales made at retail locations, via catalogue, mail order, and on the Internet), so long as such sales are not conducted from an Uptown Cheapskate store located inside the Development Areas.

We do not promise that other Uptown Cheapskate stores will not advertise to Customers nor draw Customers from the Development Areas associated with your Area Development Agreement, and in that sense, you will not receive an exclusive territory.

Item 13: TRADEMARKS

We grant you the right to operate an Uptown Cheapskate store under the name Uptown Cheapskate. You may use our other current or future trademarks (the "Marks") to operate your store as we may designate. You must follow our rules when using these Marks. The Marks include trade names, trademarks, service marks and logos used to identify your Store, product, and services.

Our affiliate, BaseCamp Franchising, LLC, owns the following Marks registered on the Principal Register with the United States Patent and Trademark Office ("USPTO") and it intends to file all required affidavits and renewals:

TRADEMARK	TYPE	REGISTRATION NUMBER (Serial Number)	REGISTRATION DATE
Uptown Cheapskate	Service Mark UPTOWN CHEAPSKATE (4) STANDARD CHARACTER MARK	3,636,254	June 9, 2009
Uptown Cheapskate in color	Service Mark  (4) STANDARD CHARACTER MARK	97-134,690	October 31, 2023

BaseCamp has granted us the perpetual right to use and sublicense others to use the principal Marks, as well as other Marks under a trademark license agreement with an effective date of September 30, 2022. BaseCamp may terminate the trademark agreement if any misuse of these Marks materially impairs the goodwill associated with these Marks, if we violate any provision of the license agreement or we do not comply with BaseCamp's instruction concerning the quality of these Marks. If the trademark agreement is terminated, any then-existing sublicenses (franchises) will continue for the term of the sublicenses, provided that the sublicensees (franchisees) comply with all other terms of their franchise agreements. The trademark license agreement contains no other limitations.

With respect to our trademarks, there are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court; or any pending infringement, opposition or cancellation proceedings.

There is no pending material litigation regarding our use or ownership rights in any of our Marks. We have not received notice of any infringement, cancellation or opposition of or to our Marks. We know of no prior rights or infringing uses that could materially affect your use of the Marks in the state.

No agreements limit our right to use or license the use of our Marks.

You must notify us if anyone uses or challenges your or our use of any of the Marks. When we receive such notice, we may take any action we deem appropriate. We have the right to control any litigation or administrative proceeding relating to the Marks. We will indemnify and reimburse you for all damages for which you are held liable for your use of the Marks in accordance with the Franchise Agreement. While we are not required to defend you against a claim relating to using our Marks, we will pay all reasonable costs you incur in defense of such a claim, provided you used the Marks in accordance with the Franchise Agreement.

You agree that should we decide, as a result of a proceeding or settlement, or in our discretion, that it is advisable or necessary to modify or discontinue the use of any or all of the Marks, that you will modify or stop using the Marks without any obligation on our part at your sole expense.

You must not contest our right to our Marks.

We are not aware of superior or prior rights or infringing uses that could materially affect your use of the principal trademarks in the state in which your store is to be located.

Item 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own rights in, or licenses to, any patents, and do not have any pending patent applications, which have material to the franchise. You do not receive the right to use an item covered by a patent or copyright, but you may use the proprietary information in our Training and Operations Tools (see Item 11). Although neither we nor our affiliate BaseCamp has filed applications for copyright registrations for the Training and Operations Tools, Baseline™, IMAP™, or Vendor Check-in, we claim copyrights and consider the information proprietary. We and BaseCamp may decide to file for copyright registrations in the future. Section 5.05 of the Franchise Agreement describes limitations on the use of these materials by you and your employees.

You acknowledge that we possess and shall possess in the future certain proprietary information, consisting of the Training and Operations Tools, as well as all concepts, methods, techniques, formats, specifications, procedures, information, systems, marketing approaches, ideas, research, improvements and materials, owned or developed by us and not otherwise publicly available, whether or not published or suitable for registration or copyright, and the goodwill associated with them, which is used in the operation of Uptown Cheapskate franchises ("Proprietary Information"). We may, in our discretion, disclose the Proprietary Information to you in the Training and Operations Tools, in training, and in providing guidance and assistance to you in the operation of your Franchise.

You acknowledge that we possess and that we and you shall possess in the future, certain marketing information, consisting of names, addresses, telephone numbers, contact persons, purchase orders and other identifying information relating to customers, and vendors, information with respect to needs and requirements of customers and vendors, rate, cost, and price information, financial information with respect to our other stores and your business, personnel data relating to your and our Agents, confidential information contained in verbal or audio communication, files, interoffice documents, and other internal and external documents and correspondence prepared by or for you and us, which marketing information is not otherwise publicly available ("Marketing Information"). We may, in our discretion, disclose the Marketing Information to you and other Franchisees in the Training and Operations Tools, in training, and in providing guidance, assistance, and support to you and other franchisees.

You acknowledge and agree that you will not acquire any interest in the Proprietary Information or Marketing Information during or after the Term of this Agreement, other than the right to utilize it in the development and operation of the Franchise during the Term thereof, and that the use or duplication of the Proprietary Information and/or Marketing Information in any other business would constitute an unfair method of competition, that such information could be used to compete with and significantly injure us, BaseCamp, Kid to Kid, and/or other resale-related affiliates, and that such information has significant value to competitors of us, Kid to Kid, and/or other resale-related affiliates and that the relationship between such information, you, and us involves elements of personal service and trust.

You must promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to defend you or take any action but may choose to do so. If we do become involved, we shall have the right to control the proceeding or litigation. We will indemnify you for losses brought by a third party concerning your use of this information. You must also agree not to contest our interest in these or our other trade secrets. If we decide to add, modify, or discontinue the use of an item, or process covered by a patent or copyright, you must also do so. Our sole obligation is to reimburse you for the tangible cost of complying with this obligation (see Franchise Agreement - Article 5).

We have no knowledge of any infringement of our proprietary information as of the effective date of this Uptown Cheapskate Franchise Disclosure Document.

Item 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

If you are an individual, you must directly supervise your Uptown Cheapskate business while working in the Store full-time over a period of at least six (6) months after the Store opens or you take ownership following a transfer. If you are a partnership, limited liability company, or corporation, the direct, on-site supervision for the first six (6) months of operations must be fulfilled by a person who owns at least 10% of the partnership, membership, or corporate equity. After the first six (6) months, or when you open an additional store, you or a manager who has successfully completed both our In-Person Training and a Store Internship must directly manage the business on-site (see Franchise Agreement - Section 4.08). We recommend that your Store always be managed by a franchise owner on-site.

Each franchisee, manager, and associate must sign a written agreement to maintain confidentiality of the proprietary information and trade secrets described in Item 14 and to conform to the covenants not to compete described in Item 17 (see Franchise Agreement - Sections 5.05, 5.06). We require that both you and your spouse and/or domestic partner guarantee the Franchise Agreement.

If you are a limited liability company, limited partnership, or corporation, we require that at least one owner (the "Designated Representative") guarantee the performance of the entity by signing the guarantee contained at the end of the Franchise Agreement (see Exhibit A and Franchise Agreement - Section 9.02).

Item 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must purchase and sell the following: used and new apparel items for teens and young adults, as well as footwear, accessories, and miscellaneous related items that we have approved for sale. If notified by us in writing, you may be required to sell additional products which we, in our sole discretion, determine that stores in our System shall sell. We also retain the right to limit or discontinue your sale of certain products and services. You cannot sell any other products or provide any other services other than those that we permit (see Franchise Agreement - Section 4.01)

As long as you comply with the marketing and promotion requirements outlined in Sections 4.01 and 4.03 of the Franchise Agreement, you are not restricted from soliciting any customers, no matter where they are located.

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 1.02	10 years
b.	Renewal or extension	Section 1.03	If you are in good standing and meet our renewal requirements, you may renew for 5 years by signing the then-current franchise agreement that may have materially different terms and conditions from your original agreement
c.	Requirements for franchisee to renew or extend	Section 1.03	Demonstrate that you are not in default by meeting franchise standards and requirements, that obligations are current, receive our permission, sign the then-current form of the franchise agreement that may have materially different terms and conditions from your original franchise agreement, pay renewal fee, remodel store to current standards, sign release, attend Refresher Training
d.	Termination by franchisee	Sections 2.03, 7.03, 7.04	You may terminate if you are unable to obtain financing, a store location, or if we breach the Agreement, subject to state law
e.	Termination by franchisor without cause	None	Not applicable

	Provision	Section in Franchise or other Agreement	Summary
f.	Termination by franchisor with cause	Section 7.05	We can terminate only if you breach or default
g.	"Cause" defined – curable defaults	Section 7.05(b)	You have 30 days to cure: non-payment of fees, misconduct relating to use of marks, incompatibility, licensing, operations problems, repeated breaches, violations of the code of conduct, and other defaults listed in Section 7.05(b)
h.	"Cause" defined – non-curable defaults	Section 7.05(a)	Non-curable defaults: conviction of felony or misdemeanor, unauthorized transfer, voluntary bankruptcy, involuntary bankruptcy (if not dismissed), bankruptcy of guarantor or partner, liens, insolvency, misrepresentation, unsatisfied judgment, violation of laws, 3 submissions of understated sales, repeated breaches, termination of the Area Development Agreement (if applicable), and other defaults listed in Section 7.05(a)
i.	Franchisee's obligations on termination/non-renewal	Article 8, Section 1.03	Obligations include complete de-identification, transfer of telephone and payments of amounts due (see r. below)
j.	Assignment of contract by franchisor	Section 6.01	No restriction on our right to assign
k.	Transfer by you - defined	Section 6.02	Transfer includes change of ownership, assets, or encumbrance
l.	Franchisor approval of transfer by franchisee	Section 6.03	We have the right to approve all transfers, but will not unreasonably withhold approval
m.	Conditions for franchisor approval of transfer	Section 6.03	You are not in default, new franchisee is approved by us, qualifies and is prepared to meet current fit-up standards, transfer fee paid, purchase agreement approved, training arranged, release signed by you, and current agreement signed by new franchisee (see r., below)
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 6.04	We can match any offer for your business
o.	Franchisor's option to purchase franchisee's business	None	None
p.	Death or disability of franchisee	Section 6.06	Franchise must be assigned by estate to approved buyer within 6 months who is then required to complete Refresher Training within 6 months
q.	Non-competition covenants during the term of the franchise (subject to state law)	Sections 4.08(e), 4.09(c), 5.05, 5.06	No involvement in competing or similar business. No sharing of proprietary information
r.	Non-competition covenants after the franchise is terminated or expires (subject to state law)	Article 8, Sections 4.08(e), 4.09(c), 5.05, 5.06	No competing business for 2 years from: the Store Location, within the Development Area, within the Protected Area, within a 15-mile radius of the Development Area, within a 15-mile radius of the Protected Area, and within a 15-mile radius of any other Uptown Cheapskate store

	Provision	Section in Franchise or other Agreement	Summary
s.	Modification of the Agreement	Sections 2.06(b), 2.06(c), 2.12(c), 2.13(b), 2.15, 7.02, 11.05	No modifications generally but the Training and Operations Tools, Standards, and fees (including the Advertising Expenditure; Cooperative Minimum Monthly Base; Annual Meeting Non-Attendance Penalty; Computer Service Fee and Tech Support rate; Bookkeeping Service Fee) are subject to change
t.	Integration/merger clause	Sections 11.03, 11.04	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to state law). Any representations or promises made outside the Disclosure Document may not be enforceable. Nothing in the Franchise Agreement or in any related agreement is intended to disclaim any representations made in this Disclosure Document
u.	Dispute resolution by binding mediation	Article 10	Except for certain claims, all disputes must be mediated and arbitrated in Salt Lake City, Utah (subject to applicable state law)
v.	Choice of forum	Section 10.01	Dispute resolution must be conducted in Utah (subject to applicable state law)
w.	Choice of Law	Section 10.01	Utah (subject to applicable state law)

The conditions under which your Franchise can be terminated and your rights upon non-renewal may be affected by state law.

THE FRANCHISE RELATIONSHIP: AREA DEVELOPMENT AGREEMENT

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

	Provision	Section in Area Development or other Agreement	Summary
a.	Length of the Area Development Agreement	Section 4	The term aligns with the negotiated Development Schedule
b.	Renewal or extension	Not Applicable	Not Applicable
c.	Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d.	Termination by franchisee	Not Applicable	Not Applicable
e.	Termination by franchisor without cause	Not Applicable	Not Applicable

	Provision	Section in Area Development or other Agreement	Summary
f.	Termination by franchisor with cause	Section 5	We may terminate the Area Development Agreement if you are in default of such agreement. In the event we terminate your Area Development Agreement, you may still continue to own and operate your individual franchises for which you have successfully opened a Store, so long as you are not in default and continue to faithfully perform your obligations according to the terms and conditions of such Franchise Agreement(s)
g.	"Cause" defined – curable defaults	Section 5	You have 30 days to cure a Development Schedule default, as well as certain other material defaults of the Area Development Agreement
h.	"Cause" defined – non-curable defaults	Section 5	Non-curable defaults: failure to pay the Area Development Fee, unauthorized transfer, misrepresentation, unauthorized use of the System or Marks, conviction of felony or misdemeanor, voluntary bankruptcy, involuntary bankruptcy (if not dismissed), bankruptcy of guarantor or partner, liens, insolvency, unsatisfied judgment, violation of laws, termination of any Franchise Agreement to which Area Developer is party
i.	Area Developer's obligations on termination/non-renewal	Section 5	All rights granted under the agreement are extinguished
j.	Assignment of contract by franchisor	Section 7	No restrictions on our right to assign
k.	Transfer by you - defined	Section 7	Includes assignment and transfer of contracts, security interests, and ownership change
l.	Franchisor approval of transfer by Area Developer	Section 7	We have the right to approve all transfers, but will not unreasonably withhold approval
m.	Conditions for franchisor approval of transfer	Section 7	You are not in default, new Area Developer is approved by us, qualifies and is prepared to meet current fit-up standards, transfer fee paid, purchase agreement approved, training arranged, release signed by you and current agreement signed by new franchisee (see r., below)
n.	Franchisor's right of first refusal to acquire Area Developer's business	Section 7	We can match any offer for your Area Development Agreement
o.	Franchisor's option to purchase Area Developer's business	None	None
p.	Death or disability of Area Developer	Section 7	Area Development Agreement must be assigned by estate to approved buyer within 6 months who is then required to complete Refresher Training within 6 months
q.	Non-competition covenants during the term of the franchise (subject to state law)	Not Applicable	Not applicable; non-competition covenants are covered in the individual Franchise Agreements you will execute contemporaneously with the Area Development Agreement

	Provision	Section in Area Development or other Agreement	Summary
r.	Non-competition covenants after the franchise is terminated or expires (subject to state law)	Not Applicable	Not applicable; non-competition covenants are covered in the individual Franchise Agreements you will execute contemporaneously with the Area Development Agreement
s.	Modification of the Agreement	Section 15	Modifications must be made in writing and signed by both parties; policies and procedures are subject to be changed by us
t.	Integration/merger clause	Sections 13 & 14	Only the terms of the Area Development Agreement and other related written agreements are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Area Development Agreement may not be enforceable. Nothing in the Area Development Agreement or in any related agreement is intended to disclaim any representations made in this Disclosure Document
u.	Dispute resolution by binding mediation	Section 10	Except for certain claims, all disputes must be mediated and arbitrated in Salt Lake City, Utah (subject to applicable state law)
v.	Choice of forum	Section 10	Dispute resolution must be conducted in Utah (subject to applicable state law)
w.	Choice of Law	Section 12	Utah (subject to applicable state law)

Item 18: PUBLIC FIGURES

We do not use any public figure to promote the franchise.

Item 19: FINANCIAL PERFORMANCE REPRESENTATION

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.

Basis

The following charts were compiled from unaudited financial reports (using the accrual basis) submitted to us from 121 Uptown Cheapskate stores that operated in the United States during the period of November 1, 2023 through October 31, 2024. This reporting period varies from our fiscal year end of December 31, 2024. During this period, a total of 137 stores were in operation, 16 of which were excluded from the consideration set.

Of the 16 stores that were excluded, 11 stores were open for less than 12 months, 3 stores did not submit complete financial reports, and 2 stores underwent an ownership transfer during that period.

The first chart reflects performance across all 121 stores in the consideration set, while the subsequent four charts reflect average performance across quartiles, as determined by Gross Sales.

Assumptions

Our study of financial data provided by franchisees measured our franchisees' performance in a variety of different markets.

Written substantiation for the financial performance data will be made available to you upon reasonable request.

These financial statements have been prepared without an audit.

SYSTEM AVERAGE

Annualized Average, Median and Range of Profit and Loss for the System Average—Consisting of 121 Units Operating from November 1, 2023 through October 31, 2024

	Average	Median	% of Sales	Stores at or above Avg.		Range (1)	
				#	%	Low	High
INCOME							
Gross Sales (2)	\$1,278,688	\$1,251,476	100.0%	57	47.1%	391,855	3,091,477
Cost of Goods Sold (3)	\$473,632	\$442,331	37.0%	54	44.6%	137,203	1,116,699
Gross Profit (4)	\$805,056	\$809,145	63.0%	54	44.6%	243,760	1,974,778
EXPENSE							
Franchise Royalty (5)	\$57,238	\$52,792	4.5%	57	47.1%	19,593	139,116
Administration (6)	\$52,905	\$48,679	4.1%	49	40.5%	20,317	165,989
Facility (7)	\$149,736	\$144,540	11.7%	51	42.1%	47,213	384,323
Marketing	\$64,049	\$58,456	5.0%	50	41.3%	8,215	186,324
Sales Expense (8)	\$8,373	\$6,199	0.7%	43	35.5%	319	37,745
Labor (9)	\$284,399	\$262,061	22.2%	51	42.1%	67,318	750,491
Total Expenses	\$616,700	\$572,727	48.2%	54	44.6%	186,175	1,623,979
Net Income (10)	\$188,356	\$236,418	14.7%	51	42.1%	(72,646)	971,774

Notes (which apply to the above table and following four tables):

- (1) These numbers illustrate the range for individual stores for each line item. Since line items show different stores, the numbers do not total.
- (2) Gross Sales means all revenue from the franchise location and online sales, excluding sales or use tax. This term is defined in Item 6.
- (3) Cost of Goods Sold includes the costs and expenses related to retail items. This includes shrinkage (loss of product due to theft, donations, etc.) and markdowns.
- (4) Gross Profit means Gross Sales minus Cost of Goods Sold.
- (5) Franchise Royalty numbers do not equal 5.0% of gross sales due to certain incentives in place for multi-unit franchisees and the fact that charges for any given month are paid in the following month.
- (6) Administration includes insurance, credit card processing fees, bad debt, bank charges, checking account fees, equipment leasing, equipment repairs, licenses, dues, office supplies, payroll processing fees, property tax, security, training expense and travel expense.
- (7) Facility includes rent, CAM, repairs, ancillary charges, and utilities.
- (8) Sales Expense includes bags, tags, and related supplies.
- (9) Labor includes wages, taxes, and benefits, but does not include compensation received by owner.
- (10) Income before interest, taxes, depreciation, amortization, and owner's compensation.

FIRST QUARTILE

Annualized Average, Median and Range of Profit and Loss for the First Quartile (by Gross Sales)—
Consisting of 31 Units Operating from November 1, 2023 through October 31, 2024

	Average	Median	% of Sales	Stores at or above Avg.		Range (1)	
				#	%	Low	High
INCOME							
Gross Sales (2)	\$1,932,305	\$1,822,526	100.0%	12	38.7%	1,541,009	3,091,477
Cost of Goods Sold (3)	\$709,436	\$669,375	36.7%	12	38.7%	529,618	1,116,699
Gross Profit (4)	\$1,222,870	\$1,153,151	63.3%	13	41.9%	943,787	1,974,778
EXPENSE							
Franchise Royalty (5)	\$87,014	\$85,183	4.5%	13	41.9%	56,577	139,116
Administration (6)	\$74,188	\$65,441	3.8%	13	41.9%	36,282	165,989
Facility (7)	\$187,438	\$168,258	9.7%	12	38.7%	119,365	384,323
Marketing	\$94,043	\$77,680	4.9%	13	41.9%	50,499	186,324
Sales Expense (8)	\$13,555	\$12,081	0.7%	14	45.2%	600	37,745
Labor (9)	\$412,580	\$395,730	21.4%	13	41.9%	262,061	750,491
Total Expenses	\$868,817	\$804,373	45.0%	13	41.9%	664,309	1,623,979
Net Income (10)	\$354,052	\$348,778	18.3%	9	29.0%	164,851	971,774

SECOND QUARTILE

Annualized Average, Median and Range of Profit and Loss for the Second Quartile (by Gross Sales)—Consisting of 30 Units Operating from November 1, 2023 through October 31, 2024

	Average	Median	% of Sales	Stores at or above Avg.		Range (1)	
				#	%	Low	High
INCOME							
Gross Sales (2)	\$1,389,954	\$1,409,017	100.0%	16	53.3%	1,251,476	1,530,479
Cost of Goods Sold (3)	\$522,365	\$522,142	37.6%	15	50.0%	440,939	677,605
Gross Profit (4)	\$867,588	\$886,874	62.4%	14	46.7%	771,221	1,047,073
EXPENSE							
Franchise Royalty (5)	\$62,197	\$61,607	4.5%	14	46.7%	50,233	75,158
Administration (6)	\$58,988	\$57,024	4.2%	10	33.3%	43,613	87,389
Facility (7)	\$151,803	\$150,220	10.9%	13	43.3%	98,803	226,190
Marketing	\$64,269	\$57,692	4.6%	13	43.3%	21,511	156,306
Sales Expense (8)	\$9,206	\$7,717	0.7%	14	46.7%	1,232	29,117
Labor (9)	\$316,142	\$331,786	22.7%	17	56.7%	199,318	438,085
Total Expenses	\$662,604	\$666,045	47.7%	14	46.7%	534,627	913,720
Net Income (10)	\$204,984	\$220,829	14.7%	16	53.3%	12,463	379,635

THIRD QUARTILE

Annualized Average, Median and Range of Profit and Loss for the Third Quartile (by Gross Sales)—Consisting of 30 Units Operating from November 1, 2023 through October 31, 2024

	Average	Median	% of Sales	Stores at or above Avg.		Range (1)	
				#	%	Low	High
INCOME							
Gross Sales (2)	\$1,063,385	\$1,040,102	100.0%	11	36.7%	943,459	1,234,554
Cost of Goods Sold (3)	\$389,686	\$385,826	36.6%	13	43.3%	333,342	463,251
Gross Profit (4)	\$673,700	\$654,276	63.4%	13	43.3%	593,893	801,998
EXPENSE							
Franchise Royalty (5)	\$47,553	\$46,806	4.5%	12	40.0%	38,384	60,791
Administration (6)	\$42,726	\$40,087	4.0%	14	46.7%	23,140	61,868
Facility (7)	\$142,553	\$140,818	13.4%	14	46.7%	96,262	212,748
Marketing	\$58,783	\$59,210	5.5%	16	53.3%	33,111	98,204
Sales Expense (8)	\$6,259	\$5,682	0.6%	13	43.3%	445	15,027
Labor (9)	\$242,451	\$249,667	22.8%	17	56.7%	158,011	362,032
Total Expenses	\$540,325	\$542,270	50.8%	17	56.7%	430,345	668,150
Net Income (10)	\$133,375	\$112,006	12.5%	16	53.3%	18,677	251,041

FOURTH QUARTILE

Annualized Average, Median and Range of Profit and Loss for the Fourth Quartile (by Gross Sales)—Consisting of 30 Units Operating from November 1, 2023 through October 31, 2024

	Average	Median	% of Sales	Stores at or above Avg.		Range (1)	
				#	%	Low	High
INCOME							
Gross Sales (2)	\$707,320	\$711,842	100.0%	15	50.0%	391,855	935,708
Cost of Goods Sold (3)	\$265,181	\$271,269	37.5%	17	56.7%	137,203	370,868
Gross Profit (4)	\$442,139	\$440,573	62.5%	15	50.0%	243,760	615,704
EXPENSE							
Franchise Royalty (5)	\$31,197	\$32,446	4.4%	15	50.0%	19,593	46,785
Administration (6)	\$35,009	\$33,550	4.9%	11	36.7%	20,317	55,086
Facility (7)	\$115,896	\$115,043	16.4%	15	50.0%	47,213	188,816
Marketing	\$38,101	\$33,056	5.4%	12	40.0%	8,215	99,322
Sales Expense (8)	\$4,299	\$3,939	0.6%	13	43.3%	319	14,115
Labor (9)	\$162,148	\$173,729	22.9%	17	56.7%	67,318	259,187
Total Expenses	\$386,650	\$391,764	54.7%	14	46.7%	186,175	547,317
Net Income (10)	\$55,489	\$48,809	7.8%	17	56.7%	(72,646)	180,792

Some stores have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much.

Other than the preceding financial performance representation, we do not make any financial performance representations. 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 franchise store, we may provide you with the actual records of that franchise. 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 Zach Gordon, 39 E. Eagle Ridge Dr., #100, North Salt Lake, Utah 84054, (801) 359-0071, ext. 105, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
for years 2022 to 2024

Outlet Type	Year	Outlets at Start of Year	Outlets at End of the Year	Net Change
Franchised	2022	83	99	+16
	2023	99	116	+17
	2024	116	129	+13
Company Owned	2022	13	14	+1
	2023	14	13	(1)
	2024	13	14	+1
Total	2022	96	113	+17
	2023	113	129	+16
	2024	129	143	+14

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(excluding Transfers to the Franchisor)
for years 2022 to 2024

State	Year	Number of Transfers
GA	2022	0
	2023	1
	2024	2
MD	2022	1
	2023	0
	2024	1
TX	2022	1
	2023	2
	2024	1
Total	2022	2
	2023	3
	2024	4

Table No. 3
Status of Franchised Outlets
for years 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
AL	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
AZ	2022	4	1	0	0	0	1	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
CA	2022	5	0	0	0	0	0	5
	2023	5	1	0	0	0	0	6
	2024	6	0	0	0	0	0	6
CO	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
FL	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
	2024	4	2	0	0	0	0	6
GA	2022	10	2	0	0	0	0	12
	2023	12	1	0	0	0	0	13
	2024	13	2	0	0	0	0	15
ID	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
IN	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
KS	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
KY	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
LA	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
MD	2022	6	1	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	1	0	0	0	0	8
MI	2022	1	1	0	0	0	0	2
	2023	2	2	0	0	0	0	4
	2024	4	0	0	0	0	0	4
MN	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
MO	2022	4	1	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
NC	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	1	0	3
	2024	3	0	0	0	0	0	3
ND	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
OH	2022	6	1	0	0	0	0	7
	2023	7	1	0	0	0	0	8
	2024	8	1	0	0	0	0	9
OK	2022	4	1	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
SC	2022	1	2	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
TN	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
TX	2022	20	2	0	0	0	1	21
	2023	21	6	0	0	0	0	27
	2024	27	4	0	0	0	0	31
UT	2022	3	1	0	0	0	0	4
	2023	4	1	0	0	0	0	5
	2024	5	1	0	0	0	0	6
VA	2022	4	3	0	0	0	0	7
	2023	7	1	0	0	0	0	8
	2024	8	0	0	0	0	0	8
WV	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
WI	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
TOTAL	2022	83	19	0	0	0	3	99
	2023	99	18	0	0	1	0	116
	2024	116	13	0	0	0	0	129

Note that in Texas in 2023, two of the stores in the Outlets Opened column correspond to stores that were already open and were sold by affiliates of UC to franchisees.

Table No. 4
Status of Company-Owned Outlets
for years 2022 to 2024

State	Year	Outlets At Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold To Franchisee	Outlets At End of Year
NC	2022	5	0	0	0	0	5
	2023	5	0	1	0	0	6
	2024	6	0	0	0	0	6
PA	2022	3	1	0	0	0	4
	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
TX	2022	2	0	0	0	0	2
	2023	2	0	0	0	2	0
	2024	0	0	0	0	0	0
UT	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	1	0	0	0	4
TOTALS	2022	13	1	0	0	0	14
	2023	14	0	1	0	2	13
	2024	13	1	0	0	0	14

The North Carolina and Pennsylvania stores are owned by limited liability entities owned by Chelsea Sloan Carroll. The Utah stores are owned by limited liability entities owned by Scott Sloan and Summer Sloan Alvey. The Texas stores were owned by limited liability entities owned by Scott Sloan and Shauna Sloan. Mrs. Sloan Carroll, Mr. Sloan, Mrs. Sloan, and Mrs. Alvey are individuals that are related and are affiliated with Uptown Cheapskate, Kid to Kid, and BaseCamp. As of December 31, 2024, their stores were treated as “Company-Owned” outlets.

Table No. 5
Projected Openings as of December 31, 2024

State	Franchise Agreements Signed by Outlet not Opened	Projected New Franchised Outlets Opened in the Next Fiscal Year	Projected New Company-Owned Outlets Opened in the Next Fiscal Year
AR	1	0	0
AZ	2	2	0
CO	0	0	0
FL	3	3	0
GA	3	1	0
IN	1	0	0
MA	2	1	0
MI	3	1	0
MO	1	0	0
NC	1	1	0

NV	1	0	0
OH	1	0	0
OK	3	1	0
OR	1	1	0
PA	0	0	0
SC	2	1	0
SD	1	1	0
TN	2	1	0
TX	20	13	0
UT	1	1	0
VA	3	2	0
WI	1	0	0
TOTAL	53	30	0

Franchisee List as of December 31, 2024

A list of our franchisees that were operational as of December 31, 2024, is found in Exhibit F.

Exhibit F also lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet transferred, terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy an Uptown Cheapskate franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Confidentiality Agreements

Our franchisees do not sign confidentiality agreements. During the last three (3) fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing openly about their experiences with Uptown Cheapskate, except that they may not disclose trade secrets and financial information about other stores in our system.

Franchisee Associations

The following independent franchisee association has asked to be included in this disclosure document:

IABCF, an Independent Association of BaseCamp Franchisees
American Association of Franchisees & Dealers
276 Hazard Ave, Suite 11
Enfield, CA 06082
Phone: (619) 860-1682
Email: IABCF@aafdchapters.org

Item 21: FINANCIAL STATEMENTS

Attached as Exhibit G are the audited consolidated financial statements of BaseCamp Franchise Holdings, LLC and its Subsidiaries for the year ended December 31, 2024, the year ended December 31, 2023, and the period from July 15, 2022 (inception) through December 31, 2022. Our and Basecamp Franchise Holdings, LLC's fiscal year end is December 31. We have not been in business for three years or more and cannot include all the financial statements required by the Rule.

BaseCamp Franchise Holdings, LLC has absolutely and unconditionally guaranteed our obligations under your Franchise Agreement. A copy of the Guarantee of performance is found in Exhibit I.

Item 22: CONTRACTS

The following agreements are attached to this disclosure document:

- Exhibit A. Franchise Agreement
- Appendix F. Risk Disclosure Statement and Agreement
- Exhibit D. Addendum to Franchise Disclosure Document
- Exhibit H. General Release
- Exhibit J. Loan
- Exhibit L. Area Development Agreement

Item 23: RECEIPT

The last pages of this Disclosure Document are two copies of a detachable receipt acknowledging your receipt of this Disclosure Document. Please promptly sign and return one copy of the Receipt to us. This does not obligate you to purchase a franchise and it does not obligate Uptown Cheapskate to sell you a franchise.

Exhibit A – Franchise Agreement

UPTOWN CHEAPSKATE[®]

Franchise Agreement

RECITALS	4
TERMS OF AGREEMENT	6
1. GRANT, TERM, AND RENEWAL OF FRANCHISE	6
1.01 <u>Grant and Acceptance</u>	6
1.02 <u>Term</u>	8
1.03 <u>Renewal</u>	8
1.04 <u>Relocation and Expansion</u>	9
2. FINANCIAL OBLIGATIONS	10
2.01 <u>Franchise Fee</u>	10
2.02 <u>Advisory Association Fees</u>	11
2.03 <u>Refund of Franchise Fee</u>	11
2.04 <u>Royalty Payments</u>	11
2.05 <u>Marketing Fund</u>	12
2.06 <u>Advertising Requirement, Advertising Penalty and Cooperative Fees</u>	13
2.07 <u>Late Fees and Interest</u>	16
2.08 <u>Payment of Obligations</u>	17
2.09 <u>Insurance</u>	17
2.10 <u>Renewal or Relocation Fees</u>	18
2.11 <u>Transfer Fees</u>	18
2.12 <u>Continuing Education and Annual Meeting Non-Attendance Penalty</u>	19
2.13 <u>Computer Software, Support Fee and Tech Support</u>	19
2.14 <u>Standards Violations Fees</u>	20
2.15 <u>Bookkeeping Service Fee</u>	20
2.16 <u>Indemnification</u>	21
3. ESTABLISHMENT OF BUSINESS	21
3.01 <u>Financing</u>	21
3.02 <u>Site Selection</u>	21
3.03 <u>Construction, Remodeling, and Fixturing</u>	22
3.04 <u>Training and Internship</u>	23
3.05 <u>Initial Inventory Purchase</u>	24
3.06 <u>Pre-Opening Operational Assistance</u>	25
4. OPERATIONS AND PROCEDURES.....	25
4.01 <u>Compliance with Standards</u>	25
4.02 <u>Standards Violations</u>	30

4.03	<u>Training and Operations Tools</u>	30
4.04	<u>Promotion</u>	31
4.05	<u>Promotion of Other Products or Services</u>	32
4.06	<u>Proper Authority</u>	32
4.07	<u>Laws and Licenses</u>	32
4.08	<u>Management</u>	33
4.09	<u>Associates</u>	34
4.10	<u>Advisory Association</u>	35
4.11	<u>Local Advertising Cooperative</u>	36
4.12	<u>Reports, Records, and Bookkeeping</u>	37
4.13	<u>Notices</u>	37
4.14	<u>Inspections</u>	38
4.15	<u>Audits</u>	38
4.16	<u>Variances</u>	39
5.	PROTECTION OF RIGHTS AND INFORMATION	39
5.01	<u>Ownership of Marks</u>	39
5.02	<u>Protection of Marks</u>	39
5.03	<u>Use of Marks in Advertising</u>	40
5.04	<u>Change of Marks</u>	40
5.05	<u>Protection of Information</u>	40
5.06	<u>Covenant Not To Compete</u>	42
6.	SALE OR TRANSFER	43
6.01	<u>Transfer by Uptown Cheapskate</u>	43
6.02	<u>Transfer by You</u>	44
6.03	<u>Conditions for Approval</u>	44
6.04	<u>Uptown Cheapskate's Right of First Refusal</u>	46
6.05	<u>Ownership Changes</u>	46
6.06	<u>Death or Disability</u>	46
7.	BREACH, DEFAULT, AND TERMINATION.....	47
7.01	<u>Expiration</u>	47
7.02	<u>Mutual Consent</u>	47
7.03	<u>Termination by You</u>	47
7.04	<u>Breach by Uptown Cheapskate</u>	48
7.05	<u>Breach by You</u>	49
8.	RIGHTS AND DUTIES UPON TRANSFER OR TERMINATION.....	51
9.	RELATIONSHIPS.....	53

9.01	<u>Relationship of Parties</u>	53
9.02	<u>Legal Entity of Franchisee</u>	53
9.03	<u>Notice of Potential Profit</u>	55
10.	ENFORCEMENT	56
10.01	<u>Dispute Resolution</u>	56
10.02	<u>Waivers</u>	58
10.03	<u>Mutual Waiver of Class Actions</u>	58
10.04	<u>Mutual Waiver of Jury Trial</u>	58
10.05	<u>Mutual Waiver of Punitive Damages</u>	59
10.06	<u>Time Period to Bring Claims</u>	59
11.	INTERPRETATION, MODIFICATION, AND SUBSTITUTION	59
11.01	<u>Construction of Language</u>	59
11.02	<u>Governing Law</u>	60
11.03	<u>Severability</u>	60
11.04	<u>Entire Agreement</u>	61
11.05	<u>Modification</u>	61
11.06	<u>Successors</u>	61
11.07	<u>Cumulative Rights</u>	61
11.08	<u>Acknowledgment of Receipt of Documents</u>	61
11.09	<u>Further Acknowledgments</u>	62
	APPENDIX “A” – Development Area, Store Location, and Protected Area	65
	APPENDIX “B” – Computer Equipment List	67
	APPENDIX “C” -- Receipt for Franchise Fee	68
	APPENDIX “D” -- Consent to Credit Check	69
	APPENDIX “E” -- Guarantee and Assumption of Obligations	70
	APPENDIX “F” -- Risk Disclosure Statement and Agreement	72
	APPENDIX “G” -- CALIFORNIA AMENDMENT TO UPTOWN CHEAPSKATE FRANCHISE AGREEMENT	78
	APPENDIX “H” -- Local Advertising Cooperative Agreement	79

FRANCHISE AGREEMENT

This Uptown Cheapskate Franchise Agreement (the "Agreement") is entered into between Uptown Cheapskate Franchise System, LLC, a Delaware limited liability company located at 39 E. Eagle Ridge Dr., #100, North Salt Lake, Utah 84054, ("Uptown Cheapskate" "we", "our", "us"); and

whose address is _____

City of _____ State of _____,

_____ (zip code) and

whose address is _____

City of _____ State of _____,

_____ (zip code), (hereinafter collectively referred to as the "Franchisee" or "you.")

RECITALS

A. Uptown Cheapskate[®] has developed a business system, concept, methodology and format (the "System") to purchase, market and sell used and new teen and young adult products. The System includes, but is not limited to: market evaluation, site selection, store design, layout and fixturing schemes, advertising, software and other technology, product procurement, inventory management, merchandising, purchasing and sales techniques, customer and community relations, financing and accounting strategies, management policies and procedures, and training programs. The System may be updated from time to time.

B. As an Uptown Cheapskate franchisee, you are entitled to receive assistance (pursuant to Article 3) with the financing, business organization, management, marketing, site selection, construction, and fixturing of your Uptown Cheapskate business. This assistance ("Assistance") means providing you with suggestions, recommendations, and advice based on the experience of Uptown Cheapskate's associates who are familiar with the System. Our Assistance will help you establish and operate your business in conformity with the System standards. We make no guarantee that the information it provides is accurate or that it will result in your success. Review our suggestions, recommendations, and advice with your financial consultant, licensed real estate agent, architect,

contractor, Certified Public Accountant, and attorney, as well as any other experts of your choosing, prior to making critical business decisions.

C. We have the right to license such service marks, trademarks, trade dress, trade names, logos and commercial symbols, and all configurations and derivations, as may presently exist, or which may be modified, changed, or acquired by us or our affiliates, in connection with the operation of an Uptown Cheapskate store (which marks and names are hereinafter collectively referred to as the “Marks”).

D. We have the right to promote and use the System and Marks and the right to authorize others, including franchisees, to promote and use the System and Marks.

E. You have applied to Uptown Cheapskate for one Uptown Cheapskate Franchise (the “Franchise”), as described in this Agreement. We have approved your application in reliance on your representations that you have the financial capacity, organizational ability, marketing experience, health, facilities, interest to promote our image, goodwill and Marks, and the desire and commitment to meet the standards of performance in areas such as sales, promotion, personnel, training, financing, payment of obligations, and other areas set forth in this Agreement.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the delivery, receipt, and sufficiency of which are hereby acknowledged; and according to the terms, conditions, promises, warranties, and representations found in this Agreement, you and Uptown Cheapskate mutually agree as follows:

1. GRANT, TERM, AND RENEWAL OF FRANCHISE

1.01 Grant and Acceptance.

Uptown Cheapskate grants to you the right to identify and either acquire or sign a lease for a property (the "Store Location") within the geographic area depicted on the map attached to this Agreement in Appendix "A" (the "Development Area"), and a license to operate the business, utilize the Marks, and promote and use the System in conjunction with the operation of the Franchise at such Store Location (a "Store").

You will retain the right to identify and either acquire or sign a lease for a Store Location within the Development Area for a period of three hundred and sixty-five (365) days following the Effective Date of this Agreement (this period defined as the "Site Selection Period"). Note that we reserve the right to approve or disapprove any potential Store Location at our sole discretion. During the Site Selection Period, we will not authorize any other franchisee to pursue the establishment of a Store Location within the Development Area.

If you have not signed a lease or acquired property to serve as your Store Location by the end of the Site Selection Period, or if you have not opened your Store within seven hundred and thirty (730) days from the Effective Date (the "Store Opening Deadline"), we have the right, in our sole discretion, to terminate this Agreement. During the Site Selection Period, if you find that you are unable to lease or purchase a Store Location within the Development Area, you shall promptly notify us in writing. At that time, we may, in our sole discretion, consider modifying the Development Area if there is a suitable alternate territory available and you demonstrate to our satisfaction that you have made a diligent effort to find a Store Location within your initial Development Area. However, at no time will we have an obligation to modify your Development Area or adjust the duration of your Site Selection Period.

Once you have leased or purchased a suitable property with our pre-approval, that property shall become the Store Location for the purposes of this Agreement. At that time, both you and we will execute an amendment to Appendix "A" of this Agreement, which will identify your Store Location. Such amendment will also

identify a specific geographic area surrounding the Store Location that we will determine in our sole discretion (the “Protected Area”), within which we promise not to permit the opening of another corporate or franchise Uptown Cheapskate location during the term of this Agreement.

If you have already identified your Store Location at the time that you execute this Agreement, then your Store Location and Protected Area will be identified in Appendix “A” of this the Agreement at the time of execution. For the avoidance of doubt, the Development Area will cease to be relevant at the time that the Protected Area is defined, and you will no longer have any rights to any territory included within the Development Area that does not also fall within the Protected Area.

The Franchise includes: (1) the right to carry on business as an Uptown Cheapskate Store at the Store Location; (2) the right to promote, advertise, solicit, establish, service, and maintain customers and potential customers (“Customers”) in the communities surrounding the Store Location; and (3) a license to operate the business, utilize the Marks, and promote and use the System in conjunction with the operation of the Franchise at the Store Location. By granting you a Franchise, we are not promising that other Uptown Cheapskate stores will not advertise to Customers nor draw Customers from your Store, and in that sense, you will not receive an exclusive territory. You may advertise and may serve customers from outside your Protected Area, and other Uptown Cheapskate franchisees may, without any compensation to you, advertise and serve customers who reside within your Protected Area.

We and our affiliates retain all other rights, and may, among other things, on any terms and conditions we deem advisable, and without granting you any rights therein: (1) establish, and license others to establish, Uptown Cheapskate stores at any location outside the Protected Area, notwithstanding their proximity to your Store Location or their actual or potential impact on sales at your Store; (2) establish, acquire or operate, or license others to establish and operate, stores under other systems or other proprietary marks, including Kid to Kid (as defined later in this Agreement), which stores may offer or sell products or services that are different from the products and services offered by your Store, and which stores may be located within or outside the Protected Area, notwithstanding such stores’ proximity to your Store Location or their actual or potential impact on sales at your Store; and (3) sell and distribute, directly or indirectly, or license others to sell and distribute, directly or indirectly, any products, services or merchandise, from any location or to any purchaser (including, but not limited to, sales made at retail locations, via catalogue, mail order, and on the Internet), so long as such sales are not conducted from an Uptown Cheapskate store located inside the Protected Area.

You will not need to meet any minimum sales quota to keep your territory, but you may be required to complete a Refresher Training, as defined in Section 3.04 below, if for two consecutive years your sales fail to meet the System average, considering all Uptown Cheapskate locations that have been open for twelve (12) months or longer during that period.

If you own another Uptown Cheapskate, Kid to Kid, and/or another resale-related affiliate store, you agree to update all other franchise agreements to the current terms, conditions, promises, warranties, and representations found in this Agreement by signing the then-current form of the Franchise Agreement for all other stores you own. Notwithstanding the foregoing requirements of this subsection, your royalty rate may not increase, the expiration date of the initial agreement will not change, and you will not be required to meet the remodeling requirements until the expiration of each agreement.

“Kid to Kid” means our affiliate, Kid to Kid Franchise System, LLC, and the franchise it offers. The Kid to Kid franchise system sells used and new items for children and expecting mothers.

1.02 Term.

This Agreement shall become effective once you and we have each signed it (the “Effective Date”), and this Agreement shall continue for a term of ten (10) years from the commencement date of the Lease you sign, or the possession date of the building you currently own or purchase for use as the Store Location (the “Term”). This Agreement may also be terminated pursuant to Article 7 or Section 11.03.

1.03 Renewal.

At the end of the Term, you may request that we renew this Agreement for an additional period of five (5) years. Such request must be made to us in writing at least six (6) months prior to the end of the Term of this Agreement. If we agree to renew, in the reasonable exercise of our discretion, you must:

(a) demonstrate that you have not been repeatedly in default, (as defined in Section 7.05(a)(8) below) and are not currently in default of any provision of this Agreement or any other agreement between you and Uptown Cheapskate, our subsidiaries or affiliates or other Uptown Cheapskate franchisees, and that you have substantially complied with all the terms and conditions of such agreements;

(b) demonstrate that all accounts with Uptown Cheapskate, vendors and other contractors are current;

(c) sign the then-current form of the Franchise Agreement. With the exception of the renewal fee described in item (d) below, this will require that you

pay royalty, marketing fund, technical support, and other fees then currently charged to franchisees, immediately modify your operating processes to strictly align to the then-current System Standards, and within two months of the renewal, renovate, paint, and redecorate your Store, and modernize your fixtures and equipment to meet our then current Standards;

(d) pay a renewal fee equal to twenty-five percent (25%) of the then-current initial Franchise Fee;

(e) sign a general release of claims and/or mutual termination and release any other document we reasonably require to terminate this Agreement—if such releases are permitted by the laws of your state;

(f) attend and complete to our satisfaction a Refresher Training, as defined in Section 3.04 below, within two (2) months of renewing, should we determine that one is necessary. There is no charge for you to attend this Refresher Training, however, you are responsible for transportation, meals, lodging, compensation and incidental costs you and your employees incur. Such Refresher Training shall be conducted at our corporate office and/or at another location or locations we shall designate and at such times as we designate; and

(g) update the franchise agreements for all Uptown Cheapskate, Kid to Kid, and/or other resale-related affiliate stores that you own to the most up-to-date terms, conditions, promises, warranties, and representations by signing the then-current form of the Franchise Agreement. Notwithstanding the foregoing, for each of your other current franchise agreements, the royalty rate and expiration date will not change, and you will not be required to meet the remodeling requirements until the original expiration of each agreement or a transfer under this Agreement.

Notwithstanding the foregoing, if you continue to operate your Store with our express or implied consent following the expiration of the Term of this Agreement, the continuation (“Continuation Term”) will be considered a month-to-month extension of this Agreement, unless otherwise set forth in writing. All provisions of this Agreement will apply while you continue to operate your Store during the Continuation Term, except that you shall pay a Royalty Fee equal to one hundred and fifty percent (150%) of the Royalty Fee required by Section 2.04 below. Under these circumstances only, this Agreement will then be terminable by either party on 30 days written notice to the other party.

1.04 Relocation and Expansion.

You agree that you will not use the Marks, directly or indirectly, relocate your Store, or operate or otherwise expand your Franchise beyond your Store Location, without our prior written consent.

If we consent to a relocation, (which may or may not result in an expansion) you agree to:

(a) pay us a relocation fee ("Relocation Fee") of Five Thousand Dollars (\$5,000) and incur all costs of relocating;

(b) attend and complete to our satisfaction a Refresher Training, as defined in Section 3.04 below, should we determine that one is necessary. There is no charge for you to attend this Refresher Training, but you are responsible for transportation, meals, lodging, compensation and incidental costs you and your employees incur. Training is conducted at our corporate office and/or at another location or locations we shall designate and at such times as we designate;

(c) meet the minimum inventory level requirements outlined in Sections 3.05 and 4.01(m) below;

(d) meet all then-current franchise Standards outlined in Section 4.01 below;

(e) update the franchise agreements for all Uptown Cheapskate, Kid to Kid and/or other resale-related affiliate stores that you own to the most up-to-date terms, conditions, promises, warranties, and representations by signing the then-current form of the Franchise Agreement. Notwithstanding the foregoing, for each of your other current franchise agreements, the royalty rate and expiration date will not change, and you will not be required to meet the remodeling requirements until the expiration of each agreement; and

(f) spend at least Ten Thousand Dollars (\$10,000) to advertise your Store in the new location during the first two (2) months after the relocation, as described in Section 2.06(a).

If we consent to an expansion at your existing location, you agree to:

(a) pay an expansion fee ("Expansion Fee") of Two Thousand Five Hundred Dollars (\$2,500) and all other costs related to the expansion;

(b) meet the minimum inventory level requirements outlined in Sections 3.05 and 4.01(m) below; and

(c) meet all then-current franchise Standards outlined in Section 4.01 below.

2. FINANCIAL OBLIGATIONS

2.01 Franchise Fee.

You agree to pay Uptown Cheapskate a franchise fee ("Franchise Fee") of Twenty-Five Thousand Dollars (\$25,000) for the first Franchise and each subsequent franchise. The Franchise Fee shall be paid to us by check or by electronic transfer when you sign this Agreement and submit it for approval. When we receive the signed Agreement and Franchise Fee, and we accept and sign it, we shall provide you with the "Receipt for Franchise Fee" identical or similar to that shown in Appendix "C" which is attached to and made a part of this document. Note that if we have not received payment for the Franchise Fee within thirty (30) days of its execution, then this Agreement will automatically terminate; however, your obligations under the Agreement, including with regards to maintaining confidentiality of any proprietary information and trade secrets we have shared and with regards to the covenants not to compete, will remain in force as enumerated in this Agreement.

2.02 Advisory Association Fees.

The Advisory Association of franchisees does not charge its members fees.

2.03 Refund of Franchise Fee.

If we do not sign this Agreement and grant you a Franchise within ten (10) days after you submit it to us for approval, the entire Franchise Fee shall be immediately refunded.

2.04 Royalty Payments.

In consideration of the rights granted to you under this Agreement, you agree to report to us by the fifth (5th) day of each calendar month, and make available for withdrawal into our account by the tenth (10th) day of each calendar month, by ACH or other electronic method of our choosing, a royalty fee ("Royalty Fee") equal to 5.0% of Gross Sales for the prior calendar month.

We may, in our sole discretion, change the date that your Gross Sales report is due to us and the date that you must make the Royalty Fee available for electronic transfer. We may, upon notice to you, change the method of payment we require for any and all fees. If you fail to report your Gross Sales, we shall be entitled to withdraw Two Thousand Five Hundred Dollars (\$2,500) from your account as an "Estimated Royalty Fee". An adjustment between the Estimated Royalty Fee and the actual Royalty Fee owed shall be made during the following month's reporting and payment cycle.

Gross Sales ("Gross Sales") means the receipts from all sales conducted within, from or through your Store or sales of product procured in your Store, from vendors or suppliers who sell to your Store, or using our brands and Marks, together with

the amount of all orders taken or received at the premises, whether such orders are filled at the premises or elsewhere. Gross Sales includes such sales as described above completed via the internet, phone or any other channel. Gross Sales shall not include the amount of any sales, use, or gross receipts tax imposed by any federal, state, municipal or governmental authority directly on sales and collected from Customers, provided that the amount thereof is added to the selling price or absorbed therein, and paid by you to such governmental authority. Gross Sales shall not include sales of merchandise for which cash has been refunded. The price of merchandise returned by Customers for exchange shall be deducted from Gross Sales provided that the price of the merchandise returned was originally included in Gross Sales and further provided that the sales price of merchandise delivered to the Customer in exchange shall be included in Gross Sales.

2.05 Marketing Fund.

(a) You agree to report to us by the fifth (5th) day of each calendar month and make available for electronic transfer into our account by the tenth (10th) day of each calendar month, a marketing fee ("Marketing Fund Fee") equal to one-half of one percent (0.5%) of the Gross Sales for the prior calendar month. We may, in our sole discretion, change the date upon which you must report and pay the Marketing Fund Fee.

(b) We shall hold the Marketing Fund Fee received from you together with amounts received from other franchisees and corporately owned stores in an account ("Marketing Fund") for the payment of costs associated with the creation, production, distribution, media placement, and administration of local, state and/or national advertising programs, market research, and public relations programs designed to promote and enhance the franchise System and the Marks, for reasonable accounting, bookkeeping, reporting, legal and other expenses incurred in administering the Marketing Fund and for any taxes levied on the Marketing Fund. We may receive income from the Marketing Fund to offset our marketing-related administrative costs, in-house production, and marketing reimbursements. The Marketing Fund shall be used in a manner that primarily benefits the entire Uptown Cheapskate system, although Marketing Funds may reasonably be spent to provide store or market-specific solutions. We are not required to spend any money on advertising in the area in which your Store is located. We shall determine the programs and media used in connection with the Marketing Fund in our sole discretion. Advertising programs, market research, and public relations programs which are created, conducted, and produced with the Marketing Fund may be used by us as examples of the use of such funds for the benefit of franchisees in materials submitted to prospective franchisees. All funds not expended during any fiscal year shall be carried over and may be used during the next fiscal year. We

may make loans to the Marketing Fund bearing reasonable interest to cover any deficit of the Marketing Fund and cause the Marketing Fund to invest in a surplus for future use by the Marketing Fund. Any separate account established for the Marketing Fund is not a trust or escrow account, and we have no fiduciary obligations regarding any such account.

(c) We will make available to you an unaudited accounting of the receipts and disbursements of the Marketing Fund upon written request by you 60 days after the end of each fiscal year.

2.06 Advertising Requirement, Advertising Penalty and Cooperative Fees.

(a) Grand Opening, Transferring Ownership, and Relocation. You agree to spend at least Twenty Thousand Dollars (\$20,000) to advertise and promote the grand opening (or re-opening) of your Store during the period commencing on the date you sign your lease (for new Stores) or Transfer agreement (for Stores that had been closed for a period and are therefore holding a grand reopening) and ending one (1) month after the Store opens (or re-opens). In some markets, successfully advertising your open-to-buy period and grand opening may require a higher marketing budget. If you are purchasing a store that is already operating and that has not been closed ("Transfer Store"), or a store that has been relocated, you must spend at least Ten Thousand Dollars (\$10,000) within the first two (2) months following the Transfer date.

The expenditures described in this Subsection 2.06(a) are in addition to the requirements of the following Subsection 2.06(b).

(b) Advertising Expenditure and Penalty. You acknowledge that the regular, consistent advertising and promotion of your Franchise is essential to your success and the growth of the Uptown Cheapskate system. Accordingly, you agree to spend the greater of Two Thousand Dollars (\$2,000) per month or five percent (5.0%) of Gross Sales for advertising and promotions ("Advertising Expenditure") during each calendar quarter. The Marketing Fund Fee described in Section 2.05, and the grand opening, re-opening, or Transfer Store marketing expenditures described in Subsection 2.06(a) are required in addition to the Advertising Expenditure.

We may modify the Advertising Expenditure and Penalty at the beginning of each calendar year.

You are required to report your Advertising Expenditures to us on the 15th day of the month following each calendar quarter. If during any reporting interval, you fail to report that you spent at least the required Advertising Expenditure during that prior calendar quarter, you shall make available for electronic withdrawal from your

operating account, by the tenth (10th) day of each of the next six (6) calendar months, a fee ("Advertising Penalty") equal to one percent (1%) of the Gross Sales for the prior calendar month. Funds disbursed to satisfy this Advertising Penalty do not count towards the Advertising Requirement for the contemporaneous periods.

(c) National Marketing Program ("NMP"). Following your grand opening, you will be required to participate in the NMP, which is administered by our affiliate BaseCamp Franchising, LLC ("BaseCamp"):

(1) Services. The NMP is designed to provide a turnkey solution for the management of certain advertising content and spend across several digital channels on your behalf (the "Advertising Services"). To provide the Advertising Services, we have partnered with LT, LLC ("LT", formerly LaneTerralEver), who oversees the design, implementation, tracking, and optimization of marketing campaigns tailored to the promotional calendars and needs of the Franchise. The Advertising Services cover marketing strategies and core brand messages deployed across several channels, including: (i) programmatic display; (ii) paid social media; and (iii) paid search. The Advertising Services are focused on driving customer traffic to your specific Store.

(2) Required Expenditure. During the calendar year in which your Store opens, you must spend a minimum of Two Thousand Dollars (\$2,000) per month via the NMP (the "NMP Required Expenditure"). At the end of each calendar year, we will determine the NMP Required Expenditure that will apply for the subsequent calendar year, considering two alternatives: (i) if your Store has been open and generating sales for less than six (6) full months, the NMP Required Expenditure will remain at Two Thousand Dollars (\$2,000) per month; or (ii) if your Store has been open and generating sales for more than six (6) full months, the NMP Required Expenditure will be set at the lesser of (a) 2.5% of average monthly Gross Sales and (b) Two Thousand Five Hundred Dollars (\$2,500) per month. Within the second alternative, the calculation of average monthly Gross Sales (the "NMP Sales Benchmark") will consider average monthly Gross Sales for your Store during the trailing twelve (12) month period, including only those months in which your Store was open and generating sales for the full month. Payment for all Advertising Services provided via the NMP must be made via automatic electronic transfer on the 20th of the month prior to the month that the Advertising Services are to be performed.

(3) Minimum Advertising Expenditure. All expenditures made via the NMP will count towards the minimum Advertising Expenditure described in Section 2.06(b).

We reserve the right to work with agency partners of our choosing, including LT and others, and generally to deliver the Advertising Services at our discretion.

(d) **New Store Service (“NSS”).** Prior to your grand opening or re-opening following the Transfer of a Store that had been temporarily closed, you will be required to participate in the NSS, which is administered by our affiliate BaseCamp:

(1) **Services.** Similar to the NMP, the NSS is designed to provide a turnkey solution for the management of certain advertising strategies, particularly those in digital media, during the store opening process (the “Grand Opening Advertising Services”). LT acts as our partner for the management of these Grand Opening Advertising Services, which are deployed across several channels, including: (i) paid social media; (ii) programmatic display; (iii) video pre-roll; and (iv) streaming audio. The Grand Opening Advertising Services are focused on driving awareness for and customer traffic to your specific Store;

(2) **Required Expenditure.** You will be required to spend Fifteen Thousand Dollars (\$15,000) via the NSS, which will cover the three phases of the opening process: (i) Coming Soon, commencing soon after you sign your lease; (ii) Open to Buy, aligning with the period during which you are accumulating inventory in your store; and (iii) Grand Opening, the period leading up to your grand opening weekend. Payment for the Grand Opening Advertising Services will be due as a lump sum at least two (2) weeks prior to the commencement of advertising during the Coming Soon phase and must be made by automatic electronic transfer;

(3) **Grand Opening Marketing Requirement:** All expenditures made via the NSS will count towards the \$20,000 Grand Opening Advertising requirement or \$20,000 Transfer Store Marketing Requirement, as applicable;

We reserve the right to work with agency partners of our choosing, including LT and others, and generally to deliver the Grand Opening Advertising Services at our discretion.

(e) At our discretion, you may be required to participate in a Local Advertising Cooperative in the Area of Dominant Influence (“ADI”) if there are two or more stores in your market. The ADI is determined by us with input from potential members of the cooperative. Currently, there is no requirement that any franchisee participate in a Local Advertising Cooperative, although franchisees may elect to form and participate in one at their discretion. We may change the requirements for a Local Advertising Cooperative at most once per year, including as it relates to the associated fees outlined below. If any changes are made, those changes will take effect during the next calendar year. Under such determination,

we may require Cooperative members to contribute to a trust account monthly "Cooperative Fees" equal to: (i) the greater of Two Thousand Dollars (\$2,000) or 4% of Gross Sales per month ("Minimum Monthly Base"), up to a maximum of Five Thousand Dollars (\$5,000) per month ("Maximum Monthly Ceiling"), less (ii) any NMP Required Expenditures. Please note that any such Cooperative Fees, if required, would count towards the minimum Advertising Expenditure requirement described in Section 2.06(b). If a requirement to participate in a Local Advertising Cooperative is instituted, the funds will be used to advertise the stores represented in the cooperative, build the Uptown Cheapskate brand, and perform all other organizational and administrative functions within the Cooperative. For additional detail on Local Advertising Cooperatives, please see Section 4.11 and Appendix "H" of this Agreement;

If participation in a Local Advertising Cooperative is required, you shall make Cooperative Fees available to us for electronic withdrawal and deposit into an account under the control of the officers of your Cooperative or another party that they may designate.

2.07 Late Fees and Interest.

(a) Late Fees:

(1) Late Fee Amounts. For each failure to respond, communicate, or submit documents, including but not limited to executed lease agreements, legal documents, reports, QuickBooks® files, other files, backups, surveys, meeting registrations, questionnaires, insurance information, annual meeting registrations, and other relevant documents, whether in verbal, written, printed, electronic, or other form, at the time and in the manner we reasonably request, you shall pay a base late fee of Two Hundred Dollars (\$200) each month (a "Base Late Fee"). This Base Late Fee shall increase by Fifty Dollars (\$50) each month, until proof is given that such documents or reports have been provided. Late fees shall be paid by electronic withdrawal from your operating account on the day after such item is due.

(2) For Failure to Pay on Time. In the event that you fail to make the proper funds available for electronic withdrawal from your operating account by the tenth (10th) day of each calendar month, you agree to pay an additional fee of Two Hundred Dollars (\$200) (a "Delayed Payment Fee") for each late payment. This Delayed Payment Fee shall increase by Fifty Dollars (\$50) each month, until the associated payments have been made. These fees apply to all financial obligations: Royalty, Marketing Fund, NMP, Local Advertising Cooperative, NSS Computer Support Fees, and any other invoices. Late fees shall be paid by electronic withdrawal from your operating account on the day after such item is due.

(b) Interest. Unpaid Royalty Fees, Marketing Fund Fees, Late Fees, and Delayed Payment Fees incurred or other sums due and owing to us shall bear interest on the unpaid balance at the rate of one and one-half percent (1.5%) per month or the highest rate allowed by law in the state in which the Franchise is located, whichever is lower.

2.08 Payment of Obligations.

You agree to pay promptly when payments are due and be responsible for all expenses, costs, taxes, licenses, accounts payable, and indebtedness of any kind incurred or suffered by you or the Franchise in the conduct of business, including, but without limitation, business expenses related to: living, relocating, traveling, entertaining, clothing, marketing, advertising, administration, operations, inventory, consignment purchases, utilities, rent, insurance, associates, employees, benefits, law, accounting, computers, and other obligations of indebtedness (see Section 4.01, Compliance with Standards).

We collect all payments due to us via ACH and schedule withdrawals according to the dates specified in this Agreement. You agree to make the requisite funds available for withdrawals on the corresponding date each month or be subject to the Late Fees and other fees enumerated in Section 2.07. Further, you agree to execute our affiliate BaseCamp's "ACH Withdrawal Form" within thirty (30) days of opening the bank account associated with your Store.

2.09 Insurance.

Commencing on the date you take possession of your Store Location, and at all times during the Term of this Agreement, you shall pay for and keep in force, at a minimum, all amounts and types of insurance that we require and that are required by law. Minimum coverage requirements include: general liability insurance for not less than \$2,000,000 per occurrence with a \$2,000,000 annual aggregate limit; products and completed operations insurance for not less than \$1,000,000 per occurrence with a \$2,000,000 annual aggregate limit; personal and advertising injury insurance for not less than \$1,000,000; tenant fire legal liability insurance for not less than \$100,000; medical payments insurance for not less than \$5,000; hired and non-owned auto liability insurance for not less than \$1,000,000. You shall also keep in force, as applicable, combined single limit bodily injury and property damage insurance for not less than \$1,000,000 for autos owned by your company. In addition, you must carry workers' compensation and employer's liability insurance for not less than \$100,000 for bodily injury by accident (for each

accident), not less than \$500,000 for bodily injury by disease (aggregate limit), and not less than \$100,000 for bodily injury by disease (each employee).

All insurance policies shall be issued by companies having not less than Best's A+ rating and shall name us and our affiliate BaseCamp as additional insureds, for the mutual and joint protection and benefit of both you and us. You shall promptly deliver to us insurance policies or certificates of coverage which shall designate the name and address of the issuer, the policy number, amount and provisions thereof. All policies shall contain a provision that the policy shall not be canceled, terminated, or materially or adversely modified without thirty (30) days' prior notice from the insurance company to us. You agree that at least ten (10) days before the expiration of any insurance policy, you will deliver to us either written evidence that the policy has been renewed or a certificate of coverage from another company. All policies shall provide that the insurance companies waive subrogation or consent to waiver of right of recovery against us. You hereby agree that you will not make any claim against us to recover any loss or damage covered by insurance. We may make, at our option, any necessary payments to keep any insurance required in this agreement in force if you fail to do so, and you shall immediately reimburse us for such payments. Your obligation to carry insurance shall not be reduced because of any insurance we may carry, nor shall any insurance we carry relieve you of liability under the indemnity provision in Section 2.16. We have the right to make changes to any amount and type of insurance we require you to have.

2.10 Renewal or Relocation Fees.

See Sections 1.03 and 1.04, respectively.

2.11 Transfer Fees.

Any party to whom you assign the Franchise shall agree to and shall pay us a transfer and training fee of Twenty-Five Thousand Dollars (\$25,000) if they are a new Uptown Cheapskate franchisee, and Fifteen Thousand Dollars (\$15,000) if they are an existing Uptown Cheapskate franchisee, as a part of such transfer of the Franchise. See Section 6.03(d) below.

Additionally, if you transfer the Franchise to a person who had previously been identified by Uptown Cheapskate or our affiliates Kid to Kid or BaseCamp as a franchise prospect, and who was actively engaged in the discovery process (as documented by us), you shall pay us an additional fee of \$10,000 (a "Finder's Fee") on top of the standard Transfer Fee.

2.12 Continuing Education and Annual Meeting Non-Attendance Penalty.

You recognize that in order to be a successful Uptown Cheapskate franchisee, you must continuously train, study, and learn more about the resale industry, the characteristics of your market, and your customers. We invest significant time, effort, and resources into the development and content of our annual meeting ("Annual Meeting"), regional meetings ("Regional Meetings"), and performance groups ("Performance Groups"). Active participation in these meetings can help improve your Store's performance by sharpening your retail and business skills and providing opportunities to network with other franchisees. Accordingly, you agree to:

(a) Register for the Annual Meeting via the method we require by the registration deadline, which will be at least two (2) months after receiving the registration materials, or pay a Late Fee of Two Hundred Dollars (\$200) per month until registration has been completed (see Subsection 2.07(a));

(b) Attend the Annual Meeting, if held, at the location and during the time of our choosing for typically four (4) days, but up to six (6) days, each year. You shall receive at least three (3) months' notice of the Annual Meeting date and shall bear all the costs of attending, including, but not limited to transportation, transfers, lodging, meals, materials, incidental expenses, taxes, and tips. We may charge a reasonable fee to cover the costs of the meeting space if you choose not to stay at the hotel or other location we have selected. There shall be no additional charge for the activities and training we will provide at the Annual Meeting, but we may charge a reasonable registration or attendance fee to offset conference facility costs for you, your associates and employees attending;

(c) Make available for electronic withdrawal from your operating account by the tenth (10th) day of the month following each Annual Meeting, One Thousand Five Hundred Dollars (\$1,500) ("Annual Meeting Non-Attendance Penalty") for each store you own if you failed to attend the Annual Meeting for any reason other than sickness or a family emergency. Note that any exemptions must be reported to and approved by us in advance of the annual meeting. We may modify the Annual Meeting Non-Attendance Penalty at the beginning of each calendar year; and

(d) Make reasonable efforts to attend Regional Meetings and Performance Groups, which may be held by us from time to time.

2.13 Computer Software, Support Fee and Tech Support.

You recognize the need for a reliable, state-of-the-art computer software and hardware system to support the manageability and profitability of your Store. Upon

signing a lease for your Store, you must purchase all necessary computer hardware and software, including all ancillary components thereof, that we designate. You must also comply with our Computer System Standards. Additionally, prior to opening, you must pay our affiliate BaseCamp a non-refundable fee of Fifteen Thousand Dollars (\$15,000) to obtain a license to use the BaseCamp software suite, which includes our Baseline™, IMAP™, and Vendor Check-in software (the “Software Suite”).

Further, you agree to make available, and pay by electronic withdrawal from your operating account by the tenth (10th) day of each calendar month, a “Computer Support Fee” of Three Hundred Fifty Dollars (\$350), which entitles you to:

(a) Tech Support for the Software Suite and related hardware via telephone, internet chat, or other online communication delivered by BaseCamp at no additional cost, provided that you meet the Computer System Standards described in Subsection 4.01. You recognize that BaseCamp may not be able to solve all issues that you may encounter, and that outside help may be required at your own expense. If you do not meet the Computer System Standards, a Tech Support fee will be billed at Fifty Dollars (\$50) per hour with a minimum charge of Twenty-Five Dollars (\$25) per session; and

(b) The periodic development and upgrading of the BaseCamp Software Suite at no additional cost. See Subsection 4.01.

BaseCamp may modify the Computer Support Fee and hourly Tech Support rate annually.

2.14 Standards Violations Fees.

Should you receive notification of a Standards violation (as described in Section 4.02) and fail to act within fourteen (14) days to cure it, you will be charged a “Standards Violation Fee” of Two Hundred Dollars (\$200) for the first month, which will increase by Fifty Dollars (\$50) each subsequent month until proof is given that the violation has been cured. Standards Violation Fees may be withdrawn from your operating account by electronic means by us as soon as the day after they have been charged.

2.15 Bookkeeping Service Fee.

From your grand opening date through the first full year of operation, you will subscribe to the monthly bookkeeping service provided by our affiliate, BaseCamp, and pay a “Bookkeeping Service Fee” of Two Hundred and Twenty-Five Dollars (\$225) per store by electronic withdrawal from your operating account on the 10th

day of each month. BaseCamp may modify the Bookkeeping Service Fee at the beginning of each calendar year.

After the first year of operation, you may discontinue the service, but if you later fail to submit any required financial reports and required back-up data to us as provided by Section 4.12, you agree to subscribe to and pay for the BaseCamp bookkeeping service for the twelve (12) month period following your failure to submit such required reports.

2.16 Indemnification.

You shall, to the fullest extent permissible under applicable law, indemnify and hold us and our affiliates, and their respective officers, directors, members, managers, employees, and agents, harmless against any and all claims, obligations, and damages arising directly or indirectly from, as a result of, or in connection with this Agreement, your Store, Franchisee's operation of your Store, the business conducted under this Agreement, your and your employees' actions and inaction, or your breach of this Agreement, including, without limitation, those alleged to be caused by our negligence, as well as legal fees, including, but not limited to, attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses), of defending against them, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by our gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. In the event that we incur any costs or expenses, including, without limitation, legal fees, attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses), travel expenses, and other charges, in connection with any proceeding involving you in which we are not a party, you shall reimburse us for all such costs and expenses promptly upon presentation of invoices. You acknowledge and agree that your obligations to indemnify and hold us harmless under this Section 2.16 shall survive the termination or expiration of this Agreement.

3. ESTABLISHMENT OF BUSINESS

3.01 Financing.

Upon the Effective Date of this Agreement, you shall immediately prepare, with our Assistance (as defined in Paragraph B of the Recitals), a "Projected Income Statement" and "Sources and Uses of Funds Statement" for your Franchise, leveraging the "Financial Planner" that we will provide to you. You shall then immediately apply for any additional financing you need to establish and operate your Franchise with the lending institution of your choice.

3.02 Site Selection.

Upon the Effective Date of this Agreement, you shall attempt to lease or purchase your Store Location, as outlined in Section 1.01 above. We will assist you in identifying and hiring a qualified commercial real estate broker for your market. Please note that you will retain all authority to hire, retain, and/or fire any broker(s) you choose to work with during the site selection process. Although we are not licensed real estate brokers or attorneys, we may offer suggestions during the site selection and leasing process based on the knowledge and experience we have gained by assisting other franchisees. By helping you select a broker and offering suggestions, we are not promising that your business is likely to achieve any level of sales or profits. You are solely responsible for your real estate leasing and purchasing decisions.

GIVEN THE IMPORTANCE OF FINDING AN ACCEPTABLE SITE AND PURCHASING OR ENTERING INTO A FAVORABLE LEASE, WE ENCOURAGE YOU TO SEEK ADDITIONAL REAL ESTATE AND LEGAL ADVICE THROUGHOUT THIS PROCESS.

Note that your lease or sublease for the Store Location must be reviewed by us before its execution and must include certain standard language that we provide. We reserve the right to approve or disapprove any potential Store Location in our sole discretion. You must also provide us with an executed copy of any lease for the Store Location. We make no guarantees concerning the success of the Store located on any site that has received our consent.

If you have not signed a lease or acquired property to serve as your Store Location by the end of the Site Selection Period, as defined in Section 1.01 above, or if you have not opened your Store by the Store Opening Deadline, we have the right, in our sole discretion, to terminate this Agreement. During the Site Selection Period, if you find that you are unable to lease or purchase a Store Location within the Development Area, you shall promptly notify us in writing. At that time, we may, in our sole discretion, consider modifying the Development Area if there is a suitable alternate territory available and you demonstrate to our satisfaction that you have made a diligent effort to find a Store Location within the Development Area. However, at no time will we have an obligation to modify your Development Area or adjust the duration of your Site Selection Period.

Within one hundred and eighty (180) days of the Effective Date, if you have been unsuccessful in leasing or purchasing an adequate Store Location, pursuant to Section 7.03 below, or you have not obtained financing, you may request that this Agreement be terminated.

3.03 Construction, Remodeling, and Fixturing.

You are responsible for providing accurate measurements of the Store Location you have purchased or leased, as all plans will be based on those measurements. Any costs related to modifications of the plans or construction costs to make changes to meet Franchise Standards related to errors in measurement will be borne by you.

We shall assist you with the design of your Store Location and commit to providing up to three (3) designs (each a “Store Design”), free of charge, for a Store Location that you are seriously considering. However, we will determine the viability and seriousness of prospective Store Locations, in our sole discretion, before producing a Store Design. Further, if any individual Store Location requires the production of more than three (3) Store Designs, you agree to pay a fee of One Hundred Dollars (\$100) per hour that we spend on the preparation of any incremental Store Design, with minimum of one (1) hour per incremental Store Design. Any modification to an existing Store Design will constitute the preparation of a new Store Design.

Within six (6) weeks of notifying us in writing that you have purchased or leased a Store Location, and have included in that communication accurate measurements of the Store Location you have leased or purchased, we shall provide you with a fixture layout plan, a fixture list, a supply list, and an equipment list, which shall describe the number, type and configuration of the fixtures, equipment, and supplies that you must purchase and install and/or use in your Store. With our assistance, you shall diligently and promptly (and in a manner that meets the requirements of Sections 4.01 and 4.03):

- (a) contract with a registered architect or draftsman to prepare plans and specifications for constructing, remodeling, or decorating the premises, which comply with all federal, state, and local regulations including health, sanitation, sign, utility, and building codes;

- (b) contract with a licensed general contractor to file plans and construct, remodel, and/or decorate the premises according to the plans and specifications in a professional and first-class workmanlike manner. Nothing in this section shall prevent you from participating in the work performed in your space provided that a general contractor oversees and guarantees such work; and

- (c) purchase or lease and install all furniture, fixtures, equipment, flooring, signage, supplies, and other items that are identified in Section 4.01, Appendix “B”, or the Training and Operations Tools described in Section 4.03, or that are otherwise necessary for the operation of your Store.

3.04 Training and Internship.

(a) Prior to opening the Store to purchase or sell inventory:

(i) You must designate one of your owners as manager ("Manager"), who shall be responsible for its day-to-day operations (Section 4.08 (a)).

(ii) The Manager and another owner or employee, should you choose to have another person join, shall attend and complete to our satisfaction our four (4) day training program ("In-Person Training"). There is no charge for In-Person Training, but you are responsible for the transportation, meals, lodging, compensation and incidental costs for you, your employees and Managers for such training. In-Person Training is conducted at our corporate office or at another location and at a time as we designate.

(iii) The Manager must complete a "Store Internship" to our satisfaction by working in an existing Uptown Cheapskate store in the Salt Lake City area, or another approved Uptown Cheapskate store located elsewhere for at least fifty (50) hours over six (6) business days. The location, time, and schedule of the Store Internship shall be mutually agreed upon by the Manager, Uptown Cheapskate and the management of the store in which the Store Internship will take place. There is no charge for the Store Internship itself, but you shall be responsible for all transportation, meals, lodging, compensation, and incidental costs related to it. Neither you nor the Manager shall receive compensation from us or the franchisee for the Store Internship.

(b) If during the second full calendar year of operation, and any calendar year thereafter, the sales of your Store do not exceed the average System sales considering all Uptown Cheapskate locations that have been open for twelve (12) months or longer during the associated period, you may be required to attend and complete to our satisfaction a 4-Day In-Person Training and a 6-Day Store Internship (together a "Refresher Training"). Such Refresher Training shall take place at the times and locations we schedule, provided we give you at least sixty (60) days advance notice. Failure to make time to attend reasonably scheduled and offered Refresher Trainings over a ninety (90) day period is a default of this Agreement. There is no charge for this Refresher Training but you are responsible for the transportation, meals, lodging, compensation and incidental costs for you and your team members and Managers associated with such training.

3.05 Initial Inventory Purchase.

After you have completed Training and the Internship, you have substantially completed the installation of your fixtures and improvements described in Sections 3.03, 4.01(f) and the Training and Operations Tools (Section 4.03), and you have purchased and received your computer equipment described in Section 4.01(h)

and Appendix “B”, you shall commence purchasing inventory in your Store. HAVING ADEQUATE INVENTORY IN YOUR STORE IS CRITICAL TO YOUR SUCCESS, and as a result, you shall not open or reopen your Store to sell product until you have acquired at least one thousand (1,000) new vendors in your database, and you have purchased, priced, tagged, and hung or displayed the greater of five (5) items per square foot of Sales Area or twelve thousand (12,000) items in gently-used, in-season inventory, and at least Ten Thousand Dollars (\$10,000) at cost of new product inventory (“Minimum Inventory”)—the type, assortment, and quality of which are specified in Section 4.01(n) and the Inventory Section of the Manual.

3.06 Pre-Opening Operational Assistance.

During the store opening process, our affiliate BaseCamp will assign a dedicated representative (a “New Store Lead” or “NSL”) to help you navigate the various phases and milestones. For first-time franchisees, the NSL will visit your Store twice: first around the time that you initially open to begin purchasing inventory (your “Open to Buy Date”), and second to help you on-site the day before, the day of, and the day following the grand opening of your Store. For multi-unit franchisees and Transfer Stores, the NSL will provide dedicated support remotely but will not provide on-site support. In those instances, you may purchase up to three (3) days of on-site support at a rate of Three Hundred Dollars (\$300) per day (the “On-Site Support Rate”), plus transportation and lodging costs, in connection with your grand opening or reopening. The On-Site Support Rate may be adjusted each year. Except for providing you with the pre-opening support described above, as well as a fixture layout plan, fixture list, supply list, equipment list, training, systems, and checklists, and the Assistance identified in Sections 3.01, 3.02, and 3.03 of this Agreement, we are not responsible for establishing or operating your business. However, you may contact us and liaise with your NSL during regular business hours for advice on operational issues.

4. OPERATIONS AND PROCEDURES

4.01 Compliance with Standards.

You understand the benefit of, and agree to comply fully with, all franchise standards, approaches, specifications, operating procedures and rules (collectively the “Standards”), prescribed and modified by us from time to time. These Standards, which are contained in the Training and Operations Tools (see Section 4.03) and other resources, may be modified from time to time in other verbal, electronic, or written communications from us to you, and may relate to all the following items:

- (a) Performance guidelines, goals, and training;

(b) Operation, administration, bookkeeping, accounting, general function, and safety of the Franchise;

(c) Representations, statements, warranties and guarantees regarding services and products offered by you, Uptown Cheapskate, and other franchisees;

(d) Qualifications, conduct, demeanor, dress, use and condition of uniforms, grooming, and general appearance of you and your team;

(e) Our and BaseCamp's "Code of Conduct", which requires you to treat fellow franchisees, Uptown Cheapskate and BaseCamp staff, vendors, and customers with professionalism and respect at all times;

(f) Size, layout, configuration, decor, presentation, condition, neatness, and cleanliness of your Store. You recognize the importance of keeping the interior and exterior look, feel, and function of your Store current with the trends and styles in the fashion industry—which are constantly changing. We periodically modify our Standards to better meet consumer preferences. Accordingly, you agree to remodel your Store within ninety (90) days after we send you written notice, provided, however, you are not required to spend more than fifty percent (50%) of your initial fixture and fit-up costs for remodeling every five (5) years. Notwithstanding the foregoing, you are required to upgrade and remodel your Store to meet current Standards upon renewal, relocation or the exercise of any option;

(g) Type, number, style, function, arrangement, use, and condition, of your Fixtures;

(h) Type, number, style, function, arrangement, use, and condition, of your equipment. You specifically agree to purchase or lease the computer and cash drawer system described in Appendix "B", and to upgrade and/or replace all computer software (and the hardware, components, and accessories necessary to run such software) related to purchasing, selling, inventory management, reporting, financial and accounting controls, when and how we request (in sum, a "System Upgrade"). It is estimated that the total cost of any such System Upgrade will not exceed \$5,000 over a five-year period. You agree to comply with all Uptown Cheapskate, BaseCamp, and vendor credit card policies, as well as the Payment Card Industry Data Security Standards ("PCI DSS") as they may be revised and modified by the Payment Card Industry Security Standards Council or its successor organization, FACTA and any other card payment standards we may specify.

So long as you pay the Computer Support Fee described in Section 2.13 above, BaseCamp will, at no additional cost:

(1) periodically develop, upgrade and maintain the Software Suite. You shall, however, bear all costs associated with upgrading other software, as well as all hardware, component, and accessory modifications; and

(2) provide Tech Support for the Software Suite and related hardware via telephone, intranet or other online communication during BaseCamp's regular business hours, or, for emergencies, during non-business hours, provided that you meet our "Computer System Standards", which are summarized below:

- Your computer system, including hardware and software components, back-up, networking, and anti-virus programs, continue to meet our specifications;
- Your staff is reasonably trained in the operation of the computer system and is following standard procedures;
- You use any documented instructions that we have provided to self-resolve issues before calling;
- You personally participate in the support discussion(s) with the tech team, if requested by us or BaseCamp;
- Unattended access is set up for the tech team to log on to your computer at any time; and
- Your computers are left running 24 hours per day.

If you do not meet the Computer System Standards, you may purchase technical support from BaseCamp at the rate of Fifty Dollars (\$50) per hour (which is subject to change) with a minimum charge of Twenty-Five Dollars (\$25) per session.

You agree to obtain, maintain, and use at your cost, and subject to our specifications: high-speed hardline internet access from the Store, an e-mail address, and a Store website that links to the Uptown Cheapskate website;

(i) Keeping the Store open to customers for both the purchase and sale of merchandise according to the minimum store hours we establish (the "Minimum Store Hours"). Currently, the Minimum Store Hours are as follows: 10:00am until 8:00pm from Monday through Saturday, and 11:00am until 5:00pm on Sunday. Note that you may choose to open your store for additional hours beyond the Minimum Store Hours. You agree to accept and purchase product, and to advertise that you accept and purchase product, whenever your Store is open; further, you agree to purchase products for all seasons, all year, every day your Store is open,

for all hours that your Store is open, including during the Open to Buy period (collectively, the “Buying Requirements”). Within these Buying Requirements, you may require that customers return the next day to retrieve their payout (a “Drop-Off”) if the vend is initiated within one (1) hour of Store closing; otherwise, you must accommodate all customers who wish to have their vend completed within the same day.

Please note that any deviations from the above Standards must be approved by us in writing. We may periodically modify the Minimum Store Hours and Buying Requirements and will notify you of any such modifications;

(j) Marketing, text-message programs, advertising, promotion, display, merchandising, interior and exterior signage. You agree to participate in, and pay for, any gift card, in-store music, email marketing, text marketing, and digital marketing programs, if any, that we implement, and to use the approved vendors we designate for broadcast media placement and online advertising. You agree to obtain and hold appropriate licenses to broadcast movies, videos, music, television, and other media we may request. You promise to adhere to the System requirements with respect to the neutrality of messages, which are designed to avoid offending Customers and potential Customers on the basis of race, religion, gender, sexual orientation, or political views;

You must also request and receive our written approval prior to placing an order for exterior signage and graphics.

(k) Use of forms and reports;

(l) Treatment and procedures relating to Customers and vendors, including the handling of complaints;

(m) Building and enhancing the reputation of and trade demand for your Store, the System and its Marks;

(n) Amount, assortment, quality, condition, style, size, brand, and purchase and sales price of inventory. MAINTAINING ADEQUATE INVENTORY IS AMONG THE MOST IMPORTANT KEYS TO YOUR SUCCESS. You must purchase and sell used and new teen and young adult clothing and miscellaneous related items. We reserve the right to modify these requirements from time to time;

After eighteen (18) months of operation you must have acquired, and for the remainder of the Term you must maintain, at least six (6) items per square foot of sales area of gently-used inventory and at least Ten Thousand Dollars (\$10,000) at cost in new product inventory (“Minimum Inventory Levels”). For example, if you have leased a store with 4,000 sales area square feet, you must acquire and

maintain at least 24,000 used product items and \$10,000 of new product. We may modify the Minimum Inventory Levels from time to time.

You may also be required to sell additional products which we, in our discretion, determine that stores in our System shall sell. We also retain the right to limit or discontinue your sale of certain products and services. You agree to learn and implement our buying, processing, sale, and markdown policies, and to align those procedures to conform with other Uptown Cheapskate stores, especially those in your market.

(o) Readiness of your Store to open (or reopen) for business. You agree that prior to the grand opening or reopening of your Store, or the resumption of business within a store that has been transferred or remodeled, and as a condition of opening or reopening, we must certify that your Store is in substantial compliance with our Standards and the Training and Operations Tools (as defined in Section 4.03 below). In determining whether your Store is in substantial compliance, we may consider, but are not limited to, considering Subsections “a” through “n” of this Section 4.01;

(p) Requirement that you make modest and reasonable efforts to assist us and any affiliates in the marketing of our and their franchise opportunities, including, without limitation, via media such as the internet, social media, in-store signage, sales bags, direct mail pieces, radio and television campaigns, counter displays, and links in customer e-mail, digital marketing, social media, and other relevant channels; and

(q) Requirement that you join and maintain membership in the retailer’s association operating within your state, and operate in compliance with any applicable second-hand dealer’s laws and ordinances.

(r) Online activities. As part of the store opening process, we will create a dedicated page for your Store within the corporate Uptown Cheapskate website (<https://www.uptowncheapskate.com>) that contains important information related to your Store Location. You will not be permitted to create or utilize any other website that gives the impression that it is an official website for your Store Location or the activities associated with your Franchise. You may, however, publicize your Store and activities associated with your Franchise via pages on third-party sites, including Google, Facebook, Instagram, TikTok, and others.

You may market and sell merchandise associated with your Franchise via third-party channels, including online channels like eBay™, Poshmark™, the RealReal™, and depop™. However, you must enter all such sales completed via third-party channels into the Baseline™ point-of-sale program by the end of the month in which they are completed. Any failure to enter such sales into the

Baseline™ point-of-sale program, and thereby include them in the appropriate Gross Sales amount reported to us, will constitute a breach of this Agreement, and will be subject to the fees and penalties identified in Sections 2.04, 2.07, and 4.14 of this Agreement. To the extent you utilize third-party channels to market and sell merchandise associated with your Franchise, any names, usernames, or other identifying information must include the terms “Uptown Cheapskate” and the city location of your Store.

All Standards shall be reasonable and be designed to help you in the development of your Store and to build the Uptown Cheapskate brand as we deem prudent and appropriate. Without limiting the foregoing, you promise that upon notice from us, you shall immediately take all steps necessary to modify your operation and correct any deviation from the Standards.

You and we acknowledge that in order for the Franchise to adapt to the market, take advantage of technology, and improve its tactics and processes, our System must evolve. Accordingly, we reserve the right to modify the Standards as we deem appropriate. We also reserve the right to specify the source of supply of specific products and services, and to obtain and retain benefits, such as rebates or commissions from suppliers.

During the Term of this Agreement, you may contact us during our regular business hours to discuss operational issues and to receive Assistance in how to meet the Standards and improve the performance of your Store.

4.02 Standards Violations.

Should you violate a Standard, we may notify you to correct the violation within fourteen (14) days as described in Section 2.14. Continued non-compliance will result in the assessment of a Standards Violation Fee for each violation of Two Hundred Dollars (\$200) by electronic withdrawal from your operating account on the day after such item is charged. Standards Violation Fees will be assessed and increased by Fifty Dollars (\$50) every month until you provide proof that the violation has been cured. Repeated Standards violations may affect your rights under this Agreement (See Section 7.05(a)(8)).

4.03 Training and Operations Tools.

For the term of this Agreement, we shall give you access to “Training and Operations Tools” which consist of online training modules, manuals in printed or electronic form, a New Store Playbook and related tools, an Annual Priorities Workbook, and other documents, videos and forms on our intranet site. These materials contain mandatory Standards and suggested techniques based on best practices we have observed across our system. All Training and Operations Tools

are proprietary, confidential, and remain the property of Uptown Cheapskate. You may not permit others to view, listen to, or copy them. We reserve the right to add to, delete, and modify the Training and Operations Tools from time to time to improve the standards of service, product quality, or the efficient operation of the Franchise, and to protect or maintain the goodwill associated with the Marks or to meet competition, provided that no such addition or modification shall alter your fundamental status and rights under this Agreement.

The provisions of the Training and Operations Tools, as modified by us from time to time, and the mandatory Standards contained in them, shall constitute provisions of this Agreement as if fully set forth herein. You agree to operate the Franchise in compliance with the Training and Operations Tools.

4.04 Promotion.

You agree to conduct your business ethically, in good faith, and in a manner that will promote good relations with your Customers, associates, other franchisees, and the community. You agree to use your best efforts to promote, advertise, solicit to, and establish, maintain and serve Customers at your Store Location. See Section 2.06, Advertising Requirement for additional detail. You shall accurately and truthfully characterize, promote and market the services and products sold by the Franchise in the manner we set forth, and shall not make any representations, statements, warranties or guarantees in conflict therewith or in addition thereto. In the event that you make representations, statements, warranties, or guarantees in conflict with or in addition to those we set forth in the Training and Operations Tools or in other communications, you shall be solely responsible for the resulting liability and shall reimburse and hold us harmless for any losses, costs, expenses, attorney's fees or other liabilities we incur as a result thereof.

You shall use the marketing, text messaging program, advertising, promotional materials, tools and services prepared and/or furnished by us to promote your Franchise. They may include, but are not limited to, designs for electronic media such as digital ads, web pages and emails, non-digital ads, posters, in-store signs, window displays, banners, radio and television spots and miscellaneous point-of-sale items, as well as designs for business cards, envelopes, letterhead, and bags. You will receive an electronic copy of all digital material at no charge, although you must pay duplication costs for printed copies. These materials, tools and services shall be developed and produced by our in-house advertising department, or by a local, regional or national advertising agency with which we, in our sole discretion, may contract.

You agree to implement required promotional programs, offers, and discounts as directed by the Franchise and promotional programs, offers, and discounts as agreed to by your Local Advertising Cooperative, if participation in one is required.

You may advertise and promote your Store through the following media: internet, social media, digital marketing, SMS text messaging, email, television, radio, newsprint, billboards, bench signs, direct mail, flyers and other media you choose with our prior written approval.

If you wish to use marketing, advertising, and promotional materials, or tools and services that we do not furnish, you shall first submit such items to us and receive our written approval before using them—which shall be granted or denied within seven (7) days. We may also offer to produce the request for a fee. You agree to pay all costs, including production, of any marketing, advertising, and promotional materials and tools—for services that we do not normally furnish.

4.05 Promotion of Other Products or Services.

You shall not directly or indirectly promote, market, or sell to Customers products and services that are not described in Subsection 4.01(n) of this Agreement, the Training and Operations Tools, or other written or electronic communication with us without our prior written approval.

4.06 Proper Authority.

You hereby covenant, promise, represent, and warrant that you have legal rights in the form of licenses, permits, certificates, and other authority, which grant you the rights and privileges described or contemplated in this Agreement, and that you are authorized to sign and execute this Agreement.

4.07 Laws and Licenses.

You shall comply with all applicable federal, state, and local laws, rules, ordinances and regulations, including, without limitation, all government regulations relating to franchising, solicitations and sales, marketing, advertising, packaging, labeling, occupational hazards and health, consumer protection, unfair and deceptive practices, trade regulation, workers' compensation, unemployment insurance and withholding taxes, social security taxes, sales and use taxes, property taxes and other taxes and obligations. You will, at your own expense, comply with all ordinances and regulations, including any and all licensing and bonding requirements, as well as the Americans with Disabilities Act ("ADA"), the Gramm-Leach-Bliley Act, the Fair Credit Reporting Act ("FCRA"), the Telephone Consumer Protection Act ("TCPA"), the Fair and Accurate Credit Transactions Act ("FACTA"), and the National Automated Clearinghouse Association ("NACHA") and associated regulations (collectively "Privacy Laws"). No music, videos, or television may be played in the Store unless the appropriate licenses are obtained. You must comply with any applicable secondhand dealer laws or ordinances, and you shall not knowingly purchase or sell counterfeit items. Selling or attempting to sell such

items constitutes a default of this Agreement subject to a Standards Violation Fee described in Section 2.14. You agree to promptly furnish us with copies of all reports or warnings issued by any governmental agency or official which reflect or indicate your noncompliance or less than full compliance with any applicable law, rule or regulation. You agree to indemnify and hold us harmless from any costs or liability that may result from a violation of this Section by you or your employees or representatives, including, but not limited to, reasonable attorney's fees and disbursements incurred in defending any civil, criminal or administrative action brought against us or our affiliates and representatives as a result of a violation of this Section.

If the California Privacy Act ("CCPA"), Cal. Civ Code § 1798.100, *et seq.*, or any federal or state privacy law applies to the Franchise, whenever and to the extent you operate as a "Service Provider" under the CCPA or in a similar capacity under any federal or state privacy law, you represent, warrant, and covenant that:

(a) You will not sell, make available, or otherwise disclose any Customer Information to any third party for valuable consideration;

(b) You will retain, use, or disclose Customer Information only for the specific purpose of performing the services specified in this Agreement, and not for any commercial or noncommercial purpose other than providing the services specified in this Agreement;

(c) You will not retain, use, or disclose Customer Information outside of the direct business relationship between Franchisee and Franchisor;

(d) You will delete any Customer Information upon our request unless you can prove that such request is subject to an exception under applicable law; and

(e) You acknowledge and agree that Franchisor may modify the aforementioned restrictions by written notice to you, including by adding other similar privacy restrictions that may be required under other state or federal privacy laws.

4.08 Management.

Within forty-five (45) days after the Effective Date of this Agreement and through the remainder of the Term, you must designate a Manager for your Store. You must carefully monitor and be responsible for the performance of the Manager and their replacement(s).

For the first six months after the Store opens to sell product or, in the case of a transfer, after you have assumed ownership of the Store, the Franchise must be under the full-time direction of a Manager who:

- (a) owns at least ten percent (10%) of the Franchise;
- (b) has been approved beforehand by us in writing or electronic communication; and
- (c) shall have completed the New Franchisee Online Training on the BaseCamp Training Portal, our four (4) day In-person Training, a six (6) day fifty (50) hour Store Internship, and subsequent training modules and proficiency tests in accordance with this Agreement. We do not charge an additional fee for the training of the initial Manager and up to one other owner or agent, but you are responsible for travel, living, food, compensation, and all other expenses incurred during Training and the Internship. We reserve the right to charge a tuition fee of One Thousand Two-Hundred and Fifty Dollars (\$1,250) for the training of each additional Manager, owner or representative in attendance beyond the initial group of two, and a fee of One Thousand Two-Hundred and Fifty Dollars (\$1,250) for each additional Manager, owner or representative in attendance at the Store Internship beyond the initial group of two;

For the full duration of the Term of this Agreement, including the first six (6) months and afterwards, the Franchise must be under the full-time direction of a Manager who:

- (a) shall, during their period as Manager, devote their full time, attention, and energies to the performance of their duties under this Agreement and as directed by you; and
- (b) shall have executed, upon our request, an agreement drafted by us agreeing not to divulge any trade secrets, to keep confidential all proprietary information and marketing information, including the Training and Operations Tools, as defined by this Agreement, and to comply with the terms of the Covenant Not To Compete prescribed in Section 5.06.

Note that all persons employed in the operation of the Franchise that are not owners in the Franchise are employed solely by you as Franchisee. They have no affiliation with Uptown Cheapskate or our affiliates and you, as Franchisee, must in your sole discretion make all employment-related decisions regarding your team.

4.09 Associates.

You will hire all employees of the Store ("Associates") and be exclusively responsible for the terms of their employment, scheduling, benefits, disciplining, compensation, termination, and all other personnel decisions. You shall employ and train competent sales Associates who are familiar with, or who are capable

and willing to become familiar with, the features and advantages of our products and services, and can effectively demonstrate and explain such features and advantages to potential Customers and vendors. You shall require that your Associates attend or otherwise participate in training sessions provided by you in accordance with training standards and procedures we prescribe from time to time. If any Associates receive training material provided by us or our affiliates, note that in all cases, such training material is intended to communicate best practices that we have observed to correlate with successful Store operations. You agree that you are responsible for the ultimate direction of all activities of your Associates with regards to their employment in your Store. You agree that all Associates shall observe the highest standards of professionalism, prompt service, and courtesy to existing and potential customers, vendors, franchisees, and Uptown Cheapskate representatives, and shall be attired as designated in the Training and Operations Tools.

You shall register each new employee on the BaseCamp Training Portal as part of the new-hire onboarding process, and monitor their progress in completing all required training modules based on their responsibility within the timeframe outlined in the Training and Operations Tools. As indicated above, these materials provide a range of best practices for you and your Associates to consider.

You shall enter into a written agreement with each of your Associates, partners, spouses and other immediate non-minor family members, in a form we provide, and maintain a copy of each executed agreement, which:

- (a) provides for termination of such agreement and relationship as they relate to the Franchise upon termination of this Agreement;
- (b) prohibits each from selling or promoting the sale of products and services which could be sold in an Uptown Cheapskate store, or from selling products purchased in or through Uptown Cheapskate, or purchased from vendors or suppliers who have provided or provide product to your Store; and
- (c) prohibits them from divulging any trade secrets and requires that they keep confidential all proprietary information and marketing information, including the Training and Operations Tools, as defined by this Agreement, and information contained within basecampcentral.com or any other intranet we provide, and comply with the terms of the Covenant Not To Compete prescribed in Section 5.06.

You promise to notify us when the relationship with a partner or spouse ends. You further agree to deactivate passwords and prevent access to System accounts for such individuals, as well as any Associate whose employment is terminated.

4.10 Advisory Association.

You agree to participate in our advisory association, consisting of representatives from each Uptown Cheapskate store (the “Advisory Association”). Its primary purpose is to advance communication between Uptown Cheapskate and its franchisees, and offer support to meet their needs and goals. Upon the majority vote of its members, the Advisory Association may engage in promotional, educational, and community service activities, and adopt rules and procedures for its operations. However, the Advisory Association may not levy assessments against you or other members for incurred expenses. Franchisees are entitled to one vote for each store they own. For the purposes of this Section, stores we own, if any, are granted no different status than Franchisee-owned stores. Advisory Association members and their elected representatives are responsible for administration of the Association. All such activities and expenses shall be subject to our prior written approval, which may not be unreasonably withheld. Your fundamental rights under this Agreement cannot be diminished by the actions of the Advisory Association. We retain the right to create, change, or dissolve the Advisory Association.

4.11 Local Advertising Cooperative.

You agree that Uptown Cheapskate may require you to join and participate in a Local Advertising Cooperative and pay those fees described in Subsection 2.06(e) above when there are two (2) or more stores in the Area of Dominant Influence (“ADI”) where your Store is located, as we determine. Currently, there is no requirement that any franchisee participate in a Local Advertising Cooperative, although franchisees may elect to form and participate in one at their discretion. We may determine to require participation in a Local Advertising Cooperative once per year, with any change to take effect during the next calendar year. Under such determination, note that:

(a) Fees collected by us from members of the Cooperative shall be promptly deposited into an account controlled by its officers or agents. Each Uptown Cheapskate store within the ADI shall be entitled to one vote to determine how to allocate funds. In the event that votes by members of the Local Advertising Cooperative are equal, we may cast an additional, decisive vote;

(b) The Local Advertising Cooperative shall operate subject to the rules set forth in Appendix “H” (which we may reasonably modify from time to time) and may purchase advertising for its ADI, engage in test marketing, conduct surveys on advertising effectiveness, produce advertisements and commercials, develop public relations campaigns and promotions, and pay its own accounting and administrative expenses. It shall prepare a marketing budget and an annual report, which shall be made available for the review of its members, prospective franchisees, and to us;

(c) We shall retain the right to approve decisions made by the Local Advertising Cooperative or to create, change, or dissolve it to ensure that all its members are treated fairly and that its actions are consistent with the Standards outlined in Section 4.01. We shall require that company owned stores participate in the cooperative on the same basis as franchisees.

4.12 Reports, Records, and Bookkeeping.

You shall promptly and accurately complete such reports and forms, and establish a bookkeeping, accounting and record system as we prescribe, and shall deliver all such reports, forms, and records to us in the manner, whether by post, email, internet or computer modem transmission, and to the places we specify, or be subject to a late fee outlined in Section 2.07. You agree that we may utilize any information we collect at our discretion and agree to adhere to the reporting periods and methods we prescribe in providing financial and other information. You specifically agree to report to us:

(a) by the fifth (5th) day of each calendar month, the Sales/On Hand Report for the preceding month (see Sections 2.04 and 2.05) by providing access to the IMAP™ program operating in your computers;

(b) by the fifteenth (15th) day of each month following the end of the calendar quarter (April, July, October, January—with an annual summary due each January 15th), electronic backups of your QuickBooks® files. We may later decide to request that this report is submitted monthly. If you fail to submit to us accurate and up-to-date backups of your files as we require, you agree to subscribe to the BaseCamp Booking Service for the next twelve (12) months and pay the subscription fee it charges by electronic withdrawal from your operating account on tenth (10th) day of each calendar month;

(c) by the first day of December each calendar year, a complete cash flow forecast and Marketing Expenditure Overview for the upcoming year;

(d) by the fifteenth (15th) of January, April, July, and October, the Advertising Expenditures made for the preceding three (3) full calendar months (See Section 2.06(b)); and

(e) all operational, financial, inventory, sales, marketing, customer, or other information we request from time to time. You specifically grant to us independent access to such data or information via internet at any time we reasonably request.

4.13 Notices.

All notices required or permitted to be given by this Agreement must be made in writing and delivered: (i) via recognized courier such as UPS or FedEx, or certified mail, return receipt requested, prepaid; (ii) in person by hand delivery; or (iii) by email. Mailed hard copy notices shall be addressed to the parties as their addresses appear on the first page of this Agreement, unless written notice is given of a change of address. In that event, notices shall be mailed to the party at the new address. Emailed notices to you shall be sent to the Store-issued email address. Emailed notices to us shall be sent to legal@bcfranchise.com.

4.14 Inspections.

In order to assist you in maintaining the standards of operation established by us and to ensure your compliance with this Agreement, you grant us, or our representatives, the right at any time and without prior notice to you, to inspect the Franchise, the offices, places of business and assets, and all business records, including, but not limited to, sales reports, billings, account records, customer lists, potential customer lists, financial statements, tax returns, purchase orders, invoices, payroll records, check stubs, tax records and other records and documents of all types of the Franchise, and to take a physical inventory of the assets of the Franchise. Such inspections shall be conducted at our expense; provided that if we are required to make two (2) inspections in connection with your failure to comply with this Agreement, we shall have the right to charge you for the costs of making all further inspections in connection with such failure to comply, including, without limitation, the charges of any independent certified public accountants and the travel expenses, room, board and compensation of us, our employees, and other representatives involved therewith.

4.15 Audits.

We and our representatives shall have the right to audit and copy or cause to be audited or copied all business records, including, but not limited to, sales reports, inventory records, other reports, customer lists, potential customer lists, financial statements, tax returns, purchase orders, invoices, payroll records, check stubs, tax records, reports, statements and returns required under Section 4.12, and other records and documents of all types of the Franchise. For this purpose, all such business records (including state and local sales tax reports and federal, state, and local income tax returns) shall be made available to us or our representatives upon request. In the event that any such audit discloses an understatement of your Gross Sales for any period or periods, you shall pay to us within two (2) days after receipt of the audit report, a Royalty Fee equal to thirteen and one-half percent (13.5%) and a Marketing Fund Fee equal to one and one-half percent (1.5%) of such understatement plus late fees and interest due thereon (see Section 2.07). In the event that such understatement for any period or periods shall be one percent (1%) or more of your Gross Sales for such period or periods,

you shall reimburse us for the cost of the audit, including all charges of any independent certified public accountants and the travel expenses, room, board and compensation of us, our employees, or other representatives involved therewith.

4.16 Variances.

We may approve exceptions or changes to the Standards that we, in our sole discretion, believe are necessary or desirable under the prevailing circumstances. You understand that you have no right to object to any such modifications of the Standards, and that any exception or change from the Standards for your activities must be approved in advance by us in writing.

5. PROTECTION OF RIGHTS AND INFORMATION

5.01 Ownership of Marks.

Nothing in this Agreement shall be construed as an assignment or grant to you of any right, title or interest in or to the Marks, it being understood that we reserve all rights relating thereto. You recognize the great value of the goodwill associated with the Marks and acknowledge that the Marks and all rights therein and goodwill pertaining thereto belong exclusively to us. You agree that your every use of the Marks shall inure to our benefit and that you shall not at any time acquire rights in the Marks by virtue of any use you make of the Marks. You shall use each Mark only in full compliance with such rules as we prescribe. You shall not use any Mark as part of any corporate or other name, while this Agreement is in effect and after its termination, except as we may consent otherwise in writing, whether with any prefix, suffix or other modifying words, terms, designs or symbols, nor may you use any Marks in connection with the sale of any unauthorized product or service or in any other manner that we have not explicitly authorized. Any consent or authorization given under the preceding sentence shall be deemed revoked upon termination of this Agreement. You agree that you will not, while this Agreement is in effect and thereafter, attack the title or any of our rights in and to the Marks, or attack the validity of this license for the use of the Marks, or do anything which could jeopardize or diminish our rights to or the value of the Marks.

5.02 Protection of Marks.

You shall immediately notify us of any infringement of or challenge to your or our use of any Marks or claim by any person or entity of any rights in any Mark. We shall have sole discretion to take such action as we deem appropriate and the right to exclusively control any litigation or Patent and Trademark Office or other proceeding arising out of any such infringement, challenge or claim relating to such Marks, and you agree to execute any and all instruments and documents, render such assistance and take such actions as may, in the opinion of our counsel, be

necessary or advisable to protect and maintain our interests in any such litigation or Patent and Trademark Office or other proceeding or to otherwise protect and maintain our interest in the Marks. We agree to indemnify you against and to reimburse you for all damages for which you are held liable in any proceeding arising out of the use of any Mark in compliance with this Agreement and for all costs reasonably incurred by you in the defense of any such claim brought against you.

5.03 Use of Marks in Advertising.

You agree that during the term of this Agreement:

(a) the Franchise shall be operated under the name used in the Marks and that all signs and advertising shall prominently display the Marks;

(b) all names under which you do business must be approved in writing by us before use. In conjunction with the Marks, your own name must be displayed conspicuously on all licenses and permits required for the operation of the Franchise, on all tax returns, on all stationery and business cards, and on all contractual agreements you enter into. The format for the display of your own name in conjunction with the Marks must be approved in writing by us before use.

(c) all stationery, business cards and contractual agreements entered into by you must conspicuously state "This Uptown Cheapskate Franchise is Independently Owned and Operated." You shall install a sign in your Store which reads: "This store is an independent Franchise and is owned and operated by [insert your name]."

5.04 Change of Marks.

You agree that if it becomes advisable at any time, in our sole discretion, for us to modify or discontinue the use of any or all of the Marks and/or use one or more additional Marks to substitute for any or all of the Marks, you will do so at your sole expense without any obligation on our part with respect thereto.

5.05 Protection of Information.

(a) You acknowledge that we possess and shall possess in the future certain proprietary information, consisting of the Training and Operations Tools, as well as all concepts, methods, techniques, formats, specifications, procedures, information, systems, technology, marketing approaches, ideas, research, improvements and materials, owned or developed by us and not otherwise publicly available, whether or not published or suitable for registration or copyright, and the goodwill associated with them, which is used in the operation of Uptown Cheapskate franchises (hereinafter "Proprietary Information"). We may, in our

discretion, disclose the Proprietary Information to you in the Training and Operations Tools, in other training materials and communications, and in providing guidance and assistance to you in the operation of your Franchise.

(b) You acknowledge that we possess and that we and you shall possess in the future, certain information, consisting of names, addresses, telephone numbers, contact persons, purchase orders and other identifying information relating to Customers and vendors, information with respect to needs and requirements of Customers and vendors, rate, cost, and price information, financial information with respect to our other stores and your business, personnel data relating to you, your employees and representatives, confidential information contained in verbal or audio communication, files, interoffice documents, and other internal and external documents and correspondence prepared by or for you and us, which constitute marketing information that is not otherwise publicly available (hereafter the “Marketing Information”).

(c) You acknowledge and agree that you will not acquire any interest in the Proprietary Information or Marketing Information during or after the Term of this Agreement, other than the right to utilize it in the development and operation of the Franchise during the Term thereof, and that the use or duplication of the Proprietary Information and/or Marketing Information in any other business would constitute an unfair method of competition, that such information could be used to compete with and significantly injure us, Kid to Kid and/or other resale-related affiliates, that such information has significant value to competitors of us, Kid to Kid and/or other resale-related affiliates, and that the relationship between such information, you, and us involves elements of personal service and trust. You acknowledge and agree that the Proprietary Information and Marketing Information are our trade secrets and are disclosed to you on the condition that you will:

(1) not use the Proprietary Information or Marketing Information in any other business or capacity during the term of this Agreement or at any time thereafter;

(2) maintain the absolute confidentiality of the Proprietary Information and Marketing Information during the term of this Agreement and thereafter;

(3) not make unauthorized copies of any portion of the Proprietary Information or Marketing Information disclosed or held in written, audio, video, or digital form; and

(4) adopt and implement all reasonable procedures we prescribe from time to time to prevent the unauthorized use or disclosure, as described in parts (1) through (3) above, of the Proprietary Information and Marketing

Information, including, without limitation, restrictions on disclosure to and by your employees and the use of nondisclosure and non-competition clauses in employment agreements with each of such persons who have access to the Proprietary Information and Marketing Information.

5.06 Covenant Not To Compete.

You acknowledge that this Agreement will give you access to valuable and Proprietary Information regarding the System, including our business development strategy and the operational, sales, promotional and marketing methods of an Uptown Cheapskate store. You agree that during the term of this Agreement, you will not, without our prior written consent, either directly or indirectly through any other person or entity:

(a) Own, manage, engage in, be employed by, advise, make loans to, consult for, rent or lease to, or have any other interest in any business that operates, or grants franchises or licenses to operate, a store, or a similar business that offers new or used teen or young adult clothes and products substantially similar to those then offered by an Uptown Cheapskate store (a "Competitive Business");

(b) Divert or attempt to divert any business or customer, or potential business or customer, to any Competitive Business; or

(c) In any manner interfere with, disturb, disrupt, impair, diminish, or otherwise jeopardize our business or that of our affiliates or any of our franchisees.

For two (2) years after the expiration or termination of this Agreement or an approved transfer to a new franchisee, you agree that you may not directly or indirectly own, manage, engage in, be employed by, advise, make loans to, consult for, rent or lease to, or have any other interest in, any Competitive Business that is, or intends to operate: (i) at your Store Location; (ii) within the initial Development Area; (iii) within the Protected Area; (iv) within a fifteen (15) mile radius of your initial Development Area; (v) within a fifteen (15) mile radius of your Protected Area; or (vi) within a fifteen (15) mile radius of any other Uptown Cheapskate store operating or under construction to operate under the System as of the time that the obligations under this Section 5.06 commence, except as permitted by any franchise agreements that remain in effect between you and us. You agree that the length of time in this Section 5.06 will be tolled for any period during which you are in breach of the covenants set forth in this Section 5.06, or any other period during which we seek to enforce this Agreement.

You will cause all owners (and their spouses) to personally bind themselves to this Section 5.06 by signing this Agreement and/or the attached Guarantee and

Assumption of Risk attached as Appendix “E” to this Agreement. With respect to your owners and their spouses, the time period in this Section 5.06 will run from the expiration, termination, or transfer of this Agreement or from the termination of the owner’s relationship with you, whichever occurs first. You must also require and obtain execution of covenants similar to those set forth in Section 5.05 regarding Proprietary Information, and this Section 5.06 (as modified to apply to an individual), from any or all of the following persons: your officers, directors, and employees. These persons and the owners and their spouses are each a “Restricted Party”. Your failure to obtain execution of a covenant required by this Section 5.06 will constitute a default under this Agreement.

You may not attempt to circumvent these restrictions by engaging in prohibited activity indirectly through any other person or entity (including through a spouse, parent, sibling, or child).

You agree that the existence of any claim you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of this Section 5.06. You agree to pay all costs and expenses that we reasonably incur in enforcing this Section 5.06, including reasonable attorneys’ fees. You acknowledge that a violation of the terms of this Section 5.06 would result in irreparable injury to us for which no adequate remedy at law may be available. Accordingly, you consent to the issuance of an injunction prohibiting any conduct in violation of the terms of this Section 5.06. Such injunctive relief will be in addition to any other remedies that we may have.

If any restriction in this Section 5.06 is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant’s validity. Specifically, if any part of these restrictions is found to be unreasonable in time or distance, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to the amount deemed reasonable.

The terms of this Section 5.06 will survive the termination, expiration, or any Transfer of this Agreement. The parties agree this Section 5.06 will be construed as independent of any other provision of this Agreement.

6. SALE OR TRANSFER

6.01 Transfer by Uptown Cheapskate.

We have the unrestricted right to transfer or assign all or any part of our rights and/or our obligations under this Agreement to any person or legal entity without your consent. You agree that we will have no liability after the effective date of transfer or assignment for the performance of, or for any failure to perform, any obligations we have transferred. We also have the absolute right to delegate the performance of any of our duties or obligations or assign any of our benefits under this Agreement to third parties that are not parties to an agreement with you.

6.02 Transfer by You.

This Agreement and the Franchise are personal to you and neither the Agreement, the Franchise, nor any part of the ownership of the Franchise (which shall mean and include voting stock, securities convertible thereto, and proprietorship, general partnership, and limited liability company interests), or the assets of the Franchise, may be voluntarily, involuntarily, directly or indirectly assigned or otherwise transferred or encumbered by you or its owners (including without limitation, by will, declaration of or transfer in trust or the laws of intestate succession or by operation of law) without our prior written approval, and any such assignment, transfer, or encumbrance without such approval shall constitute a breach of this Agreement. We may void any unauthorized assignment, transfer, encumbrance or similar action by you. This Agreement does not give you the right to grant a distributorship, franchise, sub-franchise or similar right.

6.03 Conditions for Approval.

We have the right to reasonably withhold our approval of any person or entity that would have actual, legal, or effective control over the Franchise, including any designated Manager, (see also Section 4.08), upon a sale, exchange, transfer or change of ownership. There are several considerations that will impact our approval of a sale, exchange or transfer or change of control or ownership of your Franchise, including, but not limited to:

(a) Compliance. That you have substantially performed your past and current obligations and duties under this Agreement and must not then be in breach or default hereunder.

(b) Payments. That we, your landlord, your lender, and all of your other creditors are paid the sums you owe them, under this and all other agreements, including, but not limited to, obligations incurred but otherwise payable in the future.

(c) Release. That you agree to remain liable for all obligations and events which occurred prior to the transfer and to continue to be bound by all of the provisions of this Agreement which apply after termination or transfer, and that you

and the transferee execute a general release of any and all claims against us, to the extent permitted by applicable law.

(d) New Agreement and Fee. That the transferee or assignee executes a new franchise agreement and other agreements and documents, all as then customarily being used by us in granting franchises to other franchisees, except that the transferee shall pay us a transfer and training fee ("Transfer Fee") in the amount of Twenty-Five Thousand Dollars (\$25,000) if they are a new owner, and Fifteen Thousand Dollars (\$15,000) if they are an existing qualified owner, in lieu of any Franchise Fee.

(e) Assumption of Liabilities. That the transferee agrees to assume all liabilities and obligations from the prior operation of the Franchise and comply with other reasonable requirements we may impose.

(f) Governmental Compliance. That the transfer complies with all applicable laws.

(g) Potential for Damage to Franchisor. That the transfer, in our reasonable determination, will not introduce an undue likelihood of damage to the Franchisor or its business performance.

(h) Transferee or Assignee. That, in our reasonable judgment, the transferee(s) or assignee(s):

(1) possess good moral character;

(2) have the experience, skills, and temperament required to successfully operate a franchise;

(3) have adequate financial resources and liquid capital with which to upgrade and update the store to comply with the following subsection (3) and to operate the Franchise;

(4) meet our then-applicable standards for franchises, which include, but are not limited to: store design and layout, fixtures, equipment, computers and related software, signage, supplies, and inventory;

(5) are not then operating, franchising or licensing the operation of any other similar businesses, and shall not in the future;

(6) have completed the training requirements outlined in Subsection 3.04(a); and

(7) update all other franchise agreements to the current terms, conditions, promises, warranties, and representations found in this Agreement by signing the then-current form of the Franchise Agreement for all other Uptown Cheapskate, Kid to Kid and/or other resale-related affiliate stores they own. Notwithstanding the foregoing, for any such other agreements, the royalty rate will not increase, the expiration date of the initial agreement will not change, and the time frame for the remodeling requirements shall not be altered from the original agreements.

(i) Documents. That you must provide us with, and receive our approval for, all documents to be executed by us and the proposed assignee or transferee at least thirty (30) days prior to execution.

6.04 Uptown Cheapskate's Right of First Refusal.

Notwithstanding anything in this Article 6 to the contrary, if you or any of the owners of the Franchise propose to sell the Franchise or part or all of the ownership of the Franchise, you or the owners shall obtain and deliver to us a bona fide executed written offer to purchase the Franchise which shall, for a period of thirty (30) days from the date of delivery of such offer, give us the right, which may be exercised by written notice to you, to purchase the Franchise or such ownership for the price and on the terms and conditions contained in such offer; provided that we may substitute equivalent cash for any form of payment proposed in such offer (a "Right of First Refusal"). If we do not exercise our Right of First Refusal, the offer may be accepted by you, subject to our prior written approval as provided in Section 6.03. If we do not exercise our Right of First Refusal as described above and the contract contained in such offer is not consummated within sixty (60) days of the date of the offer, we shall again have the Right of First Refusal described herein.

6.05 Ownership Changes.

If you are a partnership, limited liability company or corporation, you agree to notify us of any change of partnership, membership, or stock ownership interests while this Agreement is in effect, which, together with all prior changes, constitutes a change of ten percent (10%) or more. Any such change that, together with all prior changes, constitutes a change of fifty percent (50%) or more shall be considered a transfer subject to the provisions of Sections 6.02, 6.03, and 6.04 hereof, unless such transfers of ownership are between immediate family members. You agree to provide to us the necessary documentation to substantiate any such ownership changes.

6.06 Death or Disability.

In the event that you or any guarantor under Section 9.02 should die or become permanently disabled, the administrator, executor, conservator or other personal representative of such person shall transfer his or her interest within a reasonable time, not to exceed six (6) months from the date of death or permanent disability, to a third party we approve. If the business is assumed by a spouse or family member, they are required to complete all training modules as outlined in Section 4.08(c) within six (6) months of the transfer. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to all of the terms and conditions for assignments and transfers contained in Section 6.03 of this Agreement (with the exception of Subsection 6.03(d), which shall be excluded), and unless transferred by gift, devise or inheritance, subject to the terms of 6.04 of this Agreement. Failure to so dispose of such interest within said period of the time shall constitute a breach of this Agreement. Our consent to an assignment of any interest, subject to the restrictions of this Section, shall not constitute a waiver of any claims we may have against the assignor, nor shall it be deemed a waiver of our rights to demand exact compliance with any of the terms or conditions of the Franchise by the assignee. Pending assignment, the Franchise shall be operated by a competent and trained Manager appointed by the assignee or the executor, administrator, conservator or other personal representative of the deceased or permanently disabled owner or guarantor that we approve. If a competent and trained Manager is not so appointed and approved within sixty (60) days after the death or permanent disability of you or a guarantor, then you shall be deemed in breach of this Agreement.

7. BREACH, DEFAULT, AND TERMINATION

7.01 Expiration.

This Agreement may be terminated pursuant to this Article and Section 11.03 and it shall terminate automatically at the end of its Term as specified in Section 1.02 unless it is renewed pursuant to Section 1.03.

7.02 Mutual Consent.

This Agreement may be terminated by mutual written consent of you and Uptown Cheapskate.

7.03 Termination by You.

(a) Without Opening. If you make a diligent effort, but are unsuccessful in obtaining the financing you have disclosed to us as necessary to purchase the Franchise, or have been unsuccessful in leasing or purchasing a suitable Store Location as set forth in Section 3.01 hereof, you may terminate this Agreement by

notifying us in writing within one hundred and eighty (180) days of the Effective Date.

(b) After Opening. The parties recognize that when a store closes, Uptown Cheapskate, the System, and its customers are injured. If you desire to discontinue operating your Store for any reason, you are encouraged to sell it to another qualified buyer. If you close your Store after it has been opened, without our written permission or consent, you shall pay us within thirty (30) days of the closure, as liquidated damages for the premature termination of this Agreement and not as a penalty, an amount equal to the highest average monthly royalty owed by your Store for each of the past three (3) years multiplied by the number of months remaining under the terms of this Agreement. We agree that this amount of stipulated damages is reasonable because it approximates the amount of injury, and the actual injury is uncertain.

Example (where there are three years remaining under the Agreement):

	<u>3 Years Ago</u>	<u>2 Years Ago</u>	<u>Last Year</u>
Average Monthly Sales	\$50,000	\$65,000	\$60,000
Average Monthly Royalties	\$2,500	\$3,250	\$3,000

The liquidated damages from closing the Store would be \$117,000: 36 months multiplied by \$3,250.

7.04 Breach by Uptown Cheapskate.

If you are in compliance with this Agreement, you may terminate this Agreement for a material breach or a material default of the Agreement by Uptown Cheapskate thirty (30) days after giving Uptown Cheapskate notice of such intent, specifying the breach or default, if the breach or default remains uncured at the end of the 30-day period; provided, however, that if the nature of Uptown Cheapskate's breach or default is such that more than thirty (30) days are reasonably required for performance or cure, then Uptown Cheapskate shall not be in breach or default if it commences performance within the thirty (30) day period and thereafter diligently continues and cures the breach or default. Except as otherwise provided in this Agreement, a termination of this Agreement by you without complying with the foregoing requirements, or for any reason other than Uptown Cheapskate's breach of this Agreement and failure to cure within thirty (30) days after receipt of written notice thereof, shall be deemed a termination by you without cause and not in accordance with the provisions of this Agreement.

7.05 Breach by You.

If you breach this Agreement under the following circumstances, we shall have all rights and remedies permitted by law or equity, including the right of termination:

(a) Without Notice. We may terminate this Agreement without giving advance notice and without giving an opportunity to cure for any of the following breaches or defaults:

(1) Criminal Acts. Your criminal conviction or plea of guilty or no contest to fraudulent conduct, a felony, or misdemeanor involving moral turpitude;

(2) Unauthorized Transfer. A transfer in violation of Article 6 of this Agreement;

(3) Voluntary Bankruptcy. If you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated as bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or your Franchise. Note, however, that the provisions of this paragraph (3) shall apply only to the extent they are enforceable in the state in which you live;

(4) Involuntary Bankruptcy. If proceedings are commenced to have you adjudicated as bankrupt or to seek to reorganize you under state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within ninety (90) days, or a trustee or receiver is appointed for you or the Franchise without your consent and the appointment is not vacated within ninety (90) days;

(5) Bankruptcy of Guarantor, Partner, or Member. The occurrence of any event in items (3) and (4) above involving any guarantor, general partner (if you are a partnership), or member (if you are a limited liability company) under Section 9.02, but only if a new guarantor, partner or member is not substituted and approved in writing by us within thirty (30) days;

(6) Liens. Levy of a writ of attachment or execution or the placement of other liens against you or any guarantor under section 9.02 or any of their assets which is not released or bonded against within thirty (30) days;

(7) Insolvency. The insolvency of you or any guarantor under Section 9.02 in either the bankruptcy or equitable sense;

(8) Repeated Breaches. Breach, default or failure to comply with this Agreement by you on three or more occasions within any twelve (12) month period during the term, whether or not any of such breaches, defaults or failures to

comply are corrected after notice thereof is delivered to you and whether or not they are the same, similar or different;

(9) Misrepresentations or Fraud. Any misrepresentation, material omission, or false representation, statement, warranty, guaranty, report, or claim, or fraudulent, unethical or dishonest conduct, distortion, act of concealment, or attempt at any of the foregoing, made by you in connection with obtaining the Franchise or this Agreement, or with respect to this Agreement or performance hereunder to us, our other franchisees, your Customers, vendors, and suppliers, and the general public, whether or not injury or loss results;

(10) Unsatisfied Judgment. A judgment is obtained against you which remains unsatisfied for a period of more than thirty (30) days after all rights of appeal have been exhausted;

(11) Laws. Violation by you of any fair trade practices, consumer protection, trade regulation or similar laws, ordinances or regulations;

(12) Understated Gross Sales. Submission within any two (2) year period of three (3) or more monthly, quarterly, or annual financial statements, reports, sales, income tax returns, or other reports to us that understate by two percent (2%) or more the Gross Sales or other material information they contain; or

(13) Cross-Default under Area Development Agreement . If this Agreement is associated with an Area Development Agreement and: (i) we have the right to terminate the Area Development Agreement due to your breach of the Area Development Agreement, and (ii) you have not yet opened a Store in connection with this Agreement.

(b) With Notice. Unless otherwise specified in this Agreement, we may terminate this Agreement thirty (30) days after giving you written notice specifying the following breaches or defaults by you if they remain uncured at the end of the 30-day period:

(1) Nonpayment. Failure to pay when due any sum that is owed to us or our affiliates under this Agreement;

(2) Misconduct. Any misuse of the Marks, Proprietary Information or Marketing Information, or conduct which reflects unfavorably upon the operation or reputation of you, the Franchise, Uptown Cheapskate, or our other franchisees;

(3) Licensing. Failure of you or your employees to have any permit, license, or authorization necessary for the operation of the Franchise or for performance under this Agreement;

(4) Operating Procedures. Failure to adhere to any Standard, requirement, operating procedure or rule we prescribe in the Training and Operations Tools or elsewhere;

(5) Code of Conduct. Failure to treat us, fellow franchisees, or our affiliate BaseCamp's staff, vendors, or Customers with professionalism or respect; or exhibiting to those individuals harassing language or behavior, whether it be sexual or non-sexual in nature, or creating an intimidating, hostile, or offensive workplace or relationship; or

(6) Others. Default, breach, or failure to comply with or perform any of your obligations, agreements, covenants, promises, representations, warranties or requirements under this Agreement or any other agreement between you and us.

8. RIGHTS AND DUTIES UPON TRANSFER OR TERMINATION

You agree that upon termination of this Agreement or upon the sale, transfer, or assignment of the Franchise or this Agreement by you, the following shall occur:

(a) Acceleration of Payments to Us and Others. All money you owe us, the Uptown Cheapskate Marketing Fund, and any other of your creditors arising from or related to the Franchise business, shall be immediately due and payable.

(b) Franchise Revoked. All rights and licenses granted to you under this Agreement shall terminate.

(c) Forfeiture of Funds. All funds held in connection with the NMP or NSS, the Local Advertising Cooperative, or other accounts shall be forfeited.

(d) Use of Marks. You shall cease using the Marks, including the use of any Mark as part of any corporate or other name, as well as all confidential information relating to the Franchise (including Proprietary Information and Marketing Information), and you shall cease doing business or in any manner identifying or advertising yourself as a franchisee of Uptown Cheapskate.

(e) Products and Supplies. You shall cease using and shall, upon our instructions, destroy or deliver to us (or another party we designate) all copyrighted material, Training and Operations Tools, and all other items which are our property.

(f) Signs. You shall immediately remove or destroy all signs, posters, sheets, placards, cards, nameplates, names or similar items which designate you as an authorized franchisee or which include any Mark.

(g) Telephone, Email, and Social Media. You shall cease using all telephone numbers, email and social media accounts or listings used in connection with the Franchise, transfer all such numbers, accounts and listings to us or another party we designate and promptly direct and authorize the vendors to make such transfers or, if we direct, to disconnect the numbers, and/or terminate service.

(h) Publications. You shall immediately notify and instruct publications and persons who may publish your name or the names of any of your employees as an authorized franchise of Uptown Cheapskate, to discontinue such listings.

(i) Registrations. Take such action as may be required to cancel all of your assumed names, business names, corporate names, trade names, trademarks, service marks and all equivalent registrations which use the Marks, in part or in whole.

(j) Modify Property. If you retain possession of any business properties, you shall make such alterations and modifications as are necessary to prevent identification as a franchise of Uptown Cheapskate.

(k) Custom Fixtures. We shall have the right to approve or deny the sale or transfer of custom designed racks, counters, bookcases, logo hangers, processing carts, and other fixtures.

(l) Power of Attorney. You hereby irrevocably appoint us as your attorney-in-fact to execute in your name and on your behalf all documents necessary to discontinue your use of the Marks.

(m) Non-competition, Proprietary Information, and Marketing Information. You shall continue to be bound by all of the provisions of Sections 5.05 and 5.06 hereof.

(n) Execution of Documents. You shall comply with all applicable laws and shall execute and deliver all documents necessary to vest title and ownership to us or our nominee, free and clear of all liens and encumbrances, except those assumed by us.

(o) Delivery of Documents. You shall deliver promptly to us or any party we designate, all files, memoranda, research, forms, tapes, videos, Proprietary Information, Marketing Information and other documents and information supplied to or developed or created by you in connection with the Franchise (including all copies of the foregoing) in your possession or control, and acknowledge that all such documents and information are and remain our sole and exclusive property.

(p) Discontinuance of Payments. We, rather than you, shall be entitled to all payments and compensation from Customers on sales made after the termination date.

(q) Notification to Landlord. You grant us the right to notify your landlord that the franchise agreement is terminated.

(r) Other Rights. We shall have all other appropriate rights and remedies permitted by this Agreement, whether at law or in equity, including, but not limited to, damages, injunctions, and restraining orders.

9. RELATIONSHIPS

9.01 Relationship of Parties.

You and we acknowledge that the relationship created under this Agreement is that of independent contractors. This Agreement does not create the relationship of principal and agent or employer and employee between the parties, and under no circumstances shall either party or their agents be considered the agents of the other party. Neither you nor we shall act or represent ourselves, directly or by implication, as agent or employee of the other, or in any manner assume or attempt to assume or create any obligation or make a contract, agreement, representation or warranty on behalf of or in the name of the other, except to the extent authorized in writing by the other, and except as otherwise specified in this Agreement. Except as provided in this Agreement, neither you nor we shall guarantee the obligations of the other or become obligated for the debts or expenses of the other. Neither you nor we shall share in the profits of the other, except as provided under this Agreement.

Except as otherwise provided in this Agreement, you shall be responsible for the success, management and control of the Franchise business, including, without limitation, directing its daily operations, determining the specific means of achieving performance guidelines, directing and managing your Associates, paying all costs and expenses associated with the business, purchasing all necessary supplies, samples, inventory, products, materials and other items, and obtaining necessary financing and other matters.

9.02 Legal Entity of Franchisee.

If you are a corporation, limited liability company, partnership, joint venture, or other business entity, or if this Agreement or the Franchise is assigned to a corporation, limited liability company, partnership, joint venture, or other business entity, such corporation, partnership, limited liability company, joint venture, or other business entity shall conduct no business other than the Franchise and other

franchises of Uptown Cheapskate under franchise agreements with us, as well as franchises of Kid to Kid and/or other resale-related affiliate stores, and shall not engage in any public offering of its securities unless we, in our sole discretion, consent to such offering.

All individuals, partnerships and their general partners, corporations and their officers, directors and shareholders, limited liability companies and their members, joint ventures and their individual joint venturers, businesses or entities, whether their interest is direct or indirect, shall, prior to the execution, assignment and/or transfer of this Agreement:

(a) execute this Agreement and be bound jointly and severally by all the provisions it contains;

(b) reveal, represent and warrant their percentage ownership interest in the Franchise and/or any entities, which may own it;

(c) warrant that they are all of the persons required to sign this Agreement pursuant to this Section and the rules governing their respective entities;

(d) furnish to us the financial information we require;

(e) sign a separate written consent to a credit check which is identical or similar to Appendix "D", which is attached to and made a part of this Agreement;

(f) agree to the restrictions and obligations placed on them by this Agreement (including without limitation, the restrictions on the transfer of their interests in the Franchise, confidentiality, and ability to compete);

(g) execute a separate written guarantee of your payments and performance under the terms of this Agreement on a form similar to that shown in Appendix "E", which is attached to and made a part of this Agreement; and

(h) provide us with the partnership or joint venture agreement, operating agreement, articles of incorporation, bylaws and other organizational documents of such partnerships, joint ventures, limited liability companies and corporations, which shall, to the extent permitted by law, recite that the issuance and transfer of any interest therein is subject to the restrictions of Article 6 hereof. All issued and outstanding partnership certificates, membership certificates, stock certificates of such entities must include a legend referring to the restrictions contained in this Agreement.

If you, as Franchisee, are an entity, then the beneficial owners of such entity must identify from among them a natural person to act as "Designated Representative". The Designated Representative shall have full authority to act on behalf of the

Franchisee in all matters related to the performance of this Agreement. Uptown Cheapskate may rely upon any and all directions, elections, information and other communications from the Designated Representative as being made on behalf of the Franchisee, even if Uptown Cheapskate receives information from any other owner or person who claims to have an ownership interest in the Franchisee, or any other person whatsoever, which may be contrary to or different from the information provided by the Designated Representative. Uptown Cheapskate has no duty or obligation to inquire into or resolve any conflicting information provided by the Designated Representative and any other person on behalf of the Franchisee. Further, to the extent that any other beneficial owner of the Franchisee violates the terms of this Agreement, the Designated Representative will be responsible for helping to enforce all remedies and collecting and transmitting to Uptown Cheapskate all remuneration associated with the damages caused by such violations. To the extent the Designated Representative is unable to collect such remuneration, the Designated Representative will be held liable for those damages.

The Designated Representative must at all times beneficially own, either directly or indirectly, at least twenty-five percent (25%) of the Franchisee and, as a condition to this Agreement, must personally execute Appendix "E", which is attached to and made a part of this Agreement. If, during the Term of this Agreement, the Designated Representative is not able to continue to serve in their capacity as Designated Representative, the Franchisee shall promptly notify Uptown Cheapskate and, within thirty (30) days after the Designated Representative ceases to serve, provide evidence satisfactory to Uptown Cheapskate that owners of more than fifty percent (50%) of the ownership interests in the Franchisee have designated a duly qualified replacement to act as Designated Representative from that point forward. Such replacement will also be required to execute Appendix "E" within thirty (30) days of appointment. Any failure to comply with the requirements of this Section 9.02 shall be deemed a material breach of this Agreement. For the avoidance of doubt, all beneficial owners of the Franchisee, whether they serve as Designated Representative or not, must agree to be subject to the terms of this Agreement, including and especially those outlined in Section 5.05 and Section 5.06.

9.03 Notice of Potential Profit.

We advise you that we and/or our affiliates periodically may make available to you goods, products and/or services for use in the Store, and may make a profit on the sale of such goods, products and/or services. We further advise you that we and our affiliates periodically may receive consideration from suppliers and manufacturers respecting sales of goods, products or services to you or in

consideration for services provided or rights licensed to such persons. You agree that we and our affiliates will be entitled to such profits and consideration.

10. ENFORCEMENT

10.01 Dispute Resolution.

(a) Mediation. Except as otherwise stated in this Subsection 10.01(a), we reserve the right in our sole discretion to submit any claim, controversy or dispute arising out of or relating to this Agreement (and attachments) or the relationship created by this Agreement to non-binding mediation before bringing such claim, controversy or dispute to arbitration or to a court. The mediation will be conducted either through an individual mediator or a mediator appointed by a mediation services organization, experienced in the mediation of similar disputes as may arise between you and us, and such mediator will be agreed upon by the parties. If the parties do not agree on a mediator or mediation services organization within fifteen (15) days after either party has notified the other of its desire to seek mediation, the dispute will be mediated by the American Arbitration Association (“AAA”) pursuant to its rules governing mediation, in the county where our headquarters is located. Before commencing any legal action against us with respect to any such claim or dispute, you must submit a notice to us, which specifies, in detail, the precise nature and grounds of such claim or dispute. We will have a period of thirty (30) days following receipt of such notice within which to notify you as to whether we elect to exercise our option to submit such claim or dispute to mediation. You may not commence any action against us with respect to any such claim or dispute in any arbitration proceeding unless we fail to exercise our option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by us. The costs and expenses of mediation, including compensation of the mediator, will be borne equally by the parties. If the parties cannot resolve the claim, controversy or dispute within sixty (60) days after conferring with the mediator, either party may submit such claim or controversy for binding arbitration as described in Subsection 10.01(b) below. We may bring an action under the applicable provisions of this Section 10, without first submitting the action to mediation under this Subsection 10.01(a), for injunctive relief or for monies you owe us.

(b) Arbitration. Except to the extent we elect to enforce the provisions of this Agreement by injunction as provided in Subsection 10.01(c) below, all disputes, claims and controversies between the parties arising under or in connection with this Agreement or the making, performance or interpretation thereof (including validity or enforceability of this Agreement or any provisions hereof, claims of fraud in the inducement, and other claims of fraud in the

arbitrability of any matter) that have not been settled by or are not otherwise subject to mediation as described in Subsection 10.01(a) above will be resolved by arbitration on an individual basis under the authority of the Federal Arbitration Act in the county where our headquarters is located. The proceedings will be conducted by a single arbitrator under the Commercial Arbitration Rules of the American Arbitration Association, or the rules of such other arbitration services organization as the parties otherwise may agree upon in writing, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Federal Arbitration Act. The arbitrator will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award specific performance of this Agreement. The decision of the arbitrator will be final and binding on all parties; provided, however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; or (3) make any award that extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance we establish. Any arbitration proceeding will be limited to controversies between you and us, and will not be expanded to include any other Uptown Cheapskate franchisee, Kid to Kid franchisee, or include any class action claims. This Section 10.01 will survive termination or nonrenewal of this Agreement. Judgment upon the award of an arbitrator may be entered in any court having jurisdiction thereof. During any arbitration proceeding, we and you will fully perform our respective obligations under this Agreement. The parties agree that all arbitration proceedings, including any arbitration award or ruling, will be confidential in nature, except as otherwise required by law or court order or as necessary to confirm, vacate or enforce the award and for disclosure in confidence to the parties' respective attorneys and tax advisors. The costs and expenses of arbitration, including compensation and expenses of the arbitrators, shall be borne exclusively by the non-prevailing party, including those incurred by the prevailing party.

(c) Injunctive Relief. Notwithstanding Subsections 10.01(a) and 10.01(b) above, you recognize that a single franchisee's failure to comply with the terms of its agreement could cause irreparable damage to us and/or to some or all other Uptown Cheapskate businesses. Therefore, if you breach or threaten to breach any of the terms of this Agreement, then, to the greatest extent permitted by applicable law, we will be entitled to an injunction restraining such breach and/or a decree of specific performance, without showing or proving any actual or irreparable damage and without the need to post bond for security, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining such equitable relief, until such time as a final and binding determination is made by the arbitrator or the matter has been mutually deemed resolved.

(d) Venue. Subject to the provisions of Sections 10.01(a) and 10.01(b) above, any cause of action, claim, suit or demand allegedly arising from or related to this Agreement or the relationship of the parties, must be brought exclusively in any state or federal court of competent jurisdiction in the county where our headquarters is located. We also have the right to file any such suit against you in the federal or state court where the Store is located. Any such action will be conducted on an individual basis, and not as part of a consolidated, common, or class action, and you and your owners waive any and all rights to proceed on a consolidated, common, or class basis. Each of us and you irrevocably consent to the jurisdiction of such courts and waive all rights to challenge personal jurisdiction and venue.

(e) Attorneys' Fees. The non-prevailing party will pay all costs, expenses, and interest, including reasonable attorneys' fees, that the prevailing party incurs in any action brought to enforce any provision of this Agreement or to enjoin any violation of this Agreement.

10.02 Waivers.

We assume no liability or obligation to you by granting any waiver, approval, and consent to you, or by reason of any neglect, delay or denial of any request therefore. No waiver of any breach of any agreement, condition, covenant, promise, representation, warranty or term in this Agreement shall constitute a continuing waiver of any subsequent breach of the same or any other agreement, condition, covenant, promise, representation, warranty or term. Any waiver of any provision of this Agreement must be written and signed by the waiving party to be enforceable.

Failure of either party to enforce any of the provisions of, or rights and elections associated with, this Agreement, or failure to exercise any election provided for within it, shall not be considered a waiver of such provisions, rights, or elections, or in any way affect the validity of this Agreement. The failure of you or Uptown Cheapskate to exercise any of the provisions, rights, or elections shall not preclude or prejudice such party from later enforcing or exercising the right or any other provisions, rights, or elections which it may have under this Agreement.

10.03 Mutual Waiver of Class Actions.

Any lawsuit, claim, counterclaim, or other action must be conducted only on an individual basis, and must not be as part of a consolidated, common, or class action. YOU HEREBY AGREE NOT TO SEEK JOINDER OF ANY OF YOUR CLAIMS WITH THOSE OF ANY OTHER PARTY.

10.04 Mutual Waiver of Jury Trial.

YOU AND WE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

10.05 Mutual Waiver of Punitive Damages.

EXCEPT AS PROVIDED IN SECTION 7.03(B), EACH OF US WAIVES ANY RIGHT TO LOST FUTURE PROFITS OR CLAIM OF PUNITIVE, EXEMPLARY, MULTIPLE, OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER IN ARBITRATION AND/OR LITIGATION AND AGREES TO BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED.

10.06 Time Period to Bring Claims.

Except as otherwise provided in this Section 10.06, and except for those claims brought under the indemnification in Article 16 or Section 2.16, any and all Claims arising out of or relating to this Agreement, the relationship between you and us, or your operation of the Franchise brought by any party hereto against the other must be commenced before the expiration of the earlier of: (a) the time period for bringing an action under any applicable state or federal statute of limitations; (b) one (1) year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged Claim; or (c) two (2) years after the first act or omission giving rise to an alleged Claim. In all other cases, it is expressly acknowledged and agreed by all parties that such Claims shall be irrevocably barred. Claims attributable to your underreporting of sales, and claims of your failure to pay monies owed and/or to provide indemnification, shall be subject only to the applicable state or federal statute of limitations. As used in this Section 10.06, "Claim" means any allegation, challenge, demand, cause of action, lawsuit, arbitration, dispute, controversy, investigation or administrative proceeding.

11. INTERPRETATION, MODIFICATION, AND SUBSTITUTION

11.01 Construction of Language.

The language of this Agreement shall be construed according to its fair meaning and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If you consist of more than one party or person, your obligations shall be joint and several. Headings are for reference purposes and do not control interpretation.

The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement and the relationship between the parties:

(a) Our Rights. Whenever this Agreement provides that we reserve or retain a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

(b) Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree or are required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise reasonable business judgment in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of reasonable business judgment, even if other reasonable or arguably preferable alternatives are available, if our decision or action is intended to promote or benefit the System generally. This holds even if the decision or action also promotes a financial or other individual interest of ours. Examples of items that will promote or benefit the System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System. Neither you nor any third party (including a trier of fact), will substitute their own judgment for our reasonable business judgment.

11.02 Governing Law.

Subject to our rights under federal trademark laws, this Agreement and the relationship between the parties shall be governed by and will be construed exclusively in accordance with the procedural and substantive laws of the State of Utah. Nothing in this Section 11.02 is intended by the parties to subject this Agreement to any franchise, business opportunity, antitrust consumer protection or similar law, rule or regulation to which this Agreement would not otherwise be subject. The parties agree that any state law or regulation applicable to the offer or sale of franchises or the franchise relationship will not apply unless the jurisdictional provisions are independently met. You waive, to the fullest extent permitted by law, the rights and protections provided by any such franchise law or regulation.

11.03 Severability.

You and we agree that if any provision of this Agreement is capable of two constructions, one which would render the provision illegal, voidable or unenforceable and the other which would render the provision valid and enforceable, the provision shall have the meaning which is enforceable. If any provision of this Agreement is deemed to be invalid, inoperative or contrary to law for any reason, that provision shall be deemed modified to the extent necessary to make it valid, operative and consistent with the law, or if it cannot be so modified,

then severed and eliminated, and the remainder of the Agreement shall continue in full force and effect as if the Agreement had been signed with the invalid portion so modified or eliminated; provided, however, that if any part of this Agreement relating to payments to us or protection of the Marks, Proprietary Information or Marketing Information is declared invalid, unenforceable or contrary to law, then we, at our option, may terminate this Agreement upon written notice to you.

11.04 Entire Agreement.

The recitals are a part of this Agreement which constitutes the entire agreement between the parties with respect to the subject matter addressed within it, and all prior and contemporaneous statements, agreements, understandings, conditions, warranties and representations, whether written or oral, except to the extent otherwise set forth in this Agreement, as may relate to the Franchise, are hereby superseded by this Agreement. Nothing contained within this Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

11.05 Modification.

Except as otherwise provided in this Agreement, no provision contained within it may be altered, modified, amended or changed, in whole or in part, except within a written document executed by both you and us.

11.06 Successors.

Except as otherwise provided in this Agreement, this Agreement shall be binding on the respective parties, their heirs, successors, assignees, transferees, grantees, executors, personal representatives, and administrators.

11.07 Cumulative Rights.

Your rights and our rights are cumulative and no exercise or enforcement by you or us of any right or remedy hereunder shall preclude the exercise or enforcement by you or us of any other right or remedy hereunder or to which the party is entitled by law or equity to enforce.

11.08 Acknowledgment of Receipt of Documents.

You acknowledge that you have executed Appendix “F” (or a document identical to it) after being afforded an opportunity to consult with an attorney or other professional advisor. This appendix is attached to and forms part of this Agreement. In Appendix “F”, you acknowledge various risks, agree to certain provisions, and acknowledge receipt of this Agreement together with all Appendices and other documents as noted therein.

11.09 Further Acknowledgments.

YOU AFFIRM THAT YOU HAVE THOROUGHLY READ THIS AGREEMENT AND UPTOWN CHEAPSKATE'S FRANCHISE DISCLOSURE DOCUMENT IN THEIR ENTIRETY, AND THAT YOU HAVE BEEN GIVEN THE OPPORTUNITY TO ASK QUESTIONS ABOUT ANY PROVISIONS OR INFORMATION THAT WERE UNCLEAR AND TO SEEK CLARIFICATION OR LEGAL ADVICE, AS NEEDED.

YOU FURTHER AFFIRM THAT YOUR UNDERSTANDING OF THE TERMS, CONDITIONS AND OBLIGATIONS OF THIS AGREEMENT AND THE FRANCHISE AND AGREE TO BE BOUND BY THEM.

NO PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE UPTOWN CHEAPSKATE EXCEPT AN AUTHORIZED OFFICER OF UPTOWN CHEAPSKATE THROUGH A WRITTEN DOCUMENT. NO REPRESENTATIONS, PROMISES, GUARANTEES OR WARRANTIES OF ANY KIND HAVE BEEN MADE BY UPTOWN CHEAPSKATE OR ITS REPRESENTATIVES EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT. YOU ACKNOWLEDGE THAT YOUR SUCCESS AS A FRANCHISEE IS CONTINGENT ON YOUR OWN EFFORTS AND JUDGMENT, YOUR ADHERENCE TO THE FRANCHISE SYSTEM, AND THE PERFORMANCE OF YOUR EMPLOYEES.

YOU UNDERSTAND AND AGREE THAT UPTOWN CHEAPSKATE HAS NO OBLIGATION TO APPROVE THIS AGREEMENT AND MAY REFUSE TO GRANT A FRANCHISE FOR ANY REASON, OR NO REASON, WITHOUT DISCLOSING THE BASIS FOR ITS DECISION. YOU RECOGNIZE THAT UNTIL UPTOWN CHEAPSKATE PROVIDES YOU WRITTEN CONFIRMATION THAT YOU HAVE BEEN GRANTED A FRANCHISE, YOU DO NOT POSSESS FRANCHISEE STATUS AND CANNOT RELY ON BECOMING A FRANCHISEE.

[SIGNATURE PAGE TO FOLLOW]

IN AGREEMENT WHEREOF, the parties hereto have signed this Uptown Cheapskate Franchise Agreement.

“Franchisee”

Date _____ By _____

Its _____

Date _____ By _____

Its _____

“Franchisor”

UPTOWN CHEAPSKATE
FRANCHISE SYSTEM, LLC

Date _____ By _____

Its _____

FRANCHISEE OFFICERS, DIRECTORS, SHAREHOLDERS,
MEMBERS AND PARTNERS

In accordance with Section 9.02, the undersigned personally join in this agreement on behalf of Franchisee:

<u>Name</u>	<u>Position</u>	<u>Signature</u>	<u>Date</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

APPENDIX “A” – Development Area, Store Location, and Protected Area

Included below are the Development Area, Store Location, and Protected Area associated with this Agreement, each as defined in Section 1.01. To the extent that the Store Location and Protected Area are not defined as of the Execution Date, each will be defined in an amendment to this Appendix “A” once you have acquired or leased a Store Location. For the avoidance of doubt, the Development Area will cease to be relevant at the time that the Protected Area is defined, and you will no longer have rights to any territory included within the Development Area that does not also fall within the Protected Area.

Development Area

The Development Area includes the territory shaded in blue on the map below.

[MAP TO BE INSERTED]

Mapping Service:	
Date Generated:	
Address at Center:	
Radius of Circle:	
Population of Shaded Area:	

Store Location and Protected Area

[Before Definition of the Store Location and Protected Area: The Store Location and Protected Area will be defined in an amendment to this Appendix “A” once you have acquired or leased a Store Location. The Protected Area will typically be established as a circular territory with the Store Location at its center and with a radius equal to the lesser of (i) five (5) miles and (ii) one that results in a minimum residential population of one hundred thousand (100,000) people within the Protected Area, each as measured by a mapping software or service we select. In authorizing the Store Location and identifying the Protected Area, we will take into account factors such as the local market, competition, natural barriers, and the Protected Areas of any other Uptown Cheapskate stores.]

[After Definition of the Store Location and Protected Area: The Protected Area includes the territory shaded in blue on the map below. The Store Location sits at the center of the Protected Area at the address indicated in the table beneath the map.]

[MAP TO BE INSERTED]

Mapping Service:	
Date Generated:	
Address of Store Location:	
Radius of Protected Area:	
Population of Protected Area:	

APPENDIX “B” – Computer Equipment List

The computer equipment you must purchase to open and operate your franchise is found in Exhibit E – Computer Equipment List of the Disclosure Document and incorporated by this reference.

APPENDIX "C" -- Receipt for Franchise Fee

Name of Franchise Applicant: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Uptown Cheapskate, LLC acknowledges the receipt of the sum of: _____

(\$_____) in the form of _____ check number _____ OR by _____
electronic means, as the Franchise Fee for an Uptown Cheapskate Franchise
System, LLC Franchise for the following Store Location: _____
_____ City of _____,
County of _____, State of _____. This is the
_____ franchise purchased by Franchisee.

This Franchise Fee shall be refunded in full by the undersigned unless the undersigned executes the Uptown Cheapskate Franchise Agreement, (the "Agreement") signed and submitted by you, the Franchisee, to Uptown Cheapskate, the Franchisor, within ten (10) days of the below date or at such later date as may be agreed upon in writing by the parties.

If you have made your best efforts to obtain, but have been unsuccessful in obtaining the financing you necessary to purchase the Franchise, or have been unable to lease or purchase a suitable Store Location (as set forth in Section 3.02) prior to one hundred and eighty days (180) after the Effective Date of this Agreement, you may terminate the Agreement by notifying us in writing. This right to terminate, if not exercised within one hundred and eighty days (180) after the Effective Date of the Agreement, shall expire.

Dated this _____ day of _____ 20 _____.

Uptown Cheapskate Franchise
System, LLC

By: _____

Its: _____

APPENDIX “D” -- Consent to Credit Check

The undersigned applicants hereby agree that, in conjunction with seeking to obtain an Uptown Cheapskate Franchise, he or she shall furnish such financial and other information including, but not limited to tax returns, financial statements, documents and information regarding income, assets and liabilities as Uptown Cheapskate shall request, and shall complete such credit or other statements as Uptown Cheapskate shall indicate, with all of the foregoing being accomplished within such time period(s) as Uptown Cheapskate shall reasonably designate.

Furthermore, the undersigned hereby consents and authorizes Uptown Cheapskate to make all inquiries as it deems necessary to verify the accuracy of the information and statements described above and to determine the creditworthiness and financial condition of the undersigned.

Dated this ____ day of _____ 20 _____.

APPENDIX “E” -- Guarantee and Assumption of Obligations

THIS GUARANTEE AND ASSUMPTION OF OBLIGATIONS IS GIVEN this _____ day of _____, 20____ by _____

In consideration of and as an inducement to the execution of that certain Uptown Cheapskate Franchise Agreement of even date (the “Agreement”) by Uptown Cheapskate Franchise System, LLC. (“Uptown Cheapskate”), each of the undersigned hereby personally and unconditionally (a) guarantees to Uptown Cheapskate and its successors and assigns, for the Term of the Agreement, that

(“Franchisee”) shall punctually pay and perform each and every obligation and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for, the breach of each and every provision in the Agreement, including both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. Such obligations include, without limitation, the provisions of Sections 5.05 and 5.06.

Each of the undersigned consents and agrees that:

(1) his or her direct and immediate liability under this guarantee shall be joint and several;

(2) he or she shall render any payment or performance required under the Agreement upon demand;

(3) such liability shall not be contingent or conditioned upon pursuit by Uptown Cheapskate of any remedies against Franchisee or any other person; and

(4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit, or other indulgence which Uptown Cheapskate may grant to Franchisee or to any other person, including without limitation the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this guarantee, which shall be continuing and irrevocable during the Term of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, each of the undersigned has written his or her signature on the same day and year as the Agreement was executed.

Guarantor(s):

Ownership Percentage of Franchise

APPENDIX “F” -- Risk Disclosure Statement and Agreement

THIS APPENDIX F DOES NOT APPLY TO CANDIDATES LOCATED IN, OR FRANCHISED BUSINESSES TO BE LOCATED IN, ANY OF THE FOLLOWING FRANCHISE REGISTRATION STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, or WI.

As you know, Uptown Cheapskate Franchise System, LLC (“Uptown Cheapskate”, “Franchisor”, or “we”) and you are entering into a Franchise Agreement for the operation of an Uptown Cheapskate franchised business (“Business”). The purpose of this Acknowledgment Agreement is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your Business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.

I, the undersigned, hereby acknowledge and represent to Uptown Cheapskate Franchise System, LLC, as follows:

1. I received a copy of the current Uptown Cheapskate Franchise System, LLC Franchise Disclosure Document (“FDD”), including all exhibits and attachments, at least fourteen (14) calendar days prior to signing the Franchise Agreement.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment:

2. I signed a receipt for the FDD indicating the date that I received it.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment:

3. I received a copy of the Franchise Agreement that included any materially

altered provisions, except as a result of negotiations initiated by me, at least seven (7) calendar days prior to signing.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment:

4. I have carefully reviewed the FDD and Franchise Agreement.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment:

5. I understand all the information contained in both the FDD and Franchise Agreement.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment:

6. I understand that the Franchise Agreement contains a number of provisions that may affect my legal rights, including those with respect to the Business, for any judicial proceedings, a waiver of a jury trial, a waiver of punitive or exemplary damages, limitations on when claims may be filed, and other waivers and limitations.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment:

7. I have been advised to seek professional assistance, to have legal, financial and/or other professional advisors review the documents, and to consult with other franchise owners regarding the risks associated with the purchase of the franchise.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment:

8. I understand that the success or failure of my Business will depend in large part upon my skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment:

9. No oral, written or visual claim or representation was made to me that contradicted the disclosures in the FDD.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment:

10. Other than as expressly stated in Item 19 of the FDD, no employee or other person speaking on behalf of Uptown Cheapskate has made any oral, written or visual claim, statement, promise or representation to me that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any Uptown Cheapskate business, or the likelihood of success at my franchised Business.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment:

11. No employee or other person speaking on behalf of Uptown Cheapskate has made any statement or promise regarding the costs involved in operating a

business that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment:

12. No employee or other person speaking on behalf of Uptown Cheapskate has made any statement, promise, or agreement concerning how much service and assistance will be provide to me (for example, concerning advertising, marketing, training, and support) that is different from the information contained in the FDD.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment:

13. I have not paid any money to Uptown Cheapskate concerning the purchase of this franchise prior to signing this Franchise Agreement.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment:

14. I understand that the territorial rights granted to me are subject to limitations and exceptions.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment:

15. I understand that Uptown Cheapskate may eliminate my territory or terminate the Franchise Agreement if I fail to be in compliance.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment:

16. I understand that Franchise Agreement, together with any exhibits and appendices, constitutes the entire agreement between me and Uptown Cheapskate concerning the franchise rights for the Business, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment:

17. I, or any entity that I form, will be the employer of all employees of the Business and will have sole discretion and authority to employ, terminate employment, discipline, compensate and schedule working hours for all employees. Uptown Cheapskate and any affiliates will have no control, or right to control, any of the employment actions or decisions in the Business.

Please select one: ☐ I Agree ☐ I Disagree

If you disagree, please comment:

18. I understand that the franchise Business may be impacted by other risks, including those outside the control of myself or Uptown Cheapskate, such as local, national or global economic, political or social disruption, or health crises like COVID-19. Any such disruptions, and any preventative, protective, or remedial actions that federal, state, and local governments may take in response to such disruptions, may result in a period of business interruption, reduced customer demand, and reduced operations for my Business, and may require that Uptown Cheapskate take actions that may not be contemplated under the Franchise Agreement. The impact or extent of any such disruption to the Uptown Cheapskate system or my Business may depend on future developments which are highly uncertain and cannot be predicted.

Please select one: ☐ I Understand ☐ I Do Not Understand

If you do not understand, please comment:

I signed the Franchise Agreement and Addenda (if any) on _____, 20_____, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under any such law.

Do not sign if the Franchisee is a Maryland resident or if the franchised Business will be located within the State of Maryland.

BY SIGNING THIS QUESTIONNAIRE, YOU AFFIRM THAT YOUR RESPONSES ARE CONSIDERED AND TRUTHFUL, AND THAT WE WILL RELY ON THEM IN FINALIZING YOUR PROSPECTIVE FRANCHISE AGREEMENT.

Signed: _____ Signed: _____

Printed Name: _____ Printed Name: _____

Date: _____ Date: _____

APPENDIX “G” -- CALIFORNIA AMENDMENT TO UPTOWN CHEAPSKATE FRANCHISE AGREEMENT

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee’s investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

APPENDIX “H” -- Local Advertising Cooperative Agreement
AGREEMENT

OF THE _____
ADVERTISING COOPERATIVE
(UPTOWN CHEAPSKATE)

The cooperative shall be known as the Uptown Cheapskate _____ Local Advertising Cooperative (the “Co-op”).

ARTICLE 2: PURPOSE

To increase the sales and improve the profitability of each Member’s store and maximize the effectiveness of their marketing investments by:

1. Pooling financial resources and cooperatively placing advertisements in the market area.
2. Establishing a checking account into which Cooperative Fees are deposited each month by Uptown Cheapskate Franchise System, LLC (UC).
3. Planning and executing marketing campaigns, in-store promotions, charity events, and by standardizing buying and selling procedures and parameters, event dates, etc.
4. Retaining a Media Buyer to facilitate the planning and budgeting process.
5. Maximizing the effectiveness of the time and money invested in developing, launching, and managing marketing campaigns in the Co-op.
6. Tracking results and effectiveness of marketing campaigns and programs and reporting results to UC.
7. Developing and adhering to the Principles, Guidelines, and Requirements set by the Co-op members.

ARTICLE 3: THE COOPERATIVE AREA

The Co-op Area is inclusive of all Uptown Cheapskate stores in the cooperative market area, and the surrounding Area of Dominant Influence (“ADI”).

ARTICLE 4: MEMBERSHIP

Each Uptown Cheapskate franchise owner operating within the cooperative area shall join the Co-op and shall sign this Membership Agreement as required within Section 4.11 of their franchise agreements, including any new or replacement franchise owners.

Each Co-op Member in good standing with UC is entitled to one vote for each store they

own. Only Members who attend the meeting (either in person, virtually, or by telephone) may vote. Members who are not able to attend and have an approved absence (illness, emergency, work related travel) may vote by proxy by another cooperative member or their manager, or may attend and vote telephonically. Members who do not attend meetings are not entitled to vote on the issues discussed. Should a vote be required, a majority of votes are necessary. In an instance of a tie, UC reserves the right to cast a vote.

UC retains the right to create, change, or dissolve the Co-op to ensure that all Co-op Members are treated fairly and that its actions are consistent with franchise standards.

ARTICLE 5: CONTRIBUTIONS

Each Member hereby agrees to contribute a monthly "Cooperative Contribution" of four percent (4%) of Gross Sales for the prior calendar month, but in no event shall the Contribution be less than Minimum Cooperative Fee of \$2,000 nor greater than the Maximum Cooperative Fee of \$5,000. The Cooperative Contribution counts toward the Advertising Requirement outlined in Section 2.06(b) of each Member's franchise agreement. Minimum and Maximum Cooperative Fees may be modified by UC at the beginning of each calendar year.

Gross Sales shall be reported to UC as required by Section 2 of the franchise agreement and the Contribution shall be available for electronic withdrawal and deposit into a Cooperative-controlled bank account by the twentieth (20th) day of each calendar month.

A majority of the Co-op Members shall determine how the Contributions shall be spent and the Co-op Officers shall ensure that those directives are carried out.

ARTICLE 6: OFFICERS

Co-op Officers shall be elected for two-year terms by a majority vote by the Members. If voting does not produce a majority, UC maintains the right to cast an additional vote. The officers and their duties shall be:

President: Who shall preside at all member meetings, and shall organize, direct, and oversee the activities of the Co-op and communicate directly with UC.

Vice President: Who shall assist the President in performing the above tasks and preside in the President's absence.

The following two positions may be jointly held by the President and Vice President (in a small co-op) or separately held (in a large one):

Secretary: Who shall record, copy, and distribute to Members the minutes of all meetings, and who shall notify Members of new meetings.

Treasurer: Who shall create invoices for collections, distribute invoices to Members and to UC, pay invoices for services and products and account for all funds that are within the control of the Co-op. Electronic withdrawals are made by UC on the 20th day of each month.

The initial Officers shall be elected by a majority vote. If voting does not produce a majority, UC maintains the right to cast an additional vote.

ARTICLE 7: EXPENSES

It is expected that each Officer, committee Member, and Member promote the purposes of the Co-op without compensation. All Members are expected to serve from time to time so as not to unduly burden other Members. In certain cases, reimbursement for travel or other expenses may be appropriate but only if approved by a majority of the Members. The Co-op may retain the services of a bookkeeper to manage the cooperative finances. Payment for these services will be taken from the Member Cooperative Contributions made into the advertising account.

ARTICLE 8: COMMITTEES

The Members that hold the four officer positions shall make up the executive committee. Other committees may be formed for any reasonable purpose consistent with this Agreement including but not limited to:

1. Submitting and proofing ad requests and coordinating distribution to various media outlets;
2. Coordinating new product orders; and
3. Coordinating public relations activities or community projects.

ARTICLE 9: MEETINGS

It is anticipated that the Co-op shall meet one time per month. A notice of the date and place of the meeting shall be sent to Members by the Secretary at least fourteen (14) days in advance. The President will create an agenda, prepare or coordinate materials, arrange for guest presentations, and oversee the meetings.

The primary purpose of the meetings will be to determine where to place marketing dollars to build store sales. Meetings will typically include presentations by outside vendors, allowing Members to explore cooperative marketing options including, but not limited to, outdoor advertising, television or radio, local magazines or publications, fairs, expos, social media management, digital advertising, search engine optimization, online reviews, etc. Meetings will typically also include discussion of best practices, management techniques, customer service tips, and exchange of ideas among Members. They may also include opportunities to place cooperative orders for new product, supplies, or purchase products on-site from local vendors.

A majority (i.e. at least 50%) of the Members shall be deemed to constitute a quorum for all purposes except as otherwise provided in Article 10, below.

ARTICLE 10: AMENDMENTS

Rules and amendments to this Agreement may be proposed and adopted at any scheduled meeting provided that:

1. A plurality of the Members are present to constitute a quorum;
2. Written notice of any proposed amendment hereto shall be sent to the Members at least 3 days prior to the meeting at which a vote shall be held;
3. At least 75% of the members present vote in favor of such rule or amendment; and
4. Amendment meets cooperative perimeters and requirements outlined in Member franchise agreements.

Dated this _____ day of _____, _____.

Member:	Store:	Member:	Store:
By: _____	_____	By: _____	_____
By: _____	_____	By: _____	_____
By: _____	_____	By: _____	_____
By: _____	_____	By: _____	_____
By: _____	_____	By: _____	_____

Exhibit B – List of State Administrators

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677 Website: www.dfpi.ca.gov Email: Ask.SFPI@dfpi.ca.gov
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21 st Floor New York, NY 10005 212-416-8222
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9 th Floor Richmond, VA 23219 804-371-9051
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

Exhibit C – Franchisor’s Agent for Service of Process

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677 Website: www.dfpi.ca.gov Email: Ask.SFPI@dfpi.ca.gov
Hawaii	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York (Agent)	Secretary of State	99 Washington Avenue Albany, NY 12231
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

Exhibit D - Addendum to Franchise Disclosure Document

Unless your state is listed below, no addendum is required.

State-specific addenda for California, Illinois, Hawaii, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, Virginia and Washington follow:

RIDER TO THE STATE ADDENDUM

TO THE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT FOR THE FOLLOWING STATES ONLY: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, AND WISCONSIN

This Rider to the State Addendum to the Franchise Disclosure Document and Franchise Agreement is entered into by and between Uptown Cheapskate Franchise System, LLC ("we" or "Franchisor") and _____, ("you" or "Franchisee").

This Rider is being signed because (i) the franchised business that Franchisee will operate under the Agreement will be located in one of the states listed in the heading of this Rider (the "Applicable Franchise Registration State"); and/or (ii) any of the franchise offering or sales activity with respect to the Agreement occurred in the Applicable Franchise Registration State.

Franchisor and Franchisee have contemporaneously herewith entered into a Franchise Agreement (the "Agreement") and wish to amend the Agreement as provided herein.

NOW, THEREFORE, for and in good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. The following language is hereby added to the end of the Agreement:

"No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise."

2. Except as provided in this Rider, the Agreement remains in full force and effect in accordance with its terms. This Rider shall be effective only to the extent that the jurisdictional requirements of the franchise law of the Applicable Franchise Registration State are met independently without reference to this Rider.

[Signatures on Following Page]

Franchisor:

Franchisee:

Uptown Cheapskate Franchise System,
LLC

By: _____

By: _____

Its: _____

Its: _____

**CALIFORNIA ADDENDUM TO THE
UPTOWN CHEAPSKATE FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT**

SUPPLEMENTAL INFORMATION

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec 101 et seq).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the Franchise. This provision may not be enforceable under California Law.

The Franchise Agreement requires application of the laws of the State of Utah. This provision may not be enforceable under California Law.

The Franchise Agreement contains a liquidated damages clause. under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires arbitration in Salt Lake City, Utah with the costs for the mediator to be shared between the parties. Each party is responsible for their own witness and attorney's fees. Damages are limited to the termination of the Franchise Agreement and an award not to exceed the Franchise Fee paid.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 200409.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §20000 through 20043).

Neither the franchisor, any person or franchise broker in Item 2 of the disclosure document is subject to any currently effective order of any National Securities Association

of National Securities Exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79 a et seq., suspending or expelling such persons from membership in such Association or exchange.

Franchisor's affiliate BaseCamp Franchising, LLC does not have authority as a lender in California, and as a result, Exhibit J – Loan does not apply to franchises sold in California or to California residents.

The maximum interest rate to be charged in California is 10%.

Before the franchisor can ask you to materially modify your existing franchise agreement, Section 31125 of the California Corporations Code requires the franchisor to file a material modification application with the Department of Financial Protection and Innovation that includes a disclosure document showing the existing terms and the proposed new terms of your franchise agreement. Once the application is registered, the franchisor must provide you with that disclosure document with an explanation that the changes are voluntary.

Revise 3.10.114.1(c)(1) - California Instructions for the UFOC, to add Corporations Code section 31119 language "14 DAYS PRIOR TO EXECUTION OF AGREEMENT" at end of statement.

Franchisor's website: uptowncheapskatefranchise.com

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

The California Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations under the franchise agreement and franchisee is open for business. For any development agreement, the payment of the development and initial fee attributable to a specific unit is deferred until that unit is open.

California's Franchise Investment Law (Corporate Code section 21512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the Commissioner.

**HAWAII ADDENDUM TO THE UPTOWN CHEAPSKATE
FRANCHISE DISCLOSURE DOCUMENT**

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

[Signatures on Following Page]

Dated this _____ day of _____, _____.

Franchisor:
Uptown Cheapskate® Franchise
System, LLC

Franchisee:

By: _____
Its: _____

By: _____
Its: _____

By: _____
Its: _____

**ILLINOIS ADDENDUM TO THE UPTOWN CHEAPSKATE
FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT**

Illinois law governs the Franchise Agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision is a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

There are "standards" applicable to your ability to receive Computer Support services and Technical Support from the Franchisor's affiliate. Make sure you understand the standards, along with the additional fees/expenses you will incur for each type of computer and technical support if you do not meet the standards.

Dated this _____ day of _____, _____.

Franchisor:
**Uptown Cheapskate Franchise
System, LLC**

Franchisee:

By: _____
Its: _____

By: _____
Its: _____

MARYLAND ADDENDUM TO THE UPTOWN CHEAPSKATE FRANCHISE AGREEMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Franchise Agreement prevents the franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Franchise Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
3. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by the franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the outlet is opened.
4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

You and Uptown Cheapskate hereby modify the Franchise Agreement to comport with Maryland law as follows:

The Securities Commissioner has determined that all initial fees and payments owed by franchisees shall be deferred until pending the satisfaction of all of the franchisor's pre-opening obligations to the franchisee.

Section 7.05(a) of the Franchise Agreement says it is a breach under the Franchise Agreement for you to file a voluntary petition in bankruptcy or to have an involuntary bankruptcy proceeding commenced against you which is not dismissed within 90 days. Termination of the Franchise Agreement for those reasons is not enforceable under federal bankruptcy law.

Section 10.01 of the Franchise Agreement is hereby modified to include the following provision: This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

Section 10.01 of the Franchise Agreement provides for binding mediation. Any limitation on the period of time mediation claims must be brought shall not act to reduce the three (3) year statute of limitations afforded a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under such Maryland Law must be brought within three (3) years after the grant of the franchise.

Section 10.01 of the Franchise Agreement provides that any claim or controversy arising out of or relating to the Franchise Agreement shall be settled by binding mediation. You are required to mediate in Maryland. The Franchise Agreement provides that Maryland law governs all mediation proceedings.

Section 11.08 of the Franchise Agreement, titled 'Acknowledgement of Receipt of Documents,' is not applicable in the state of Maryland.

Section 11.09 of the Franchise Agreement, titled 'Further Acknowledgments,' is also not applicable in the state of Maryland.

Nothing contained in the Franchise Agreement is intended to nor shall it (a) act as a release, estoppel or waiver of any liability incurred under, or (b) deny you the right to bring a lawsuit in the State of Maryland for claims arising under, the Maryland Franchise Registration and Disclosure Law.

Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

APPENDIX "F" – Risk Disclosure Statement and Agreement does not apply to Maryland franchisees and should not be signed by Maryland franchisees.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

Agreed to this _____ day of _____, _____.

Franchisor:

Franchisee:

Uptown Cheapskate Franchise System, LLC _____

By: _____

By: _____

Its: _____

Its: _____

**MARYLAND ADDENDUM TO THE UPTOWN CHEAPSKATE
FRANCHISE DISCLOSURE DOCUMENT**

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Franchisee Acknowledgment / Compliance Certification:

All representations requiring prospective to assets to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the outlet is opened.

Franchisee's Initials

Franchisor's Initials

**MINNESOTA MODIFICATIONS TO THE
UPTOWN CHEAPSKATE FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT**

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

State Cover Page and Item 17, Additional Disclosures:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota, requiring waiver of a jury trial or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document shall abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.

Item 6, Additional Disclosure:

NSF checks are governed by Minn. Stat. 604.113, which puts a cap of \$30 on service charges.

Item 13, Additional Disclosures:

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party. The franchisor does not indemnify against the consequences of a franchisee's use of a franchisor's trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor. If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Item 17, Additional Disclosures:

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.

We will comply with Minn. Stat. Sec. 80C.14, subds. 3, 4 and 5, which requires, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure), 180 days notice for nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.

The limitations of claims section must comply with Minn. Stat. Sec. 80C.17, subd. 5.

MINNESOTA ADDENDUM TO THE UPTOWN CHEAPSKATE FRANCHISE AGREEMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 4 which requires that except for certain specified cases, that franchisee be given 180 days' notice for non-renewal of this Franchise Agreement.

The Minnesota Department of Commerce requires that franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the franchisee's use of franchisor's trademarks ("Marks") infringe upon the trademark rights of the third party. Franchisor does not indemnify against the consequences of a franchisee's use of franchisor's trademark but franchisor shall indemnify franchisee for claims against franchisee solely as it relates to franchisee's use of the Marks in accordance with the requirements of the Franchise Agreement and franchisor's standards. As a further condition to indemnification, the franchisee must provide notice to franchisor of any such claim immediately and tender the defense of the claim to franchisor. If franchisor accepts tender of defense, franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 3 which requires that except for certain specified cases, a franchisee be given 90 days' notice of termination (with 60 days to cure). Termination of the franchise by the franchisor shall be effective immediately upon receipt by franchisee of the notice of termination where its grounds for termination or cancellation are: (1) voluntary abandonment of the franchise relationship by the franchisee; (2) the conviction of the franchisee of an offense directly related to the business conducted according to the Franchise Agreement; or (3) failure of the franchisee to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logo type

or other commercial symbol after the franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof.

According to Minn. Stat. Sec. 80C.21 in Minnesota Rules or 2860.4400J, the terms of the Franchise Agreement shall not in any way abrogate or reduce your rights as provided for in Minn. Stat. 1984, Chapter 80C, including the right to submit certain matters to the jurisdiction of the courts of Minnesota. In addition, nothing in this Franchise Agreement shall abrogate or reduce any of franchisee's rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of Minnesota.

Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law.

The Franchise Agreement contains a waiver of jury trial provision. This provision may not be enforceable under Minnesota law.

Franchisee consents to the franchisor seeking injunctive relief without the necessity of showing actual or threatened harm. A court shall determine if a bond or other security is required.

The Franchise Agreement contains a liquidated damages provision. This provision may not be enforceable under Minnesota law.

Any action pursuant to Minnesota Statutes, Section 80C.17, Subd. 5 must be commenced no more than 3 years after the cause of action accrues.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

Dated this _____ day of _____, _____.

Franchisor:
**Uptown Cheapskate Franchise
System, LLC**

By: _____
Its: _____

Franchisee:

By: _____
Its: _____

NEW YORK MODIFICATIONS TO THE UPTOWN CHEAPSKATE FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

The following additions and modifications to this franchise disclosure document have been made to clarify it.

- 1) The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THAT INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

- 2) The following is to be added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has pending any administrative, criminal or material civil action (or significant number of civil actions irrespective of materiality) alleging a violation of any franchise law, antitrust or securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, misappropriation of property, unfair or deceptive practices, or comparable civil, felony or misdemeanor allegations.
- B. No such party has any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere

to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree related to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

- 3) The following is added to the end of the "Summary" sections of Item 17(c), titled **"requirements for a franchisee to renew or extend,"** and Item 17(m), entitled **"Conditions for franchisor approval of transfer":**

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

- 4) The following language replaces the "Summary" section of Item 17(d), titled **"Termination by franchisee":** You may terminate the agreement on any grounds available by law.
- 5) The following is added to the end of "Summary" sections of Item 17(v), titled **"Choice of forum,"** and Item 17(w), titled **"Choice of law":**

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York

- 6) Receipt—Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 *et seq.*), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a

franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (1) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

**STATE OF NEW YORK
FRANCHISE SALES AGENT STATEMENT**

No other person other than those listed in Section 2 of the Disclosure Statement is a Franchise Salesman for Uptown Cheapskate®. Hence, all material required in this Statement is found in the Disclosure Statement.

**NORTH DAKOTA MODIFICATIONS TO THE
UPTOWN CHEAPSKATE FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT**

To the extent the North Dakota Franchise Investment Law, N.D. Cent. Code, §§51-19-01 – 51-19-17 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Any release executed in connection with a renewal shall not apply to any claims that may arise under the North Dakota Franchise Investment Law.

Covenants not to compete during the term of and upon termination or expiration of the franchise agreement are enforceable only under certain conditions according to North Dakota law. If the Franchise Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable.

The choice of law other than the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control.

The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law.

The waiver of trial by jury may not be enforceable under the North Dakota Franchise Investment Law.

The requirement that arbitration be held outside the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. Any mediation or arbitration will be held at a site agreeable to all parties.

The requirement that a franchisee consent to termination or liquidated damages has been determined by the Commissioner to be unfair, unjust and inequitable within the intent of the North Dakota Franchise Investment Law. This requirement may not be enforceable under North Dakota law.

The Franchise Agreement states that franchisee must consent to the jurisdiction of courts located outside the State of North Dakota. This requirement may not be enforceable under North Dakota law.

The Franchise Agreement requires the franchisee to consent to a limitation of claims. To the extent this requirement conflicts with North Dakota law, North Dakota law will apply.

Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by Franchisor in enforcing the agreement. For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorneys’ fees.

All initial fees and payments owed by franchisees shall be deferred until the franchisor completes all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

Dated this _____ day of _____, _____.

Franchisor:
**Uptown Cheapskate Franchise
System, LLC**

Franchisee:

By: _____
Its: _____

By: _____
Its: _____

**RHODE ISLAND ADDENDUM TO THE
UPTOWN CHEAPSKATE FRANCHISE AGREEMENT**

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

Dated this _____ day of _____, _____.

Franchisor:
**Uptown Cheapskate Franchise
System, LLC**

Franchisee:

By: _____
Its: _____

By: _____
Its: _____

**VIRGINIA ADDENDUM TO THE
UPTOWN CHEAPSKATE FRANCHISE DISCLOSURE DOCUMENT
AND FRANCHISE AGREEMENT**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Uptown Cheapskate Franchise System, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17.h.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____, 20_____.

Prospective Franchisee

WASHINGTON FRANCHISE AGREEMENT ADDENDUM AND ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions

contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The franchisor may use the services of franchise brokers to assist in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until (a) franchisor has fulfilled its initial pre-opening obligations to the franchisee, and (b) is open for business.

Section 9.03. The "profit and consideration" referenced in this section will comply with RCW 19.100.180(2)(d).

Section 11.01(b). In accordance with RCW 19.100.180(1), revise entire subsection to the following:

"(b) The parties shall deal with each other in good faith."

Section 11.02. In accordance with RCW 19.100.180(2)(g) and RCW 19.100.220(2), Delete the last sentence of this section: **"You waive, to the fullest extent permitted by law, the rights and protections provided by any such franchise law or regulation."**

Section 11.08 of the Franchise Agreement, titled 'Acknowledgement of Receipt of Documents,' is not applicable in the state of Washington.

Section 11.09 of the Franchise Agreement, titled 'Further Acknowledgments,' is also not applicable in the state of Washington.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____, 20_____.

FRANCHISOR

FRANCHISEE

Exhibit E - Computer Equipment List – Uptown Cheapskate

Item	Technical Description	Function	Qty	Total Price	Approved Substitute
<u>Computers:</u> Registers(4) Linux Server(1) Office(1)	Lenovo/Dell Micro, 16g DDR5, 256g Nvme	POS System	6	\$4,440	None
Non touch Monitor	Dell E Series 23"	Office Display	1	\$130	Comparable
Touch Monitors	Asus BE24ECSBT, Dell P2424HT, Lenovo T24T-20	POS monitor	4	\$1,600	Comparable
Network/ Server Battery Backup (Rack Mounted)	CyberPower UPS System, 700VA/400W, 6 Outlets,	up to an hour of backup power	1	\$300	None
CyberPower Rack Mount surge	Surge protection 120V/15A, 12 Outlets	Expand rack Battery power	1	\$60	None
Wireless Access Point	TP-Link EAP	Wireless Network	1	\$90	None
Router	TP Link Omada (ER-7206)	Router	1	\$150	None
Switch (Rack Mounted)	TP-Link 24-Port TL-SG3428	Network Hardware	1	\$200	None
Rack Shelf	StarTech CABSHELF1U Server Rack Cabinet Shelf	Network Hardware	1	\$30	Comparable
Patch Panel	Cable Matters Rackmount 24 Port Cat6 panel	Network Hardware	1	\$45	Comparable
Network Rack	8U Wall Mount Server Rack	Network Hardware	1	\$125	Comparable
Network Cables	1-2' Cat6 LAN Patch Cable (24 Pack)	Network Connectivity	1	\$40	Comparable
Network Cables	5-10' Cat6 LAN Cables (5 Pack)	Network Connectivity	1	\$30	Comparable
Label Printer	Zebra ZD411	Item labels	3	\$1,200	None
Receipt Printer	TSP100IV	Prints Receipts	4	\$1240	None
Cash Drawer	APG 4000 Cash Drawer	Store cash	4	\$1080	None
Barcode Scanner	Honeywell Barcode Scanner 1300G	Scans items into POS	4	\$420	Comparable
Scanner Stand	Honeywell Scanner Stand	Eases Scanning	4	\$160	Comparable
Surge Protector	Belkin BE107200-06 7 Outlets	Power Extension	4	\$60	Comparable
Battery Backup	CyberPower CP1350AVRLCD	Register's Battery Backup	4	\$720	Comparable
iPads	10.9" 1-year manufacturer limited warranty	Vendor Check- in /Gatekeeper	2 (Vendor Check-in) 3 (Patch)	\$1,750	None
iPad Kiosk	iPad Kiosk Stands 10.9" iPad	Holds iPads	2 (Vendor Check-in) 3 (Patch)	\$950	Comparable
Credit Card Machine	Compatible Credit Card Machine	CC Payments	4	\$2,000	Recommend Vertex (SICC)

Sub Total	\$16,820
Estimated Tax & Shipping	\$1,682
Total	\$18,502

With the exception of the PC computers, report printer, network equipment, and surge protectors, all items listed above are sold to you at special or wholesale prices. These prices were in effect as of March 2025, after which time they are subject to change.

The components of the computer system that may not be substituted are:

Component/Software	Proprietor/Phone	Address	Length of Time used by Uptown Cheapskate
Lenovo/Dell Computers: Registers, Linux, Office	Lenovo Group Limited (855) 253-6686	Lenovo.com Dell.com	88 months
CyberPower UPS System, 1350 VA/815W, 10 Outlet	CyberPower UPS	Cyberpowersystems.com	88 months
CyberPower Rack Mount Battery Backup		Cyberpowersystems.com	88 months
Wireless Access Point	TP Link	Tp-link.com	88 months
TP Link Router (ER-7206)	TP Link	Tp-link.com	36 months
TP-Link 24-Port Gigabit Ethernet Switch	TP Link	Tp-link.com	60 months
iPad Kiosks	Bouncepad	bouncepad.com	88 months
Star TSP 100 Receipt Printer	Various	9997 Rose Hills Road Whittier, CA, 90601	182 months
Zebra Label Printer	Various	9997 Rose Hills Road Whittier, CA, 90601	86 months
AGP Series 4000 Cash Drawer	Various	9997 Rose Hills Road Whittier, CA, 90601	224+ months
Hardwired High Speed Internet	Various	Local Provider	224+ months
Chromebit/Chromebox	Google	Google.com	86 months

The computer equipment listed above is the proprietary property of third parties.

EXHIBIT F – Current and Former Franchisees

Current Franchisees as of December 31, 2024

Store Address	City	State	Zip	Store Phone	Store Owner(s)
919 North Val Vista Dr. Suite 107	Gilbert	AZ	85234	(480) 427-3270	Aleisha Yanagawa
3454 W Chandler Blvd #18	Chandler	AZ	85226	(480) 786-0043	Brenda Spezzacatena
8402 W Thunderbird Rd, Ste 101	Peoria	AZ	85381	(623) 428-0171	Michelle & Deron Luzar
8664 E. Shea Blvd Suite 153	Scottsdale	AZ	85260	(480) 264-2819	Tiffany Harrison
20725 Hawthorne Boulevard	Torrance	CA	90503	(424) 452-6097	Alisa Lindsey
6949 El Camino Real Suite 200	Carlsbad	CA	92009	(760) 814-2779	Ashley McAtee
24366 Rockfield Blvd	Lake Forest	CA	92630	(949) 441-1479	Jo Ann & Tom Winter
120 E. Yorba Linda Blvd	Placentia	CA	92870	(714) 660-7665	Jo Ann & Tom Winter
44450 Valley Central Way	Lancaster	CA	93536	(661) 941-4333	Magen Schafer
2030 Douglas Blvd Ste 47	Roseville	CA	95661	(916) 474-5098	Rebecca Foster
5915 N. Academy Blvd, Suite 5917-A	Cimarron Hills	CO	80918	(719) 203-4727	Kathleen Reiss
16031 Tampa Palms Blvd W	Tampa	FL	33647	(813) 287-8696	Amber Watt
11229 Causeway Blvd	Brandon	FL	33511	(813) 409-3014	Amber Watt
34210 US Hwy 19 N	Clearwater	FL	34684	(727) 223-8422	Bridget Moreland
10601 San Jose Blvd suite 4	Jacksonville	FL	32257	(904) 438-5258	Cynthia Swank
2120 S 1300 E	Beach & Hodges	FL	84106	(801) 467-6000	Cynthia Swank
929 E. Commercial Blvd	Oakland Park	FL	33334	(954) 492-2330	Nil Lewis
3330 Cobb Parkway #130	Acworth	GA	30101	(770) 529-1980	Brent Brock
12184 HWY. 92, Suite A-120	Woodstock	GA	30188	(770) 591-9474	Brent Brock
1200 Ernest Barrett Parkway, Suite 112-116	Kennesaw	GA	30144	(770) 635-7560	Brent Brock
873 Joe Frank Harris Pkwy Space #97	Cartersville	GA	30120	(470) 315-4046	Brent Brock
241 Tormenta Wy Ste B3-4	Statesboro	GA	30458	(912) 259-9993	Christina & Tim Grams
176 Banks Crossing	Fayetteville	GA	30214	(470) 278-2966	Dionne Limer
3999 Austell Road Suite 417	Austell	GA	30106	(770) 693-7343	Judith & MacKevin Ndubuisi
5900 State Bridge Rd. Ste A1	Johns Creek	GA	30097	(770) 495-1515	Margie & Andy Gelernter
511 Lakeland Plaza	Cumming	GA	30040	(770) 844-7600	Margie & Andy Gelernter
1995 Mall of Georgia Blvd suite C	Buford	GA	30519	(678) 926-3902	Margie & Andy Gelernter
4880 Lower Roswell Rd #880	Marietta	GA	30068	(770) 999-1967	Margie & Andy Gelernter
1425 Market Boulevard, Suite 520	Roswell	GA	30076	(770) 559-5148	Meg Sams & Wendy Blissett
4216 Washington Rd, Unit 10	Evans	GA	30809	(706) 364-3515	Shannon Unger
2701 Washington Road Ste 3	Augusta	GA	30909	(706) 364-9200	Shannon Unger
105 Hickory Street	Athens	GA	30601	(762) 316-4873	Shannon Unger
1574 N. Wildwood St	Boise	ID	83713	(208) 629-7460	Heidi & Bill Long
1021 Broadway Ave.	Boise	ID	83706	(208) 215-2091	Heidi & Bill Long
2041 S 25th E	Ammon	ID	83406	(208) 529-9111	Kandise & Caleb Morton
4025 Ice Way	Fort Wayne	IN	46805	(260) 755-5189	Amy & Andrew Gustin
5151 E 82nd St ste 500 600	NE Indianapolis	IN	46250	(317) 516-4731	Brad Hill
2243 N. Tyler Rd. Ste 105	Wichita	KS	67205	(316) 765-9263	Mollie Schell
8340 E 21ST N Suite 200	East Wichita	KS	67206	(316) 358-7688	Mollie Schell
125 E Reynolds Road, Suite 160	Lexington	KY	40517	(859) 810-4308	Molly & Jason Newland
2130 Airline Drive	Bossier City	LA	71111	(318) 747-0047	Shannon & David Linton
1038 Rockville Pike	Rockville	MD	20852	(301) 762-1089	Becky Vasquez-Lopez
9122 Baltimore Avenue	College Park	MD	20740	(240) 553-7271	Liz Butler
8450 Baltimore National Pike Suite 160	Ellicott City	MD	21043	(410) 970-9300	Mary & Tim Lee
2632 N. Salisbury Blvd	Salisbury	MD	21801	(410) 845-2751	Nancy Kline & Emily Schram
3491 Merchant Blvd, Suite 202	Abingdon	MD	21009	(410) 671-5659	Patrick Davis
2327 Forest Drive	Bowie	MD	21401	(410) 573-0101	Patrick Davis
1830 York Rd. Ste A	Timonium	MD	21093	(410) 560-5890	Ruthie Weiskopf
11521 Wakefield St Suite 103-106	Middle River	MD	21220	(443) 652-5955	Tanya Lee

Store Address	City	State	Zip	Store Phone	Store Owner(s)
29508 Seven Mile Road	Livonia	MI	48152	(248) 987-4820	Angela Moore
12331 James Street, Suite 140	Holland	MI	49424	(616) 294-1436	Brandie & Kallen Shooltz
4693 Wilson Ave. SW Ste A, B,C	Grandville	MI	49418	(616) 259-7104	Shawn & Matt Bouman
2901 28th St. SE	Kentwood	MI	49512	(616) 333-2968	Shawn & Matt Bouman
7598 160th St W	Lakeville	MN	55044	(952) 222-4211	Kerry Knudston
3120 Karnes Road Unit G	St. Joseph	MO	64506	(816) 387-8100	Brittney West & Julie Woods
1724 E. Battlefield St. Ste B	Springfield	MO	65804	(417) 501-8920	Natalie & Lyle Armstrong
5236 I-70 North Outer Road	St. Peters	MO	63376	(636) 279-1225	Natalie & Lyle Armstrong
15315A Manchester Road	Ballwin	MO	63011	(636) 386-5247	Natalie & Lyle Armstrong
3276 Telegraph Rd.	St. Louis	MO	63125	(314) 329-6028	Natalie & Lyle Armstrong
9015 J M Keynes Dr. #5	Charlotte	NC	28262	(704) 900-8014	Leigh & Jim Frasso
9709 Sam Furr Road Ste D	Huntersville	NC	28078	(704) 237-4867	Leigh & Jim Frasso
5033 South Blvd Unit E	Charlotte	NC	28217	(704) 900-7400	Leigh & Jim Frasso
2815 13th Avenue South	Fargo	ND	58104	(701) 532-1543	Troy & Tyler Hocum
3854 Morse Road	Columbus	OH	43219	(614) 333-1402	Andrew Merkle
1044 Miamisburg Centerville Rd	Centerville	OH	45459	(937) 424-9078	Andrew Merkle
2705 Federated Blvd	Columbus	OH	43235	(614) 956-7003	Ann & Michael Minor
17210 Royalton Rd.	Strongsville	OH	44136	(440) 638-4795	Ann & Michael Minor
2783 Taylor Rd SW	Reynoldsburg	OH	43068	(614) 321-9018	Diana & Clint Young
4824 Everhard Rd. N.W.	Canton	OH	44718	(330) 639-4920	Josie & Joe Carrick
105 Boardman-Canfield Road	Boardman	OH	44512	(330) 729-1277	Pete Zinnicker
6383 Mayfield Rd	Mayfield Heights	OH	44124	(440) 459-1251	Pete Zinnicker
5303 Westpointe Plaza	Columbus	OH	43228	(614) 363-4140	Rachael & Nate Blankenship
6005 SE 15th ST	Midwest City	OK	73110	(405) 455-260	Billie Baird
1724 24th Avenue NW	Norman	OK	73069	(405) 701-8850	Margarette & Richard Baze
504 South Bryant Avenue	Edmond	OK	73034	(405) 726-8484	Margarette & Richard Baze
9101 S Western #105,	Oklahoma City	OK	73139	(405) 676-9600	Margarette & Richard Baze
8228 E. 61st St. Ste 101	Tulsa	OK	74133	(918) 872-9484	Mollie Schell
875 Houston Northcutt Blvd	Mount Pleasant	SC	29464	(843) 216-1416	Jon Charles
1451 Woodruff Road Suite Q	Greenville	SC	29607	(864) 383-1324	Lori & Aaron Wilson
13180 Clemson Blvd.	Seneca	SC	29678	(864) 249-9024	Renee & Mike Grams
5450 Highway 153, Suite 108	Hixson	TN	37343	(423) 654-7592	Beth & Mitch Savini
1960 Old Fort Parkway Suite A	Murfreesboro	TN	37129	(615) 809-2324	Clint & Lynn Ferguson
190 E Stacy Rd STE 1316	Allen	TX	75002	(469) 854-8525	Amanda & Micheal Walls
1118 W. Arbrook Blvd Ste 200	Arlington	TX	76015	(817) 375-1991	Debbie & Wayne Farrar
1826 Cannon Drive, Suite 500	Mansfield	TX	76063	(817) 225-2480	Debbie & Wayne Farrar
3340 FM 544 Suite 820	Wylie	TX	75098	(469) 846-9469	Deepu & Sohil Khoja
2787 Preston Rd	Frisco	TX	75034	(972) 712-2200	Donna & Jeff Martinelli
5230 S Hulen St.	Ft Worth	TX	76132	(817) 292-2227	Donna & Jeff Martinelli
5630 W Loop 1604 North, Suite 121	Alamo Ranch	TX	78251	(210) 999-5399	Edna Stenberg
11255 Huebner Rd. Ste 205	San Antonio	TX	78230	(210) 694-4244	Erika & Robert Buenrostro
4504 Boat Club Rd Suite 500	Lake Worth	TX	76135	(817) 386-2836	Hannah & Willie Long
2900 N. Mesa Ste B	El Paso	TX	79902	(915) 219-7103	Jessica & Kevin Drennan
1225 Wedgewood Dr.	El Paso East	TX	79925	(915) 301-1107	Jessica & Kevin Drennan
9477 Dyer Street	El Paso North	TX	79924	(915) 995-6698	Jessica & Kevin Drennan
25626 Northwest Freeway Suite 300	Cypress	TX	77429	(832) 344-3833	Kesha & Tim Chatman
5400 E Mockingbird Ln Unit #104	Dallas	TX	75206	(972) 685-9494	Kristina & Jordan Stone
1220 Chisholm Trail Suite 200	Euless	TX	76039	(817) 494-3319	Kristina & Jordan Stone
2100 Alamo Rd.	Richardson	TX	75080	(469) 372-0047	Lendie Smith
4242 St. Michaels Dr.	Texarkana	TX	75503	(903) 306-0400	Lori & Billy Stinson
4540 S. Broadway Suite L	Tyler	TX	75703	(903) 630-3609	Lori & Billy Stinson
4540 S Broadway Ave Suite L	Longview	TX	75703	(903) 653-0147	Lori & Billy Stinson
3005 S. Lamar Blvd Ste 110-B	Austin	TX	78704	(512) 462-4646	Lurinda & Craig Berlin

Store Address	City	State	Zip	Store Phone	Store Owner(s)
1504 Aquarena Springs Drive, Suite 101	San Marcos	TX	78666	(512) 749-1065	Lurinda & Craig Berlin
2410 Texas Avenue South	College Station	TX	77840	(979) 977-5615	Lurinda & Craig Berlin
12920 South Fwy	Burleson	TX	76028	(817) 592-0833	Mary & Andy Smith
11066 Pecan Park Blvd Suite 105	Cedar Park	TX	78613	(512) 386-1033	Rachel Guzman & Raul Alvarez
8436 Denton Highway Ste 206	Watauga	TX	76148	(817) 514-1988	Sandy & Darrin Song
1800 Brinker Road suite 200	Denton	TX	76208-6176	(940) 320-0026	Sandy & Darrin Song
500 E. Round Grove Rd. #131	Lewisville	TX	75067	(469) 549-2818	Stacy Leigh
3844 Beltline Road	Addison	TX	75001	(469) 454-0112	Stacy Leigh
5027 Milwaukee Ave STE 100	Lubbock	TX	79407	(806) 516-5554	Tricia & Gabe Vitela
2601 South I-35, Suite D-300	Round Rock	TX	78664	(512) 520-8025	Tucker Mulvihill
13574 University Blvd suite 500	Sugar Land	TX	77479	(281) 201-8600	Zoua & Leon Davis
264 E. Winchester St	Murray	UT	84107	(801) 590-8785	Justin Crump
62 North 600 West Ste F5	American Fork	UT	84003	(801) 692-7975	Justin Crump
394 E University Parkway	Orem	UT	84058	(801) 691-0685	Justin Crump
2155 Harris Blvd Unit #3	Vernal	UT	84041	(801) 825-5086	Kandise & Caleb Morton
742 W Riverdale Rd	Riverdale	UT	84405	(385) 492-3556	Kendra Reaveley
1052 North Main Street, Suite B	Spanish Fork	UT	84660	(801) 435-7519	Melinda Narsimulu
6104 Brashier Blvd. Suite A	Mechanicsville	VA	23111	(804) 442-2368	Alicia & Armando Bojorquez
374 Hillsdale Drive	Charlottesville	VA	22901	(434) 202-7741	Cheryl Baugher
1403-D Huguenot Road	Midlothian	VA	23113	(804) 378-3608	Maggie Mereand
4513 Commonwealth Centre Parkway	Midlothian	VA	23112	(804) 566-3535	Maggie Mereand
4338 Pouncey Tract Road	Glen Allen	VA	23060	(804) 716-8130	Michelle & Paul Fryling
2137 Upton Drive suite #312	Virginia Beach	VA	23454	(757) 689-8007	Michelle & Paul Fryling
1411 Towne Square Blvd NW	Roanoke	VA	24012	(540) 204-4750	Sam Savla & Mike Mabery
2735 Market Street NE	Christiansburg	VA	24073	(540) 251-5473	Sam Savla & Mike Mabery
820 Willard Dr. Ste 230	Green Bay	WI	54304	(920) 328-9467	Lynn & John Macco
5001 Mid Atlantic DR	Morgantown	WV	26508	(304) 381-4568	Bridget Moreland

Corporate Store List as of December 31, 2024

Store Address	City	State	Zip	Store Phone	Store Owner(s)
2130 E. New Garden Road	Greensboro	NC	27410	(336) 617-7000	Chelsea & Jeff Carroll
3262 Silas Creek Pkwy	Winston Salem	NC	27103	(336) 768-4500	Chelsea & Jeff Carroll
2161 Avent Ferry Rd. # 200	Raleigh	NC	27606	(919) 896-8855	Chelsea & Jeff Carroll
1555 Beaver Creek Commons Drive	Apex	NC	27502	(919) 363-2227	Chelsea & Jeff Carroll
8700 Pineville Matthews Rd. Ste 900	Charlotte	NC	28226	(704) 543-7890	Chelsea & Jeff Carroll
4215 University Dr. Suite 4&5	Durham	NC	27707	(919) 908-9033	Chelsea & Jeff Carroll
1323 E Lincoln Hwy	Levittown	PA	19056	(267) 599-5772	Chelsea & Jeff Carroll
176 Rolling Ridge Drive	State College	PA	16801	(814) 206-0545	Chelsea & Jeff Carroll
245 Walker Road	Chambersburg	PA	17201	(717) 660-0970	Chelsea & Jeff Carroll
860 Town Center Drive	York	PA	17408	(717) 724-9602	Chelsea & Jeff Carroll
380 West 200 South	Salt Lake City	UT	84101	(385) 246-2460	Scott Sloan; Summer & Aaron Alvey
2120 South 1300 East	Salt Lake City	UT	84106	(801) 467-4945	Scott Sloan; Summer & Aaron Alvey
11514 South 4000 West Ste 104	South Jordan	UT	84009	(385) 255-9530	Scott Sloan; Summer & Aaron Alvey
2750 South 5600 West	West Valley	UT	84119	(801) 840-4783	Scott Sloan; Summer & Aaron Alvey

The above stores are owned by entities controlled by Chelsea Carroll, Scott Sloan, and/or Summer Sloan Alvey, who are owners of our predecessor and/or officers of Franchisor. These stores are accordingly treated as corporate stores.

Franchisees with Signed Agreements but not Operational as of December 31, 2024

City	State	Phone	Store Owner(s)
Rogers	AR	(405) 370-4076	Molly Woodrow
Surprise	AZ	(623) 512-6439	Adele & McKenna Fischer
Tucson Speedway	AZ	(480) 283-4509	Emily & Aaron Dille
North Miami Beach	FL	(954) 629-6278	Nil Lewis
Ocala	FL	(402) 415-1889	Rachel & Brian McVey
Oviedo	FL	(404) 668-2021	Weatherly & Bill Morgan
Hiram	GA	(404) 683-6833	Alyssa & Gus Vaughn
Vinings	GA	(404) 683-6833	Alyssa & Gus Vaughn
Fairburn	GA	(404) 431-0507	Melissa Craig
Evansville	IN	(832) 515-3297	Stephanie & Blair Doneske
Waltham	MA	(914) 482-1419	Ryan Burke
Hingham	MA	(410) 979-7008	Victoria & Matthew Hanna
Ann Arbor	MI	(248) 514-4599	Michael Pullman
Lansing	MI	(616) 644-0527	Brandie & Kallen Shooltz
Comstock Park	MI	(616) 706-6627	Shawn & Matt Bouman
Columbia	MO	(417) 231-1176	Natalie & Lyle Armstrong
Wake Forest	NC	(919) 230-1313	Dani & Kevin Carbajal
Summerlin	NV	(661) 810-0687	Fina & Steven Wharton
Beavercreek	OH	(517) 285-3665	Andrew Merkle
Yukon	OK	(405) 250-4487	Margarette & Richard Baze
OKC North	OK	(405) 250-4487	Margarette & Richard Baze
Tulsa Hills	OK	(316) 322-5945	Mollie Schell
Medford	OR	(541) 261-6745	Angie & Jake Renick-Hayes
Charleston	SC	(310) 924-5602	Jessica & Craig Cignarelli
Easley	SC	(602) 769-6368	Renee & Mike Grams
Sioux Falls	SD	(605) 351-6471	Alexa Goodroad
Franklin	TN	(423) 329-3361	Leslie & Trey Whitfield
Knoxville	TN	(423) 298-8598	Beth & Mitch Savini
McKinney	TX	(469) 387-9859	Amanda & Micheal Walls
Mesquite	TX	(903) 376-1881	Ashley & John Droblyn
Grand Prairie	TX	(817) 808-3763	Debbie & Wayne Farrar
Rockwall	TX	(313) 289-8594	Deepu & Sohil Khoja
Irving	TX	(817) 296-1333	Donna & Jeff Martinelli
Little Elm	TX	(404) 734-7377	Jeanne & Jeffrey Martin
Memorial City	TX	(713) 298-6380	Kesha & Tim Chatman
The Woodlands	TX	(713) 298-6380	Kesha & Tim Chatman
North Austin	TX	(512) 554-8286	Lurinda & Craig Berlin
Waco	TX	(817) 880-4038	Mary & Andy Smith
Spring	TX	(832) 813-2966	Nathan Pruski & Nathan Kerr
River Oaks	TX	(832) 813-2966	Nathan Pruski & Nathan Kerr
Pearland	TX	(832) 813-2966	Nathan Pruski & Nathan Kerr

City	State	Phone	Store Owner(s)
Greenville	TX	(972) 762-5780	Nicole & Chris Pollard
Sherman-Denison	TX	(214) 762-6964	Robbin & Rick Wells
Weatherford	TX	(817) 368-2170	Robin & Will Lewis
Stone Oak	TX	(303) 895-4979	Tucker Mulvihill
Georgetown	TX	(303) 895-4979	Tucker Mulvihill
Alamo Heights	TX	(303) 895-4979	Tucker Mulvihill
Katy	TX	(616) 481-9856	Victoria Fry
Logan	UT	(435) 774-0010	Amy Lofgreen
Broad Street	VA	(804) 899-8170	Maggie Mereand
Fredericksburg	VA	(804) 937-9728	Michelle & Paul Fryling
Potomac Falls	VA	(703) 615-8828	Michelle Ward
Appleton	WI	(920) 213-9329	Lynn & John Macco

Former Franchisees During the 12 Month Period Ended December 31, 2024

City	State	Phone	Former Store Owner(s)	Reason
Roswell	GA	(678) 704-9079	Brent Brock	Transferred
Buford	GA	(678) 704-9079	Brent Brock	Transferred
Timonium	MD	(410) 726-5754	Nancy Kline & Emily Schram	Transferred
Katy	TX	(512) 779-5238	Rachel Guzman & Raul Alvarez	Transferred

Exhibit G – Financial Statements

This exhibit contains the following:

Audited consolidated financial statements of BaseCamp Franchise Holdings, LLC and Subsidiaries for the year ended December 31, 2024, the year ended December 31, 2023, and the period from July 15, 2022 (inception) through December 31, 2022. Our and BaseCamp Franchise Holdings, LLC's fiscal year end is December 31. We have not been in business for three years or more and cannot include all of the financial statements required by the Rule.

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)

CONSOLIDATED FINANCIAL STATEMENTS

**YEARS ENDED DECEMBER 31, 2024, 2023, AND FOR THE PERIOD FROM JULY 15,
2022 (INCEPTION) THROUGH DECEMBER 31, 2022**

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, AND FOR THE PERIOD FROM
JULY 15, 2022 (INCEPTION) THROUGH DECEMBER 31, 2022

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1 - 2
Consolidated Financial Statements	
Balance sheets	3
Statements of operations and member's equity	4
Statements of cash flows	5 - 6
Notes to consolidated financial statements	7 - 20

INDEPENDENT AUDITOR'S REPORT

To the Member
BaseCamp Franchise Holdings, LLC and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of BaseCamp Franchise Holdings, LLC and Subsidiaries (a limited liability company), which comprise the consolidated balance sheets as of December 31, 2024 and 2023 and the related consolidated statements of operations and member's equity and cash flows for the years ended December 31, 2024, 2023 and for the period from July 15, 2022 (inception) through December 31, 2022, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BaseCamp Franchise Holdings, LLC and Subsidiaries as of December 31, 2024 and 2023, and the results of their operations and their cash flows for the years ended December 31, 2024, 2023 and and for the period from July 15, 2022 (inception) through December 31, 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of BaseCamp Franchise Holdings, LLC and Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about BaseCamp Franchise Holdings, LLC and Subsidiaries's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

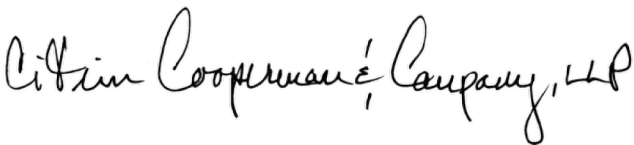
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BaseCamp Franchise Holdings, LLC and Subsidiaries's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BaseCamp Franchise Holdings, LLC and Subsidiaries's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



New York, New York
April 8, 2025

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 2,151,334	\$ 3,535,390
Accounts receivable	1,366,326	1,443,524
Accounts receivable - related party	81,701	77,554
Inventory	124,900	91,792
Prepaid expenses and other current assets	210,363	172,071
Prepaid commissions - current portion	<u>72,946</u>	<u>58,203</u>
Total current assets	<u>4,007,570</u>	<u>5,378,534</u>
Property and equipment, net	<u>61,628</u>	<u>77,016</u>
Operating lease right-of-use asset	<u>2,103,858</u>	<u>2,336,119</u>
Other assets:		
Prepaid commissions - net of current portion	250,322	289,161
Goodwill, net	22,212,972	25,079,130
Intangible assets, net	<u>23,327,500</u>	<u>26,337,500</u>
Total other assets	<u>45,790,794</u>	<u>51,705,791</u>
TOTAL ASSETS	<u>\$ 51,963,850</u>	<u>\$ 59,497,460</u>

LIABILITIES AND MEMBER'S EQUITY

Current liabilities:		
Accounts payable and accrued expenses	\$ 2,016,435	\$ 1,887,113
Deferred franchise fees - current portion	1,246,873	881,768
Loan payable - current portion	1,701,370	1,128,750
Marketing advances	489,507	393,737
Furniture fixture liability	202,099	163,365
Current portion of operating lease liability	<u>242,271</u>	<u>233,345</u>
Total current liabilities	<u>5,898,555</u>	<u>4,688,078</u>
Long-term liabilities:		
Deferred franchise fees - net of current portion	123,105	133,520
Loan payable - net of current portion	12,903,421	12,832,244
Note payable - Seller	4,000,000	4,000,000
Operating lease liability, net of current portion	<u>1,869,893</u>	<u>2,112,165</u>
Total long-term liabilities	<u>18,896,419</u>	<u>19,077,929</u>
Total liabilities	24,794,974	23,766,007
Commitments and contingencies (Notes 9, 10 and 13)		
Member's equity	<u>27,168,876</u>	<u>35,731,453</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$ 51,963,850</u>	<u>\$ 59,497,460</u>

See accompanying notes to consolidated financial statements.

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
CONSOLIDATED STATEMENTS OF OPERATIONS AND MEMBER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, AND FOR THE PERIOD FROM
JULY 15, 2022 (INCEPTION) THROUGH DECEMBER 31, 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenues:			
Royalties	\$ 11,363,639	\$ 10,042,442	\$ 2,385,947
Franchise fee income	462,811	601,342	64,062
Marketing service revenue	303,166	258,733	63,334
Marketing fund revenue	1,277,043	1,139,635	272,981
Technology fee revenue	682,091	637,854	151,595
Bookkeeping services	342,513	287,648	48,975
Software fee income	220,000	220,000	-
Fixture revenue	509,706	237,945	-
Other revenue	<u>303,747</u>	<u>161,683</u>	<u>19,697</u>
Total revenues	<u>15,464,716</u>	<u>13,587,282</u>	<u>3,006,591</u>
Selling, general and administrative expenses:			
Selling, general and administrative expenses, excluding depreciation and amortization	9,525,351	8,434,293	2,045,171
Depreciation and amortization	<u>5,918,024</u>	<u>5,907,782</u>	<u>1,478,845</u>
Total selling, general and administrative expenses	<u>15,443,375</u>	<u>14,342,075</u>	<u>3,524,016</u>
Income (loss) from operations	<u>21,341</u>	<u>(754,793)</u>	<u>(517,425)</u>
Other income (expense):			
Interest income	39,034	18,243	1,351
Interest expense	<u>(1,826,777)</u>	<u>(1,701,962)</u>	<u>(387,934)</u>
Other expense, net	<u>(1,787,743)</u>	<u>(1,683,719)</u>	<u>(386,583)</u>
Net loss	(1,766,402)	(2,438,512)	(904,008)
Member's equity - beginning	35,731,453	39,964,638	-
Member contribution	-	-	600,000
Member contribution - in connection with the Reorganization (Note 3)	-	-	40,268,646
Member distributions	<u>(6,796,175)</u>	<u>(1,794,673)</u>	<u>-</u>
MEMBER'S EQUITY - ENDING	<u>\$ 27,168,876</u>	<u>\$ 35,731,453</u>	<u>\$ 39,964,638</u>

See accompanying notes to consolidated financial statements.

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, AND FOR THE PERIOD FROM
JULY 15, 2022 (INCEPTION) THROUGH DECEMBER 31, 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:			
Net loss	\$ (1,766,402)	\$ (2,438,512)	\$ (904,008)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	5,918,024	5,907,782	1,478,845
Loss on sale of assets	296	895	-
Non-cash lease expense	232,261	223,678	48,246
Changes in assets and liabilities:			
Accounts receivable	85,990	(321,865)	150,672
Accounts receivable - related party	(12,939)	(8,792)	27,294
Inventory	(33,108)	80,322	(81,301)
Prepaid expenses	(38,292)	(7,480)	(49,881)
Contract commissions	24,096	(112,183)	(1,681)
Accounts payable and accrued expenses	129,321	351,850	(85,457)
Deferred franchise fees	354,690	150,781	15,990
Marketing advances	95,770	393,737	-
Fixture furniture liability	38,734	163,365	-
Other current liabilities	-	-	(19,035)
Operating lease liabilities	<u>(233,345)</u>	<u>(220,265)</u>	<u>(42,268)</u>
Net cash provided by operating activities	<u>4,795,096</u>	<u>4,163,313</u>	<u>537,416</u>
Cash flows from investing activities:			
Purchases of property and equipment	(26,775)	(44,893)	(4,605)
Additional proceeds received from Reorganization (Note 3)	-	116,278	-
Proceeds from sale of property and equipment	<u>-</u>	<u>1,560</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(26,775)</u>	<u>72,945</u>	<u>(4,605)</u>
Cash flows from financing activities:			
Loan proceeds	2,400,000	1,050,000	-
Loan repayments	(1,756,202)	(1,089,006)	-
Member distributions	(6,796,175)	(1,794,673)	-
Member contribution	<u>-</u>	<u>-</u>	<u>600,000</u>
Net cash provided by (used in) financing activities	<u>(6,152,377)</u>	<u>(1,833,679)</u>	<u>600,000</u>
Net increase (decrease) in cash	(1,384,056)	2,402,579	1,132,811
Cash - beginning	<u>3,535,390</u>	<u>1,132,811</u>	<u>-</u>
CASH - ENDING	<u>\$ 2,151,334</u>	<u>\$ 3,535,390</u>	<u>\$ 1,132,811</u>

See accompanying notes to consolidated financial statements.

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, AND FOR THE PERIOD FROM
JULY 15, 2022 (INCEPTION) THROUGH DECEMBER 31, 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Supplemental disclosures of cash flow information:			
Interest paid	\$ <u>(1,691,923)</u>	\$ <u>(1,592,015)</u>	\$ <u>(299,407)</u>
Member contribution - in connection with the Reorganization (Note 3)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>40,268,646</u>
Operating lease liabilities recognized in connection with ASC 842	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,608,043</u>

See accompanying notes to consolidated financial statements.

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

BaseCamp Franchise Holdings, LLC and Subsidiaries (the "Company" or "BaseCamp Holdings"), a wholly-owned subsidiary of BaseCamp Parent, LLC (the "Parent"), was formed on July 15, 2022, as a Delaware limited liability company to be the holding company for its wholly-owned subsidiary, BaseCamp Franchising, LLC ("BaseCamp") and BaseCamp's wholly-owned subsidiaries, Uptown Cheapskate Franchise System, LLC ("Uptown") and Kid to Kid Franchise System, LLC ("Kid to Kid").

BaseCamp was formed on July 15, 2022, as a Delaware limited liability company, to hold the Company's intellectual property as further described in Note 12, as well as to provide support services to Uptown, Kid to Kid and their respective franchisees.

Uptown was formed on July 15, 2022, as a Delaware limited liability company. Uptown is the franchisor of the Uptown Cheapskate name and system. Franchisees of Uptown operate businesses under the "Uptown Cheapskate" name and system, which is a retailer of used and new young adult, teen, and junior products.

Kid to Kid was formed on July 15, 2022, as a Delaware limited liability company. Kid to Kid is the franchisor of the Kid to Kid name and system. Franchisees of Kid to Kid operate businesses under the "Kid to Kid" name and system, which is a retailer of used and new children's products and maternity items.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying consolidated financial statements include the accounts of BaseCamp Holdings, BaseCamp, Uptown and Kid to Kid. All significant intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements.

Basis of accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ from those estimates.

Revenue and cost recognition

The Company derives substantially all its revenue from franchise agreements related to franchise fee revenue, transfer fees, royalty revenue, technology fees, bookkeeping fees, software fees, fixture revenues, and marketing fund and service revenue. Additionally, the Company earns revenue for the facilitation of the sale of furniture and fixtures to the franchisees from a third-party supplier.

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Franchise fees, royalties and other franchise-related fees

Contract consideration from franchisees consists primarily of initial or renewal franchise fees, sales-based royalties, sales-based marketing fund fees, technology fees, bookkeeping fees, software fees, and transfer fees by a franchisee for the transfer of their franchise unit to another franchisee. The Company also enters into area development agreements ("ADA") which grant franchisees the right to develop two or more franchise units. The Company collects the up-front franchise fees related to the number of locations to be developed under the ADA. The initial franchise fees are nonrefundable and collectible when the underlying franchise agreement is signed by the franchisee. Sales-based royalties, sales-based marketing fund fees, technology fees and bookkeeping fees are payable monthly. Software fees are due from franchisees when the installation of the software occurs. Renewal and transfer fees are due from franchisees when an existing franchisee renews the franchise agreement for an additional term or when a transfer to a third party occurs, respectively.

The Company's primary performance obligation under the franchise agreement includes granting certain rights to the Company's intellectual property in addition to a variety of activities relating to opening a franchise unit. Those services include training and other such activities commonly referred to collectively as "pre-opening activities". Pre-opening activities consistent with those under the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2021-02, *Franchisors—Revenue from Contracts with Customers (Subtopic 952-606)* ("ASU 2021-02"), are recognized as a single performance obligation. For all other pre-opening activities, if any, the Company will determine if a certain portion of those pre-opening activities provided is not brand specific and provides the franchisee with relevant general business information that is separate from the operation of a Company-branded franchise unit. The portion of pre-opening activities that is not brand specific will be deemed to be distinct, as it provides a benefit to the franchisee and is not highly interrelated to the use of the Company's intellectual property, and will therefore be accounted for as a separate performance obligation. All other pre-opening activities are highly interrelated to the use of the Company's intellectual property and will therefore be accounted for as a single performance obligation, which is satisfied by granting certain rights to use the Company's intellectual property over the term of each franchise agreement.

The Company estimates the stand-alone selling price of pre-opening activities using an adjusted market assessment approach. The Company first allocates the initial franchise fees and the fixed consideration under the franchise agreement to the stand-alone selling price of the pre-opening activities and the residual, if any, to the right to access the Company's intellectual property. Consideration allocated to pre-opening activities, other than those included under ASU 2021-02, which are not brand specific is recognized ratably as those services are rendered. Consideration allocated to pre-opening activities that are not brand specific are recognized when those performance obligations are satisfied.

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Initial and renewal franchise fees allocated to the right to access the Company's intellectual property are recognized as revenue on a straight-line basis over the term of the respective franchise agreement.

Royalties are earned as a percentage of franchisee gross sales ("sales-based royalties") over the term of the franchise agreement, as defined in each respective franchise agreement. Franchise royalties which represent sales-based royalties that are related entirely to the use of the Company's intellectual property are recognized as franchisee sales occur and the royalty is deemed collectible.

Marketing fund

The Company maintains a marketing fund established to collect and administer funds contributed for use in marketing programs for franchise units. Marketing fund income is collected from franchisees based on a percentage of franchisee gross sales. The Company has determined that it acts as a principal in the collection and administration of the marketing fund and therefore recognizes the revenues and expenses related to the marketing fund on a gross basis. The Company has determined that the right to access its intellectual property and administration of the marketing fund are highly interrelated and therefore will be accounted for as a single performance obligation. As a result, revenues from the marketing fund will represent sales-based revenue related to the funding of advertising and marketing initiatives to the benefit of the franchisees, which will be recognized as franchisee sales occur.

If marketing fund income exceeds the related marketing fund expenses in a reporting period, advertising costs will be accrued up to the amount of marketing fund revenues recognized.

Fixture equipment revenues

Revenues from the sale of fixture equipment are recognized when control of the promised good is transferred to the franchisee upon delivery. The Company has elected to treat shipping and handling as fulfillment activities and not as a separate performance obligation at the point of sale or at the time of delivery, which is when transfer of control to the franchisee occurs and the related revenue is recognized.

Cost of revenues in connection with the sale of fixtures for the year ended December 31, 2024, amounted to \$508,761 and are included in "Selling, general, and administrative expenses excluding depreciation and amortization" in the accompanying statements of operations and member's equity. Shipping costs amounted to \$90,475 and \$60,936 for the years ended December 31, 2024 and 2023, respectively, and are included in the cost of revenues. There were no sales of fixtures for the period from July 15, 2022 (inception) through December 31, 2022.

Other revenues

The Company recognizes revenue from other fees and other services provided to the franchisees as a single performance obligation, when the services are rendered.

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and cost recognition (continued)

Incremental costs of obtaining a contract

The Company capitalizes direct and incremental costs, principally consisting of commissions, associated with the sale of franchises and amortizes them over the term of the franchise agreement.

Accounts receivable

The Company maintains an allowance for doubtful accounts and changes in the allowance are included in selling, general and administrative expenses on the consolidated statements of operations and member's equity. The Company assesses collectibility by reviewing its accounts receivable and its contract assets on a collective basis where similar risk characteristics exist. In determining the amount of the allowance for doubtful accounts, management considers historical collectibility and makes judgments about the creditworthiness of the pool of customers based on credit evaluations. Current market conditions and reasonable and supportable forecasts of future economic conditions adjust the historical losses to determine the appropriate allowance for doubtful accounts. Uncollectible accounts are written off when all collection efforts have been exhausted.

Under the prior accounting rules, the Company evaluated the following factors when determining the collectibility of specific customer accounts: customer credit-worthiness, past transaction history with the customer, current economic industry trends, and changes in customer payment terms. The allowance for doubtful accounts was immaterial at December 31, 2024 and 2023.

Income taxes

As a single-member limited liability company and, therefore, a disregarded entity for income tax purposes, the Company's assets and liabilities are combined with and included in the income tax return of the Parent. Accordingly, the accompanying consolidated financial statements do not include a provision or liability for federal, state or local income taxes.

Uncertain tax positions

The Company recognizes and measures its unrecognized tax benefits in accordance with FASB Accounting Standards Codification ("ASC") 740, *Income Taxes*. Under that guidance, management assesses the likelihood that tax positions will be sustained upon examination based on the facts, circumstances and information, including the technical merits of those positions, available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available or when an event occurs that requires a change. There were no uncertain tax positions at December 31, 2024 and 2023.

Inventory

Inventory consists primarily of items held in stock for new store development. These items mainly consist of computers that are transferred at cost to new stores as they open. Inventory is valued at the lower of cost or net realizable value, with cost determined using primarily the first-in, first-out basis.

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill and other intangible assets

The Company accounts for goodwill in accordance with FASB ASC 350-20, *Goodwill*. Goodwill is amortized on a straight-line basis over a 10-year useful life. An accounting policy election was also made to test goodwill for impairment at the entity level.

The Company's other intangible assets consist of software and trademark assets that have a finite life of greater than one year.

Goodwill and other intangible assets with finite useful lives must be tested for impairment when an event occurs or circumstances change indicating that the fair value of the entity may be below its carrying amount (a "Triggering Event"). If no Triggering Event occurs, further impairment testing is not necessary. The Company determined that there were no Triggering Events for goodwill or intangible assets during the year ended December 31, 2024.

If a Triggering Event is identified, the quantitative goodwill impairment test is based upon a comparison of the estimated fair value of the Company to its carrying value. The fair values utilized in this evaluation would be estimated based upon future cash flow projections. An impairment charge is recognized for any amount by which the carrying amount of goodwill exceeds its implied fair value. Any impairment charges are reported as a separate line item within income from operations in the statement of operations and member's equity.

The quantitative impairment test for intangible assets with finite useful lives is based upon a comparison of the carrying amount of an intangible asset to the estimated future undiscounted net cash flows expected to be generated by the asset. If the estimated future undiscounted net cash flows are less than the carrying amount of the asset, the asset is considered impaired. The impairment expense is determined by comparing the estimated fair value of the intangible asset to its carrying value, with any shortfall from fair value recognized as an expense.

Property and equipment

Property and equipment are carried at cost. Expenditures for maintenance and repairs are expensed currently, while renewals and betterments that materially extend the life of an asset are capitalized. The cost of assets sold, retired, or otherwise disposed of, and the related allowance for depreciation, are eliminated from the accounts, and any resulting gain or loss is recognized.

Depreciation is provided using the straight-line and various accelerated methods over the estimated useful lives of the assets, which are as follows:

Furniture and fixtures	5-7 years
Computer hardware	3 years

Impairment of long-lived assets

In accordance with FASB ASC 360, *Property, Plant, and Equipment*, the Company's long-lived assets are reviewed for impairment annually or whenever events or changes in circumstances indicate that the carrying amount of the asset in question may not be recoverable. If the sum of the expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the asset, the Company recognizes an impairment loss based on the estimated fair value of the asset. There were no

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of long-lived assets (continued)

indicators of impairment and, accordingly, no impairment charges were required for the years ended December 31, 2024, 2023 and for the period from July 15, 2022 (inception) through December 31, 2022.

Leases

The Company determines if an arrangement is a lease at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. For leases with a lease term of 12 months or less (a "Short-term" lease), any fixed lease payments are recognized on a straight-line basis over such term, and are not recognized on the consolidated balance sheets.

Lease terms include the noncancellable portion of the underlying leases along with any reasonably certain lease periods associated with available renewal periods, termination options and purchase options. The Company uses the risk-free discount rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments.

Marketing advances

Marketing advances are marketing funds received from franchisees not yet remitted to marketing vendors. Franchisees have the option to contribute to additional marketing initiatives with approved marketing vendors by the Company. Funds received by the Company are remitted directly to the marketing vendors.

Advertising

Advertising costs are expensed as incurred and amounted to \$90,119, \$112,006 and \$51,176 for the years ended December 31, 2024, 2023, and for the period from July 15, 2022 (inception) through December 31, 2022, respectively.

Subsequent events

In accordance with FASB ASC 855, *Subsequent Events*, the Company has evaluated subsequent events through April 8, 2025, the date on which these consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in the consolidated financial statements.

NOTE 3. REORGANIZATION

On September 30, 2022, the Parent was assigned certain assets, including the marks, intellectual property, franchise agreements and other assets from Kid to Kid Franchise System, Inc., Uptown Cheapskate, LLC and BaseCamp Franchising LLC (collectively referred to as the "Predecessor Franchisors"). The Parent subsequently contributed all of the assets assigned from the Predecessor Franchisors to BaseCamp Holdings and BaseCamp Holdings contributed the assigned assets to BaseCamp. BaseCamp subsequently contributed the respective assigned franchise agreements to Kid to Kid and Uptown.

Subsequent to the contribution of the assigned assets, HPC BaseCamp Holdings, LLC ("HPC Holdings") acquired 60% of the equity of the Parent in exchange for a total consideration of \$40,600,000, which consisted of \$26,000,000 cash, \$4,000,000 note payable more fully described in Note 10 and the fair value of additional payments to the Predecessor Franchisors based on the achievement of certain targets (the "Earn Out

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 3. REORGANIZATION (CONTINUED)

Payment") for the period from October 1, 2022 through December 31, 2024, which amounted to \$10,600,000. The maximum Earn Out Payment is \$12,000,000. The final tranche of the Earn Out Payment, amounting to \$2,969,463, was paid during the year ended December 31, 2024. The Earn Out Payment of \$12,000,000 has been paid in full as of December 31, 2024.

The Company treated the transaction as a business combination in accordance with the acquisition method of accounting pursuant to FASB ASC 805, *Business Combination*, and pushdown accounting was applied to record the fair value of the assets acquired by the Company. Under this method, the purchase price was allocated to the identifiable assets acquired and liabilities assumed based on their estimated fair values at the date of the transaction. Any excess of the amount paid over the estimated fair value of the identifiable net assets acquired was allocated to goodwill.

The assignment of the assets and subsequent investment is herein after referred to as the "Reorganization."

The following assets and liabilities were recognized in the transaction:

Accounts receivable	\$ 1,272,331
Accounts receivable - related party	96,056
Inventory	90,813
Prepaid expenses	114,710
Prepaid commissions	233,500
Property and equipment	71,654
Accounts payable and accrued expenses	(1,639,755)
Contract liabilities	(848,517)
Intangible assets	<u>30,100,000</u>
Total identifiable net assets	29,490,792
Goodwill	<u>28,777,854</u>
Total assets	58,268,646
Less amounts financed:	
Loan payable (Note 9)	14,000,000
Note payable - Seller (Note 10)	<u>4,000,000</u>
Member's equity	<u>\$ 40,268,646</u>

In 2023, the Company received an additional \$116,678 from escrow as a result of a purchase price adjustment.

NOTE 4. FRANCHISED OUTLETS

The following data reflects the status of the Company's franchises for Uptown Cheapskate as of December 31, 2024, 2023 and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Franchises sold	29	25	6
Franchised outlets in operation	129	116	99
Franchisor owned outlets in operation	14	13	14

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4. FRANCHISED OUTLETS (CONTINUED)

The following data reflects the status of the Company's franchises for Kid to Kid as of December 31, 2024, 2023, and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Franchises sold	6	4	-
Franchised outlets in operation	100	102	100
Franchisor owned outlets in operation	19	14	13

NOTE 5. CONCENTRATIONS OF CREDIT RISK

Cash

The Company maintains accounts in major banks located in the United States of America, which are insured by the Federal Deposit Insurance Corporation (the "FDIC"). At times, such balances may exceed the FDIC insurance limit. The Company has not experienced any losses on such accounts.

Accounts receivable

Concentrations of credit risk with respect to accounts receivable are limited because a large number of geographically diverse franchisees and their customers make up the Company's customer base, thus spreading the trade credit risk. At December 31, 2024 and 2023, no franchisee represents greater than 10% of total accounts receivable. The Company controls credit risk through credit approvals, credit limits and monitoring procedures. The Company performs credit evaluations of its franchisees but generally does not require collateral to support accounts receivable.

NOTE 6. MARKETING AND COOPERATIVE FUNDS

Marketing fund

Pursuant to the structured form of the franchising arrangement, the Company reserves the right to collect marketing fund fees up to 0.5% of franchisees' reported sales. These funds are to be spent solely on advertising and related expenses for the benefit of the franchisees with a portion designated to offset the Company's administrative costs to administer the funds, all at the discretion of the Company. As of December 31, 2024 and 2023, the Company had expended all amounts collected on behalf of its franchisees for advertising and marketing.

Local marketing cooperative fund

In accordance with the franchise agreement, at the discretion of the Company, franchisees may be required to contribute into a local marketing cooperative fund if there are two or more stores in any given geographical market. Franchisees will contribute the greater of \$2,000 or 4% of their monthly gross revenue, with a maximum of \$5,000. Expenditures of the local marketing cooperative will be determined by the members.

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 7. REVENUES AND RELATED CONTRACT BALANCES

Disaggregated revenue

The Company derives its revenues from franchisees located throughout the United States and internationally. The economic risks of the Company's revenues will be dependent on the strength of the economy in the United States, and the Company's ability to collect on its contracts. The Company will disaggregate revenue from contracts with customers by timing of revenue recognition by type of revenue, as it believes this will best depict how the nature, amount, timing and uncertainty of revenue and cash flows will be affected by economic factors.

Revenues by timing of recognition were as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Point in time:			
Franchise fees	\$ 420,000	\$ 70,000	\$ 60,000
Royalty revenue	11,363,639	10,042,442	2,385,947
Marketing service revenue	303,166	258,733	63,334
Marketing fund revenue	1,277,043	1,139,635	272,981
Technology fees	682,091	637,854	151,595
Bookkeeping services	342,513	287,648	48,975
Software fee income	220,000	220,000	-
Fixture revenue	509,706	237,945	-
Other revenues	<u>303,747</u>	<u>161,683</u>	<u>19,697</u>
Total point in time	15,421,905	13,055,940	3,002,529
Over time:			
Franchise fees	<u>42,811</u>	<u>531,342</u>	<u>4,062</u>
Total revenues	<u>\$ 15,464,716</u>	<u>\$ 13,587,282</u>	<u>\$ 3,006,591</u>

Contract balances

Contract assets include accounts receivable. The balance as of December 31, 2024, 2023, and 2022 is \$1,366,326, \$1,443,524, and \$1,121,659, respectively.

Contract liabilities are comprised of unamortized initial franchise fees received from franchisees, which are presented as "Deferred franchise fees" in the accompanying consolidated balance sheets. A summary of significant changes in deferred revenues during the years ended December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Deferred franchise revenues - beginning	\$ 1,015,288	\$ 864,507
Revenue recognized	(462,811)	(601,342)
Additions for initial franchise fees received	<u>817,501</u>	<u>752,123</u>
Deferred franchise revenues - end	<u>\$ 1,369,978</u>	<u>\$ 1,015,288</u>

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 7. REVENUES AND RELATED CONTRACT BALANCES (CONTINUED)

Contract balances (continued)

At December 31, 2024, deferred franchise revenues are expected to be recognized as revenue over the remaining term of the associated franchise agreements as follows:

<u>Year ending December 31:</u>	<u>Amount</u>
2025	\$ 1,246,873
2026	31,873
2027	31,795
2028	25,107
2029	15,158
Thereafter	<u>19,172</u>
Total	<u>\$ 1,369,978</u>

Deferred franchise revenues consisted of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Franchise units not yet opened	\$ 1,215,000	\$ 872,290
Opened franchise units	<u>154,978</u>	<u>142,998</u>
Total	<u>\$ 1,369,978</u>	<u>\$ 1,015,288</u>

At December 31, 2024, the direct and incremental costs, principally consisting of commissions, are included in "Prepaid commissions" in the accompanying consolidated balance sheets, will be recognized over the remaining term of the associated franchise agreements as follows:

<u>Year ending December 31:</u>	<u>Amount</u>
2025	\$ 72,946
2026	36,925
2027	36,925
2028	36,925
2029	36,925
Thereafter	<u>102,622</u>
Total	<u>\$ 323,268</u>

NOTE 8. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Furniture and fixtures	\$ 28,263	\$ 16,529
Computer hardware	<u>105,974</u>	<u>92,457</u>
Total	134,237	108,986
Less: accumulated depreciation	<u>72,609</u>	<u>31,970</u>
Property and equipment, net	<u>\$ 61,628</u>	<u>\$ 77,016</u>

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 8. PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation expense amounted to \$41,202, \$34,532, and \$7,149 for the years ended December 31, 2024, 2023, and for the period from July 15, 2022 (inception) through December 31, 2022, respectively.

NOTE 9. LOAN PAYABLE

Loan and security agreement

On September 30, 2022, BaseCamp Holdings entered into a five-year \$14,000,000 term loan and security agreement with a financial institution (the "Term Loan") for the purpose of providing a portion of the purchase price for the Reorganization discussed in Note 3, to pay related transaction costs and expenses, and for Delayed Draw Advances as further defined in the loan and security agreement. In addition, the Term Loan included a Delayed Draw Term Loan Commitment Period which allowed for certain Delayed Draw Advances of up to \$6,000,000 for the purpose of financing the Earn Out Payment until the Earn Out Payment is paid in full. The Term Loan is payable in quarterly installments of principal that commenced on January 31, 2023, and will mature on September 30, 2027. Interest on the Term Loan will accrue at the greater of 1% and the Secured Overnight Financing Rate ("SOFR") in effect on such date plus the applicable margin as further defined in the Term Loan agreement. The interest rate at December 31, 2024 was 7.760%. The Term Loan subjects the Company to certain financial and non-financial covenants.

On June 12, 2023, the Term Loan was updated to allow for an additional borrowing of \$1,050,000 under the original terms. On February 26, 2024, the Company borrowed an additional \$2,400,000 under the original terms.

The future minimum payments due on the Term Loan as of December 31, 2024, are as follows:

<u>Year ending December 31:</u>	<u>Amount</u>
2025	\$ 1,701,370
2026	1,695,000
2027	<u>11,208,421</u>
Total	<u>\$ 14,604,791</u>

Interest expense in connection with the Term Loan is \$1,386,777, \$1,261,962, and \$277,030 for the years ended December 31, 2024, 2023, and for the period from July 15, 2022 (inception) through December 31, 2022, respectively.

NOTE 10. NOTE PAYABLE - SELLER

On September 30, 2022, in connection with the Reorganization more fully discussed in Note 3, BaseCamp Holdings entered into a \$4,000,000 subordinated promissory note with Kid to Kid Franchise System, Inc. at an annual interest rate of 11% payable monthly. The total principal amount is due on March 31, 2028.

Interest expense in connection with this note is \$440,000, \$440,000, and \$110,904 for the years ended December 31, 2024 and 2023, and for the period from July 15, 2022 (inception) through December 31, 2022, respectively.

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 11. GOODWILL

Estimated future amortization of goodwill at December 31, 2024, is as follows:

<u>Year ending December 31:</u>	<u>Amount</u>
2025	\$ 2,866,158
2026	2,866,158
2027	2,866,158
2028	2,866,158
2029	2,866,158
Thereafter	<u>7,882,182</u>
Total	<u>\$ 22,212,972</u>

Amortization expense for goodwill amounted to \$2,866,158, \$2,863,250, and \$719,196 for the years ended December 31, 2024, 2023, and for the period from July 15, 2022 (inception) through December 31, 2022, respectively.

NOTE 12. INTANGIBLE ASSETS

Intangible assets consisted of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Software	\$ 9,800,000	\$ 9,800,000
Trademark - Kid to Kid	4,200,000	4,200,000
Trademark - Uptown Cheapskate	<u>16,100,000</u>	<u>16,100,000</u>
Total	30,100,000	30,100,000
Less: accumulated amortization	<u>6,772,500</u>	<u>3,762,500</u>
Intangible assets, net	<u>\$ 23,327,500</u>	<u>\$ 26,337,500</u>

Intangible assets are amortized on a straight-line basis over 10 years.

Amortization expense for other intangibles amounted to \$3,010,000, \$3,010,000, and \$752,500 for the years ended December 31, 2024, 2023, and for the period from July 15, 2022 (inception) through December 31, 2022, respectively.

Estimated future amortization of the intangible assets at December 31, 2024, is as follows:

<u>Year ending December 31:</u>	<u>Amount</u>
2025	\$ 3,010,000
2026	3,010,000
2027	3,010,000
2028	3,010,000
2029	3,010,000
Thereafter	<u>8,277,500</u>
Total	<u>\$ 23,327,500</u>

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 13. COMMITMENTS AND CONTINGENCIES

Operating leases

The Company has an operating lease agreement for its corporate office expiring in August 2032. Total lease expense amounted to \$321,402, \$315,467, and \$80,619 for the years ended December 31, 2024, 2023, and for the period from July 15, 2022 (inception) through December 31, 2022, respectively.

Total future minimum non-cancelable lease payments as of December 31, 2024, are as follows:

<u>Year Ending December 31:</u>	<u>Amount</u>
2025	\$ 316,550
2026	316,550
2027	316,550
2028	316,550
2029	316,550
Thereafter	<u>844,134</u>
Total minimum lease payments	2,426,884
Less: amount representing interest	<u>314,720</u>
Present value of net minimum lease payments	2,112,164
Less: current portion	<u>242,271</u>
Long-term portion	<u><u>\$ 1,869,893</u></u>

The lease term and discount rates were as follows:

Weighted-average remaining lease term (years) of operating leases	<u>7.7</u>
Weighted-average discount rate (%) of operating leases	<u>3.76</u>

NOTE 14. RELATED-PARTY TRANSACTIONS

Related-party transactions

The Company, in the normal course of business, regularly enters into transactions with individual franchise locations that are owned or managed by related parties of the Company. As a result of these transactions, revenues from these related-party franchise locations amounted to \$1,167,036, \$993,176, and \$246,524 for the years ended December 31, 2024, 2023, and for the period from July 15, 2022 (inception) through December 31, 2022, respectively.

License agreement

On September 30, 2022, Uptown and Kid to Kid each entered into a perpetual royalty-free license agreement with BaseCamp for the use of the registered name "Uptown Cheapskate" and "Kid to Kid," respectively, in the United States of America and international markets (the "license agreement"). Pursuant to the license agreement, Uptown and Kid to Kid acquired the right to sell "Uptown Cheapskate" and "Kid to Kid" franchises, respectively, and the right to earn franchise fees, royalties and other fees from franchisees.

BASECAMP FRANCHISE HOLDINGS, LLC AND SUBSIDIARIES
(A Limited Liability Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 15. 401(k) PLAN

The Company sponsors a defined contribution 401(k) profit-sharing plan covering substantially all of its employees. The Company made matching contributions of \$197,017, \$161,163, and \$43,256 for the years ended December 31, 2024, 2023, and for the period from July 15, 2022 (inception) through December 31, 2022, respectively.

Exhibit H – General Release

GENERAL RELEASE

The following is our current general release language that we expect to include in a release that a franchisee and/or transferor may sign as part of a renewal or an approved transfer as well as on other occasions that we deem appropriate. We may, at our sole option, periodically modify the release.

THIS GENERAL RELEASE (the "**Release**") is made and entered into on this _____ day of _____, 20____ (the "**Effective Date**"), by and between:

- Uptown Cheapskate Franchise System, LLC, a Delaware limited liability company ("**Franchisor**"); and

- _____
a [resident of] [corporation organized in] [limited liability company organized in] _____
_____[("**Franchisee**")][("**Transferor**")].

BACKGROUND:

A. Franchisor and [Franchisee] [Transferor] are parties to a Franchise Agreement dated _____ (the "**Franchise Agreement**") regarding the operation of a "Uptown Cheapskate" (also referred to as the "Franchised Business");

B. Franchisor and [Franchisee] [Transferor] have agreed, pursuant to the Franchise Agreement, [to renew or extend Franchisee's rights under the Franchise Agreement (the "**Renewal Transaction**")][to permit a transfer or assignment of _____ pursuant to the Franchise Agreement (the "**Transfer Transaction**")], and in connection with the [Renewal Transaction][Transfer Transaction], Franchisor and [Franchisee] [Transferor] have agreed to execute this Release, along with such other documents related to the approved [Renewal Transaction][Transfer Transaction].

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1. Release. [Franchisee] [Transferor], its officers and directors and principals, and their respective agents, heirs, administrators, successors and assigns (the "**Franchisee Group**"), hereby forever release and discharge, and forever hold harmless Franchisor, its current and former affiliates and predecessors, and their respective shareholders, partners, members, directors, officers, employees, agents, representatives, heirs, administrators, successors and assigns (the "**Franchisor Group**") from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which [Franchisee] [Transferor] and/or its Principals had, have or may have against any member of the Franchisor Group, including, without limitation, claims arising under federal,

state and local laws, rules and ordinances, and any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Franchise Agreement, and Franchisor's performance thereunder, the relationship created by the Franchise Agreement, [all other agreements between either of the Transferors and any member of the Franchisor Group, the sale of franchises to the Transferor,] or the development, ownership or operation of the Franchised Business. The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense or damages (actual or consequential) including, without limitation, reasonable attorneys', accountants' and expert witness fees, costs of investigation and proof of facts, court costs and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor or other third party now has, ever had, or hereafter would or could have, as a result of, arising from or relating to the Franchise Agreement or the Franchised Business. The Franchisee Group and its Principals represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements or promises described herein.

[Note for California Release – add the following:

Except as set forth herein, Franchisee Group expressly relieves and relinquishes all rights and benefits afforded by Section 1542 of the Civil Code of the State of California ("Section 1542"), and does so understanding and acknowledging the significance and consequence of such specific waiver of Section 1542. Section 1542 states as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Notwithstanding the provisions of Section 1542, and for the purpose of implementing the general release and discharges described in this paragraph, Franchisee Group expressly acknowledges that this Release is intended to include in its effect without limitation, all claims described in this paragraph which Franchisee Group does not know or suspect to exist in its favor at the time of execution hereof, and that this Release contemplates the extinguishment of any such claims.]

[Note for Maryland Release – add the following to Section 1, at the end of the first sentence: "excluding only such claims arising under the Maryland Franchise Registration and Disclosure Law."]

[Note for Minnesota Release – add the following to Section 1, at the end of the first sentence: "excluding only such claims arising under the Minnesota Franchises Law."]

[Note for Washington Release – add the following to Section 1, at the end of the first sentence: "excluding only such claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder."]

2. General Terms.

2.1. This Release will be binding upon, and inure to the benefit of, each party's respective heirs, representatives, successors, and assigns.

2.2. This Release will take effect upon its acceptance and execution by each of the parties hereto.

2.3. This Release may be executed in counterparts, and signatures exchanged by fax or pdf, and each such counterpart, when taken together with all other identical copies of this Release also signed in counterpart, will be considered as one Release.

2.4. The captions in this Release are for the sake of convenience only, and will neither amend nor modify the terms hereof.

2.5. The parties agree that all actions arising under this Release must be commenced in the state or federal court of general jurisdiction in Utah and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he/she/it might have to either the jurisdiction of or venue in those courts. This Release will be interpreted and construed under the laws of the State of Utah. In the event of any conflict of law, the laws of the State of Utah will prevail (without regard to, and without giving effect to, the application of Utah conflict of law rules).

2.6. This Release constitutes the entire, full, and complete agreement between the parties concerning the subject matter hereof, and supersedes all prior agreements and communications concerning the subject matter hereof. No other representations have induced the parties to execute this Release. The parties agree that they have not relied upon anything other than the words of this Release in deciding whether to enter into this Release.

2.7. No amendment, change, or variance from this Release will be binding on either party unless in writing and agreed to by all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Release in duplicate on the day and year first above written.

**Uptown Cheapskate Franchise
System, LLC**
Franchisor

[Franchisee] [Transferor]

By:_____

By:_____

Name:_____

Name:_____

Title:_____

Title:_____

Exhibit C – Franchisor’s Agent for Service of Process

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677 Website: www.dfpi.ca.gov Email: Ask.SFPI@dfpi.ca.gov
Hawaii	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York (Agent)	Secretary of State	99 Washington Avenue Albany, NY 12231
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

Exhibit J – Loan



BASECAMP
FRANCHISING

BaseCamp Loan

39 E. Eagle Ridge Drive, #100

North Salt Lake, Utah 84054

Phone (801) 359-0071

Fax (801) 359-3207

Company Name ("Borrower" or "you"): _____

Store Address: _____

Store Phone: _____ Store email: _____

TERMS				
Principal	Annual Interest Rate	Payment Due Date	Term (in Months)	Monthly Payment

On this _____ day of, _____ in consideration for a loan to assist in the purchase of furniture, fixtures, and equipment described in the attached Asset Schedule, you (the "Borrower") promise to pay to BaseCamp Franchising, LLC, (the "Lender") the Principal together with interest earned at the Annual Interest Rate described in the Terms above. Starting on the Payment Due Date, and continuing for the Term (in Months), you authorize Lender to withdraw by ACH the amortized Monthly Payment from the following account:

Routing #	Checking #
Financial Institution	Branch

All payments shall be first applied to interest and the balance to principal.

Processing Fee – As an inducement to make the loan, you shall pay Lender a non-refundable processing fee of Five Hundred Dollars (\$500) upon the execution of this agreement.

Late Fees - In the event that you do not make funds available for withdrawal by ACH as set forth herein, you shall pay a late fee in the amount of Twenty Five Dollars (\$25) per day, provided that such fee is permitted by law.

Assets – You have listed the furniture, fixtures, and equipment ("Assets") you are purchasing with the Loan proceeds on the attached Asset Schedule. It is your responsibility to take delivery of, inspect, and approve them. Once the Lender has

disbursed the Principal to you or your designated vendor, you promise to pay the Loan according to its terms and conditions, even if the assets are incomplete, unfit, damaged, deficient, improperly installed, or they fail. You promise to use the Assets in the operation of your Kid to Kid® or Uptown Cheapskate® business, and not for personal or household use, and to keep them in good working order.

Insurance - You promise to purchase and maintain insurance on the Assets, and name the Lender as an additional insured per the attached Insurance Binder Request.

Security Interest – To the extent permitted by the Uniform Commercial Code, you grant the Lender a first priority security interest in the Assets and authorize and assist the Lender in filing a UCC financing statement. If any interest or charge exceeds the provisions of a usury law, then such interest or fee will be treated as a payment to principal and any remaining excess refunded to you.

Borrower's Address - You shall provide prompt written notice to the Lender of any change of address.

Prepayment - This Loan may be prepaid in whole or in part at any time without premium or penalty. All prepayments shall first be applied to interest, and then to principal payments in the order of their maturity.

Taxes – You agree to pay any applicable sales or use taxes related to the purchase of the Assets, and to promptly pay all property taxes levied against them.

Default – You will be in default if any of the following occurs: a. You do not make funds available for ACH withdrawal as required; b. You assign, pledge, lease, allow another to use, convert to personal use, remove, sell or lose possession of the Assets.

Remedies - In the event of default, Lender may do one or more of the following:

a. Take possession and ownership, or designate another to take possession and ownership of the Assets without any court order, and sell, lease or dispose of the Assets in a commercially reasonable manner, with or without notice, at a public or private sale and apply the proceeds (after deducting the costs of sale) to the amount you owe. If the net proceeds do not pay Lender everything you owe, you are liable for the difference.

b. Withdraw from your account, without notice, all past payment due and/or sue you for future payments due under this Loan, plus reasonable collection and legal costs.

c. Exercise any remedy at law or equity, notice being expressly waived by you and your guarantors.

In the event that you fail to make any payment due under the terms of this Loan, or breach any condition relating to any security, security agreement, note, mortgage or lien granted as collateral security for this Loan, seek relief under the Bankruptcy Code, or suffer an involuntary petition in bankruptcy or receivership not vacated within thirty (30)

days, the entire balance of this Loan and any interest accrued thereon shall be immediately due and payable.

You agree to pay all costs and expenses incurred by the Lender, including all reasonable attorney fees (including both hourly and contingent attorney fees as permitted by law) for the collection of this Loan upon default, and including reasonable collection charges (including, where consistent with industry practices, a collection charge set as a percentage of the outstanding balance of this Loan) should collection be referred to a collection agency.

Modification - No modification or waiver of any of the terms of this Agreement shall be allowed unless by written agreement signed by both parties. No waiver of any breach or default hereunder shall be deemed a waiver of any subsequent breach or default of the same or similar nature.

Transfer of the Loan - You hereby waive any notice of the transfer of this Loan by the Lender or by any subsequent holder of this Loan, agree to remain bound by the terms of this Loan subsequent to any transfer, and agree that the terms of this Loan may be fully enforced by any subsequent holder.

Severability of Provisions - In the event that any portion of this Loan is deemed unenforceable, all other provisions of shall remain in full force and effect.

Authority to Sign - You represent that the individuals signing on behalf of the Borrower below have the authority to do so.

Entire Agreement - This Loan constitutes the entire agreement between you and the Lender, and supersedes all prior discussions, communications, and promises, between you, the Lender, and its affiliates.

Choice of Law - All terms and conditions of this Loan shall be interpreted under the laws of the State of Utah and you consent to submit to the exclusive jurisdiction of such courts and waive local venue with respect to any claims under this Loan.

This is a binding contract and cannot be cancelled. Please read it carefully before signing it and call the Lender at (801) 359-0071 if you have any questions.

By: _____
Borrower Company

By: _____
Owner's Signature

Print Owner's Name

Its: _____
Title

By: _____
Owner's Signature

Print Owner's Name

Its: _____
Title

By: _____
Owner's Signature

Print Owner's Name

Its: _____
Title

By: _____
Owner's Signature

Print Owner's Name

Its: _____
Title

ASSET SCHEDULE

Identify whether the item is furniture, a fixture, or equipment.

[illegible]

Insurance Rider Request



BASECAMP
FRANCHISING

39 E. Eagle Ridge Drive, #100
North Salt Lake, Utah 84054
(801) 359-0071

To: _____

Re: **Insurance Rider Request**

Your insured listed below is financing furniture, fixtures, or equipment through us. Our agreement with your insured requires that they insure those assets, naming BaseCamp Franchising, LLC as an Additional Insured with the following coverages:

Property/Contents: Insurance for fire, theft, extended coverage, vandalism, malicious mischief for the full replaceable value of the equipment.

Public Liability: Minimum limits of \$250,000/\$500,000 for bodily injury and \$250,000/\$500,000 for property damage.

Please send us a certificate of insurance as follows:

YOUR INSURED	LOSS PAYEE/ADDITIONAL INSURED
Company:	BaseCamp Franchising, LLC
Attention:	Attention: Zach Gordon
Address:	39 E. Eagle Ridge Drive, #100
Phone:	North Salt Lake, Utah 84054
Fax:	Phone: (801) 359-0071
Email:	Fax: (801) 359-3207
ASSETS TO BE INSURED	INSURABLE VALUE
EQUIPMENT LOCATION	EFFECTIVE DATE OF INSURANCE

PERSONAL GUARANTEE

In consideration of and as an inducement to the execution of that certain loan agreement ("Note") between BaseCamp Franchising, LLC ("Lender") and _____ ("Borrower"), each of the undersigned Guarantors hereby personally and unconditionally guarantees to Lender and its successors and assigns, the punctual payment of all principal, interest, charges, and fees due Lender under the Note (collectively, the "Obligations").

Each of the undersigned consents and agrees that:

- (1) he or she has carefully read the Note and this Guarantee, and understands all terms;
- (2) his or her direct and immediate liability under this Guarantee shall be joint and several, and may not be revoked;
- (3) he or she shall render any payment or performance required under the Agreement upon demand if Borrower fails or refuses punctually to do so;
- (4) Lender may proceed against him or her to enforce this Guarantee without first proceeding against the Borrower, and that this Guarantee is enforceable even if Borrower goes out of business, declares bankruptcy, or fails to pay for any reason;
- (5) such liability shall not be diminished, relieved or otherwise affected by any set-off, recoupment, deductions, extension of time, credit, or other indulgence which Lender may from time to time grant to Borrower or to any other person, including without limitation the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this guarantee, which shall be continuing and irrevocable until all Obligations have been satisfied;
- (6) he or she waives presentment, demand, protest, or notice;
- (7) he or she is subject to, and consents to the jurisdiction of Utah courts and waives local venue with respect to claims arising hereunder; and
- (8) a facsimile or electronic copy of this Guarantee and Note shall be valid and binding.

Guarantor(s):

X _____
Signature

Date

Printed name

Social Security Number

Home Address

Email

X _____
Signature

Date

Printed name

Social Security Number

Home Address

Email

X _____
Signature

Date

Printed name

Social Security Number

Home Address

Email

EXHIBIT K - Operating Manuals Table of Contents

Uptown Cheapskate Franchise System, LLC

Manual and Sections	# Pages
New Store Playbook	
Table of Contents	10
Introduction	9
1. First Steps	16
2. Site Selection: LOI Stage	25
3. Site Selection: Lease Negotiation Stage	8
4. Signed Lease (Pre-Construction)	20
5. Initial Construction	10
6. Pre-Open to Buy (Pre-OTB)	20
7. Open to Buy (OTB)	18
8. Grand Opening (GO)	8
9. Post-Grand Opening (Post-GO)	9
10. Recap	5
TOTAL:	157
2024 Annual Priorities	
Table of Contents	7
Introduction	24
Goal Setting	13
Monthly Planner	88
Inventory Management	20
Quick Guide	9
BaseCamp Basics & Reference Guide	7
TOTAL:	168
Buyer Notebook	
Cover Pages	3
Discount Schedule	1
Introduction	1
Monthly pages	73
TOTAL:	78

Manual and Sections	# Pages
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Communication Log (Quarterly; Q1 Log Show Below)

Cover Pages & Table of Contents	3
Daily Pages	186
Management Checklists	4
Supplies List	7
TOTAL:	200

Managerial Accounting Workbook

Introduction	11
Quickbooks	23
Checklist	1
TOTAL:	35

BaseCamp Wiki*

General	3
Hardware	8
Software	6
Baseline	75
IMAP	39
"QTM"	6
Misc.	3
TOTAL:	140

*Note: Page numbers are approximate. The Wiki is constantly being updated and supplemented.

EXHIBIT L – Area Development Agreement

UPTOWN CHEAPSKATE®

Area Development Agreement

TABLE OF CONTENTS

1.	<u>GRANT</u>	2
2.	<u>DEVELOPMENT FEE</u>	3
3.	<u>DEVELOPMENT SCHEDULE</u>	3
4.	<u>TERM</u>	5
5.	<u>DEFAULT & OUR RIGHT OF TERMINATION</u>	5
6.	<u>NOTICES</u>	6
7.	<u>TRANSFERABILITY & OWNERSHIP CHANGES</u>	7
8.	<u>INDEMNIFICATION</u>	9
9.	<u>RELATIONSHIP OF PARTIES</u>	10
10.	<u>DISPUTE RESOLUTION</u>	10
11.	<u>WAIVERS</u>	13
12.	<u>GOVERNING LAW</u>	14
13.	<u>SEVERABILITY, CONSTRUCTION, & INTERPRETATION</u>	14
14.	<u>ENTIRE AGREEMENT</u>	15
15.	<u>MODIFICATION</u>	16
16.	<u>SUCCESSORS</u>	16
17.	<u>DISCLAIMER</u>	16

AREA DEVELOPMENT AGREEMENT

This Uptown Cheapskate Area Development Agreement (the "Area Development Agreement") is entered into between Uptown Cheapskate Franchise System, LLC, a Delaware limited liability company located at 39 E. Eagle Ridge Dr., #100, North Salt Lake, Utah 84054, ("Uptown Cheapskate", "Franchisor" "we", "our", "us"); and _____ ("Area Developer", "you"), located at _____. This Area Development Agreement is effective as of the date we sign it (the "Effective Date"), which Effective Date is set forth next to our signature at the end of this Area Development Agreement.

RECITALS

1. Uptown Cheapskate[®] has developed a business system, concept, methodology and format (the "System") to purchase, market and sell used and new teen and young adult products. The System includes, but is not limited to: market evaluation, site selection, store design, layout and fixturing schemes, advertising, software and other technology, product procurement, inventory management, merchandising, purchasing and sales techniques, customer and community relations, financing and accounting strategies, management policies and procedures, and training programs. The System may be updated from time to time.
2. We have the right to license such service marks, trademarks, trade dress, trade names, logos and commercial symbols, and all configurations and derivations, as may presently exist, or which may be modified, changed, or acquired by us or our affiliates, in connection with the operation of an Uptown Cheapskate store (which marks and names are hereinafter collectively referred to as the "Marks").
3. We have the right to promote and use the System and Marks and the right to authorize others, including franchisees, to promote and use the System and Marks.
4. You have applied to Uptown Cheapskate for an Area Development Agreement, the terms for which are set forth in this document. We have approved your application in reliance on your representations that you have the financial capacity, organizational ability, marketing experience, health, facilities, interest to promote our image, goodwill, and Marks, and the desire and commitment to meet the standards of performance across multiple franchises in areas such as sales, promotion, personnel, training, financing, payment of obligations, and other areas set forth in this Area Development Agreement.

NOW, THEREFORE, the parties, in consideration of the premises and the covenants, undertaking, and commitments of each party to the other party set forth herein, hereby mutually agree as follows:

1. **GRANT**

- A. We hereby grant to Area Developer, pursuant to the terms and conditions of this Area Development Agreement, the right to develop _____ (___) Uptown Cheapskate franchises ("Franchises") within the territories set forth in Appendix "A" (the "Development Areas"). This Area Developer Agreement shall be executed contemporaneously with separate franchise agreements ("Franchise Agreements") for each Franchise associated with this Area Development Agreement. Each Franchise shall be subject to the terms and conditions of the corresponding Franchise Agreement, except as modified within the terms of the Development Schedule outlined in Section 3 and Appendix "B".
- B. We and our affiliates shall not establish, or license anyone other than Area Developer to establish, an Uptown Cheapskate Franchise with a physical location within any of the Development Areas prior to the expiration or termination of the Term of this Area Development Agreement, as defined in Section 4 below. We and our affiliates retain all other rights, and may, among other things, on any terms and conditions we deem advisable, and without granting you any rights therein: (1) establish, and license others to establish, Uptown Cheapskate stores at any location outside the Development Areas, notwithstanding their proximity to your Development Areas or Store Locations, as defined in Section 3, or their actual or potential impact on sales at any of your Stores, as defined in Section 3; (2) establish, acquire or operate, or license others to establish and operate, stores under other systems or other proprietary marks, which stores may offer or sell products or services that are different from the products and services offered by your Stores, and which stores may be located within or outside the Development Areas, notwithstanding such stores' proximity to your Development Areas or Store Locations, or their actual or potential impact on sales at any of your Stores; and (3) sell and distribute, directly or indirectly, or license others to sell and distribute, directly or indirectly, any products, services or merchandise, from any location or to any purchaser (including, but not limited to, sales made at retail locations, via catalogue, mail order, and on the Internet), so long as such sales are not conducted from an Uptown Cheapskate store located inside the Development Areas. Further, we do not promise that other Uptown Cheapskate stores will not advertise to Customers nor draw Customers from the Development Areas associated with this Area Development Agreement.
- C. This Area Development Agreement does not give Area Developer any independent right to use our System or Marks. Such right is granted only under the Franchise Agreements associated with each Franchise. This Area Development Agreement only grants Area Developer potential development

rights, provided that Area Developer fully complies with the terms included herein.

- D. This Area Development Agreement does not give Area Developer any right to franchise, license, sub-franchise, or sub-license others to develop and/or operate Uptown Cheapskate Franchises. To the extent that Area Developer wishes to pursue the development and/or operation of a Franchise through an affiliated entity ("Affiliated Entity"), Area Developer must submit a request to us, in writing, demonstrate that such Affiliated Entity has identical ownership to Area Developer, and receive our written approval before proceeding.

2. DEVELOPMENT FEE

- A. As consideration for the development rights granted to Area Developer under this Area Development Agreement, Area Developer must pay us a total of _____ Dollars (\$_____) (the "Area Development Fee"). Such Area Development Fee reflects the number of Franchises to be developed under this Area Development Agreement multiplied by \$25,000, and will be credited proportionally towards the initial franchise fee ("Franchise Fee") of each Franchise.
- B. The Area Development Fee will be due immediately upon signing of this Area Development Agreement. This Area Development Agreement will not be effective, and Area Developer will have no development rights, until we receive full payment of the Area Development Fee. If Area Developer fails to pay the Area Development Fee in full, we may, in our sole discretion, terminate this Area Development Agreement, as well as any associated and effective Franchise Agreements.
- C. The Area Development Fee is fully earned by us once we and Area Developer execute this Area Development Agreement. The Area Development Fee is non-refundable under any circumstances once the Area Development Agreement has been fully executed.

3. DEVELOPMENT SCHEDULE

- A. To maintain its rights under this Area Development Agreement, Area Developer must, by the deadlines specified in the schedule outlined in Appendix "B" (the "Development Schedule"), sign Franchise Agreements and leases for, and then construct, develop, and open, retail stores ("Stores") for all Franchises, as set forth in Appendix "B". Area Developer hereby acknowledges and agrees that its timely development of the Franchises within the Development Areas in accordance with the deadlines in the Development Schedule is of material importance to us. Time is of the essence with respect to compliance with the Development Schedule, and we have no obligation

under any circumstances to extend such Development Schedule. Area Developer's failure to comply with the Development Schedule constitutes a material breach of this Area Development Agreement, and we retain the right to pursue all remedies for such failure, including termination, as outlined in Section 5. Area Developer must receive our prior written approval for any prospective location that might serve as the premises of a Store (the "Store Location") before signing a lease, in accordance with the terms of the Franchise Agreement associated with such Store.

- B. Once Area Developer has successfully developed the first Franchise and opened the first Store associated with this Area Development Agreement, prior to signing a lease for any incremental Store, Area Developer must meet each of the following requirements (the "Development Requirements"):
- i. Demonstrate to us that Area Developer has a minimum of \$50,000 of liquid capital for each open and operating Store within the Development Areas, plus an additional \$100,000 in liquid capital for the incremental Store associated with the prospective lease that Area Developer wishes to sign. As an example, if Area Developer owns two open and operating Stores, Area Developer must have \$100,000 in liquid capital between those two Stores, and at least \$100,000 in liquid capital for the incremental Store associated with the prospective lease;
 - ii. Demonstrate to us that Area Developer has an experienced management team and structure in place that allows for the successful management of each of Area Developer's then-open and operating Stores as well as the incremental Store associated with the prospective lease. To meet to this requirement, Area Developer must have a full-time, experienced manager (a "Store Manager") in place for each open and operating Store, as well as the incremental Store associated with the prospective lease. Area Developer may act as Store Manager for one Store so long as Area Developer will directly oversee the day-to-day management of such Store. Compliance with this condition much be approved by us, such approval not to be unreasonably withheld;
 - iii. Demonstrate to us that all of Area Developer's open and operating Stores exceed \$1,000,000 of Gross Sales, as defined in the Franchise Agreement associated with each Store, on an annualized basis;
 - iv. Each of Area Developer's open and operating Stores is in full compliance with the terms of its respective Franchise Agreement; and
 - v. Receive our written approval, which we shall provide in our sole discretion, of the Store Location associated with such lease.
- C. For the avoidance of doubt, Area Developer must meet all of the Development Requirements in order to develop incremental Franchises and open incremental Stores associated with this Area Development Agreement. Area Developer's ability or inability to meet the Development Requirements shall impact neither the deadlines in the Development Schedule nor the Term of this Area Development Agreement.

4. TERM

- A. Unless terminated early in accordance with the terms of this Area Development Agreement, the duration of this Area Development Agreement (the "Term") and all rights granted to Area Developer herein shall expire automatically, without any further notice required from us, on the earlier of:
- (i) the date that the final Store opens under the Development Schedule; or
 - (ii) the date upon which the final Store is required to be developed, open, and begin operating in accordance with the Development Schedule. If the Area Development Agreement is terminated before such date, then the Term shall conclude immediately once the Area Development Agreement is terminated. You do not have any rights to renew this Area Development Agreement, either in part or in whole.

5. DEFAULT & OUR RIGHT OF TERMINATION

- A. If you breach this Agreement under the following circumstances, then in addition to all rights and remedies that we may have under applicable law, we will have the right to terminate this Area Development Agreement:
- i. Without Notice. We may terminate this Area Development Agreement without giving you advance notice and without giving you an opportunity to cure in the event that:
 - a. You make or attempt to make a transfer or assignment in violation of Section 7 of this Area Development Agreement;
 - b. You or any of your owners are convicted of a felony or any crime involving moral turpitude; or
 - c. You or any of your owners are adjudicated as bankrupt, become insolvent, suffer permanent or temporary court appointed receivership of substantially all property, make a general assignment for the benefit of creditors, or suffer the filing of a voluntary or involuntary bankruptcy petition, which is not dismissed within thirty (30) days after filing;
 - ii. With Notice and No Opportunity to Cure. We may terminate this Area Development Agreement upon written notice to you, but without giving you an opportunity to cure, in the event that:
 - a. You fail to pay the Area Development Fee within thirty (30) days of signing this Area Development Agreement;
 - b. You make or have made any misrepresentation to us in connection with obtaining this Area Development Agreement; or
 - c. You use the System or Marks in any way that is not expressly authorized within this Area Development Agreement or any associated Franchise Agreement;

- iii. With Notice and Opportunity to Cure. Unless otherwise specified in this Area Development Agreement, we may terminate this Area Development Agreement thirty (30) days after giving you written notice specifying the following breaches or defaults by you if such breaches or defaults remain uncured at the end of the thirty-day period:
 - a. You fail to comply with any requirement or deadline set forth in the Development Schedule; or
 - b. You fail to comply with any other terms or conditions of this Area Development Agreement, except as identified in Section 5(A)(i) or 5(A)(ii) above.
 - B. In the event of any default listed in Section 5(A) above that is not cured within the designated time frame, if any, we may, in our sole discretion, take any one or more of the following steps with immediate effect:
 - i. Terminate this Area Development Agreement and all rights granted herein upon written notice to Area Developer, without affording Area Developer any opportunity to cure its default;
 - ii. Terminate the territorial exclusivity granted to Area Developer herein; and/or
 - iii. Terminate any or all of the Franchise Agreements associated with any Development Areas within which Area Developer has not already successfully opened a Store.
 - C. Further, we may terminate this Area Development Agreement, upon notice and without an opportunity to cure, if a Franchise Agreement to which Area Developer or its affiliates is party is terminated for any reason.
 - D. Upon termination of this Area Development Agreement for any reason, your rights under this Area Development Agreement are terminated. We will be free to own, operate, or license to others the right to own and operate, Uptown Cheapskate franchises in any Development Area, other than as prohibited by any existing signed and fully compliant Franchise Agreement.
 - E. No right or remedy conferred upon or reserved by us is exclusive of any other right or remedy provided or permitted by law or equity.

6. NOTICES

- A. All notices required or permitted to be given by this Area Development Agreement must be made in writing and delivered: (i) via recognized courier such as UPS or FedEx, or certified mail, return receipt requested, prepaid; (ii) in person by hand delivery; or (iii) by email. Mailed hard copy notices shall be addressed to the parties at the addresses set forth above, unless written notice is given of a change of address. In that event, notices shall be mailed to the party at the new address. Emailed notices to you relating to the Area Development Agreement shall be sent to the primary email address that Area

Developer identifies for us. Emailed notices to us relating to this Area Development Agreement shall be sent to legal@bcfranchise.com.

7. TRANSFERABILITY & OWNERSHIP CHANGES

- A. We have the unrestricted right to transfer or assign all or any part of our rights and/or our obligations under this Area Development Agreement to any person or legal entity without your consent. You agree that we will have no liability after the effective date of transfer or assignment for the performance of, or for any failure to perform, any obligations we have transferred. We also have the absolute right to delegate the performance of any of our duties or obligations or assign any of our benefits under this Area Development Agreement to third parties that are not parties to an agreement with you.
- B. This Area Development Agreement is personal to you and neither the Area Development Agreement itself nor any assets associated with the Area Development Agreement may be voluntarily, involuntarily, directly or indirectly assigned or otherwise transferred or encumbered by you (including without limitation, by will, declaration of or transfer in trust or the laws of intestate succession or by operation of law) without our prior written approval, which we grant or withhold in our sole discretion. Any such assignment, transfer, or encumbrance without such approval shall constitute a breach of this Area Development Agreement. We may void any unauthorized assignment, transfer, encumbrance or similar action by you. We may condition our approval of a transfer upon the following conditions:
 - i. Compliance. That you have substantially performed your past and current obligations and duties under this Area Development Agreement and must not then be in default hereunder;
 - ii. Payments. That you have paid all amounts owed to us under this Area Development Agreement and each Franchise Agreement signed in connection with this Area Development Agreement;
 - iii. Release. That you agree to remain liable for all obligations and events that occurred prior to the transfer and to continue to be bound by all of the provisions of this Area Development Agreement that apply after termination or transfer, and that you and the transferee(s) or assignee(s) execute a general release of any and all claims against us, to the extent permitted by applicable law;
 - iv. New Agreement. That the transferee(s) or assignee(s) execute a new Area Development Agreement, which may contain materially different terms and a different development schedule;
 - v. Transfer Fee. That you pay us a transfer fee ("Area Development Assignment Fee") in the amount of Ten Thousand Dollars (\$10,000);
 - vi. Assumption of Liabilities. That the transferee(s) or assignee(s) agree to assume all liabilities and obligations from the prior operation of the

- Area Developer and to comply with other reasonable requirements we may impose;
- vii. Governmental Compliance. That the transfer complies with all applicable laws;
 - viii. Potential for Damage to Franchisor. That the transfer, in our reasonable determination, will not introduce an undue likelihood of damage to the Franchisor or to its business performance;
 - ix. Transferee or Assignee. That, in our reasonable judgement, the transferee(s) or assignee(s):
 - a. Possess good moral character;
 - b. Have the experience, skills, and temperament required to successfully operate a franchise;
 - c. Have adequate financial resources and liquid capital with which to open and operate the required Stores to be developed under this Area Development Agreement;
 - d. Meet our then-applicable standards for Area Developers; and
 - e. Are not then operating, franchising or licensing the operation of any other similar businesses, and shall not in the future;
 - x. Documents. That you have provided us with, and have received our approval for, all documents to be executed by us and the proposed transferee(s) or assignee(s) at least thirty (30) days prior to execution.
- C. In the event that you should die or become permanently disabled, your administrator, executor, conservator or other personal representative shall transfer your interest within a reasonable time, not to exceed six (6) months from the date of death or permanent disability, to a third party we approve. If the Area Development Agreement is assumed by a spouse or family member, they are required to complete our then-current initial training program within six (6) months of the transfer. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to all of the terms and conditions for assignments and transfers contained in Section 8(B) of this Area Development Agreement, with the exception of Subsection 8(B)(v), which shall be excluded, and unless transferred by gift, devise or inheritance, subject to the terms of Section 8(D) of this Area Development Agreement. Failure to so dispose of such interest within said period of the time shall constitute a breach of this Area Development Agreement. Our consent to an assignment of any interest, subject to the restrictions of this Section 7, shall not constitute a waiver of any claims we may have against the assignor, nor shall it be deemed a waiver of our rights to demand exact compliance with any of the terms or conditions of the Developer by the assignee. Pending assignment, all standards and obligations under this Area Development Agreement must be maintained.
- D. Notwithstanding anything in this Article 7 to the contrary, if you propose to sell the Area Development Agreement or part or all of the ownership of the Area Development Agreement, you shall obtain and deliver to us a bona fide

executed written offer to purchase the Area Development Agreement which shall, for a period of thirty (30) days from the date of delivery of such offer, give us the right, which may be exercised by written notice to you, to purchase the Area Development Agreement or such ownership for the price and on the terms and conditions contained in such offer; provided that we may substitute equivalent cash for any form of payment proposed in such offer (a "Right of First Refusal"). If we do not exercise our Right of First Refusal, the offer may be accepted by you, subject to our prior written approval as provided in this Section 7. If we do not exercise our Right of First Refusal as described above and the contract contained in such offer is not consummated within sixty (60) days of the date of the offer, we shall again have the Right of First Refusal described herein.

- E. If you are a partnership, limited liability company or corporation, you agree to notify us of any change of partnership, membership, or stock ownership interests while this Area Development Agreement is in effect, which, together with all prior changes, constitutes a change of ten percent (10%) or more. Any such change that, together with all prior changes, constitutes a change of fifty percent (50%) or more shall be considered a transfer subject to the provisions outlined in this Section 7. You agree to provide to us the necessary documentation to substantiate any such ownership changes.

8. INDEMNIFICATION

- A. You shall, to the fullest extent permissible under applicable law, indemnify and hold us and our affiliates, and their respective officers, directors, members, managers, employees, and agents, harmless against any and all claims, obligations, and damages arising directly or indirectly from, as a result of, or in connection with this Area Development Agreement, the business conducted under this Area Development Agreement, your and your employees' actions and inaction, or your breach of this Area Development Agreement, including, without limitation, those alleged to be caused by our negligence, as well as legal fees, including, but not limited to, attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses), of defending against them, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by our gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. In the event that we incur any costs or expenses, including, without limitation, legal fees, attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses), travel expenses, and other charges, in connection with any proceeding involving you in which we are not a party, you shall reimburse us for all such costs and expenses promptly upon presentation of invoices. You acknowledge and agree that your obligations to indemnify and hold us

harmless under this Section 8 shall survive the termination or expiration of this Area Development Agreement.

9. RELATIONSHIP OF PARTIES

- A. You and we acknowledge that the relationship created under this Area Development Agreement is that of independent contractors. This Area Development Agreement does not create the relationship of principal and agent or employer and employee between the parties, and under no circumstances shall either party or their agents be considered the agents of the other party. Neither you nor we shall act or represent ourselves, directly or by implication, as agent or employee of the other, or in any manner assume or attempt to assume or create any obligation or make a contract, agreement, representation or warranty on behalf of or in the name of the other, except to the extent authorized in writing by the other, and except as otherwise specified in this Area Development Agreement. Except as provided in this Area Development Agreement, neither you nor we shall guarantee the obligations of the other or become obligated for the debts or expenses of the other.

10. DISPUTE RESOLUTION

- A. Mediation. Except as otherwise stated in this Section 10(A), we reserve the right in our sole discretion to submit any claim, controversy or dispute arising out of or relating to this Area Development Agreement (and attachments) or the relationship created by this Area Development Agreement to non-binding mediation before bringing such claim, controversy or dispute to arbitration or to a court. The mediation will be conducted either through an individual mediator or a mediator appointed by a mediation services organization, experienced in the mediation of similar disputes as may arise between you and us, and such mediator will be agreed upon by the parties. If the parties do not agree on a mediator or mediation services organization within fifteen (15) days after either party has notified the other of its desire to seek mediation, the dispute will be mediated by the American Arbitration Association ("AAA") pursuant to its rules governing mediation, in the county where our headquarters is located. Before commencing any legal action against us with respect to any such claim or dispute, you must submit a notice to us, which specifies, in detail, the precise nature and grounds of such claim or dispute. We will have a period of thirty (30) days following receipt of such notice within which to notify you as to whether we elect to exercise our option to submit such claim or dispute to mediation. You may not commence any action against us with respect to any such claim or dispute in any arbitration proceeding unless we fail to exercise our option to submit such claim or

dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by us. The costs and expenses of mediation, including compensation of the mediator, will be borne equally by the parties. If the parties cannot resolve the claim, controversy or dispute within sixty (60) days after conferring with the mediator, either party may submit such claim or controversy for binding arbitration as described in Section 10(B) below. We may bring an action under the applicable provisions of this Section 10 without first submitting the action to mediation under this Section 10(A) for injunctive relief or for monies you owe us.

- B. Arbitration. Except to the extent we elect to enforce the provisions of this Area Development Agreement by injunction as provided in Section 10(C) below, all disputes, claims and controversies between the parties arising under or in connection with this Area Development Agreement or the making, performance or interpretation thereof (including validity or enforceability of this Area Development Agreement or any provisions hereof, claims of fraud in the inducement, and other claims of fraud in the arbitrability of any matter) that have not been settled by or are not otherwise subject to mediation as described in Section 10(A) above will be resolved by arbitration on an individual basis under the authority of the Federal Arbitration Act in the county where our headquarters is located. The proceedings will be conducted by a single arbitrator under the Commercial Arbitration Rules of the American Arbitration Association, or the rules of such other arbitration services organization as the parties otherwise may agree upon in writing, to the extent such rules are not inconsistent with the provisions of this arbitration provision or the Federal Arbitration Act. The arbitrator will have a minimum of five (5) years' experience in franchising or distribution law and will have the right to award specific performance of this Area Development Agreement. The decision of the arbitrator will be final and binding on all parties; provided, however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Area Development Agreement; (2) assess punitive or exemplary damages; or (3) make any award that extends, modifies or suspends any lawful term of this Area Development Agreement or any reasonable standard of business performance we establish. Any arbitration proceeding will be limited to controversies between you and us, and will not be expanded to include any other Uptown Cheapskate franchisee, Kid to Kid franchisee, or include any class action claims. This Section 10(B) will survive termination of this Area Development Agreement. Judgment upon the award of an arbitrator may be entered in any court having jurisdiction thereof. During any arbitration proceeding, we and you will fully perform our respective obligations under this Area Development Agreement. The parties agree that all arbitration proceedings, including any arbitration award or ruling, will be confidential in

nature, except as otherwise required by law or court order or as necessary to confirm, vacate or enforce the award and for disclosure in confidence to the parties' respective attorneys and tax advisors. The costs and expenses of arbitration, including compensation and expenses of the arbitrators, shall be borne exclusively by the non-prevailing party, including those incurred by the prevailing party.

- C. Injunctive Relief. Notwithstanding Sections 10(A) and 10(B) above, you recognize that a single franchisee's failure to comply with the terms of its agreement could cause irreparable damage to us and/or to some or all other Uptown Cheapskate businesses. Therefore, if you breach or threaten to breach any of the terms of this Area Development Agreement, then, to the greatest extent permitted by applicable law, we will be entitled to an injunction restraining such breach and/or a decree of specific performance, without showing or proving any actual or irreparable damage and without the need to post bond for security, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining such equitable relief, until such time as a final and binding determination is made by the arbitrator or the matter has been mutually deemed resolved.
- D. Venue. Subject to the provisions of Sections 10(A) and 10(B) above, any cause of action, claim, suit or demand allegedly arising from or related to this Area Development Agreement or the relationship of the parties, must be brought exclusively in any state or federal court of competent jurisdiction in the county where our headquarters is located. We also have the right to file any such suit against you in the federal or state court where the Store is located. Any such action will be conducted on an individual basis, and not as part of a consolidated, common, or class action, and you and your owners waive any and all rights to proceed on a consolidated, common, or class basis. Each of us and you irrevocably consent to the jurisdiction of such courts and waive all rights to challenge personal jurisdiction and venue.
- E. Attorneys' Fees. The non-prevailing party will pay all costs, expenses, and interest, including reasonable attorneys' fees, that the prevailing party incurs in any action brought to enforce any provision of this Area Development Agreement or to enjoin any violation of this Area Development Agreement.
- F. Mutual Waiver of Class Actions. ANY LAWSUIT, CLAIM, COUNTERCLAIM, OR OTHER ACTION MUST BE CONDUCTED ONLY ON AN INDIVIDUAL BASIS, AND MUST NOT BE AS PART OF A CONSOLIDATED, COMMON, OR CLASS ACTION. YOU HEREBY AGREE NOT TO SEEK JOINDER OF ANY OF YOUR CLAIMS WITH THOSE OF ANY OTHER PARTY.
- G. Mutual Waiver of Jury Trial. YOU AND WE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

- H. Mutual Waiver of Punitive Damages. EACH OF US WAIVES ANY RIGHT TO LOST FUTURE PROFITS OR CLAIM OF PUNITIVE, EXEMPLARY, MULTIPLE, OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER IN ARBITRATION AND/OR LITIGATION AND AGREES TO BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED.
- I. Time Period to Bring Claims. Except as otherwise provided in this Section 10(I), and except for those claims brought under the indemnification in Section 8, any and all Claims arising out of or relating to this Area Development Agreement, the relationship between you and us, or your development obligations under this Area Development Agreement, brought by any party hereto against the other must be commenced before the expiration of the earlier of: (a) the time period for bringing an action under any applicable state or federal statute of limitations; (b) one (1) year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged Claim; or (c) two (2) years after the first act or omission giving rise to an alleged Claim. In all other cases, it is expressly acknowledged and agreed by all parties that such Claims shall be irrevocably barred. Claims attributable to your underreporting of sales, and claims of your failure to pay monies owed and/or to provide indemnification, shall be subject only to the applicable state or federal statute of limitations. As used in this Section 10(I), "Claim" means any allegation, challenge, demand, cause of action, lawsuit, arbitration, dispute, controversy, investigation or administrative proceeding.

11. WAIVERS

- A. We assume no liability or obligation to you by granting any waiver, approval, and consent to you, or by reason of any neglect, delay or denial of any request therefore. No waiver of any breach of any agreement, condition, covenant, promise, representation, warranty or term in this Area Development Agreement shall constitute a continuing waiver of any subsequent breach of the same or any other agreement, condition, covenant, promise, representation, warranty or term. Any waiver of any provision of this Area Development Agreement must be written and signed by the waiving party to be enforceable.
- B. Failure of either party to enforce any of the provisions of, or rights and elections associated with, this Area Development Agreement, or failure to exercise any election provided for within it, shall not be considered a waiver of such provisions, rights, or elections, or in any way affect the validity of this Area Development Agreement. The failure of you or us to exercise any of the provisions, rights, or elections shall not preclude or prejudice such party from later enforcing or exercising the right or any other provisions, rights, or elections which it may have under this Area Development Agreement.

The following provision applies only to Area Developers and Franchises that are subject to the state franchise registration & disclosure laws in California, Hawaii, Illinois, Maryland, Minnesota, New York, North Dakota, Virginia, or Washington:

- C. No statement, questionnaire, or acknowledgement signed or agreed to by Area Developer in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement; or (ii) disclaiming reliance on any statement made by Franchisor, any franchise seller, or any other person acting on Franchisor's behalf. This provision supersedes any other term of any document executed in connection with the franchise.

12. GOVERNING LAW

- A. Subject to our rights under federal trademark laws, this Area Development Agreement and the relationship between the parties shall be governed by and will be construed exclusively in accordance with the procedural and substantive laws of the State of Utah. Nothing in this Area Development Agreement is intended by the parties to subject it to any franchise, business opportunity, antitrust consumer protection or similar law, rule or regulation to which this Area Development Agreement would not otherwise be subject. The parties agree that any state law or regulation applicable to the offer or sale of franchises or the franchise relationship will not apply unless the jurisdictional provisions are independently met. You waive, to the fullest extent permitted by law, the rights and protections provided by any such franchise law or regulation.

13. SEVERABILITY, CONSTRUCTION, & INTERPRETATION

- A. You and we agree that if any provision of this Area Development Agreement is capable of two constructions, one which would render the provision illegal, voidable or unenforceable and the other which would render the provision valid and enforceable, the provision shall have the meaning which is enforceable. If any provision of this Area Development Agreement is deemed to be invalid, inoperative or contrary to law for any reason, that provision shall be deemed modified to the extent necessary to make it valid, operative and consistent with the law, or if it cannot be so modified, then severed and eliminated, and the remainder of the Area Development Agreement shall continue in full force and effect as if the Area Development Agreement had been signed with the invalid portion so modified or eliminated; provided, however, that if any part of this Area Development Agreement relating to

payments to us or protection of the System or the Marks is declared invalid, unenforceable or contrary to law, then we, at our option, may terminate this Area Development Agreement upon written notice to you.

- B. The language of this Area Development Agreement shall be construed according to its fair meaning and not strictly for or against either party. All words in this Area Development Agreement refer to whatever number or gender the context requires. If you consist of more than one party or person, your obligations shall be joint and several. Headings are for reference purposes and do not control interpretation.
- C. The following provisions will apply to and govern the interpretation of this Area Development Agreement, the parties' rights under this Area Development Agreement, and the relationship between the parties:
 - i. Our Rights. Whenever this Area Development Agreement provides that we reserve or retain a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop and change the System in any manner that is not specifically precluded by the provisions of this Area Development Agreement.
 - ii. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree or are required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise reasonable business judgment in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of reasonable business judgment, even if other reasonable or arguably preferable alternatives are available, if our decision or action is intended to promote or benefit the System generally. This holds even if the decision or action also promotes a financial or other individual interest of ours. Examples of items that will promote or benefit the System include enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System. Neither you nor any third party (including a trier of fact), will substitute their own judgment for our reasonable business judgment

14. ENTIRE AGREEMENT

- A. The recitals are a part of this Area Development Agreement which constitutes the entire agreement between the parties with respect to the subject matter addressed within it, and all prior and contemporaneous statements, agreements, understandings, conditions, warranties and representations, whether written or oral, except to the extent otherwise set forth in this Area Development Agreement, as may relate to the Franchise, are hereby superseded by this Area Development Agreement. Nothing contained within

this Area Development Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

15. MODIFICATION

- A. Except as otherwise provided in this Area Development Agreement, no provision contained within it may be altered, modified, amended or changed, in whole or in part, except within a written document executed by both you and us.

16. SUCCESSORS

- A. Except as otherwise provided in this Area Development Agreement, no provision contained within it may be altered, modified, amended or changed, in whole or in part, except within a written document executed by both you and us.

17. DISCLAIMER

- A. Area Developer acknowledges that the estimated expenses and investment requirements set forth in Items 6 and 7 of our current franchise disclosure document as of the Effective Date of this Area Development Agreement (the “FDD”) are subject to change over time, and that the development, construction, and opening of Uptown Cheapskate Franchises in the future may involve greater initial investment and working capital requirements than those stated in the FDD. Area Developer must develop all Franchises according to the deadlines noted in the Development Schedule to remain in compliance with this Area Development Agreement, regardless of the requirement of a greater investment in any such Franchises.

The provisions in sections 17(B) through 17(D) apply to all Area Developers and Franchises except those that are subject to the state franchise registration & disclosure laws in California, Hawaii, Illinois, Maryland, Minnesota, New York, North Dakota, Virginia, or Washington:

- B. Area Developer acknowledges that Area Developer is entering into this Area Development Agreement as a result of Area Developer’s own independent investigation of Franchisor’s franchised businesses and not as a result of any representations about Franchisor made by Franchisor’s shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Area Development

Agreement or in any disclosure document, prospectus, or other similar document required or permitted to be given to Area Developer pursuant to applicable law.

- C. Area Developer acknowledges that the success of the business venture contemplated in this Area Development Agreement involves substantial business risks and will be largely dependent upon the ability of Area Developer as an independent operator. Franchisor expressly disclaims the making of, and Area Developer acknowledges it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated in this Area Development Agreement.
- D. Area Developer acknowledges that it has received, read, and understood this Area Development Agreement and the attachments hereto, and that Franchisor has afforded Area Developer ample time and opportunity to consult with advisors of Area Developer's own choosing about the potential benefits and risks of entering into this Area Development Agreement.

[The rest of this page is intentionally left blank. Signatures appear on following page.]

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Area Development Agreement on the day and year indicated next to Franchisor's signature below.

AREA DEVELOPER

[AREA DEVELOPER NAME]

By: _____

Date: _____

Name: [SIGNATORY NAME]

Title: _____

FRANCHISOR

Uptown Cheapskate Franchise System, LLC

By: _____

Date: _____

Name: Zachary Gordon

Title: Co-CEO

APPENDIX "A" – Development Areas

Included below are the Development Areas associated with the Stores contemplated in the Area Development Agreement. Area Developer agrees to develop and open one Uptown Cheapskate Store within each Development Area listed.

Store 1

The Development Area for Store 1 includes the territory shaded in blue on the map below.

[MAP TO BE INSERTED]

Mapping Service:	
Date Generated:	
Address at Center:	
Radius of Circle:	
Population of Shaded Area:	

Store 2

The Development Area for Store 2 includes the territory shaded in blue on the map below.

[MAP TO BE INSERTED]

Mapping Service:	
Date Generated:	
Address at Center:	
Radius of Circle:	
Population of Shaded Area:	

APPENDIX "B" – Development Schedule

Area Developer agrees to comply with the deadlines for each Development Area and associated Store indicated in the Development Schedule below:

Store	Franchise Agreement Signed (Deadline)	Store Location Secured ⁽¹⁾ (Deadline)	Store Opened (Deadline)
1	• Concurrently with this Area Development Agreement	•	•
2	• Concurrently with this Area Development Agreement	•	•

(1) Refers to the date upon which Area Developer either acquires or signs a lease for a Store Location associated with the Store.

Area Developer may remain in compliance with the Development Schedule even if Area Developer develops and opens the Stores listed above out of the order anticipated in the table, provided that Area Developer otherwise adheres to the Development Schedule by acquiring or leasing at least one incremental Store Location and opening at least one incremental Store on or before each specified deadline. For clarity, if Area Developer leases a Store Location for Store 2 on or before the deadline to secure a Store Location for Store 1 and opens Store 2 on or before the deadline to open Store 1, and then leases a Store Location for Store 1 on or before the deadline to secure a Store Location for Store 2 and opens Store 1 on or before the deadline to open Store 2, then Area Developer shall be in compliance with the Development Schedule.

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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 disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following dates:

<u>State</u>	<u>Effective Date</u>
California	pending
Florida	pending
Hawaii	pending
Illinois	pending
Indiana	pending
Maryland	pending
Michigan	pending
Minnesota	pending
New York	pending
North Dakota	pending
Rhode Island	pending
South Dakota	pending
Virginia	pending
Washington	pending
Wisconsin	pending

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

RECEIPT (YOUR COPY)

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Uptown Cheapskate Franchise System, LLC ("Uptown Cheapskate") offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require 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 and Oregon require 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 Uptown Cheapskate 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 state agency listed on Exhibit B.

The franchisor is Uptown Cheapskate Franchise System, LLC, located at 39 E. Eagle Ridge Drive, #100 North Salt Lake, Utah 84054. Its telephone number is (801) 359-0071.

The franchise seller(s) for this offering are Alison Lair, Holli Heath, and/or Katrina Roberts, Uptown Cheapskate, 39 E. Eagle Ridge Drive, #100 North Salt Lake, Utah 84054, (801) 359-0071, or is listed below (with address and telephone number), or will be provided to you separately before you sign a franchise agreement: _____

Issuance date: April 11, 2025

Uptown Cheapskate authorizes the respective state agencies identified on Exhibit C to receive service of process for it in the particular state.

I received a disclosure document dated April 11, 2025, that included the following Exhibits:

- | | |
|--|-----------------------------|
| A. Franchise Agreement | F. List of Franchisees |
| B. List of State Administrators | G. Financial Statements |
| C. Franchisor's Agent for Service of Process | H. General Release |
| D. Addendum to Franchise Disclosure Document | I. Guarantee of Performance |
| E. Computer Equipment List | J. Loan |
| | K. Operating Manuals |

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Printed Name

RECEIPT (OUR COPY)

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| J. Computer Equipment List | J. Loan |
| | K. Operating Manuals |

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Printed Name

Return this signed receipt to us by signing, dating, and mailing it to Uptown Cheapskate at 39 E. Eagle Ridge Drive, #100 North Salt Lake, Utah 84054, or by emailing or returning an electronic copy of the signed and dated receipt to Uptown Cheapskate at legal@bcfranchise.com.