

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

alison.lair@bcfranchise.com

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. The total investment necessary to begin operation of two Uptown Cheapskate franchises under an Area Development Agreement is \$656,004 to \$1,193,004, which includes \$80,000 that must be paid to the franchisor or an affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact 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, 2025

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. **Ownership Change:** The franchisor recently had a change of ownership. The support provided by the franchisor may be different from previous owners. Therefore, the expenses related to operating the franchise and the potential revenue you might achieve may be different from past performance.
- 6.7. **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.

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STATE EFFECTIVE DATES

RECEIPT

“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. Each Franchise Agreement will take the same form as the Franchise Agreement attached as Exhibit A. 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.

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

A. 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 (Note 1)	Lump sum	At signing of Franchise Agreement	Uptown Cheapskate
Travel and Lodging Expenses while Training	\$1,500 to \$5,500 (Note 12)	As incurred	During corporate, in-store, and internship training	Airlines, hotel, restaurants, taxis, etc.
Real Estate Deposit	\$4,500 to \$22,500 (Note 23)	Lump sum	At lease signing	Landlord
Real Estate Improvements	\$35,000 to \$150,000 (Note 34)	As incurred	As incurred	Contractors, various vendors
Exterior Signs and Graphics	\$13,500 to \$18,500 (Note 45)	Lump sum	Prior to Opening	Various vendors
Interior Signs	\$2,000 to \$5,000 (Note 56)	Lump sum	Prior to Opening	Sign contractor
Trade Fixtures	\$67,500 to \$94,500 (Note 67)	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 78)	Lump sum	Upon signing of lease	Dell, Lenovo, Netgear, CyberPower, various vendors
BaseCamp Software Suite	\$15,000 (Note 89)	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 910)	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 11)	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 12)	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 13)	As incurred	Prior to Opening	Various vendors
Additional Funds [initial period] 3 months	\$40,000 to \$67,500 (Note 13 14)	As incurred	As incurred	Employees, vendors, suppliers, utilities, insurance company
TOTAL	\$328,002 to \$596,502 (Note 14 15)			

Notes:

~~(1)~~ The Franchise Fee is a fixed amount of \$25,000. Therefore, the minimum and maximum amount you will pay is \$25,000.

~~(2)~~ 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.

~~(23)~~ 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.

(34) 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.

(45) 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.

(56) 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.

(67) 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.

(78) 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.

(89) 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~~ a fixed amount of \$15,000. Therefore, the minimum and maximum amount you will pay is \$15,000.

(910) 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.

(1011) 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.

~~(1112)~~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.

~~(1213)~~Supplies and miscellaneous expenses, including hangers, bags, tags, sensors, sensor towers, cleaning supplies, office supplies, and related items.

~~(1314)~~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.

~~(1415)~~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

B. 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
<u>Initial Investment for Two Franchises</u>	<u>\$606,004 to \$1,143,004 (Note 2)</u>	<u>See Chart in Item 7(A) above.</u>		
<u>TOTAL</u>	<u>\$656,004 to \$1,193,004</u>			

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. Given that this is a fixed fee, the minimum and maximum amount you will pay for each franchise will be \$25,000. 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.~~

~~(2) These amounts represent the estimated initial investment to open two franchises under the Area Development Agreement, exclusive of Franchise Fees, as those are accounted for in the line item for the Area Development Fee. These estimated costs include training, real estate, buildout, technology, security, marketing, inventory, legal, financing, permitting, supplies, and other pre-opening expenses. The estimated costs to open two franchises are equal to the estimated costs to open one franchise, multiplied by two. Please see the chart in Item 7(A) above for additional detail.~~

~~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.~~

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.

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

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;

UPTOWN CHEAPSKATE[®]

Franchise Agreement

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.

Exhibit D - Addendum & State-Specific Addenda 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~~ behalf of the Franchisor, franchise seller, or other person acting on behalf of ~~the franchisor~~ 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]

**ILLINOIS ADDENDUM TO THE UPTOWN CHEAPSKATE
FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AND AREA
DEVELOPMENT AGREEMENT
~~AND FRANCHISE AGREEMENT~~**

Illinois law governs the Franchise Agreement(s) and Area Development Agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision isin a franchise agreement or area development 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.

No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Dated this _____ day of _____, _____.

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

Franchisee or Area Developer:

By: _____
Its: _____

By: _____
Its: _____

**MARYLAND ADDENDUM TO THE UPTOWN CHEAPSKATE
FRANCHISE AGREEMENT AND AREA DEVELOPMENT 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 or Area Development Agreement, to the extent that the Franchise Agreement ~~contains~~ or Area Development Agreement contain 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 or Area Development 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 or Area Development 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 or Area Development Agreement, as applicable.
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 under the Franchise Agreement shall be deferred until the franchisor completes its pre-opening obligations under the ~~franchise agreement~~ Franchise Agreement and the outlet is opened. All initial fees and payments owed by the franchisees under the Area Development Agreement

shall be deferred until the first outlet contemplated in the Area Development Agreement is opened.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains and Area Development Agreement, as applicable, remain unmodified and in full force and effect.

You and Uptown Cheapskate hereby modify the Franchise Agreement and Area Development 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 or Area Development 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.

No statement, questionnaire, or acknowledgement 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 excluded in connection with the franchise.

This Addendum is being entered into in connection with the Franchise Agreement and the Area Development Agreement, as applicable. In the event of any conflict between this Addendum and the Franchise Agreement or the Area Development 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.

No statement, questionnaire, or acknowledgement 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 excluded in connection with the franchise.

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

**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.

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.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____, 20_____.

Prospective Franchisee

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:

State	Effective Date
California	pending
Florida	pending <u>04/14/2025</u>
Hawaii	pending
Illinois	pending
Indiana	pending <u>04/18/2025</u>
Maryland	pending
Michigan	pending
Minnesota	pending
New York	pending
North Dakota	pending <u>04/15/2025</u>
Rhode Island	pending
South Dakota	pending <u>04/25/2025</u>
Virginia	pending
Washington	pending
Wisconsin	pending <u>04/16/2025</u>

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~~Zach Gordon, 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~~
~~Computer Equipment List~~ ~~J. _____~~ ~~Loan~~
~~K. Operating Manuals~~

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

~~E.~~ _____

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Printed Name

RECEIPT (OUR 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.

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<u>A. Franchise Agreement</u>	<u>G. Financial Statements</u>
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<u>E. Computer Equipment List</u>	<u>K. Operating Manuals</u>
<u>F. List of Franchisees</u>	<u>L. Area Development Agreement</u>

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.