MASTER FRANCHISE DISCLOSURE DOCUMENT

Cartridge World

Cartridge World North America, LLC
Nevada Limited Liability Company
3917 Mercy Drive
McHenry, Illinois 60050
(815) 321-4400
www.cartridgeworld.com
www.cartridgeworld.com/home/contactus

This Disclosure Document is for the offer of Cartridge World® franchises to Master Franchisees ("Master Franchises") that are awarded Master Franchise Territories within which to offer, award and support the operation of franchised Cartridge World® businesses ("Unit Franchises"). Unit Franchises will provide products and services related to printer (and other) cartridges, inkjet cartridges, laser cartridges, toner, computer hardware (including printers) and software, ancillary products and services, and such additional products and services as we may specify.

The total investment necessary to begin operation of a Master Franchise is $80,000 to $670,000. This includes the Initial Master Franchise Fee which may range from $35,000 to $500,000 that must be paid to us.

This Disclosure Document summarizes certain provisions of your Master 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 Disclosure 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 Ms. Michelle Keck, our Director of Operations, at 3917 Mercy Drive, McHenry, Illinois 60050; (815) 321-4400.

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

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

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

Date of Issuance: March 31, 2017.

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit C for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Risk Factors:

Please consider the following RISK FACTORS before you buy this franchise:

1. THE MASTER FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION OR LITIGATION ONLY IN THE STATE OF ILLINOIS. OUT-OF-STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN ILLINOIS THAN IN YOUR OWN STATE.
2. THE FRANCHISOR DOES NOT GRANT AN EXCLUSIVE TERRITORY TO THE MASTER FRANCHISEE (SEE ITEM 12).
3. THE MASTER FRANCHISEE MUST SELL UNIT FRANCHISES IN ITS MASTER FRANCHISE TERRITORY IN COMPLIANCE WITH THE DEVELOPMENT REQUIREMENTS IN THE MASTER FRANCHISE AGREEMENT. TO DO SO, THE MASTER FRANCHISEE MUST COMPLY WITH FEDERAL AND STATE REGISTRATION AND DISCLOSURE LAWS APPLICABLE TO THE SALE OF UNIT FRANCHISES IN ITS MASTER FRANCHISE TERRITORY. THE CONSEQUENCES OF NOT ACHIEVING THE DEVELOPMENT REQUIREMENTS FOR THE MASTER FRANCHISE TERRITORY CAN INCLUDE THE TERMINATION OF THE MASTER FRANCHISE AGREEMENT (SEE ITEMS 7 AND 12).
4. YOUR SPOUSE OR DOMESTIC PARTNER MUST SIGN A SPOUSAL CONSENT WHICH PLACES YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR MASTER FRANCHISE FAILS.
5. THE FRANCHISOR WILL USE THE REASONABLE BUSINESS JUDGMENT STANDARD IN ITS RELATIONSHIP WITH FRANCHISEES. THIS MEANS THAT THE FRANCHISOR IS NOT REQUIRED TO CONSIDER YOUR PARTICULAR ECONOMIC AND OTHER BUSINESS INTERESTS WHEN EXERCISING ITS JUDGMENT.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Some of these provisions may be superseded by certain state laws. Refer to any addendum applicable to your state.

We may use the services of one or more franchise brokers or referral sources to assist us in selling our franchise in certain states. A franchise broker or referral source is our agent and represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

EFFECTIVE DATES

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

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATES	EFFECTIVE DATE
California	_____________, 2017
Hawaii	_____________, 2017
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

In the other states in the Direct Franchising Area, the effective date of this Franchise Disclosure Document is the issuance date of March 31, 2017.

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

Franchisor

To simplify the language in this Disclosure Document, "CWNA," "Franchisor," "we," "us" and "our" refers to Cartridge World North America, LLC. "You" or "your" means or refers to the person who enters into a Master Franchise Agreement for the establishment and operation of a Master Franchise. (In this Disclosure Document, "you" means the person or legal entity with whom we enter into an agreement. The term "you" also refers to the direct and indirect owners of a corporation, partnership, limited liability company, or limited liability partnership that signs a Master Franchise Agreement as the "Master Franchisee").

We are the franchisor of the Master Franchises in the United States. We were formed as a limited liability company in the State of Nevada in June 2002. In 2011, we restructured our operations by closing our warehouse facilities and moving our headquarters from Emeryville, California to Spring Grove, Illinois to eliminate certain infrastructure costs. In December 2014, we moved our principal place of business to our current location at 3917 Mercy Drive, McHenry, Illinois 60050, which serves as the North American headquarters for our operations. We conduct business under our corporate name and under "Cartridge World®." We have no company-owned Master Franchises or Unit Franchises, although we have the right to own and operate them in certain areas in the United States (see below in this Item and Item 20).

We began offering Master Franchises in late 2002. The first Master Franchisee began offering Unit Franchises in the United States in February 2003. Master Franchisees enter into Unit Franchise Agreements directly with Unit Franchisees to own and operate Unit Franchises. The Unit Franchise Agreements for Unit Franchises are with a Master Franchisee, not with us. In 2007, we began offering Unit Franchises in areas in which no Master Franchisee has been licensed to operate by us. As of the issuance date of this Disclosure Document, those areas are the states of Louisiana, New Mexico, Kentucky, West Virginia and certain counties in California and western Texas (the "Direct Franchising Area"). If we grant a Master Franchise in the Direct Franchising Area, we plan to assign any existing Unit Franchise Agreements in that area to the applicable Master Franchisee.

We and our Master Franchisees offer Unit Franchises via a separate Franchise Disclosure Document. Unit Franchises provide products and services related to printer (and other) cartridges, including inkjet cartridges; laser cartridges; sales of toner, computer hardware (including printers) and software, ancillary products and services; and such additional products and services as we may specify. Master Franchisees may not offer Unit Franchises in any franchise registration state until such time as they have an effective franchise registration for offering Unit Franchises in the applicable franchise registration state. As of the date of this Disclosure Document, we had 17 Master Franchisees with 24 active Master Franchise Territories covering most of the United States (see Item 20 and Exhibit D-1).

From July 2012 until December 2013, we offered and sold Express Franchises which are businesses that do not operate from a fixed retail location but instead offer the Products and Services by going directly to customers in a defined territory. We sold a total of two Express Franchises, one of which is still operational in the State of Vermont (see Item 20 and Exhibit D-2). We no longer offer or sell Express Franchises.

Except as described in this Item, we do not offer any other franchises, and does not engage in any business activity other than the franchising and supporting of Master Franchises and Unit Franchises. We have no company-owned Master or Unit businesses, although we have the right to operate them in certain areas in the Direct Franchising Area. We have never offered franchises in any other line of business.

Our agents for service of process are listed in Exhibit C to this Disclosure Document.

Parents, Predecessors and Affiliates

CWNA is a wholly-owned subsidiary of Cartridge World International, Inc. ("CW International"), a Delaware corporation formed in July 2007 with its principal place of business at 3917 Mercy Drive, McHenry, Illinois 60050. CW International was a wholly-owned subsidiary of Cartridge World Australia Holdings Pty. Ltd. ("CW Holdings"), which was formed in New South Wales, Australia in July 2007, with its principal business address at Ground Level, 200 Greenhill Road, Eastwood, South Australia 5063, Australia. In May 2015, the ownership of CW International was acquired by CW Global Holding Co. Limited ("CW Global"), a Hong Kong entity formed on May 7, 2015 with its principal business address at Room 1501-1508, Millennium City 5, 418 Kwun Tong Road, Kwun Ton, Kowloon, Hong Kong. CW Global is a wholly-owned subsidiary of Renjency Trading (H.K.) Co. Limited, a Hong Kong entity formed on February 6, 2007 with its principal business address at L-75 Peninsula Centre, 67 Mody Road, TST East, Kowloon, Hong Kong.

CW International, CW Holdings and CW Global have not offered and do not offer franchises in any line of business. CWNA and CW International do not currently sell products/services to Unit Franchisees or Master Franchisees in the United States, but have the right to do so in the future.

CWNA's affiliate, Cartridge World Australia Pty. Ltd. ("CW Australia"), was also a wholly-owned subsidiary of CW Holdings. CW Australia was formed in New South Wales, Australia in July 2007 under the name CW Austnewco Pty. Ltd. and purchased the assets of Cartridge World Pty. Ltd. ("CW PTY") as of July 31, 2007. CW PTY first began franchising in 1997 under the name Australian Cartridge Co. and changed its name in 1999 to Cartridge World Pty. Ltd. The ownership of CW Australia was also acquired by CW Global in May 2015.

CW PTY licensed to CWNA the rights to grant Cartridge World® franchises in North America, Central America and South America using the Marks and the System in 2002. Outside of the Americas, as of December 31, 2016, CW Australia had 22 master franchisee-owned Master Franchise Territories and one area development territory which cover a number of countries.

Cartridge World, Ltd. ("CW UK") is an affiliate of CWNA. CW UK is incorporated under the laws of England and Wales with its registered address at Oakwood Park Business Centre, Fountains Road, Bishop Thornton, Harrogate, North Yorkshire, HG3 3JN, UK. CW UK was a wholly-owned subsidiary of CW Holdings. The ownership of CW UK was also acquired by CW Global in May 2015. CW UK has been a Master Franchisee of CW Australia for the United Kingdom, Cyprus, Malta, and the Channel Islands since 2000, and had 61 franchised Unit Franchises as of December 31, 2016.

Cartridge World France, SARL ("CW France") is an affiliate of CWNA. CW France is a French company with its registered address at Parc Mure, 128, Bis Avenue Jean Jaurès, 94200 Ivry sur Seine, France. CW France was owned by CW Australia (99.256%) and CWNA (.744%). However, 100% of the ownership of CW France was acquired by Cartridge World HQ (UK) Limited pursuant to a Sale and Purchase Agreement, dated November 11, 2016. CW France has been a Master Franchisee of CW Australia for France since 2004, and had 99 franchised and company-owned Unit Franchises as of December 31, 2016.

As used in this Disclosure Document, unless the context requires otherwise, "Cartridge World" refers to CWNA, and/or any or all of its parents, subsidiaries and affiliates.

Franchise Offered

Master Franchise Agreement

Our affiliate, Cartridge World Australia Pty. Ltd. has licensed to us the right to use the Cartridge World® trademarks and logos (the "Marks") and the business system for marketing and operating Unit Franchises, and to offer and award Master Franchises to qualified applicants in the United States, Central and South America, the Caribbean and other countries. The System includes methods for marketing and operating businesses selling printer inkjet cartridges, laser cartridges and toners, hardware, software, and related printer consumables. The Master Franchisee will, in turn, offer, award and service Unit Franchises using the Marks and the System in a specified area (the "Master Franchise Territory").

The System is characterized by certain trademarks and logos, operating systems, training and marketing concepts, the Operations Manuals, distinctive color schemes and other elements, and includes methods for marketing and operating businesses that offer home and office printing solutions. The solutions offered by Unit Franchises include individual and bundled printer inkjet cartridges, laser cartridges, printers, printer service and repair, and such other products and services as we may specify (the "Products and Services") from street fronts, malls and other fixed retail business locations ("Premises"), and also by the sale and delivery of the Products and Services on a wholesale basis directly to the business locations of their customers and clients. Unit Franchisees market their Unit Franchises as providing "Trusted Business Solutions" to customers on a business-to-business ("B2B") and a business-to-customer ("B2C") basis.

Capitalized terms that are not defined in this Disclosure Document have the meanings that are given in the Master Franchise Agreement.

We can also employ or allow others to use the System in other venues, such as kiosks in retail outlets or other distribution opportunities, as well as with national account ("Special Account") programs, with our prior approval.

Industry-Specific Regulations

Master Franchises and Unit Franchises have no industry specific licensing requirements, although both Master Franchisees and Unit Franchisees are responsible for ensuring their compliance with all local, state and federal business, retail sales, zoning and similar regulations and licensing requirements, and any applicable environment related laws and regulations.

Your advertising, offering, and selling of Unit Franchises is subject to federal regulation by the FTC. Some states also closely regulate franchising. In certain states, Master Franchisees cannot offer or grant Unit Franchises until their Unit Franchise Disclosure Document has received an effective registration with the applicable state. You will develop a form of Disclosure Document similar to this one and containing information about you and the Unit Franchise offered by you. You are required to deliver a Disclosure Document to Unit Franchisee candidates at the time required under law. Your Disclosure Document has to be updated by you at least annually and filed again with any applicable registration states in which you sell Unit Franchises. Some states also have laws that affect the franchise relationship and your ability to terminate or renew a franchise, among other things.

Some jurisdictions impose a tax upon franchise fees, which is subject to change without notice to you. You are responsible for paying any such tax and should consult a tax expert in your area for guidance.

You will be responsible for complying with all state and federal franchise laws and regulations, and all other applicable laws. You should consult with your attorney and local, state and federal government agencies before buying your Master Franchise or any business to determine all legal requirements that you must comply with, their effects on you and the costs of compliance. It is your sole responsibility, on an ongoing basis, to investigate and satisfy all local, state and federal laws, since they vary from place to place and can change over time.

Competition

We believe that the market for the sale, servicing and support of printers and consumables is developed, and continues to develop and evolve. The technology of the Products and Services can change rapidly and materially. For this reason, it is especially difficult to foresee how this industry and our business model will need to evolve to keep pace with changes in products and services, methods of distribution, technical needs, consumer interest, competitive products and services, pricing, product and service demand, and other marketplace forces that can significantly impact the viability of the industry and our System and those people and companies associated with it, including the Master Franchise offered with this Disclosure Document.

The primary markets for Products and Services are individual consumers and businesses looking for a convenient, efficient and economical way of meeting their demands for varied home and office printing solutions. If we award you a Master Franchise, you and the Unit Franchises you establish will compete with other businesses offering products and services similar to those offered by a Unit Franchise, including original equipment manufacturers, small local businesses, larger local and regional copier dealers, industrial operations with production line type refill services, other printing solution franchises and Internet-based providers, as well as office supply stores and big box retailers.

The market for the sale of subfranchises is fairly well developed. Typical purchasers of Cartridge World® Franchises must be able sustain the initial investment and ongoing expenses associated with the development of a retail establishment. You will compete with other franchisors and subfranchisors offering retail business franchise concepts.

We may currently offer Master Franchise Agreements in other states on economic and other terms that differ from those offered under this Disclosure Document. Also, there may be instances where we have varied, or will vary, the terms on which we offer Master Franchises to suit the circumstances of a particular transaction.

ITEM 2
BUSINESS EXPERIENCE

Unless otherwise indicated, the following officers currently maintain offices in McHenry, Illinois.

CWNA

Unless otherwise indicated, the following officers currently maintain offices in McHenry, Illinois.

Global Chief Executive Officer and Director — Rod Young

Rod Young has been the Global CEO for CW Global since October 2016. He held the same position with CW Holdings from July 2010 until July 2015. Mr. Young has been a Director of CWNA since March 2017. He was a Senior Board Advisor with CW Global from July 2015 until October 2016.

Chief Executive Officer, Global Chief Technical & Officer and Director Mark Pinner

Mark Pinner has been CWNA's Chief Executive Officer and Global Chief Technical & Training Officer since October 2016. Mr. Pinner has been a Director of CWNA since March 2017. Before joining CWNA as its Chief Technology Officer in April 2009, Mark Pinner was the CEO of Clone UK Limited (Kent, England) from March 2006 until October 2008.

Global Vice President and Global Chief Operating Officer Peter Lim

Peter Lim joined CW Global as its Global Chief Operating Officer based in Hong Kong in April 2016, and became its Global Vice President in October 2016. Before that, he was Head of Prince George's Park Residence at the National University of Singapore (May 2015 – April 2016) and Operations Director for Ascend Industries Pte Ltd in Singapore (March 2006 – May 2015).

Director of Operations Michelle Keck

Michelle Keck was promoted to Director of Operations for CWNA in September 2014. She joined CWNA in September 2011 as its Supply Chain/Contracts Manager. Before that, Ms. Keck worked as a Buyer for PolyScience (Nile, Illinois) from June 2010 to August 2011, a Purchasing Manager for Gudel, Inc. (Ann Arbor, Michigan) from August 2008 until May 2010, and a Purchasing Manager for Bielomatik, Inc. (New Hudson, Michigan) from June 2007 until July 2008.

Finance Manager Eric George

Eric George became CWNA's Finance Manager in February 2017. He joined CWNA in January 2012 as a Senior Accountant, a position he held until he was promoted to Finance Manager.

Marketing Director Alan White

Alan White has been CWNA's Marketing Director since March 2016. He has also been the Marketing Manager for CW UK in Harrogate, North Yorkshire, England, since October 2008.

Sale Support Manager Michael R. Babcock

Michael Babcock has been Sales Support Manager for CWNA since January 2016. He was Director of Franchise Development for CW Supply, Inc., Spring Grove, Illinois, from July 2013 until August 2015. Before that, Mr. Babcock was Director of Strategic Accounts for IPW, Denver, Colorado, from June 2011 until July 2013. He owned and operated PuroClean Water and Fire Restoration in Crystal Lake, Illinois from June 2006 until June 2011.

Director Edwin Lui

Edwin Liu has been a Director of CWNA since July 2015. He has also been the Global Chief Financial Officer for CW Global based in Hong Kong since July 2015. Before that, he held the following positions with CW Australia: General Manager – Asia & Middle East (December 2013 to July 2015) and Asia Regional Manager (April 2010 to December 2013).

ITEM 3
LITIGATION

Steven Yeffa v. Cartridge World North America, LLC, Superior Court of the State of California, City and County of Alameda (Case No. RG-11563501). Filed March 1, 2011. The plaintiff, a former executive at CWNA, filed this complaint against CWNA, alleging that CWNA breached the employment contract with the plaintiff when it terminated his employment in May 2010, breached the covenant of good faith and fair dealing in doing so, and engaged in unfair business practices by failing to timely pay the plaintiff for accrued vacation time, failing to provide plaintiff with his personnel file, and purporting to terminate him for cause where there was no cause. The plaintiff sought compensatory and punitive damages, as well as attorneys' fees, for these claims. A confidential settlement of this matter involving the payment of $145,000 by CWNA to the plaintiff was reached by the parties on February 2, 2012.

Half Price Books, Records, Magazines, Incorporated ("Plaintiff") v. Todd Kuenstler, Maggie Kuenstler, Group 23, Inc., Group 523 LLC, Group 2323, LLC, Group 52323 LLC (collectively, "Unit Franchisee"), Cartridge World North America, LLC and Flexbone, LLC ("Master Franchisee"), United States District Court, Northern District of Texas, Dallas Division (Civil Action No. 3:16-CV-02658-C). Complaint filed August 8, 2016, Amended Complaint filed September 28, 2016; and Second Amended Petition filed February 16, 1017. Plaintiff, a customer of the Unit Franchisee, commenced this action against the Unit Franchisee alleging felony theft, civil conversion, fraud, negligent misrepresentation, unjust enrichment, negligence, gross negligence, tortious interference and conspiracy, and against CWNA alleging negligence, unjust enrichment, negligent misrepresentation and gross negligence. The Unit Franchisee was operating the Unit Franchise pursuant to a Unit Franchise Agreement with the Master Franchisee. Plaintiff is seeking actual damages in excess of $1,000,000, exemplary damages, treble damages, attorneys' fees and costs. CWNA denied the allegations in the Amended Complaint, asserted multiple affirmative defenses including failure to name an indispensable party, acts or omissions by third parties over whom CWNA has no right of control, and superseding or intervening acts beyond the scope of control of CWNA, and cross-claimed for indemnity and contribution against the Unit Franchisee in its Answer to Amended Complaint and Cross Claims, filed October 12, 2016. The Master Franchisee was added as a named defendant and additional causes of action against CWNA and the Master Franchisee for vicarious liability and respondeat superior, negligent hiring and joint action were alleged in the Second Amended Petition filed on February 16, 2017. As of the date of this Disclosure Document, this action is in the pre-trial stage and discovery has commenced.

Franchisor-Initiated Actions

Cartridge World North America, LLC v. Cartridge World Midwest, LLC, Cartridge World Midwest Services, LLC, and Steven Vollmer (the "Parties"). This case was filed on March 28, 2011 and is pending before FAMS in San Francisco, California. Cartridge World Midwest, LLC ("CWM"), and Cartridge World Midwest Services, LLC, ("CWMS") are single member LLCs owned by Steven Vollmer ("Vollmer"). Vollmer is a Master Franchisee under a Master Franchise Agreement executed on November 15, 2003, and amended by Amendment No. 1 to Franchise Agreement on March 29, 2004 (the "Agreement"). CWNA is alleging that CWM, CWMS and Vollmer committed numerous violations of the Agreement, which included not using their best efforts to sell and promote Unit Franchises within their Master Franchise Territory, missing documentation regarding Unit Franchise transfers, closings, and relocations, failure to submit ACH data and manipulating existing data, Unit Franchise audit failures, and missing insurance documentation. CWNA is seeking to terminate the Agreement. No binding arbitration sessions have been scheduled yet. CWNA plans to pursue relief under the Agreement.

Other than the actions listed above, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

On signing the Master Franchise Agreement, you must pay us an Initial Master Franchise Fee which is expected to range from $35,000 to $500,000. The Initial Master Franchise Fee will not be the same for all Master Franchisees. You will pay $.06 per person in your Master Franchise Territory, based upon the 2010 U.S. census. Depending upon the population of your Master Franchise Territory, it is possible that the Initial Master Franchise Fee could exceed $500,000. The Initial Master Franchise Fee is non-refundable and payable in a lump sum. We anticipate that Master Franchise Territories generally will be defined by state boundaries, but large states may be divided into several Master Franchise Territories, and Master Franchise Territories, or portions of Master Franchise Territories, may be reacquired or reduced in certain circumstances.

We participate in the International Franchise Association's VetFran program, and offer a 15% discount on our Initial Master Franchise Fee to qualified veterans.

ITEM 6
OTHER FEES

TYPE OF FEE(1)	AMOUNT(2)	DUE DATE	REMARKS
Portion of Unit Initial Franchise Fees and Training Fees	50% of Initial Franchise Fees and Training Fees paid by Unit Franchisees, unless we agree in writing to accept a different amount	Within five days after the earlier of Unit Franchise Agreement signing, opening, or date of required opening.	Required dates of opening are set by your Master Franchise Agreement Development Standards.
Unit Royalty Revenues(3)	Greater of 40% of Royalty Revenue from each Unit Franchise, or 2.4% of Gross Revenue and 2.4% of Gross Profit from each Unit Franchise(3)	Within 10 days after Royalty period.	Royalty period is currently a calendar month. We may change the Royalty period.
Other Revenues(4)	50% of Unit Franchise Fee Revenues	Within five days after receipt of Other Revenues by you or applicable due date.	Any refunds paid equally.
Product Revenues(5)	50% of Product Revenues	Monthly	Paid within 10 days after calendar month.

TYPE OF FEE[1]	AMOUNT[2]	DUE DATE	REMARKS
Other Revenues	50% of Other Revenues	Monthly	Paid within 10 days after calendar month. Includes Revenue received by, or due to, you and your Affiliates for Unit Franchises in your Master Franchise Territory.
Master Marketing Fund Contributions	The greater of .5% of your Initial Master Franchise Fee, or minimum of $1,000	Quarterly; must be received no later than the first day of the applicable calendar quarter.	Minimum is subject to inflation adjustment. Starts with first full calendar quarter after Effective Date of Master Franchise Agreement. Period may be adjusted. Paid in advance. See Item 11.
Local Advertising and Promotions[6]	Minimum amount specified in Master Franchise Agreement	Quarterly	Paid to vendors, verified to us upon request. You are encouraged to spend more than the minimum amount for local marketing, but you cannot spend less than this amount.
Renewal Master Franchise Fee	20% of our then-current Initial Master Franchise Fee, but not less than $20,000	When you elect a Renewal Master Franchise.	Minimum is subject to inflation adjustment. We may reduce or waive this fee in our sole discretion.
Interest on Late Payments	Interest is highest legal rate for open business credit, not to exceed 1.5% per month[7]	On demand	Only due if you do not pay us the amounts you owe on time. Interest will be charged only on overdue amounts and will start to accrue on the date when the payment was originally due.
Late Fees; Costs of Collection	$200 administrative fee for each late payment or report; you will pay all reasonable costs of collection we incur	On demand	Payable for late/missed payment/funds transfer and report due.
Convention Registration Fee[8]	Established based on the event	On demand	You must attend the conventions held by us unless excused by us.
Transfer Fee	$10,000, plus then-current training costs	On notification of proposed transfer that will result in a change in controlling interest	If the assignment occurs more than 120 days after your Master Franchise Agreement and is to a Business Entity wholly-owned by you, we waive the transfer fee but you may have to pay a $500 administrative services fee.
Management Fees[9]	$500 per day management fee, plus expenses	Deducted from Master Franchise funds	Compensation, other costs, and Travel Expenses of appointed manager payable by you.

TYPE OF FEE[1]	AMOUNT[2]	DUE DATE	REMARKS
Operations Fee[10]	Then-current Operations Fee; currently $105 per quarter per user	Payable in advance, on a monthly, quarterly or annual basis (or whatever other basis we select)	By credit card or auto draft as we select; maximum fee may increase due to vendor price increases.
Training Costs[11]	Costs/fees determined by training attended/staff participation	Before training or as incurred	Payable if you re-enroll in initial training, attend other training or if enroll additional employees. You pay all training fees, Travel Expenses and other expenses.
Audit/inspection Charges[12]	Amount of understatement of Revenue, with interest and late charges, plus costs of audit, if applicable	Within 10 days after receipt of the audit report or as incurred	Audit costs payable if reports not provided or understatement exceeds 2%.
Indemnification	Will vary under the circumstances	Upon demand	You must indemnify us for claims arising out of operation of your Master Franchise.
Securities Offering Fee	$10,000 or our actual expenses, whichever is greater	Upon demand	If you engage in a securities offering, you must reimburse us for our reasonable costs and expenses (including legal and accounting fees) to evaluate your proposed offering and you also must indemnify us.
Grant of Security Interest[13]	You grant us a security interest in assets and proceeds of Master Franchise	Granted with Master Franchise Agreement	You must complete financing statements/documents within 10 days of receipt from us.
Damages Upon Termination of Master Franchise Agreement	Includes amounts then due and that would have been due under Master Franchise Agreement	On demand	Payable if Master Franchise Agreement is terminated before expiration because of default by you

(1) All fees are imposed, collected by and payable to us, unless otherwise specified. As of the date of this Disclosure Document, all fees are paid by direct account debit credited to a CWNA account. All fees are non-refundable, unless otherwise noted. You must participate in our then-current electronic funds transfer program, which authorizes us to utilize a pre-authorized bank draft system, as well as the then-current electronic reporting system. We provide the then-current transfer process (e.g., account debit dates, applicable forms and other relevant information) in the Operations Manuals or other written instruction. You must maintain sufficient funds in your

authorized accounts to meet your payment obligations under the Master Franchise Agreement. We can apply any payments owed by you to any debt of yours that we choose (except for Master Marketing Fund Contributions), set off any amounts owed to you against any amount owed by you to us/specified third parties and retain amounts received on your account for debts owed. We can elect to waive or credit, reduce or defer payment of any and all fees and charges of any kind in connection with the Master Franchise on a case by case basis as we consider appropriate and as permitted by law. If you are not current with contributions to the Master Marketing Fund, We have the right to deny you access to benefits from the Master Marketing Fund.

(2) We can adjust the fixed amounts at our option in proportion to the changes in the Consumer Price Index (U.S. Average, all items) maintained by the U.S. Department of Labor (or any successor lndex) as compared to the previous year. We will notify you of any adjustments when they are made.

(3) "Gross Revenue" includes all charges and revenues which are, or could be, received or earned by you (and any affiliate):

A. by, at or in connection with your Master Franchise;
B. relating to the kinds of goods or services available now or in the future through the Master Franchise and distributed in association with the Marks or the System;
C. relating to the operation of any Similar Business (as defined in the Master Franchise Agreement);
D. with respect to, any tenants and subtenants of yours (including rent and other lease payments); and
E. with respect to any co-branding activities.

All sales and billings, whether collected or not, will be included in Gross Revenue, with no deduction for credit card or other charges. All business interruption proceeds that you or your Master Franchise receives will be included as Gross Revenue. Gross Revenue does not include sales tax and similar taxes collected and paid when due to the appropriate taxing authority or actual customer refunds, adjustments and credits.

"Gross Profit" equals the Gross Revenue of the sale of computer hardware (including printers) and software that are not identified by any Mark, as we designate (the "Ancillary Items"), less the actual direct product cost (before deducting all overhead costs, including without limitation rent, payroll, insurance, taxes, and all other Master Franchise operating expenses) that you incurred and paid for in connection with such Ancillary Items which are sold or distributed at or from your Master Franchise.

(4) This includes all fees due from Unit Franchises other than Initial Franchise Fees, for example, application, transfer, renewal, and resale program fees; payments by transferees; late payment fees, etc.

(5) Applies to any revenues from the sale of Products and Services. As of the date of this Disclosure Document, Master Franchisees are not authorized to sell any products or items to Unit Franchisees. The services they provide are franchise sales and the support services as we specify.

(6) We may change the payment period and pro-rate your payment to adjust to the new period. Refer to Item 11 for information on local advertising requirements.

(7) The highest interest rate allowed in California is 10% per annum.

(8) At least one management level person must attend for each Master Franchise. You are responsible for all costs of attendance, including Travel Expenses, incidentals and other costs.

(9) If we deliver a notice of default to you and you fail to cure the default, we can appoint a manager to operate your Master Franchise until you have cured all defaults. We will keep all funds from the operation of the Master Franchise during the period we manage it in a separate fund and all expenses of the Master Franchise, including compensation, other costs and Travel Expenses of our appointed manager, will be charged to and paid out of the fund. You are responsible for any fund deficiency. We also can choose to manage your Master Franchise in the event of your death or disability and pay ourselves a reasonable amount for doing so.

(10) The Operations Fee currently covers certain Internet/Intranet systems maintenance, support and upgrades for IT/operations-related systems for your Master Franchise, including the Cartridge World® Internet/Intranet system. You will commence paying the Operations Fee when you commence operating your Master Franchise. Additional information regarding use of the Internet/Intranet system expenses for your Master Franchise is disclosed in Item 11 of this Disclosure Document.

(11) Our initial training program currently is supplied exclusively by or through us, with a portion of the program held at a Unit Franchise in Tulsa, Oklahoma or another designated location. Fees vary, depending upon the number of attendees. Refer to Item 11 of this Disclosure Document for information about the initial training program. In all cases, you are responsible for all other costs associated with attendance at initial training, such as wages, incidentals, and Travel Expenses. We can choose to eliminate or shorten training for persons previously trained or with comparable experience. You and your manager must attend additional/refresher courses that we may require. We can charge a fee for additional optional or mandatory training programs, and you are responsible for all Travel Expenses, incidental and other expenses associated with attendance at any such programs. We select the location for training.

(12) Generally, our audits of your Master Franchise are at our expense. However, if you fail to provide the necessary records or if understatements of the Gross Revenue and/or Gross Profit are more than 2% for any period, then you must pay us the additional Royalty payments and other amounts shown from the understatements and we can require you to reimburse us for all costs related to the audit.

(13) The security interest granted by you precedes all other security interests in the collateral except for (a) bona fide purchase money security interests and (b) the security interest granted to a third party in connection with your original financing, if any. We will make reasonable efforts to accommodate reasonable lender's requirements, including the possible subordination of our interests. If an event occurs that allows us to terminate the Master Franchise Agreement, or if we are not assured that all of your obligations will be met, we have all the rights and remedies of a secured party under the Uniform Commercial Code of the state in which your Master Franchise is located, including the right to possession of the collateral.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

EXPENDITURES[1]	AMOUNT		WHEN PAYABLE	METHOD OF PAYMENT	TO WHOM PAID
	LOW	HIGH			
Initial Master Franchise Fee[2]	$35,000	$500,000	On signing Master Franchise Agreement	Lump sum	Us
Real Estate (Rent and Security Deposit)[3]	$0	$6,000	Usually on signing lease and then monthly	As Agreed	Lessor
Leasehold Improvements, Fixtures[4]	$0	$10,000	As Incurred	As Agreed	Vendors
Computer System, Office Equipment and Supplies	$1,500	$8,000	As Incurred	As Agreed	Vendors
Insurance[5]	$1,000	$3,000	As Required	As Agreed	Outside Suppliers
Expenses While Training[6]	$1,500	$3,000	As Incurred	As Agreed	Vendors
Professional Fees[7]	$4,000	$10,000	As Incurred	As Agreed	Attorneys, Accountants, others
Initial Marketing	$5,000	$20,000	As Incurred	As Agreed	Vendors
Travel Costs	$1,000	$5,000	As Incurred	As Agreed	Vendors
Miscellaneous Opening Costs[8]	$1,000	$5,000	As Incurred	As Agreed	Approved Suppliers, Utilities
Additional Funds 3 Months[9]	$30,000	$100,000	As Incurred	As Agreed	Vendors, Suppliers
TOTAL ESTIMATED INITIAL INVESTMENT[10]	$80,000	$670,000			

Notes:

(1) **Expenditures.** The initial investment table shows certain estimated expenditures required to develop a Master Franchise Territory. This chart does not reflect any costs associated with the establishment of a Unit Franchise under a Unit Franchise Agreement. Note that these amounts may vary

widely. Amounts payable to us are nonrefundable unless otherwise noted. Amounts payable to suppliers/vendors are refunded according to arrangements you make with the vendor, if any. These figures are estimates of the range of your initial costs in the first three months of operation only. Amounts may vary significantly from market to market.

(2) **Initial Master Franchise Fee.** We do not offer any direct or indirect financing for the Initial Master Franchise Fee. This fee includes the price of training for you or your Designated Individual. The amount of the Initial Master Franchise Fee varies depending upon the population of the Master Franchise Territory. No Master Franchise Territory will have an Initial Master Franchise Fee of less than $25,000. The Initial Master Franchise Fee will generally range from $35,000 to $500,000. Depending upon the population in your Master Franchise Territory, the Initial Master Franchise Fee could be as high as $2.3 million.

(3) **Real Estate.** It is extremely difficult to accurately estimate real estate related costs. This is a base rent estimate only. Currently, we have a policy of allowing Master Franchisees to establish an office in their own home. We can change this policy. If you elect to find separate office space, real estate costs will vary significantly, depending upon a multitude of factors, including whether the property is purchased or leased, the landlord, the size, type, condition, and location of the property, the local real estate market, general and local economic conditions, and the availability of financing on commercially reasonable terms. The approximate size of a Master Franchise office may be 500 to 1,000 square feet. Although they vary widely, typical minimum rental costs range from $500 to $2,000 per month. The estimated range provided is based upon these square footage and cost/foot assumptions. In addition to rent, there are often a variety of additional charges that you may be obligated to pay, including a proportionate share of real estate taxes, utility, heat, air conditioning, security, common area maintenance, and other expenses of the building or structure in which the office is located. None of these costs are reflected in the estimates provided. A security deposit is also generally required by the landlord. The security deposit is usually refundable. Any or all of these costs may be different in your area, and you should research these costs and other lease terms before making any commitments.

(4) **Improvements and Fixtures.** Currently, our policy permits the operation of the Master Franchise from their home-based office. Although we can change this policy, there currently are no office improvements required by us. If you choose to lease an office, it is extremely difficult to accurately estimate real estate related improvement expenses. These improvement expenses will vary significantly, depending upon a multitude of factors, including the landlord, the size, type, condition, and location of the property, the local real estate market, general and local economic conditions.

(5) **Insurance.** You must maintain in force policies of insurance issued by carriers approved by us covering various risks, as specified by us, including the following: (i) comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by, or occurring in conjunction with, your Master Franchise and any Master-Owned Units; (ii) all risk property and casualty insurance for the replacement value of your Master Franchise and any Master-Owned Units and all associated items; and (iii) business interruption insurance providing for continued payment of all amounts due us or any Affiliate of ours under this Agreement. You must also secure and pay premiums on a workers' compensation (or similar) policy covering your employees as required by law. We may specify the types and amounts of coverage required under such policies and require different or additional kinds of insurance at any time, including excess liability insurance. Each insurance policy must name us and our Affiliates as additional named insureds. See Section 12.01 of the Master Franchise Agreement.

Current required insurance levels are given below:

Type of Insurance	Limits and Other Details
Commercial General Liability	$2,000,000 General Aggregate $2,000,000 Products Aggregate $1,000,000 Each Occurrence $1,000,000 Personal Injury/Advertising Injury $50,000 Medical Payments
Business Interruption Insurance	Must provide continued payment of amounts due (or to become due) us, any applicable Related Company and any affiliate under the Master Franchise Agreement.
Fire Damage	$300,000
All Risk Property and Casualty	Must cover the replacement value of the business operations and all associated items (e.g., inventory, signs, equipment)
Workers' Compensation & Employer's Liability	Statutory Limits set by State

(6) **Training Expenses.** The Initial Master Franchise Fee covers the initial training program tuition and Travel Expenses for one person attending training at our training center in Tulsa, Oklahoma. If more than one person attends initial training, you are responsible for the Travel Expenses and the other costs for the second person. In all cases, you are responsible for all other costs associated with attendance at initial training, such as wages, meals, incidentals and living expenses. The amount you expend will depend on several factors, including your number of attendees, the distance you must travel, and the type of accommodations you choose, among others. See Items 6 and 11 for more information about training.

(7) **Professional Expenses.** The advertising, offering, and selling of Unit Franchises are subject to federal regulation by the FTC. Additionally, some states closely regulate franchising and require that offers be registered before franchise sales can begin, and on an ongoing basis. You must comply with all state and federal franchise laws and regulations, including those related to financial statements and independent audits. You should consult with your attorney and accountant and local, state and federal government agencies before buying your Master Franchise to determine all legal requirements that you must comply with, their effects on you, and the ongoing costs of compliance.

(8) **Miscellaneous Opening Costs.** Includes security deposits, utility costs, costs associated with obtaining business licenses and permits.

(9) **Additional Funds.** This is an estimate of certain funds needed to cover your business (not personal) expenses during the first three months of operation of your Master Franchise. You will need capital to support on-going costs of your Master Franchise, such as payroll, utilities, taxes, loan payments and other expenses. New businesses (franchised or not) often have larger expenses than revenues. This is only an estimate, and we do not guarantee that the amounts specified will be adequate. You may need additional funds during the first three months of initial operation and afterwards. Additionally, modifications to the System and practices at times may require additional and as yet undetermined expenditures. We do not furnish or authorize our salespersons or any other persons or entities to furnish estimates as to the capital or other reserve funds necessary to reach "break-even" or any other financial

position, nor should you rely on any such estimates. The three-month period from beginning business covers the time by which most Master Franchisees are fully in operation, but does not necessarily mean that you will have reached "break-even", "positive cash flow", or any other financial position. In addition, the estimates presented relate only to costs associated with the Master Franchise and do not cover any personal, "living," unrelated business or other expenses you may have, such as fees due to us, Master Marketing Fund Contributions and other marketing/advertising expenses, debt service on any loans, sales, and use taxes on goods and services, salesperson draws and commissions, and a variety of other amounts not described above.

(10) **Total Estimated Initial Investment.** These figures are estimates of the range of certain initial costs pre-opening and in the first three months of operation. It is not all-inclusive as noted in Footnote 9 above, and we cannot guarantee you will not have additional expenses in starting your Master Franchise. Your costs will vary depending on such factors as: how much you follow the System and procedures; your management and marketing skill, experience and general business ability; local and general economic conditions; the local market for Unit Franchises; levels of competition; and prevailing wage rates.

Costs to begin operations and other financial requirements may be more or less than the figures specified above, as a function of the size of the Master Franchise (number of staff, anticipated volume of business, etc.), the area in which you intend to operate and other factors, as mentioned above. Many of these factors are primarily under your control in your independent operation of the Master Franchise. You should not assume that revenues from your Unit Franchisees will necessarily cover your initial (or other) expenses, particularly since once a Unit Franchise Agreement is signed, it can take a Unit Franchise up to 12 months to open for business, and some take longer. You should review these figures carefully with a business advisor (such as an accountant and an attorney) before making any decision to purchase the Master Franchise. In preparing the figures in this chart, we relied on our industry experience. These figures are estimates, and we cannot guarantee that you will not have additional expenses**.**

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You and your Unit Franchisees must purchase, use and offer the Designated Equipment, Products and Services we specify which currently includes the POS System and products and services related to the sale of printer (and other) cartridges, inkjet cartridges, toner, computer hardware (including printers) and software, and other related products and services. You must operate your Master Franchise in compliance with the then-current System and the Operations Manuals at your expense, including use of specified equipment, Products and Services, computer hardware and software; supplier programs and operating systems; signs, logos, designs and advertising/marketing materials and forms; website designs and formats; and other items.

We have identified various suppliers of the Designated Equipment, Products and Services that your Master Franchise must use or provide and which meet the Cartridge World® standards and requirements. You must purchase all approved goods and services for your Master Franchise from suppliers designated or approved by us, unless otherwise permitted by us or as provided in the Operations Manuals. Designated and approved suppliers may include, and may be limited to, us and Cartridge World. We may receive revenues from items that you are required to buy from us or from designated or approved suppliers. However, neither CWNA nor an affiliate of CWNA is currently a designated supplier or the only approved supplier for any products or services for your Master Franchise or Unit Franchises in your Master Franchise Territory.

Certain services, including training services, opening inventory, marketing materials, certain equipment, signs, inks, replacement cartridges and related printer consumables must be obtained only from designated or approved suppliers. You and your Unit Franchisees are required to obtain POS Systems from an approved supplier to ensure that franchisees use a common transaction/reporting system in their operations. The use of approved suppliers or inks and replacement cartridges helps to ensure that these branded products are of a uniform, high quality and are uniformly available from all Unit Franchises. Consistent, high quality is critical to our ability to offer and maintain our customer refund policies. Product performance and similar factors are of key importance to our target consumers, to building a positive image and reputation for the Marks and the System, and to individual Unit Franchises and System growth. We collect funds and trade credits from certain suppliers related to the volume of activity with these suppliers and the System, in defined periods. These funds and credits (also known as rebates) range from 1% to 5% of the Unit Franchisees' purchases. The majority of these rebates are used to offset costs we incur to negotiate, manage, monitor product quality and administrate overall product management to ensure quality products at optimal pricing for the System, as well as System compliance with purchase of only authorized products.

In the 2016 fiscal year, we did not derive any revenue from required purchases of products and services by franchisees, and received $489,670 from rebate payments by suppliers based upon franchisee purchases, which was approximately 14.3% of our total revenues in the amount of $3,372,207 from all sources in 2016 (see Item 21). Our officers currently do not have an ownership interest in any supplier. No CWNA affiliates derived revenues from required franchisee purchases or leases during the 2016 fiscal year.

We will periodically issue specifications and standards for Products and Services to Unit Franchisees in the Operations Manuals or otherwise in writing. We may delete, substitute, modify or add to the Products/Services/suppliers, and may select a supplier on the basis of whatever requirements we find appropriate. Requirements can vary and may relate to frequency of delivery, product life and quality; standards of service; as well as payments, contributions or other consideration being paid to us or our Affiliates, and other criteria.

You must notify us in writing if you or your Unit Franchisees want to purchase, use or offer any items that are not previously approved, or propose to use any supplier who has not previously been approved for the proposed item. You will need to submit to us the information, specifications, and samples requested and may be required to pre-pay reasonable charges connected with the review and evaluation of any proposal. You will be notified within a reasonable time whether or not you are authorized to purchase or use the proposed items or to deal with the proposed supplier. We can condition or revoke approval of particular items or suppliers. You must immediately stop selling or using any unapproved items/suppliers when your received written notice from us.

We estimate that the proportion of your purchases and leases of goods and services from approved suppliers or of products that meet our specifications to be an insignificant percentage of your costs to establish the Master Franchise. We estimate that your purchase of products, supplies, or services from suppliers that we have approved or that comply with our specifications will represent an insignificant percentage of your costs in the ongoing operation of the Master Franchise.

We have the right to purchase arrangements with approved suppliers of certain equipment and supplies for the benefit of Unit Franchisees, but is not obligated to do so.

We do not provide material benefits (such as the award of a renewal or additional Master Franchise) on the use of designated or approved sources. However, failure to use approved items/suppliers might be a default under the Master Franchise Agreement and, in general, any Master Franchisee in default would not be awarded a renewal or additional Master Franchise and might be subject to termination. If we issue a notice of default, we can choose to discontinue providing goods or services to you until you have cured all defaults.

There currently are no formal purchasing or distribution cooperatives in the United States or elsewhere. If one is formed, we can require that you make your purchases through the cooperative.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN MASTER FRANCHISE AGREEMENT ("MFA")	ITEM IN DISCLOSURE DOCUMENT
a. Site selection and acquisition/lease	9.01.D, Exhibit E of MFA	7, 11
b. Pre-opening purchases/leases	6.01, 6.03, 9.01.D, Exhibit E of MFA	7, 8, 11
c. Site development and other pre-opening requirements	9.01.A, 9.01.D, Exhibit E of MFA	7, 8, 11
d. Initial and ongoing training	7.01-7.03, 8.01, 13.03.E, Exhibit E of MFA	6, 7, 11
e. Opening	9.01.G	6, 7, 11
f. Fees	4.01-4.07, 4.09-4.10, 7.01-7.03, 8.01, 10.01-10.04, 13.03, 15.08, 17.03.A.9	5, 6, 7, 11, 17
g. Compliance with standards and policies/Operations Manual	3.01, 3.04, 6.01, 6.03, 9.01-9.03, 13.03, Exhibit E of MFA	8, 11, 17
h. Trademarks and proprietary information	3.01-3.02, 11.01, 14.01, 15.11, 15.13, 22.05, Exhibit B of MFA	13, 14
i. Restrictions on products/services offered	6.01, 6.03, Exhibit E of MFA	8, 16
j. Warranty and customer service requirements	6.01.F	17
k. Territorial development and sales quotas	5.01, 5.04, Exhibits A-2 and A-3 of MFA	12
l. On-going product/service purchases	6.01, 6.03, Exhibit E of MFA	8, 11
m. Maintenance, appearance and remodeling requirements	6.03, 9.01	11, 17
n. Insurance	12.01	6, 7, 8
o. Advertising	10.01-10.05	6, 7, 11
p. Indemnification	5.03, 9.01.G, 10.03.B, 12.02, 15.08.B, 15.13.A, 17.05-17.06, 17.08, 20.01.B, 22.05.B, Exhibit	6

OBLIGATION	**SECTION IN MASTER FRANCHISE AGREEMENT ("MFA")**	**ITEM IN DISCLOSURE DOCUMENT**
	D of MFA	
q. Owner's participation/ management/staffing	7.01, 9.01, Exhibits A and E of MFA	15
r. Records/Reports	9.03	6, 11
s. Inspections/Audits	9.03-9.04, Exhibit E of MFA	6, 12
t. Transfer	4.08.B.3, 15.11, 15.13, 17.02-17.08, 19.01.B, Exhibit D of MFA	6, 17
u. Renewal	4.08.B.2, 13.02-13.03, Exhibit D of MFA	6, 17
v. Post-termination obligations	14.01, 15.10-15.14, 19.01, 22.01-22.17, 23.01, Exhibit B of MFA	17
w. Non-competition covenants	15.13, 17.04, 19.01	17
x. Dispute resolution	22.01-22.17	17
y. Franchisor management/franchisee default	15.08	6, 17
z. Security interest	16.01	6

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your notes, leases or obligations. As of the date of this Disclosure Document, we do not sell, assign or discount to a third party all or part of any financing arrangement, because we provide no financing. However, we reserve the right to do so in the future.

We have been a member of the SBA Franchise Registry since July 18, 2003. This affiliation may assist you with obtaining expedited loan processing if you should decide to obtain SBA financing. We receive no consideration for a Master Franchisee's participation in any SBA financing programs.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Our Pre-Opening Obligations to Master Franchisees

Before you begin operation of your Master Franchise, we will:

(1) Identify your Master Franchise Territory with you (Master Franchise Agreement, Section 3.01 and Exhibit A-1).

(2) Provide you or your Designated Individual with initial training in our Master Training Program (Master Franchise Agreement, Section 7.01).

(3) If applicable, consider the office premises proposed by you, and any applicable leases, and grant, condition or withhold our approval of them as appropriate (Master Franchise Agreement, Section 9.01.D).

<u>Our Obligations During the Operation of Your Master Franchise</u>

During the operation of your Master Franchise, we will:

(1) Provide you with a copy of the Operations Manuals and other Confidential Information (Master Franchise Agreement, Section 14.01). A copy of the Table of Contents of our Operations Manual for the operation of a Unit Franchise appears as Exhibit E to this Disclosure Document. You will be required to comply with the provisions of any such manual if a manual exclusively relating Master Franchise operations is introduced by us.

(2) License to you the use of the Marks and the System within your Master Franchise Territory to operate a Master Franchise (Master Franchise Agreement, Section 3.01).

(3) License you to enter into Unit Franchise Agreements as a subfranchisor of Unit Franchises (Master Franchise Agreement, Section 3.01).

(4) Provide you with the current form of our Unit Franchise Agreement and related documents for use in awarding Unit Franchises (Master Franchise Agreement, Section 3.01 and MFA Exhibit G).

(5) Review for our approval any marketing and advertising materials, disclosure documents, and agreements or documents you may use in your Unit Franchise award process (Master Franchise Agreement, Sections 3.01. 9.01.B and 10.03.B).

(6) Conduct mandatory annual meetings/conventions (Master Franchise Agreement, Section 4.06).

(7) Identify to you our approved suppliers, and if applicable (while you are in Good Standing), allow you to purchase the Designated Equipment, Products and Services for which we or our Affiliates are the sole approved source (Master Franchise Agreement, Section 6.01).

(8) Set and inform you of our current standards for the System (Master Franchise Agreement, Section 6.03).

(9) Provide additional training, as we consider appropriate (Master Franchise Agreement, Section 7.02).

(10) Make one personal on-site consultation, at our expense, for the opening of the first Unit Franchise in your Master Franchise Territory, and to assist you with implementing the System in your Master Franchise Territory. This consultation will be made by at least one Trained Employee, and will not last more than three days unless you and we agree otherwise (Master Franchise Agreement, Section 8.01.A) (not applicable if you are acquiring an existing Master Franchise).

(11) Make one personal on-site consultation, at our expense, within every 24 month period after our initial consultation. These consultations will be made by at least one Trained Employee, and will not last more than three days unless you and we agree otherwise (Master Franchise Agreement, Section 8.01.A) (not applicable if you are acquiring an existing Master Franchise).

(12) Provide, with one month advance notice and at your expense, additional on-site consultations, lasting not less than two days (may be limited by us to one visit per year) (Master Franchise Agreement, Section 8.01.B).

(13) Make a Trained Employee available to communicate with you by phone, email, or other electronic means (Master Franchise Agreement, Section 8.01.C).

(14) Provide you with technical information and training materials for your Unit Franchisees. We maintain a website to convey forms, newsletters, technical instructions and improvements (Master Franchise Agreement, Section 9.02).

Computer Hardware and Software

You must purchase, use, maintain and update at your expense the software, computer and other systems meeting our specifications, as we may modify them, in your Master Franchise. There is no limitation on the cost and frequency of this obligation. You must maintain your systems on-line to allow us access to system data and information. You must comply with our then-current Terms of Use and Privacy Policies and any other requirements regarding all computer and other systems, including Internet usage.

Presently, each Master Franchisee must have and maintain a personal computer system meeting our specifications. The estimated cost of this computer system is disclosed in Item 7 of this Disclosure Document. You will use this computer system for general office and administrative functions and for Internet access. You must use Microsoft Office software, which is the proprietary property of Microsoft. Microsoft does not have any contractual obligation to provide ongoing maintenance, repairs, upgrades or updates. You may acquire your computer hardware and Microsoft Office software from any vendor of your choice. Costs vary by vendor and market.

You must pay all amounts charged by any supplier or licensor of the systems and programs used by you, including charges for use, maintenance, support and/or updates. You will pay us the then-current Operations Fee (see Item 6) which currently covers payments for certain IT/operations-related systems for your Master Franchise and the Cartridge World® Internet/Intranet system, and some updates/upgrades or modification expenses. The amount of the Operations Fee could change in the future depending on what approved vendors are willing to offer and provide. We do not guarantee the continuation of the same services or the same fees from any vendors.

You may be required to modify your computer system in the future at your expense, including upgrades to the latest release of software applications and upgrades to your computer hardware. It is estimated that your cumulative annual costs to update, upgrade and maintain your computer system will generally range from $0 to $500. There are no contractual limitations on the frequency and cost of upgrades or updates to your computer hardware and software.

Advertising — General

Your advertising must be in good taste and conform to ethical and legal standards, including all applicable franchise laws regarding content, disclosure, filing and other requirements. We may require that samples of all advertising and promotional materials for any media, including the Internet, be submitted to us for our review and approval before use. You will not use any materials or programs disapproved by us. You cannot establish or maintain, without our prior written consent, any independent website, domain name, email address or other presence for use in your Master Franchise, and you may not use the Cartridge World® trade name or the Marks with any of the foregoing. You are responsible for legal compliance and any costs incurred by us in connection with any legal reviews or other compliance costs.

Advertising — Master Marketing Fund

We have established an advertising, publicity and marketing fund (the "Master Marketing Fund") to promote the award of Unit Franchises in the United States. You contribute to the Master Marketing Fund each calendar quarter the greater of .5% of the Initial Master Franchise Fee actually paid by you to us or a minimum Master Marketing Fund Contribution of $1,000, subject to inflation adjustment. This fee is owed for each Master Franchise and Master Franchise Territory granted to you, and is payable in advance beginning with the first full calendar quarter following the Effective Date of the Master Franchise Agreement. We may adjust the payment period if we choose (with corresponding payment amount adjustments made on a prorated basis).

During the fiscal year ended December 31, 2016, expenditures from the Master Marketing Fund were categorized as follows:

Franchise Advertising	50%
Advertising Agency & Program Support	6%
Trade Show Expenses	35%
Other Expenses	9%
	100%

You must participate in all Master Marketing Fund programs. You have the right to set your own prices, except that we may specify maximum prices for fees, payments, goods or services to the greatest degree permitted by law. You will fully honor all coupons, price reduction and other promotions/programs as we direct. We can choose to furnish you with marketing, advertising and promotional materials; however, we may also require that you pay the cost of producing, shipping and handling for the materials.

We are the manager of the Master Marketing Fund and have broad and exclusive discretion over all matters relating to the Master Marketing Fund, including operational, marketing, or any other matter (consistent with its purposes and the provisions of the Master Franchise Agreement). The Master Marketing Fund may be used for (among other things) product development; signage; creation, production and distribution of marketing, advertising, public relations, lead generation and other materials in any medium, including the Internet; administration expenses; website development and maintenance; brand/image awareness campaigns; media; national, regional, local and other marketing programs; Fund taxes, activities to promote current and future franchise sales, the Marks and the System; agency and consulting services; research, any reasonable expenses approved by us and associated with any Master Franchise advisory groups formed by us. A brief statement regarding the availability of the Products and Services at Unit Franchises may be included in advertising and other items produced using the Master Marketing Fund. Refer to Section 10.01 in the Master Franchise Agreement for additional information regarding our discretion in managing the Master Marketing Fund.

We and any Franchisor-Related Parties can provide goods, services, materials, etc. (including administrative services and "in-house advertising agency" services). We can be reimbursed for this from the Master Marketing Fund. The Master Marketing Fund can compensate us for this. Any compensation must be reasonable in amount. We can arrange for goods, services, materials, etc. (including administrative services) to be provided by independent persons or companies and all related costs, fees, etc. will be paid by the Master Marketing Fund. We can prepare advertising or employ outside agencies.

The Master Marketing Fund will be accounted for separately and may be used to pay all administrative and other costs of the Master Marketing Fund related to its activities and purposes or as authorized by the relevant Master Franchise Agreements. We will prepare financial statements for the Master Marketing Fund annually, which will be furnished to you upon written request. We can choose to have statements audited and for any related accounting/auditing costs to be paid by the Master Marketing Fund. Funds in the Master Marketing Fund must be expended, before termination of the Master Marketing Fund, only for the purposes authorized by the relevant Master Franchise Agreement(s). No profit, gain or other benefit will directly accrue to us from the Master Marketing Fund. All interest earned on monies contributed to, or held in, the Master Marketing Fund will be remitted to the Master Marketing Fund and will be subject to the restrictions of the relevant Master Franchise Agreement(s). If all money in the Master Marketing Fund is not spent in the fiscal year, the funds are carried over for use in the next fiscal year.

We have no obligation to ensure that expenditures by the Master Marketing Fund are, or will be, proportionate or equivalent to the contributions made to the Master Marketing Fund by Master Franchises operating in any geographic Master Franchise Territory or in any particular country. We are not obligated to ensure that any Master Franchise will benefit directly, indirectly, or in proportion to its contribution to the Master Marketing Fund. We have no obligation to cause other Master Franchises to contribute to the Master Marketing Fund or engage in local marketing, and we may permit a Master Franchisee to make direct advertising expenditures in place of contributions to the Master Marketing Fund. You should understand that some Master Franchisees may have Master Marketing Fund obligations that are different from yours. None of the relationships with you in connection with the Master Marketing Fund are in the nature of a “trust,” “fiduciary,” or similar special arrangement.

You must participate at our request in marketing programs implemented by us occasionally to enhance Unit Franchise awards by Master Franchisees in their respective Master Franchise Territories. You and we will share the costs of any program of this type on an equal basis.

We may deny you access to any and all programs and materials created by, and benefits of, the Master Marketing Fund if you default on your obligations to the Master Marketing Fund or if you default on your Master Franchise Agreement. Contributions by you would still be expended only as authorized the Master Franchise Agreement (Master Franchise Agreement, Sections 10.01 and 10.02).

Advertising — Unit Marketing Fund

We have established a marketing fund for the promotion of the Products and Services offered by Unit Franchises (the “Marketing Fund”). The primary source of income for the Marketing Fund is Marketing Fund Contributions by Unit Franchisees. We are the financial manager for the Marketing Fund and have broad and exclusive discretion over all matters related in any way to the Marketing Fund and as provided in the approved form of Unit Franchise Agreement. The approved form of Unit Franchise Agreement that you will use in granting Unit Franchises in your Master Franchise Territory provides for Marketing Fund Contributions by the Unit Franchisees in an amount not to exceed 4% of their Gross Revenue (or 4% of Gross Profit for hardware and any other product sales specified in the applicable Unit Franchise Agreement). We may change the terms of the form Unit Franchise Agreements as we choose. We do not and cannot ensure that any benefit(s) to be received by any Unit Franchisee(s) will be in proportion to contributions made to the Marketing Fund by any Unit Franchisee(s) or any Territory(ies) or any countries. You must fully cooperate with us in all matters related to the Marketing Fund and comply with any requirements we may establish. We can require that Marketing Fund Contributions be paid directly to us. We also can choose to delegate to you certain functions (such as collection and administration) with respect to the Marketing Fund. You will perform any activities under terms and conditions we set (Master Franchise Agreement, Section 10.04).

Advertising — Local Advertising

You must spend a minimum dollar amount each calendar quarter for local advertising and the promotion of new Unit Franchises in your Master Franchise Territory. We can require you to submit verification of your expenditures in a form prescribed by us. That amount must be expended starting with the opening of your Master Franchise (with appropriate prorated adjustments made in the first quarter of your operations based upon your opening date). We may adjust the payment period as we choose (with corresponding payment amount adjustments made on a pro-rated basis).

You must comply with the Operations Manuals and any other specifications we give to you regarding your use of the Internet, World Wide Web or other electronic media in connection with your Master Franchise. We may require that any use be through us, using a designated Internet-Intranet service provider (which can be us or an Affiliate), and that all pages be accessed through a designated site. We may require that it meet our specifications. Neither you nor your Unit Franchisees are permitted to establish or maintain without our prior written consent any independent website, domain name, email address or other such presence for use in connection with your/their Master Franchise/Unit Franchise, and you may not use the Cartridge World® trade name or the Marks with any of the foregoing. We have implemented an Internet-Intranet system to enhance communications by and among us and Master/Unit Franchisees to help support various system maintenance services, and to permit the efficient and economic delivery of a variety of information, such as Operations Manuals, System bulletins, marketing materials, financial data, reporting information, technical instructions, etc. Participation in these Intranet-Internet activities will be required. You must maintain the necessary hardware, software, high-speed Internet service, and other items as required by us, on an ongoing basis, and at your expense. If you are not in Good Standing, we may limited or suspend your access to/use of the systems and programs covered by this fee until any defaults by you are cured or we are otherwise satisfied, and you return to Good Standing.

Site Selection

You are solely responsible for selecting the location of the office for your Master Franchise which must be located in your Master Franchise Territory. The office for your Master Franchise can be located in your residence, if located in your Master Franchise Territory and allowed by applicable zoning laws, or in leased space.

Typical Length of Time to Open Your Master Franchise

The typical length of time between the signing of the Master Franchise Agreement and the opening of your Master Franchise is three to six months. Factors affecting this length of time usually include completion of training, establishing the office for your Master Franchise in the Master Franchise Territory, and compliance with the legal requirements to offer Unit Franchises in your Master Franchise Territory.

Training

You must complete our initial training program to our satisfaction before operating your Master Franchise. If you have been previously trained, we can choose to not provide training, or to provide a revised or shortened program (Master Franchise Agreement, Section 7.01).

If the Master Franchise is owned by more than one person or if the Master Franchisee is a Business Entity, then the Designated Individual identified in Exhibit A-1 of the Master Franchise Agreement must complete the initial training program and comply on an ongoing basis with all training requirements.

The Initial Master Franchise Fee covers the training program tuition and Travel Expenses for one person. If more than one person attends initial training, you are responsible for Travel Expenses and other costs for the second person. In all cases, you are responsible for all other costs associated with attendance at initial training, such as wages, meals, incidentals and living expenses (Master Franchise Agreement, Section 7.01).

Additional and refresher training programs, including national and regional conferences, conventions and meetings, may be designated mandatory or optional. Mandatory meetings will be in North America, but optional ones may be anywhere. We can require successful completion of training by your supervisory and franchise marketing personnel at locations designated by us, which may include locations in the United States, or elsewhere. We may elect to charge a reasonable fee for all additional training (Master Franchise Agreement, Section 7.02).

A portion of the initial training program will be held in Tulsa, Oklahoma, and conducted by Joe DeBerry, or another representative by us. Joe DeBerry has been a Unit Franchisee since 2007, and a Master Franchisee based in Tulsa, Oklahoma since October 2010. As a Master Franchisee, he oversees 43 Unit Franchises in his Master Franchise Territories which includes the states of Indiana, Iowa, Kansas, Missouri, Nebraska, Oklahoma and northern Texas, and he owns and operates three Unit Franchises, all located in Oklahoma. Before opening, Master Franchisees begin by attending the same technical training program that must be completed by all Unit Franchisees. This portion of the initial training program appears below:

UNIT FRANCHISEE TRAINING PROGRAM

SUBJECT (1)	HOURS OF CLASSROOM TRAINING (2)	HOURS OF SELF-STUDY (3)	HOURS OF ON-THE-JOB TRAINING (4)	LOCATION
Orientation	1	.5	0	Training Center in Tulsa, OK; Master Franchisee's home or office
Strategic Overview	2	0	0	Training Center in Tulsa, OK
Shop The Competition	0	10	3	Master Franchisee's home or office; Unit Franchise chosen by us
Inkjet Cartridges	4.5	5	3	Training Center in Tulsa, OK; Master Franchisee's home or office; Unit Franchise chosen by us
Laser Cartridges	4.5	5	3	Training Center in Tulsa, OK; Master Franchisee's home or office; Unit Franchise chosen by us
Laser Printer Repair	2	4	3	Training Center in Tulsa, OK; Master Franchisee's home or

SUBJECT (1)	HOURS OF CLASSROOM TRAINING (2)	HOURS OF SELF-STUDY (3)	HOURS OF ON-THE-JOB TRAINING (4)	LOCATION
				office; Unit Franchise chosen by us
Pre-Business to Business	0	4	16	Master Franchisee’s home or office; Unit Franchise chosen by us
Route System	0	4	1	Master Franchisee’s home or office; Unit Franchise chosen by us
CWIC Link & Internet Resources	1	4	1	Master Franchisee’s home or office; Unit Franchise chosen by us
Financial Analysis	4	5	0	Training Center in Tulsa, OK; Master Franchisee’s home or office
Suppliers	1	2.5	.5	Training Center in Tulsa, OK; Master Franchisee’s home or office; Unit Franchise chosen by us
Image & Branding	0	2	1.5	Master Franchisee’s home or office; Unit Franchise chosen by us
Customer Service	0	3	3	Master Franchisee’s home or office; Unit Franchise chosen by us
Business to Business	0	3.5	3	Master Franchisee’s home or office; Unit Franchise chosen by us
Open & Close	0	2	2	Master Franchisee’s home or office; Unit Franchise chosen by us
Point-of-Sale System	0	5	4	Master Franchisee’s home or office; Unit Franchise chosen by us
Human Resources	0	1.5	0	Master Franchisee’s home or office
On-line Sales	0	5	0	Master Franchisee’s home or office

SUBJECT [1]	HOURS OF CLASSROOM TRAINING [2]	HOURS OF SELF-STUDY [3]	HOURS OF ON-THE-JOB TRAINING [4]	LOCATION
Marketing	1.5	2	4	Training Center in Tulsa, OK; Master Franchisee's home or office; Unit Franchise chosen by us
QuickBooks	3	0	0	Training Center in Tulsa, OK
Glossary	0	1.5	0	Master Franchisee's home or office

<u>Notes to Unit Franchisee Training Program Chart</u>:

(1) Instructional materials for the initial training program include the Operations Manual (see Exhibit E).

(2) The classroom training takes place in Tulsa, Oklahoma, or another designated location.

(3) We will assist you with your self-help training which will occur at your home or office.

The Master Franchisee must also attend initial training specific to the Master Franchise:

<u>MASTER FRANCHISEE TRAINING PROGRAM</u>

SUBJECT[1]	HOURS OF CLASSROOM TRAINING [2]	HOURS OF ON-THE-JOB TRAINING	LOCATION
Sales: • Territory Planning • Business Planning • Sales Process • Marketing • Franchise Expos • Documentation • Franchise Law Compliance	As determined by us, based upon experience of Master Franchisee	0	McHenry, IL
Administration: • Staffing • Franchisee visits • Reporting • Royalties • Advertising Fund • Product & Suppliers • Opening Packages	As determined by us, based upon experience of Master Franchisee	0	McHenry, IL

SUBJECT[1]	HOURS OF CLASSROOM TRAINING [2]	HOURS OF ON-THE-JOB TRAINING	LOCATION
Franchisee Establishment: • Store fit out • Marketing • Launch • Support and Staffing	As determined by us, based upon experience of Master Franchisee	0	McHenry, IL
Technology and Review	As determined by us, based upon experience of Master Franchisee	0	McHenry, IL

Notes to Master Franchisee Training Program Chart:

(1) Instructional materials for the initial training program include the Operations Manual (see Exhibit E).

(2) The Master Franchisee classroom training takes place in McHenry, Illinois.

ITEM 12
TERRITORY

Your Master Franchise Territory is identified in Exhibit A-1 to the Master Franchise Agreement. Ordinarily, a Master Franchise Territory will be defined by boundaries of a state. If we determine that a state is large enough to be divided, it may have more than one Master Franchise Territory.

We award to you the license in the Master Franchise Territory to:

1. Establish, operate and identify a Master Franchise operation in accordance with the Master Franchise Agreement, the System, Marks, Operations Manuals and other written instruction from us;

2. Enter into Unit Franchise Agreements as a master franchisee/subfranchisor for Unit Franchises in compliance with the Master Franchise Agreement.

The licenses granted to you will be exercised only under and subject to all the terms and conditions of the Master Franchise Agreement. You have no rights in the System or the Marks, except as specifically granted by the Master Franchise Agreement. You may only award franchises for Unit Franchises to be located in your Master Franchise Territory.

We may authorize you or an Affiliate to own and operate one or more Unit Franchise(s) in your Master Franchise Territory ("Master-Owned Units"). These Master-Owned Units will be subject to all of the terms and conditions of the Unit Franchise Agreement(s) then customarily used for the award of new Unit Franchises in the Master Franchise Territory, including the then-applicable fee structures, and will identify a Territory approved by us in writing and in advance; and will be between you and an Affiliate of yours as the Unit Franchisee.

Subject to our rights and your obligations in the Master Franchise Agreement or otherwise, we will not enter into a Master Franchise Agreement for the award of a Master Franchise or a Unit Franchise Agreement for the operation of a Unit Franchise, or operate a CWNA-owned Cartridge World® business inside your Master Franchise Territory as described in Exhibit A-1 to the Master Franchise Agreement.

This Master Franchise applies only to the award of Unit Franchises and specified support services related to it. The Master Franchise does not grant you any rights with respect to other or related businesses, products or services in which we or any Franchisor-Related Party may be involved, now or in the future.

You should understand that a "Unit Franchise," as defined in the Master Franchise Agreement, will be operated from a conventional, store front location in a free-standing building or a shopping center accessible to the general public and using the Marks and the System, and can include those conducting business models with modified operating functions. The definition is intended to exclude any other channel of distribution, such as the Internet, catalogue sales, telemarketing and direct mail. The term "Other Outlets" describes other types of physical retail facilities, such as kiosks, a facility in an office supply store and a service desk in a large commercial building. A point of distribution that does not involve the use of the Marks and the System or that is not in a physical retail facility open to the public is not considered an Other Outlet. Unit Franchises and Other Outlets are collectively referred to as "Distribution Opportunities" in the Master Franchise Agreement.

Rights of First Refusal

If any Unit Franchise(s) of yours has a Unit Franchise Agreement(s) giving to them a right of first refusal for a Distribution Opportunity in their territory, you may be allowed to offer and award that Distribution Opportunity to the Unit Franchisee under terms and conditions specified by us, and these awards will be subject to the terms and conditions of the Master Franchise Agreement.

We will provide you with a right of first refusal before we locate any Other Outlets in your Master Franchise Territory if: (a) the Other Outlet is not awarded by us or a Franchisor-Related Party to a Unit Franchisee of yours or a third party; (b) you are in Good Standing; and (c) you meet our then-current financial, operational and other business standards for the award of the applicable Other Outlet. We may modify these standards as we choose.

If applicable, a right of first refusal regarding an Other Outlet for you will be processed as follows: we will provide you written notice of the Other Outlet. You will have 15 days in which to advise us in writing that you wish to participate in the applicable Other Outlet. If you do not notify us within this period, then we may pursue the Other Outlet or grant any other person or entity the right to participate in the Other Outlet without any liability to you. If you timely notify us in writing that you do wish to participate in the Other Outlet, then we may condition your participation on compliance with terms and conditions as we consider appropriate to the particular Other Outlet. These conditions may include, for example: your execution of agreements and related documents then generally used by us in connection with the award of the applicable Other Outlet; payment of all initial fees and any other applicable fees; meeting any eligibility requirements as are then generally applied by us to candidates for a Other Outlet; and the execution by you (and any Affiliate and owner of yours) of a General Release, excepting only (where the releases are expressly prohibited by applicable law) those claims solely related to the offer and sale of the new Other Outlet. If you do not meet the conditions applicable to the award of the Other Outlet or any opening requirements that may be included in any Other Outlet agreement, then we may pursue the Other Outlet or grant any other person or entity the right to participate in it, without any liability to you. If an Other Outlet is established in your Master Franchise Territory, you agree that you will have waived any right of first refusal applicable to any geographic territory awarded any Other Outlets and any other territorial rights in such geographical territory which conflicts or are inconsistent with rights awarded any Other Outlets.

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. However, you have a protected territory to the extent that we will not enter into a Master Franchise

Agreement for a Master Franchise or a Unit Franchise Agreement for the operation of a Unit Franchise, or a CWNA-owned Cartridge World® business, inside your Master Franchise Territory, subject to the terms noted above; however, we and the Franchisor-Related Parties expressly reserve all rights not expressly granted to you in the Master Franchise Agreement, including among them the rights to:

(1) own or operate ourselves, or authorize others to own or operate:

(a) any kind of business in the Master Franchise Territory and selling to customers located anywhere, whether or not using the Marks and the System, except for a Master Franchise or a Unit Franchise and subject to any applicable rights of first refusal; and

(b) any kind of business outside of the Master Franchise Territory selling to customers located anywhere, whether or not using the Marks and the System, including for example, a Master Franchise or a Unit Franchise(s);

(2) develop or become associated with other concepts (including dual branding and other franchise systems), and award Master Franchises or Unit Franchises or operate units or channels of distribution owned by us or any Affiliate under other concepts for locations anywhere and selling to customers located anywhere;

(3) acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere and selling to customers located anywhere. These transactions may include (for example) arrangements involving competing outlets and brand conversions (to, or from, the Marks and the System). These transactions are expressly permitted under the Master Franchise Agreement, and must participate at your expense in any conversion as instructed by us.

(4) market and sell the Cartridge World® brand (or any other brand) products and services (whether or not competitive) to customers located anywhere (including within the Master Franchise Territory) using any channel of distribution located anywhere, except for a Unit Franchise and subject to any applicable rights of first refusal.

Our current policy is to allow you to accept requests from prospects and to market to prospects located anywhere, but we can change this policy as we choose. We have the right to place geographic or other restrictions upon these activities, among other things. You must comply with any policy changes. You may not deal (and must cause your Unit Franchisees not to deal) with Special Account(s), as we may specify. "Special Accounts" are defined in the Master Franchise Agreement. We can also employ or allow others to use the System in other venues, such as kiosks in retail outlets or other distribution opportunities, as well as with national account ("Special Account") programs.

E-Commerce Business – Current Policies

We may choose to offer or provide products or services of any type, whether or not using the Marks, System or any other Intellectual Property, through the Internet, World Wide Web, mail order or other similar venues (no matter where the Customer or "ship to" address is located). Your use of the Internet, World Wide Web, and other electronic or other means of marketing and distribution (including by mail) of Unit Franchises, goods and services must be consistent with any specifications, policies and standards we establish. Marketing or selling through such venue(s) requires our written permission, which we do not have to grant.

<u>Master Franchise Development Standards</u>

You must meet the Minimum Development Standards for Unit Franchise openings and the Average Annual Unit Volume requirements for Unit Franchises stated in the Master Franchise Agreement (the "Development Standards"). These will vary with each Master Franchisee, but will be specified before the time of signing in Exhibits A-2 and A-3 to the Master Franchise Agreement. Consequences for not achieving the Development Standards can include termination or repurchase of the Master Franchise Agreement, or elimination, reduction, or modification of your Master Franchise Territory (Master Franchise Agreement, Sections 5.01-5.04). The offering and selling of Unit Franchises are subject to federal regulation by the FTC.

Additionally, some states closely regulate franchising and require that offers be registered before franchise sales can begin, and that the registrations be renewed on an annual basis. You must comply with all state and federal franchise laws and regulations, including those related to financial statements and independent audits, as required in order to offer and sell Unit Franchises in your Master Franchise Territory in compliance with the Development Standards contained in your Master Franchise Agreement.

<u>Correction Process for Failure to Meet Development Standards</u>

We may (but are not required to) implement the correction process described below if you fail at any time to meet the Development Standards:

(1) If we notify you of your failure to meet the Development Standards, then you will have six months from our delivery of written notice to you to meet the applicable Development Standard.

(2) We will reasonably cooperate with and assist you in your efforts to meet your performance objectives. Our assistance may include, but is not limited to, meetings at our headquarters, meetings in the Master Franchise Territory, and retraining activities or programs at designated locations. You are responsible for any costs associated with these activities, including Travel Expenses and any other related expenses and will participate at our request.

(3) If, at the end of this six-month correction period, your Master Franchise does not meet the then-applicable Development Standards, we may elect to Terminate the Master Franchise Agreement. However, you will have 90 days after the end of the six-month correction period to complete a sale of your Master Franchise to a third party if:

(i) You provide us written notice of your desire to sell your Master Franchise within 10 days of the expiration of the six-month correction period, along with a General Release signed by you and each of your Owners and Affiliates; and

(ii) The transfer meets all Master Franchise Agreement requirements for transfer.

If you do not provide us the notice described above, or complete an authorized sale within the 90-day period provided, then we may elect to Terminate the Master Franchise Agreement immediately upon delivery of written notice to you. This correction process does not limit or diminish in any way our other rights and remedies. The fact that any correction process may be ongoing will not prevent us from exercising our rights and remedies, including any right to Terminate the Master Franchise Agreement for another default under the Master Franchise Agreement or any other agreement.

Also, if you fail at any time to meet the Development Standards, we may (but are not required to) reacquire your Master Franchise for the purposes of resale to a third party. Your portion of the proceeds from resale are determined according to a formula. See Section 5.03 of the Master Franchise Agreement for details.

While a failure to meet the Development Standards is an event of default, you should understand that the standards cannot and should not be construed to be a prediction or promise regarding Unit Franchise sales or anything else. We make no such representations or promises, particularly since the levels of sales achieved is largely dependent upon your efforts and market factors outside of our control.

Relocation

You may relocate the office for your Master Franchise in your Master Franchise Territory upon written notice to us.

ITEM 13
TRADEMARKS

The principal Marks that will be used to identify your Master Franchise are:

Mark	Registration Date	Registration No.
CARTRIDGE WORLD (words and logo)	October 8, 2002	2,631,733
CARTRIDGE WORLD (words)	May 20, 2003	2,717,527

These Marks were registered by CW PTY on the Principal Register of the United States Patent and Trademark Office ("PTO"). Ownership of these Marks was transferred to CW Australia in 2007.

The following Mark was registered on the Principal Register of the PTO by us in 2010, and transferred to CW Australia in 2012:

Mark	Registration Date	Registration No.
WHY PAY MORE TO PRINT?	August 10, 2010	3,831,527

All required affidavits or renewals for these Marks have been or will be filed when due.

An application for registration of the following Mark on the Principal Register of the PTO has been filed by CW Australia, and is currently pending:

Mark	Filing Date	Serial No.	Type
PrintWorld	July 18, 2016	79202277	Trademark, Service Mark

We were granted, through a license agreement with CW PTY, dated August 1, 2002, and a license agreement with CW Australia, dated August 3, 2007, the right to use and grant franchisees the right to use the Marks in certain areas, including the United States (collectively, the "TM License Agreement"). The TM License Agreement has an unlimited term, unless terminated due to an uncured breach of the TM License Agreement. The TM License Agreement does not significantly limit our rights to use or license the Marks in a manner material to you.

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor is there any pending infringement, opposition or cancellation proceeding or material litigation, involving the Marks. There are no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to you. There are no infringing uses actually known to us that could materially affect your use of the Marks in the geographic area where we offer Franchises.

We are not aware of any current infringers or prior superior users of any of the Marks that would be material to your Master Franchise. You should understand that there is always a possibility that there might be one or more businesses unknown to us using a name or trademarks similar to ours and with superior rights to the name or trademarks. We suggest that you research this possibility, using telephone directories, local filings and other means, before you pay any money, sign any binding documents or make any binding commitments. If you do not research other trademarks in this area, then you may be at risk.

You must promptly notify us of any unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to Cartridge World's ownership of, right to use and to license others to use, or your right to use, the Marks. We have the right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. We will defend you against any third party claim, suit, or demand arising out of your use of the Marks. If we determine that you have used the Marks in compliance with the Master Franchise Agreement, we will bear the cost of defense, including the cost of any judgment or settlement, as well as your out of pocket costs (except that you will bear the salary costs of your employees). If we determine that you have not used the Marks in compliance with the Master Franchise Agreement, you must bear the cost of defense, including the cost of any attorneys' fees and any judgment or settlement, and you must promptly reimburse us for those amounts (or, upon our written request, pay our legal fees directly). If there is any litigation due to your use of the Marks, you must sign all documents and do all things as may be necessary to carry out a defense or prosecution, including becoming a nominal party to any legal action.

If we determine at any time that it is advisable for you to modify or discontinue the use of any of the Marks, or for you to use one or more additional or substitute trademarks or service marks, you are required to comply at your expense with our directions. We are not obligated to you for any costs if such an event occurs. We are not obligated under the Master Franchise Agreement to pay for the costs of your defense or to indemnify you in connection with any trademark proceeding or action not involving the Marks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents that are material to the Master Franchise. We claim copyright protection in the Operations Manuals, instruction materials, agreements, advertising, promotional materials, electronic and computerized media displays and other items created by our respective employees or acquired by assignment. The Operations Manual was registered with the United States Registrar of Copyrights on April 16, 2004 (TXU 1164-979 and TXU 1164-982). We consider each version of these materials proprietary and confidential, and you may use them only as provided in the Master Franchise Agreement.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us that could materially affect your use of the copyrighted materials in any state. No agreement requires us to protect or defend our/their copyrights or to indemnify you for any expenses or damages you incur in any judicial or administrative proceedings involving the copyrighted materials. If we require, you must immediately modify or discontinue using the copyrighted materials. We will not have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

You must not disclose or permit any disclosure of our Confidential Information and can use it only to operate your Master Franchise under an agreement with us. However, any Confidential Information that is our Trade Secret cannot be disclosed by you at any time and must be used only as we authorize you under the Master Franchise Agreement or a Unit Franchise Agreement. In general, our proprietary information includes "Confidential Information" as defined in the Master Franchise Agreement, some of which is contained in our Operations Manuals, and includes, among other things, all current and future: (i) Operations Manuals, training, techniques, trade secrets, processes, policies, procedures, systems, data and know how regarding the development, marketing, operation and franchising of Master Franchises and Unit Franchises; (ii) specifications and information about the Products and Services; (iii) all information regarding customers and suppliers, including any statistical and financial information and all lists; (iv) methods of refilling printer cartridges; and (v) our engineered jigs. Specifically, and without limitation, we own and control all domain names and URLs ("Uniform Resource Locator") relating to any and all Master Franchisees, as well as all information, lists and data related to past, present and future customers of your Master Franchise. Your only interest in any of this Confidential Information is the right to use it under the terms of the Master Franchise Agreement. You have the burden of proof and of going forward in any dispute between you and us involving the proprietary or confidential nature of any information.

You must agree to maintain the confidentiality of all the Confidential Information during and after the term of the Master Franchise Agreement and that you will not use any of the Confidential Information in any other business or in any manner we do not specifically authorize in writing.

You are required to cause each of your employees, agents, principals and affiliates to execute and deliver to you a confidentiality agreement provided by us or otherwise approved by us, and will deliver to us copies on request.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

A person who has successfully completed all training required by us and who meets all of our other then-current standards must personally manage your Master Franchise on a full-time basis. We recommend, but do not require, that you personally manage your Master Franchise on a "hands-on" basis. Absentee ownership may expose you to a greater risk of failure than if you are personally involved, on a full-time basis, in the on-site daily management of your Master Franchise. You are required to keep us advised of the identities of the manager and other supervisors of your Master Franchise. We have the right to deal with the manager and other supervisors regarding the day-to-day operations of, and reporting requirements for your Master Franchise. You are responsible for hiring all of your employees and for their supervision, terms of employment, compensation and proper training. Your managers will not be required to have an equity interest in the Master Franchise; however, all of your employees will be required to sign a confidentiality agreement in a form acceptable to us.

We may require anyone having an interest in the Master Franchise to sign an ongoing personal guarantee of the performance of all Master Franchise Agreement obligations (refer to Exhibit F of the Master Franchise Agreement). Additionally, we may require spouses/domestic partners who are neither owners nor guarantors under the Master Franchise Agreement to sign a consent in the form of Exhibit A-2 to this Disclosure Document.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale and sell only and all those Products and Services that we authorize or require and, where we require, use only suppliers designated by us. You may not advertise, offer for sale or sell, any Products or Services that we have not approved. You also must ensure that your Unit Franchisees adhere to this policy. You are required to provide the franchise sales and support services we specify in your Master Franchise Agreement. We may require that you comply with additional requirements before you may offer certain optional Products or Services. For example, you may be required to complete additional training before providing certain new business services. We have the right to change the list of approved items and types of Products and Services at any time, and there are no limits upon our right to do so. We also can require that you use particular agreement forms and templates for you to adopt for your use in your Master Franchise Territory and which must be approved by us. If we implement referral programs and any franchise marketing sales programs/materials/policies, you will participate in and comply with them.

As a Master Franchisee, you must at all times perform your obligations under the Master Franchise Agreement, and you will use your best efforts to promote, enhance and maximize your Master Franchise and the goodwill of the Marks. You are not permitted to conduct the business of the Master Franchise or use the Marks outside your Master Franchise Territory or for any purpose other than the operation of a Master Franchise in Good Standing.

Your Master Franchise, and each of your Unit Franchisees, must operate in compliance with the then-current System and the Operations Manuals. Your Unit Franchisees must promptly comply at their expense (as you must, at your expense) with all then-current requirements, standards and operating procedures relating to every aspect of a Unit Franchise and its operations (including use of specified equipment, Products and Services, computer hardware and software; supplier programs and operating systems; signs, logos, designs and advertising/marketing materials and forms; website designs and formats).

Your Master Franchise and any Master-Owned Unit(s) must be maintained at your expense according to all Cartridge World® standards for new Unit Franchises and promptly undertake all changes as are required by us as we choose (and you will require your Unit Franchisees to do the same). You will ensure that no Unit Franchisee make any alterations to its Unit Franchise or its appearance as originally approved by us without our prior written approval. Failure to enforce the Unit Franchise Agreements, the Operations Manuals requirements and other System standards, policies, and specifications published by us, are defaults under the Master Franchise Agreement.

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 agreement attached to this Disclosure Document.

PROVISION	SECTION IN MASTER FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	13.01	15 years

PROVISION	SECTION IN MASTER FRANCHISE AGREEMENT	SUMMARY
b. Renewal franchise	13.02	10 years
c. Requirements for you to be eligible for renewal franchise.	13.03	You must be in Good Standing, comply with then-current standards of operation, pay amounts due, sign then-current Master Franchise Agreement (which may contain materially different terms and conditions from your original franchise agreement), comply with then-current qualification and training requirements, sign a General Release, pay Renewal Fee, pay our legal and other related costs.
d. Termination by you	Not Applicable	You have no right to terminate.
e. Termination by us without cause (and repurchase)	17.08	We can repurchase your Master Franchise and business assets at any time during the term, or within 120 days of Termination or expiration. We will pay you a price that you and we agree on, or use third party appraisers to find the fair market value of the business assets.
f. Termination by us with cause	15.01, 15.02	We can terminate your Master Franchise for cause if you commit any one of the listed violations.
g. "Cause" defined – curable defaults	15.02, 15.04, 15.07	Defaults include: failure to maintain insurance; correct health or safety problems; accurately report Gross Revenue, Gross Profit, Royalties, fees, or fully submit other reports; failure to pay amounts due us or others; failure to comply with dispute resolution provisions of Master Franchise Agreement; failure to meet obligations to others; unauthorized products or services; operation of any Unit Franchise for less than 45 weeks per year; non-enforcement of Unit Franchise Agreements and standards; non-compliance with agreements with us or our Affiliates; failure to comply with standards and procedures. Cross-default provision is included in Section 15.04.

PROVISION	SECTION IN MASTER FRANCHISE AGREEMENT	SUMMARY
h. "Cause" defined- non-curable defaults	5.01-5.02, 15.01, 15.03, 15.04	Defaults include: failure to meet Unit Development Standards; abandonment; failure to operate your Master Franchise for more than seven days, misrepresentation or omission on application; bankruptcy; conviction of felony, offense or misconduct affecting reputation of Marks or us; unauthorized transfer; unauthorized use of Intellectual Property or Confidential Information; violation of In-Term or Post-Term Restrictions; fraud; failure to cooperate with audit, inspection, record keeping requirements; loss of necessary license; persistent quality complaints; unlawful franchise practices; repeated non-enforcement of Unit Franchise Agreements and standards and repeated defaults. Cross-default provision is included in Section 15.04.
i. Your obligations on termination/nonrenewal	11.01.G, 12.02.A, 14.01, 15.10-15.14, 19.01, 22.05	Pay all amounts due; pay cost of Termination and late payment charges; stop using and return Intellectual Property; cancel fictitious name registrations, de-identify your office and Master Franchise; furnish evidence of compliance; transfer phone numbers; certain of your obligations, including indemnification, non-competition, audit right survive. We can require you to pay future Royalties. We may receive Unit Franchise payments, terminate and succeed to your rights under Unit Franchise Agreements; receive all records; terminate any Unit Franchise you own; or withdraw from your area and terminate all Unit Franchise Agreements, but if we withdraw, Unit Franchisees in Good Standing in your Master Franchise Territory will not be required to comply with post-termination non-competition obligations under their respective Unit Franchise Agreements.
j. Assignment of contract by us	17.01	Fully assignable by us.
k. "Transfer" by you - definition	17.02	Includes transfer of any interest in the Master Franchise Agreement, Master Franchise or to a controlled entity.
l. Our approval of transfer by you	17.02	Transfer subject to our consent.
m. Conditions for our approval of transfer	11.0.G1, 12.02.A, 14.01, 17.03, 17.04, 17.06, 19.01.B	Post-term obligations survive. You must be in compliance with Master Franchise Agreement, Operations Manuals, leases/subleases, and other

PROVISION	**SECTION IN MASTER FRANCHISE AGREEMENT**	**SUMMARY**
		agreements with us and others; transferee assumes all obligations; transferee meets then-current requirements; you submit all reports and pay all amounts due; obligations to others fulfilled or transferred; all aspects of your Master Franchise and Unit Franchises, including design, appearance, equipment (if applicable) and operations must comply with then-current standards; transferee trained to our standards; transferee bound by Master Franchise Agreement and other agreements, or sign then-current ones; comply with leases, laws and regulations; pay transfer fee; sign release; amounts financed are subordinate to obligations of transferee to us; you agree not to compete with transferee; transfer must be economically viable. Additional conditions for transfer to a wholly-owned entity.
n. Our right of first refusal to acquire your business	17.07	We have right to match offer.
o. Our option to purchase your business for resale	5.03, 17.08	We can repurchase your Master Franchise if you default on the Development Standards, and then resell. We will pay you according to a formula. We also can repurchase your Master Franchise at any time during term and within 120 days after at fair market value (see (e) above).
p. Your death or disability	17.05	Master Franchise will be transferred to third party within six months, or Master Franchise terminates; terms for any transfer apply.
q. Non-competition covenants during the term of the franchise	19.01.A	No involvement in any other business for key persons; no involvement in Similar Business for additional persons; no employment or soliciting of our or a Unit/Master Franchisee's personnel or customers, and other restrictions.
r. Non-competition covenants after the franchise terminates or expires	19.01.B	No involvement in any Similar Business in the Master Franchise Territory for two years; no employment or soliciting of our or a Unit/Master Franchisee's personnel, and other restrictions.
s. Modification of the agreement	22.07	Modifications generally effective only if signed in writing, but Operations Manuals subject to change by us.

PROVISION	SECTION IN MASTER FRANCHISE AGREEMENT	SUMMARY
t. Integration/merger clause	22.07, 22.11, 23.01	Only the terms of the Master Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Master Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	22.01, 22.02	Except for a few types of claims, all disputes are resolved through face-to-face meeting, mediation, or binding arbitration at a neutral location in Chicago, Illinois; provides for limited pre-trial discovery and waiver of certain types of damages.
v. Choice of forum	22.03	Mediation, arbitration at a neutral location in the county of our then-current principal business address. Litigation in the U.S. District Court encompassing our headquarters, when requirements met, or our local state court.
w. Choice of law	22.13	Unless preempted by federal law or precluded by the laws of the state(s) in which the Master Franchise is located, the laws of the State of Nevada will govern.

* If applicable, please refer to the disclosure addenda and contractual amendments appended to this Disclosure Document for additional terms that may be required under applicable state law.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our Cartridge World® franchises. No public figure is involved in our management.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Mr. Mark Pinner, our Chief Executive Officer, 3917 Mercy Drive, McHenry, Illinois 60050, (815) 321-4400, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

MASTER FRANCHISE INFORMATION

CWNA is the Franchisor for the Master Franchises in the following charts.

The following charts detail the status of the Master Franchisees that have Master Franchise Agreements with us.

TABLE 1
Systemwide Outlet Summary
(Master Franchises)
For Years 2014 to 2016
(As of 12/31 for each year)

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2014	28	25	-3[(1)(2)]
	2015	25	25	0
	2016	25	24	-1[(3)]
Company-Owned	2014	0	0	0
	2015	0	0	0
	2016	0	0	0
Total Outlets	2014	28	25	-3
	2015	25	25	0
	2016	25	24	-1

Notes to Table 1 for Master Franchises:

1. In 2014, the area north of Los Angeles in a Master Franchise Territory located in California was transferred to an existing Master Franchisee, and the remainder of this Master Franchise Territory was combined with the Master Franchise Territory that CWNA is currently operating while pursuing the sale of this Master Franchise to a third party.

2. The Master Franchise Territories that included Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont were combined into one Master Franchise Territory, the entire State of New Jersey was consolidated into one Master Franchise Territory, and the entire State of New York was consolidated into one Master Franchise Territory in 2014.

3. One CWNA-operated Master Franchise in California is considered non-operational since as of end of 2016, there were no longer any operational Unit Franchises located in the Master Franchise Territory.

TABLE 2

Transfers of Master Franchise Territories from Master Franchisees to New Owners (other than the Franchisor) For Years 2014 to 2016 (As of 12/31 for each year)

State[1]	Year	Number of Transfers
California	2014	1[2]
	2015	0
	2016	0
Connecticut, Maine, Massachusetts, New Hampshire and Vermont	2014	1[3]
	2015	0
	2016	0
Indiana	2014	0
	2015	0
	2016	1
Michigan and Ohio	2014	0
	2015	0
	2016	1[4]
New Jersey	2014	1
	2015	0
	2016	0
New York	2014	1[3]
	2015	0
	2016	0
Puerto Rico	2014	1[3]
	2015	0
	2016	0
Totals	2014	5
	2015	0
	2016	2

Notes to Table 2 for Master Franchises:

1. States not listed had no activity during the relevant period.

2. In 2013, CWNA commenced operating two Master Franchises with Master Franchise Territories in California while pursuing the sale of these Master Franchises to third parties. In 2014, the area north of Los Angeles, California in one of these Master Franchise Territories was transferred to an existing Master Franchisee, and the remainder of this Master Franchise Territory was combined with the Master Franchise Territory that CWNA operated while pursuing the sale of this Master Franchise to a third party.

3. The Master Franchise Territories that included Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont were combined into one Master Franchise Territory, the entire State of New Jersey was consolidated into one Master Franchise Territory, and the entire State of New York was consolidated into one Master Franchise Territory in 2014.

4. The Master Franchise Territory that includes the states of Michigan and Ohio was transferred to an existing Master Franchisee in 2016.

TABLE 3
Status of Master Franchise Territories By State[1]
For Years 2014 to 2016
(As of 12/31 for each Year)

State[1]	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by CWNA	Ceased Operations	Outlets at End of Year
Alabama[2] (AMT)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Alaska (AKA)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Arkansas (ARK)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Arizona[3] (AZN)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
California[3][4] (AZN)(NCB)(NCC)(ORA)	2014	5	0	0	0	0	0	5
	2015	5	0	0	0	0	0	5
	2016	5	0	0	0	0	1[4]	4
Colorado[5] (RMT)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Connecticut[6] (RHO)(CNE)	2014	1	1[6]	0	0	0	1[6]	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Delaware[7] (PAD)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Florida (FLA)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Georgia[8] (GEO)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Hawaii (HAW)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Idaho[9] (PNW)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Illinois[10] (MIN)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Indiana (INA)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Iowa[11] (NTX)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Kansas[11] (NTX)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Maine[6]	2014	1	1[6]	0	0	0	1[6]	1

State[(1)]	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by CWNA	Ceased Operations	Outlets at End of Year
(MAS)(CNE)	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Maryland[(12)] (MDA)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Massachusetts[(6)] (MAS)(CNE)	2014	1	1[(6)]	0	0	0	1[(6)]	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Michigan[(13)] (OHM)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Minnesota[(10)] (MIN)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Mississippi[(2)] (AMT)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Missouri[(11)] (NTX)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Montana[(5)] (RMT)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Nebraska[(11)] (NTX)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Nevada[(3)] (AZN)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
New Jersey[(14)] (NJS)(NWJ)	2014	2	0	0	0	0	1[(14)]	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
New Hampshire[(6)] (MAS)(CNE)	2014	1	1[(6)]	0	0	0	1[(6)]	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
New York [(15)] (NYC)(NYS)	2014	2	0	0	0	0	1[(15)]	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
North Carolina[(7)] (PAD)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
North Dakota[(10)] (MIN)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Ohio[(13)] (OHM)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Oklahoma[(11)] (NTX)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Oregon[(9)] (PNW)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Pennsylvania[(7)]	2014	1	0	0	0	0	0	1

State[1]	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by CWNA	Ceased Operations	Outlets at End of Year
(PAD)	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Rhode Island[6] (RHO)(CNE)	2014	1	1[6]	0	0	0	1[6]	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
South Carolina (SCR)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
South Dakota[10] (MIN)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Tennessee[2][8] (AMT)(GEO)	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Texas[11][16] (NTX)(STX)	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Utah[5] (RMT)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Vermont[6] (MAS)(CNE)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Virginia[12] (MDA)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Washington, DC[12] (MDA)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Washington[9] (PNW)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Wisconsin[10] (MIN)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Wyoming[5] (RMT)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Puerto Rico (PTR)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Totals	2014	28	1	0	0	0	4	25
	2015	25	2	0	0	0	2	25
	2016	25	0	0	0	0	1	24

Notes to Table 3 for Master Franchises by State:

1. This Table lists the Master Franchises by state. A single Master Franchise may include multiple states or counties as its Master Franchise Territory. A list of the Master Franchisees for the Master Franchises is attached as Exhibit D-1. The three letter master code in the state column of this Table indicates the Master Franchisee listed in Exhibit D-1 for each Master Franchise Territory. States not listed had no activity during the relevant period.

2. A single Master Franchise includes the states Alabama, Mississippi and western Tennessee.

3. A single Master Franchise includes the states of Arizona, Nevada and southern California.

4. In addition to the Master Franchise Territory that includes southern California, there are three Master Franchises with Master Franchise Territories located exclusively in California. One Master Franchise in California is now considered non-operational since as of end of 2016, there were no longer any operational Unit Franchises located in this Master Franchise Territory.

5. A single Master Franchise includes the states of Colorado, Montana, Utah and Wyoming.

6. A single Master Franchise included the states of Maine, Massachusetts, New Hampshire and Vermont. In 2014, this Master Franchise was combined with the Master Franchise that included Connecticut and Rhode Island. As a result of this transaction, a single Master Franchise now includes the states of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

7. A single Master Franchise includes the states of Delaware, North Carolina and Pennsylvania.

8. A single Master Franchise includes the State of Georgia and eastern and central Tennessee.

9. A single Master Franchise includes the states of Idaho, Oregon and Washington.

10. A single Master Franchise includes the states of Illinois, Minnesota, North Dakota, South Dakota and Wisconsin.

11. A single Master Franchise includes the states of Iowa, Kansas, Nebraska, Missouri, Oklahoma and northern Texas.

12. A single Master Franchise includes the states of Maryland and Virginia, and Washington, DC.

13. A single Master Franchise includes the states of Michigan and Ohio.

14. In 2014, two Master Franchises that included portions of New Jersey were consolidated into one Master Franchise for the entire state of New Jersey.

15. In 2014, two Master Franchises that included portions of New York were consolidated into one Master Franchise for the entire state of New York.

16. A single Master Franchise includes southern Texas.

TABLE 3
Status of Master Franchises By Master Franchise Territory[(1)]
For Years 2014 to 2016
(As of 12/31 for each Year)

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by CWNA	Ceased Operations	Outlets at End of Year
Alaska (AKA)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Arkansas (ARK)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Arizona/ California/ Nevada (AZN)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
California/Central/ (NCB)[(2)]	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
California/Bay Area (NCC)[(4)]	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
California/Riverside/ Southern (SCB)[(2)(3)]	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	1[(3)]	0
California/ Orange (ORA)[(4)]	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Colorado/ Utah/ Montana/ Wyoming (RMT)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Connecticut/ Maine/ Massachusetts/ New Hampshire/ Rhode Island/ Vermont (CNE)[(5)]	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Florida (FLA)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Georgia/ Central & Eastern Tennessee (GEO)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Hawaii (HAW)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Indiana (INA)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Maryland/ Virginia/ Washington, DC (MDA)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Massachusetts/ Vermont/ Maine/	2014	1	0	0	0	0	1[(5)]	0
	2015	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by CWNA	Ceased Operations	Outlets at End of Year
New Hampshire (MAS)[5]	2016	0	0	0	0	0	0	0
Minnesota/ Wisconsin/ Illinois/ Scott County in Iowa/ North & South Dakota (MIN)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
New Jersey (South) (NJS)[5]	2014	1	0	0	0	0	1[5]	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
New York (E. NY & Manhattan) (NYC)[5]	2014	1	0	0	0	0	1[5]	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
New Jersey (NWJ)[5]	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
New York (NYS)[5]	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
South Carolina (SCR)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Ohio/ Michigan (OHM)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Oklahoma/ N. Texas/ Kansas/ Iowa/ Nebraska/ Missouri (NTX)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Pennsylvania/ Delaware/ North Carolina (PAD)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
W Tennessee/ Alabama/ Mississippi (AMT)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Rhode Island/ Connecticut (RHO)[5]	2014	1	0	0	0	0	1[5]	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
Southeast Texas (STX)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Washington/ Oregon/ Idaho (PNW)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Puerto Rico (PTR)	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Totals	2014	28	1	0	0	0	4[5]	25
	2015	25	2[4]	0	0	0	2[4]	25
	2016	25	0	0	0	0	1[3]	24

Notes to Table 3 for Master Franchises by Master Franchise Territories:

1. A single Master Franchise may include multiple states or counties as its Master Franchise Territory.

2. CWNA does not own any Master Franchises. However, in 2013, CWNA commenced operating two Master Franchises with Master Franchise Territories in California while pursuing the sale of these Master Franchises to third parties. In 2014, the area north of Los Angeles, California in one of these Master Franchise Territories was transferred to an existing Master Franchisee, and the remainder of this Master Franchise Territory was combined with the Master Franchise Territory that CWNA operated while pursuing the sale of this Master Franchise to a third party.

3. CWNA commenced operating this Master Franchise in 2013. A portion of this Master Franchise was transferred to an existing Master Franchisee in 2014. This Master Franchise is now considered non-operational since as of end of 2016, there were no longer any operational Unit Franchises located in this Master Franchise Territory.

4. These Master Franchises did not commence business or cease operations in 2015. Rather, two Master Franchise Agreements for Master Franchise Territories in California were terminated by mutual agreement, and CWNA commenced operating these Master Franchises while pursuing the sale of the Master Franchises to third parties.

5. In 2014, two Master Franchise Territories that included Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont were combined into one Master Franchise Territory, the entire State of New Jersey was consolidated into one Master Franchise Territory, and the entire State of New York was consolidated into one Master Franchise Territory.

TABLE 4
Status of CWNA-Owned Master Franchises[1]
For Years 2014 to 2016
(As of 12/31 for each Year)

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Totals	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0

Note to Table 4 for Master Franchises:

1. CWNA does not own any Master Franchises. However, in 2013, CWNA commenced operating two Master Franchises with Master Franchise Territories in California while pursuing the sale of these Master Franchises to third parties. In 2014, the area north of Los Angeles, California was transferred to an existing Master Franchisee, and the remainder of this Master Franchise Territory was combined with the Master Franchise Territory that CWNA operated while pursuing its sale to a third party. This Master Franchise is now non-operational. Two Master Franchise Agreements for Master Franchise Territories in California were terminated by mutual agreement in 2015, and CWNA commenced operating these Master Franchises while it pursues the sale of the Master Franchises to third parties.

TABLE 5
Projected Master Franchise Openings as of 12/31/16[(1)]
(By 12/31/17)

State[(1)]	Master Franchise Agreements Signed But Not Open	Projected New Master Franchises in Next Fiscal Year	Projected Company-Owned Master Franchise Openings in the Next Fiscal
Total	0	0	0

Note to Table 5 for Master Franchises:

1. CWNA may offer Master Franchises only in the Direct Franchising Area. The Direct Franchising Area currently includes the states of Louisiana, New Mexico, Kentucky, West Virginia and certain counties in California and Texas. If we grant a Master Franchise in the Direct Franchising Area, any existing Unit Franchise Agreements for Unit Franchises in these states will be assigned to the applicable Master Franchisee.

Master Franchisees have signed confidentiality clauses during the last three fiscal years. In some instances, current and former Master Franchisees have signed provisions restricting their ability to speak openly about their experiences with the Cartridge World® franchise system. You may wish to speak to current and former Master Franchisees, but be aware that not all such Master Franchisees will be able to communicate with you.

If you buy a Master Franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We currently have one previously-owned Master Franchise under our control that is for sale. This Master Franchise is located in southern California and was operated by the Master Franchisee from 2009 until 2013 when the Master Franchise was terminated by us.

Contact information for current Master Franchisees, as well as for Master Franchisees who are terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under their Master Franchise Agreement during the last fiscal year or have failed to communicate with us within the 10 weeks before the Disclosure Document issuance date, is attached as Exhibit D-1 to this Disclosure Document.

UNIT FRANCHISE INFORMATION

The charts below detail the status of the Unit Franchises under Unit Franchise Agreements with our Master Franchisees in the United States.

TABLE 1
Systemwide Outlet Summary
(Unit Franchises)
For Years 2014 to 2016
(As of 12/31 for each Year)

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2014	502	452	-50
	2015	452	380	-72
	2016	380	333	-47
Company-Owned[1]	2014	22	22	0
	2015	22	23	+1
	2016	23	22	-1
Total Outlets	2014	524	474	-50
	2015	474	403	-71
	2016	403	355	-48

Note to Table 1 for Unit Franchises:

1. "Company-Owned" refers to Outlets which are owned and operated by Master Franchisees in their Master Franchise Territories. We have never owned or operated any Unit Franchises.

TABLE 2
Transfers of Outlets from Unit Franchisees to New Owners
(other than Franchisor)
For Years 2014 to 2016
(As of 12/31 for each Year)

State[1]	Year	Number of Transfers
Alabama	2014	0
	2015	2
	2016	1
Arizona	2014	0
	2015	2
	2016	1
California	2014	2
	2015	1
	2016	0
Florida	2014	1
	2015	1
	2016	0
Georgia	2014	4
	2015	2
	2016	2
Hawaii	2014	0
	2015	0

State[1]	Year	Number of Transfers
	2016	1
Idaho	2014	1
	2015	4
	2016	0
Illinois	2014	3
	2015	0
	2016	0
Indiana	2014	1
	2015	0
	2016	0
Iowa	2014	1
	2015	0
	2016	0
Kansas	2014	2
	2015	0
	2016	0
Michigan	2014	1
	2015	0
	2016	1
Minnesota	2014	1
	2015	0
	2016	0
Missouri	2014	3
	2015	3
	2016	0
New Jersey	2014	2
	2015	0
	2016	0
Ohio	2014	1
	2015	0
	2016	0
Oklahoma	2014	2
	2015	0
	2016	0
Oregon	2014	0
	2015	0
	2016	1
Pennsylvania	2014	0
	2015	0
	2016	1
Tennessee	2014	1
	2015	0
	2016	2
Texas	2014	4
	2015	2
	2016	0
Virginia	2014	0
	2015	3
	2016	0
Washington	2014	3
	2015	1
	2016	1
Wisconsin	2014	0

State[1]	Year	Number of Transfers
	2015	0
	2016	1
Totals	2014	31
	2015	21
	2016	12[2]

Notes to Table 2 for Unit Franchises:

1. States not listed had no activity during the relevant period.

2. The contact information of these former Unit Franchisees/transferors is disclosed in Exhibit D-3 to this Disclosure Document.

TABLE 3
Status of Franchised Outlets[1]
(Unit Franchises)
For Years 2014 to 2016
(As of 12/31 for each Year)

State[2]	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Master Franchisee	Ceased Operations – Other	Outlets at End of Year
Alabama	2014	7	1	0	0	0	0	8
	2015	8	0	0	0	0	0	8
	2016	8	0	0	0	0	1	7
Arizona	2014	22	0	0	1	0	2	19
	2015	19	0	0	2	0	3	14
	2016	14	0	0	1	0	2	11
Arkansas	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
California	2014	38	0	0	8	0	1	29
	2015	29	0	0	4	0	5	20
	2016	20	0	0	1	0	2	17
Colorado	2014	12	0	0	0	0	0	12
	2015	12	0	0	5	0	3	4
	2016	4	0	0	0	0	1	3
Connecticut	2014	5	0	0	0	0	1	4
	2015	4	0	0	1	1	0	2
	2016	2	0	0	0	0	0	2
Delaware	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Florida	2014	15	0	0	0	0	0	15
	2015	15	3	0	0	0	0	18
	2016	18	0	0	0	0	0	18
Georgia	2014	35	1[3]	0	0	0	4	32
	2015	32	0	0	2	0	1	29
	2016	29	0	0	2	0	1	26
Hawaii	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	1	2

State[2]	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Master Franchisee	Ceased Operations – Other	Outlets at End of Year
	2016	2	0	0	0	0	0	2
Idaho	2014	6	0	0	0	0	0	6
	2015	6	1[5]	0	0	0	0	7
	2016	7	0	0	0	0	0	7
Illinois	2014	22	0	0	0	0	3	19
	2015	19	0	0	1	0	2	16
	2016	16	0	0	4	0	0	12
Indiana	2014	9	0	0	0	0	1	8
	2015	8	0	0	0	0	1	7
	2016	7	0	0	1	0	0	6
Iowa	2014	7	0	0	0	0	0	7
	2015	7	0	0	1	0	2	4
	2016	4	0	0	0	0	0	4
Kansas	2014	7	1	0	1	0	1	6
	2015	6	0	0	0	0	0	6
	2016	6	0	0	0	0	1	5
Louisiana	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
Maine	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Maryland	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	1	0	0	1
Massachusetts	2014	6	0	0	1	0	2	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
Michigan	2014	22	0	0	0	0	3	19
	2015	19	0	0	2	0	1	16
	2016	16	0	0	2	0	1	13
Minnesota	2014	11	1	0	1	0	0	11
	2015	11	0	0	0	0	3	8
	2016	8	0	0	0	0	0	8
Mississippi	2014	2	0	0	0	0	1[4]	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Missouri	2014	15	0	0	0	0	1	14
	2015	14	0	0	2	0	0	12
	2016	12	0	0	0	0	0	12
Montana	2014	3	0	0	0	0	0	3
	2015	3	0	0	2	0	1	0
	2016	0	0	0	0	0	0	0
North Carolina	2014	12	0	0	3	0	0	9
	2015	9	0	0	2	0	0	7
	2016	7	0	0	1	0	0	6
North Dakota	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Nebraska	2014	5	0	0	0	0	0	5

State[2]	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Master Franchisee	Ceased Operations – Other	Outlets at End of Year
	2015	5	1	0	0	0	0	6
	2016	6	0	0	1	0	2	3
Nevada	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	1	0	0	3
New Hampshire	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
New Jersey	2014	31	0	0	0	1	1	29
	2015	29	0	0	1	0	1	27
	2016	27	1[6]	0	2	0	1	25
New Mexico	2014	1	0	0	0	0	1	0
	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
New York	2014	22	0	0	1	0	2	19
	2015	19	0	0	3	1	4	11
	2016	11	0	0	0	0	0	11
Ohio	2014	15	0	0	0	0	0	15
	2015	15	0	0	0	0	0	15
	2016	15	0	0	1	0	1	13
Oklahoma	2014	14	0	0	2	0	2	10
	2015	10	0	0	1	0	2	7
	2016	7	0	0	1	0	1	5
Oregon	2014	5	0	0	0	0	1	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
Pennsylvania	2014	20	0	0	1	0	2	17
	2015	17	0	0	2	0	1	14
	2016	14	0	0	0	0	2	12
Puerto Rico	2014	3	0	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
South Carolina	2014	8	0	0	0	0	0	8
	2015	8	0	0	0	2	3	3
	2016	3	0	0	0	0	1	2
South Dakota	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Tennessee	2014	21	1[4]	0	0	0	5[3]	17
	2015	17	0	0	0	0	2	15
	2016	15	0	0	1	0	0	14
Texas	2014	31	1	0	0	0	0	32
	2015	32	1	0	3	0	2	28
	2016	28	0	0	3	0	4	21
Utah	2014	4	0	0	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	0	0	0	0	0	4
Vermont	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1

State[2]	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Master Franchisee	Ceased Operations – Other	Outlets at End of Year
Virginia	2014	9	0	0	0	0	0	9
	2015	9	2	0	0	0	0	11
	2016	11	0	0	0	0	0	11
Washington	2014	14	0	0	0	0	1	13
	2015	13	0	0	0	0	2[5]	11
	2016	11	0	0	1	0	0	10
Wisconsin	2014	17	0	0	0	0	1	16
	2015	16	0	0	0	0	1	15
	2016	15	0	0	1	0	1	13
Wyoming	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	1	1
	2016	1	0	0	1	0	0	0
Totals	2014	502	6	0	19	1	36	452
	2015	452	8	0	34	4	42	380
	2016	380	1	0	26[7]	0	22[7]	333

Notes to Table 3 for Unit Franchises:

1. These are Unit Franchisees of Master Franchisees for these states. Contact information for the current and former Unit Franchisees is attached as Exhibits D-2 and D-3 to this Disclosure Document. These columns do not reflect Unit Franchises owned by Master Franchisees. Refer to Table 1 under Company-Owned Unit Franchises for these totals. These column totals do not reflect activity involving Unit Franchisees who have signed Unit Franchise Agreements, but who have not yet opened Unit Franchises. Refer to Exhibit D-4 for information about these Unit Franchisees. The inclusion of signed Unit Franchise Agreements in Exhibit D-4 does not imply that the Unit Franchises will open in the next fiscal year or in any fiscal year in the future.

2. States not listed had no activity during the relevant period.

3. The Unit Franchise in Manchester, Tennessee relocated to Macon, Georgia in 2014.

4. The Unit Franchise in Southaven, Mississippi relocated to Memphis, Tennessee in 2014.

5. The Unit Franchise in Pullman, Washington relocated to Moscow, Idaho in 2015.

6. The Company-Owned Outlet in Latham, New York was transferred to a Unit Franchisee who relocated the Unit Franchise to Beckett, New Jersey in 2016.

7. The contact information for the former Unit Franchisees for the closed Unit Franchises is disclosed in Exhibit D-3 to this Disclosure Document.

<u>TABLE 4</u>
Systemwide Status of Company-Owned Outlets[(1)]
For Years 2014 to 2016
(As of 12/31 for each Year)

State[(2)]	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Alaska	2014	2	0	0	1	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
Arizona	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
Arkansas	2014	2	0	0	0	0	2
	2015	2	0	0	0	0	2
	2016	2	0	0	0	0	2
Colorado	2014	2	0	0	0	0	2
	2015	2	0	0	2[(3)]	0	0
	2016	0	0	0	0	0	0
Connecticut	2014	0	0	0	0	0	0
	2015	0	0	1	0	0	1
	2016	1	0	0	0	0	1
Minnesota	2014	2	0	0	0	0	2
	2015	2	0	0	0	0	2
	2016	2	0	0	0	0	2
Montana	2014	0	0	0	0	0	0
	2015	0	1[(3)]	0	0	0	1
	2016	1	0	0	0	0	1
New Jersey	2014	0	0	1	0	0	1
	2015	1	0	0	0	1	0
	2016	0	0	1	0	0	1
New York	2014	0	1	0	0	0	1
	2015	1	0	1	0	0	2
	2016	2	0	0	0	1[(4)]	1
Oklahoma	2014	3	0	0	0	0	3
	2015	3	0	0	0	0	3
	2016	3	0	0	0	0	3
Pennsylvania	2014	2	0	0	0	0	2
	2015	2	0	0	0	0	2
	2016	2	0	0	0	0	2
Rhode Island	2014	4	0	0	1	0	3
	2015	3	0	0	1	0	2
	2016	2	0	0	0	0	2
South Carolina	2014	0	0	0	0	0	0
	2015	0	0	2	0	0	2
	2016	2	0	0	0	0	2
Washington	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	1	0	0
Wisconsin	2014	3	0	0	0	0	3

State(2)	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
	2015	3	0	0	0	0	3
	2016	3	0	0	0	0	3
Totals	2014	22	1	1	2	0	22
	2015	22	1	4	3	1	23
	2016	23	0	1	1	1	22

<u>Notes to Table 4 for Company-Owned Outlets</u>:

1. "Company-Owned Outlets" refers to Outlets which are owned and operated by Master Franchisees in their Master Franchise Territories. Refer to Exhibit D-2 for specific Company-Owned Outlets.
2. States not listed had no activity during the relevant period.
3. The Company-Owned Outlet in Centennial, Colorado moved to Billings, Montana in 2015.
4. The Company-Owned Outlet in Latham, New York was transferred to a Unit Franchisee who relocated the Unit Franchise to Beckett, New Jersey in 2016.

<u>TABLE 5</u>
Projected Openings by Master Franchisees of Unit Franchises as of 12/31/16
(By 12/31/17)

State(1)	Unit Franchise Agreements with Master Franchisees Signed But Not Yet Open(2)	Projected New Franchised Outlets in Next Fiscal Year	Projected Company-Owned Outlets in Next Fiscal Year
Alabama	1	0	0
Arizona	1	0	0
California	5	1	0
Colorado	1	0	0
Connecticut	1	0	0
Delaware	2	0	0
Florida	3	2	0
Georgia	0	2	0
Hawaii	1	0	0
Iowa	3	0	0
Illinois	4	0	0
Maryland	0	0	0
Michigan	0	1	0
Minnesota	1	0	0
Missouri	8	0	0
Nebraska	1	0	0
New Jersey	6	2	0
New York	7	3	0
Oklahoma	4	2	0
Oregon	1	1	0
Pennsylvania	12	2	0
Puerto Rico	1	0	0
South Carolina	1	1	0

State[1]	Unit Franchise Agreements with Master Franchisees Signed But Not Yet Open[2]	Projected New Franchised Outlets in Next Fiscal Year	Projected Company-Owned Outlets in Next Fiscal Year
Tennessee	0	1	0
Texas	4	2	0
Utah	2	0	0
Virginia	1	0	0
Wisconsin	3	0	0
Wyoming	1	0	0
Totals	75	20	0

Notes to Table 5 for Unit Franchises:

1. If a state is not listed, no activity is anticipated during the relevant period.

2. The inclusion of signed Unit Franchise Agreements in this column and in Exhibit D-4 does not imply that the Unit Franchises will open in the next fiscal year or in any fiscal year in the future.

Unit Franchisees have signed confidentiality clauses during the last three fiscal years. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experiences with the Cartridge World® franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

We do not currently have any previously-owned Unit Franchises under our control to offer or sell.

The names, addresses, and telephone numbers of the Unit Franchisees as of the end of our most recent fiscal year appear in Exhibit D-2. Unit Franchisees who had an agreement terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Unit Franchise Agreement during our last fiscal year, or has not communicated with us within 10 weeks of the date of this Disclosure Document are identified in Exhibit D-3.

Franchisee Groups

We may choose to form a formal Cartridge World® Advisory Group, or "CWAG", as prescribed under the Unit Franchise Agreement to provide input on System-related matters. When formed, a CWAG would consist of Unit Franchisees, each of whom would be elected by Unit Franchisees to represent the interests of a particular geographical area or region. We would have a non-voting participant on the council. Any bylaws adopted by the group would require our consent. As of the date of this Disclosure Document, a CWAG has not been formed.

We have formed an advisory committee comprised of Master Franchisee representatives and CWNA staff to discuss subject areas, such as store design, advertising/marketing, technology, general system matters, purchasing, training, and sales. This committee is exclusively advisory in nature and is not a decision-making body. Some committee members are elected and some are appointed. This committee may be discontinued or reformed as a committee of the CWAG.

ITEM 21
FINANCIAL STATEMENTS

Our audited financial statements as of December 31, 2015 and December 31, 2014, and for each of the three fiscal years in the period ended December 31, 2015, are attached to this Disclosure Document as Exhibit B.

Our fiscal year end is December 31 of each calendar year.

ITEM 22
CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Exhibit A-1: Master Franchise Agreement (and Exhibits A-1 through G to the Master Franchise Agreement)
Exhibit A-2: Spousal/Domestic Partner Consent
Exhibit A-3: Automatic Bank Draft – Authorization Form

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear as Exhibit J. Please sign and date one copy and return it to us. Retain the other copy for your records.

EXHIBIT A-1
TO MASTER FRANCHISE DISCLOSURE DOCUMENT

MASTER FRANCHISE AGREEMENT

CARTRIDGE WORLD NORTH AMERICA, LLC
MASTER FRANCHISE AGREEMENT

____
Master Franchisee

____

____

____
Address

____
Effective Date of Agreement

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Master Franchise Agreement Number: _____________

Expiration Date: ____________________

CARTRIDGE WORLD NORTH AMERICA, LLC
MASTER FRANCHISE AGREEMENT

THIS MASTER FRANCHISE AGREEMENT (this "Agreement") is made as of the ________ day of _______________, 20____ (the "Effective Date").

BETWEEN: Cartridge World North America, LLC, a Nevada limited liability company

AND: ____, a(n) __________________________
(the "Master Franchisee")

In a number of places in this Agreement, you are asked to initial certain items to show that they have been fully discussed with you, and read, understood and agreed to by you. Initialling those areas does not lessen the importance of other areas or mean those other areas are not fully enforceable. Please initial below and at all other points indicated.

Your Initials: __________ / __________

ARTICLE 1.
RECITALS

1.01 Business Background and Preliminary Agreements.

A. In this Agreement, Cartridge World North America, LLC is referred to as the "Franchisor," "CWNA," "us," "we" or "our." As used in this Agreement, the references to "we," "us," or "our" will include CWNA and/or its current and future Affiliates (including Cartridge World Global Holdings Co. Limited, Cartridge World Australia Holdings Pty. Ltd., Cartridge World Australia Pty. Ltd. and Cartridge World International, Inc.), individually, collectively or in any combination if required by the context. As used in this Agreement, the term "Cartridge World" will refer to CWNA and/or its current and future Affiliates individually, collectively or in any combination as required by the context.

B. The Master Franchisee is referred to as "you," "your," or the "Master Franchisee." The terms "you" and the "Master Franchisee" may be applicable to one or more persons and/or Business Entities, as the case may be. If there is more than one Master Franchisee, each is jointly and severally obligated under this Agreement and all other agreements with us and/or any Franchisor-Related Parties, as defined below).

C. We have been licensed the exclusive right to award Master Franchises in the United States, Canada, Central and South America, the Caribbean and various other countries, with Master Franchisees to have the right to award CARTRIDGE WORLD Unit Franchises using the CARTRIDGE WORLD Marks and System. Although Cartridge World Australia Pty. Ltd., as an Affiliate and the current owner of the CARTRIDGE WORLD Marks and System, is an intended beneficiary of this Agreement and may sue to enforce this Agreement under certain limited circumstances, neither Cartridge

World Australia Pty. Ltd. (nor any other Franchisor-Related Party) is a party to this Agreement, has no obligations to you and is not bound by this Agreement in any way.

D. CARTRIDGE WORLD Unit Franchises operate at a retail level using distinctive methods, which provide products and services related to refilling of printer (and other) cartridges, including refilling of inkjet cartridges; remanufacturing of laser cartridges; sales of toner, computer hardware (including printers) and software, ancillary items and other products and services authorized and/or required by us from time to time. These businesses are referred to as "CARTRIDGE WORLD Unit Franchises" or "Unit Franchises" in this Agreement.

E. CARTRIDGE WORLD Unit Franchises use certain proprietary knowledge, formats, forms, printed materials, applications, specifications, standards and techniques licensed to or developed by us (all of which are part of the "CARTRIDGE WORLD System" or the "System"). Distinguishing characteristics of the CARTRIDGE WORLD System include (but are not necessarily limited to) certain trademarks and logos and other forms of commercial identity, training of Unit Franchisees and Master Franchisees, marketing concepts, the Operations Manuals, distinctive color schemes and Design Standards, and the Confidential Information, as defined in this Agreement.

F. You have requested us to award to you a Master Franchise for the Master Franchise Territory and thereby permit you to award and service CARTRIDGE WORLD Unit Franchises in the Master Franchise Territory. Your application has been approved by us in reliance on the information you gave us, and we are pleased to make such award, subject to the terms, covenants and conditions contained in this Agreement.

G. We have agreed to the award of this Master Franchise (1) at the request of each Guarantor who in consideration of it has agreed to sign a guarantee to us in the form of Exhibit F for the performance of all your obligations to us (and/or any of the Franchisor-Related Parties), whether arising under this Agreement or otherwise, and (2) with the understanding that if the Master Franchisee is a Business Entity, any Designated Individual (or a substitute approved by us) will at all times maintain legal and operational control of the Master Franchisee and serve as its full-time Chief Executive Officer.

H. Your CARTRIDGE WORLD Master Franchise is a licensing arrangement, awarded under specific terms and conditions. You must comply fully with this Agreement and the Operations Manuals in order to use and sub-license the CARTRIDGE WORLD Marks, the System and other Intellectual Property, all of which have been developed at considerable expense.

I. You agree that it is critical to you, us, and each Unit Franchisee for the System to be flexible to respond to commercial opportunities and challenges. An inability to change the System and/or the Operations Manuals could adversely affect other CARTRIDGE WORLD Master Franchisees/Unit Franchisees. You, therefore, agree and anticipate that the Operations Manuals and the System may be changed by us, from time to time in our Business Judgment. You (and each of your Unit Franchisees) agree to comply with the Operations Manuals and the System and all such changes.

J. Without your commitment to the System and to fulfill each of the obligations detailed in this Agreement, we would not form this franchise relationship with you.

K. You understand and agree that your investment in a CARTRIDGE WORLD Master Franchise involves special risks, including, but not limited to, the following: CARTRIDGE WORLD is a relatively young brand in the United States. Positive name recognition and good will to be established will be the result, in large measure, of you and your Unit Franchisees providing quality business services and following the Operations Manuals and the System. Substantial competition to the CARTRIDGE

WORLD concept exists in the United States, both at the retail level and for the sale of franchises, with certain competitors having established units and/or channels of distribution. That competition includes, among others, Internet suppliers, office supply stores, other cartridge refilling franchises, mail order, and other channels of distribution. The CARTRIDGE WORLD business model is subject to frequent changes in the business environment, including technological developments, some of which might impact you negatively. If CARTRIDGE WORLD Unit Franchises are not successful in the United States, sales (if any) of Unit Franchises can be expected to be difficult. Master franchising poses special risks, since your possible success will depend, among other things, on your abilities to market, motivate, support and retain Unit Franchisees and to maximize their business volume. All of these and other factors make your investment speculative.

L. You understand and agree that any required specifications, standards and operating procedures exist to protect Cartridge World's interests in the System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you.

M. To simplify this Agreement and make it easier to read and understand, we have defined certain terms used in this Agreement, as set out in Section 2.01 below. When you see a capitalized word, or if you don't understand the meaning of a particular reference, look at Section 2.01 to see whether the term has been defined. Capitalized words not defined in Section 2.01 are defined in the Section where they first appear.

I have read Section 1.01 (including, particularly, subsections I. and K.), understand them, and agree with them.

Your Initials: __________ / __________

ARTICLE 2.
DEFINITIONS

2.01 **Definitions.** In addition to the other terms defined in this Agreement, as used in this Agreement, the following terms shall have the meanings set forth below:

A. "Affiliate" - Any person or entity which controls, is controlled by or is under common control with another person or entity; as to the Master Franchisee, Affiliate also includes any director, officer or owner of any interest in the Master Franchisee (and any entity controlled by any of the foregoing).

B. "Attorneys' Fees" - Includes, without limitation, legal fees, whether incurred in preparation of the filing of any written demand or claim, action, hearing, arbitration, or other proceeding to enforce the obligations of this Agreement, or during any other proceeding relating to this Agreement or the relationship between us and you, plus all costs incurred in connection therewith..

C. "Business Entity" - Includes a corporation, partnership, joint venture, limited liability company, limited partnership, or other form of business recognized in any jurisdiction.

D. "Business Judgment" - Means that we are allowed to exercise our judgment however we consider appropriate in our sole and absolute discretion, without any limitation. You and we agree that when in this Agreement we describe instances in which we may exercise Business Judgment, we must and do have the unrestricted right to make decisions and/or take (or refrain from taking) actions. We have this right even if a particular decision/action may have negative consequences for you, another Master Franchisee or a group of Master Franchisees. You understand and agree that the exercise of Business Judgment is critical to your and our roles as Franchisor and Master Franchisee, respectively, of the System and to goals for its continuing improvement. This is a defined term for the purposes of this Agreement and is not intended to incorporate principles related to the application of any business judgment rule in a corporate law context.

E. "Customary Representations, Warranties and Agreements" - Includes commitments generally made by a transferor in connection with a transfer of a business and/or related assets, including but not limited to: representations as to ownership, condition and title to stock and/or assets, liens and encumbrances relating to the stock and/or assets, validity of contracts, and liabilities, contingent or otherwise, relating to the business/assets/entity to be acquired; full indemnification obligations and non-competition covenants by the transferor and each owner and Affiliate, substantially similar to those required in Sections 12.02 and 19.01 of this Agreement; the delivery at closing of instruments transferring good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us in our Business Judgment), and demonstrating that all sales, transfer and/or similar taxes are to be paid by the transferor through escrow if we so require; the transfer at closing of all licenses and permits which may be assigned or transferred.

F. "Designated Equipment" - Equipment that meets our then-current requirements and which must be obtained and used in the operation of a CARTRIDGE WORLD Master Franchise or Unit Franchise Business.

G. "Designated Individual" - The person who shall be at all times the majority equity owner and chief executive who is responsible for the management of the Master Franchise Business and is identified in Exhibit A-1, or a substitute individual reasonably approved by us in writing.

H. "Dollars" or "$" - Any reference to dollars in this Agreement is a reference to the currency of the United States of America.

I. "Franchise" - The right to operate a Master Franchise and/or Unit Franchise, as applicable, according to context.

J. "Franchisor-Related Parties" – includes Cartridge World North America, LLC, Cartridge World International, Inc., Cartridge World Australia Holdings Pty. Ltd., Cartridge World Australia Pty. Ltd., Cartridge World Global Holdings Co. Limited, and each current and future Affiliate of any of the foregoing; each CARTRIDGE WORLD marketing and/or advertising fund, and each and all of the following, whether past, current and/or future: (i) each and all entities and/or persons acting through or in concert with any of the foregoing; (ii) each and all of the partners, shareholders, officers, directors, agents, attorneys, accountants and/or employees of any of the foregoing, and (iii) each and all of the predecessors, successors and/or assigns of any of the foregoing.

K. "General Release" - A general release, in the then-current form prescribed by us at the time such release is to be delivered, of any and all claims, liabilities and/or obligations, of any nature whatsoever, including those existing as of, and/or arising before, the date of any such release, however arising, known or unknown, whether against us and/or any or all of the Franchisor-Related Parties, and whether by you, any owner of you (if you are or become a Business Entity), any person/entity claiming on the basis of an alleged right of yours and/or any Affiliate of any of the foregoing. A copy of our general release language as currently used by us (which is subject to change) is attached as Exhibit D and is approved by you.

L. "Good Standing" – You are in "Good Standing" if you (and each of your owners and Affiliates) are not in default of any obligation to us and/or any of the Franchisor-Related Parties, whether arising under this Agreement or any other agreement between you (and each of your owners and Affiliates) and us (and/or any of the Franchisor-Related Parties), the Operations Manuals or other System requirements.

M. "Gross Profit" - Gross Profit is Gross Revenue less the actual cost incurred and paid for products/services which are sold and/or distributed by a CARTRIDGE WORLD Unit Franchise.

N. "Gross Master Revenues" - The term as defined in Section 4.02.

O. "Gross Revenue" - Gross Revenue includes all charges and/or revenues which are, or could be, received or earned: (i) by, at or in connection with a CARTRIDGE WORLD Unit Franchise; (ii) relating to the kinds of Products and Services available now or in the future through a CARTRIDGE WORLD Unit Franchise and/or distributed in association with the Marks or the System; (iii) relating to the operation of any Similar Business; (iv) with respect to, any tenants and/or subtenants of on the Unit Franchise Premises (including rent and other lease payments); and/or (v) with respect to any co-branding activities. All sales and/or billings, whether collected or not, will be included in Gross Revenue, with no deduction for credit card or other charges. Gross Revenue does not include sales, value added or similar taxes collected and paid when due to the appropriate taxing authority and actual customer refunds, adjustments and credits.

P. "Immediate Family" - With respect to any person, "immediate family" includes that person's spouse and/or domestic partner and each of their respective parents, guardians, grandparents, siblings, children, grandchildren, aunts, uncles, cousins, nieces and/or nephews.

Q. "Input" - Advice and suggestions regarding specified matters. When we receive Input from the CARTRIDGE WORLD Master Franchise Advisory Group ("MAG") or any other franchise advisory group, we will retain the ultimate decision-making authority and responsibility for all matters for which Input is sought. MAG (or any other franchise advisory group) Input, votes or other collective actions will not be binding on us unless we have otherwise agreed in writing. MAG (or any other franchise advisory group) approval or consent will not be required as a pre-condition to any decision and/or action we may take, unless we agree otherwise in writing.

R. "Intellectual Property" - Includes, regardless of the form or medium involved: (i) all CARTRIDGE WORLD Software, including the data and information processed or stored thereby; (ii) the Operations Manuals and all other directives, policies or information we issue from time to time; (iii) all customer relationships and information; (iv) the Marks; (v) all Confidential Information and trade secrets; and (vi) all other proprietary, copyrightable and/or trade secret information and materials developed, acquired, licensed or used by us in the operation of the System.

S. "Limited Release" - A release by us (in the form prescribed by us at the time such release is to be delivered) of any and all known claims, liabilities and/or obligations, of any nature whatsoever, including those existing as of, and/or arising before, the date of any such release, against you, your Affiliates and/or your owners, if you are a Business Entity; except that any such claims will be preserved by us if we disclose them to you in writing.

T. "Local Currency" - The currency or currencies used as legal tender in the country(ies) in which the Master Franchise Territory is located.

U. "Operations Manuals" - Specifications, standards, policies and procedures prescribed by us and published to you via any media (including electronic) and which are to be followed in the operation of your CARTRIDGE WORLD Master Franchise and/or any Unit Franchise, as they may be changed or eliminated by us in our Business Judgment.

V. "Marks" - The trademarks, service marks and other commercial symbols now and/or in the future owned by (or licensed to) us to identify the Products and Services offered by CARTRIDGE WORLD Unit Franchises, including (but not limited to) "CARTRIDGE WORLD®," the Design Standards and other logos and identifiers designated by us from time to time.

W. "Master Franchise" - The rights awarded to you under this Agreement.

X. "Master Franchise Business" - The business operations authorized to be conducted by you under this Agreement.

Y. "Master Franchise Premises" - The location at which you will operate your Master Franchise Business, which is subject to our prior written approval.

Z. "Master Franchise Territory" - The area described on Exhibit A-1 of this Agreement.

AA. "Master-Owned Unit" - Any CARTRIDGE WORLD Unit Franchise within the Master Franchise Territory which you (or any Affiliate) open and/or operate pursuant to a Unit Franchise Agreement.

BB. "Post-Termination Provisions" - Those provisions with obligations contained in this Agreement that expressly or by their nature survive its expiration, Transfer, Repurchase, or termination for any reason, including (without limitation) the confidentiality, non-competition, indemnification, dispute resolution and other provisions contained in Articles 12, 14, 15, 19 and 22.

CC. "Products and Services" – The products and services designated by us for use, sale or otherwise provided and/or used at or from a CARTRIDGE WORLD Master Franchise Business, a CARTRIDGE WORLD Unit Franchise Business and/or in association with the Marks.

DD. "Repurchase" - Repurchase is an acquisition by us (and/or any of the Franchisor-Related Parties) of your rights in and/or to (i) this Agreement; (ii) the Master Franchise Business; (iii) any Business Entity Master Franchisee; (iv) any CARTRIDGE WORLD Unit Franchise; and (v) any lease or assets associated with any of the foregoing.

EE. "Royalty" or "Royalties" - The periodic fee(s) payable to you/us by a Unit Franchisee under a Unit Franchise Agreement.

FF. "Similar Business" - Any enterprise that offers, is otherwise involved in, or deals with any goods, products and/or services, which are substantially similar to those goods, Products and/or Services now or in the future authorized by us to be offered at, from or by your Master Franchise and/or CARTRIDGE WORLD Unit Franchises (including any such enterprise and/or entity awarding Franchises or licenses to operate or be involved with any such business). Our receipt of any amounts with respect to any Similar Business is not an approval of your involvement with any Similar Business.

GG. "Special Accounts" - Classes of special customers (which may include national accounts, other large businesses, government agencies, and/or otherwise) as designated by us from time to time in our Business Judgment.

HH. "Design Standards" - The proprietary CARTRIDGE WORLD standards, specifications and requirements for the design, decoration, layout, equipment, furniture, fixtures, signs, other items and image of Unit Franchises, as they currently exist and as they may be revised and further developed by us from time to time in our sole and absolute discretion.

II. "Trade Secret" - Information that is proprietary to us and/or Cartridge World, including a formula, procedure, pattern, compilation, program, device, discovery, invention, method, technique or process, that (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; and/or (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

JJ. "Travel Expenses" - All costs incurred for transportation, lodging, automobile rental and all other costs and expenditures related to travel.

KK. "Unit Franchise" or "CARTRIDGE WORLD Unit Franchise" - a franchised CARTRIDGE WORLD business operated by a Unit Franchisee pursuant to a Unit Franchise Agreement. Under this Agreement, you are authorized to award Unit Franchises to Unit Franchisees in your Master Franchise Territory.

LL. "Unit Franchise Agreement" - An agreement, as approved by us, between you and a Unit Franchisee to operate a CARTRIDGE WORLD Unit Franchise (including a Master-Owned Unit). A copy of the currently-approved Unit Franchise Agreement is attached hereto as Exhibit G.

MM. "Unit Franchise Business" - The business operations conducted by, at or in connection with a CARTRIDGE WORLD Unit Franchise.

NN. "Unit Franchisee" - a person or entity who/that has been awarded a Unit Franchise.

OO. "Unit Franchise Premises" - any location where a CARTRIDGE WORLD Unit Franchisee operates its Unit Franchise and where the Products and Services are offered to the public.

PP. "Unit Volume" - the combined Gross Revenue and Gross Profit of a Unit Franchise.

ARTICLE 3.
LICENSES AWARDED

3.01 License.

A. We hereby award to you the license in the Master Franchise Territory to:

1. Establish, operate and identify a Master Franchise Business operation in accordance with this Agreement, the System, Marks, Operations Manuals and other written instruction from us; and

2. Enter into Unit Franchise Agreements with Unit Franchisees as a Master Franchisee/subfranchisor for CARTRIDGE WORLD Unit Franchises in compliance with this Agreement.

The licenses granted to you hereunder shall be exercised only under and subject to all the terms and conditions of this Agreement. You have no rights in the CARTRIDGE WORLD System and/or the

CARTRIDGE WORLD Marks except as specifically granted herein. You may only award franchises for CARTRIDGE WORLD Unit Franchises to be located in the Master Franchise Territory.

B. We may, but are not required to, authorize you to own/operate one or more CARTRIDGE WORLD Unit Franchise(s) in the Master Franchise Territory. Any such Unit Franchise (1) will be approved in advance by us in writing; (2) will be subject to all of the terms and conditions of the Unit Franchise Agreement then customarily used for the award of new CARTRIDGE WORLD Unit Franchises in the Master Franchise Territory, including the then-applicable fee structures; and (3) will be operated pursuant to a Unit Franchise Agreement between you and an Affiliate of yours as the Unit Franchisee.

3.02 Non-Exclusive License.

A. Subject to our rights and your obligations as set forth in this Agreement or otherwise, we will not enter into a Master Franchise Agreement for the award of Franchises for CARTRIDGE WORLD Unit Franchises or a Unit Franchise Agreement for the operation of a CARTRIDGE WORLD Unit Franchise, or own or operate a CARTRIDGE WORLD Unit Franchise, inside the area described in Exhibit A-1 to this Agreement (the "Master Franchise Territory"). This Master Franchise applies only to the award of CARTRIDGE WORLD Unit Franchises and specified support services related thereto. The Master Franchise does not grant you any rights with respect to other and/or related businesses, products and/or services, in which we or any Franchisor-Related Parties may be involved, now or in the future.

B. Your and our respective rights in the Master Franchise Territory are subject to the terms and conditions of this Agreement. All rights not expressly granted to you are reserved by us and the Franchisor-Related Parties.

1. CARTRIDGE WORLD Unit Franchises, Other Outlets and Distribution Opportunities:

This Agreement applies only to the offer and sale of CARTRIDGE WORLD Unit Franchises by you in your Master Franchise Territory. The definition of CARTRIDGE WORLD Unit Franchises is intended to exclude any other channel of distribution, such as (but not limited to) direct mail and/or the Internet. For the purposes of Section 3.02.B.2 below, an "Other Outlet" is a distribution outlet (other than a CARTRIDGE WORLD Unit Franchise) for products and services like those sold through a CARTRIDGE WORLD Unit Franchise and which uses the CARTRIDGE WORLD Marks and System. By way of illustration, an Other Outlet would include (but not be limited to) a kiosk in a shopping mall, a facility established inside an office supply store, and a service desk in the offices of a large commercial building using the CARTRIDGE WORLD Marks and System and refilling/selling ink cartridges and related products from a fixed location. CARTRIDGE WORLD Unit Franchises and Other Outlets are collectively referred to as "Distribution Opportunities."

2. Rights of First Refusal, Terms and Conditions:

(a) If any Unit Franchise(s) of yours has a Unit Franchise Agreement(s) giving to them a right of first refusal for Distribution Opportunities in their territory, we or you, as determined by us in our sole discretion, will have the right and the obligation to offer and award such Distribution Opportunities to such Unit Franchise(s) under the terms and conditions we prescribe, and such awards will be subject to the terms and conditions of this Agreement and the Unit Franchise Agreement.

(b) We will provide you with a right of first refusal before any Other Outlets are located in the Master Franchise Territory if: (i) such Other Outlet is not to be awarded by us or a Franchisor-Related Party to a Unit Franchisee of yours or a third party; (ii) you are in Good Standing; and (iii) you meet our then-current financial, operational and other business standards for the award of the applicable Other Outlet. We have the right to establish and modify any such standards at any time.

(c) A right of first refusal regarding an Other Outlet available to you under Section 3.02.B.2(b) above will be processed as follows:

(i) We will provide you written notice of such Other Outlet;

(ii) You will have fifteen (15) days in which to tell us in writing (and pay any initial fees) that you wish to participate in any applicable Other Outlets;

(iii) If you **do not** notify us within such period, then we may pursue the Other Outlets and/or grant any other person/entity the right to participate in such Other Outlets, without any liability to you; and

(iv) If you timely notify us in writing that you **do** wish to participate in the Other Outlets, then we may condition your participation on compliance with terms and conditions that we consider appropriate in our Business Judgment to the particular Other Outlets. Conditions may include, but are not limited to: your execution of the agreements and related documents that are then generally used by us in connection with the award of the applicable Other Outlets; payment of all initial fees and any other applicable fees; meeting any eligibility requirements as are then generally applied by us to candidates for a particular Other Outlet; and the execution by you (and any Affiliate of yours) of a General Release, as defined in Section 2.01.K above. If you do not meet the conditions applicable to the award of the Other Outlets and/or any opening requirements that may be included in any Other Outlet agreement, then we and/or any Affiliates may pursue such Other Outlet, and/or grant any other person/entity the right to participate in it, without any liability to you. If an Other Outlet is established in your Master Franchise Territory, you agree you shall have waived any right of first refusal applicable to any geographic territory awarded such Other Outlets and any other territorial rights in such geographical territory which conflicts or are inconsistent with rights awarded such Other Outlets.

C. We and Franchisor-Related Parties expressly reserve all other rights, including among them the rights to:

1. Own and/or operate ourselves, and/or authorize others to own and/or operate:

(a) Any kind of business in the Master Franchise Territory selling to customers located anywhere, whether or not using the CARTRIDGE WORLD Marks and System; except for a CARTRIDGE WORLD Master Franchise Business or a CARTRIDGE WORLD Unit Franchise and subject to any applicable rights of first refusal; and

(b) Any kind of business outside of the Master Franchise Territory selling to customers located anywhere, whether or not using the CARTRIDGE WORLD Marks and System, including without limitation, a Master Franchise Business and/or a CARTRIDGE WORLD Unit Franchise(s);

2. Develop or become associated with other concepts (including dual branding and/or other Franchise systems), and award Master/Unit Franchises and/or operate units/channels of distribution owned by us and/or any Affiliate under such other concepts for locations anywhere and selling to customers located anywhere;

3. Acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere and selling to customers located anywhere. Such transactions may include (but are not limited to) arrangements involving competing outlets and brand conversions (to or from the CARTRIDGE WORLD Marks and System). Such transactions are expressly permitted under this Agreement, and you agree to participate at your expense in any such conversion as instructed by us; and

4. Market and sell CARTRIDGE WORLD Products and Services (or any other brand) products and services (whether or not competitive) to customers located anywhere (including within the Master Franchise Territory) using any channel of distribution located anywhere, except for a CARTRIDGE WORLD Unit Franchise and subject to any applicable rights of first refusal as provided in this Section.

D. We have the right to offer/provide products and/or services of any type, whether or not using the Marks, the System or any other Intellectual Property, through the Internet, World Wide Web, mail order and/or other similar venues (no matter where the Customer or "ship to" address is located).

E. Your use of the Internet, World Wide Web, and other electronic or other means of marketing and distribution (including by mail) of Unit Franchises, goods and/or services must be consistent with any specifications, policies and/or standards we establish from time to time in our Business Judgment. You will not market or sell through such venue(s) without our written permission, which we can grant, condition or deny in our Business Judgment.

F. Our current policy is to allow you to accept requests from prospects and/or orders from any customer located anywhere and to market to customers located anywhere, but we can change this policy in our Business Judgment. We have the right to place geographic or other restrictions upon such activities, among other things. You agree to comply with any policy changes. You agree not to deal (and to cause your Unit Franchisees not to deal) with Special Account(s), as we may specify from time to time.

3.03 Limited Support. You understand that we will have no permanent or other establishment in the Master Franchise Territory to provide you with local support, marketing or operational assistance. You agree that our support services are only as expressly provided in this Agreement.

3.04 Your Support to Your Unit Franchisees. You agree to promptly and fully perform and provide each of the items and services set forth in each Unit Franchise Agreement, as well as those items and services set forth and/or referred to in Exhibit E, together with such other items and services as (i) we reasonably designate from time to time in the Operations Manuals or otherwise and/or (ii) are offered by Master Franchises owned and/or operated by us and/or our Affiliates. You and we agree that such performance is critical to the support of all CARTRIDGE WORLD Unit Franchisees in the Master Franchise Territory and to maximize their possibilities for success.

I have read Sections 3.01 – 3.04, understand them, and agree with them.
Your Initials: __________ / __________

ARTICLE 4.
COMPENSATION

4.01 Initial Fees.

A. In consideration for the execution of this Agreement, you will pay us a total Initial Master Franchise Fee in the amount set forth in Exhibit A-1 of this Agreement. Such Initial Master Franchise Fee is due and payable in full on signing of this Agreement, is fully earned on execution of this Agreement and is entirely non-refundable under any circumstances.

B. Within five days after the earlier of the date: (1) you execute any Unit Franchise Agreement; (2) any Unit Franchisee opens for business; or (3) any Unit Franchise(s) is (are) required to open for business under Section 5.01 or otherwise, you will pay us fifty percent (50%) of the Initial Franchise Fee and fifty percent (50%) of the Training Fee received by, or due to be paid to, you for each such Unit Franchise, unless we agree in writing to accept a different amount. If payment to you of an Initial Franchise Fee is deferred and/or a Unit Franchise(s) has (have) not been awarded by the dates established in Exhibit A-2 of this Agreement, fifty percent (50%) of the Initial Franchise Fee due us must still be paid in full by the applicable date, notwithstanding such deferral or failure to award a sufficient number of Unit Franchises. Your timely payment of the required percentage of the Initial Franchise Fee to us for a Unit Franchise not yet awarded and open in the Master Franchise Territory will not operate as a cure of your failure to award and open the required number of Unit Franchises according to the Minimum Development Standards established in this Agreement.

4.02 Revenues to You.

A. You have the opportunity to receive other revenues in connection with your Master Franchise Business from the following sources (collectively, "Gross Master Revenues"):

1. Royalty Revenue - Royalties due and/or paid to you by Unit Franchisees under Unit Franchise Agreements (or otherwise) based on their Gross Revenue/Gross Profits;

2. Fee Revenue - Fees due and/or paid to you by Unit Franchisees under Unit Franchise Agreements (or otherwise), including, but not limited to, Transfer fees, Renewal fees, late fees, resale program fees, payments by Transferees, and other amounts (not covered in any other category) etc.;

3. Fund Revenue - Amounts due and/or paid to you by Unit Franchisees pursuant to their Unit Franchise Agreements (or otherwise) with respect to the Marketing Fund and/or other advertising contributions;

4. Product Revenue - Amounts due and/or paid to you by Unit Franchisees with respect to sales, leases and/or otherwise of Products/Services by you to Unit Franchisees;

5. Other Revenue - Amounts due and/or paid to you in connection with any other use by you or any of your Unit Franchisees of any aspect of the CARTRIDGE WORLD System and/or Marks.

B. Gross Master Revenues include all charges and/or revenues which are, or could be, received or earned:

1. By, at or in connection with a CARTRIDGE WORLD Master Franchise Business;

2. Relating to the kinds of goods or services available now or in the future through a CARTRIDGE WORLD Unit Franchise/Master Franchise and/or distributed in association with the Marks or the CARTRIDGE WORLD System;

3. Relating to the operation of any Similar Business;

4. With respect to, any tenants and/or subtenants on the Unit Franchise Premises (including rent and other lease payments); and/or

5. With respect to any co-branding activities.

All sales and/or billings, whether collected or not, will be included in Gross Master Revenues, with no deduction for credit card or other charges. Gross Master Revenues does not include sales or similar taxes collected and paid when due to the appropriate taxing authority and actual refunds, adjustments and credits.

We do not represent or warrant that any Gross Master Revenues will be earned or received by you.

4.03 Amounts Payable to Us.

A. You agree to pay us the **greater** of (1) forty percent (40%) of the Royalty Revenue from each Unit Franchise in the Master Franchise Territory received by, or due to be paid to, you during the preceding Royalty period or two and 4/10ths percent (2.4%) of each such Unit Franchisee's Gross Revenue/Gross Profit during the preceding Royalty period. Such payments are to be received by us within ten (10) days after the end of each Royalty period, commencing with the Royalty period in which you begin your Master Franchise Business operations. The current Royalty period is a calendar month, but such time period may be changed by us in our Business Judgment.

B. You agree to pay us fifty percent (50%) of:

1. All Fee Revenues received by, or due to be paid to, you within five (5) days after their receipt by you and/or of the applicable due date;

2. All Product Revenues received by, or due to be paid to, you in the preceding month. [With respect to any items purchased by you from us (or any Affiliate of ours) and/or any Products/Services approved by us for resale by you to your Unit Franchisees, the amount payable to us will be calculated based on the amount by which your price to your Unit Franchisees exceeds the price you paid for such Product/Service]; and

3. All Other Revenue received by, or due to be paid to, you and/or any Affiliates of yours in the preceding month.

C. No amounts will be due from you in connection with revenues received by you from Unit Franchisees for Fund Revenue which is spent as approved by us (and otherwise in compliance with this Agreement).

D. We may choose in our Business Judgment to collect any or all of the foregoing amounts through an electronic funds transfer program under which Unit Franchisees' payments are paid or transferred directly into an account of ours. In that event, we will keep such amounts as are validly owed to us, including any appropriate offsets, and promptly remit the balance to you. We will attempt to perform these payment collection programs in a commercially reasonable manner, but make no guarantee that any such program will be error-free. Nor do we guarantee the collection of any amounts due to you for Royalties, fees, Products/Services, or any other amounts. We are not responsible for any Unit Franchisee account delinquencies or payment failures. Any amounts collected by us are subject to the exercise of any applicable rights under Section 4.09 below.

4.04 Full Amounts Owed. You are free to decide upon the financial terms of any Unit Franchise Agreement, except that you are not permitted to establish new fees without our prior written authorization and we can specify maximum amounts for Royalties, fees, Products or Services and other amounts to the greatest degree permitted by law. All amounts due us under this Agreement or any other agreement will be paid by you at the time specified, in full based on the amount paid or to be paid in the future and notwithstanding any deduction, credit or similar amount, whether or not you have collected such amounts and/or decide to finance, defer payment of, waive or issue a credit regarding, any portion of the amounts due you from your Unit Franchisees/Affiliates. All amounts paid are entirely non-refundable unless you and we expressly agree otherwise in a mutually signed writing.

4.05 Inflation Adjustments. Amounts specified as being subject to inflation adjustment may be adjusted by us annually in our Business Judgment in proportion to the changes in the Consumer Price Index (U.S. Average, all items) maintained by the U.S. Department of Labor (or any Successor index) as compared to the previous year. We will notify you of any such percentage adjustment.

4.06 Mandatory Convention Attendance, Possible Fee. You are required to attend all meetings designated by us as mandatory (including, without limitation, all CARTRIDGE WORLD conventions), unless otherwise excused by us. You may be required by us to pay a fee at the time of the event to offset the cost of a convention program. You are responsible for all other costs of attendance.

4.07 Alternative Payment Methods. We may choose in our Business Judgment to implement alternative methods for payment of Royalties, advertising/marketing contributions and other amounts due us including, but not limited to, an electronic funds transfer program. You agree to participate in any such programs, to comply with any applicable payment procedures and to timely provide such documentation or authorizations as may be required from time to time to accomplish such funds transfer or other program. The then-current transfer process (e.g. account debit dates, applicable forms and other information) will be provided in the Operations Manuals or other written instruction from us. You agree to maintain sufficient funds in your authorized accounts to meet your payment obligations under this Agreement. An insufficient account balance and/or any non-payment or late payment of the actual amount due is a breach of this Agreement.

4.08 Applicable Releases.

A. If you and we have, or have had, a pre-existing franchise relationship prior to the execution of this Agreement, the language of the General Release attached as Exhibit D is incorporated in and effective upon the signing of this Agreement, excepting only those claims solely related to the offer and sale of this Master Franchise, where such releases are expressly prohibited by applicable law.

B. As a condition to the occurrence of any of the following events (the “Events”), you and/or any Affiliate/owner of yours will sign a General Release, excepting only those claims solely related to the offer and sale of the new franchise, where such releases are expressly prohibited by applicable law:

1. The awarding of any future, additional or other Franchise;

2. The Renewal of this Franchise and/or awarding of a successor Franchise;

3. Any assignment or Transfer by you and/or any Affiliate/owner of you; and/or

4. Any other event described in this Agreement as being conditioned in whole or in part upon such a General Release (as defined in Section 2.01.K above).

4.09 Application of Payments, Set-Offs, Etc.

A. As to you and/or any Affiliate of yours, we can:

1. Apply any payments received to any past due, current, future or other indebtedness of any kind in our Business Judgment, no matter how payment is designated by you, except that Master Marketing Fund contributions may only be credited to the Master Marketing Fund;

2. Set off, from any amounts that may be owed by us, any amount owed to us or any marketing fund; and

3. Retain any amounts received for your account (and/or that of any Affiliate of yours), whether rebates from suppliers or otherwise, as a payment against any amounts owed to us.

B. We can exercise any of the foregoing rights in connection with amounts owed to or from us and/or any Franchisor-Related Party.

4.10 Interest and Late Fees on Late Payments and/or Reports. All amounts you owe us and/or our Affiliates bear interest at the highest applicable legal rate for open account business credit in the Master Franchise Territory, but not to exceed one and one-half percent (1.5%) per month. Additionally, we may require you to pay an administrative late fee of Two Hundred Dollars ($200) for each late report. The foregoing amount is subject to inflation adjustment under Section 4.05, but will not exceed any applicable legal restrictions. If we and/or any Affiliates of ours experience repeated late payments by you, then we and/or any Affiliates of ours may require you to pay all amounts owed (and/or to be owed) by cashier's check. You are responsible for all reasonable costs of collection incurred by us in connection with any late payments, including legal costs and attorneys' fees.

ARTICLE 5.
DEVELOPMENT STANDARDS, CORRECTION PROCESS AND REACQUISITION

5.01 Minimum Development Standards.

A. You agree to award and cause to be opened, and thereafter maintain as opened and fully operating and in Good Standing (including during any Renewal Master Franchise with respect to this Agreement), at least the number of CARTRIDGE WORLD Unit Franchises in the Master Franchise Territory on a cumulative basis by each date specified in Exhibit A-2 attached hereto (the "Minimum Development Standards").

B. Your failure to comply with your development obligations under this Section will be regarded as a material default. You and we acknowledge that a primary reason for defaults in master franchising relationships is a failure to meet the required development obligations, that performance of such development obligations is central to the business relationship and that if we had known that such development obligations would not be performed on schedule, we would never have entered into this

Agreement with you. Such a default entitles us to any and all remedies available under this Agreement, including among them those described in Sections 5.02 and 5.03 below, and the right to terminate this Agreement and/or any other agreement with us and/or our Affiliates. In the alternative, we may choose in our Business Judgment to eliminate, reduce or otherwise modify the Master Franchise Territory, cancel your rights to subfranchise Unit Franchises and/or eliminate, reduce or otherwise modify any and/or all of your territorial and/or similar rights. While a failure to meet the Minimum Development Standards is an event of default, you understand and agree that the Minimum Development Standards cannot and should not be construed to be a prediction or promise regarding franchise awards or anything else. We make no such representations or promises, particularly since the levels of sales achieved (if any) are largely dependent upon your efforts and market factors outside of your and our control.

5.02 <u>Correction Process</u>.

A. We may (but are not required to) implement the correction process described below if you fail at any time to meet the Minimum Development Standards established in Exhibit A-2:

1. If we notify you of your failure to meet the Minimum Development Standards, then you will have six (6) months from our delivery of written notice to you to meet the applicable Minimum Development Standards;

2. We will reasonably cooperate with and assist you in your efforts to meet your performance objectives. Such assistance may include, but is not limited to, meetings at our headquarters and/or in the Master Franchise Territory, and/or retraining activities or programs at designated locations. You are responsible for any costs associated with such activities, including Travel Expenses and any other related expenses and will participate in the same upon our request;

3. If at the end of such six (6) month correction period your CARTRIDGE WORLD Master Franchise does not meet the then-applicable Minimum Development Standards, then we may elect to terminate this Agreement. However, you will have ninety (90) days after the end of such six (6) month correction period to complete a sale of your Master Franchise to a third party if:

   (a) You provide us written notice of your desire to sell your Master Franchise within ten (10) days of the expiration of such six (6) month correction period along with a General Release signed by you and each of your owners and Affiliates; and

   (b) Any such transfer meets all requirements of this Agreement, including those provided in Article 17 below; and

4. If you do not provide us the notice described in Section 5.02.A.3(a) above, or complete an authorized sale within the ninety (90) day period provided in Section 5.02.A.3 above, then we may elect to terminate this Agreement immediately upon delivery of written notice to you in accordance with Article 22 below.

B. Nothing in this Section is intended to limit or diminish in any way any rights or remedies provided us under this Agreement or any other agreement, at law or in equity. The fact that any correction process may be ongoing shall not prevent us from exercising any such rights and/or remedies, including any right to terminate this Agreement for another default under this Agreement or any other agreement.

5.03 Repurchase by Us for Resale.

A. If you fail at any time to meet the Minimum Development Standards established in Exhibit A-2, we may (but are not required to) reacquire your Master Franchise and Master Franchise Business for the purposes of resale to a third party. Your portion of the proceeds from the reacquisition shall be equal to the Initial Master Franchise Fee actually paid by you to us, less your portion of the Initial Franchise Fees, Royalties and any other fees/amounts earned by you from Unit Franchisees in your Master Franchise Territory prior to such Repurchase (the "Repurchase Price"). Subject to all of the terms and conditions of this Section 5.03, the Repurchase Price will be paid to you by us at our sole option either in cash at closing or under an unsecured, interest free promissory note in the amount of the Repurchase Price, which shall be payable in full on a date twenty-four (24) months from the date we award a Master Franchise for all or any portion of the Master Franchise Territory. We may prepay this obligation at any time without penalty. In connection with our exercise of any rights under this Section 5.03, you (and each Affiliate) will execute a General Release.

B. We will give you written notice of our election to Repurchase your Master Franchise and Master Franchise Business. Pending the closing of such Repurchase, we will have the right to appoint a manager to maintain the operation of your Master Franchise. You will forever indemnify and hold us harmless against all obligations incurred in connection with the Master Franchise Business prior to our Repurchase. You will furnish us with a complete list of accounts unpaid by you within ten (10) days of our notice of intent to exercise this option. We may (but are not required to) pay these unpaid bills directly to the parties owed and deduct them from the Repurchase Price in lieu of paying such portion directly to you.

C. The Post-Term Provisions described in Section 19.01.B below will be continuing obligations of yours. We shall receive all Customary Representations and Warranties from you and your Affiliates in connection with the Repurchase. We can require that the closing of the sale be through an escrow and within a reasonable period from the date of our election. You and we will comply with any applicable bulk sales and/or similar laws, and you will maintain all insurance policies until the date of closing. We will also have the right, in our Business Judgment, to pay any amount otherwise payable to you directly to your creditors in satisfaction of your obligations. All sales, transfer and/or similar taxes in connection with the Repurchase are to be paid by you.

D. We will not assume any liabilities, debts or obligations of yours arising out of your operation of the Master Franchise Business in connection with any such Repurchase, and you will indemnify us and each of the Franchisor-Related Parties from any and all claims arising out of any such Repurchase/resale. You and we will comply with all applicable laws in connection with any such Repurchase and resale, and you and we will cooperate with each other to comply with all applicable requirements. This Agreement shall terminate upon the date the above-described Repurchase becomes effective, subject to the Post-Termination Provisions and any other surviving obligations described in this Agreement (unless earlier terminated as a result of a default by you or by expiration of the Agreement). If you violate any Post-Termination Provisions or any other obligations that expressly or by their nature survive this Agreement, we will not be obligated to pay any amount otherwise due or payable to you thereafter, in addition to any other remedies to which we are otherwise entitled.

5.04 Minimum Average Annual Unit Volume.

A. In addition to compliance with the Minimum Development Standards set forth in Exhibit A-2 attached hereto, each calendar year during the term of this Agreement, the Unit Franchises open and operating in the Master Franchise Territory for the entire applicable calendar year must generate the minimum average annual Unit Volume established in Exhibit A-3 attached hereto (the "Average Annual Unit Volume").

B. The Average Annual Unit Volume of the Unit Franchises in the Master Franchise Territory for the applicable calendar year period will be determined by adding the annual Unit Volume generated by the CARTRIDGE WORLD Unit Franchises in operation for the entire calendar year and dividing the cumulative annual Unit Volume of these Unit Franchises by the number of Unit Franchises included in the calculation. The Average Annual Unit Volume of the CARTRIDGE WORLD Unit Franchises included in the calculation for the applicable calendar year will be provided by you to us by January 31st of the subsequent calendar year.

C. The failure of the Unit Franchises in the Master Franchise Territory to generate the Average Annual Unit Volume in any calendar year as specified in Exhibit A-3 is a material breach of this Agreement, and is grounds for the termination of this Agreement by us in compliance with the provisions of this Agreement and applicable law.

I have read Sections 5.01– 5.04, understand them, and agree with them.
Your Initials: __________ / __________

ARTICLE 6. DESIGNATED EQUIPMENT, PRODUCTS, PURCHASING CO-OPS, SERVICES AND/OR SUPPLIERS

6.01 Equipment, Products and Services.

A. You agree to purchase, equip, offer and maintain, and to cause your Unit Franchisees to purchase, equip, offer and maintain, at each Unit Franchise such Designated Equipment, Products and Services as are specified by us from time to time. You agree to obtain, and to require your Unit Franchisees to obtain, such Designated Equipment, Products and Services from suppliers approved/designated by us. We may designate a single or multiple suppliers for any given item or service (including us and/or an Affiliate of ours) and may concentrate purchases with one or more suppliers in our Business Judgment. You understand that we and our Affiliate(s) may derive revenues from (i) warehousing and/or selling Products to CARTRIDGE WORLD Unit Franchisees including, but not limited to, inks, ink cartridges and related printer consumables, and (ii) Services, including construction management and facility design services. We also may develop new products and processes which you may be required to use/implement in your operations. We or an Affiliate may be designated by us in our Business Judgment as an exclusive supplier for any Products/Services. We may designate an exclusive supplier to help ensure that such Products are of a uniform, high quality and are uniformly available in all CARTRIDGE WORLD Unit Franchises. You and we agree that the predictability of high quality Products, Product performance and similar factors are of key importance to our target consumers, to building a positive image and reputation for the CARTRIDGE WORLD System, and to individual Unit Franchise and System growth. We may delete, substitute, modify or add to the Products and Services/suppliers in our Business Judgment.

B. Designation of a supplier may be conditioned on factors established by us in our Business Judgment including, without limitation, performance relating to frequency of delivery, standards of service, and payment or other consideration to us or parties designated by us.

C. You can request the approval of an item, service or supplier by notifying us in writing and submitting such information and/or materials we may request. We may require you to pre-pay any reasonable charges connected with our review and evaluation of any proposal. You will be notified within a reasonable time of the decision. You are not authorized to designate or approve any suppliers of any products or services in your Master Franchise Territory, including you, unless we expressly consent to the same in advance and in writing.

D. You will not make any claims against us (or any Franchisor-Related Party) with respect to any supplier and/or related Products/Services (and/or our designation of, or our relationship with, any supplier/Products/Services). Claims with respect to any supplier-related and/or similar matters shall be made only against the supplier in question. You will provide us with written notice prior to taking any action in connection with such a claim. We will use diligent efforts to assist you in resolving any disputes with suppliers approved and/or designated by us.

E. You agree that it is critical to you, us, and each Unit Franchisee that the System is flexible to respond to commercial opportunities and challenges. An inability to change the System, the Products/Services/Designated Equipment and/or the Operations Manuals could adversely affect us and all CARTRIDGE WORLD Master Franchisees/Unit Franchisees. You, therefore, agree and anticipate that the Operations Manuals, the Products/Services/Designated Equipment and the System, and any components of any of them, may be changed, supplemented or eliminated by us, from time to time in our Business Judgment. You (and each of your Unit Franchisees) agree to comply with all such changes.

F. Any goods and/or services provided by us, the Franchisor-Related Parties and/or any "approved" person/company/referral are provided without any warranties, express or implied, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE BEING EXPRESSLY DISCLAIMED, absent a specific written warranty expressly provided in connection with a particular item or service.

6.02 <u>Purchasing Co-operatives</u>. We may require that you and/or Unit Franchisees join and make required purchases/leases through a CARTRIDGE WORLD purchasing cooperative or other entity designated by us. Such entity may adopt its own bylaws, rules, regulations and procedures, subject to our consent in our Business Judgment. We can require each such entity to submit monthly and annual financial statements, and can require that the annual financial statements be audited, all at the expense of such cooperative. Your failure to timely pay amounts due to, or comply with the bylaws, rules, regulations and procedures of such cooperative is a breach of this Agreement. We may offset against amounts we owe to you the amount of your unpaid cooperative obligations.

6.03 <u>Uniformity and Standards</u>.

A. You agree to operate your Master Franchise, and to cause each of your Unit Franchisees to operate their CARTRIDGE WORLD Unit Franchises, in full compliance with the then-current CARTRIDGE WORLD System and the Operations Manuals. You agree to cause each of your Unit Franchisees to promptly comply at their expense (and to comply at your expense) with all then-current requirements, standards and operating procedures relating to every aspect of a CARTRIDGE WORLD Unit Franchise and its operations (including, without limitation, use of specified equipment, Products and Services, computer hardware and software; supplier programs and operating systems; signs, logos, designs and advertising/marketing materials and forms and campaigns; website designs and formats).

B. You will maintain your Master Franchise Business and any Master-Owned Unit Franchise(s) at your expense according to all CARTRIDGE WORLD standards for new Unit Franchises and promptly undertake all changes as are required by us from time to time in our Business Judgment (and will require your Unit Franchisees to do the same). You will ensure that no Unit Franchisee make any alterations to their CARTRIDGE WORLD Unit Franchise or its appearance as originally approved by us without our prior written approval.

ARTICLE 7.
TRAINING

7.01 Master Franchise Initial Training Program.

A. We will provide you a Master Franchise Initial Training Program to train you in methods and techniques:

1. For marketing and selling CARTRIDGE WORLD Unit Franchises in the Master Franchise Territory,

2. For such training Unit Franchisees as we may require you to provide from time to time in our Business Judgment,

3. For advising and supporting Unit Franchisees as required by us from time to time in our Business Judgment, and

4. For the administration, staffing and record keeping of your Master Franchise Business operations.

(the foregoing being hereafter referred to as the "Master Training Program.")

The Master Training Program will be conducted at such location as we may designate in our Business Judgment), and will commence upon a date to be mutually agreed upon. You must successfully complete the Master Training Program. If the Master Franchisee is a Business Entity, then its Designated Individual must successfully complete the Master Training Program.

B. The Initial Master Franchise Fee covers the tuition/training fee and Travel Expenses for one person to attend the Master Training Program. You are responsible for then-current training fees, Travel Expenses, meals, accommodation and other costs for each additional person who attends the Master Training Program. In all cases, you are also responsible for other costs associated with attendance at the Master Training Program, such as wages, meals, and incidentals expenses. We will use reasonable efforts to accommodate attendance by other members of your staff at Master Training Programs upon thirty (30) days advance notice. You are solely responsible for such staff members' expenses in connection with any training and/or seminars referenced in this Section 7.01 and Section 7.02 below, including all tuition/training fees, meals, lodging and Travel Expenses. If you are acquiring the Master Franchise from an existing Master Franchisee, you must complete the Master Training Program and must pay us the then-current Master Training Fee as a condition to Transfer, and are solely responsible for Travel Expenses, accommodations, meals, incidentals, and any other costs of attendance.

7.02 Regular Training. You and your Designated Individual must attend additional and/or refresher training programs, including national and regional conferences, conventions and meetings, as we may reasonably require to correct, improve and/or enhance your operations, your Unit Franchisees and/or the System. In addition, we can require successful completion of training by your supervisory and/or franchise marketing personnel at locations designated by us, which may include locations in the United States or elsewhere. Meetings designated as mandatory by us will be held in the United States at a location selected by us. Optional meetings may be at locations inside or outside of the United States, as selected by us in our Business Judgment. We may elect to charge a reasonable fee for all training.

7.03 Training of Unit Franchisees.

A. You shall be responsible for ensuring that your Unit Franchisees comply with our then-current requirements for training and all related materials to be provided to each Unit Franchisee in your Master Franchise Territory. Your Unit Franchisees must attend the scheduled initial training programs for new Unit Franchisees held by us at such locations as we choose in our Business Judgment. The then-current Unit Training Fees charged by us for such initial training programs will be paid to us in advance and in full. You may collect such fee from the attending Unit Franchisee, or we may require the Training Fee be paid directly to us. You and/or your Unit Franchisees will be responsible for all expenses of attendance, including Travel Expenses, meals and lodging unless otherwise expressly agreed by us in writing. We may choose in our Business Judgment to require you to provide an initial training program meeting our then-current requirements in the Master Franchise Territory to new Unit Franchisees upon not less than ninety (90) days advance written notice. Any such training program requires our prior written approval, which we can grant or withhold in our Business Judgment. Unit Franchisee training/materials provided by you must meet our then-current requirements, and we may change/modify such requirements from time to time as we determine to be necessary or appropriate in our Business Judgment. Unit Franchisees are solely responsible for any Travel Expenses, accommodations, meals, living and other expenses incurred in participating in the initial training program.

B. You agree to conduct quarterly meetings with Unit Franchisees in the Master Franchise Territory. We will provide you with reasonable guidance regarding the content and conduct of such meetings.

C. The format and content of additional Unit Franchisee training or seminars provided by you may be determined by you, but is subject to our prior written consent, which may be granted or withheld in our/their Business Judgment. You have the discretion to determine the fees for any such training programs or seminars offered to Unit Franchisees. We may (but are not obligated to) attend any such training programs and may provide advice to you regarding the same.

ARTICLE 8.
CONSULTATION AND ASSISTANCE

8.01 Consultations and Assistance.

A. We agree to provide you at our expense one personal, on-site consultation in connection with the opening of the first Unit Franchise in your Master Franchise Territory to assist you in implementing the CARTRIDGE WORLD System in the Master Franchise Territory. Additionally, we shall provide at our expense one personal, on-site consultation within each twenty-four (24) months period thereafter. No such visit shall be more than three (3) days in length unless you and we agree otherwise with respect to a particular visit. At least one CWNA-trained employee (“Trained Employee”) shall make the initial consultation visit, and at least one Trained Employee shall attend any other consultations. Regardless of the foregoing, we shall not be required to provide any of the consultations described in this provision if you are signing this Agreement in connection with a transfer of the Master Franchise from an existing Master Franchisee.

B. If you are in Good Standing, you may request (but we are not obligated to provide) more frequent visits with at least one month’s prior written notice. You agree to be responsible for all costs associated with any on-site consultations conducted in addition to those described in Section 8.01.A. above, including Travel Expenses, lodging, meals, and incidental expenses. Any such additional visits must be for a minimum of two (2) days (not counting travel days). We may choose in our Business

Judgment to charge you an additional fee for such visits, but not more than Five Hundred Dollars ($500) per consulting day (subject to inflation adjustment and exclusive of Travel Expenses, lodging, meals and incidental expenses.) There shall not be more than one (1) such additional visit per year. You agree to provide in your Unit Franchise Agreements that our representatives or agents have the right to visit the Unit Franchisees' Unit Franchises. We also shall have the right, but not the obligation, to make additional visits upon reasonable notice to you.

C. A Trained Employee will be available to communicate with you by telephone, email and other electronic means from time to time as we reasonably consider appropriate or necessary.

D. All technical assistance and any other training, information, assistance, communications, documents, materials, notices and any other items to be provided under this Section 8.01 and/or in any connection with this Agreement and/or the Master Franchise operations shall be provided in the English language. You shall obtain and pay for any translation required. We shall own all translated materials.

ARTICLE 9.
OPERATIONS AND UNIT FRANCHISES, MATERIALS, RECORD-KEEPING, INSPECTION, TRANSLATION

9.01 Operations, Unit Franchises, Documents and Legal Compliance.

A. You agree to operate your Master Franchise Business, and to cause your Unit Franchisees to operate their Unit Franchises, in accordance with good business practices in the Master Franchise Territory and the CARTRIDGE WORLD standards and policies, as set forth in the Operations Manuals or otherwise. You will cause all Unit Franchisees to adhere to such CARTRIDGE WORLD policies and procedures. You will operate your Master Franchise in full compliance with all applicable laws, ordinances and regulations. We make no representations or assurances as to what (if any) registrations, licenses, permits, authorizations or otherwise may be required in connection with your Master Franchise Business operation. It is your sole responsibility to identify and obtain all authorizations necessary to your operation. You agree to maintain high standards of honesty, integrity, fair dealing and ethical conduct in your business activities. You agree to notify us in writing within five (5) days of the commencement of any proceeding and/or of the issuance of any governmental order or other action impacting you and/or your Master Franchise Business and/or a Unit Franchisee.

B. Any change in the Designated Individual requires our prior written approval, which approval will be given provided the proposed individual:

1. Submits to a personal interview at a location to be designated by us in our Business Judgment;

2. Is of good moral character, possesses suitable business credentials and meets all other then-current CARTRIDGE WORLD standards for a Designated Individual as determined by us in our Business Judgment; and

3. Attends and successfully completes the next available Master Training Program held in the United States prior to becoming the Designated Individual, which Master Training Program will be held at a location designated by us.

C. You shall fully and promptly disclose to us all ideas, techniques, concepts, Master Franchise/Unit Franchise customers and related data, and other information relating to a CARTRIDGE WORLD Unit Franchise, Master Franchise, Unit Franchise and/or other CARTRIDGE WORLD business which are conceived or developed by you/your Unit Franchisees and/or any of their respective agents and/or employees. We will have the perpetual right to use, and to authorize others to use, such ideas, etc., without compensation or other obligation. You/your Unit Franchisees and/or any of their respective agents and/or employees shall be barred from ever registering or otherwise obtaining rights to any such Intellectual Property.

D. You must maintain an office within the Master Franchise Territory. Such office will be in a facility meeting any then-current requirements for the Master Franchise Premises, as they reasonably may be modified by us from time to time.

E. Each CARTRIDGE WORLD Unit Franchise (whether subfranchised or owned and operated by you and/or your Affiliate) must be subject to an individual CARTRIDGE WORLD Unit Franchise Agreement. Each such agreement must be in our then-currently approved form, subject only to such modifications as we may approve in writing and in our Business Judgment. The current form of approved CARTRIDGE WORLD Unit Franchise Agreement is attached as Exhibit G, and is subject to change by us in our Business Judgment.

F. Unit Franchise Agreements will be directly between you and the Unit Franchisee(s) and will contain such provisions as we require, including (but not limited to) terms providing that:

1. at any time, we may require that all payments by your Unit Franchisees be made directly to us, with such amounts as are validly owed to you (less any appropriate offsets) to be promptly remitted to you by us;

2. if you are in default of any of your obligations to us, we may require that all payments by your Unit Franchisees be made directly to and held by us or our designee until such matter is resolved;

3. if this Agreement is Repurchased, terminated or expires, any and all of your rights under your Unit Franchise Agreements, and other contracts, with your Unit Franchisees will be (at our option) assigned to us or our designee; and

4. If this Agreement is Repurchased, terminated or expires without the issuance by us of a Renewal Franchise, any or all Unit Franchise Agreements may be terminated by us in our sole discretion if we engage in a General Market Withdrawal, as that term is defined in Section 15.14.B.2 below.

G. You agree to participate in any required Unit Franchise marketing programs, such as referral programs, and to use only Franchise marketing and advertising materials, disclosure documents, agreements and other documents and related procedures that are approved by us in writing and prior to any use and/or distribution by you, including, but not limited to, any then-current Unit Franchise award process required by us. You are solely responsible for the preparation, content and filing, as applicable, of all disclosure documents, advertising and any other documents and materials related to the offer and sale of Unit Franchises in the Master Franchise Territory. You agree to use qualified legal counsel with an established franchise law practice, as reasonably determined by us in our Business Judgment. All Unit Franchise Agreements and other agreements, all Franchise Disclosure Documents and all other documents, marketing materials and other materials to be used in connection with any of your franchising activities, together with any state and/or other filings to be made by you, are subject to our prior review and written consent, which we may withhold, condition and/or deny, in our reasonable discretion. We reserve the right to disapprove any previously-approved form of Unit Franchise Agreement (or any other form) with not less than thirty (30) days notice to you of the need to substitute a then-approved form of

Unit Franchise Agreement. We agree to use reasonable efforts to conduct such reviews promptly, but you and we agree that we will have no liability to you in connection with any such review or any related delays. You are expressly prohibited from the offer and/or sale of Unit Franchises unless and until you have received written approval from us, have obtained state notices of effective filings (initial registrations, amendments, annual renewals and any other applicable filings) and have otherwise complied with your obligations under the law and this Agreement in connection with any Franchise marketing, offers and/or sales. We may require that members of your Franchise marketing staff attend receive/attend training approved by us prior to engaging in any Franchise marketing activities. You are responsible for the accuracy of the information relating to your Master Franchise Business in any disclosure documents provided to prospective Unit Franchisees in compliance with all applicable franchise and other laws and all costs related to your compliance with all legal requirements and the terms of this Agreement, including any Attorneys' Fees and/or costs incurred by us in connection with any review, revision or any other efforts performed by us. You will reimburse us for all such costs incurred by us within ten (10) days after receipt of an invoice. Your failure to comply with any of the provisions of this Section 9.01 is a material breach of this Agreement. You will fully indemnify us in accordance with Section 12.02 below, regardless of whether or not any material is or is not provided or approved by us, except with respect to information contained in any such materials provided by us related exclusively to our operations.

H. You agree to comply and/or assist us in our compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to anti-terrorist activities, including without limitation the U.S.A. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations. In connection with such compliance efforts, you agree not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to your Master Franchise Business as may be required by us or by law and will require the same of Unit Franchisees to the extent applicable. You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, order and/or regulations, and specifically acknowledge and agree that your indemnification responsibilities as provided in Section 12.02 pertain to your obligations hereunder.

I. You agree to participate at our request in marketing programs implemented by us from time to time to enhance Unit Franchise awards by Master Franchisees in their respective Master Franchise Territories, including franchisee referral and other programs. You and we will share the costs of any such program on an equal basis.

9.02 Materials. We will provide you with such CARTRIDGE WORLD technical information and/or training materials for instruction and/or communication to Unit Franchisees as we consider appropriate and as may be developed by us from time to time. You agree to reproduce and/or distribute such materials to Unit Franchisees in the Master Franchise Territory at your expense and as requested by us.

9.03 Record-Keeping.

A. You will provide to us such information regarding the sales and operation of your Master Franchise Business, and in such form and format, as we specify from time to time in our Business Judgment. We may elect to obtain such information through a variety of methods, including among them direct on-line access, facsimile transmissions and written copies. Current information requirements include, but are not limited to, the following, and are subject to change by us:

1. Sales and operations reports for each Royalty period, which are due at the same time as the corresponding payment to us; and

2. Within forty-five (45) days after the end of each fiscal year, an unaudited fiscal year-end balance sheet and income statement for your Master Franchise, prepared in accordance with generally accepted accounting principles, and verified and signed by you; and

3. Retention of all records of or relating to your Master Franchise, including all income, sales and other tax returns, for the term of this Agreement and one year thereafter.

B. You agree to provide such other data, information and supporting records for your Master Franchise as we reasonably may request from time to time, including, without limitation, copies of those portions of your income tax returns relating to your Master Franchise operations. We reserve the right to require you and/or your Unit Franchisees to provide us at your/their expense with an annual audited financial statement prepared by a certified public accountant upon a reasonable belief by us that such statements are required to help ensure reporting accuracy. The Unit Franchise Agreement shall include a similar provision.

9.04 <u>Inspection and Audit</u>.

A. We and/or our agents will have the right, at any time during business hours, and reasonable notice to you, to: (1) inspect your Master Franchise Business operations and related activities; (2) remove samples for testing and analysis; (3) interview personnel; (4) interview Unit Franchisees; and (5) conduct inventories. You will cooperate fully in connection with such matters. We may require you or an individual designated by us to meet at our headquarters or other location designated by us, for the purpose of discussing and reviewing your operations, financial performance and other matters. The Unit Franchise Agreement shall include a similar provision.

B. We and/or our agents will have the right at any time during business hours, and with reasonable notice to you, to inspect and/or audit business records relating in any way to your Master Franchise, and the books and records of any person(s), corporation or partnership that holds the Franchise. Such business records may include, but are not limited to, bookkeeping and accounting records, sales and income tax records and returns, cash register tapes, invoices, and deposit receipts. Our right to audit includes the right to access all cash registers, computers and other equipment by electronic means. You will cooperate fully with such an audit. Notwithstanding any provision to the contrary in this Agreement or otherwise, our audit rights will continue in effect for two (2) years after the Repurchase, termination, expiration, or Transfer of this Agreement and/or any Renewal Franchise. Our or your failure to exercise any rights to conduct an audit will not act as a waiver of any rights or constitute a lack of diligence for purposes of the delayed discovery doctrine or otherwise. The Unit Franchise Agreement shall include a similar provision.

C. If any inspection or audit discloses any understatement of Gross Master Revenues, you will pay to us the payments due on the understated amount, plus interest, from the date originally due until the date of payment. We may require you to reimburse us for the cost of the inspection or audit including, without limitation, the charges of any independent accountants, and related travel and per diem charges for our and their employees, if:

1. Any inspection or audit is necessary because of your failure to timely furnish required information/reports; or

2. Gross Master Revenues are understated for any period by more than two percent (2%).

In addition to all other remedies and rights of ours hereunder or under applicable law, we may terminate this Agreement if:

1. Gross Master Revenues are understated for any period by more than five percent (5%); or

2. Any understatement is determined by us to be intentional.

ARTICLE 10.
MASTER MARKETING FUND AND ACTIVITIES

10.01 Master Franchise Marketing Fund.

A. We have implemented an advertising, publicity and marketing fund (the "Master Marketing Fund") to promote the award of CARTRIDGE WORLD Unit Franchises in the United States and the Brand. You will contribute to the Master Marketing Fund each calendar quarter the amount set forth in Exhibit A-1 attached hereto. Such fee is owed for each Master Franchise and/or Master Franchise Territory granted to you by us, and is payable in advance commencing with the first full calendar quarter following the Effective Date of this Agreement. Contributions shall be received by us not later than the first day of the applicable calendar quarter, are payable in the same manner as amounts payable to us under Section 4.02 above, and are subject to the provisions of Sections 4.07, 4.09 and 4.10. We may adjust the payment period in our Business Judgment (with corresponding payment amount adjustments made on a pro-rated basis).

B. We have sole discretion over all matters relating to the Master Marketing Fund, operational, marketing or any other matter (consistent with its purposes and the provisions of this Agreement). The Master Marketing Fund may be used for (among other things) product development; signage; creation, production and distribution of marketing, advertising, public relations and other materials in any medium, including the internet; administration expenses; web site development and maintenance; brand/image campaigns; media; national, regional and other marketing programs; activities to promote current and/or future Franchise awards; agency and consulting services; research, any reasonable expenses approved by us and associated with any Master Franchise advisory groups formed by us in our Business Judgment from time to time. A brief statement regarding the availability of Products/Services at CARTRIDGE WORLD Unit Franchise locations may be included in advertising and other items produced using the Master Marketing Fund.

C. We and/or any Franchisor-Related Parties can provide goods, services, materials, etc. (including administrative services and/or "in-house advertising agency" services) and be compensated and/or reimbursed for the same by the Master Marketing Fund, provided that any such compensation must be reasonable in amount. We can arrange for goods, services, materials, etc. (including administrative services) to be provided by independent persons/companies and all related costs, fees, etc. will be paid by the Master Marketing Fund.

D. The Master Marketing Fund will be accounted for separately and may be used to pay all administrative and other costs of the Master Marketing Fund related to its activities and purposes and/or as authorized by the relevant Master Franchise Agreements. All taxes of any kind incurred in connection with or related to the Master Marketing Fund, its activities, contributions to the Master Marketing Fund and/or any other Fund aspect, whether imposed on us, the Master Marketing Fund or any other related party, will be the sole responsibility of the Master Marketing Fund. We will prepare Financial Statements for the Master Marketing Fund annually, which will be furnished to you upon written request. We can choose that any such statements be audited and any related accounting/auditing costs be paid by the Marketing Fund. Funds in the Master Marketing Fund must be expended, prior to termination of the Master Marketing Fund, only for the purposes authorized by the relevant Franchise Agreement(s). No profit, gain or other benefit will directly accrue to us from the Master Marketing Fund. All interest earned on monies contributed to, or held in, the Master Marketing Fund will be remitted to the Master Marketing Fund and will be subject to the restrictions of the relevant Franchise Agreement(s).

E. Financial management of the Master Marketing Fund will be our sole responsibility. We may in our Business Judgment:

1. Compensate ourselves and/or any Franchisor-Related Parties for salaries, administrative costs, overhead and other expenses incurred in Master Marketing Fund related programs/activities including, but not limited to, production, research, insurance, and collection expenses, as well as any legal expense related to the activities and purposes of the Master Marketing Fund (consistent with the provisions of this Agreement);

2. Charge the Master Marketing Fund for Attorneys' Fees and other costs related in any way to claims against us and/or any of the Franchisor-Related Parties regarding the Master Marketing Fund. However, we shall be required to reimburse the Master Marketing Fund for any Attorneys' Fees and/or costs paid by the Master Marketing Fund in connection with any action in which we are finally found to have acted unlawfully or to be guilty of wrongdoing with respect to the Master Marketing Fund;

3. Spend in any fiscal year an amount greater or less than the aggregate contributions to the Master Marketing Fund in that year, and the Master Marketing Fund may borrow from us or other lenders to cover deficits of the Master Marketing Fund or cause the Master Marketing Fund to invest any surplus;

4. Collect for remission to the Master Marketing Fund any advertising or promotional amounts offered by any supplier based upon Unit Franchisee purchases. Any such contributions, whether or not made with respect to purchases by you, will not count toward your required Master Marketing Fund contributions;

5. Pay the advertising, marketing, public relations and related costs involved in any co-branding, dual franchising or other such multi-sponsor programs;

6. Revise marketing and other programs, and/or make separate expenditures from the Master Marketing Fund, to take account of cultural or other differences (and/or we may delegate management of a portion of the Master Marketing Fund in connection therewith);

7. Defer, waive and/or compromise claims for current/future contributions to, and/or claims against or with respect to, the Master Marketing Fund and fund the same with the Master Marketing Fund;

8. Take legal or other action against any Master Franchisee in default of their obligations to the Master Marketing Fund;

9. Maintain Master Marketing Fund assets in one or more accounts designated as "trust accounts" for purposes of protecting such assets from claims of third-party creditors, (but such action shall not be deemed to create any "trust," "fiduciary relationship" or similar special arrangement);

10. Incorporate the Master Marketing Fund or operate it through an entity separate from us, which is subject to all rights and duties of ours relating to the Master Marketing Fund;

11. Share a proportionate amount of expenses with other marketing funds and/or entities, such as a Unit Franchise Marketing Fund, related to promotions, materials and any other matters involving shared benefits/promotions (e.g., a website, lead fulfillment services, advertising, marketing materials, and communications directories/sites); and

12. Take such other actions in connection with the Master Marketing Fund as we consider to be appropriate and as are consistent with the provisions of this Section 10.01.

F. You acknowledge and agree that we have no obligation to ensure that expenditures by the Master Marketing Fund are or will be proportionate or equivalent to contributions to the Master Marketing Fund by Master Franchisees operating in any geographic territory or in any particular country, or that any Master Franchisee will benefit directly, indirectly or in proportion to its contribution to the Master Marketing Fund. We have no obligation to cause other Master Franchisees to contribute to the Master Marketing Fund or engage in local marketing, and we may permit a Master Franchisee to make direct advertising expenditures in place of contributions to the Master Marketing Fund. You understand that some Master Franchisees may have Master Marketing Fund obligations that are different from yours, if any.

G. Neither we (nor any of the Franchisor-Related Parties) will be liable for any act or omission in connection with the Master Marketing Fund which is consistent with this Agreement. You and we expressly agree that none of the relationships with you in connection with the Master Marketing Fund are in the nature of a "trust," "fiduciary" or similar special arrangement.

H. Subject to the express requirements of this Agreement that your contributions will only be spent as authorized herein, you agree that we may deny access to any and all programs and/or materials created by, and benefits of, the Master Marketing Fund to you and to any Master Franchisees that are in default in any obligations to the Master Marketing Fund and/or otherwise in default under this Agreement.

10.02 Your Participation in Master Marketing Fund. You agree to participate in all Master Marketing Fund programs. You have the right to set your own prices, except that we may specify maximum prices for fees, payments, goods or services to the greatest degree permitted by law. You will fully honor all coupons, price reduction and other promotions/programs as directed by us. We can choose for the Master Marketing Fund to furnish you with marketing, advertising and promotional materials and also can choose to require that you pay the cost of producing, shipping and handling for such materials.

10.03 Your Local Franchise Marketing Activities.

A. You must spend the minimum amount set forth in Exhibit A-1 each calendar quarter for local advertising and the promotion of new Unit Franchise awards in your Master Franchise Territory, subject to inflation adjustment as set forth in Section 4.05. You agree to submit upon our request verification of your expenditures in a form prescribed by us in our Business Judgment. Such amount must be expended commencing with the opening of your Master Franchise Business (with appropriate prorated adjustments made in the first quarter of your operations based upon your opening date). We may adjust the payment period in our Business Judgment (with corresponding payment amount adjustments made on a pro-rated basis).

B. Your advertising will be in good taste and conform to ethical and legal standards, including all applicable Franchise laws regarding content, disclosure, filing and other requirements. You agree to comply with our then-current Franchise marketing and award methods and processes, including the use of any letters or intent and other pre-sale documentation. You acknowledge and agree that we may in our Business Judgment establish Franchise award policies that we believe to be appropriate or prudent as circumstances may dictate, such as, by way of illustration only, limitations on the number of initial franchises to be awarded to a new Unit Franchisee. We may require that samples of all advertising and promotional materials for any media, including the Internet, be submitted to us for our review and approval prior to use. You agree not to use any materials or programs disapproved by us at any time in our Business Judgment. You are solely responsible for legal compliance and any costs incurred by us in connection with any legal reviews or other compliance costs. You will fully indemnify us in accordance with Section 12.02 below, regardless of whether or not any material is or is not approved by us.

C. You agree to comply with the Operations Manuals and any other specifications we give to you regarding your use of the Internet, World Wide Web or other electronic media in connection with your Master Franchise Business, including but not limited to, any requirement that any such use be only through us and/or a designated Internet/Intranet Service Provider (which can be us or an Affiliate), and/or that all web pages related to your Master Franchise Business be accessed through a designated site and/or meet our specifications. You agree that you will not establish and/or maintain without our prior written consent any independent website, domain name, email address or other such presence for use in connection with your Master Franchise Business, and may not use the CARTRIDGE WORLD name or marks in connection with any of the foregoing. You further agree to require your Unit Franchisees to comply with a similar requirement in their Unit Franchise Agreements regarding their Unit Franchise Businesses. We have implemented an Internet/Intranet system to enhance communications by and among us, Master Franchisees and Unit Franchisees, to help support various system maintenance services, and to permit the efficient/economic delivery of a variety of information, such as Operations Manuals, System bulletins, marketing materials, financial data, reporting information, technical instructions, etc. You agree to participate in any such Intranet/Internet activities as we may require from time to time, and to maintain the necessary hardware, software, POS Systems, equipment, high-speed Internet service and other items as we require to enable you to do so on an ongoing basis at your expense. We have implemented, and you agree to pay by credit card, bank autodraft, or other method required by us, the then-current Operations Fee in an amount to support such systems and programs. The Operations Fee is subject to adjustment by us based upon Product/Service vendor price increases and/or the formula provided in Section 4.05 above. In addition to any other rights and remedies we may have, if you are not in Good Standing, we may limit or suspend your access to and/or use of systems and programs related to the Operations Fee until any defaults by you are cured or we are otherwise satisfied, and you return to Good Standing.

10.04 Unit Franchise Marketing Fund(s). We have implemented one or more national, regional or other marketing funds for the promotion of Unit Franchise Businesses. Such marketing fund(s) will have as their primary source of income contributions by Unit Franchisees. We have sole and absolute discretion over all matters related in any way to such marketing fund(s) and as provided in the approved form of Unit Franchise Agreement, including (but not limited to) its management, financial matters, expenditures, receipts and/or investments, timing of expenditures, creative concepts, content, materials and endorsements for any marketing programs, together with the geographic, market, and media placement and allocation thereof. We anticipate that the approved form of Unit Franchise Agreement that you will use in granting Unit Franchises in your Master Franchise Territory will provide for national marketing fund contributions by such Unit Franchisees in an amount not to exceed four percent (4%) of their Gross Revenue (or four percent (4%) of Gross Profit for hardware and any other product sales specified in the applicable Unit Franchise Agreement). We may change the terms of the form Unit Franchise Agreements in our Business Judgment. We do not and cannot ensure that any benefit(s) to be received by any Unit Franchisee(s) will be in proportion to contributions made to such funds by any Unit Franchisee(s) or any territory(ies) or any countries. You agree to fully cooperate with us in all matters related to such marketing fund(s) and to comply with any requirements we may establish from time to time. We may require that Unit Franchisee Marketing Fund Contributions be paid directly to us. We also may choose in our Business Judgment to delegate to you certain functions (such as collection and/or administration) with respect to such marketing fund(s). You agree to perform any such activities under terms and conditions to be established by us in our Business Judgment.

10.05 CARTRIDGE WORLD Unit Franchise Marketing Co-ops ("CWMC"). We can elect in our Business Judgment to form one or more associations and/or sub-associations of CARTRIDGE WORLD Unit Franchisees to conduct various marketing related activities on a cooperative basis (a "CWMC"). If a CWMC (local, regional or national) is formed covering your area, then Unit Franchisees may be required to contribute such amounts as are determined from time to time by the CWMC. The CWMC can adopt its own bylaws, rules, regulations and procedures, subject to our consent in our Business Judgment. We also may choose in our Business Judgment to delegate to you certain functions (such as administrative support) with respect to such CWMC(s). You agree to perform any such activities under terms and conditions to be reasonably established by us in our Business Judgment.

10.06 CARTRIDGE WORLD Master Franchisee Advisory Group and Selection. We may elect in our Business Judgment to form a "CARTRIDGE WORLD Master Franchisee Advisory Committee" or "MAC," to provide Input to us. The MAC will consist of Master Franchisees in Good Standing. MAC members will be elected for a term or terms by Master Franchisees with due regard given for regional representation. The number of MAC members will be subject to adjustment from time to time to reflect growth and Unit Franchise population changes, among other appropriate factors. Each Master Franchise will be entitled to one vote. We will always have the right to appoint one representative to participate in all MAC meetings and any other MAC activities, but such representative will be a non-voting participant. The MAC may adopt its own bylaws, rules, regulations and procedures, subject to our consent in our/their Business Judgment. While we are not required to do so, if we submit any matters for approval to a MAC and approval is granted, the approval will be binding on you.

ARTICLE 11.
CARTRIDGE WORLD MARKS AND SYSTEM

11.01 Representations, Ownership, Limitations, Infringements and Discontinuance.

A. We represent and warrant to you that as of the Effective Date of this Agreement, we have no actual knowledge (1) of any reason why any third party should challenge the validity in the Master Franchise Territory of the CARTRIDGE WORLD Marks or our or our licensor's rights or ownership therein, or (2) of any conflict or potential conflict in the Master Franchise Territory between the CARTRIDGE WORLD Marks or any prior existing third party trademarks. You acknowledge that while application may be made for registration of certain of the CARTRIDGE WORLD Marks in the United States, registration of certain CARTRIDGE WORLD Marks may not be finalized as of the date of this Agreement. We cannot make any assurance as to the outcome of these application(s) or the current or future status of the CARTRIDGE WORLD Marks in the Master Franchise Territory.

B. You have a non-exclusive right to use the Marks and only as expressly authorized by us under this Agreement. We or our licensor has all rights in and to the Marks. All goodwill belongs exclusively to them/us, and you will not obtain any goodwill in the Marks as a result of this Agreement, your operation of the Master Franchise Business or for any other reason. Any unauthorized use of the Marks is a breach of this Agreement and an infringement of proprietary rights. You agree that if you breach any obligation regarding the Marks, we/Cartridge World Australia Pty. Ltd. would have no adequate remedy at law and that we/Cartridge World Australia Pty. Ltd. will be entitled to equitable relief. You will not oppose or engage in any acts or omissions inconsistent with our/Cartridge World Australia Pty. Ltd.'s rights in and to the Marks. This Agreement applies to all trademarks, service marks and other commercial symbols you are authorized to use during the term of this Agreement.

C. You will use the Marks as the sole identification for your Master Franchise Business operations. You will not use any Mark, or modified version or derivative of a Mark, as part of any business or trade name. Prior to adoption and/or use, any proposed corporate and/or trade name must be approved by us. You agree to promptly comply at your sole expense with any request for you to modify any business or trade name adopted by you that is contrary to this Section. You agree to give such trademark and other notices (including notices of independent ownership) as we direct and will, at your expense, obtain fictitious or assumed name registrations as may be required under law. You will display the Marks as required by us and will not use the Marks so as to negatively affect their goodwill. You will not use any Mark in connection with the performance or sale of any unauthorized services or products or at any location or in any other manner not expressly authorized in writing by us.

D. You will take such actions as we consider important in our Business Judgment to protect the Marks. You will not take any action that jeopardizes our interests in, or the validity or enforceability of, the Marks. You agree to immediately notify us of any apparent or actual infringement of, or of any challenge to your use of, the Marks. You will not communicate with any third party with respect to such a claim. We will take such action as we deem appropriate in our Business Judgment. We and/or our licensor have the exclusive right to control any settlement, litigation or proceeding arising out of or related to any such matters. You will cooperate fully with us in connections with any such proceedings/claims and agree to be named a party in any such action if so requested by us, provided, however, that the prosecution or defense of any such action shall be at our sole cost and expense. Neither we nor any Franchisor-Related Parties will be obligated to indemnify you from costs, expenses, Attorneys' Fees, damages or otherwise suffered or incurred by you arising out of any such (or other) action and/or any related matter.

E. You agree to comply at your expense with any directions from us to discontinue, modify, substitute or add Marks. We cannot and do not make any guaranty that a modification, discontinuance or otherwise may not be required for any reason. In such event, we (and Franchisor-Related Parties) will have no liability or obligation to you. You agree to make no claim in connection with any modification, discontinuance or other action, and/or with any dispute regarding the Marks. There is always a possibility that there might be one or more businesses using a name and/or marks similar to ours and with superior rights. We strongly urge you to research this possibility, using telephone directories, local filings and other means, prior to your signing any documents, expending or paying any sums or making any commitments and you understand that if you fail to do so, you're at risk. You agree that you shall not be entitled to receive any damages from us or any Franchisor-Related Party (or any other remedy, including, but not limited to, rescission and/or other equitable relief) because of such modification and/or discontinuance of the use of, or inability to use, any of the CARTRIDGE WORLD Marks.

F. As between us and you (and/or any Unit Franchisee), we will have all ownership and other rights with respect to any websites, along with any URLs, domain names and/or other electronic forms of address and/or identity, using any of the Marks and/or otherwise related to the Master Franchise or Unit Franchise Businesses. Any such websites, along with any such URLs, domain names and/or other electronic forms of address and/or identity, shall only be owned by and registered, etc. (including any registrations, etc. in the Master Franchise Territory) in the name of CARTRIDGE WORLD.

G. You will execute any documents that are deemed necessary or appropriate by us and/or our counsel to obtain protection for the CARTRIDGE WORLD Marks and/or to maintain their validity and enforceability in any Master Franchise Territory in which a Unit Franchise is located. You will not make any application for registration anywhere of any CARTRIDGE WORLD Mark, other mark, name or indicia used by us and/or Cartridge World, or any mark confusingly similar thereto. Upon the termination or expiration of this Agreement, the parties will do everything necessary to ensure that you cease to have any other right to use the CARTRIDGE WORLD Marks. You hereby appoint CARTRIDGE WORLD as its attorney to execute any documents and to do such things as may be necessary for this purpose.

H. You shall incorporate in your Unit Franchise Agreements with your Unit Franchisees, and cause your Unit Franchisees to comply with, similar provisions to this Section 11.01.

ARTICLE 12.
INSURANCE, INDEMNIFICATION AND RELATIONSHIP OF PARTIES

12.01 Insurance.

A. You agree to maintain in force policies of insurance issued by carriers approved by us covering various risks, as specified by us from time to time. We may specify the types and amounts of coverage required under such policies and require different and/or additional kinds of insurance at any time, including excess liability insurance. Each insurance policy must: (i) name us and our Affiliates as additional named insureds; (ii) contain a waiver of all subrogation rights against us, our Affiliates and any successors and assigns; (iii) and provide thirty (30) days prior written notice to us of any material modifications, cancellation, or expiration of such policies.

B. If you fail to maintain required insurance coverage, we may obtain such insurance coverage on your behalf. You will pay us on demand any costs and premiums incurred by us.

C. Current insurance requirements include the following and are subject to change by us: (1) comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by, or occurring in conjunction with, your Master Franchise Business and any Master-Owned Unit Franchises; (2) all risk property and casualty insurance for the replacement value of your Master Franchise Business and any Master-Owned Unit Franchises and all associated items; and (3) business interruption insurance providing for continued payment of all amounts due us and/or any Affiliate of ours under this Agreement.

D. You will secure and pay premiums on a workers' compensation (or similar) policy covering your employees as required by law and will be solely liable for all payments to be made to your employees, including, without limitation, annual holiday pay, sick leave entitlements, and long service leave (where applicable).

E. You agree to deliver to us, within ten (10) days of any incident involving injury, illness or death of any person arising out of or in connection with operation of the Master Franchise and/or each Unit Franchise within the Master Franchise Territory, a statement in such form as we may specify from time to time of the circumstances of the incident and the action taken.

F. You will report to us, within ten (10) days of receipt, any written complaints or other adverse communications received from Unit Franchisees, retail customers or otherwise, which are not resolved to the reasonable satisfaction of the complaining party within seven (7) days of receipt.

G. You will cause your Unit Franchisees to comply with a provision similar to this Section 12.01 including, without limitation, the requirement that we (and our Affiliates) be named as an additional insured on any public or product liability insurance policies covering the Unit Franchises.

H. Your obligation to obtain and maintain insurance policies in the amounts specified will not be limited in any way by reason of any insurance that we/Cartridge World may maintain, nor does your procurement of required insurance relieve you of liability under the indemnity obligations described in Section 12.02. Your insurance procurement obligations under this Section are separate and independent of your indemnity obligations. We do not represent or warrant that any insurance that you are required to purchase will provide adequate coverage for you or your Master Franchise Business. The insurance requirements are for our/Cartridge World's protection. You should consult with your own insurance agents, brokers, attorneys and other insurance advisors to determine the level of insurance protection you need and desire, in addition to the coverage and limits required by us/Cartridge World.

12.02 Losses and Indemnification.

A. You acknowledge and agree that you and your Unit Franchisees, and not us, will be responsible, and shall forever indemnify us and each of the Franchisor-Related Parties, for any and all claims, losses, damages and/or liabilities arising out of or in connection with any act, error, omission, negligence and/or wrongdoing by you and/or your Unit Franchisees including, but not limited to, in the operation of your Master Franchise Business and/or CARTRIDGE WORLD Unit Franchises within the Master Franchise Territory, and for all claims or demands for damages to property or injury or death of persons resulting therefrom. You agree, and shall cause your Unit Franchisees to agree, to defend, indemnify and hold us, our agents and employees, and each of the Franchisor-Related Parties harmless from and with respect to any such claims, demands, losses, obligations, liabilities, or debts together with costs, expenses, and Attorneys' Fees in defending same.

B. We (and our Affiliates) shall have no liability for any payments or any taxes related thereto to be made to your or your Unit Franchisees' employees including, without limitation, Social Security taxes, annual holiday pay, sick leave entitlements, and long service leave.

C. You shall include a similar provision to this Section 12.02 in its Unit Franchise Agreements.

I have read Section 12.02, understand it, and agree with it. **Your Initials: __________ / __________**

12.03 Relationship of Parties.

A. You will always identify yourself to all persons and in all dealings of your CARTRIDGE WORLD Master Franchise/Master-Owned Unit Franchise(s) as an independent owner under a CARTRIDGE WORLD Master/Unit Franchise, as applicable, clearly indicating that your Master Franchise Business is separate and distinct from our business and that of our Affiliates. You will include notices of independent ownership on such forms, business cards, stationery, advertising, signs and other materials as we require from time to time. Subject to the requirements of this Agreement and mandatory provisions of the Operations Manuals, you will have complete operational control of your Master Franchise Business, including the right to hire and fire each employee.

B. You will not represent that your and our relationship is other than that of independent Franchisor and Master Franchisee. Neither you nor we will have any liability under any acts, omissions, agreements or representations made by the other that are not expressly authorized in writing.

C. Payment of all taxes related to your Master Franchise Business is your sole responsibility. We have no liability for any taxes on the sales made and/or business conducted by you (except for any taxes we are required by law to collect from you with respect to purchases from us and/or Affiliates of ours). You agree to pay us (or our Affiliates) immediately upon demand: the amount of all sales taxes, use taxes, trademark license taxes and any other tax or levy, however denominated, imposed on, required to be collected, or paid by us or our Affiliates on account of goods or services we or our Affiliates have furnished to you or on account of collection by us of the any franchise, royalty or other fees called for under this Agreement.

D. You will be totally and solely responsible for the operation of your Master Franchise Business in accordance with the requirements of this Agreement and the Operations Manuals, and will hire, control, supervise and manage all the employees, agents and independent contractors who work for or with you. You will be responsible for the acts of your employees, agents and independent contractors, and will take all reasonable business actions necessary to ensure that your employees, agents and independent contractors comply with all applicable federal, state, city, local and municipal laws, statutes, ordinances, rules and regulations. We will not have any right, obligation or responsibility to hire, fire, control, supervise or your employees, agents or independent contractors. To the extent any legal authority determines that we have a duty to act or not act with respect to any of your employees, we hereby assign to you any such duty, and you hereby accept such assignment.

E. We will not have any right, obligation or responsibility to hire, fire, control, supervise or your employees, agents or independent contractors. You will be solely responsible for all employment decisions and functions of the Master Franchise Business including, without limitation, those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, scheduling, supervision, and discipline of employees, regardless of whether you receive advice from us on these subjects. You acknowledge and agree that all personnel decisions will be made by you, without any influence or advice from us, and such decisions and actions will not be, nor deemed to be, a decision or action of us.

ARTICLE 13.
INITIAL TERM; RENEWAL TERMS

13.01 <u>Initial Term</u>. The term of this Agreement (the "Initial Term") is fifteen (15) years, commencing on the Effective Date of this Agreement. If this Agreement is for the Renewal of the Master Franchise, then the term of this Agreement shall be governed by the provisions of the initial Master Franchise Agreement and shall expire on the Expiration Date stated on the first page of this Agreement. This Agreement terminates at the expiration of the Initial Term or on the Expiration Date, as applicable.

13.02 <u>Renewal Master Franchises</u>. At the expiration of the Initial Term, as provided in Section 13.01 above, and subject to the provisions of this Article 13, you will be eligible to be awarded a Renewal Master Franchise for a ten (10) year term, without any further terms or Renewal rights. The Renewal Master Franchise Agreement(s) may differ materially from this one in financial and other ways and terms. You have no right to an additional Renewal term if this Agreement is being awarded to you as a Renewal Master Franchise Agreement.

13.03 <u>Renewal Master Franchises - Your Obligations</u>. Any award of the Renewal Master Franchise must meet <u>all</u> of the following conditions, together with the then-current standards applicable to Renewal Master Franchises, each of which are agreed to be reasonable:

A. You (and each Affiliate of yours) must be in Good Standing;

B. Your Master Franchise operations and the operations of any Master-Owned Unit Franchises must fully comply with all specifications and standards then-applicable for new Master

Franchises/CARTRIDGE WORLD Unit Franchises and with the applicable Operations Manuals by the expiration of this Agreement;

C. You (and each Affiliate of yours) must have paid all amounts owed to us and any Franchisor-Related Parties;

D. You must have executed our then-current form of Master Franchise Agreement and related documents then customarily used by us (with appropriate modifications to reflect the fact that the Master Franchise Agreement to be awarded relates to a single Renewal Master Franchise as contemplated by this Agreement). You will not be required to pay the then-current Initial Master Franchise Fee, and we will not be required to provide you any initial training or other "start-up" services in connection with the award of any Renewal Franchise;

E. You must have complied with our then-current qualification and training requirements. We may require your Designated Individual and other key personnel to successfully complete any retraining program(s), at such times and location(s) as we then specify and at your sole expense;

F. You (and each owner and/or Affiliate of yours) must have executed a General Release, except for any claims exclusively related to the Renewal Master Franchise (where expressly so required by applicable law). If you, your owners and your Affiliates comply with all of the requirements of this Article 13, including providing us with a General Release, then we will provide you with a Limited Release;

G. You must have paid us a Renewal Fee equal to twenty percent (20%) of the Initial Master Franchise Fee that you would pay at such time if you were first acquiring a Master Franchise for your Master Franchise Territory [but not less than Twenty Thousand Dollars ($20,000), which minimum amount is subject to adjustment as described in Section 4.05]. The Renewal Fee must be received from you at the time of your election and is non-refundable unless we do not grant a Renewal Agreement to you;

H. You must pay your and our legal costs and other expenses in connection with granting the Renewal Master Franchise; and

I. Failure by you and/or your owners to timely complete such requirements will be deemed an election by you not to obtain the Renewal Master Franchise.

ARTICLE 14.
CONFIDENTIALITY

14.01 Confidential Information and Non-Disclosure.

A. "Confidential Information" includes all information relating to the operation of a CARTRIDGE WORLD Master Franchise/Unit Franchise or the System, including, among other things, all current and future: (1) Operations Manuals, training, Trade Secrets, techniques, processes, policies, procedures, systems, data and know how regarding the development, marketing, operation and franchising of CARTRIDGE WORLD Master Franchises/Unit Franchises; (2) specifications and information about Products and Services; (3) all information regarding Master/Unit Franchisee customers and suppliers, including any statistical and/or financial; information and all lists; (4) methods of refilling printer cartridges; and (5) our engineered jigs. We own and control all Confidential Information, specifically, and without limitation, domain names and URLs ("Uniform Resource Locator") relating to any and all Master Franchises/CARTRIDGE WORLD Unit Franchises, as well as all information, lists and data related to past, present and future customers of all CARTRIDGE WORLD Master/Unit Franchises. Your only interest in any of this Confidential Information is the right to use it pursuant to this Agreement. You have the burden of proof and of going forward in any dispute between you and us involving the proprietary or confidential nature of any information.

B. Both during and after the term of this Agreement, you agree (1) to use the Confidential Information only for the operation of your Master Franchise Business and CARTRIDGE WORLD Master-Owned Unit Franchise(s) under CARTRIDGE WORLD Franchise Agreement(s); (2) to maintain the confidentiality of the Confidential Information; (3) not to make or distribute, or permit to be made or distributed, any unauthorized copies of any portion of the Confidential Information; and (4) to implement all prescribed procedures for prevention of unauthorized use or disclosure of the Confidential Information; provided that you agree to comply with the foregoing obligations with respect to Trade Secrets both during and after the term of this Agreement and without regard to any time period limitation.

C. You agree to have each of your employees, agents, principals and Affiliates sign a form of confidentiality agreement approved by us. The current approved form of nondisclosure is attached as Exhibit B. We may from time to time provide you with template or sample forms/agreements and other materials and/or require through the Operations Manuals or other written instruction that agreement forms used by you in the Master Franchise Business contain certain terms and/or protections for us. We do not warrant the legal sufficiency or quality of any such documents that we may approve or provide, and you are responsible to have all such items reviewed and modified for compliance with local law by an attorney licensed to practice in the state(s) where your Master Franchise Business will be located. You also agree to ensure that the collection, input, storage and use of your Master Franchise Business data using the CARTRIDGE WORLD System complies with any applicable privacy laws and regulations within your jurisdiction and any Operations Manuals requirements. You are solely responsible for ensuring that any confidentiality agreement used by you is in compliance with and enforceable under local law. You will give us copies of your confidentiality agreements upon request.

D. The Unit Franchise Agreement shall include provisions requiring Unit Franchisees to comply with similar confidentiality restrictions, and requiring Unit Franchisees' employees to sign a nondisclosure agreement essentially as provided in Section 14.01.C. above.

ARTICLE 15.
TERMINATION, EVENTS OF DEFAULT AND POST TERMINATION OBLIGATIONS

15.01 <u>Termination by Us; Defaults with No Right to Cure</u>. This Agreement will automatically terminate upon delivery of our written notice of termination to you in compliance with Section 22.16 (without further action by us and without opportunity to cure) if you (or any of your owners):

A. Except as provided in Sections 5.02 and 5.03 of this Agreement, fail to timely meet the Minimum Development Standards within the applicable time period as provided in Section 5.01 above and (if applicable) specified in Exhibit A-2 attached hereto;

B. Abandon or fail to operate your CARTRIDGE WORLD Master Franchise for more than seven (7) consecutive calendar days;

C. Make any material misrepresentation or omission in your application for the Master Franchise;

D. Are judged bankrupt, become insolvent, make an assignment for the benefit of creditors, are unable to pay his or her debts as they become due, or a petition under any bankruptcy law is filed by or against you or any of your owners or a receiver or other custodian is appointed for a substantial part of the your assets;

E. Are convicted of, or plead no contest to, a felony, or to any crime or offense that is likely to adversely affect your or any owner's reputation, your CARTRIDGE WORLD Unit Franchisees, us, or the goodwill associated with the Marks;

F. Engage in any misconduct which unfavorably affects your or any owner's reputation, CARTRIDGE WORLD Unit Franchisees, us, or the goodwill associated with the Marks (including, but not limited to, child abuse, health or safety hazards, drug or alcohol abuse, or permitting unlawful activities at your Business);

G. Make, or attempt to make, an unauthorized "Transfer" as defined in this Agreement or surrender control without our prior written approval;

H. Make an unauthorized use of the Marks/Intellectual Property or any unauthorized copy, use or disclosure of any Confidential Information;

I. Violate any of the In-Term or Post-Term Restrictions against competition provided in Section 19.01 below (or any other person identified therein commits such a violation);

J. Commit any act or omission of fraud or misrepresentation, whether with respect to us, any of the Franchisor-Related Parties and/or any third party, including (but not limited to) any misrepresentation of Gross Master Revenues, Gross Revenue, Gross Profit, Unit Volume or Average Annual Unit Volume of the Unit Franchise(s) in your Master Franchise Territory, Royalties, fees or any amounts due us;

K. Fail to permit or cooperate with us or our designee in any audit or inspection or fail to retain (or to produce on request) any records required to be maintained by you;

L. Fail to timely obtain and maintain any registration, license or permission necessary for the operation of the Master Franchise Business and/or such registration, license or permission expires, is revoked or is terminated;

M. Are the subject of persistent substantiated complaints to us as to the quality of your service to Unit Franchisees and others, and we reasonably determine that such complaints are well founded;

N. Are engaged in unlawful Franchise marketing activities or other unlawful Franchise practices as determined by us in our Business Judgment;

O. Fail to meet any of the responsibilities set forth in Exhibit E of this Agreement or otherwise set forth in this Agreement and/or the Operations Manuals;

P. Repeatedly fail to enforce Unit Franchise Agreements, the Operations Manuals requirements and other System standards/policies/specifications published by us, as determined by us in our Business Judgment;

Q. Fail to operate the Master Franchise Business in such a manner that each calendar year during the term of this Agreement, the CARTRIDGE WORLD Unit Franchises in the Master Franchise Territory generate the Average Annual Unit Volume set forth in Exhibit A-3 of this Agreement; or

R. Or any Affiliate of yours commit(s) a default under any other agreement between us (or any Franchisor-Related Party) and you (or any owner or Affiliate of yours) which results in the termination of such other agreement by us (or the Franchisor-Related Party).

15.02 Termination by Us; Defaults with Right to Cure. This Agreement will automatically terminate on delivery of our written notice of termination to you without further action by us and without further opportunity to cure beyond that set forth in this Section:

A. 10-Day Cure. If within ten (10) calendar days after delivery of our written notice to you, you (or any of your owners) do not cure any:

1. Failure to maintain required insurance;

2. Failure to correct any condition that, in our reasonable judgment, might pose a danger to public health and/or safety;

3. Failure to accurately report when required the fees, Gross Master Revenues, Gross Revenues, Gross Profits, Royalties or other information about and/or amounts received from Unit Franchisees or others, or failure to submit any other report due under this Agreement in accurate and complete form and when required;

4. Failure to make payments of any amounts due us, any Franchisor-Related Party, any designee of ours and/or any supplier/creditor of yours, and do not correct such failure(s); or

5. Failure to comply with any of the dispute resolution provisions of this Agreement, including (but not limited to) failure to pay/deposit any amounts or otherwise and/or unexcused failure to appear or respond to any dispute resolution proceedings.

With respect to Sections 15.02.A.1 and/or A.2 above, we may require you to immediately cease all operations until such defaults are fully cured.

B. 30-Day Cure. If within thirty (30) calendar days after delivery of our written notice to you, you (or any of your owners) do not cure any:

1. Delinquency in your obligations to taxing authorities, equipment lessors, suppliers or others;

2. Unauthorized promoting, offering, marketing or selling of any product or service in connection with the CARTRIDGE WORLD System without our prior written approval;

3. Failure to have operating each CARTRIDGE WORLD Unit Franchise required to be opened in your Master Franchise Territory for at least forty-five (45) weeks per calendar year at a level of operation consistent with our then-current policies;

4. Failure to enforce Unit Franchise Agreements, the Operations Manuals requirements and other System standards/policies/specifications published by us; or

5. Failure to comply with any other provision of this Agreement, any other agreement with us and/or any Affiliate of ours, or any specification, standard or operating procedure or rule

prescribed by us in the Operations Manuals or by other writing which does not provide for a shorter notice period.

If any such default under this Section 15.02.B cannot reasonably be corrected within such thirty (30) day period, then you must undertake diligent efforts within such thirty (30) day period to come into full compliance. You must furnish, at our request, proof acceptable to us of such efforts and the date full compliance will be achieved. In any event, all such defaults must be fully cured within ninety (90) days after delivery of the initial written notice to you of termination.

15.03 Repeated Defaults. This Agreement will automatically terminate upon delivery of our written notice of termination to you (without further action by us and without opportunity to cure) if you or any Affiliate has committed two (2) or more applicable defaults within any twelve (12) consecutive months, or three (3) or more applicable defaults within any twenty-four (24) consecutive months. An "applicable default" is a single breach of any obligation under this Agreement and/or the Operations Manuals, or under any other agreement with us and/or any of our Affiliates, whether or not such default is cured, or is the same as or similar to a prior event of default.

15.04 Cross-Defaults. Any default by you (or any owner or Affiliate of yours) under this Agreement may be regarded by us as a default under any other agreement between us (or any Franchisor-Related Parties) and you (or any owner or Affiliate of yours). Any such default under any other agreement or any other obligation between us (or any Franchisor-Related Parties) and you (or any owner or Affiliate of yours) may be regarded as a default under this Agreement. Any default by you (or any owner or Affiliate of yours) under any lease, sublease, loan agreement, or security interest relating to the Master Franchise may be regarded as a default under this Agreement, regardless of whether or not any such agreements are between you (or any owner or Affiliate of yours) and us (or any Franchisor-Related Parties).

15.05 Non-Exclusive Remedies. Whenever we have a right to terminate this Agreement, we (and any Franchisor-Related Party) will have all remedies allowed at law and in equity. No right or remedy which we may have (including termination) is exclusive of any other right or remedy, and we may pursue any rights and/or remedies available. In every instance in which we have the right to terminate this Agreement under this Article 15, we may elect in our Business Judgment to cancel any and/or all of your territorial or similar rights (including, but not limited to, any rights of first refusal), whether arising under this Agreement or in any other manner or document.

15.06 No Equity on Termination, Etc. Your rights regarding the Master Franchise are controlled by the provisions of this Agreement. You will have no equity or any other continuing interest in the Franchise, any goodwill associated with it, or any right to compensation or refunds at the expiration and/or termination of the term of the Franchise.

15.07 Extended Cure Period. Notwithstanding anything to the contrary in this Agreement, we reserve the right to grant to you in our Business Judgment an extended cure period for any breach. You acknowledge that our decision to grant such an extended cure period shall not operate as a waiver of any of our rights and that we may choose to condition any such extension upon the signing of a General Release by you, each owner and Affiliates of yours.

15.08 Management of Master Franchise/Master-Owned Unit Franchises After Issuance of Notice of Default.

A. If we issue a notice of default, we will have the right (but not the obligation) to (a) receive directly from your Unit Franchisees all amounts due, or to become due, to you and/or any Affiliate of yours, and to thereafter remit to you such amounts less all amounts owed, or to become owed, to us and/or any of the Franchisor-Related Parties; and/or (b) manage your CARTRIDGE WORLD Master Franchise/Unit Franchise(s) until you have cured all defaults. All revenues received by the CARTRIDGE WORLD Master Franchise/Unit Franchise(s) while we (or our designee) are managing it will be kept in a separate fund. All CARTRIDGE WORLD Master Franchise/Unit Franchise(s) expenses, including compensation, Travel Expenses, meals, lodging and living expenses for our appointed manager, may be paid out of such fund. We shall be paid Five Hundred Dollars ($500)/day as a management fee (subject to adjustment as provided in Section 4.05). If such fund is insufficient to pay CARTRIDGE WORLD Master Franchise/Unit Franchise(s) expenses, we shall notify you. You shall, within five (5) business days, deposit such amounts as shall be required by us to attain a reasonable fund balance.

B. Operation of the CARTRIDGE WORLD Master Franchise/Unit Franchise(s) by us during any such period shall be on your behalf; provided that we shall only have a duty to use reasonable efforts and shall not be liable to any creditor of yours or for any debts, losses or obligations incurred by the Master Franchise/Unit Franchise(s). This Section 15.08 shall not limit our right to terminate this Agreement as herein provided or affect any of our indemnity or other rights under this Agreement.

15.09 Our Right To Discontinue Supplying Items Upon Default. We and any Franchisor-Related Parties have the right, in addition to all other rights and remedies, to require upon the issuance of a default that you pay C.O.D (i.e., cash on delivery) or by certified check for any Products/Services related to the operation of your Master Franchise Business. We and any Franchisor-Related Parties also have the right to stop selling and/or providing any goods and/or services to you until you have cured all defaults.

15.10 Rights and Duties on Termination and/or Expiration.

A. You must pay all payments, fees, notes and all amounts of any kind owed to us and/or any Franchisor-Related Parties within ten (10) days after the Repurchase, termination or expiration of the Master Franchise, or from a later date when the amounts due can be determined.

B. In the event of termination for any default, said sums shall include all damages, costs and expenses, including Attorneys' Fees, incurred by us as a result of the default, and late payment charges thereon until paid at the lower of (1) the highest rate permitted by applicable law; or (2) one and one-half percent (1½%) per month.

15.11 Intellectual Property, Confidential Information, Design Standards, Etc. After any Transfer, Repurchase, termination or expiration of the Master Franchise:

A. You agree to immediately and permanently discontinue your CARTRIDGE WORLD Master Franchise Business and any use of the Intellectual Property and/or the Confidential Information, as defined in Sections 2.01.R and 14.01.A, respectively, and will not use any similar or derivative marks, or materials, or colorable imitations of any of the Intellectual Property in any medium or manner or for any purpose;

B. You will return to us or (at our option) destroy all software, Operations Manuals, forms, materials, signage and any other items containing any Intellectual Property or Marks, or otherwise identifying or relating to a CARTRIDGE WORLD Master Franchise/Unit Franchise(s) (to the extent they have not been assigned in connection with an authorized Transfer or a Repurchase);

C. You will take such actions as may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark which have not been assigned in connection with an authorized Transfer or a Repurchase;

D. You must de-identify the Master Franchise Premises in every manner and remove any distinctive signage, physical and/or structural features associated with the Design Standards of CARTRIDGE WORLD Master Franchise/Unit Franchise(s), so that the Master Franchise Premises are clearly distinguished from other CARTRIDGE WORLD Master Franchise/Unit Franchise(s) and do not create any public confusion (to the extent the Master Franchise Premises have not been assigned in connection with an authorized Transfer or a Repurchase);

E. You agree not to identify yourself, or any business you may operate or in which you may become involved, or to advertise or promote yourself in any manner, as a present or former CARTRIDGE WORLD Master Franchisee/Unit Franchisee.

F. You will furnish to us within thirty (30) days satisfactory evidence of your compliance with the obligations described in this Section 15.11 and in Section 15.12 below. If you operate any business using any of the Intellectual Property, Marks, Approved Suppliers, Confidential Information or any aspect of the System, our remedies will include (but will not be limited to) recovery of the greater of (i) all profits earned by you in the operation of such business, or (ii) all payments, fees, contributions and other amounts which would have been due if this Agreement remained in effect with you.

15.12 <u>Telephone and Other Directory Listings, Internet Sites</u>.

A. You understand and agree that we own all telephone numbers, domain names, Internet addresses/sites and/or other communications services links (collectively, the “Numbers”), and any related directory listings/advertising, used in connection with the operation of your Master Franchise/Unit Franchise(s). We may in our Business Judgment require you to sign an assignment of such Numbers prior to training or at another time. After any termination, Repurchase and/or expiration of the Franchise, you will promptly transfer, call-forward, discontinue or otherwise deal with the Numbers and any related directory listings/advertising as we direct. You agree to sign any documents and/or pay any amounts required by a telephone/communication services provider as a condition to our dealing with the Numbers and any related directory advertising/listings. By signing this Agreement, you irrevocably appoint us your attorney in fact to take any such actions regarding the Numbers and any related directory listings/advertising if you do not do so yourself within ten (10) days after the termination, Repurchase or expiration of this Master Franchise. Such companies may accept this Agreement as conclusive evidence of our exclusive rights in such Numbers and related directory listings, web pages and advertising/marketing.

B. If we choose at any time to be direct billed by a provider for any account for the Numbers and/or directory listings/advertising, you agree to pay us all amounts due such providers within ten (10) days of our written notice to you. If you fail on two (2) or more occasions to pay any such amounts to us when due, then we may require you to maintain a deposit with us in an amount reasonably determined by us based upon usage history and other relevant factors.

C. You will, at your expense, maintain access to the Internet/World Wide Web (the “Internet”). You will use the email address designated by us that will be used to communicate with us and your Unit Franchisees, and to transmit documents and other information. You will not establish, use or register a domain name or email address that includes any of the Marks as all or part of its name, except with our prior written approval. If we develop an Intranet network through which we and our Master Franchisees and their Unit Franchisees can communicate by email or similar electronic means, then you will use the Intranet network in strict compliance with the standards, protocols and restrictions that are set forth in this Agreement, the Operations Manuals or otherwise in writing by us. You will not transmit any confidential information, documents or data without complying with the security measures adopted by us. You will not make any derogatory, defamatory or libelous statements in any transmission made via the Internet, through an Intranet network or by any other means.

15.13 Continuing Obligations.

A. All obligations and rights which expressly or by their nature survive the Transfer, Repurchase, expiration or termination of this Agreement will continue in full force and effect until they are satisfied or by their nature expire (including, but not limited to, indemnity, non-competition, audit and confidentiality rights and obligations; obligations to pay and the provisions of Articles 22 and 23). These obligations continue notwithstanding any rejection of this Agreement in a bankruptcy proceeding or otherwise.

B. If this Agreement is terminated because of a default of yours, you will not be released or discharged from your obligations, including payment of all amounts then due and other amounts which would have become due under this Agreement if you had continued in operation as a CARTRIDGE WORLD Master Franchise for the full term. Our remedies will include (but are not limited to) the right to collect the present value of these amounts and to receive the benefit of our bargain with you, as well as to accelerate the balances of any promissory notes owed and to receive any other unpaid amounts owed to us or any Affiliates of ours. You and we agree that it would be commercially unreasonable and damaging to the integrity of the CARTRIDGE WORLD System if a CARTRIDGE WORLD Franchisee could default and then escape the financial consequences of his contractual commitment to meet payment obligations for the term of the Agreement. You (and each of your owners/Affiliates) agree to sign a General Release if we choose in our Business Judgment to waive our rights to collect any amounts that would have become due if you had continued in operation as a CARTRIDGE WORLD Master Franchisee.

15.14 Unit Franchises. On any Repurchase, termination or expiration of this Agreement:

A. We or our designee may require that all payments due to you from your Unit Franchisees be paid to (and retained by) us or our designee.

B. We may terminate all of your rights under any Unit Franchise Agreement or other agreement and may, at our option:

1. Succeed to all of your rights under any Unit Franchise Agreements or other agreements between you and your Unit Franchisees; or

2. Terminate any or all Unit Franchise Agreements (the Unit Franchisees to observe all post-term obligations), if we do not continue to regularly award Franchises and maintain a Franchise program for CARTRIDGE WORLD Unit Franchises in your state/country/Master Franchise Territory. If we (i) make an announcement (at any time) that we have made a determination that continued franchising (on a national, regional or other basis) is not appropriate in our Business Judgment and that we do not intend to continue to regularly award Franchises and maintain a Franchise sales program for CARTRIDGE WORLD Unit Franchises in your state/Master Franchise Territory and (ii) do not open or award Franchises for CARTRIDGE WORLD Unit Franchises in your state/Master Franchise Territory for twelve (12) months after the date of such announcement (provided that we can award Renewal Franchises where an older form of Franchise Agreement or otherwise requires us to do so, and/or continue to service existing Franchisees under outstanding agreements), then we will be considered to have made a general market withdrawal and will have no liability to you or your Unit Franchisees with respect thereto (a "General Market Withdrawal"). In such event, Unit Franchisees in Good Standing in your Master Franchise Territory will not be required to comply with post-termination obligations prohibiting their involvement or participation in a Similar Business, as provided under their respective Unit Franchise

Agreements. You agree that if any statute or court decision requires "good cause" (or any similar standard) for non-renewal, compliance by us with the provisions of this subsection will be considered to be good cause.

C. You will:

1. At our request or our designee, assign to us or our nominee your rights under any and all Unit Franchise Agreements to which you or any Affiliate of yours is a party. You hereby award to us a power of attorney authorizing us to execute such assignments;

2. Pay us all amounts from all Unit Franchisees received, to be received or that would have been received by you and/or any Affiliate on and from the date of Repurchase, termination or expiration; and

3. Deliver up all Unit Franchise Agreements, files and other documents (and any other information deemed by us to be relevant to such Unit Franchisees) upon request from us or our designee.

Your right to own and operate any CARTRIDGE WORLD Unit Franchise(s) may also be terminated by us in our Business Judgment.

15.15 <u>Prompt Notice of Claims by You</u>. You understand that you are not permitted to terminate this Agreement for any default committed by us, except as permitted by applicable law. If you believe such a default exists, or that you have any other basis for terminating this Agreement or making any other claim against us, you must give us written notice and thirty (30) days to cure; and any action by you to terminate may not proceed until we have had such notice and an opportunity to cure. If we cannot reasonably cure within such thirty (30) day period, and we are diligently continuing efforts to cure, then we will have ninety (90) days to cure; provided that (i) any dispute regarding our withholding consent with respect to a proposed transfer by you, or any other dispute in which delay may cause you significant harm or loss, may be immediately processed as provided in Section 22.01; and (ii) any claim for equitable relief with respect to a dispute under Section 22.02.H shall not be subject to this Section 15.15. Any applicable statutes of limitations will be tolled during such thirty (30) and ninety (90)-day periods.

I have read Sections 15.01 – 15.15, understand them, and agree with them. **Your Initials: __________ / __________**

ARTICLE 16.
GRANT OF SECURITY INTEREST

16.01 <u>Secured Interest in Master Franchise Proceeds/Assets</u>. For valuable consideration, as security for the payment of all amounts owing or to be owed by you (and/or any Affiliate of yours) to us (and/or any Affiliate of ours) under this Agreement or any other agreements, and your performance of all obligations thereunder, you hereby grant to us a security interest in all proceeds of your Master Franchise/Unit Franchise(s) and in all of the assets, including equipment, furniture, fixtures and signs, used by, at or in connection with, your Master Franchise/Unit Franchise(s) and its/their related business (the "Collateral"). You will not remove the Collateral or any portion thereof without our prior written consent. You represent and warrant that the security interest granted is prior to all other security interests in the Collateral except for (A) bona fide purchase money security interests and (B) the security interest granted to a third party in connection with your original financing for your Master Franchise/Unit Franchise(s), if any. In connection with any request for our approval of a security interest, we will make commercially reasonable efforts to accommodate reasonable lender's requirements, including the subordination of our interests to the lender's and/or lessor's, as applicable, in our Business Judgment, bearing in mind the interests of the borrower, lender, ourselves and the System. On the occurrence of any event entitling us to terminate this Agreement or any other agreement between the parties, or if we reasonably determine that we are not assured that your (and/or any Affiliates') obligations will be timely and fully paid and/or performed, we will have all the rights and remedies of a secured party under the Uniform Commercial Code of the State in which your Master Franchise/Unit Franchise(s) is/are located, including, without limitation, the right to take possession of the Collateral. You will execute and deliver to us financing statements and/or such other documents as we reasonably deem necessary to perfect our interest in the Collateral within ten (10) days of your receipt of such documents from us.

I have read Article 16, understand it, and agree with it. **Your Initials: __________ / __________**

ARTICLE 17.
TRANSFERS

17.01 Transfers by Us.

A. This Agreement, and any or all of our rights and/or obligations under it, are fully transferable by us in our Business Judgment, in whole or in part, without your consent; provided that any such transferee shall appear at the time of the transfer to have financial resources reasonably appropriate to fulfill its obligations under this Agreement. For the purposes of this Section 17.01, we shall be entitled to rely upon financial statements provided to us by the transferee. If we transfer this Agreement, only the transferee will have obligations to you. Our obligations to you (and those of any of the Franchisor-Related Parties) will be extinguished. You specifically acknowledge and agree that we may: be sold and/or we may sell any or all of our intellectual property and/or other assets (including the Marks); go public; engage in a private or other placement of some or all of our securities; merge, acquire other entities and/or assets (competitive or not); be acquired by a competitive or other entity; and/or undertake any refinancing, leveraged buy-out and/or other transaction. You agree that we will have no liability to you resulting from our entering into any transactions permitted hereunder.

B. You agree that on any termination or expiration of the license agreement between us and Cartridge World Australia Pty. Ltd. (or its designee), any or all of our rights, duties and obligations under this Agreement may be assumed by Cartridge World Australia Pty. Ltd. and/or its designee, at its sole election. You agree at such time to: (1) pay to Cartridge World Australia Pty. Ltd. or its designee all amounts to be owed and submit all reports to become due under this Agreement (and/or any other agreement) after the termination or expiration date; and (2) allow to be assigned to Cartridge World Australia Pty. Ltd. and/or its designee any and all Unit Franchise Agreements or other agreements to which you or any Affiliate of yours is a party.

17.02 Transfers by You.

A. The rights and duties created by this Agreement are personal to you (or your owners, if the Master Franchisee is a Business Entity). We have awarded the Master Franchise relying on the individual integrity, ability, experience and financial resources of you or such owners. Therefore, no ownership interest in this Agreement, the Master Franchise, or your Master Franchise Business (or interests in, or the assets of, any of them) may be transferred without our prior written approval. Any such transfer or attempted transfer without our approval is null and void.

B. The term "Transfer" includes (but is not limited to) any voluntary or involuntary assignment, sale, gift, pledge or any grant of any security or other interest (whether partial or whole, or direct or indirect), by you (or your owners, if the Master Franchisee is a Business Entity). A Transfer also includes the following events: (1) any Transfer of ownership of capital stock or any partnership or similar interest; (2) any merger, consolidation or issuance of additional securities representing an ownership interest in the Master Franchisee; (3) any Transfer of voting stock of the Master Franchisee or of any security convertible to voting stock; (4) any Transfer in a corporate or partnership dissolution, divorce, insolvency proceeding or otherwise by operation of law; (5) any Transfer of any interest in any revenues, profits, or assets of your Master Franchise and which is not in the ordinary course of business; or (6) any Transfer to a Business Entity and/or a trust or similar entity. A Transfer of ownership, possession or control of your Master Franchise Business, or of its assets, may only be made with a Transfer of the Master Franchise. Any Transfer in the event of death or disability will be governed by Section 17.05 below.

17.03 Conditions for Approval of Any Transfer.

A. All of the following conditions must be met prior to, or concurrently with, the effective date of any Transfer. We may waive any condition in our sole and absolute discretion.

1. You must be in compliance with this Agreement, the Operations Manuals, all other agreements between you and us (including any of our respective Affiliates), and all leases/subleases with any party, and the transferee must expressly assume all obligations under all such agreements; and

2. The transferee and its owners must meet our then-current requirements for new Master Franchisees including, but not limited to, business experience, aptitude and financial resources; and

3. You must meet all payment and reporting obligations under the Master Franchise Agreement and any other agreements between you and us (and any of our respective Affiliates). Promissory notes shall be accelerated and paid in full; and

4. All obligations to third parties in connection with your Master Franchise must be satisfied or assumed by the transferee; and

5. All aspects of your Master Franchise/Unit Franchise(s) including, but not limited to, its/their design, appearance, equipment (if applicable) and operations must have been brought into full compliance with the Operations Manuals and specifications and standards then-applicable for new Master Franchises/Unit Franchises; and

6. At our option, the transferee must successfully complete, or agree to complete, our training program for new Master Franchisees at the location designated by us in our Business Judgment at transferee's sole expense (including, without limitation, Travel Expenses, then-current training fees/tuition, meals, lodging and incidentals); and

7. The transferee must, at our option, (a) agree to be bound by all the terms and conditions of this Agreement for the remainder of the term, or (b) execute our then-current form of Master Franchise Agreement and ancillary documents (including guarantees) as are then customarily used by us in the grant of Master Franchises; the term of such new Master Franchise Agreement shall, at our option, be either for the balance of the term of this

Agreement or for the full term generally awarded to new Master Franchisees as of the time of the Transfer; and

8. The Transfer must be completed in compliance with the terms of any applicable leases and other agreements and with all applicable laws including, but not limited to, licensing and operations-related laws and/or laws governing Franchise sales; and

9. You or the transferee must pay us with your application for a Transfer a non-refundable transfer fee of Ten Thousand Dollars ($10,000), subject to inflation adjustment as provided in Section 4.05 above, but only if such proposed Transfer involves a change in ownership or control of fifty percent (50%) or more; and

10. you and each of your owners and/or Affiliates, and the transferee (and each owner and/or Affiliate of the transferee), must sign a General Release; and

11. Any grant of a security or similar interest in connection with a Transfer (which grant may or may not be permitted by us in our Business Judgment), will be subordinated to our rights and the rights of any Franchisor-Related Party under the Master Franchise Agreement or any other agreement; provided that we may refuse to allow you or anyone else to grant or receive a pledge, mortgage, lien or any security or similar interest in and/or to the Master Franchise or the Master Franchise Business (or any of its assets) if, after having expended commercially reasonable efforts in discussions with lenders or other applicable parties, we are unable in our Business Judgment to obtain appropriate protections for our rights under this Agreement and/or for CARTRIDGE WORLD System interests; and

12. You will agree with the transferee not to compete after the Transfer in accordance with restrictions acceptable to us and substantially similar to those described in Section 19.01.B to the maximum extent permitted by law. We shall be named a third party beneficiary of such agreement; and

13. We may (but are not required to) withhold or condition our consent to any transfer in our Business Judgment, particularly if we believe that the terms of the Transfer jeopardize the economic viability of the Master Franchise or based on other circumstances of the Transfer, and/or if we would not normally directly award a Master Franchise in such a situation.

B. You agree that we may (but are not required to) discuss with you and/or the proposed transferee all matters related to any Transfer and/or proposed Transfer at any time which we consider to be appropriate in our Business Judgment without liability (including our opinion of the terms of sale, performance of your Franchise, etc.). You expressly consent to any such discussions by us.

C. Neither you nor any transferee shall rely on us to assist in the evaluation of the terms of any proposed Transfer. You acknowledge and agree that an approval of a proposed Transfer shall not be deemed to be an approval of the terms, nor any indication as to any likelihood of success or economic viability.

D. The Unit Franchise Agreements shall contain limitations on the assignment of Unit Franchisees' rights similar to this Article 17.

17.04 Additional Conditions for Transfer to Business Entity.

A. We will consent to a Transfer from you to a Business Entity owned by you and formed for the sole purpose of operating the Master Franchise if the conditions described in Section 17.03 above, and the following conditions are met; provided that no transfer fee shall apply to such a transaction. However, we may in our Business Judgment require you to pay a reasonable administrative services fee of Five Hundred Dollars ($500) for any such assignment occurring more than one hundred twenty (120) days after the Effective Date of this Agreement. Such a Transfer will not relieve you of your obligations under this Agreement. You will remain jointly and severally liable to us for your and the Business Entity's obligations.

1. The Business Entity's stock certificates (and/or other applicable evidences of ownership and all documents of formation/governance) must recite that any ownership interest in the Business Entity is restricted by the terms of this Agreement; and

2. You must have (and continue to maintain) management control and ownership of at least fifty-one percent (51%) of the Business Entity and personally manage its affairs; and

3. You (or, if the Master Franchisee is a partnership, at least one of the partners) must be and remain the chief executive officer, chief operating officer or chief financial officer and meet our then-current training requirements. If the Master Franchisee is or becomes a corporation, limited liability company, partnership or other Business Entity, the Designated Individual of such entity must always meet all of our then-current training and other standards; and

4. The transferee must enter into an approved form of assignment in which the Business Entity assumes all of your obligations under this Agreement and any other agreements with us and/or a Franchisor-Related Party, and any other documents we may require as provided in Section 17.03.A.7 above; and

5. All current and future owners of the Business Entity must agree in writing to comply with this Agreement and any other agreements with us and/or any Franchisor-Related Parties. We may at our option and in our Business Judgment require any and all owners to jointly and severally guarantee (in a written form approved by us) any such obligations of the Business Entity under any such agreements. The current approved form of Continuing Personal Guarantee is attached as Exhibit F to this Agreement; and

6. No public offerings of debt or equity ownership in the transferee Business Entity may be conducted, and no shares of any type issued without obtaining our prior written consent; and

7. We may require that each of the present and/or future shareholders, directors, and/or officers execute confidentiality and non-competition agreements with terms substantially similar to those described in Articles 14 and 19, respectively; and

8. In any event, we may withhold or condition our consent to any Transfer as we deem appropriate in our Business Judgment, based on the circumstances of the Transfer or otherwise.

17.05 Death or Disability of Master Franchisee.

A. If you, or an individual owner of the Master Franchisee with a controlling interest, die or become permanently disabled, then your interest in this Agreement, the Master Franchise and/or the Master Franchisee shall be transferred to a third party subject to all of the provisions of this Article 17. A "permanent disability" occurs if you are not able to personally, actively participate in the management of your Master Franchise for six (6) consecutive months. Any Transfer under this Section shall be completed within six (6) months from the date of death or permanent disability. If no Transfer occurs, the Master Franchise will automatically terminate at the end of such period, unless a written extension is granted by us in our Business Judgment.

B. We can (but are not required to) operate the Master Franchise Business on your behalf and at your expense in the event of your death, disability or absence. We can pay ourselves a reasonable amount for our management services and other costs. We will use reasonable efforts and business judgment in managing the Master Franchise Business, but will in all cases be indemnified by you (and/or your estate) against any costs and/or liabilities related in any way to our management and the operation of the Master Franchise Business. We are expressly authorized by you to manage in good faith and on terms that we consider appropriate in our Business Judgment, including payment of any past, current and/or future obligations to us or to any other creditor out of assets and/or revenues of the Master Franchise Business.

17.06 Effect of Consent to Transfer. Our consent to a Transfer is not a waiver of any claims we may have against you, and you are not relieved of any obligations to us or any Franchisor-Related Parties unless you have an express written release signed by us. If you, your owners and your Affiliates comply with all of the requirements of this Article 17, including providing us with a General Release, then we may provide you in our Business Judgment with a Limited Release in our Business Judgment. Your obligations under the Post-Termination Provisions will survive any Transfer of this Agreement whether or not such a Limited Release is given. Any dispute regarding any proposed or completed Transfer will be resolved through the dispute resolution provisions of this Agreement. Neither we nor any Franchisor-Related Parties will have any liability to you or any proposed or actual transferee in connection with our examination and/or possible consent or withholding of consent involving any Transfer or proposed Transfer, or our exercise of any right of ours, which is consistent with this Agreement. You agree to indemnify and hold us harmless from any liability to you, the proposed transferee or otherwise.

17.07 Our Right of First Refusal.

A. We have a right of first refusal regarding any proposed Transfer subject to this Agreement. With each proposed Transfer, you will provide us with a true and complete copy of the offer received by you (and any ancillary agreements), and the conditions to Transfer described in Sections 17.03 and 17.04, as applicable, will be met. The offer and the price and terms of purchase must apply only to an interest in this Agreement, the Master Franchise, your Master Franchise Business or the Master Franchisee. Any value attributable to the goodwill of the Marks, the System elements, Confidential Information or any other assets, tangible or intangible, related to the CARTRIDGE WORLD System will be excluded from the purchase price.

B. We will give you written notice of our decision to exercise our right of first refusal within fourteen (14) days from the date of our receipt of the offer and ancillary documents. If any of the assets to be purchased do not meet the standards we then apply to new Master Franchises, or if you are in default, we can require that the operation be brought into compliance and any defaults cured before the fourteen (14) day period begins. We may substitute cash for any form of payment proposed in such offer and will have a reasonable period of time in which to prepare for the close of the transaction (generally sixty (60) days). We will be entitled to purchase any interest subject to all Customary Representations, Warranties and Agreements. We can require that the closing of the sale be through an escrow. You and we will comply with any applicable bulk sales and/or similar laws, and you will maintain all insurance policies until the date of closing. We will have the right to set off against any amount of money payable by us all amounts due from you and/or your Affiliates to us and/or our Affiliates. We will also have the right, in our Business Judgment, to pay any amount otherwise payable to you directly to your creditors in satisfaction of your obligations. If you violate any of your obligations that expressly or by their nature survive this Agreement, we will not be obligated to pay any amount otherwise due or payable to you thereafter. In connection with such purchase, you and each transferor (and your respective Affiliates) will sign a General Release, and we will sign a Limited Release.

C. If we do not exercise our right of first refusal, you or your owner may complete the sale to such purchaser on the exact terms of such offer, subject to the conditions of this Article 17. If there is a material change in the terms of the sale, we will have an additional right of first refusal on the same terms and conditions as are applicable to the initial right of first refusal. Our rights under this or any other Section are fully assignable.

17.08 <u>Our Right to Repurchase</u>.

A. We have a right, but not an obligation, to repurchase your Master Franchise Business and the assets of your Master Franchise Business (the "Repurchase"). We may exercise this right in our Business Judgment by giving you written notice at any time during the term of this Agreement and on or within one hundred twenty (120) days of termination/expiration thereof.

B. The Repurchase price shall be established subject to the following limitations: If you and we are unable to agree on the Repurchase price, then the fair market value will be determined by an independent appraiser selected by you and us and subject to the limitations provided herein. If you and we are unable to agree on an appraiser, you and we will each select one appraiser, who together will select a third appraiser. The fair market value will be deemed to be the average of the three (3) independent appraisals. All sales, transfer and/or similar taxes are to be paid by you. Any going concern value of the Master Franchise Business shall be factored into the Repurchase price, but in no event will the Repurchase price include:

1. Any goodwill or other monetary factor for the Marks, CARTRIDGE WORLD System elements, Confidential Information or any other assets, tangible or intangible, which are proprietary to us and/or a Franchisor-Related Party; and/or

2. Any assets which are not bona fide Master Franchise assets integrally related to the operation of the Master Franchise Business and which are excluded from the purchase by us in our Business Judgment.

Pending the closing of such a Repurchase, we will have the right to appoint a manager to maintain the operation of your Master Franchise. You will forever indemnify and hold us harmless against all obligations incurred in connection with the Master Franchise Business prior to purchase. You will furnish us with a complete list of accounts unpaid by you within ten (10) days of our notice of intent to exercise this option. We may (but are not required to) pay these unpaid bills directly to the parties owed and deduct them from the purchase price in lieu of paying such portion of the purchase price directly to you.

C. The Post-Term restrictions described in Section 19.01.B. below, and elsewhere in this Agreement will be continuing obligations of yours. We shall receive all Customary Representations and

Warranties from you, your owners and your Affiliates in connection with any such Repurchase. We can require that the closing of the sale be through an escrow. You and we will comply with any applicable bulk sales and/or similar laws, and you will maintain all insurance policies until the date of closing. We will also have the right, in our Business Judgment, to pay any amount otherwise payable to you directly to your creditors in satisfaction of your obligations. If you violate any of your obligations that expressly or by their nature survive this Agreement, we will not be obligated to pay any amount otherwise due or payable to you thereafter.

D. Any Repurchase price to be paid under this Section will be paid, at our sole option, either in cash at closing, or under an unsecured, interest free promissory note, as follows: twenty percent (20%) at closing, twenty percent (20%) no later than ninety (90) days after closing, twenty percent (20%) no later than one hundred eighty (180) days after closing, twenty percent (20%) at the first anniversary date of the closing, and the final twenty percent (20%) at the second anniversary date of the closing. We can offset against the Repurchase price, and any installments thereof, any amounts owed by you (or any Affiliates) to us (or any Franchisor-Related Parties). In connection with our exercise of any rights under this Section, you (and each owner/Affiliate) will execute a General Release. We will provide you with a Limited Release, unless you are in default under this Agreement.

E. We will not assume any liabilities, debts or obligations of yours in connection with any such Repurchase, and you will indemnify us and each of the Franchisor-Related Parties from any and all claims arising out of any such Repurchase. Notwithstanding the foregoing sentence, costs paid or incurred in connection with the transaction including, but not limited to, all appraisal fees and closing costs, shall be shared equally between you and us, but excluding attorneys' fees paid or payable to the respective attorneys for the parties. You and we will comply with all applicable laws in connection with any such Repurchase and will cooperate in complying with all such requirements.

F. This Agreement shall terminate upon the date the above-described Repurchase becomes effective, subject to any surviving obligations described in this Agreement (unless earlier terminated as a result of a default by you or by expiration of the Agreement). If you fail to complete or to continue to comply with any surviving obligation(s), we will not be obligated to pay that portion of the Repurchase price otherwise due or payable following such failure, in addition to any other remedies to which we are otherwise entitled.

ARTICLE 18.
UNIT FRANCHISES

18.01 Minimum Obligations.

A. You shall be entitled to negotiate and decide upon the financial terms of any Unit Franchise Agreement, except that we may specify maximum prices for Royalties, other fees, Products or Services, and any other amounts to the greatest degree permitted by law.

B. Each Unit Franchise Agreement and related documents shall be in the forms, and with such provisions and otherwise, as designated by us. We may require that each Unit Franchisee, at the time he/she executes such Unit Franchise Agreement(s), also sign a form of Statement of Prospective Franchisee (and other documents, including any disclosure forms) approved by us. You are solely responsible for all costs (including legal fees) incurred in connection with adaptations, translations, filings, use and/or any other matter related to all documents (including Unit Franchise Agreement(s), disclosure documents and/or otherwise) and actions necessary to assure your compliance with all relevant Franchise disclosure, relationship and/or other applicable laws and regulations.

C. You agree to comply with all laws and regulations regarding the offer and sale of Unit Franchises and shall supply to prospective Unit Franchisees any disclosure forms required by us and/or under applicable law. You will also supply us with complete copies of all documents executed by you and/or a Unit Franchisee within seven (7) days after their execution by the Unit Franchisee, whether in connection with a new sale, a transfer or assignment, or otherwise. We may charge a reasonable fee to cover our file administration costs with respect to any such agreements or documents, as provided in the Operations Manuals.

D. You shall cause your Unit Franchisees to adhere to the Unit Franchise Agreements and to our and your written policies and procedures. If a Unit Franchisee is subject to possible termination and/or default (a) you shall discuss such situation with us prior to taking any action to effect termination, a Repurchase or otherwise (including any legal action) and (b) if we reasonably determine that the Unit Franchisee is in material default and/or that termination, a Repurchase or other action is appropriate, you shall take such action as we reasonably direct.

I have read Section 18.01, understand it, and agree with it. **Your Initials: __________ / __________**

ARTICLE 19.
RESTRICTIONS

19.01 Exclusive Relationship.

A. In-Term Restrictions: During the term of this Agreement and any Renewal Master Franchise, neither you nor any Designated Individual will engage in or be involved in any other business activities without our express written consent; additionally, neither you, nor any Designated Individual or Affiliate of yours, nor any shareholder, member or partner of yours (if you are or become a Business Entity), nor any Immediate Family member of any of the foregoing, will engage in or be involved in any Similar Business, and specifically will not:

1. Have any direct or indirect interest anywhere in any Similar Business, or in any Business Entity awarding Franchises or licenses or establishing joint ventures or other business enterprises for the operation of Similar Businesses; or

2. Perform any services anywhere as an employee, agent, representative or in any capacity of any kind for any Similar Business, or for any entity awarding Franchises or licenses or establishing joint ventures to operate Similar Businesses; or

3. Employ or try to employ any employee of ours, of a Franchisor-Related Party or of any other CARTRIDGE WORLD Franchisee, without providing notice to the respective employer and obtaining their prior written consent. If you violate this Section 19.01.A.3 during the term of this Agreement, then our remedies will include (but not be limited to) payment to us by you of Five Thousand Dollars ($5,000), such amount having been mutually agreed on by you and us in view of the extreme difficulty in accurately determining the damages suffered as a result of such breach.

B. Post-Term Restrictions: For two years after the later of the following terminating events: (i) any Transfer, Repurchase and/or termination of this Agreement; (ii) the expiration of this Agreement (if a Renewal Franchise or renewal term is not granted); and/or (iii) the date on which you stop operating your CARTRIDGE WORLD Master Franchise or using the Marks and/or System, all of the persons and entities named in such Section 19.01.A above:

> 1. Shall not accept or solicit any person, firm or company that has been a CARTRIDGE WORLD Customer or Franchisee during the period twelve (12) months prior to termination, nor try to divert any such Customers/Franchisees from any CARTRIDGE WORLD Unit Franchise, Franchisee or other CARTRIDGE WORLD enterprise of any kind (including any operations owned by any Franchisor-Related Parties); and
>
> 2. Shall be subject to all of the restrictions stated in Section 19.01.A above, with respect to Similar Businesses located, and/or services to be performed, in the Master Franchise Territory.

C. You and we have expressly agreed that it is your obligation under this Agreement to ensure the compliance of each of the persons identified in Section 19.01.A, with the restrictions described in this Article 19. The foregoing notwithstanding, we shall use reasonable judgment in evaluating whether or not the conduct of an Immediate Family member warrants our exercising any rights under this provision, considering your actual relationship to such member and his/her activities, among other factors. The restrictions of this Section do not apply to the ownership of shares of a Similar Business (of a class of securities listed on a stock exchange or traded on the over-the-counter market) which represent less than three percent (3%) of the number of shares of that class issued and outstanding.

D. You and we share a mutual interest in ensuring compliance with the limitations on competition described in this Section 19.01. A CARTRIDGE WORLD Franchisee’s non-compliance with these restrictions would damage you, us and other CARTRIDGE WORLD Master Franchisees and Unit Franchisees and unfairly limit reasonable expansion alternatives open to us and CARTRIDGE WORLD System members. You acknowledge and agree that such protections can enhance the value of the CARTRIDGE WORLD System to you as a CARTRIDGE WORLD Master Franchisee, represent a reasonable balancing of your and our respective interests and have been expressly bargained for. You confirm that you possess valuable skills unrelated to the Franchised Business and have the ability to be self-supporting and employed regardless of the competitive restrictions described in this Section 19.01. You therefore acknowledge that the restrictions of this Section will not generally prevent you from practicing a lawful profession, trade or business and are reasonably limited in their scope, duration and geographic area.

E. If you violate any of the foregoing restrictions, our remedies will include (but not be limited to) the right to obtain equitable relief and to receive all profits generated in connection with the operation of any Similar Business until the date you cease to violate such restrictions. All competitive restrictions will be extended for the length of time that any breach of the Post-Termination Provisions is ongoing. If any of the restrictions of this Section are determined to be unenforceable to an extent because of excessive duration, geographic scope, business coverage or otherwise, they will be reduced to the level that provides the greatest protection to us and the CARTRIDGE WORLD System, but which is still enforceable, notwithstanding any choice of law or other provisions in this Agreement to the contrary.

F. During the term of this Agreement you will use best and continuing efforts to promote and develop the CARTRIDGE WORLD System and business, as well as your own Master Franchise Business (and those of your Unit Franchisees) within the Master Franchise Territory.

G. The Unit Franchise Agreement will contain restrictions similar to those contained in this Section 19.01.

I have read Section 19.01, understand it, and agree with it.

Your Initials: __________ / __________

ARTICLE 20.
TAXES AND DUTIES, CURRENCY, WITHHOLDING

20.01 Taxes and Duties.

A. The amounts due under this Agreement (including Sections 4.01 through and including 4.04) are due in such designated amount of United States Dollars as landed in the United States of America, net of any amounts withheld or deducted by governmental or other authorities, whether as taxes, exchange controls or otherwise and taking into account any then-applicable exchange rates. You shall remit, on behalf of us and/or any of our Affiliates, to the appropriate taxing authorities, all withholding and/or other taxes that would otherwise be due from us and/or any Affiliate including, without limitation, any taxes levied upon or measured with reference to franchise fees, Royalties, advertising contributions or other amounts due to us under this Agreement or any other agreement. You shall provide us with proof of payment thereof.

B. You shall hold harmless and indemnify us, our Affiliates and all Franchisor-Related Parties for the full amount of any such taxes described in Section 20.01.A. above, including any losses occasioned by your failure to withhold any taxes imposed by any local jurisdiction on amounts payable by you pursuant to this Section, and for any liability (including penalties, interest and expenses) arising from or concerning the payment of such taxes, whether or not such withholding taxes were correctly or legally asserted.

20.02 Currency of Payments, Etc.

A. All amounts to be paid or remitted to us, whether referenced in this Agreement and/or otherwise, are due in such designated amount in United States Dollars.

B. If conversion from a Local Currency to United States Dollars is necessary (for example, where a payment to us is based on a percentage of an amount received by a Master Franchisee situated outside of the United States), such conversion will be computed upon the rate of exchange from Local Currency funds to U.S. Dollars based upon the exchange rate in effect on the last business day of the month preceding the date on which the payment is due, as published on the succeeding business day by the Bank of America (or other major bank in the United States as designated by us) for the conversion of funds into United States Dollars applicable to trading among banks in amounts of $1 Million Dollars or more. If payment is made after the date when payment is due, we shall be entitled to any additional amount that we would have received if payment had been made timely, based upon the exchange rate in effect on the proper payment date. Proof of the applicable exchange rate shall be provided to us at the time each payment is made.

C. If any governmental authority having jurisdiction prohibits or limits in any way the conversion of currency into U.S. Dollars or the unrestricted transfer of funds to places outside of the Master Franchise Territory, we shall have the right to terminate this Agreement in our sole discretion, if such restrictions remain in effect for more than six months.

20.03 Withholding. The amounts due under this Agreement (including Sections 4.01 through 4.04) are due net of any amounts withheld or deducted by governmental or other authorities, whether as taxes, exchange controls or otherwise, and taking into account any then-applicable exchange rates. You and we agree that the amounts due under this Agreement (including Sections 4.01 through and including 4.04) shall be received by us in full and by the times specified without any deduction, withholding, offset or otherwise. You are responsible for the payment of any withholding taxes, which shall not be deducted from the amounts due under this Agreement. You agree to provide us upon request a receipt or other written evidence showing payment of any withholding taxes on our behalf, and/or other taxes for which we may have secondary, contingent and/or other liability.

ARTICLE 21.
TIME OF THE ESSENCE

21.01 Timely Performance. Time is of the essence of this Agreement. Neither party's time for performance of any of its obligations hereunder shall not be extended or delayed because of that party's financial difficulties or otherwise, or because performance would be rendered more difficult or more expensive.

ARTICLE 22.
DISPUTE RESOLUTION AND APPLICABLE LAW

For the purposes of this Article 22, "you" shall be deemed to include your owners, if you are a Business Entity, your Affiliates and your and their respective officers, agents, employees and representatives, and "we" shall be deemed to include "Franchisor-Related Parties."

22.01 Fundamental Business Intention to Arbitrate; Severability of Provisions; Modification of Agreement to Comply with Applicable Law; Federal Arbitration Act Governs.

A. It is the your and our fundamental agreement not to engage in court proceedings, except in the rare instances specified in this Agreement, but rather to have disputes resolved through mediation or binding arbitration. The parties agree their activities relating to the franchise relationships are in interstate commerce and that this Agreement is governed by the Federal Arbitration Act (9 U.S.C. §1 et seq.).

B. You and we view binding arbitration as preferable to court proceedings, while understanding that costs to you and/or us of arbitration and/or appeal of arbitration, as provided in this Agreement, may sometimes be greater than in civil litigation or may make it more difficult to proceed.

THEREFORE, IF ANY PROVISION OF THIS AGREEMENT IS DEEMED BY A COURT TO BE UNCONSCIONABLE, VOID, VOIDABLE, AGAINST PUBLIC POLICY, RESTRICTIVE OF CONSTITUTIONALLY OR STATUTORILY PROVIDED RIGHTS OR OTHERWISE UNENFORCEABLE, THE PARTIES INTEND AND AGREE (I) THAT SUCH PROVISION BE MODIFIED OR RESTRICTED BY THE ARBITRATOR OR COURT SO AS TO BE ENFORCEABLE OR (II), IF SUCH PROVISION CANNOT BE MODIFIED OR RESTRICTED, IT WILL BE SEVERED AND, TO THE MAXIMUM DEGREE POSSIBLE, THE REMAINING PORTIONS KEPT INTACT, VALID AND IN FULL FORCE AND EFFECT, SO AS TO ACCOMMODATE OUR FUNDAMENTAL AGREEMENT TO ENGAGE IN BINDING ARBITRATION/ARBITRATION APPEAL, AS PROVIDED IN THIS AGREEMENT.

C. If any limitation of rights is held unenforceable with respect to one party, then such limitation shall also be unenforceable as to other party.

D. This Agreement will be deemed automatically modified to comply with governing law if such law requires a greater time period for notice of termination of, or refusal to renew, this Agreement or otherwise.

22.02 Mediation and Mandatory Binding Arbitration. You and we believe that it is important to resolve any disputes amicably and professionally and to return to business as soon as possible. You and we have agreed that the provisions of this Article 22 support these mutual objectives and, therefore, agree as follows:

A. Claim Process. Any dispute, controversy, action or proceeding of any type whatsoever, including any claim for equitable relief and/or for which you or we are acting as a "private attorney general," suing pursuant to a statutory claim or otherwise (individually and collectively, a "Claim"), between or involving you and us shall be addressed in the following manner, except as expressly provided below at Section 22.02.H.):

1. First, discussed in a face-to-face meeting held within thirty (30) days after either you or we give written notice to the other proposing such a meeting.

2. Second, if not resolved, the Claim shall be submitted to non-binding mediation for a minimum of four (4) hours before (a) the American Arbitration Association ("AAA") or its successor, or (b) Judicial Arbitration and Mediation Service ("JAMS") or its successor, if the AAA cannot conduct such mediation. Any mediation/arbitration will be conducted by a mediator/arbitrator experienced in franchising. We will pay the costs of the first four (4) hours of any mediation, and no mediation is required to extend beyond such four (4) hour period. Any party may be represented by counsel and may, with permission of the mediator, bring persons appropriate to the proceeding.

3. Third, submitted to BINDING ARBITRATION before and in accordance with the arbitration rules of (a) the American Arbitration Association ("AAA") or its successor, or (b) Judicial Arbitration and Mediation Service ("JAMS") or its successor, if the AAA cannot conduct such arbitration. The arbitrator must be a lawyer substantially experienced in franchising. Judgment on any preliminary or final arbitration award will be final and binding, and may be entered in any court having jurisdiction. The arbitrator's award will be in writing. On request by either party, the arbitrator will provide to all disputants a reasoned opinion with findings of fact and conclusions of law and the party so requesting shall pay the arbitrator's fees and costs in connection therewith. If required by applicable law for any arbitration provision to be enforceable (for example, to preserve constitutionally or statutorily provided rights), the arbitrator or a court will, as soon as possible, appropriately allocate between you and us the fees of the arbitrator and/or his/her related organization, or require us to advance a portion of such fees, subject to possible reimbursement, or otherwise address such issues so as to allow the arbitration to proceed and the arbitrator may adjust such allocations appropriately during the arbitration process for such purpose. In addition, your or we can choose to deposit all fees required by any arbitration organization, subject to later allocation between you and us, as provided above. If the organizations specified by this Agreement to conduct any arbitration are unable or unwilling to conduct such proceeding(s), and the parties to the dispute cannot agree on an appropriate substitute organization or person to conduct such proceeding(s), then a court of competent jurisdiction shall designate an appropriate organization or person to conduct such proceeding(s).

B. Confidentiality. The parties to any meeting/mediation/arbitration will sign confidentiality agreements, excepting only public disclosures and filings as are required by law. Offers and/or other communications made in connection with a mediation, possible settlement or other resolution of a dispute will not be admitted into evidence or otherwise used in any arbitration or other proceeding.

C. Location and Attendees. Any arbitration will be conducted exclusively at a neutral location in Chicago, Illinois, and will be attended by you and us, and/or designees authorized to make binding commitments on each of your and our respective behalf. The parties agree that the provisions of this Article will control, notwithstanding any language included in our franchise disclosure documents due to state requirements suggesting that the provisions of any Section of this Article might be unenforceable due to a failure to have a meeting of the minds or otherwise. Neither you nor we have any expectation that the provisions of this (or any other) Section will be unenforceable or that such provisions will not be enforced. You and we understand and agree that one effect of this paragraph may be that arbitration and other related costs may be greater, and it may be more difficult for you to proceed, than if those proceedings took place in a location near your residence or business.

D. Arbitration Authority. Arbitrators in any proceeding under this Article 22 shall apply all applicable law, and a failure to apply the applicable law in accordance with Section 22.13 shall be deemed an act in excess of authority. The arbitrator shall be appointed within twenty (20) days of the filing of any demand for mediation/arbitration. Any arbitration hearing shall be held within one hundred twenty (120) days of the applicable appointment. The arbitrator shall decide any questions relating in any way to the parties' agreement to arbitrate including, but not limited to, applicability, subject matter, timeliness, scope, remedies, claimed unconscionability and any alleged fraud in the inducement. The arbitrator can issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, and other relief by any court having jurisdiction. The subpoena powers of the arbitrator with respect to witnesses to appear at the arbitration proceeding shall not be subject to any geographical limitation. No award in arbitration will have any effect of preclusion or collateral estoppel in any other adjudication or arbitration.

E. Discovery. The disputants shall have the same discovery rights as are available in civil actions under the state law selected in Section 22.13, except as modified by this Section. Depositions will be limited to key persons and either party can depose a maximum of three (3) such persons, including any experts, for a maximum period of seven (7) hours. On request by either party, the arbitrator shall provide a reasoned opinion with findings of fact and conclusions of law and the party so requesting shall pay the arbitrator's fees and costs connected therewith.

F. Compulsory Counter-claims. Claims which would constitute a compulsory counter-claim if brought in court under the state law selected in Section 22.13 must be filed in an arbitration proceeding brought under this Agreement or be barred.

G. Fees and Costs. The parties will bear their own Attorneys' Fees and costs.

H. Preliminary or Interim Injunctive Relief: You and we shall be entitled to seek preliminary or interim injunctive relief by a court or by arbitration (including, but not limited to, a temporary restraining order and preliminary injunction, all without bond) without showing or proving any actual damage, until such time as a final and binding determination is made by the arbitrator. The foregoing equitable remedies shall be in addition to, and not in lieu of, all other remedies or rights which you or we might otherwise have by virtue of any breach of this Agreement by the other party.

I. Your and Our Intentions. You and we agree, notwithstanding any contrary provisions of state law or any statements required by a state as a condition to registration or for some other purpose:

1. All issues relating to arbitration and/or the enforcement of arbitration–related provisions will be decide by the arbitrator and governed only by the Federal Arbitration Act and the federal common law of arbitration;

2. All provisions of this Agreement can be fully enforced including, but not limited to, those provisions relating to arbitration, venue, and choice of law;

3. You and we intend to rely on federal preemption under the Federal Arbitration Act and, as a result, the provisions of this Agreement will be enforced only according to its terms;

4. **You and we each knowingly waive all rights to a court trial** <u>(except to the extent expressly provided in this Agreement)</u>;

5. The terms of this Agreement (including, but not limited to, this Article 22) shall control with respect to any matters of choice of law; and

6. Notwithstanding the fact that a party to this Agreement is or may become a party to a court action or special proceeding with a third party or otherwise, and whether or not such pending court action or special proceeding (a) may include issues of law, fact or otherwise arises out of the same transaction or series of related transactions as any arbitration between or involving the parties to this Agreement, (b) involves a possibility of conflicting rulings on common issues of law, fact or otherwise, and (c) such pending court action or special proceeding may involve a third party who cannot be compelled to arbitrate, the agreement of the parties to this Agreement shall be enforced according to its terms and any party to this Agreement may bring an action to compel a face-to-face meeting, mediation and/or arbitration, except as expressly provided otherwise in this Agreement.

22.03 <u>Venue</u>. Without in any way limiting or otherwise affecting your and our obligations under Section 22.02 above, you and we agree that any litigation will be held in the United States District Court encompassing our then-current principal business address (currently, McHenry, Illinois). Proceedings will be held in such court (the "Proper Federal Court"), subject to the following exceptions:

A. If a basis for federal jurisdiction does not exist, then any such proceeding shall be brought exclusively before a court in the most immediate state judicial district encompassing our then-current principal business address and having subject matter jurisdiction (the "Proper State Court");

B. Proceedings to remove or transfer a matter to the Proper Federal Court and/or to compel arbitration as contemplated by this Agreement may be brought in the court where the applicable action is pending and/or the Proper State or Federal Court; and

C. Any action primarily with respect to any real and/or personal property (including any action in unlawful detainer, ejectment or otherwise) may be brought in any court of competent jurisdiction and/or the Proper State or Federal Court.

You and we consent to venue and jurisdiction in any such action. You understand and agree that the effect of the above (and other) provisions of this Agreement may be, among other things, that costs of litigation or otherwise in a location away from your residence or business may be greater, and it may be more difficult to proceed, than if those proceedings took place in a location nearer your residence or business. However, if these provisions are unenforceable for any reason, they shall be severed and the venue for litigation will be as determined under applicable law.

22.04 <u>Terms Applicable to All Proceedings</u>. Unwaivable rights to punitive, exemplary, multiple or similar damages you or we may have under any statute or regulation shall be fully effective. Otherwise and to the extent permitted by law, any recovery on any Claim under this Agreement shall be limited to actual damages sustained by the injured party, with you and we waiving claims for punitive, exemplary, multiple or similar damages.

22.05 <u>Survival of Obligations</u>.

A. Each provision of this Article 22, together with the provisions of Article 23, will be deemed to be self-executing and continue in full force and effect subsequent to and notwithstanding the expiration, termination, rescission, or finding of unenforceability of this Agreement (or any part of it) for any reason; will survive and will govern any claim for rescission; and will apply to and govern any claim against, or with respect to, the Marketing Fund. Notwithstanding any bankruptcy or other proceeding, you and we wish to have the dispute avoidance and resolution provisions of this Agreement strictly enforced according to their terms.

B. Non-competition, confidentiality, protection of the Marks and indemnity/hold harmless obligations, audit rights, and all other Post-Termination Provisions, provided in this Agreement shall survive the expiration and/or termination of this Agreement according to their terms.

22.06 <u>Costs and Attorneys' Fees</u>. The parties will each bear their own costs of enforcement and/or defense (including, but not limited to, Attorneys' Fees and costs), including those matters resolved pursuant to a settlement agreement between the parties.

22.07 <u>Binding Effect, Modification</u>. This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns, and successors in interest, and will not be modified or supplemented except by means of a written agreement signed by both you and our President or one of our Vice Presidents. However, you and we understand and agree that changes to the Operations Manuals made in accordance with this Agreement are binding and do not require any acceptance by you, written or otherwise, to be effective and enforceable. No other officer, field representative, salesperson or other person has the right or authority modify this Agreement, or to make any representations or agreements on our behalf, and any such modifications, representations and/or agreements shall not be binding.

22.08 <u>Our Exercise of "Business Judgment" and/or Meaning of "Sole Discretion"; Express Agreement</u>.

When we use the phrases "sole and absolute discretion" and/or "sole discretion" and whenever we exercise a right, prescribe an act or thing, or otherwise make a choice or use discretion, you and we agree that we have the express, unrestricted right to make decisions and/or take (or refrain from taking) actions, as we deem appropriate. We shall use our judgment in exercising such discretion based on our assessment of the interests we consider appropriate and will not be required to consider your individual interests or the interests of any other particular franchisee(s). We have this right even if a particular decision/action may have negative consequences for you, a particular franchisee or group of franchisees. You and we shall execute this Agreement in the belief that it is the basis for a long-term business relationship and should be enforced according to its express provisions. Neither you nor we have any expectation that the rights and obligations described herein will be defined or determined to be other than as expressly written. You and we agree that is not your and our intention or expectation that a third party use any doctrine and/or rule of interpretation to impose additional obligations on you and/or us.

22.09 <u>Construction, Etc.</u>

A. Section and Article headings are for convenience only and do not define, limit, or construe such provisions.

B. References to a "controlling interest" are to a shareholder, membership or partnership interest, as applicable, which enables the holder(s) of such interest to determine the outcome of a decision making process for the applicable entity.

C. This Agreement will be executed in multiple copies, each of which will be deemed an original.

D. Each of us have carefully reviewed and thought about each provision of this Agreement. Therefore, you and we agree that it should be deemed to have been drafted equally and that no presumptions or inferences concerning terms or interpretation will result because we initially prepared this Agreement.

22.10 Non-Retention of Funds. Neither party has the right to offset or withhold payments of any kind which are owed, or to be owed, to the other against amounts purportedly due, as a result of any dispute of any nature or otherwise, except as authorized by an arbitration award or as expressly provided otherwise in this Agreement.

22.11 Severability; Substitution of Valid Provisions. Each provision of this Agreement, and any portion of any provision, is severable (including, but not limited to, any provision related to dispute resolution). Each party reserves the right to challenge any law, rule or judicial or other construction which would have the effect of varying or rendering ineffective any provision of this Agreement. To the extent that any provision of this Agreement, or any specification, standard or operating procedure prescribed by us is invalid or unenforceable, you and we agree that such provisions will be modified or enforced to the fullest extent permissible under, and to be compliant with, governing law. This Agreement will be deemed automatically modified to comply with governing law if such law requires: (A) a greater time period for notice of the termination of, or refusal to renew, this Agreement; or (B) the taking of some other action not described in this Agreement. Such modifications to this Agreement shall be effective only in such jurisdiction. You and we agree that the unenforceability of any provision of this Agreement will not affect the remainder of this Agreement. If any limitation on your and/or our rights (including, but not limited to, any limitation on damages, waiver of jury trial, shortened period in which to make any claim or otherwise) is held unenforceable with respect to one party, then such limitation will not apply to the other party.

22.12 Waivers; Cumulative Rights. Subject to the provisions of Section 22.05, no waiver by either party of any breach, default or unfulfilled condition under this or any other agreement between the parties shall be deemed a waiver of any subsequent or other breach, default or unfulfilled condition. No waiver shall be effective unless in writing and signed by an authorized representative of the signing party. The rights and remedies provided in this Agreement are cumulative. Except as expressly provided in this Agreement, no party will be prohibited from exercising any rights or remedies provided under this Agreement or permitted under law or equity.

22.13 Choice of Laws. You and we agree on the practical business importance of certainty as to the law applicable to your and our relationship and its possible effect on the development and competitive position of the System. Therefore, you and we also agree that, except with respect to the applicability of the Federal Arbitration Act and the effect of federal pre-emption of state law by such Act, and except to the extent governed by the United States Trademark Act (15 U.S.C. § 1051 et seq.) and other federal laws and as otherwise expressly provided in this Agreement, this Agreement and all other matters including, but not limited to, respective rights and obligations, concerning you and us, will be governed by, and construed and enforced in accordance with, the laws of the State of Nevada, unless precluded by the laws of the state(s) in which the Master Franchise Territory is located.

22.14 Application of Agreement to Parties and Others; Joint and Several Liability.

A. The rights and obligations of this Agreement run directly between you and us and are not intended to create any third-party beneficiary or similar rights or obligations unless specifically expressed in this Agreement; except that the protections which apply to us relating to indemnification and/or releases shall also apply to any past, current and/or future Franchisor-Related Parties as if they were expressly named beneficiaries thereof.

B. We have the unrestricted right to not enforce (or to selectively enforce) any provision of this Agreement or any agreement, standard or policy, whether with respect to you and/or any other Master Franchisee or other person, in a lawful manner without liability.

C. If two (2) or more persons are at any time the Master Franchisee or the Master Franchisee's owners, all of their obligations and liabilities under this or any other agreement with us and/or any Franchisor-Related Parties will be joint and several.

22.15 Intention to Mediate and/or Arbitrate; Severability of Dispute Resolution Provisions; Federal Arbitration Act Governs. Irrespective of any statute, regulation, decisional law or otherwise, it is your and our fundamental agreement not to engage in any court proceedings (except as expressly provided for in the rare instances specified in this Agreement), viewing the dispute resolution mechanism established by this Agreement to be superior from a business standpoint and more likely to generate creative business-oriented solutions and compromise, and more accommodating to our business relationship and the needs of an evolving and diverse franchise system. Therefore, if any provisions of this Article 22 are deemed by a court to be unenforceable for any reason, you and we agree and intend that such provisions will be (A) modified so as to be enforceable, or (B) if that cannot be done, severed and, in any event, any remaining portions of this Article 22 shall remain in full force and effect. You and we agree that such remaining portions will still form an appropriate and complete dispute resolution mechanism.

22.16 Notices and Payments. All written notices and reports to be delivered by the provisions of this Agreement or of the Operations Manuals will be deemed so delivered when delivered by hand, immediately on transmission by facsimile transmission or other electronic system, including email or any similar means, one (1) business day after being placed in the hands of a commercial courier service for overnight delivery, or three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to us at 3917 Mercy Drive, McHenry, Illinois 60050 (or our then-current principal business address), to the attention of the President, and to you, at your Master Franchise Premises. Until your Master Franchise has opened for business, we may send you notices at any address appearing in your application for a Master Franchise or in our records. Any required payment or report not actually received by us during regular business hours on the date due will be deemed delinquent. Notice to any one Master Franchisee, or owner of the Master Franchisee, shall be deemed effective as to all Master Franchisees under this Agreement and all owners of the Master Franchisee. Any party may change its address for receipt of notices by providing prior written notice of such change to the other party.

22.17 Binding on Non-Parties. Except where expressly provided otherwise in this Agreement, any Claim by or against, or relating in any way to, you or us, or any Affiliate, assignee or agent of either you or us (whether a signatory to this Agreement or not), will be subject to the provisions of Articles 22 and

23 of this Agreement (including, but not limited to, mandatory arbitration) and each person/entity (whether claimant, defendant or otherwise and whether a signatory to this Agreement or not) involved in any Claim will be subject to the provisions of such Articles.

I have read Sections 22.01 – 22.17, understand them, and agree with them.

Your Initials: __________ / __________

ARTICLE 23.
ACKNOWLEDGMENTS AND REPRESENTATIONS, ENTIRE AGREEMENT, NO FIDUCIARY RELATIONSHIP, ETC.

23.01 Acknowledgments and Other Understandings.

A. You and we agree that your and our relationship is not a fiduciary or similar special relationship, but rather is an ordinary commercial relationship between independent business people with arm's length dealings.

Your Initials: __________ / __________

B. You acknowledge that you (and each of your owners, if you are a Business Entity) have had the opportunity and been advised by us to have this Agreement and all other documents reviewed by your own attorney, and that you have read, understood, had an opportunity to discuss and agreed to each provision of this Agreement. You agree that you have been under no compulsion to sign this Agreement.

Your Initials: __________ / __________

C. You and we expressly acknowledge and agree that the provisions of Article 22 above, (whether relating to arbitration, waiver of jury trial, venue, limitations on damages, prohibition against multiple plaintiff-class actions, shortened statutes of limitation, and/or otherwise) may require you to travel to a distant location to resolve a dispute, expend additional funds, and/or raise challenges for you and/or us in prosecution of Claims/actions. You and we view these provisions in the context of a diverse Franchise system with both large and small, sophisticated and unsophisticated participants, and that requires uniformity and predictability. As such, you and we knowingly accept such provisions and limitations as justified by business necessities and representative of a reasonable balancing of your and our interests, and those of the System as a whole, and not as unfair or burdensome.

Your Initials: __________ / __________

D. You and we agree that this Agreement contains the final, complete and exclusive expression of the terms of your and our agreement (along with concurrently signed writings, such as, but not limited to, personal guarantees, Statement of Prospective Franchisee, addenda, exhibits, releases and any other related documents [collectively, the "Related Documents"] and supersedes all other agreements and/or representations of any kind or nature. Any understandings, agreements, representations, or otherwise (whether oral or written) which are not fully expressed in this Agreement and the Related Documents are expressly disclaimed by you and us including, but not limited to, any promises, options, rights-of-first refusal, guarantees, and/or warranties of any nature, excepting only the written representations made by you in connection with your application for this Master Franchise and the Franchise Disclosure Document that you received prior to purchase. Where this Agreement (or anything else) indicates that we (and/or any affiliate or designee of ours) may or can do something, the meaning is permissive and we (and/or the affiliate or designee of ours) will not be required to do that thing.

Your Initials: __________ / __________

E. You specifically acknowledge that you have not received or relied on (nor have we or anyone else representing us provided) any statements, promises or representations that you will succeed in the Master Franchise Business or at any location; achieve any particular sales, income or other levels of performance; earn any particular amount, including any amount in excess of your Initial Master Franchise Fee or other payments to us; or receive any rights, goods, or services not expressly set forth in this Agreement. You understand and acknowledge that CARTRIDGE WORLD Master Franchisees and Unit Franchisees are distinct from us and are independently owned and operated. While we have encouraged you to speak with such Franchisees in evaluating this Franchise opportunity, you understand and acknowledge that they do not act as our agents or representatives in providing any information to you and that no such information can be attributed to us and/ or relied upon as such.

Your Initials: __________ / __________

F. You represent, warrant and agree that no contingency, prior requirement, or otherwise (including but not limited to obtaining financing) exists with respect to you fully performing any or all of your obligations under this Agreement. You further represent to us, as an inducement to our entering into this Franchise relationship, that you have made no misrepresentations or material omissions in obtaining the Master Franchise.

Your Initials: __________ / __________

G. You acknowledge that you have not received or relied on (nor have we or any representative of ours provided, except as may have been contained in the Franchise Disclosure Document received by you):

1. Any sales, income or other projections of any kind or nature; or

2. Any statements, representations, charts, calculations or other materials which stated or suggested any level or range of sales, income, profits or cash flow; or

3. Any representations as to any profits you may realize in the operations of the Master Franchise Business or any working capital or other funds necessary to reach any "break-even" or any other financial level.

If any such information, promises, representations and/or warranties have been provided to you, they are unauthorized and inherently unreliable. You agree to advise us of the delivery of any such information. You must not rely upon any such information, nor shall we be bound by it. We do not, nor do we attempt to, predict, forecast or project future performance, revenues or profits of any Master Franchisee. Master Franchisees and Unit Franchisees are distinct from us and are independently owned and operated. They do not act as our agents or representatives in providing any information to you and no such information can be attributed to us and/ or relied upon as such.

Your Initials: __________ / __________

H. You acknowledge and agree that the success of the business venture contemplated to be undertaken by you is speculative and will be dependent on your personal efforts, and success is not guaranteed. You acknowledge and represent that you have entered into this Agreement and made an investment only after making an independent investigation of the opportunity, including having received a list with your Franchise Disclosure Document of others currently operating, or who have operated, our Franchises.

Your Initials: __________ / __________

I. You acknowledge that you (and each of your owners) has received, fully read and understood, and all questions have been answered regarding, (1) a copy of our Franchise Disclosure Document with all exhibits at least fourteen (14) calendar days prior to signing any binding documents or paying any sums (whichever occurred first), and (2) a copy of this Agreement and all other agreements complete and in form ready to sign at least seven (7) calendar days prior signing any binding documents or paying any sums (whichever occurred first).

Your Initials: __________ / __________

J. You understand, acknowledge and agree that (1) we may have offered Master Franchises in the past, may currently be offering Master Franchises and/or may offer Master Franchises in the future, on economic and/or other terms, conditions and provisions which may significantly differ from those offered by this Agreement and any related documents and (2) we have the right, from time to time, deal with our Master Franchisees on differing economic and/or other terms (including making special arrangements for payments of amounts due, waiving defaults and/or otherwise) to suit individual business circumstances of a particular transaction, the particular circumstances of that Master Franchisee or otherwise, and without being required to offer similar terms to other Master Franchisees, such flexibility being a practical necessity to respond to distinct business situations.

Your Initials: __________ / __________

K. You understand that we are relying on you to bring forward in writing at this time any matters inconsistent the representations contained in this Article 23. You agree that if any of the statements or matters set forth in this Article 23 are not true, correct and complete that you will make a written statement regarding such next to your signature below so that we can address and resolve any such issue(s) at this time.

Your Initials: __________ / __________

L. You acknowledge and agree that our officers, directors, employees, and agents act only in a representative capacity and not in an individual capacity, and that except for us, no other persons and/or entities have or will have any duties or obligations to you.

Your Initials: __________ / __________

M. You acknowledge and agree that the provisions of this Agreement are fair and appropriate, your judgment in that regard being confirmed by your observation that many of the protective and other provisions in this Agreement which may benefit us are matched by similar provisions in the Agreements to be entered into between you and your Unit Franchisees.

Your Initials: __________ / __________

N. You acknowledge that you have considered the pricing structure for Designated Equipment, Products and Services sold by us and/or our Affiliates as of the Effective Date of this Agreement, including, but not limited to, inks and cartridges, and further acknowledge that we and/or our Affiliates have the right to be the exclusive supplier of any such items/services and that prices and pricing practices are subject to change.

Your Initials: __________ / __________

O. Notwithstanding the acknowledgments contained above in this Article, nothing in this Agreement or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you.

IN WITNESS WHEREOF, you and we have executed and delivered this Agreement in __________ counterparts on the day and year first above written.

THIS AGREEMENT WILL NOT BECOME EFFECTIVE UNLESS AND UNTIL SIGNED BY OUR PRESIDENT OR A VICE PRESIDENT. NO FIELD REPRESENTATIVE OR OTHER PERSON IS AUTHORIZED TO EXECUTE THIS AGREEMENT FOR US.

FRANCHISOR:

CARTRIDGE WORLD NORTH AMERICA, LLC,
a Nevada limited liability company

By: ____________________________

Title: ___________________________

MASTER FRANCHISEE (Individual(s)	MASTER FRANCHISEE (Corp., LLC or Partnership)
_______________________________ Signature	____ Legal Name of Master Franchisee Business Entity
_______________________________ Printed Name	By: _______________________________
_______________________________	

Signature

Title: ____________________________

____
Printed Name

EXHIBIT A-1

MASTER FRANCHISE TERRITORY; DESIGNATED INDIVIDUAL; FEES

Master Franchise Agreement No. _______

Designated Individual: ____

The "**Master Franchise Territory**" is as follows:

____

____

____

____

Note: Boundary lines include only the area within the boundary line and extend only to the middle of the boundary demarcation (for example, only to the middle of a street or highway.) You have no rights under this Agreement or otherwise with respect to a facility or any other operation on the other side of the boundary line, street or highway or otherwise, regardless of the distance from, impact on, or vicinity of, your Master Franchise Territory, Unit Franchises or other operations. Your rights are limited as set forth in the Master Franchise Agreement.

Section	Item
4.01	**Initial Master Franchise Fee**: ____________________________ Dollars ($________________)
10.01	**Master Marketing Fund Contribution**: For each calendar quarter, the Master Marketing Fund Contribution shall be the greater of (choose one): ____ One-half of one percent (.5%) of the Initial Master Franchise Fee; or ____ One Thousand Dollars ($1,000)
10.03	**Minimum Local Advertising Expenditure**: ____________________ Dollars ($________________) per quarter

[signature page follows]

FRANCHISOR:

Cartridge World North America, LLC,
a Nevada limited liability company

By: ________________________________

Title: ______________________________

MASTER FRANCHISEE:

____
Legal Name of Master Franchisee Business Entity

____
Signature

____
Printed Name:

____
Signature

____
Printed Name

EXHIBIT A-2

MINIMUM DEVELOPMENT STANDARDS

You acknowledge that each of the following Minimum Development Standards is a material provision of this Agreement:

Date	**Minimum Cumulative Number of Unit Franchises That Must Be Open And In Operation In Master Franchise Territory By Specified Date (“Minimum Development Standards”)**
_________, 20___	
_________, 20___	
_________, 20___	
_________, 20___	
_________, 20___	
_________, 20___	
_________, 20___	
_________, 20___	
_________, 20___	
_________, 20___	
_________, 20___	
_________, 20___	
_________, 20___	
_________, 20___	
_________, 20___	

FRANCHISOR:

Cartridge World North America, LLC,
a Nevada limited liability company

By: ________________________________

Title: ________________________________

MASTER FRANCHISEE:

____
Signature

____
Printed Name:

____
Signature

____
Printed Name

EXHIBIT A-3

AVERAGE ANNUAL UNIT VOLUME

You acknowledge that each of the following Average Annual Unit Volumes is a material provision of this Agreement:

Calendar Year	**Average Annual Unit Volume of Unit Franchises Operating in Master Franchise Territory During Entire Calendar Year**
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	

FRANCHISOR:

Cartridge World North America, LLC,
a Nevada limited liability company

By: ________________________________

Title: _______________________________

MASTER FRANCHISEE:

____
Signature

____
Printed Name:

____
Signature

____
Printed Name

EXHIBIT B

APPROVED EMPLOYEE CONFIDENTIALITY AGREEMENT
(Subject to change)

(You are responsible for ensuring that the terms of the agreement used by you comply with local laws; consult with local counsel, particularly as to Paragraph 13, to ensure you have the broadest possible scope of protection available under local law)

EMPLOYEE CONFIDENTIALITY AND OTHER EMPLOYMENT UNDERSTANDINGS

In consideration of my employment and as inducement for disclosure by__________________________ _____________ *[franchisee entity or individual name]*, doing business as a CARTRIDGE WORLD franchisee (the "Company"), for the continuation of such employment, and for the salary or wages which I have received and will receive during the period of such employment, I hereby agree that during my employment with the Company and for any post-term periods specified in this Agreement:

(1) That my employment by the Company will be in accordance with the policies, rules and regulations of the Company, as the same now exist, or as they may be established or modified from time to time.

(2) That the Company has developed and/or acquired certain designs, techniques, know-how, marketing concepts and information (including customer, supplier and product lists), operating procedures and technical information relating to refilling of printer (and other) cartridges, including refilling of inkjet cartridges; remanufacturing of laser cartridges; sales of toner, computer hardware (including printers) and software, and ancillary products, services and techniques and other related applications which are not generally known in the industry or to the public and which the Company deems its confidential and proprietary property (hereinafter referred to as "Confidential Information").

(3) That by virtue of my employment by the Company, I will or may have access to customer, supplier and product lists, technical processes and know how, specifications, Operations Manuals, notes, reports, memoranda, data, equipment and/or secured areas (in written, audio, magnetic and/or electronic format), which are disclosing the Company's Confidential Information.

(4) With reference to the Company's Confidential Information, I further agree as follows:

a. That the Confidential Information is a valuable asset of the Company (as licensed by Cartridge World North America, LLC and related companies), and I will not use the Confidential Information other than within the course and scope of my employment responsibilities and functions.

b. That I will not release or divulge any Confidential Information unless expressly authorized to do so in writing by a superior or an officer of the Company; provided, however, that during the period of my employment, I will be permitted to release or divulge the same, or any portion thereof, to persons employed or otherwise closely associated with the Company, but only to the extent that I know such persons have a need to know the same within the course and scope of their employment by or close association with the Company (for example, attorney and/or accountants retained by the Company).

c. That any and all publications/copies/disclosures of the Company's Confidential Information in any form, which may be given to me or to which I may be granted access, <u>are and will at all times</u>

remain, the exclusive property of the Company; that the Confidential Information is being given to me in trust and confidence; and that I will accept the same subject to such trust.

d. That during the period of my employment by the Company, I will take all reasonable steps to safeguard and maintain the secrecy and confidentiality of the Confidential Information in my possession or control, including by way of illustration and not limitation (i) securing the Confidential Information in locked or otherwise secured files; and (ii) refraining from making copies or reproductions of the Confidential Information, or any portions thereof, unless necessary for the carrying out of my employment responsibilities, or if expressly authorized to do so by a superior or an officer of the Company.

e. That upon the termination of my employment by the Company, I will immediately return to the Company, any and all Confidential Information and all copies thereof, which may have been entrusted to me or which I may have generated or copied, as well as physical property of the Company, including books, tapes, equipment, and the like, whether proprietary or not, which I may have in my possession or control.

f. That my obligations hereunder with respect to the Company's Confidential Information will continue beyond the period of my employment until the Confidential Information, or any portion thereof, becomes, other than by my act or omission, generally available or known to the public and the industry.

(5) That all inventions, discoveries, developments, improvements, innovations, and writings, whether or not eligible for patent and/or copyright protection (hereinafter collectively referred to as "Innovations" or "Inventions" as may be appropriate), conceived or made by me either solely or in concert with others, during the period of my employment by the Company (including, but not limited to, any period prior to the date of this Agreement) whether or not made or conceived during working hours, which (a) relate in any manner to the existing or contemplated business, or the development of activities of the Company, or (b) are suggested by or result from my work for the Company, or (c) result from my use of the Company's time, materials, or facilities, will be the sole and exclusive property of the Company. Any Inventions made by me, or disclosed by me to a third party, or described in a patent application of mine, within nine (9) months following the period of my employment by the Company will be presumed to have been conceived or made by me during the period of my employment with the Company, unless I can prove they were conceived and made by me following the period of such employment.

(6) That I will promptly make a full disclosure to the Company, and hold in trust for the sole right and benefit of the Company, any and all Inventions which I may solely or jointly conceive, write, develop, reduce to practice; cause to be conceived, written, developed, or reduced to practice, during the period of time I am employed by the Company, and thereafter in accordance with Paragraph 5) above.

(7) That I hereby assign and agree to assign to the Company, all of my right, title and interest in and to all my Inventions, if any, which belong to the Company by virtue of Paragraph (5) above, and agree, during and subsequent to my employment, to execute and deliver to the Company, ownership, title and exclusive rights therein, all without charge, but at the Company's expense.

(8) That I hereby assign and agree to assign to the Company all of my right, title and interest in and to any and all United States and foreign patents and copyrights covering my Inventions, if any, which belong to the Company by virtue of Paragraph 5 above, and all reissues, registrations and renewals thereof. I further agree, during and subsequent to my employment, to aid (a) in the prosecution of any United States or foreign applications for Letters Patent or the registration of copyrights covering such inventions and (b) in the enforcement of any such patents or copyrights. In this connection, I will, at the Company's request and expense, execute, acknowledge and deliver any and all documents and oaths, and

take such further action considered necessary by the Company for the foregoing purposes, without charge, but at the Company's expense.

(9) That in the event the Company is unable, for any reason whatsoever, to secure my signature to any lawful and necessary documents required to assign, apply for, or prosecute any United States or foreign applications for Letters Patent or the registration of copyrights in and to my Inventions which belong to the Company by virtue of Paragraph 5 above, I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney-in-fact, to act for and in my behalf and stead to execute and file any such assignments and applications, and to do all other lawfully permitted acts to further the prosecution and issuance of Letters Patent thereon and/or registrations of copyrights with the same legal force and effect as if executed by me.

(10) That my compensation as an employee of the Company will cover any Inventions which I may conceive or make hereunder, and I will not be entitled to any additional compensation therefore.

(11) That I represent to the Company that I have no right, title or interest in or to any invention which has been made, conceived or reduced to practice by me (solely or jointly with others) prior to my employment by the Company.

(12) That my services and the Company's Confidential Information which may be entrusted to me are unique, and that, if I breach this Agreement, the Company may not be adequately compensated by damages. Therefore, if I violate the terms of this Agreement, either during or after my employment, the Company will be entitled, in addition to all other remedies available to it, to equitable relief by injunction or otherwise, thereby enjoining or restraining me, and those persons acting in concert with me, from the continuation of any breaches hereof. The right to equitable relief granted to the Company in the foregoing sentence will not preclude the Company from seeking actual money damages from me or any other party in the event of a breach or threatened breach of this Agreement.

(13) That during my employment by the Company, and for two (2) years after termination of such employment, I will not; (a) directly or indirectly, or in concert with others, employ or attempt to employ or solicit for any employment competitive with the Company, any of the Company's employees, (b) conduct, operate, consult, advise or in any manner be associated, directly or indirectly, with any business or operation substantially similar to or competitive with that conducted by the Company within the State in which the company is located. Such restriction includes the furnishing and/or use of the Confidential Information to any person and/or entity, whether gratuitously, on a consulting basis, as an owner, shareholder, partner, employee or associate.

(14) That nothing contained in this Agreement will be construed to prevent me from engaging in a lawful profession, trade or business after my employment with the Company. This Agreement will be construed only as one which prohibits me from engaging in practices unfair to the Company, and which are in violation of the confidence and trust reposed in me by the Company with respect to its Confidential Information.

(15) That I will be subject to the following dispute resolution provisions:

a. Any litigation, claim, dispute, action or proceeding ("Claim") arising out of or relating to this Agreement or any alleged breach of any provision hereof, will be submitted to and finally resolved by (i) binding arbitration before and in accordance with the arbitration rules of Franchise Arbitration and Mediation, Inc. ("FAM") or its successor (or an organization designated by FAM or its successor), or (ii) any other mediation organization approved by all parties, or (iii) by Judicial Arbitration and Mediation Service (JAMS) or its successor (or an organization designated by JAMS or its successor).

b. Any mediation/arbitration (and any appeal of arbitration) will be conducted at the Company's then-current principal offices and by a mediator/arbitrator experienced in the legal subject matter of the complaint. Company shall pay the fees and expenses of the mediator(s) and arbitrator(s), provided that (i) the parties shall otherwise each bear their own costs, including attorneys' fees, and (ii) for matters not settled through agreement of the parties, the arbitrator may assess all, or any portion, of the fees and costs incurred in connection with any arbitration and/or appeal (but not any attorneys' fees) against the party who does not prevail. Each participant must submit or file any claim which would constitute a compulsory counterclaim (as defined by the applicable rule under the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim, which is not submitted or filed in such proceeding, will be forever barred). The arbitrator's award shall be in writing. On request by either party, the arbitrator shall provide to all disputants a reasoned opinion with findings of fact and conclusions of law and the party so requesting shall pay the arbitrator's fees and costs connected therewith.

c. Judgment on any preliminary or final arbitration award (subject to the opportunity for appeal as contemplated above) may be entered in any court having jurisdiction and will be binding, final and non-appealable.

d. The parties each knowingly waive all rights to trial by a court or jury, understanding that arbitration may be less formal than a court or jury trial, may use different rules of procedure and evidence and that appeal is generally less available, and having mutually selected, mediation and/or arbitration as provided in this Agreement to resolve any disputes, the parties having had an express meeting of the minds on each these matters. The Company intends to, and I expressly agree that the Company may, fully enforce each of the provisions of this Agreement, including those relating to arbitration, waiver of jury trial, limitation of damages, venue, choice of laws, or otherwise, having had an express meeting of the minds regarding each of such matters.

e. Notwithstanding any provision of this Agreement or otherwise relating to which state or other laws this Agreement will be governed by, any provisions of state, provincial or other law to the contrary, the Company and I mutually intend and agree that (1) all issues relating to arbitrability and/or the enforcement of the agreement to arbitrate contained herein will be (i) decided by the arbitrator and (ii) governed exclusively by the Federal Arbitration Act and the federal common law of arbitration and (2) the Company and I mutually intend and agree (and have expressly had a meeting of the minds) to fully enforce all of the provisions of this Agreement and all other documents signed by the Company and me, including (but not limited to) all venue, choice-of-laws, mediation/arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal preemption under the Federal Arbitration Act.

f. No party will be required to post a bond in order to obtain any injunctive or other equitable relief. Any claim will be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff or similar basis.

g. These dispute resolution provisions apply to any claims/arbitration between the parties, and/or by any owner and/or affiliate thereof, or which could be brought in their behalf or by any successor.

(16) That upon the termination of my employment, the Company may notify anyone thereafter employing me of the existence and provisions of this Agreement.

(17) I understand that my employment is at will unless a fixed term is specified herein or in another writing, executed by me and the Company, which governs my employment.

(18) That I have no existing agreements with, obligations to, or interest in any other party that keep me from complying with my obligations under this Agreement, or which may give rise to a conflict of interest, except those identified on the attached list executed by me and the Company. If no list is attached, I agree that there are no such agreements, obligations or interests on my part. In addition, I agree to disclose in writing to my superior any future agreements, obligations and/or interests which may preclude or conflict with my obligations hereunder.

(19) That I will not use on behalf of, or divulge to, the Company, or its agents or employees, during my employment by the Company, confidential or trade secret information acquired during any prior employment of mine or from any other source outside of the Company, provided, of course, that I know or should know of its nature as confidential or a trade secret.

(20) That I understand and confirm that I have no authority whatsoever to make any commitment or enter into any arrangement or contract on behalf of the Company unless authorized by an officer of the Company in writing.

(21) That the Company and I agree that this Agreement supersedes any prior oral agreement and/or written agreement executed by and between us relating generally to the subject matter of this Agreement; and we further agree that this Agreement can be waived only by a writing, signed by me and by an officer of the Company.

(22) That the Company and I agree that this Agreement will be effective as of the date of the commencement of my employment with the Company.

(23) That the Company and I agree that, if it is determined that any provision of this Agreement is illegal or unenforceable, such provision will be enforced to the fullest extent permissible under governing law and such determination will solely affect such provision and not impair the remaining provisions of this Agreement. The time period of the competitive restrictions described in this Agreement (confidentiality, no-compete and non-disclosure) will be extended by the length of time during which I am in breach of any such provision of this Agreement.

(24) That the Company and I agree that this Agreement will be construed, and the validity, performance and enforcement hereof will be governed by the laws of the State in which the Company's premises which employed me, is located.

(25) That a waiver by the Company of any breach of this Agreement on my part will not operate as or be construed as a waiver of any subsequent breach hereof.

(26) That this Agreement will inure to the benefit of and be enforceable by the Company and Cartridge World North America, LLC, and any successors and assigns of the foregoing, and that it will be binding upon me, my executors, administrators, legatees, distributees, heirs and other successors in interest.

(27) That I have read the foregoing provisions; that I understand that this Agreement defines the terms and conditions under which the Company is willing to employ or continue to employ me; that I am executing this Agreement and agreeing to abide by its provisions voluntarily; and that the Company has given me a copy of this Agreement for my future reference so as to avoid any possible oversights or misunderstandings regarding its provisions.

Dated ______________________________, 20____ at ___________________________, __________
[City] *[State]*

____
("Company")

EMPLOYEE:

By:________________________________

Its: ______________________________________

____
[Employee's signature]

____
[Employee's name]

EXHIBIT C

CARTRIDGE WORLD NORTH AMERICA, LLC
STATEMENT OF PROSPECTIVE MASTER FRANCHISEE

[Note: Dates and Answers Must Be Completed in the Prospective Master Franchisee's Own Handwriting.]

Since the Prospective Master Franchisee (also called "me," "our," "us," "we" and/or "I" in this document) and Cartridge World North America, LLC (also called the "Franchisor" in this document) both have an interest in making sure that no misunderstandings exist between them, and to verify that no violations of law might have occurred, and understanding that the Franchisor is relying on the statements I/we make in this document, I/we assure the Franchisor as follows:

A. The following dates and information are true and correct:

1.	_____________, 20___ **Initials** _____________	The date on which I/we received a Franchise Disclosure Document about a CARTRIDGE WORLD Master Franchise.
2.	_____________, 20___ **Initials** _____________	The date when I/we received a fully completed copy (other than signatures) of the Master Franchise Agreement and all other documents I/we later signed.
3.	_____________, 20___ **Initials** _____________	The earliest date on which I/we signed the Master Franchise Agreement or any other binding document (not including any Letter or other Acknowledgment of Receipt.)
4.	_____________, 20___ **Initials** _____________	The earliest date on which I/we delivered cash, check or other consideration to the Franchisor, or any other person or company.

B. Representations and Other Matters:

1. No oral, written, visual or other promises, agreements, commitments, representations, understandings, "side deals," options, rights-of-first-refusal or otherwise of any type (collectively, the "representations"), including, but not limited to, any which expanded upon or were inconsistent with the Disclosure Document, the Master Franchise Agreement or any other written documents, have been made to or with me/us with respect to any matter (including, but not limited to, advertising, marketing, site location and/or development, operational, marketing or administrative assistance, exclusive rights or exclusive or protected territory or otherwise) nor have I/we relied in any way on any such representations, except as expressly set forth in the Master Franchise Agreement or a written Addendum thereto signed by the Prospective Master Franchisee and the President of the Franchisor, except as follows:

____.
(If none, the Prospective Master Franchisee should write NONE in his/her/their own handwriting.)

Prospective Master Franchisee's Initials: _________________________________

2. No oral, written, visual or other claim, guarantee or representation (including, but not limited to, charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise), which stated or suggested any specific level or range of actual or potential sales, costs, income, expenses,

profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, was made to me/us by any person or entity, nor have I/we relied in any way on any such, except for information (if any) expressly set forth in Item 19 of the Franchisor's Disclosure Document (or an exhibit referred to therein), except as follows:

____.
(If none, the Prospective Master Franchisee should write NONE in his/her/their own handwriting.)

Prospective Master Franchisee's Initials: ___________________________________

3. No contingency, prerequisite, reservation or otherwise exists with respect to any matter (including, <u>but not limited to,</u> the Prospective Master Franchisee obtaining any financing, the Prospective Master Franchisee's selection, purchase, lease or otherwise of a location, any operational matters or otherwise) or the Prospective Master Franchisee fully performing any of the Prospective Master Franchisee's obligations, nor is the Prospective Master Franchisee relying on the Franchisor or any other entity to provide or arrange financing of any type, nor have I/we relied in any way on such, except as expressly set forth in the Master Franchise Agreement, or a written Addendum thereto signed by the Prospective Master Franchisee and the President of the Franchisor, except as follows:

____.
(If none, the Prospective Master Franchisee should write NONE in his/her/their own handwriting.)

Prospective Master Franchisee's Initials: ___________________________________

4. The individuals signing for the "Prospective Master Franchisee" constitute all of the executive officers, partners, shareholders, investors and/or principals of the Prospective Master Franchisee and each of such individuals has received the Franchise Disclosure Document and all exhibits and carefully read, discussed, understands and agrees to the Master Franchise Agreement, each written Addendum and any Personal Guarantees.

Prospective Master Franchisee's Initials: ___________________________________

5. I/we have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and the Franchisor has <u>strongly</u> recommended that I/we obtain such independent professional advice. I/we have also been <u>strongly</u> advised by the Franchisor to discuss my/our proposed purchase of, or investment in, a CARTRIDGE WORLD Master Franchise with existing CARTRIDGE WORLD Master Franchisees prior to signing any binding documents or paying any sums and I/we have been supplied with a list of existing CARTRIDGE WORLD Master Franchisees.

Prospective Master Franchisee's Initials: ___________________________________

6. I confirm that, as advised, I have spoken with past and/or existing CARTRIDGE WORLD Master Franchisees, and that I made the decision as to which, and how many, CARTRIDGE WORLD Master Franchisees to speak with. I understand and acknowledge that CARTRIDGE WORLD Master Franchisees and Unit Franchisees are distinct from the Franchisor and are independently owned and operated. I understand and acknowledge that they do not act as the Franchisor's agents or representatives in providing any information to me and that no such information can be attributed to the Franchisor and/or relied upon as such.

Prospective Master Franchisee's Initials: ___________________________________

7. I/we understand that: entry into any business venture necessarily involves some unavoidable risk of loss or failure, while the purchase of a franchise may improve my/our chances for success, the purchase of a CARTRIDGE WORLD Master Franchise (or any other business) is a speculative investment, an investment beyond that outlined in the Disclosure Document may be required to succeed, there exists no guaranty against possible loss or failure in this or any other business and the most important factors in the success of any CARTRIDGE WORLD Master Franchise, including the one to be operated by me/us, are my/our personal business, marketing, sales, management, judgment and other skills.

Prospective Master Franchisee's Initials: ________________________________

8. I acknowledge receiving, reviewing and signing the receipt page for the Disclosure Document that was delivered to me (the "Receipt"). I confirm that the Franchise Seller Information contained within the Receipt is complete and accurately identifies all of the persons who sold or arranged for the sale of my franchise and were involved in the franchise sales activities.

Prospective Master Franchisee's Initials: ________________________________

If there are any matters inconsistent with the statements in this document, or if anyone has suggested that I sign this document without all of its statements being true, correct and complete, I/we will (a) **immediately** inform the Franchisor's attorney and the Franchisor's President and (b) make a written statement regarding such next to my signature below so that the Franchisor may address and resolve any such issue(s) at this time and before either party goes forward.

I/we understand and agree that the Franchisor does not furnish or endorse, or authorize its salespersons or others to furnish or endorse, any oral, written or other information concerning actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, that such information (if any) not expressly set forth in Item 19 of the Franchisor's Disclosure Document (or an exhibit referred to therein) is not reliable and that I/we have not relied on it, that no such results can be assured or estimated and that actual results will vary from unit to unit, Master Franchise to Master Franchise, and may vary significantly.

Prospective Master Franchisee's Initials: ________________________________

I/we understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete.

Date: ___________________________

PROSPECTIVE MASTER FRANCHISEE (Individual) - Must be accompanied by appropriate personal guarantee(s)

____
Signature

____
Printed Name

____
Signature

____
Printed Name

PROSPECTIVE MASTER FRANCHISEE (Corp., LLC or Partnership) - Must be accompanied by appropriate personal guarantee(s)

____
Legal Name of Entity

a________________________ _______________________________
Jurisdiction of Formation Corporation, LLC or Partnership

By: __________________________________
Name

____
Signature

Title: __________________________________

PRINCIPALS

__________________________________ __________________________________

__________________________________ __________________________________

All of the above is true, correct and complete to the best of my knowledge:

____
Franchise Marketing Representative

Reviewed by: Cartridge World North America, LLC

________________________________ _________________________________
President/Chief Executive Officer Master Franchise Agreement Number

EXHIBIT D

Current Form of
Cartridge World North America, LLC Release Language
(subject to change)

Release-General Provisions. The Master Franchisee(s), jointly and severally, hereby release and forever discharge each and all of the Franchisor-Related Parties (as defined below) of and from any and all causes of action, in law or in equity, suits, debts, liens, defaults under contracts, leases, agreements or promises, liabilities, claims, demands, damages, losses, costs or expenses, of any nature whatsoever, howsoever arising, **known or unknown**, fixed or contingent, past or present, that the Master Franchisee(s) (or any of them) now has or may hereafter have against all or any of the Franchisor-Related Parties by reason of any matter, cause or thing whatsoever from the beginning of time to the date hereof (the "Claims"), it being the mutual intention of the parties that this release be unqualifiedly general in scope and effect and that any Claims against any of the Franchisor-Related Parties are hereby forever canceled and forgiven.

THE MASTER FRANCHISEE(S) ACKNOWLEDGE THAT THEY ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

THE MASTER FRANCHISEE(S), BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVE ALL OF THEIR RIGHTS THEREUNDER AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION, INCLUDING, WITHOUT LIMITATION, CALIFORNIA, NEVADA AND/OR [JURISDICTIONS OF MASTER FRANCHISEE(S)' RESIDENCE AND LOCATION OF MASTER FRANCHISEE'S FRANCHISED BUSINESS AND ANY FRANCHISED UNITS].

The Master Franchisee(s) expressly assume the risk of any mistake of fact or fact of which they may be unaware or that the true facts may be other than any facts now known or believed to exist by Master Franchisee(s), and it is the Master Franchisee(s) intention to forever settle, adjust and compromise any and all present and/or future disputes with respect to all matters from the beginning of time to the date of this document finally and forever and without regard to who may or may not have been correct in their understanding of the facts, law or otherwise. All releases given by the Master Franchisee(s) are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action whatsoever which exist, or might have existed, on the date of this document. The Master Franchisee(s) represent and warrant that they have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this document as the Master Franchisee(s), in the Master Franchisee(s) independent judgment, believe necessary or appropriate. The Master Franchisee(s) have not relied on any statement, promise, representation or otherwise, whether of fact, law or otherwise, or lack of disclosure of any fact, law or otherwise, by the Franchisor-Related Parties or anyone else, not expressly set forth herein, in executing this document and/or the related releases.

Master Franchisee(s) Initials: _________________

No Assignment or Transfer of Interest. The Master Franchisee(s) represent and warrant that there has been, and there will be, no assignment or other transfer of any interest in any Claims that the Master Franchisee(s) may have against any or all of the Franchisor-Related Parties, all Claims having been fully and finally extinguished, and the Master Franchisee(s) agree to forever indemnify and hold the Franchisor-Related Parties harmless from any liability, claims, demands, damages, losses, costs, expenses or attorneys' fees incurred by any of the Franchisor-Related Parties as a result of any person asserting any interest in any of the Claims and/or any voluntary, involuntary or other assignment or transfer, or any rights or claims under any assignment, transfer or otherwise. It is the intention of the parties that this indemnity does not require payment by any of the Franchisor-Related Parties as a condition precedent to recovery against the Master Franchisee(s) under this indemnity.

Master Franchisee(s) Initials: _________________

Attorneys' Fees. If the Master Franchisee(s), or anyone acting for, or on behalf of, the Master Franchisee(s) or claiming to have received, by assignment or otherwise, any interest in any of the Claims, commence, join in, or in any manner seek relief through any suit (or otherwise) arising out of, based upon or relating to any of the Claims released hereunder or in any manner asserts against all or any of the Franchisor-Related Parties any of the Claims released hereunder, the Master Franchisee(s) agree to pay all attorneys' fees and other costs incurred by any of the Franchisor-Related Parties in defending or otherwise responding to said suit or assertion directly to the Franchisor-Related Parties incurring such costs.

Master Franchisee(s) Initials: _________________

Franchisor-Related Parties. Cartridge World North America, LLC, Cartridge World Global Holdings Co. Limited, Cartridge World Australia Holdings Pty. Ltd., Cartridge World Australia Pty. Ltd. and Cartridge World International, Inc., and each Affiliate of any of the foregoing, each CARTRIDGE WORLD marketing and/or advertising fund and each and all of the following, whether past, current and/or future: Each and all entities and/or persons acting through or in concert with any of the foregoing; each and all of the partners, shareholders, officers, directors, agents, attorneys, accountants, and/or employees of any of the foregoing, as well as each and all of the successors and/or assigns of any of the foregoing.

Master Franchisee(s) Initials: _________________

Date of Releases, Joint and Several Liability. The releases granted hereunder shall be deemed effective as of both the date hereof and the date of any transfer of the Master Franchise and/or the Master Franchise Agreement and/or any termination of the Master Franchise and/or the Master Franchise Agreement. The liabilities and obligations of each of the Master Franchisee(s) (and any other person/entity providing releases to the Franchisor-Related Parties) shall be joint and several.

Master Franchisee(s) Initials: _________________

EXHIBIT E

MASTER FRANCHISEE'S RESPONSIBILITIES

The following is a partial list of your responsibilities, the parties understanding and agreeing that you will, in any case, provide to all CARTRIDGE WORLD Unit Franchisees in the Master Franchise Territory (a) all services, etc. to be provided under the then-current form (as revised from time to time) of standard Unit Franchise Agreement, (b) all services specified by us, from time to time, in Operations Manuals and other written instructions and (c) all services specified to be performed by you under the Master Franchise Agreement.

Without limiting the generality of the foregoing, you will:

(1) Maintain an office and telephone number (including separate fax and email lines) within the Master Franchise Territory available during normal business hours. Such office will be in a facility as approved by the Company;

(2) Conduct a quarterly (every three (3) months) regional meeting for all CARTRIDGE WORLD Unit Franchisees in the Master Franchise Territory;

(3) Maintain regular contact with all CARTRIDGE WORLD Unit Franchisees in the Master Franchise Territory, including (at a minimum) the following:

> (a) At least one support and training individual will physically visit each Unit Franchisee once each month during the first six (6) months of operations, and once each three (3) months thereafter for support, training and inspection purposes.
>
> (b) Telephone each Unit Franchisee at least once each week.

(4) Subject to all legal, ethical, cultural and/or religious requirements, vigorously promote CARTRIDGE WORLD retail sales and the award of CARTRIDGE WORLD Unit Franchises;

(5) Maintain such facilities in the Master Franchise Territory as may be necessary to deliver training to CARTRIDGE WORLD Unit Franchisees using materials, staffed by qualified personnel, and providing training and other support, as specified by us from time to time;

(6) Strictly enforce each Unit Franchisee's full compliance with the requirements set forth in each Unit Franchise Agreement and all standards, guidelines, specifications, recommendations or other policies set forth in the Operations Manuals (or other written instruction) as modified by us from time to time, including any upgrades, Product/Service changes, etc. specified by us;

(7) Use and offer each of (and only) the equipment, products, services, programs and System authorized by us, and cause each of your Unit Franchisees to offer each of (and only) the equipment, products, services, programs and System as authorized by us; and

(8) Provide responsible, efficient and effective operating assistance and advice to Unit Franchisees and maintain an adequate and competent staff in order to carry out such obligations. Your staff will include full-time employees to oversee the business development and operations of the Unit Franchisees and the Unit Franchises in your Master Franchise Territory according to the following schedule:

Number of Unit Franchises In Territory	**Number of Full-Time Employees**
Up to 25	1*
26 to 50	2
51 to 75	3
76 to 100	4
Greater than 100	At least 5

*This individual may be your Designated Individual.

Your Initials: __________ / __________

EXHIBIT F

CONTINUING PERSONAL GUARANTEE

In consideration of, and as an inducement to, the execution by Cartridge World North America, LLC, a Nevada limited liability company (the "Franchisor"), of a master franchise agreement of even date herewith (the "Franchise Agreement" or "Agreement") between the Franchisor and ________________________ (the "Franchisee"), each of the undersigned hereby personally and unconditionally, jointly and severally:

(1) guarantees to the Franchisor, its Affiliates, the Franchisor-Related Parties (as defined in the Franchise Agreement) and each of their respective successors and assigns, for the term of the Franchise Agreement and thereafter as provided in the Franchise Agreement, that the undersigned will be personally bound by, and punctually pay and perform, each and every agreement and obligation set forth in the Franchise Agreement;

(2) agrees to be personally bound by, and personally liable for, any breach of any provision in the Franchise Agreement;

(3) agrees to be personally bound by, and personally liable for, each obligation of the Franchisee to the Franchisor, its Affiliates and/or any Franchisor-Related Parties, and

(4) agrees that neither the Franchisor, its Affiliates, and/or any Franchisor-Related Parties need to bring suit first against the Franchisee or any of the undersigned in order to enforce the provisions of this Continuing Personal Guarantee (the "Guarantee"), and each may enforce this Guarantee against any or all of the undersigned as it chooses in its sole and absolute discretion.

Each of the undersigned waives presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under this Guarantee and/or otherwise and of the amount and terms thereof; and notice of all defaults, disputes or controversies between the Franchisee and the Franchisor, and the settlement, compromise or adjustment thereof.

Further, each of the undersigned consents and agrees that:

(1) his or her direct and immediate liability under this Guarantee will be joint and several and shall not be relieved or diminished by any release or compromise of any liability of any of the other undersigned or of any party or parties primarily or secondarily liable under the Agreement, this Guarantee and/or otherwise;

(2) such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor may from time to time grant to the Franchisee and/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 will in any way modify or amend this Guarantee, which will be continuing and irrevocable;

(3) the liabilities and obligations of the undersigned, whether under this Guarantee or otherwise, will not be diminished or otherwise affected by the termination, rescission, expiration, renewal or modification of the Franchise Agreement;

(4) the undersigned will comply with the Post-Termination Provisions of the Franchise Agreement, as that term is defined in the Franchise Agreement; and

(5) the provisions of Articles 22 and 23 of the Franchise Agreement are incorporated in and will apply to this Guarantee as if fully set forth herein and shall apply to any dispute involving the Franchisor and any of the undersigned; provided that in all events the undersigned agrees to pay all expenses paid or incurred by the Franchisor in enforcing the provisions of this Guarantee against the undersigned and in collecting or attempting to collect any amounts due hereunder, including reasonable attorneys' fees.

In connection with the execution of this Guarantee and with the Franchisor permitting the Franchise Agreement to be awarded to the Franchisee, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the undersigned hereby grants a General Release of any and all claims, liabilities and/or obligations, of any nature whatsoever, however arising, known or unknown, against the Franchisor and/or any or all of the Franchisor-Related Parties, excepting only those claims solely related to the offer and sale of the Franchise, where such releases are expressly prohibited by applicable law.

Terms not defined in this Guarantee shall have the same meanings as in the Franchise Agreement.

IN WITNESS WHEREOF, each of the undersigned has here unto affixed his or her signature on the same date as the Franchise Agreement has been executed.

GUARANTOR(S)	PERCENTAGE OF OWNERSHIP OF FRANCHISEE
______________________________	________________________%
______________________________	________________________%
______________________________	________________________%

Entity Franchisee:

______________________________, a(n) ______________________ (specify jurisdiction of formation)

________________________ (specify corporation, LLC, LLP or otherwise).

By ____________________________________

Its ____________________________________

EXHIBIT G

CURRENT FORM
UNIT FRANCHISE AGREEMENT
AND
MULTI-UNIT AGREEMENT

CARTRIDGE WORLD®
UNIT FRANCHISE AGREEMENT

____
Master Franchisee

____
Unit Franchisee

____
Unit Franchise Agreement #

____
Location

____
Effective Date

CARTRIDGE WORLD®
UNIT FRANCHISE AGREEMENT

Table of Contents

Exhibits to Unit Franchise Agreement:

CARTRIDGE WORLD®
UNIT FRANCHISE AGREEMENT

THIS UNIT FRANCHISE AGREEMENT (this "**Agreement**") is made and entered into on the Effective Date (as set forth in Exhibit A-1), by and between **MASTER FRANCHISEE** (referred to as "we," "us," "our," or "Master Franchisee") as described in Exhibit A-1 and **UNIT FRANCHISEE** (referred to as "you," "your," or "Unit Franchisee") as described in Exhibit A-1.

RECITALS

A. Cartridge World North America, LLC, a Nevada limited liability company with its principal place of business at 3917 Mercy Drive, McHenry, Illinois 60050, U.S.A. ("**CWNA**") has been granted the right to use and license others to use and sublicense a format and system (the "**System**") for the establishment and operation of CARTRIDGE WORLD businesses that sell products and services related to the sale of printer (and other) cartridges, inkjet cartridges, laser cartridges, toner, computer hardware (including printers) and software, ancillary products and services, and such additional products and services as CWNA may specify from time to time at a retail and wholesale level to customers and clients (individually or collectively referred to herein as "**Unit Franchise(s)**"). As used in this Agreement, the term "**Cartridge World**" shall refer to CWNA and/or its Affiliates (including Cartridge World Global Holdings Co. Limited, Cartridge World Australia Holdings Pty. Ltd., Cartridge World Australia Pty. Ltd. and Cartridge World International, Inc.), individually, collectively or in any combination as required by the context.

B. The System includes certain proprietary knowledge, procedures, formats, systems, forms, printed materials, applications, specifications, standards and techniques, all of which has been developed by Cartridge World at considerable expense. Distinguishing characteristics of the System include certain trademarks and logos and other forms of commercial identity, training, marketing concepts, the Operations Manuals, distinctive color schemes and trade dress, and the Confidential Information, all of which may be changed, improved, and further developed by Cartridge World from time to time.

C. Cartridge World identifies the System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including the mark "CARTRIDGE WORLD" and such other trade names, service marks, trademarks, logos, trade dress and identifiers as are now designated (and may hereinafter be designated) by Cartridge World for use in connection with the System (the "**Marks**").

D. Master Franchisee entered into a Master Franchise Agreement with CWNA (the "**Master Franchise Agreement**," the date of which is set forth in Exhibit A-1), pursuant to which CWNA granted, and Master Franchisee accepted, the right and obligation to license third parties (such as Unit Franchisee) to establish and operate Unit Franchises, and to use the Marks and the System in connection therewith, all according to the terms of relevant contracts, including this Agreement, and all within the geographic area as granted to Master Franchisee under the Master Franchise Agreement.

Unit Franchisee Initials ____/____

E. As used in this Agreement, the references to “we,” “us,” or “our” will include CWNA, if required by the context.

F. You applied for a Franchise to own and operate a Unit Franchise, and your application has been approved by us in reliance on the information you gave us.

G. Without your commitment to the System and to fulfill each of the obligations detailed in this Agreement, we would not form this franchise relationship with you.

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. DEFINITIONS

In addition to other terms defined in this Agreement, the following terms will have the following meanings:

1.1 **“Affiliate”** - Any person or entity which controls, is controlled by or is under common control with another person or entity; as to Unit Franchisee, Affiliate also includes any director, officer or owner of any interest in Unit Franchisee (and any entity controlled by any of the foregoing).

1.2 **“Attorneys’ Fees”** - Includes, without limitation, legal fees, whether incurred in preparation of the filing of any written demand or claim, action, hearing, arbitration, or other proceeding to enforce the obligations of this Agreement, or during any such proceeding, plus all costs incurred in connection therewith.

1.3 **“Business Entity”** - Includes a corporation, partnership, joint venture, limited liability company, limited partnership, or other form of business recognized in any jurisdiction.

1.4 **“Business Judgment”** - Means that we are allowed to exercise our judgment however we consider appropriate in our sole and absolute discretion, without any limitation. You and we agree that when in this Agreement we describe instances in which we may exercise Business Judgment, we must and do have the unrestricted right to make decisions and/or take (or refrain from taking) actions. We have this right even if a particular decision/action may have negative consequences for you, a particular franchisee or group of franchisees. You understand and agree that the exercise of Business Judgment is critical to our role as a master franchisee, and CWNA as a franchisor, of the System and to our/its goals for its continuing improvement. This is a defined term for the purposes of this Agreement and is not intended to incorporate principles related to the application of the business judgment rule in a corporate law context.

1.5 **“CARTRIDGE WORLD Advisory Group” or “CWAG”** - The advisory group selected (or which may be selected) in accordance with this Agreement, as well as other master and unit franchise agreements with CWNA, which will provide Input to CWNA from time to time.

1.6 **"Customary Representations, Warranties and Agreements"** - Includes commitments generally made by a transferor in connection with a transfer of a business and/or related assets including, but not limited to: representations as to ownership, condition and title to stock and/or assets, liens and encumbrances relating to the stock and/or assets, validity of contracts, and liabilities, contingent or otherwise, relating to the business/assets/entity to be acquired; full indemnification obligations and non-competition covenants by the transferor and each Affiliate, substantially similar to those required in Sections 7.6 and 8.2.B of this Agreement; the delivery at closing of instruments transferring good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us in our Business Judgment), and demonstrating that all sales, transfer and/or similar taxes are to be paid by the transferor through escrow if we so require; the transfer at closing of all licenses and permits which may be assigned or transferred.

1.7 **"Designated Equipment"** - Equipment that meets the System's requirements and which you must obtain and use in the operation of your Unit Franchise.

1.8 **"Designated Individual"** - A person who has the controlling ownership interest in Unit Franchisee, is responsible for the management of your Unit Franchise, and is identified in Exhibit A-1, or a substitute individual reasonably approved by us in writing. The Designated Individual will function as the Manager for your Unit Franchise, unless waived in writing by us.

1.9 **"Franchise"** - The right granted to you in this Agreement to operate one CARTRIDGE WORLD Unit Franchise using the Marks and the System.

1.10 **"General Release"** - A general release, in the then-current form prescribed by us at the time such release is to be delivered, of any and all claims, liabilities and/or obligations, of any nature whatsoever, including existing as of, and/or arising before, the date of any such release, however arising, known or unknown, whether against us and/or any or all of the Master Franchisee-Related Parties, and whether by you, any owner of you (if you are or become a Business Entity), any person/entity claiming on the basis of an alleged right of yours, and/or any Affiliate of any of the foregoing.

1.11 **"Good Standing"** - You are in "Good Standing" if you (and each of your owners and Affiliates) are not in default of any obligation to us and/or any of the Master Franchisee-Related Parties, whether arising under this Agreement or any other agreement between you (and each of your owners and Affiliates) and us (and/or any of the Master Franchisee-Related Parties), the Operations Manuals or other System requirements.

1.12 **"Gross Profit"** - Gross Profit equals the Gross Revenue of the sale of computer hardware (including printers, but not any cartridges) and software that are not identified by any Mark, as we designate from time to time (the "**Ancillary Items**"), less the actual direct product cost (before deducting all overhead costs including, without limitation, rent, payroll, insurance, taxes, and all other Unit Franchise operating expenses) that you incurred and paid for in connection with such Ancillary Items which are sold and/or distributed by, at, in connection with or from your Unit Franchise.

1.13 **"Gross Revenue"** - Gross Revenue includes all charges and/or revenues which are, or could be, received or earned by you (and/or any Affiliate):

A. by, at or in connection with your Unit Franchise;
B. relating to the kinds of goods or services available now or in the future through a Unit Franchise and/or distributed in association with the Marks or the System;
C. relating to the operation of any Similar Business;
D. with respect to, any tenants and/or subtenants of yours on the Premises of the Unit Franchise (including rent and other lease payments); and/or
E. with respect to any co-branding activities.

All sales and/or billings, whether collected or not, will be included in Gross Revenue, with no deduction for credit card or other charges. All business interruption proceeds that you or your Unit Franchise receives will be included as Gross Revenue. Gross Revenue does not include sales tax and similar taxes collected and paid when due to the appropriate taxing authority or actual customer refunds, adjustments and credits.

1.14 **"Immediate Family"** - With respect to any person, "immediate family" includes that person's spouse and/or domestic partner and each of their respective parents, guardians, grandparents, siblings, children, grandchildren, aunts, uncles, cousins, nieces and/or nephews.

1.15 **"Input"** - Advice and suggestions regarding specified matters. When we receive Input from the CWAG or any other franchisee group, we will retain the ultimate decision-making authority and responsibility for all matters for which Input is sought. CWAG (or any other franchisee group) Input, votes or other collective actions will not be binding on us unless we have otherwise agreed in writing. CWAG (or any other franchisee group) approval or consent will not be required as a pre-condition to any decision and/or action we may take, unless we agree otherwise in writing.

1.16 **"Intellectual Property"** - Includes, regardless of the form or medium involved, (i) all CARTRIDGE WORLD Software, including the data and information processed or stored thereby; (ii) the Operations Manuals and all other directives, policies or information we and/or Cartridge World issue from time to time; (iii) all customer relationships and information; (iv) the Marks; (v) all Confidential Information and trade secrets; and (vi) all other proprietary, copyrightable and/or trade secret information and materials developed, acquired, licensed or used by us and/or Cartridge World in our/their operation of the System.

1.17 **"Manager"** - The individual responsible for responsible for the overall day-to-day management and operation of the Unit Franchise including, but not limited to, administration, basic operations, marketing, record keeping, employee staffing and training, hiring and firing, inventory control, and maintenance of the Premises.

1.18 **"Master Franchisee-Related Parties"** – The Master Franchisee, Cartridge World (including CWNA), the Marketing Fund, the CWAG and each and all of the following, whether past, current and/or future: each and all company(ies) and/or person(s) acting through, in concert with us and/or any of the foregoing, and/or as Affiliates of ours and/or of any of the foregoing; each and all of the partners, shareholders, officers, directors, agents, attorneys, accountants, and/or employees of us and/or any of the foregoing; and each and all of the predecessors, successors and/or assigns of the Master Franchisee and/or any of the foregoing.

1.19 **"Opening Date"** - The date you commence operating the Unit Franchise with our prior written approval after compliance with the pre-opening requirements set forth in this Agreement.

1.20 **"Operations Manuals"** - Specifications, standards, policies, procedures and guidelines prescribed by us and/or Cartridge World and published to you via any method or media (including electronic), and which are to be followed in the operation of your Unit Franchise as they may be changed or eliminated by us or them in our or their Business Judgment.

1.21 **"Post-Termination Provisions"** - Those obligations contained in this Agreement that expressly or by their nature survive its expiration, Transfer, Repurchase, or termination for any reason including, without limitation, the confidentiality, non-competition, indemnification, dispute resolution and other provisions contained in Sections 7, 8, 14, 17, 19, 20, 22 and 23 of this Agreement.

1.22 **"Premises"** - The site located in your Territory from which you are granted the right to operate your Unit Franchise.

1.23 **"Products and Services"** - The products and services related to the sale of printer (and other) cartridges, inkjet cartridges, laser cartridges, toner, computer hardware (including printers) and software, ancillary products and services, and such additional products and services as CWNA may specify from time to time for sale at a retail and wholesale level to customers and clients by CARTRIDGE WORLD Unit Franchises.

1.24 **"Repurchase"** - Repurchase is an acquisition by us (and/or any of the Master Franchisee-Related Parties) of your rights in and/or to (i) this Agreement; (ii) any Business Entity Unit Franchisee; (iii) your Unit Franchise; and (iv) any lease or assets associated with any of the foregoing.

1.25 **"Similar Business"** - Any enterprise that offers, is otherwise involved in, or deals with any goods, products and/or services, which are substantially similar to the Products and/or Services now or in the future authorized to be offered by, at, in connection with or from Unit Franchises (including any such enterprise and/or entity awarding franchises or licenses to operate or be involved with any such business). Our receipt of any Royalties with respect to any Similar Business is not an approval of your involvement with any Similar Business.

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1.26 **"Territory"** - The geographic area described in Exhibit A-1.

1.27 **"Trade Secret"** - Information that is proprietary to us and/or Cartridge World, including a formula, procedure, pattern, compilation, program, device, discovery, invention, method, technique or process, that (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; and/or (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

1.28 **"Travel Expenses" -** All costs incurred for travel, transportation, food, lodging, automobile rental and all other related costs and expenditures.

1.29 **"Unit Franchise"** - The franchised CARTRIDGE WORLD business operated by you pursuant to the terms of this Agreement.

2. GRANT

2.1 Award of Franchise; Term.

A. We are pleased to award you a Franchise to operate one Unit Franchise, and to use the Marks and the System in the operation of that Unit Franchise.

B. If this Agreement is awarded in connection with a new Franchise or a Transfer, the Franchise is awarded for a term of ten (10) years, commencing on the Effective Date and ending on the Expiration Date noted in Exhibit A-1. If this Agreement is awarded in connection with the grant of a renewal Franchise, then the term of this Agreement will be governed by the renewal provisions of the Unit Franchise Agreement under which the Unit Franchise operated during the initial term of the Franchise (which is now expired), and the Expiration Date under such circumstances is noted in Exhibit A-1.

C. The Franchise awarded to you by this Agreement is to operate only a single Unit Franchise and to use the Marks and the System only for purposes of conducting a business in accordance with the provisions of this Agreement, the Operations Manuals and other communications from us.

D. You are authorized to use the Marks only in connection with the Unit Franchise. The business of the Unit Franchise will be conducted in compliance with the provisions of this Agreement. You and we understand that the business activities of the Unit Franchise include the sale and delivery of certain Products and Services to customers' and clients' business premises both before and after you commencing operating from the Unit Franchise from the Premises. You must not conduct any activities from the Premises other than the operation of your Unit Franchise without our prior written consent. You will not engage in any other business or activity that may conflict with your obligations under this Agreement or reduce the Gross Revenue or Gross Profit of your Unit Franchise.

E. Any required specifications, standards and operating procedures exist to protect Cartridge World's interests in the System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you.

2.2 Territory and Reservation of Rights. The parties' rights and obligations relating to the Territory are set forth in Exhibit C.

3. DEVELOPMENT AND OPENING OF YOUR UNIT FRANCHISE

3.1 Commencing Operations of Unit Franchise.

A. You must have a site for your Premises acceptable to us, receive the notice from us described in Section 3.7 below, and do everything necessary to commence operating the Unit Franchise from the Premises, all within twelve (12) months after the Effective Date. You must not operate the Unit Franchise from or make any commitments regarding a site for your Premises until you have our written site acceptance. We will not unreasonably withhold our acceptance of the site for your Premises. Acceptance by us of any site or location is not a recommendation, approval or endorsement of such site. We make no representations or warranties as to the success, availability or profitability of any site or as to any other matter of any kind relating to the site. Your failure to commence operating your Unit Franchise from the Premises within twelve (12) months after the Effective Date is a material breach of this Agreement.

B. All matters related in any way to your Premises are your sole responsibility, regardless of any assistance we may choose to provide. You are responsible for obtaining any architectural and engineering services required for your Premises and for ensuring its compliance with local law. Neither we, nor any Master Franchisee-Related Party, nor any other person or company associated with us will have any liability for any Premises-related matter. You agree not to make any claims against us and/or any of the Master Franchisee-Related Parties with regard to such matters.

C. You will commence the operations of your Unit Franchise immediately upon your receipt of our notice to you that: (i) all of your pre-opening obligations have been fulfilled; (ii) pre-opening training has been completed; (iii) all amounts due us (and/or any Affiliate and/or Cartridge World) have been paid; and (iv) copies of all insurance policies (and evidence of payment of premiums) and other required documents have been received.

D. We or our designee will provide you with grand opening marketing and promotional materials and guidance. You must develop and submit to us, for our prior written approval, a community grand opening marketing plan. If we do not approve your proposed plan, or if you do not submit a plan, we will have the right (but not the obligation) to prepare a community grand opening plan for you. In addition to (and not in lieu of) the Marketing Fund Contribution (Section 11.1 below) and Local Advertising Expenditure (Section 11.3 below), you must expend no less than the amount set forth in Exhibit A-1 for the grand opening advertising during a period of no more than three (3) months encompassing the Opening Date of your Unit Franchise. You must submit all proof of approved advertising and associated documentation to us or CWNA within one hundred twenty (120) days after the Opening Date of your Unit Franchise.

E. You will use only Designated Equipment and suppliers approved or designated by us in the development and operation of your Unit Franchise as we may require. We and/or our Affiliates and/or Cartridge World may be such approved or designated suppliers.

3.2 Lease of Premises.

A. You agree to submit any lease or sublease and all site-related documents for the Premises to us for our review prior to their execution by you. You shall use commercially reasonable efforts to arrange for the inclusion of provisions in a lease addendum or other appropriate site-related documents which:

1. Obligate the lessor to provide us upon request with sales and other operations information related to your Unit Franchise;

2. Permit you to operate your Unit Franchise in accordance with this Agreement and the Operations Manuals;

3. Provide that the Premises will be used only for the operation of a CARTRIDGE WORLD Unit Franchise, and prohibit you from assigning or modifying any of your lease rights, or extending the term without our prior written consent;

4. Require the lessor to concurrently provide us with a copy of any written notices (whether of default or otherwise) to you under the lease and give us the right to cure any default if we so choose;

5. Provide us with a right to take assignment and possession of your Premises, without the lessor's consent or any additional consideration if you default and/or this Agreement expires or is terminated or rescinded. If we exercise this right, we will not have any liability for any obligations incurred prior to our occupancy. You agree to take whatever actions are necessary to accomplish such assignment. If you lose your lease rights to the Premises in connection with any bankruptcy, the lessor will, upon our request, enter into a new lease with us on essentially the same terms as the terminated lease; and

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6. Provide that the lessor consents to the use of the Marks and other aspects of the System, as modified from time to time, and give us the right to enter the Premises during normal business hours for purposes of inspection, to take steps to protect the Marks and/or prevent/cure any default.

B. You shall not execute a lease or sublease, or any modification, amendment or renewal thereof, without our prior written consent, which we can grant, condition or withhold in our Business Judgment, as we deem appropriate. When you sign this Agreement, you also will sign the Collateral Assignment of Lease attached as Exhibit D. You agree to obtain the lessor's signature on the Landlord Approval included with the Collateral Assignment of Lease before or at the same time as the lease is signed. You agree to deliver a copy of the signed lease or sublease and the signed Landlord Approval to us within five (5) days after it is signed.

3.3 Design Standards for Your Premises; Designated Equipment.

A. You agree to comply with any standards, specifications and other requirements (the "**Design Standards**") that we furnish you for design, decoration, layout, equipment, furniture, fixtures, signs and other items for your Premises. Any changes from plans provided by us must be submitted to us for our consent, which may be provided in our Business Judgment. Your compliance with the Design Standards does not release you from your obligation to ensure that your Premises are designed and constructed in compliance with all federal, state, and local laws including, without limitation, the Americans with Disabilities Act. You agree to execute and deliver to us an ADA Certification in the form attached to this Agreement as Exhibit E, before you open for business at the Premises, to confirm and certify that your Premises and any proposed renovations comply with the ADA.

B. We will provide a store plan template for the Premises of your Unit Franchise. An architect, contractor, materials supplier or other person hired by you, at your expense, will consult with you in the build out of the Premises to provide space plan suggestions, among other advice, and will facilitate compliance with applicable Design Standards. We will have no authority or control over, or responsibility for, the acts/omissions of any architect, contractor, materials supplier or other persons hired by you and with whom you will have a direct legal and business relationship. You will be responsible for ensuring that your Premises comply with the Design Standards.

3.4 Development of Premises. You must select and employ a licensed contractor reasonably acceptable to us, which acceptance will not be unreasonably withheld, to facilitate the build out of the Premises. You are solely responsible for the selection and work of any contractor selected and/or employed by you, even if referred by us.

3.5 Designated Equipment. You will use only Designated Equipment and suppliers approved or designated by us in the development of the Premises and the operation of

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your Unit Franchise. We and/or our Affiliates and/or Cartridge World may be such approved or designated suppliers.

3.6 **Vehicles.** All vehicles used by you in the operation of your Unit Franchise will comply with our/CWNA's standards and specifications for maintenance, repair, signage, graphics, appearance and cleanliness. You will not hire any person to drive any vehicle who is not properly licensed under all applicable federal, state and local laws. You will require each driver to comply with all applicable federal, state and local laws, regulations and rules applicable to the operation and maintenance of motor vehicles, and you acknowledge that you are solely responsible for enforcement of these requirements.

3.7 **Opening at Premises.** You will not operate the Unit Franchise from the Premises until you receive written notice from us indicating that all of your pre-opening obligations relating to the Premises have been fulfilled including, but not limited to, copies of all insurance policies (and evidence of payment of premiums), leases/subleases and other Premises documents have been received by us.

3.8 **Relocation of Premises.** Any relocation of the Premises requires our written consent, will be at your sole expense, and will require that you (and each Affiliate and owner of yours) sign a General Release. If your Premises are damaged, condemned or otherwise rendered unusable, or if, in your and our judgment, there is a change in the character of the location of your Premises sufficiently detrimental to its business potential to warrant its relocation, you agree to relocate your Premises. We shall have the right to grant or to withhold our approval as to any proposed location or relocation of your Premises and, if our approval is granted, you understand that our approval will not be deemed to be a guarantee, representation, or assurance by us that the Unit Franchise will be profitable or successful at the proposed location of your Premises or upon the relocation of your Premises. The relocated Premises will comply with the then-applicable image, décor, standards and specifications for new Unit Franchises and with the Operations Manuals. You will open for business at the relocated Premises within six (6) months after the date of the approval of and/or decision to relocate your Premises. Notwithstanding the foregoing, you will pay Royalties for each Royalty period (or portion thereof) during which the Premises are closed as a result of the relocation of the Premises based upon the average Gross Revenue and Gross Profit generated by the Unit Franchise during the preceding six (6) Royalty periods (or the number of Royalty periods that the Unit Franchise was operational if the Unit Franchise was open for less than six (6) Royalty periods).

3.9 **Use of Premises.** You may use the Premises only for the purpose of operating the Unit Franchise and for no other purpose, unless we in our sole discretion approve otherwise. You shall not co-brand or permit any other business to operate at the Premises or to otherwise operate in conjunction with your Unit Franchise, without our prior written approval.

4. COMPUTER HARDWARE AND SOFTWARE SYSTEMS

4.1 Required Systems. You must purchase, use, maintain and update at your expense the software, computer and other systems meeting our specifications, as we may modify them. You will maintain your systems on-line to allow us/Cartridge World access to system data and information. You agree to comply with Cartridge World's then-current Terms of Use and Privacy Policies and any other requirements regarding all computer and other systems, including Internet usage. Supplier and/or licensor charges for use, maintenance, support and/or updates of and to the required systems are payable by you upon demand.

4.2 No Liability. Neither we nor any of the Master Franchisee-Related Parties will have any liability and/or obligation (and neither you, nor any of your owners or Affiliates, will make any claims) about any failures, errors or any other occurrences relating to any computer or system hardware or software without an express written warranty from us or Cartridge World, even if the computer or system hardware or software was recommended or specified by us or Cartridge World.

5. TRAINING AND GUIDANCE

5.1 Training.

A. You must complete the initial training program to our satisfaction before you will be allowed to commence operating your Unit Franchise. The initial training program is scheduled at our discretion and consists of:

1. classroom training at a location designated by us;

2. on-the-job training conducted at a CARTRIDGE WORLD Unit Franchise or other facilities designated by us; and

3. such other training using the method, on the topics and at the location(s) as may be designated and/or required by us.

B. We can choose to eliminate or shorten training for persons previously trained or with comparable experience. If the Unit Franchise is owned by more than one person or if Unit Franchisee is a Business Entity, then the Designated Individual must successfully complete the initial training program and comply on an ongoing basis with all training requirements. The Designated Individual shall be deemed to be the "Unit Franchisee" and/or the "Manager" for purposes of meeting all training and similar qualifications pursuant to this Agreement. You are solely responsible for the Training Fee set forth in Exhibit A-1, any other training fees, other fees, wages, Travel Expenses and other expenses associated with the attendance by you or your employees (if any) at any training programs, seminars or meetings. However, upon the successful completion of the initial training program described in Section 5.1.A above by all required individuals, we will, within thirty (30) days after receipt of a written accounting of the Travel Expenses

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incurred by the you and your employees to attend the initial training program, reimburse you for such Travel Expenses up to Two Thousand Dollars ($2,000). The initial training program will be held at a time and for such period, as we specify in our Business Judgment. You will be responsible for ensuring that each of your Managers is trained to our then-current standards. We can require in our Business Judgment that each of your Managers and/or substituted Designated Individuals attend and complete our initial training program before managing your Unit Franchise or assuming their position, respectively. We will use reasonable efforts to accommodate attendance by Managers and other staff members at initial training programs upon thirty (30) days advance notice from us.

C. You must successfully complete the initial training program to our satisfaction before you open and commence operating your Unit Franchise. If we, in our Business Judgment, determine that you have not successfully completed or are not making satisfactory progress in your initial training, we can either require that a substitute Manager or Designated Individual complete the training or, in the alternative at our discretion, terminate this Agreement.

D. We can require that you, your Designated Individual and/or Manager(s) attend additional and/or remedial training, including national and regional conferences, conventions (including, without limitation, the CARTRIDGE WORLD annual convention), seminars and meetings, as we may reasonably require to correct, improve and/or enhance your operations, the System and its members. We also can require successful completion of training by all of your supervisory personnel. Meetings designated as mandatory by us will be held in North America at a location selected by us or CWNA, and we will provide you with at least thirty (30) days advance written notice thereof. We may elect to charge a reasonable fee for all additional/remedial training. In addition, you may be required by us to pay a fee at the time of the event to offset the cost of a convention program. If you own multiple Unit Franchises, one management-level individual must attend on behalf of each of your Unit Franchises. You are responsible for all other costs of attendance.

5.2 Guidance and Assistance. We will provide guidance in the operation of your Unit Franchise. This guidance can be furnished in whatever manner we consider appropriate in our Business Judgment, including electronically, in writing or telephonically, through training programs and/or on-site consultations and/or through representatives of ours and/or Cartridge World, among other methods. We will provide at your request on-site or in-Territory consultations for your Unit Franchise, based on notice, availability of personnel and your payment of related Travel Expenses. No consulting fee will be charged. If we believe in our Business Judgment that your operations warrant it, we can require that a Manager or other person designated by us supervise your Unit Franchise's day-to-day operations until operations meet System standards. If we choose to do so, you must reimburse us according to the requirements of Section 16.7 of this Agreement.

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5.3 **Operations Manuals.** During the term of this Agreement, we provide you with access to the Operations Manuals. You will continuously comply, at your sole expense, with all provisions of, and additions/deletions/changes to, the Operations Manuals. Any such additions/deletions/changes will take precedence over all prior communications. You shall not at any time copy, duplicate, record, or otherwise reproduce the Operations Manuals, in whole or in part, nor otherwise make the same available to any unauthorized person. In the event of any dispute as to the contents of the Operations Manuals, the terms of the master copies of the Operations Manuals maintained by CWNA at its home office shall be controlling. Access to any electronic versions of the Operations Manuals shall also be subject to our reasonable requirements with respect to security and other matters, as described in Section 4 above.

6. MARKS

6.1 **Goodwill and Ownership of Marks.** You have a non-exclusive right to use the Marks and only as expressly authorized by us under this Agreement. Cartridge World has all rights in and to the Marks, and any goodwill thereof. You will not obtain any goodwill in the Marks as a result of this Agreement, your operation of the Unit Franchise or for any other reason. Any unauthorized use of the Marks is a breach of this Agreement and an infringement of our/Cartridge World's proprietary rights. You agree that if you breach any obligation regarding the Marks, we/Cartridge World would have no adequate remedy at law and that we/Cartridge World will be entitled to equitable relief. You will not oppose, or engage in any acts or omissions inconsistent with, our rights in and to the Marks.

6.2 **Limitations and Use of Marks.** You will use the Marks as the sole identification for your Unit Franchise. You will not use any Mark, or modified version or derivative of a Mark, as part of any business or trade name. Prior to adoption and/or use, any proposed corporate, other entity and/or trade name must be approved by us. You agree to promptly comply at your sole expense with any request for you to modify any business or trade name adopted by you that is contrary to this Section. You agree to give such trademark and other notices (including notices of independent ownership) as we direct and will, at your expense, obtain fictitious or assumed name registrations as may be required under law. You will display the Marks as required by us and will not use the Marks so as to negatively affect their goodwill. You will not use any Mark in connection with the performance or sale of any unauthorized services or products or at any location or in any other manner not expressly authorized in writing by us.

6.3 **Infringements and Claims.**

A. You shall promptly notify us of any suspected infringement of, any known challenge to the validity of, or any known challenge to Cartridge World's ownership of or right to use, or Master Franchisee's or your right to use, the Marks licensed hereunder. You acknowledge that Cartridge World shall have the sole right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement thereof. Cartridge World shall also have the sole right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks.

B. If Cartridge World undertakes the defense or prosecution of any administrative proceeding or litigation relating to the Marks, you shall execute any and all documents and do such acts and things as may, in the opinion of counsel for Cartridge World, be necessary to carry out such defense or prosecution, including becoming a nominal party to any legal action. Except to the extent that such administrative proceeding or litigation is the result of your use of the Marks in a manner inconsistent with the terms of this Agreement, Cartridge World agrees to reimburse you for your out-of-pocket costs in doing such acts and things, except that you shall bear the salary costs of your employees, and Cartridge World shall bear the costs of any judgment or settlement. To the extent that such litigation is the result of your use of the Marks in a manner inconsistent with the terms of this Agreement, you shall reimburse Cartridge World for the cost of such litigation, including Attorneys' Fees, as well as the cost of any judgment or settlement.

6.4 Discontinuance of Use of Marks. You agree to comply at your expense with any directions from us to discontinue, modify, substitute or add Marks. We cannot and do not make any guaranty that a modification, discontinuance or otherwise will not be required for any reason. In such event, neither we nor Cartridge World will have any liability or obligation to you. You agree to make no claim in connection with any modification, discontinuance or other action, and/or with any dispute regarding the Marks against us and/or Cartridge World. There is always a possibility that there might be one or more businesses using a name and/or marks similar to the Marks and with superior rights.

7. RELATIONSHIP OF PARTIES; INDEMNIFICATION

7.1 Independent Contractor. You will always identify yourself to all persons and in all dealings of your Unit Franchise as an independent owner under a CARTRIDGE WORLD Franchise, clearly indicating that your Unit Franchise is separate and distinct from our business and that of Cartridge World. You will include notices of independent ownership on such forms, business cards, stationery, advertising, signs and other materials as we require from time to time.

7.2 Operation of Business. You will be totally and solely responsible for the operation of your Unit Franchise in accordance with the requirements of this Agreement and the Operations Manuals, and will hire, control, supervise and manage all the employees, agents and independent contractors who work for or with you. You will be responsible for the acts of your employees, agents and independent contractors, and will take all reasonable business actions necessary to ensure that your employees, agents and independent contractors comply with all applicable federal, state, city, local and municipal laws, statutes, ordinances, rules and regulations.

7.3 Employment Decisions. We will not have any right, obligation or responsibility to hire, fire, control, supervise or your employees, agents or independent contractors. You will be solely responsible for all employment decisions and functions of the Unit Franchise including, without limitation, those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, scheduling, supervision, and discipline of employees, regardless of whether you receive advice from us on these subjects. You acknowledge and agree that all personnel decisions will be made by you, without any influence or advice from us, and such decisions and actions will not be, nor deemed to be, a decision or action of us.

7.4 **No Liability for Acts of Other Party.** You will not represent that your and our relationship is other than that of independent franchise relationship. Neither you nor we will have any liability under any acts, omissions, agreements or representations made by the other that are not expressly authorized in writing. This Agreement does not create a fiduciary relationship between you and us, CWNA and/or Cartridge World.

7.5 **Taxes.** Payment of all taxes related to your Unit Franchise is your sole responsibility. Neither we nor Cartridge World have any liability for any taxes on the sales made and/or business conducted by you (except for any taxes we are required by law to collect from you with respect to purchases from us).

7.6 **Indemnity.** You will defend, indemnify and hold us and all of the Master Franchisee-Related Parties harmless from all fines, suits, proceedings, claims, demands, actions, losses, damages, costs, fees (including Attorneys' Fees and related expenses) and/or any other liability of any kind or nature, however arising, growing out of or otherwise connected with the operation of your Unit Franchise and/or related to any act, error, omission, negligence and/or wrongdoing by you or your employees, even if there is a claim that we or a Master Franchisee-Related Party was negligent including, but not limited to, your ownership and/or management of your Unit Franchise and/or any Transfer. We and/or Cartridge World will have the right to control all litigation, and defend and/or settle any claim, against and/or including us and/or the Master Franchisee-Related Parties, or affecting our and/or their interests, in such manner as we/Cartridge World deem appropriate in our/their respective Business Judgment, without affecting our/their rights under this indemnity.

7.7 **No Warranty. Unless we give to you a specific written warranty for a particular item or service,** goods and/or services provided by us, the Master Franchisee-Related Parties and/or any "approved" person/company/referral are provided without any warranties, express or implied, **from us or any Master Franchisee-Related Party, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE BEING EXPRESSLY DISCLAIMED. To the extent that they are transferable, we will pass on to you any warranties received from suppliers by us or Master Franchisee-Related Parties in connection with products distributed by us or Master Franchisee-Related Parties to you.**

7.8 **Disclosure.** You permit us to disclose, in Disclosure Documents required by law and other places, any information relating to your Unit Franchise, including your name, any address and/or phone number(s), revenues, expenses, results of operations and/or other information. Any disclosure by us shall be for reasonable business purposes, and our rights under this Section survive the termination or expiration of this Agreement, or any Transfer or Repurchase.

8. COVENANTS

8.1 <u>Confidential Information - Non-Disclosure and Non-Use</u>.

A. "**Confidential Information**" includes all information relating to the operation of a Unit Franchise or the System including, among other things, all current and future: (i) Operations Manuals, training, techniques, Trade Secrets, processes, policies, procedures, systems, data and know how regarding the development, marketing, operation and franchising of Unit Franchises; (ii) specifications and information about the Products and Services; (iii) all information regarding customers and suppliers, including any statistical and/or financial information and all lists; (iv) methods of refilling printer cartridges; and (v) Cartridge World's engineered jigs. Specifically, and without limitation, Cartridge World owns and controls all domain names and URLs ("Uniform Resource Locator") relating to any and all Unit Franchises, as well as all information, lists and data related to past, present and future customers of your Unit Franchise. Your only interest in any of this Confidential Information is the right to use it pursuant to this Agreement. You have the burden of proof and of going forward in any dispute between you and us or Cartridge World involving the proprietary or confidential nature of any information.

B. You can only use the Confidential Information for the sole purpose of operating your Unit Franchise under this Agreement. Both during and after the term of this Agreement, you agree: (i) to maintain the confidentiality of the Confidential Information; (ii) not to make or distribute, or permit to be made or distributed, any unauthorized copies of any portion of the Confidential Information; and (iii) to implement all prescribed procedures for prevention of unauthorized use or disclosure of the Confidential Information.

C. You agree to disclose to us all ideas, concepts, methods, techniques and products conceived or developed by you, your Affiliates, owners, employees, contractors or agents during the term of this Agreement relating to the development and/or operation of the Unit Franchise. You hereby grant to CWNA, and agree to procure from your Affiliates, owners or employees, a perpetual, non-exclusive, and worldwide right to use any such ideas, concepts, methods, techniques and products in all businesses operated by CWNA or its Affiliates, franchisees and designees. We shall have no obligation to make any payments to you with respect to any such ideas, concepts, methods, techniques or products. You agree that you will not use or allow any other person or entity to use any such concept, method, technique or product without obtaining our prior written approval.

D. You agree to have each of your employees, agents, principals and Affiliates sign a form of confidentiality agreement provided by us or otherwise approved by us. You will give us copies of your confidentiality agreements upon request.

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8.2 **Non-Compete Covenants.**

A. In-Term Restrictions: During the term of this Agreement, neither you, nor any Designated Individual or Affiliate of yours, nor any shareholder, owner, member or partner of yours (if you are or become a Business Entity), nor any Immediate Family member of any of the foregoing will:

1. have any direct or indirect interest in or connection with any Similar Business or any entity awarding franchises or licenses or establishing joint ventures or other business enterprises for the operation of Similar Businesses anywhere; or

2. perform any services anywhere as an employee, agent, representative or in any capacity of any kind for any Similar Business or for any entity awarding franchises or licenses or establishing joint ventures to operate Similar Businesses; or

3. employ or try to employ any employee of ours, of a Master Franchisee-Related Party or of any other CARTRIDGE WORLD unit franchisee or master franchisee, without providing notice to the respective employer and obtaining their prior written consent; or

4. transfer, assign, sell, gift, pledge, surrender control or grant any ownership or other interest in the assets of the Unit Franchise to any Similar Business or to any entity awarding franchises or licenses or establishing joint ventures or other business enterprises for the operation of Similar Businesses anywhere.

B. Post-Term Restrictions: For two (2) years after the later of the following events: (i) any Transfer, Repurchase and/or termination of this Agreement (regardless of the cause for termination); (ii) the expiration of this Agreement (if a renewal Franchise or renewal term is not granted); and/or (iii) a final order of duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Section 8.2.B, all of the persons and entities named in Section 8.2.A above:

1. shall not accept or solicit any person, firm or company that has been a customer of any Unit Franchisee or Cartridge World during the twelve (12)-month period prior to the foregoing events, nor try to divert any such customers from any Unit Franchisee or Cartridge World; and

2. shall be subject to all of the restrictions stated in Section 8.2.A above, with respect to Similar Businesses located, and/or services performed, in the Non-Compete Area of any CARTRIDGE WORLD Unit Franchise then operating in the United States, including the Unit Franchise operated by

you under this Agreement. A "**Non-Compete Area**" shall be (i) the circular area within a radius of ten (10) miles from the front door of your Premises and the Premises of any other CARTRIDGE WORLD Unit Franchise; and (ii) the territory defined in a CARTRIDGE WORLD Unit Franchise Agreement, Master Franchise Agreement or other territorial agreement.

C. You and we have expressly bargained and agreed that it is your obligation under this Agreement to ensure the compliance of each of the persons identified in Section 8.2.A with the restrictions described in this Section 8.2. The foregoing notwithstanding, we shall use reasonable judgment in evaluating whether or not the conduct of an Immediate Family member warrants our exercising any rights under this provision, considering your actual relationship to such member and his/her activities, among other factors. The restrictions of this Section do not apply to the ownership of shares of a Similar Business (of a class of securities listed on a stock exchange or traded on the over-the-counter market) that represent less than three percent (3%) of the number of shares of that class issued and outstanding.

D. You and we share a mutual interest in ensuring compliance with the limitations on competition described in this Section 8.2. A CARTRIDGE WORLD unit franchisee's non-compliance with these restrictions would damage you, us and other CARTRIDGE WORLD unit franchisees and unfairly limit reasonable expansion alternatives open to us and System members. You acknowledge and agree that such protections can enhance the value of the System to you as a unit franchisee, represent a reasonable balancing of your and our respective interests and have been expressly bargained for. You confirm that you possess valuable skills unrelated to the Franchise and have the ability to be self-supporting and employed, regardless of the competitive restrictions described in this Section 8.2.

E. If you violate any of the foregoing restrictions, our remedies will include (but not be limited to) the right to obtain equitable relief and to receive all profits generated in connection with the operation of any Similar Business until the date you cease to violate such restrictions. All competitive restrictions will be extended for the length of time that any breach of the Post-Termination Provisions is ongoing.

8.3 **Construction and Enforcement.** If any of the restrictions of this Section 8 are determined to be unenforceable to an extent because of excessive duration, geographic scope, business coverage or otherwise, they will be reduced to the level that provides the greatest protection to us and the System, but which is still enforceable, notwithstanding any choice-of-law or other provisions in this Agreement to the contrary. You understand and acknowledge that we shall have the right to reduce the scope of any restrictions set forth in this Section 8, or any portion thereof, without your consent, effective immediately upon your receipt of written notice thereof; and you agree that you shall comply forthwith with any restrictions as so modified, which shall be fully enforceable notwithstanding the provisions of Section 22.2 below. You expressly agree that the existence of any claims you may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants in this Section 8. You agree to pay all costs and expenses (including reasonable Attorneys' Fees) incurred by us in connection with the enforcement of this Section 8.

9. FEES

9.1 Initial Franchise Fee, Releases, Etc. An Initial Franchise Fee in the amount set forth in Exhibit A-1 is fully earned and payable to us on signing of this Agreement. The Initial Franchise Fee is entirely nonrefundable. A full or partial refund of deposit payments, if any, shall be governed by the terms of the agreement under which the deposit was paid.

9.2 Training Fee. A Training Fee in the amount set forth in Exhibit A-1 is fully earned and payable to us when you sign this Agreement. The Training Fee is entirely nonrefundable. The Training Fee will not be payable by you if this Agreement is for the second or third Unit Franchise to be opened by you pursuant to a Multi-Unit Agreement with us.

9.3 Royalty, Payment Dates.

A. You agree to pay us Royalties in each Royalty period as set forth in Exhibit A-2 below. Royalties are to be paid by the tenth (10^{th}) day of each Royalty period for the preceding Royalty period. Royalty payments are due for each Royalty period during the term of this Agreement, commencing with (i) the Royalty payable for the Royalty period in which your Unit Franchise begins operations, or (ii) the Royalty for the sixth Royalty period after the Effective Date of this Agreement, whichever Royalty period occurs first. The current Royalty period is a calendar month, but the time period may be changed by us in our Business Judgment. You must use your best efforts to maximize your Gross Revenue and Gross Profit.

B. We may require that various Products and/or Services only be supplied by us, a Master Franchisee-Related Party, and/or a designee of ours. You understand and agree that we and/or our Master Franchisee-Related Party will derive additional revenues/profits as a result of your purchases of such Products and/or Services.

9.4 Electronic Funds Transfer. You must participate in our then-current electronic funds transfer and reporting program(s). The then-current transfer process (e.g., account debit dates, applicable forms and other relevant information) will be provided in the Operations Manuals or other written instruction from us. In any event, all Royalties owed and any other amounts designated by us must be received or credited to an account specified by us by pre-authorized bank debit not later than the end of business on the tenth (10^{th}) day after a Royalty period. You agree to maintain sufficient funds in your authorized accounts to meet your payment obligations under this Agreement. An insufficient account balance and/or any non-payment or late payment of the actual amount due is a breach of this Agreement.

9.5 Interest and Late Fees on Late Payments and/or Reports/Collections Costs. All amounts you owe us and/or our Affiliates bear interest at the highest applicable legal rate for open account business credit, but not to exceed one and one-half percent (1.5%) per month. Additionally, we can require you to pay an administrative late fee of Two Hundred Dollars ($200) for each late payment or report. The foregoing amount is subject to inflation adjustment under Section 9.7, but will not exceed any applicable legal restrictions. If we experience repeated late payments by you, then we can require you to pay all amounts due us by cashier's check. You are responsible for all reasonable costs of collection incurred by us in connection with any late payments, including legal costs and Attorneys' Fees.

9.6 **Application of Payments, Set-Offs, Etc.** As to you and/or any Affiliate of yours, we can: (i) apply any payments received to any past due, current, future or other indebtedness of any kind in our Business Judgment, no matter how payment is designated by you, except that Marketing Fund Contributions may only be credited to the Marketing Fund; (ii) set off, from any amounts that may be owed by us, any amount owed to us or any marketing fund; and (iii) retain any amounts received for your account (and/or that of any Affiliate of yours), whether rebates from suppliers or otherwise, as a payment against any amounts owed to us. We can exercise any of the foregoing rights in connection with amounts owed to or from us and/or any Master Franchisee-Related Party.

9.7 **Inflation Adjustments/Currency Requirements.** All fixed amounts specified in this Agreement may be adjusted by us annually in our Business Judgment in proportion to the changes in the Consumer Price Index (U.S. Average, all items) maintained by the U.S. Department of Labor (or any successor index that we designate) as compared to the previous year. We will notify you of any such percentage adjustment. All amounts specified in this Agreement are in U.S. Dollars.

9.8 **Payment Instructions.** You agree to comply with payment instructions for fees owed under this Agreement, as provided in the Operations Manuals or as otherwise instructed by us, including a requirement that payments be made to CWNA or an agent for collection. Neither CWNA nor any such agent will have any responsibility for the performance of our obligations under this Agreement because of any collection activities on our behalf.

10. YOUR CARTRIDGE WORLD FRANCHISE — IMAGE AND OPERATION

10.1 System Compliance, Regular Upgrading.

A. You agree to operate your Unit Franchise in full compliance with the then-current System and the Operations Manuals. You agree to promptly comply at your expense with all then-current requirements, standards and operating procedures relating to every aspect of the Unit Franchise and its operations (including without limitation use of the Designated Equipment, Products and Services, computer hardware and software and point-of-sale ("**POS**") systems; supplier programs and operating systems; signs, logos, designs and advertising/marketing materials and forms; product packaging; website designs and formats).

Unit Franchisee Initials ____/____

B. You must maintain your Unit Franchise at your expense according to all System standards for new Unit Franchises, and promptly undertake all changes as are required by us from time-to-time in our Business Judgment. You will not make any alterations to your Unit Franchise or its operations or appearance as originally approved by us without our prior written approval.

C. You shall require all personnel of the Unit Franchise to dress in the attire specified in the Operations Manuals during business hours at your sole expense. You shall purchase such attire only from approved suppliers.

D. You must comply with all policies, standards and procedures for your and your employees and other representatives' use of blogs, common social networks like Facebook and MySpace, professional networks like Linked-In, live-blogging tools like Twitter, virtual worlds, file, audio and video sharing sites, and other similar social networking media or tools (collectively, "**Social Media**") that in any way references the Marks or involves the Unit Franchise. You and your owners, employees and agents will comply with all of CWNA's policies, standards and procedures for use of any Social Media that in any way references the Marks or involves the Unit Franchise. You will use the CARTRIDGE WORLD Intranet system in strict compliance with the standards, protocols and restrictions that are set forth in the Operations Manuals, or otherwise in writing. You, your employees and other representatives will not transmit any confidential information, documents or data via the Intranet site without first encrypting the transmission using the encryption program adopted by CWNA for the Intranet site. You, your employees and other representatives will not make any derogatory, defamatory or libelous statements in any transmission made via the Internet, through the CARTRIDGE WORLD Intranet site or by any other means.

10.2 <u>Designated Equipment, Products, Services and/or Suppliers</u>.

A. Your Unit Franchise must purchase, use and offer such Designated Equipment and Products and Services, as are specified by us and/or Cartridge World from time to time. We may designate a single or multiple suppliers for any given item or service and may concentrate purchases with one or more suppliers in our Business Judgment. Such suppliers may include, and may be limited to, us, our Affiliates, or Cartridge World. We also may develop new products and processes which you may be required to use/implement in the operations of your Unit Franchise. We or an Affiliate can be designated by us in our Business Judgment as an exclusive supplier for any such Products and Services. An exclusive supplier may be designated to help ensure that such Products and Services are of a uniform, high quality and are uniformly available in all Unit Franchises. You and we agree that the predictability of high quality Products, Product performance and similar factors are of key importance to our target consumers, to building a positive image and reputation for the System and the Marks, and to individual Unit Franchise and System growth. We may delete, substitute, modify or add to the Products/Services/suppliers in our Business Judgment.

B. Designation of a supplier may be conditioned on factors established by us in our Business Judgment including, without limitation, performance relating to frequency of delivery, standards of service, and payment or other consideration to us or parties designated by us. We can approve, or revoke or deny approval, of particular items or suppliers in our Business Judgment.

C. You must purchase all goods and services for your Unit Franchise from suppliers approved by CWNA, unless otherwise permitted or as provided in the Operations Manuals. You can request the approval of an item, service or supplier by notifying CWNA in writing and submitting such information and/or materials as are requested. You can be required to pre-pay any reasonable charges connected with the review and evaluation of any proposal. You will be notified within a reasonable time of the decision.

D. You will not make any claims against us/Cartridge World with respect to any supplier and/or related products/services, and/or our designation of, or our relationship with, any supplier/products/services. Claims by you with respect to any supplier-related and/or similar matters will be made only against the supplier in question. You will provide us with written notice prior to taking any action in connection with such a claim. We will use diligent efforts to assist you in resolving any disputes with suppliers approved and/or designated by us.

10.3 Purchasing Cooperative. We can require that you join and make required purchases/leases through the CARTRIDGE WORLD purchasing cooperative or other entity designated by us. Such entity may adopt its own bylaws, rules, regulations and procedures, subject to CWNA's consent in its Business Judgment. Your failure to timely pay amounts due to, or comply with the bylaws, rules, regulations and procedures of such cooperative is a breach of this Agreement. We can offset against amounts we owe to you the amount of your unpaid cooperative obligations.

10.4 Compliance with Laws and Ethical Business Practices.

A. You will operate your Unit Franchise in full compliance with all applicable laws, ordinances and regulations. If there is ever a conflict between the requirements imposed under this Agreement and your obligation to comply with applicable laws, ordinances, and regulations, you shall immediately: (i) comply with the applicable law, ordinance, and/or regulation; and (ii) give us written notice explaining the nature and extent of the conflict.

B. We make no representations or assurances as to what (if any) licenses, permits, authorizations or otherwise may be required in connection with your Unit Franchise. It is your sole responsibility to identify and obtain all authorizations necessary to your operation. You agree to maintain high standards of honesty, integrity, fair dealing and ethical conduct in your business activities. You will notify us in writing within five (5) days of the commencement of any proceeding and/or of the issuance of any governmental order or action impacting you and/or your Unit Franchise.

Unit Franchisee Initials ____/____

C. You agree to comply and/or assist us in our compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to anti-terrorist activities including, without limitation, the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations. In connection with such compliance efforts, you agree not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to your Unit Franchise as may be required by us or by law. You confirm that you are not listed in the Annex to Executive Order 13224, and agree not to hire any person so listed or have any dealing with a person so listed. You are solely responsible for ascertaining what actions must be taken by you to comply with all such laws, orders and/or regulations, and specifically acknowledge and agree that your indemnification responsibilities as provided in Section 7.6 pertain to your obligations hereunder.

D. To the extent you will store, process, transmit or otherwise access or possess cardholder data in connection with the sale of products and services by your Unit Franchise, you will maintain the security of cardholder data and adhere to the then-current Payment Card Industry Data Security Standards ("PCI DSS"), currently found at www.pcisecuritystandards.org, for the protection of cardholder data throughout the term of this Agreement. You further understand it is responsible for the security of cardholder data in the possession or control of any subcontractors it engages to perform under this Agreement. Such subcontractors must be identified to and approved by us in writing prior to sharing cardholder data with the subcontractor. You will, if we request that you do so, provide appropriate documentation to demonstrate compliance with applicable PCI DSS requirements by you and all identified subcontractors.

10.5 Management and Personnel of Your Unit Franchise; Training.

A. Your Unit Franchise must be personally managed on a full-time basis by a Manager who has successfully completed mandatory training and met our then-current standards. On-site management by you or your Designated Individual is required, unless this requirement is waived in writing by us.

B. You are solely responsible for the hiring and management of the employees of your Unit Franchise, for the terms of their employment and for ensuring their compliance with any training or other employment related requirements established by us from time to time in our Business Judgment.

C. We have the right to deal with the Manager regarding routine operations and reporting requirements. You will ensure that the records for your Managers/supervisors are kept current and available for our review upon our request.

10.6 Insurance.

Unit Franchisee Initials ____/____

A. You agree to, at your expense, maintain in force policies of insurance issued by carriers that meet our standards covering various risks, as specified in writing by us from time-to-time and any other insurance coverages required by applicable law. Such insurance policies shall be written by insurance companies licensed and admitted to do business in the state in which the Unit Franchise is located. We can specify at any time the types and amounts of coverage required under such policies and require different and/or additional kinds of insurance including, but not limited to, general liability, property damage, personal and bodily injury, products liability, data security/cyber breach liability, automobile liability and excess liability insurance coverages. Each insurance policy must: (i) name us and our Affiliates and Cartridge World as additional insured for liabilities arising out of the operations of the named insured(s); (ii) contain a waiver of all subrogation rights against us, our Affiliates, Cartridge World and any successors and assigns; and (iii) provide thirty (30) days prior written notice to us of any material modifications, cancellation, or expiration of such policies.

B. Your failure to maintain the required insurance coverage for your Unit Franchise is a material default of this Agreement, and is grounds for the termination of this Agreement. If you fail to maintain required insurance coverage, we will have the right to terminate this Agreement in compliance with the provisions of this Agreement and applicable law or, in the alternative in our discretion, the right (but not the obligation) to obtain such insurance coverage on your behalf. You will pay us on demand any costs and premiums incurred by us to obtain the required insurance coverage on your behalf.

C. Current insurance requirements include the following and are subject to change by us: (i) comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by, or occurring in conjunction with, your Unit Franchise; (ii) all risk property and casualty insurance for the replacement value of your Unit Franchise and all associated items; and (iii) business interruption insurance providing for continued payment of all amounts due us and/or any Affiliate of ours under this Agreement.

D. Your obligation to obtain and maintain insurance policies in the amounts specified will not be limited in any way by reason of any insurance that we/Cartridge World may maintain, nor does your procurement of required insurance relieve you of liability under the indemnity obligations described in Section 7.6. Your insurance procurement obligations under this Section are separate and independent of your indemnity obligations**.** We do not represent or warrant that any insurance that you are required to purchase will provide adequate coverage for you or your Unit Franchise. The insurance requirements are for our/Cartridge World's protection. You should consult with your own insurance agents, brokers, attorneys and other insurance advisors to determine the level of insurance protection you need and desire, in addition to the coverage and limits required by us/Cartridge World.

10.7 **<u>Program Participation</u>.** We can condition your participation in any program, or your receipt of any System benefits, on you being in Good Standing.

10.8 **<u>Closure</u>.** You must immediately notify us of any closure or cessation of the operations of your Unit Franchise for any reason and submit a plan for re-opening. Any such closure for more than seven (7) days not authorized and/or excused by us shall be a default of this Agreement, entitling us to all remedies available hereunder, at law and in equity. During any closure of the Unit Franchise, you will pay us Royalties for each Royalty period (or portion thereof) that the Unit Franchise is closed. Such Royalties will be based upon the average Gross Revenue and Gross Profit generated by the Unit Franchise during the preceding three (3) Royalty periods (or the number of Royalty periods that the Unit Franchise was operational if the Unit Franchise was open for less than three (3) Royalty periods).

10.9 **<u>Customer Satisfaction, Quality Controls, Etc</u>.** We can institute various programs for auditing customer satisfaction and/or other quality control measures. We can require you to pay for such program costs. You agree to request your customers to participate in any surveys performed by or on behalf of us/Cartridge World, using forms prescribed by us/Cartridge World from time to time.

10.10 **<u>CARTRIDGE WORLD Advisory Group and Selection</u>.** CWNA may elect in its Business Judgment to form a "**CARTRIDGE WORLD Advisory Group**" or "**CWAG**," to provide Input. The CWAG will consist of franchisees in Good Standing, each of whom shall represent the interests of the Unit Franchises in their distinct geographical region (the "**Region**"). CWAG members will be elected for a term or terms by a majority of the Unit Franchises situated in their respective Region. The geographical area of each Region will be established by CWNA, as applicable, in its Business Judgment, with due consideration given to achieving a representative group of Unit Franchises for each Region. The number of Regions and their respective boundaries will be subject to adjustment from time to time to reflect growth and population changes, among other appropriate factors. Each Unit Franchise will be entitled to one vote per Unit Franchise. CWNA and all master franchisees, as applicable, will always have the right to appoint one representative to participate in all CWAG meetings and any other CWAG activities, but such representative will be a non-voting participant. The CWAG may adopt its own bylaws, rules, regulations and procedures, subject to CWNA's consent in its Business Judgment. While it is not required to do so except in those specific instances stated in this Agreement, if CWNA submit any matters for approval to a CWAG and approval is granted, the approval will be binding on you.

11. MARKETING

11.1 <u>Marketing Fund</u>.

A. CWNA has established an advertising, publicity and marketing fund (the "**Marketing Fund**") to promote the System, the Marks and the Unit Franchises. You agree to make a marketing fund contribution as set forth in <u>Exhibit A-1</u> below (the "**Marketing Fund Contribution**").

Unit Franchisee Initials ____/____

The percentage of Marketing Fund Contributions shall be established by CWNA in its Business Judgment, subject to the maximum limitations described above. Such percentage Marketing Fund Contributions will be calculated and payable at the same time and in the same manner as Royalties, including any electronic funds transfer requirements. Such Contributions shall be payable to CWNA, or as otherwise instructed by CWNA. If you fail to pay your Marketing Fund Contribution in accordance with this Agreement, CWNA may deny you access to the benefits under the Marketing Fund. This shall be in addition to any other remedy CWNA may have under this Agreement or any applicable law. CWNA may, on a temporary or permanent basis, delegate management of all or part of the Marketing Fund to us and/or other master franchisees including, but not limited to, contribution collection activities. In such an event, all rights of, and benefits to, CWNA with respect to the Marketing Fund, whether arising under the provisions of this Agreement or otherwise, shall also accrue to us and/or such other entities. If CWNA has delegated or delegates any such management to us, it will have no obligations to you and you will not make any claims against CWNA with respect to such management activities and/or any related matter. To the extent of any such delegation, all such obligations will be ours and/or such other entities' alone.

B. CWNA shall have sole discretion over all matters relating to the Marketing Fund, operational, marketing or any other matter (consistent with its purposes and the provisions of this Agreement). The Marketing Fund may be used for (among other things) product development; signage; creation, production and distribution of marketing, advertising, public relations, lead generation and other materials in any medium, including the Internet and other digital marketing; administration expenses; brand/image awareness campaigns; media; national, regional, local and other marketing programs; activities to promote current and/or future Unit Franchises and the System; agency and consulting services; research, any expenses approved by us and associated with CWAG or other franchisee advisory groups. A brief statement regarding the availability of CARTRIDGE WORLD Franchises may be included in advertising and other items produced using the Marketing Fund.

C. CWNA, we and/or any Master Franchisee-Related Parties can provide goods, services, materials, etc. (including administrative services and/or "in-house advertising agency" services) and be compensated and/or reimbursed for the same by the Marketing Fund, provided that any such compensation must be reasonable in amount. CWNA can arrange for goods, services, materials, etc. (including administrative services) to be provided by independent persons/companies and all related costs, fees, etc. will be paid by the Marketing Fund.

D. The Marketing Fund will be accounted for separately and may be used to pay all administrative and other costs of the Marketing Fund related to its activities and purposes and/or as authorized by the relevant Unit Franchise Agreements. All taxes of any kind incurred in connection with or related to the Marketing Fund, its activities, contributions to the Marketing Fund and/or any other Marketing Fund aspect, whether imposed on CWNA, us, Cartridge World, the Marketing Fund or any other related party, will be the sole responsibility of the Marketing Fund. CWNA will prepare financial statements for the Marketing Fund annually, which will be furnished to you upon written request. CWNA can choose that any such statements be audited and any related accounting/auditing costs be paid by the Marketing Fund. Funds in the Marketing Fund must be expended, prior to termination of the Marketing Fund, only for the purposes authorized by the relevant agreements. No profit, gain or other benefit will directly accrue to CWNA from the Marketing Fund. All interest earned on monies contributed to, or held in, the Marketing Fund will be remitted to the Marketing Fund and will be subject to the restrictions of the relevant agreements.

E. Financial management of the Marketing Fund will be CWNA's sole responsibility. CWNA can in its Business Judgment do any of the following:

1. compensate us and/or any Master Franchisee-Related Party for salaries, administrative costs, overhead and other expenses incurred in Marketing Fund related programs and activities including, but not limited to, production, research, insurance, and collection expenses, as well as any legal expense related to the activities and purposes of the Marketing Fund (consistent with the provisions of this Agreement);

2. charge the Marketing Fund for Attorneys' Fees and other costs related in any way to claims against us and/or any of the Master Franchisee-Related Parties regarding the Marketing Fund. However, CWNA shall reimburse the Marketing Fund for any Attorneys' Fees and/or costs paid by the Marketing Fund in connection with any action in which CWNA is finally found to have acted unlawfully or to be guilty of wrongdoing with respect to the Marketing Fund;

3. spend in any fiscal year an amount greater or less than the aggregate contributions to the Marketing Fund in that year, and the Marketing Fund may borrow from CWNA or other lenders to cover deficits of the Marketing Fund or cause the Marketing Fund to invest any surplus;

4. collect for remission to the Marketing Fund any advertising or promotional amounts offered by any supplier based upon franchisee purchases. Any such contributions, whether or not made with respect to purchases by you, will not count toward your required Marketing Fund Contributions;

5. pay the advertising, marketing, public relations and related costs involved in any co-branding, dual franchising or other such multi-sponsor programs;

6. revise marketing and other programs, and/or make expenditures from the Marketing Fund, to take account of cultural and other differences (and/or CWNA can delegate management of a portion of the Marketing Fund in connection therewith);

7. defer, waive and/or compromise claims for current/future contributions to, and/or claims against or with respect to, the Marketing Fund and fund the same with the Marketing Fund;

8. take legal or other action against any franchisee in default of their obligations to the Marketing Fund;

9. merge the Marketing Fund with any marketing fund otherwise established for Unit Franchises for use as described in this Section 11.1, so long as the restrictions of the relevant Unit Franchise Agreement(s) continue to apply to contributions made by franchisees under such arrangements;

10. maintain Marketing Fund assets in one or more accounts designated as “trust accounts” for purposes of protecting such assets from claims of third-party creditors, (however, such action shall not be deemed to create any “trust,” “fiduciary relationship” or similar special arrangement);

11. incorporate the Marketing Fund or operate it through an entity separate from CWNA, which is subject to all rights and duties of CWNA relating to the Marketing Fund; and

12. take such other actions in connection with the Fund as CWNA considers to be appropriate and as are consistent with the provisions of this Section 11.1.

F. You acknowledge and agree that we have no obligation to ensure that expenditures by the Marketing Fund are or will be proportionate or equivalent to contributions to the Marketing Fund by Unit Franchises operating in any geographic area, or that any Unit Franchise will benefit directly, indirectly or in proportion to its contribution to the Marketing Fund. We have no obligation to cause other Unit Franchises to contribute to the Marketing Fund or engage in local marketing, and we can permit a unit franchisee to make direct advertising expenditures in place of contributions to the Marketing Fund. You understand that some CARTRIDGE WORLD unit franchisees may have Marketing Fund obligations that are different from yours, if any. However, all CARTRIDGE WORLD unit franchises owned by us will make contributions to the Marketing Fund as if they were subject to the then-current form of Unit Franchise Agreement.

G. Neither CWNA nor we (nor any of the Master Franchisee-Related Parties, including the CWAG) will be liable for any act or omission in connection with the Marketing Fund which is consistent with this Agreement. You and we expressly agree that none of the relationships with you in connection with the Marketing Fund are in the nature of a "trust," "fiduciary" or similar special arrangement.

H. Subject to the express requirements of this Agreement that your Marketing Fund Contributions will only be spent as authorized herein, you agree that we can deny access to any and all programs and/or materials created by, and benefits of, the Marketing Fund to you and to any unit franchisees who are in default in any obligations to the Marketing Fund and/or otherwise in default under this Agreement.

11.2 Your Participation in Marketing Fund. You agree to participate in all Marketing Fund programs. You have the right to set your own prices, except that we can specify maximum or minimum prices for goods or services to the greatest degree permitted by law. You will fully honor all coupons, price reduction and other promotions/programs as directed by us. CWNA can choose for the Marketing Fund to furnish you with marketing, advertising and promotional materials and also can choose to require that you pay the cost of producing, shipping and handling for such materials.

11.3 Your Local Marketing Activities.

A. You must spend the minimum amount as set forth in Exhibit A-1 each calendar month for local advertising and promotion of your Unit Franchise ("**Local Advertising Expenditures**"), subject to the additional grand opening advertising expenditure requirements provided for in Section 3.1.D above. You agree to submit, upon our request, verification of your Local Advertising Expenditures in a form prescribed by us in our Business Judgment. Appropriate Local Advertising Expenditures may include, but are not limited to, may include traditional and online media such as: TV, radio, print, direct mail, telemarketing, outdoor, interactive/multimedia, search engine marketing/optimization, pay per click, social media marketing and management, lead generation activities, business network marketing and other advertising that meets the current System standards set forth in the Operations Manuals. The value of discounts, coupon redemptions, products or services given without charge, salaries and expenses of any of your employees, or any charitable, political, or other contributions or donations, shall not be considered to meet your Local Advertising Expenditures obligation under this Section.

B. Your advertising must be in good taste and conform to ethical and legal standards. We can require that samples of all advertising and promotional materials for any media, including the Internet, be submitted to us for our review and approval prior to use. You agree not to use any materials or programs disapproved by us at any time in our Business Judgment. We can require that a brief statement regarding the availability of CARTRIDGE WORLD Franchises is included in advertising used by you and/or that brochures regarding purchase of CARTRIDGE WORLD Franchises are displayed at the Premises or made available to the general public in connection with the Unit Franchise.

C. You agree to comply with the Operations Manuals and any other specifications we give to you regarding your use of the Internet or other electronic media in connection with your Unit Franchise including, but not limited to, any requirement that any such use be only through us, and/or a designated Internet/Intranet service provider (which can be us or an Affiliate), and/or that all web pages related to your Unit Franchise be accessed through a designated site and/or meet specifications. You agree that you will not establish and/or maintain without our prior written consent any independent website, domain name, email address or other such presence for use in connection with your Unit Franchise and may not use any Marks in connection with any of the foregoing.

D. A CARTRIDGE WORLD Internet/Intranet system has been implemented to enhance communications by and among CARTRIDGE WORLD network members, to help support various system maintenance services, and to permit the efficient and economic delivery of a variety of information, such as Operations Manuals, System bulletins, marketing materials, financial data, reporting information, technical instructions, etc. You agree to participate in any such Intranet/Internet activities as required from time to time, and to maintain the necessary hardware, software, POS systems, equipment, high-speed Internet service and other items as we require to enable you to do so on an ongoing basis at your expense. You agree to pay by credit card, bank autodraft, or other method required by us, a then-current Operations Fee to support such systems and programs. The Operations Fee is subject to adjustment by us based upon product/service vendor price increases and/or the formula provided in Section 9.6 above. In addition to any other rights and remedies we may have, if you are not in Good Standing, we may limit or suspend your access to and/or use of systems and programs related to the Operations Fee including, but not limited to, your POS system operation, until any defaults by you are cured or we are otherwise satisfied, and you return to Good Standing.

11.4 **<u>Marketing Co-ops</u>.** CWNA can elect in its Business Judgment to form any regional association(s) of CARTRIDGE WORLD unit franchisees to conduct various marketing-related activities on a cooperative basis (a "**CWMC**"). If a CWMC is formed covering your area, then you must join and actively participate. You may be required to contribute such amounts as are determined from time to time by the CWMC. Contributions will be established on a per Unit Franchise basis. The CWMC can adopt its own bylaws, rules, regulations and procedures, subject to CWNA's consent in its Business Judgment. Any failure to timely pay amounts due to, or to comply with the bylaws, rules, regulations and procedures of, the CWMC shall be a breach of this Agreement. The amount of your unpaid CWMC obligations can be offset against amounts owed to you. While it is not required to do so except in those specific instances stated in this Agreement, if CWNA submit any matters for approval to a CWMC and approval is granted, the approval will be binding on you.

12. RECORDS AND REPORTING

12.1 **<u>Bookkeeping, Accounting and Records, Cash Register, Computer and Other Systems</u>**. You must obtain and maintain at your sole expense accounting, sales, reporting and records retention systems conforming to any requirements prescribed by us from time to time, including any such electronic systems with on-line access for us. Such systems may include, but are not limited to, electronic cash register, computer and point-of-sale systems, and software programs, and may have components only available from us, a Master Franchisee-Related Party and/or designated suppliers. We reserve the right to use in our Business Judgment, and to have full access to, all cash register, computer and any other systems, and the information and data they contain. We can charge a reasonable fee for the license, modification, maintenance or support of software or any other goods and/or services that we furnish to you in connection with any of the systems.

12.2 **<u>Reports, Financial Statements and Tax Returns</u>**.

A. You will provide to us an annual business plan by December 31 of each year and such other information regarding the sales and operation of your Unit Franchise in such form and format as we specify from time-to-time in our Business Judgment. Such information may be obtained through a variety of methods, including direct on-line access, facsimile transmissions and written copies. Current information requirements include, but are not limited to, the following, and are subject to change by us:

1. Sales and operations reports for each Royalty period, which are due at the same time as the corresponding Royalty payment;

2. Within forty-five (45) days after the end of each fiscal year, an unaudited fiscal year-end balance sheet, income statement/profit and loss statement, and cash flow statement for your Unit Franchise, prepared in accordance with generally accepted accounting principles, and verified and signed by you; and

3. Retention of all records of or relating to your Unit Franchise, including all income, sales and other tax returns, for the term of this Agreement and one year thereafter.

B. You agree to provide such other data, information and supporting records for your Unit Franchise as we reasonably may request from time to time including, without limitation, copies of your Unit Franchise's state sales tax returns and those portions of your income tax returns relating to your Unit Franchise. We reserve the right to require you to provide us at your expense with an annual audited financial statement prepared by a certified public accountant upon a reasonable belief by us that such statements are required to help ensure reporting accuracy.

13. **INSPECTIONS AND AUDITS.**

13.1 Our Inspections. We and our agents will have the right, at any time during business hours, and without prior notice to you, to: (i) inspect the operations and the appearance of your Unit Franchise and related activities and items and record the same; (ii) remove samples for testing and analysis; (iii) interview personnel; (iv) interview customers; and (v) conduct inventories. You agree to cooperate fully in connection with such matters. We may require you or an individual we designate to meet at our principal business address or other location we specify, for the purpose of discussing and reviewing your Unit Franchise's operations, financial performance and other matters.

13.2 Audit. We and our agents will have the right at any time during business hours, and without prior notice to you, to inspect and/or audit business records relating in any way to your Unit Franchise and the files, books and records of any person(s), corporation or partnership which holds or owns, does business with (such as a supplier, creditor or other similar relationship), or is employed at or by the Unit Franchise. Such business records may include, but are not limited to, bookkeeping and accounting records, sales and income tax records and returns, cash register tapes, invoices, and deposit receipts. Our right to audit includes the right to access all cash registers, computers and other equipment by electronic means. You will cooperate fully with such an audit. Notwithstanding any provision to the contrary in this Agreement or otherwise, our audit rights will continue in effect for two (2) years after the Repurchase, termination/expiration of this Agreement, or any Transfer. Our failure to exercise any rights to conduct an audit will not act as a waiver of any rights or constitute a lack of diligence for purposes of the delayed discovery doctrine or otherwise.

13.3 Understatements. If any inspection or audit discloses an understatement of Gross Revenue and/or Gross Profit, you must pay to us the Royalties and Marketing Fund Contributions due on the understated amount, plus interest, from the date originally due until the date of payment. We can require you to reimburse us for the cost of the inspection or audit including, without limitation, the charges of any independent accountants, and related Travel Expenses and per diem charges for our and their employees, if: (i) any inspection or audit is necessary because of your failure to timely furnish required information/reports; or (ii) Gross Revenue/Gross Profit is understated for any period by more than two percent (2%). In addition to all other remedies and rights of ours hereunder or under applicable law, we may terminate this Agreement if: (a) Gross Revenue/Gross Profit is understated for any period by more than five percent (5%); or (b) any understatement is determined by us to be intentional.

14. TRANSFER

14.1 Transfers by Us.

A. Subject to the Master Franchise Agreement, we shall have the right, without notice to or consent by you, to transfer or assign this Agreement and all or any part of its rights or obligations under this Agreement to any person or legal entity, and any assignee of yours shall become solely responsible for all our obligations under this Agreement from the date of assignment.

B. On any Repurchase, termination or expiration of the Master Franchise Agreement, or written notice by CWNA to you that we committed a default of the Master Franchise Agreement or of CWNA's election to receive direct payment, you will (1) pay to CWNA or its nominee all amounts owed or to be owing, and submit all reports due or to become due, under this (and/or any other) Agreement and (2) allow to be assigned to CWNA (or its nominee) this Agreement and any other agreement between us and you (or any Affiliate of yours). You hereby award to CWNA a power of attorney authorizing CWNA to execute any and all such assignments.

C. You agree that neither we nor any Master Franchisee-Related Party will have any liability to you resulting from our entering into any transactions permitted hereunder.

14.2 Transfers by You.

A. The rights and duties created by this Agreement are personal to you (or your owners, if Unit Franchisee is a Business Entity). We have awarded the Franchise relying on the individual integrity, ability, experience and financial resources of you or such owners. Therefore, neither this Agreement, the Franchise, Unit Franchisee or your Unit Franchise (nor any ownership or other interest in, or the assets of, any of them) can be transferred without our prior written approval. Any transfer or attempted transfer without our prior written approval is null and void, and a breach of this Agreement.

B. The term "**Transfer**" includes (but is not limited to) any voluntary or involuntary assignment, sale, gift, pledge or any grant of any ownership, security or other interest (whether partial or whole, or direct or indirect), by you (or your owners, if Unit Franchisee is a Business Entity). A Transfer also includes the following events: (i) any transfer of ownership of capital stock or any partnership or similar interest in Unit Franchisee; (ii) any merger, consolidation or issuance of additional securities representing an ownership interest in Unit Franchisee; (iii) any sale of voting stock of Unit Franchisee or of any security convertible to voting stock; (iv) any transfer in a corporate or partnership dissolution, divorce, insolvency proceeding or otherwise by operation of law; (v) any transfer of any interest in any revenues, profits, or assets of your Unit Franchise which is not in the ordinary course of business; or (vi) any transfer to a Business Entity and/or a trust or similar entity. A transfer of ownership, possession or control of your Unit Franchise, or any of its assets, may only be made in conjunction with a Transfer of the Franchise, subject to the right of first refusal granted to us in Section 14.10 or our Repurchase rights under Section 14.11, and the conditions set forth in Section 14.3 below. Any Transfer in the event of death or disability will be governed by Section 14.5 below.

14.3 Conditions for Approval of Any Transfer.

A. All of the following conditions must be met prior to, or concurrently with, the effective date of any Transfer. We can expand upon, or provide more details related to, these conditions in our sole and absolute discretion in the Operations Manuals or otherwise in writing.

1. You must be in compliance with this Agreement, the Operations Manuals, all other agreements between you and us (including any of our respective Affiliates), and all leases or subleases with any party, and the transferee must expressly assume all obligations under all such agreements; and

2. The transferee and its owners must meet our then-current requirements for new unit franchisees including, but not limited to, business experience, aptitude and financial resources, as well as immigration status; and

3. You must meet all payment and reporting obligations under this Agreement and any other agreements between you and us (and any of our respective Affiliates). Promissory notes shall be accelerated and paid in full; and

4. All obligations to third parties in connection with your Unit Franchise must be satisfied or assumed by the transferee; and

5. All aspects of your Unit Franchise including, but not limited to, its design, appearance, equipment, and operations, must have been brought into full compliance with the Operations Manuals and specifications and standards then-applicable for new Unit Franchises; and

6. The transferee, its Designated Individual and/or Manager must have successfully completed, or at our option, have agreed in writing to successfully complete within three (3) months after the Transfer, the training program for new unit franchisees. The transferee will be responsible for all Travel Expenses and training costs, including the then-applicable Training Fee as set forth in Exhibit A-1; and

7. The transferee must, at our option, (i) agree to be bound by all the terms and conditions of this Agreement for the remainder of its term, or (ii) execute our then-current form of Unit Franchise Agreement and ancillary documents (including guarantees) as are then customarily used by us in the grant of Unit Franchises, which may contain terms materially different from this Agreement. The term of any such new Unit Franchise Agreement shall be for the full term generally awarded to new unit franchisees as of the time of the Transfer; and

8. The Transfer must be completed in compliance with the terms of any applicable leases and other agreements and with all applicable laws

including, but not limited to, licensing and operations-related laws and/or laws governing franchise sales; and

9. You or the transferee must pay us with your application for a Transfer a non-refundable Transfer Fee as set forth in Exhibit A-1, but only if such proposed Transfer involves a change in controlling interest, an assignment of this Agreement, or sale of all or substantially all of your Unit Franchise's assets; and

10. You and each of your owners and/or Affiliates, and the transferee (and each owner and/or Affiliate of the transferee), must sign a General Release; and

11. Any grant of a security or similar interest in connection with a Transfer (which grant may or may not be permitted by us in our Business Judgment), will be subordinated to our rights and the rights of any Master Franchisee-Related Party under this Agreement or any other agreement; provided that we can refuse to allow you or anyone else to grant or receive a pledge, mortgage, lien or any security or similar interest in and/or to the Franchise or your Unit Franchise (or any of its assets) if, after having expended commercially reasonable efforts in discussions with lenders or other applicable parties, we are unable in our Business Judgment to obtain appropriate protections for our rights under this Agreement and/or for System interests; and

12. You must agree with the transferee not to compete after the Transfer in accordance with restrictions acceptable to us and substantially similar to those described in Section 8.2.B above, to the maximum extent permitted by law. We shall be named a third party beneficiary of such agreement; and

13. We can (but are not required to) withhold or condition our consent to any Transfer in our Business Judgment, particularly if we believe that the terms of Transfer jeopardize the economic viability of the Unit Franchise or based on other circumstances of the Transfer, and/or if we would not normally directly award a Franchise in such a situation; and

14. We may, but are not required to, refer to you a prospect(s) for the possible purchase of your Unit Franchise. You agree to pay to us a referral fee equal to ten percent (10%) of the total and final purchase price for your Unit Franchise (or any interest therein), if your Unit Franchise (or any interest therein), is transferred to such a prospect. The fee calculation shall be based upon the total purchase price, regardless of whether or not you actually receive the full purchase price at closing (e.g., regardless of any financing by you, notes payable, negotiated payment installments, etc.). We must receive the referral fee in cash at or prior to closing as a pre-condition to the effectiveness of any consent to transfer from us. You

agree to comply with the then-current provisions in the Operations Manuals and/or other written requirements established by us regarding processing prospect referrals and other matters relating to any prospect referral program operated by us.

B. You agree that we may (but are not required to) discuss with you and/or the proposed transferee all matters related to any Transfer and/or proposed Transfer at any time which we consider to be appropriate in our Business Judgment without liability (including our opinion of the terms of sale, performance of your franchise, etc.). You expressly consent to any such discussions by us.

C. Neither you nor any transferee shall rely on us to assist in the evaluation of the terms of any proposed Transfer. You acknowledge and agree that an approval of a proposed transfer shall not be deemed to be an approval of the terms, nor any indication as to any likelihood of success or economic viability.

14.4 Additional Conditions for Transfer to Business Entity.

A. We will consent to a Transfer from you to a Business Entity owned by you and formed for the sole purpose of operating the Unit Franchise if the conditions described in Section 14.3 above, and the following conditions are met. Such a Transfer will not relieve you of the Post-Termination Provisions of this Agreement. You will remain jointly and severally liable to us for your and the Business Entity's obligations.

1. The Business Entity's stock certificates (and/or other applicable evidences of ownership and all documents of formation/governance) must recite that any ownership interest in the Business Entity is restricted by the terms of this Agreement; and

2. You must have (and continue to maintain) management control and ownership of at least fifty-one percent (51%) of the Business Entity and personally manage its affairs; and

3. The individual Unit Franchisee (or, if Unit Franchisee is a partnership, at least one of the partners) must be and remain the chief executive officer, chief operating officer or chief financial officer and meet our then-current training requirements. If Unit Franchisee is or becomes a corporation, limited liability company, partnership or other Business Entity, the chief executive officer, chief operating officer or chief financial officer of such entity must always meet all of our then-current training and other standards; and

4. The transferee must enter into an approved form of assignment in which the Business Entity assumes all of Unit Franchisee's obligations under this Agreement and any other agreements with us and/or a Master Franchisee-Related Party, and any other documents we can require as provided in

Section 14.3.A.7 above. If the assignment is to a Business Entity wholly-owned by you, we will waive the transfer fee stated in Section 14.3.A.9 above, but we may in our Business Judgment require you to pay a reasonable administrative services fee of Five Hundred Dollars ($500) for any such assignment occurring more than one hundred twenty (120) days after the Effective Date of this Agreement; and

5. All current and future owners of the Business Entity must agree in writing to comply with this Agreement and any other agreements with us and/or any Master Franchisee-Related Parties. We can at our option and in our Business Judgment require any and all owners to jointly and severally guarantee (in a written form approved by us) any such obligations of the Business Entity under any such agreements. The current approved form of Continuing Personal Guarantee is attached as Exhibit B to this Agreement; and

6. We can require that each of the present and/or future owners, shareholders, directors, and/or officers execute confidentiality and non-competition agreements with terms substantially similar to those described in Sections 8.1 and 8.2, respectively; and

7. In any event, we can withhold or condition our consent to any Transfer as we deem appropriate in our Business Judgment, based on the circumstances of the Transfer or otherwise.

14.5 Death or Disability of Unit Franchisee.

A. If Unit Franchisee, or if the owner of Unit Franchisee with a controlling interest, dies or is permanently disabled, then his or her interest in this Agreement, the Unit Franchise and/or Unit Franchisee shall be transferred to a third party subject to all of the provisions of this Section 14. A "permanent disability" occurs if you are not able to personally, actively participate in the management of your Unit Franchise for six (6) consecutive months. Any Transfer under this Section shall be completed within six (6) months after the date of death or permanent disability. If no Transfer occurs, the Franchise will automatically terminate at the end of such period, unless a written extension is granted by us in our Business Judgment.

B. We can (but are not required to) operate your Unit Franchise on your behalf and at your expense in the event of your death, disability or absence. We can pay ourselves a reasonable amount for our management services and other costs. We will use reasonable efforts and business judgment in managing the business, but will in all cases be indemnified by you (and/or your estate) against any costs and/or liabilities related in any way to our management and the operation of your Unit Franchise. We are expressly authorized by you to manage in good faith and on terms that we consider appropriate in our Business Judgment, including payment of any past, current and/or future obligations to us or to any other creditor out of assets and/or revenues of your Unit Franchise.

14.6 **Acknowledgement of Restrictions.** You acknowledge and agree that the restrictions on Transfers imposed herein are reasonable and necessary to protect the System and the Marks, as well as our reputation and image, and are for the protection of us, you and all other unit franchisees that own and operate CARTRIDGE WORLD Unit Franchises and Master Franchises. Any Transfer permitted by this Section 14 will not be effective until we receive a completely executed copy of all Transfer documents and we consent to the Transfer in writing. Any Transfer or attempted transfer without our prior written approval is null and void, and is a breach of this Agreement.

14.7 **Transfer to Similar Business Prohibited.** You and your owners will not Transfer this Agreement, the Franchise, Unit Franchisee or your Unit Franchise (or any ownership or other interest in, or the assets of, any of them) to any person or Business Entity that directly or indirectly owns, operates, franchises, develops, consults with, manages, is involved in, or controls any Similar Business. If we refuse to permit a Transfer under this provision, then the only remedy you and your owners will be to have a mediator or arbitrator determine whether the proposed transferee owns, operates or is directly or indirectly involved in a Similar Business.

14.8 **Effect of Consent to Transfer.** Our consent to a Transfer is not a waiver of any claims we may have against you, and you are not relieved of any obligations to us or any Master Franchisee-Related Parties, unless you have an express written release signed by us. Your obligations under the Post-Termination Provisions will survive any Transfer of this Agreement. Any dispute regarding any proposed or completed Transfer will be resolved through the dispute resolution provisions of this Agreement. Neither we nor any Master Franchisee-Related Parties will have any liability to you or any proposed or actual transferee in connection with our examination and/or possible consent or withholding of consent involving any Transfer or proposed Transfer, or our exercise of any right of ours, which is consistent with this Agreement. You agree to indemnify and hold us harmless from any liability to you, the proposed transferee or otherwise.

14.9 **Securities Offers.** If Unit Franchisee is a Business Entity, all materials for an offering of stock or partnership interests in Unit Franchisee or any Affiliate under any applicable federal or state law shall be submitted to us for review as described below before such materials are filed with any government agency. Any materials to be used in any exempt offering shall be submitted to us for such review before their use. No such offerings shall imply (by use of the Marks or otherwise) that we are participating in an underwriting, issuance, or offering of the securities of Unit Franchisee or Unit Franchisee's Affiliates; and our review of any offering shall be limited solely to the relationship between us and Unit Franchisee and any Affiliates, if applicable. We may, at our option, require the offering materials to contain a written statement prescribed by us concerning the limitations stated in the preceding sentence. Unit Franchisee (and the offeror or, if not Unit Franchisee), its owners, and all other participants in the offering must fully indemnify Master Franchisee-Related Parties in connection with the offering. For each proposed offering, Unit Franchisee shall pay us a non-refundable fee of Ten Thousand Dollars ($10,000) or such greater amount as is necessary to reimburse us for our reasonable costs and expenses (including legal and accounting fees) for reviewing the proposed offering. Unit Franchisee shall give us written notice at least thirty (30) days before the date that any offering or other transaction described in this Section commences. Any such offering shall be subject to our prior written consent and right of first refusal as provided herein.

14.10 Right of First Refusal.

A. We have a right of first refusal regarding any proposed Transfer subject to this Agreement. With each proposed Transfer, you will provide us with a true and complete copy of the offer received by you (and any ancillary agreements), and the conditions to Transfer described in Sections 14.3 and 14.4, as applicable, will be met. The offer and the price and terms of purchase must apply only to an interest in this Agreement, the Franchise, your Unit Franchise or Unit Franchisee (or any ownership or other interest in, or the assets of, any of them). Any value attributable to the goodwill of the Marks, the System elements, Confidential Information or any other assets, tangible or intangible, related to the Marks and System will be excluded from the purchase price.

B. We will give you written notice of our decision to exercise our right of first refusal within fourteen (14) days from the date of our receipt of the offer and ancillary documents. If any of the assets to be purchased do not meet the standards we then apply to new Unit Franchises, or if you are in default, we can require that the Unit Franchise be brought into compliance and any defaults cured before the fourteen (14)-day period begins. We can substitute cash for any form of payment proposed in such offer and will have a reasonable period of time in which to prepare for the close of the transaction, generally sixty (60) days. We will be entitled to purchase any interest subject to all Customary Representations, Warranties and Agreements. We can require that the closing of the sale be through an escrow. You and we will comply with any applicable bulk sales and/or similar laws, and you will maintain all insurance policies until the date of closing. We will have the right to set off against any amount of money payable by us all amounts due from you and/or your Affiliates to us and/or our Affiliates. We will also have the right, in our Business Judgment, to pay any amount otherwise payable to you directly to your creditors in satisfaction of your obligations. If you violate any of your obligations that expressly or by their nature survive this Agreement, we will not be obligated to pay any amount otherwise due or payable to you thereafter. In connection with such purchase, you and each transferor (and your respective Affiliates) will sign a General Release.

C. If we do not exercise our right of first refusal, you or your owner can complete the sale to such purchaser on the exact terms of such offer, subject to the conditions of this Section 14. If there is a material change in the terms of the sale, we will have an additional right of first refusal on the same terms and conditions as are applicable to the initial right of first refusal. Our rights under this or any other Section are fully assignable without your approval.

Unit Franchisee Initials ____/____

14.11 Right to Repurchase.

A. We have a right, but not an obligation, to repurchase your Unit Franchise and the assets of your Unit Franchise (the "**Repurchase**"). We may exercise this right in our Business Judgment by giving you written notice at any time during the term of this Agreement and on or within one hundred twenty (120) days of termination or expiration thereof.

B. The Repurchase price shall be established subject to the following limitations. If you and we are unable to agree on the Repurchase price, then the fair market value will be determined by an independent appraiser selected by you and us and subject to the limitations provided herein. If you and we are unable to agree on an appraiser, you and we will each select one appraiser, who together will select a third appraiser. The fair market value will be deemed to be the average of the three (3) independent appraisals. All sales transfer and/or similar taxes are to be paid by you. Any going concern value of your Unit Franchise shall be factored into the Repurchase price, but in no event will the Repurchase price include:

1. any goodwill or other monetary factor for the Marks, System elements, Confidential Information or any other assets, tangible or intangible, which are proprietary to us and/or Cartridge World; and/or

2. any assets which are not bona fide assets integrally related to the operation of your Unit Franchise and which are excluded from the purchase by us in our Business Judgment.

C. Pending the closing of such a Repurchase, we will have the right to appoint a Manager to maintain the operation of your Unit Franchise. You will forever indemnify and hold us harmless against all obligations incurred in connection with the Unit Franchise prior to purchase. You will furnish us with a complete list of accounts unpaid by you within ten (10) days of our notice of intent to exercise this option. We may (but are not required to) pay these unpaid bills directly to the parties owed and deduct them from the purchase price in lieu of paying such portion of the purchase price directly to you.

D. The post-term restrictions described in Section 8.2.B above, and elsewhere in this Agreement will be continuing obligations of yours. We shall receive all Customary Representations, Warranties and Agreements from you, your owners and your Affiliates in connection with any such Repurchase. We can require that the closing of the sale be through an escrow. You and we will comply with any applicable bulk sales and/or similar laws, and you will maintain all insurance policies until the date of closing. We will also have the right, in our Business Judgment, to pay any amount otherwise payable to you directly to your creditors in satisfaction of your obligations. If you violate any of Post-Termination Provisions, we will not be obligated to pay any amount otherwise due or payable to you thereafter.

E. Any Repurchase price to be paid under this Section 14.11 will be paid, at our sole option, either in cash at closing, or under an unsecured, interest free promissory note, as follows: twenty percent (20%) at closing, twenty percent (20%) no later than ninety (90) days after closing, twenty percent (20%) no later than one hundred eighty (180) days after closing, twenty percent (20%) at the first anniversary date of the closing, and the final twenty percent (20%) at the second anniversary date of the closing. We can offset against the Repurchase price, and any installments thereof, any amounts owed by you (or any Affiliates) to us (or any Master Franchisee-Related Parties). In connection with our exercise of any rights under this Section 14.11, you (and each owner/Affiliate) will execute a General Release.

F. We will not assume any liabilities, debts or obligations of yours in connection with any such Repurchase, and you will indemnify us and each of the Master Franchisee-Related Parties from any and all claims arising out of any such Repurchase. Notwithstanding the foregoing sentence, costs paid or incurred in connection with the transaction including, but not limited to, all appraisal fees and closing costs, shall be shared equally between you and us, but excluding Attorneys' Fees paid or payable to the respective attorneys for the parties. You and we will comply with all applicable laws in connection with any such Repurchase and will cooperate in complying with all such requirements.

G. This Agreement shall terminate upon the date the above-described Repurchase becomes effective, subject to any surviving obligations described in this Agreement (unless earlier terminated as a result of a default by you or by expiration of this Agreement). If you fail to complete or to continue to comply with any surviving obligation(s), we will not be obligated to pay that portion of the Repurchase price otherwise due or payable following such failure, in addition to any other remedies to which we are otherwise entitled.

14.12 Bankruptcy Issues. If Unit Franchisee or any person holding any interest (direct or indirect) in Unit Franchisee becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any Transfer of Unit Franchisee, Unit Franchisee's obligations and/or rights hereunder, any assets of Unit Franchisee or the Unit Franchise, or any indirect or direct interest in Unit Franchisee shall be subject to all of the terms of this Section 14.

15. RENEWAL FRANCHISE

15.1 Your Option. If you are awarded this Agreement for the initial term of your Franchise, then this Agreement terminates at the expiration of the initial term. At that time, subject to the provisions of this Section 15, you will be eligible to be awarded a renewal Franchise. The renewal Unit Franchise Agreement may differ materially from this one in financial and other ways and terms. The renewal term will be a single ten (10) year period, without any further term. You have no right to an additional renewal term if this Agreement is being awarded to you as a renewal Unit Franchise Agreement, although we may grant you an additional renewal term in our Business Judgment.

15.2 **<u>Notice of Election</u>**. You must give us written notice of election to obtain the renewal Franchise not less than six (6) months, but not more than twelve (12) months, before the expiration of the initial term of this Agreement. Within ninety (90) days after our receipt of the notice, we will give to you in writing:

A. any reasons which could cause us to not award the renewal Franchise, including any deficiencies requiring correction; and

B. our/Cartridge World's then-current requirements relating to all aspects of a CARTRIDGE WORLD Unit Franchise including, but not limited to, image, appearance, decoration, furnishings, equipment, operations, and programs for a Unit Franchise (collectively, the "specifications and standards then-applicable for new Unit Franchises and with the Operations Manuals").

15.3 **<u>Conditions to Award of Renewal</u>**. Any award of the renewal Franchise must meet <u>all</u> of the following conditions applicable to your Unit Franchise, together with the then-current standards applicable to renewal Franchises, each of which is agreed to be reasonable:

A. You (and each Affiliate of yours) must be in Good Standing;

B. Your Unit Franchise and its operations must fully comply with all specifications and standards then-applicable for new Unit Franchises and with the Operations Manuals by the expiration of this Agreement;

C. You must present evidence satisfactory to us that you have the right to remain in possession of the Premises for your Unit Franchise for the duration of the renewal Franchise, unless we otherwise agree in writing. If you are unable to maintain possession of your Premises, or in our judgment your Premises should be relocated, you must have obtained our consent to and secured substitute Premises by the Expiration Date. Such Premises must comply with all specifications and standards then-applicable for new Unit Franchises and with the Operations Manuals;

D. You (and each Affiliate of yours) must have paid all amounts owed to us and any Master Franchisee-Related Parties;

E. You must have executed our then-current form of Unit Franchise Agreement and related documents then customarily used by us (with appropriate modifications to reflect the fact that the Unit Franchise Agreement to be awarded relates to a single renewal Franchise as contemplated by this Agreement). You will not be required to pay the then-current Initial Franchise Fee, and we will not be required to provide you any site location, initial training or other "start-up" services in connection with the award of any renewal Franchise;

F. You must have complied with our then-current qualification and training requirements. We can require your personnel to successfully complete any retraining program(s), at such times and location(s) as we then specify. There will be no charge for any retraining program(s), but you will be responsible for all Travel Expenses and other expenses of your personnel;

G. You (and each owner and/or Affiliate of yours) must have executed a General Release, except for any claims exclusively related to the renewal Franchise (where expressly so required by applicable law), if you, your owners and your Affiliates comply with all of the requirements of this Section 15, including providing us with a General Release; and

H. You must have paid us a renewal fee in the amount set forth in Exhibit A-1 below. The fee must be received from you at the time of your election and is non-refundable unless we do not grant a renewal agreement to you.

Failure by you and/or your owners to timely complete all of the foregoing requirements will be deemed an election by you not to obtain the renewal Franchise.

16. TERMINATION OF FRANCHISE

16.1 Automatic Termination. You shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to you, if you become insolvent or makes a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; or if you are adjudicated a bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless unappealed or a supersedeas bond is filed); or if you are dissolved; or if execution is levied against your business or property; or if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of your Unit Franchise is sold after levy thereupon by any sheriff, marshal, or constable.

16.2 Termination with No Right to Cure. This Agreement will automatically terminate upon delivery of our written notice of termination to you in compliance with Section 20 (without further action by us and without opportunity to cure) if you (or any of your owners):

A. fail to timely meet the site selection, development, opening and other requirements provided in Sections 3.1 and 3.7 above, or failure to successfully complete training to our satisfaction as required in Section 5.1 above; or

B. abandon your Unit Franchise; or fail to open the Unit Franchise for normal business for seven (7) consecutive business days or during the operating hours approved by us for your Unit Franchise, without our prior written consent;

C. lose the right to possession of your Premises and fail to relocate before the termination/expiration of any applicable lease/sublease to a substitute location authorized by us; or fail to open the Unit Franchise at the Premises relocated pursuant to Section 3.8 of this Agreement within six (6) months after the date of the approval of and/or decision to relocate your Premises; or

D. make any material misrepresentation or omission in your application for the Franchise; or

E. are convicted of, or plead no contest to, a felony, or to any crime or offense that is likely to adversely affect your reputation or the reputation of any owner, your Unit Franchise, us or the goodwill associated with the Marks; or

F. engage in any misconduct which unfavorably affects your reputation or the reputation of any owner, your Unit Franchise, us, Cartridge World, the System or the goodwill associated with the Marks (including, but not limited to, child abuse, health or safety hazards, drug or alcohol abuse, or permitting unlawful activities in conjunction with your Unit Franchise); or

G. make, or attempt to make, an unauthorized "Transfer," as defined in this Agreement, that is not in compliance with the provisions of this Agreement, or otherwise transfer, assign, sell, gift, pledge, surrender control of or grant any ownership or other interest in you, the Unit Franchise or the assets of the Unit Franchise without our prior written approval; or

H. make an unauthorized use of the Marks or any unauthorized copy, use or disclosure of any Confidential Information, or directly or indirectly contests the validity of Cartridge World's rights to the Marks or its right to use and to license others to use the Marks; or

I. violate any of the restrictions against competition provided in Section 8.2 above (or any other person identified therein commits such a violation); or

J. commit any act or omission of fraud or misrepresentation, whether with respect to us, any of the Master Franchisee-Related Parties and/or any third party, including (but not limited to) any misrepresentation of Gross Revenue or Gross Profit; or

K. fail to permit or cooperate with us or our designee in any audit or inspection or fail to retain (or to produce on request) any records required to be maintained by you; or

L. commit two (2) or more defaults under this Agreement in any twelve (12)-month period, or three (3) or more defaults in any twenty-four (24)-month period, whether or not such defaults involve the same or different provisions and whether or not such defaults are corrected after notice.

16.3 **Termination with Right to Cure.** Except as otherwise provided in Sections 16.1 and 16.2 above, we may terminate this Agreement by giving written notice of termination effective upon receipt:

A. if you (or any of your owners) commit any of the following defaults and fail to cure such default within ten (10) days after your receipt of written notice from us of such default:

1. failure to maintain required insurance; or

2. failure to correct any condition that, in our reasonable judgment, might pose a danger to public health and/or safety; or

3. failure to report accurately your Gross Revenue/Gross Profit or you fail to submit any other report due under this Agreement or any lease/sublease in accurate and complete form and when required; or

4. failure to make payments of any amounts due us, any Master Franchisee-Related Party, any designee of ours and/or any supplier, taxing authority, landlord, equipment lessor or other creditor of yours or your Unit Franchise; or

5. failure to comply with any of the dispute resolution provisions of this Agreement, including (but not limited to) failure to pay/deposit any amounts or otherwise and/or unexcused failure to appear or respond to any dispute resolution proceedings.

With respect to Sections 16.3.A.1 and/or A.2 above, we may require you to immediately cease all Unit Franchise operations until such defaults are fully cured.

B. if you (or any of your owners) commit any of the following defaults and fail to cure such default within thirty (30) days after your receipt of written notice from us of such default:

1. default under the lease or sublease for your Premises within the applicable cure period set forth in the lease or sublease (provided that if such applicable cure period is less than thirty (30) days, then such applicable cure period will apply); or

2. failure to comply with any other provision of this Agreement, any other agreement with us and/or any Affiliate of ours and/or Cartridge World, or any specification, standard or operating procedure or rule prescribed by us

in the Operations Manuals or by other writing which does not provide for a shorter notice period.

If a default under this Section 16.3.B cannot reasonably be corrected within the thirty (30)-day period, then you must undertake diligent efforts within thirty (30) days to come into full compliance. On our request, you must furnish proof acceptable to us of such efforts and the date full compliance will be achieved. In any event, all such defaults must be fully cured within sixty (60) days after delivery of the initial written notice to you of termination.

16.4 **Cross-Defaults.** Any default by you (or any owner or Affiliate of yours) under this Agreement may be regarded by us as a default under any other agreement between us (or any Master Franchisee-Related Parties) and you (or any owner or Affiliate of yours). Any such default under any other agreement or any other obligation between us (or any Master Franchisee-Related Parties) and you (or any owner or Affiliate of yours) may be regarded as a default under this Agreement. Any default by you (or any owner or Affiliate of yours) under any lease, sublease, loan agreement, or security interest related to the Unit Franchise can be regarded as a default under this Agreement, regardless of whether or not any such agreements are between you (or any owner or Affiliate of yours) and us (or any Master Franchisee-Related Parties).

16.5 **Non-Exclusive Remedies.** Whenever we have a right to terminate this Agreement, we (and any Master Franchisee-Related Party) will have all remedies allowed at law and in equity. No right or remedy which we and/or any Master Franchisee-Related Party may have under this Agreement or otherwise (including termination) is exclusive, and we and/or any Master Franchisee-Related Party may pursue any rights and/or remedies available at law and/or in equity. If we have the right to terminate this Agreement, we can elect in our Business Judgment to cancel any and/or all of your territorial or similar rights (including, but not limited to, any rights of first refusal), whether arising under this Agreement or in any other manner or document.

16.6 **No Equity on Termination.** Your rights regarding the Franchise are controlled by the provisions of this Agreement. You will have no equity or any other continuing interest in the Franchise, any goodwill associated with it, or any right to compensation or refunds at the expiration and/or termination of the Franchise.

16.7 **Management of Unit Franchise After Issuance of Notice of Default.**

A. If we issue a notice of default, we will have the right (but not the obligation) to manage your Unit Franchise until you have cured all defaults. All revenues received by the Unit Franchise while we (or our designee) are managing it will be kept in a separate fund. All Unit Franchise expenses, including compensation and the Travel Expenses for the appointed Manager may be paid out of such fund. We shall be paid Five Hundred Dollars ($500)/day as a management fee. If such fund is insufficient to pay the Unit Franchise's expenses, we shall notify you. You must, within five (5) business days, deposit such amounts as shall be required by us to attain a reasonable fund balance.

Unit Franchisee Initials ____/____

B. Operation of the Unit Franchise by us during any such period shall be on your behalf; provided that we shall only have a duty to use reasonable efforts and shall not be liable to any creditor of yours or for any debts, losses or obligations incurred by the Unit Franchise. This Section 16.7 shall not limit our right to terminate this Agreement as herein provided or affect any of our indemnity or other rights under this Agreement.

16.8 Our Right to Discontinue Supplying Items Upon Default. If we deliver a notice of default to you, we and/or each Master Franchisee-Related Party have the right to (i) require that you pay C.O.D. (i.e., cash on delivery) or by certified check for goods/services and/or (ii) stop selling and/or providing any goods/services to you until you have cured all defaults. No such action by us and/or any Master Franchisee-Related Party shall be a constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and you agree that you will not be relieved of any obligations under this Agreement because of any such action.

16.9 Termination, Expiration, or Repurchase of Our Master Franchise Agreement.

A. On any Repurchase, termination or expiration of the Master Franchise Agreement between us and CWNA, CWNA has the right, but not the obligation, to assume the rights and obligations of any or all Unit Franchise Agreements. Upon written notice from CWNA, you shall thereafter make each payment required under this Agreement directly to CWNA and shall treat CWNA as the Master Franchisee in all respects, until such time as you receive notice from CWNA that Master Franchisee has been replaced by a third party. You hereby consent to the assignment by us to CWNA, and to the assumption by CWNA, pursuant to this Section 16.9, of all of our rights and obligations hereunder, and to the subsequent assignment and assumption of such rights and obligations to the new Master Franchisee appointed by CWNA. You further consent to any necessary modifications to this Agreement to effectuate such assignment and assumption by CWNA and/or its designee.

B. CWNA also can terminate any or all Unit Franchise Agreements if it elects not to continue to regularly award Unit Franchises and maintain a franchise program for Unit Franchises in your area/state/region/country. If CWNA (i) makes an announcement (at any time) that it has made a determination that continued franchising (on a national, regional or other basis) is not appropriate in its Business Judgment and that it does not intend to continue to regularly award Franchises and maintain a franchise program for Unit Franchises in your state; and (ii) does not open or award Unit Franchises in your state for twelve (12) months after the date of such announcement (provided that CWNA can award renewal Unit Franchises where an older form of Unit Franchise Agreement or other basis requires us to do so, and/or continue to service existing franchisees under outstanding agreements), then CWNA will be considered to have made a general market withdrawal and will have no liability to you with respect thereto. In that event and if you are in Good Standing, you will not be required to comply with your non-competition obligations under Section 8.2.B above. You agree that if any statute or court decision requires "good cause" (or any similar standard) for non-renewal, compliance by CWNA with the provisions of this subsection will be considered to be good cause.

16.10 **<u>Prompt Notice of Claims by You</u>.** You understand that you are not permitted to terminate this Agreement for any default committed by us, except as permitted by applicable law. If you claim that such a default exists, or that you have any other basis for terminating your obligations under this Agreement or making any other claim against us, you must give us written notice and thirty (30) days to cure; any action by you to terminate will not proceed until we have had such notice and an opportunity to cure. If we cannot reasonably cure within such thirty (30)-day period, and we are diligently continuing efforts to cure, then we will have ninety (90) days to cure.

16.11 **<u>Bankruptcy</u>.** If, for any reason, this Agreement is not terminated pursuant to this Section 16, and this Agreement is assumed, or assignment of the same to any person or entity who has made a bona fide offer to accept an assignment of this Agreement is contemplated, pursuant to the United States Bankruptcy Code, then notice of such proposed assignment or assumption, setting forth: (i) the name and address of the proposed assignee; and (ii) all of the terms and conditions of the proposed assignment and assumption, shall be given to us within twenty (20) days after receipt of such proposed assignee's offer to accept assignment of this Agreement; and, in any event, within ten (10) days before the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption, and we shall thereupon have the prior right and option, to be exercised by notice given at any time before the effective date of such proposed assignment and assumption, to accept an assignment of this Agreement to us upon the same terms and conditions and for the same consideration, if any, as in the bona fide offer made by the proposed assignee, less any brokerage commissions which may be payable by you out of the consideration to be paid by such assignee for the assignment of this Agreement.

17. RIGHTS AND OBLIGATIONS ON TRANSFER, REPURCHASE, TERMINATION AND/OR EXPIRATION OF FRANCHISE

17.1 **<u>Payments of All Amounts Owed, Etc</u>.** You must pay all Royalties, Marketing Fund Contributions and all amounts of any kind owed to us and/or any Master Franchisee-Related Parties within ten (10) days after the Repurchase of the Unit Franchise, termination or expiration of the Franchise, or from a later date when the amounts due can be determined.

17.2 **<u>Intellectual Property, Confidential Information, Trade Dress, Etc</u>.** After any Transfer, Repurchase, termination or expiration of the Franchise:

A. You agree to immediately and permanently discontinue operating your Unit Franchise and any use of the Intellectual Property and/or the Confidential Information, and will not use any similar or derivative marks, or materials, or colorable imitations of any of the Intellectual Property in any medium or manner or for any purpose;

B. You must return to us or (at our option) destroy all software, Operations Manuals, forms, materials, signage and any other items containing any Intellectual Property or Marks, or otherwise identifying or relating to a Unit Franchise (to the extent they have not been assigned in connection with an authorized Transfer or a Repurchase);

C. You must take such actions as may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark which have not been assigned in connection with an authorized Transfer or a Repurchase;

D. You must de-identify the Unit Franchise in every manner and remove any distinctive signage, physical and/or structural features associated with the trade dress of Unit Franchises (and, as applicable, remodel, repaint, or otherwise alter the appearance of the Premises and any equipment and vehicles used in the operation of the Unit Franchise), so that the Unit Franchise is clearly distinguished from other Unit Franchises and does not create any public confusion (to the extent the Unit Franchise has not been assigned in connection with an authorized Transfer or a Repurchase);

E. You agree not to identify yourself, or any business you may operate or in which you may become involved, or to advertise or promote yourself in any manner, as a present or former CARTRIDGE WORLD franchisee; and

F. You must furnish to us within thirty (30) days satisfactory evidence of your compliance with the obligations described in this Section 17.2 and in Section 17.3 below. If you operate any business using any of the Intellectual Property, Marks, Confidential Information or any aspect of the System, our remedies will include (but will not be limited to) recovery of the greater of (i) all profits earned by you in the operation of such business, or (ii) all Royalties, Marketing Fund Contributions and other amounts which would have been due if this Agreement remained in effect with you.

17.3 Telephone and Other Directory Listings, Internet Sites.

A. You understand and agree that we own all telephone numbers, domain names, Internet addresses/sites and/or other communications services links (collectively, the "**Numbers**"), and any related directory listings/advertising, used in connection with the operation of your Unit Franchise. We can in our Business Judgment require you to sign an assignment of such Numbers prior to training or at another time. After any termination and/or expiration of the Franchise or Repurchase of the Unit Franchise, you must promptly transfer, call-forward, discontinue or otherwise deal with the Numbers and any related directory listings/advertising as we direct. You agree to sign any documents and/or pay any amounts required by a telephone/ communication services provider as a condition to our dealing with the Numbers and any related directory advertising/listings. By signing this Agreement, you irrevocably appoint us your attorney in fact to take any such actions regarding the Numbers and any related directory listings/advertising if you do not do so yourself within ten (10) days after the termination, Repurchase or expiration of this Franchise. Such companies may accept this Agreement as conclusive evidence of our exclusive rights in such Numbers and related directory listings, web pages and advertising/marketing.

B. If we choose at any time to be direct billed by a provider for any account for the Numbers and/or directory listings/advertising, you agree to pay us all amounts due such providers within ten (10) days of our written notice to you. If you fail on two (2) or more occasions to pay any such amounts to us when due, then we can require you to maintain a deposit with us in an amount reasonably determined by us based upon usage history and other relevant factors.

17.4 Continuing Obligations.

A. All Post-Termination Provisions and any other obligations and rights which expressly or by their nature survive the Transfer, Repurchase, expiration or termination of this Agreement will continue in full force and effect until they are satisfied or by their nature expire (including, but not limited to, indemnity, non-competition, audit, and confidentiality rights and obligations; obligations to pay and the provisions of Sections 19, 20, 21 and 23). These obligations continue notwithstanding any rejection of this Agreement in a bankruptcy proceeding or otherwise.

B. If this Agreement is terminated because of a default of yours, you will not be released or discharged from your obligations, including payment of all amounts then due and other amounts which would have become due under this Agreement if you had continued in operation as a Unit Franchise for the full term. Our remedies will include (but are not limited to) the right to collect the present value of these amounts and to receive the benefit of our bargain with you, as well as to accelerate the balances of any promissory notes owed and to receive any other unpaid amounts owed to us or any Affiliates of ours. You and we agree that it would be commercially unreasonable and damaging to the integrity of the System if a CARTRIDGE WORLD unit franchisee could default and then escape the financial consequences of its contractual commitment to meet payment obligations for the term of the Unit Franchise Agreement. You (and each of your owners/Affiliates) agree to sign a General Release if we choose in our Business Judgment to waive our rights to collect any amounts that would have become due if you had continued in operation as a CARTRIDGE WORLD Franchise.

18. GRANT OF SECURITY INTEREST

For valuable consideration, as security for the payment of all amounts owing or to be owed by you (and/or any Affiliate of yours) to us (and/or any Affiliate/Cartridge World) under this Agreement or any other agreements, and your performance of all obligations thereunder, you hereby grant to us a security interest in all proceeds of your Unit Franchise and in all of the assets, including equipment, furniture, fixtures and signs, used by, at or in connection with, your Unit Franchise and its related business assets (the "**Collateral**"). You will not remove the Collateral or any portion thereof without our prior written consent. You represent and warrant that the security interest granted is prior to all other security interests in the Collateral except for (i) bona fide purchase money security interests and (ii) the security interest granted to a third party in connection with your original financing for your Unit Franchise, if any. In connection with any request for our approval of a security interest, we will make commercially reasonable efforts to accommodate reasonable lender's requirements, including the subordination of our interests to the lender's and/or lessor's, as applicable, in our Business Judgment, bearing in mind the interests of the borrower, lender, ourselves and the System. On the occurrence of any event entitling us to terminate this Agreement or any other agreement between the parties, or if we reasonably determine that we are not assured that your (and/or any Affiliates') obligations will be timely and fully paid and/or performed, we will have all the rights and remedies of a secured party under the Uniform Commercial Code of the State in which your Unit Franchise is located including, without limitation, the right to take possession of the Collateral. You will execute and deliver to us financing statements and/or such other documents as we reasonably deem necessary to perfect our interest in the Collateral within ten (10) days of your receipt of such documents from us.

19. GOVERNING LAW AND DISPUTE RESOLUTION

For the purposes of this Section 19, "you" shall be deemed to include you, your owners and Affiliates and their respective employees, and "we" shall be deemed to include "Master Franchisee-Related Parties."

19.1 DAMAGE WAIVER. YOU AND WE WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO PURSUE AND RECEIVE ANY EXEMPLARY AND PUNITIVE DAMAGES AGAINST THE OTHER PARTY IN ANY DISPUTE ARISING UNDER THIS AGREEMENT OR RELATING TO THE FRANCHISE RELATIONSHIP, WHETHER ASSERTED AS A RELATED OR INDEPENDENT TORT, AS A BREACH OF CONTRACT, OR AS ANY OTHER CLAIM OR CAUSE OF ACTION BASED ON CONSTITUTIONAL, STATUTORY OR COMMON LAW, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

19.2 JURY TRIAL WAIVER. THE PARTIES IRREVOCABLY WAIVE THE RIGHT TO A JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OR ANY OF THEM AGAINST ANOTHER PARTY, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING, RELATED TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES, ANY GUARANTOR, AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS.

19.3 Governing Law. This Agreement takes effect upon its acceptance and execution by us, and shall be interpreted and construed exclusively under the laws of the jurisdiction set forth in Exhibit A-1, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of the choice-of-law rules of such jurisdiction); provided, however, that if the covenants in Section 8.2 of this Agreement would not be enforceable under the laws of such jurisdiction and the Unit Franchise is located outside of such jurisdiction, then such covenants shall be interpreted and construed under the laws of the state in which the Unit Franchise is located. Nothing in this Section 19.3 is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of any state to which this Agreement would not otherwise be subject.

19.4 **Mediation.** The parties shall attempt in good faith to resolve any dispute concerning this Agreement or the parties' relationship promptly through negotiation between authorized representatives. If these efforts are not successful, either party may attempt to resolve the dispute through non-binding mediation. Either party may request mediation through the National Franchise Mediation Program, using the procedures employed by the CPR Institute for Dispute Resolution, Inc., or other nationally recognized mediation services as we may reasonably designate. We will provide you with the contact address for that organization. The mediation will be conducted by a mutually acceptable and neutral third party. If the parties cannot resolve the dispute through negotiation or mediation, or choose not to negotiate or mediate, either party may pursue litigation.

19.5 **Venue.** The parties agree that any action brought by you against us in any court, whether federal or state, shall be brought within such state and in the judicial district in which Master Franchisee has its principal place of business. Any action brought by Master Franchisee against Unit Franchisee in any court, whether federal or state, may be brought within the state and judicial district in which Master Franchisee has its principal place of business or, at Master Franchisee's election, the state and judicial division in which Unit Franchisee has its principal place of business. The parties agree that this Section 19.5 shall not be construed as preventing either party from removing an action from state to federal court; provided, however, that venue shall be as set forth above. Each party to this Agreement hereby consents to any of those courts' exercise of non-exclusive personal jurisdiction over the party and expressly waives all objections the party otherwise might have to that exercise of personal jurisdiction and venue, including forum non conveniens.

19.6 **Class Action Waiver.** Any judicial proceeding directly or indirectly arising from or relating to this Agreement shall be considered unique as to its facts and may not be brought as a class action. You and each of the owners of Unit Franchisee waive any right to proceed against us by way of class action.

19.7 **Legal Fees.** You shall pay to us all damages, costs and expenses (including reasonable Attorneys' Fees) that we incur subsequent to the termination or expiration of the Franchise granted under this Agreement in: (i) obtaining injunctive or other relief for the enforcement of any provisions of this Agreement (including Section 8 above); and/or (ii) successfully defending a claim that we defrauded you into signing this Agreement, that the provisions of this Agreement are not fair, were not properly entered into, and/or that the terms of this Agreement do not govern the parties' relationship.

19.8 **<u>Parties Rights Are Cumulative</u>.** No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

19.9 **<u>Injunctions</u>.** Nothing contained in this Agreement including, but not limited to, the provisions relating to the resolution of disputes between the parties, shall bar our right to obtain injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders, emergency relief and preliminary and permanent injunctions.

19.10 **<u>Must Bring Claims Within One Year</u>.** Any and all claims and actions arising out of or relating to this Agreement, the relationship of you with us, or your operation of the Unit Franchise, brought by any party hereto against the other, shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or, it is expressly acknowledged and agreed by all parties, such claim or action shall be irrevocably barred.

20. NOTICES AND PAYMENTS

All written notices and reports to be delivered by the provisions of this Agreement or of the Operations Manuals will be deemed so delivered when delivered by hand, immediately on transmission by facsimile transmission or other electronic system, including email or any similar means, one (1) business day after being placed in the hands of a commercial courier service for overnight delivery, or three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the respective parties at the addresses shown on the signature page of this Agreement, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery. Any required payment or report not actually received by us during regular business hours on the date due will be deemed delinquent. Notice to any one Unit Franchisee, or owner of the Unit Franchise, shall be deemed effective as to all Unit Franchisees under this Agreement and all owner(s) of the Unit Franchise.

21. CWNA AS THIRD-PARTY BENEFICIARY

21.1 **<u>Third-Party Beneficiary</u>.** Master Franchisee and you hereby acknowledge and agree that CWNA irrevocably shall be a third-party beneficiary under this Agreement with the independent right to exercise each right of Master Franchisee and to enforce each of your obligations under this Agreement. If Master Franchisee fails to take action within a reasonable time to exercise any right of Master Franchisee or to enforce any of your obligations, CWNA may take action to exercise such right or to enforce such obligation. Master Franchisee agrees, if requested by CWNA, to participate, at Master Franchisee's expense, in any such action or enforcement in such manner as CWNA may reasonably request. The parties acknowledge and agree that they shall not have the right to amend the terms of this Agreement without CWNA's prior written consent.

Unit Franchisee Initials ____/____

21.2 **<u>Acknowledgments</u>.** Without limiting the generality of Section 21.1 above, you acknowledge and agree that:

A. CWNA retains the ultimate discretion with respect to all aspects of the establishment and operation of the Unit Franchises under the Marks and the System.

B. Under the Master Franchise Agreement, CWNA has the right to require Master Franchisee to obtain CWNA's prior written approval before it exercises many of its rights under this Agreement.

C. Under the Master Franchise Agreement: (1) CWNA also has the right to manage Master Franchisee's Master Franchise Business while Master Franchisee is in default of the Master Franchise Agreement and to require you to pay all amounts due to Master Franchisee under this Agreement to CWNA or its designee until Master Franchisee has cured all defaults; (2) upon any Repurchase, termination or expiration of the Master Franchise Agreement (i) CWNA or its designee may require that all payments due to Master Franchisee under this Agreement be paid to (and retained by) CWNA or its designee, and (ii) CWNA may terminate and succeed to all rights of Master Franchisee under this Agreement, and (3) CWNA may terminate this Agreement upon a General Market Withdrawal, as defined in the Master Franchise Agreement.

22. ENTIRE AGREEMENT; CONSTRUCTION

22.1 **<u>Entire Agreement</u>.** This Agreement and the exhibits referred to herein constitute the entire, full, and complete Agreement between you and us concerning the subject matter hereof, and supersede all prior agreements, no other representations having induced you to execute this Agreement. The parties acknowledge and agree that they relied only on the words printed in this Agreement in deciding whether to enter into this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation that Master Franchisee made in the most recent Franchise Disclosure Document (including its exhibits and amendments) that Master Franchisee delivered to you or your representative, subject to any agreed-upon changes to the contract terms and conditions described in that Franchise Disclosure Document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement).

22.2 **<u>Amendment</u>.** Except for those permitted to be made unilaterally by us hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

22.3 **<u>Severability</u>.** Except as expressly provided to the contrary herein, each portion, section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any section, part, term, and/or provision herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or

Unit Franchisee Initials ____/____

agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, and/or provisions of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, and/or provisions shall be deemed not to be a part of this Agreement.

22.4 **No Third Party Rights.** Except as expressly provided to the contrary herein (including Section 21 above), nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you and us (and such of your and our respective successors and assigns as may be contemplated (and, as to you, permitted) by Section 14 above, any rights or remedies under or by reason of this Agreement.

22.5 **Reform of Provisions.** You expressly agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

22.6 **Construction.** All captions in this Agreement are intended solely for the convenience of the parties, and no caption shall be deemed to affect the meaning or construction of any provision hereof. The word "including" shall be construed to include the words "without limitation." The term "you" or "Unit Franchisee" is applicable to one or more persons, a corporation, limited liability company or a partnership and its owners, as the case may be. If two (2) or more persons are at any time Unit Franchisee hereunder, whether as partners, joint venturers or otherwise, their obligations and liabilities to us shall be joint and several. Reference to a "controlling" interest in an entity shall mean more than fifty percent (50%) of the equity or voting control of such entity. Where this Agreement (or anything else) indicates that we (and/or any Affiliate or designee of ours) may or can do something, the meaning is permissive and we (and/or the Affiliate or designee of ours) will not be required to do that thing.

22.7 **Force Majeure.**

A. Impact. Neither party shall be responsible to the other for non-performance or delay in performance occasioned by causes beyond its control including, without limiting the generality of the foregoing: (i) acts of God; (ii) acts of war, terrorism, or insurrection; (iii) strikes, lockouts, labor actions, boycotts, floods, fires, hurricanes, tornadoes, and/or other casualties; and/or (iv) the inability of Master Franchisee and/or its Affiliates or suppliers to manufacture, purchase, and/or cause delivery of any Products or Services used in the operation of the Unit Franchise. Nothing in this provision shall be construed to affect, eliminate or reduce your obligation to procure and maintain the insurance coverages required by us for your Unit Franchise.

B. <u>Transmittal of Funds</u>. The inability of either party to obtain and/or remit funds shall be considered within control of such party for the purpose of Section 22.7.A above. If any such delay occurs, any applicable time period shall be automatically extended for a period equal to the time lost; provided, however, that the party affected makes reasonable efforts to correct the reason for such delay and gives to the other party prompt notice of any such delay; and further provided, however, that you shall remain obligated to promptly pay all fees owing and due to us hereunder, without any such delay or extension.

23. MISCELLANEOUS

23.1 <u>Changes to System</u>. You agree that it is critical to you, us and each CARTRIDGE WORLD unit franchisee for the System to be flexible to respond to commercial opportunities and challenges. An inability to change the System could adversely affect other CARTRIDGE WORLD unit franchisees. You, therefore, agree and anticipate that the Operations Manuals and the System may be changed by us from time-to-time in our Business Judgment. You agree to comply with the Operations Manuals and the System as they are changed by us.

23.2 <u>Compliance with System</u>. Every detail of your Unit Franchise is important — not only to you, but to us and to all CARTRIDGE WORLD unit franchisees — to increase and maintain the value of the Marks and the businesses associated with them. Therefore, during the term of this Agreement, you must at all times develop, maintain and operate your Unit Franchise in accordance with each System standard, as modified and supplemented by us from time to time in our Business Judgment.

23.3 <u>Competition</u>. You understand and agree that your investment in a CARTRIDGE WORLD Unit Franchise involves risks including, but not limited to, the following: the CARTRIDGE WORLD name and business model is an evolving brand in the United States; positive name recognition and goodwill will be established as the result, in large measure, by you and other CARTRIDGE WORLD unit franchisees providing quality business services and following the Operations Manuals and the System; substantial competition to the CARTRIDGE WORLD business model and concept may exist in the United States, with certain competitors having established businesses and/or channels of distribution; competition includes, among others, Internet suppliers, office supply stores, cartridge manufacturers, other cartridge refilling franchises, mail order, and other channels of distribution; the CARTRIDGE WORLD business model is subject to frequent changes in the business environment, including technological developments, some of which might significantly impact you. All of these and other factors make your investment in the Unit Franchise speculative.

23.4 <u>Review of Agreement</u>. You acknowledge that you (and each of your owners, if you are a Business Entity) have had the opportunity and been advised by us to have this Agreement and all other documents reviewed by your own attorney, and that you have read, understood, had an opportunity to discuss and agreed to each provision of this Agreement. You agree that you are under no compulsion to sign this Agreement.

23.5 **<u>Need for Uniformity and Predictability</u>.** You and we expressly acknowledge and agree that the provisions of Section 19 above (whether relating to choice of law, mediation, waiver of jury trial, venue, limitations on damages, prohibition against multiple plaintiff-class actions, shortened statutes of limitation, and/or otherwise) may require you to travel to a distant location to resolve a dispute, expend additional funds, and/or raise challenges for you and/or us in prosecution of claims/actions. You and we view these provisions in the context of a diverse franchise system with both large and small, and sophisticated and unsophisticated participants, and that requires uniformity and predictability. As such, you and we knowingly accept such provisions and limitations as justified by business necessities and representative of a reasonable balancing of your and our interests, and those of the System as a whole, and not as unfair or burdensome.

23.6 **<u>No Reliance</u>.** You specifically acknowledge that you have not received or relied on (nor have we or anyone else representing us provided) any statements, promises or representations that your Unit Franchise will succeed in the Territory, at the Premises or at any location or in any market area; achieve any particular sales, income or other levels of performance; earn any particular amount, including any amount in excess of your Initial Franchise Fee or other payments to us; or receive any rights, goods, or services not expressly set forth in this Agreement. You understand and acknowledge that CARTRIDGE WORLD master franchisees and unit franchisees are distinct from us and are independently owned and operated. While we have encouraged you to speak with such franchisees in evaluating this franchise opportunity, you understand and acknowledge that they do not act as our agents or representatives in providing any information to you and that no such information can be attributed to us and/or relied upon as such.

23.7 **<u>No Contingencies; No Misrepresentations</u>.** You represent, warrant and agree that no contingency, prior requirement, or otherwise (including but not limited to obtaining financing) exists with respect to you fully performing any or all of your obligations under this Agreement. You further represent to us, as an inducement to our entering into this franchise relationship, that you have made no misrepresentations or material omissions in obtaining the Franchise.

23.8 **<u>No Earnings Representations</u>.** You acknowledge that you have not received or relied on (nor have we or any representative of ours provided, except as may have been contained in the Franchise Disclosure Document received by you): (i) any sales, income or other projections of any kind or nature; (ii) any statements, representations, charts, calculations or other materials which stated or suggested any level or range of sales, income, profits or cash flow; or (iii) any representations as to any profits you may realize in the operations of your Unit Franchise or any working capital or other funds necessary to reach any 'break-even' or any other financial level. If any such information, promises, representations and/or warranties have been provided to you, they are unauthorized and inherently unreliable. You agree to advise us of the delivery of any such information. You must not rely upon any such information, nor shall we be bound by it. We do not, nor do we attempt to, predict, forecast or project future performance, revenues or profits of any you or any franchisee. We are unable to reliably predict the performance of a Unit

Franchise even operated by us, and certainly cannot predict results for your Unit Franchise.

23.9 **No Guaranty of Success.** You acknowledge and agree that the success of the business venture contemplated to be undertaken by you under this Agreement is speculative and will be dependent on your personal efforts, and that success is not guaranteed. You further acknowledge that the CARTRIDGE WORLD business model is and will continue to be under development. You acknowledge and represent that you have entered into this Agreement and made an investment only after making an independent investigation of the opportunity, including having received a list with the Franchise Disclosure Document of others currently operating, or who have operated, CARTRIDGE WORLD Unit Franchises.

23.10 **Receipt of Agreement.** You acknowledge that you (and each of your owners) have received a copy of this Agreement, the exhibit(s) hereto, and agreements relating hereto, if any, as well as a copy of Master Franchisee's current Franchise Disclosure Document, at such time(s) as required by the applicable federal and state franchise laws and regulations.

23.11 **Different Terms.** You understand, acknowledge and agree that (i) we may have offered Franchises in the past, may currently be offering Franchises and/or may offer Franchises in the future, on economic and/or other terms, conditions and provisions which may significantly differ from those offered by this Agreement and any related documents and (ii) there may be instances where we have varied, or will vary, the terms on which we offer Franchises, the changes we (and/or our Affiliates) make or otherwise deal with our unit franchisees to suit the circumstances of a particular transaction, the particular circumstances of that unit franchisee or otherwise, in each case in our Business Judgment.

23.12 **Written Statement of Issues.** You understand that we are relying on you to bring forward in writing at this time any matters inconsistent with the representations contained in this Section. You agree that if any of the statements or matters set forth in this Section are not true, correct and complete that you will make a written statement regarding such next to your signature below so that we can address and resolve any such issue(s) at this time.

23.13 **Representative Capacity.** You acknowledge and agree that our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity, and that no other persons and/or entities has or will have any direct duties or obligations to you.

23.14 **Pricing Structure.** You acknowledge that you have considered the pricing structure for the Designated Equipment, Products and Services sold by designated or approved suppliers as of the Effective Date of this Agreement including, but not limited to, inks and cartridges, and further acknowledge that CWNA and/or its Affiliates have the right to be the exclusive supplier of any such Designated Equipment, Products and Services, and that prices and pricing practices are subject to change.

23.15 **No Precluding Obligations.** Each party represents and warrants to the other party(ies) that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

[Signature Page to Follow]

Unit Franchisee Initials ____/____

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Agreement in three counterparts on the day and year first above written.

THIS AGREEMENT WILL NOT BECOME EFFECTIVE UNLESS AND UNTIL SIGNED BY THE PRESIDENT OR A VICE PRESIDENT OF MASTER FRANCHISEE. NO FIELD REPRESENTATIVE OR OTHER PERSON IS AUTHORIZED TO EXECUTE THIS AGREEMENT FOR MASTER FRANCHISEE.

______________________________	______________________________
Master Franchisee	Unit Franchisee
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:____________________________	Title:____________________________
Address for Notices:	Address for Notices:
______________________________	______________________________
______________________________	______________________________
Telephone:________________________	Telephone:________________________
Fax:______________________________	Fax:______________________________
Attn:_____________________________	Attn:_____________________________

Unit Franchisee Initials ____/____

CARTRIDGE WORLD®
Unit Franchise Agreement

Exhibit A-1
Data Sheet

You acknowledge and agree that by signing the Unit Franchise Agreement and this Exhibit, you are subject to the terms and conditions of the Unit Franchise Agreement and this Exhibit.

¶	Section Cross-Reference	Item
1	First Paragraph; 2.1	**Effective Date**: ________ ____, 20__ **Expiration Date**: ________ ____, 20__ (10 years after Effective Date, unless this Agreement is for a Renewal Franchise and the provisions of the expired Unit Franchise Agreement provides for a different Expiration Date).
2	First Paragraph	**Master Franchisee**: _______________________________, a __________ organized under the laws of __________, with its principal place of business at ____.
3	First Paragraph	**Unit Franchisee**: ___________________________, a [resident of] [corporation organized under the laws of] [limited liability company organized under the laws of] ____________ and having its principal place of business at ____.
4	Recital D	**Date of the Master Franchise Agreement**: _________, 20____
5	1.8	**Designated Individual**: ____
6	1.22	**Premises (address of Unit Franchise)**: ____ ____ ____.
7	1.26	***Territory**:____ ____ ____.
8	3.1.D	**Grand Opening Advertising Expenditure**: Five Thousand Dollars ($5,000)
9	5.1.B; 9.2; 14.3.A.6	**Training Fee**: ______________________ Dollars ($_______)
10	9.1	**Initial Franchise Fee**: Forty Thousand Dollars ($40,000)

Unit Franchisee Initials ____/____

¶	Section Cross-Reference	Item
11	11.1	**Marketing Fund Contribution**: For each Royalty period, the Marketing Fund Contribution shall be calculated as follows with respect to the two business segments identified below: 1. up to four percent (4%) of Gross Revenue received or earned by you during the preceding Royalty period, PLUS 2. up to four percent (4%) of the Gross Profit received or earned by you on all Ancillary Items during the preceding Royalty period.
12	11.3	**Local Advertising Expenditure**: _______________ Dollars ($______) per month
13	14.3.A.9	**Transfer Fee**: Ten Thousand Dollars ($10,000)
14	15.3.H	**Renewal Fee**: Twenty percent (20%) of our then-current Initial Franchise Fee for a first Unit Franchise , but not less than Five Thousand Dollars $5,000.
15	19.3	**Governing Law**: ___________________

** Note: Boundary lines include only the area within the boundary line and extend only to the middle of the boundary demarcation (for example, only to the middle of a street or highway.) You have no rights under this Agreement or otherwise with respect to a facility on the other side of the boundary line, street or highway or otherwise, and no matter how close to such boundary a facility may be, regardless of the distance from, impact on, or vicinity of, your Premises or the number of Unit Franchises, other outlets or otherwise in any area or market.*

______________________________	______________________________
Master Franchisee	Unit Franchisee
By:___________________________	By:___________________________
Name:_________________________	Name:_________________________
Title:__________________________	Title:__________________________

Unit Franchisee Initials ____/____

CARTRIDGE WORLD®
Unit Franchise Agreement

Exhibit A-2
Royalty Fee Data Sheet

You acknowledge and agree that by signing the Unit Franchise Agreement and this Exhibit, you are subject to the terms and conditions of the Unit Franchise Agreement and this Exhibit.

<table>
<tr><th>¶</th><th>Section Cross-Reference</th><th>Item</th></tr>
<tr><td>1</td><td>9.3</td><td>Royalty: For each Royalty period, the Royalty shall be calculated as follows with respect to the two business segments identified below:
1. six percent (6%) of the Gross Revenue received or earned by you during the preceding Royalty period, PLUS

2. six percent (6%) of the Gross Profit received or earned by you on all Ancillary Items during the preceding Royalty period.</td></tr>
<tr><td>2</td><td>9.3</td><td>Pre-Opening Minimum Royalty: Five Hundred Dollars ($500), payable to us commencing on the 10th day of the sixth Royalty period (currently a calendar month) after the Effective Date of this Agreement, and continuing until the payment of the Royalty for the Royalty period in which you commence operating the Unit Franchise generating Gross Revenue and/or Gross Profit.</td></tr>
<tr><td>3</td><td>9.3</td><td>Minimum Royalty After Opening: Commencing with the Royalty payment for the Royalty period in which you the commence operating your Unit Franchise and continuing each Royalty period thereafter for the remaining term of this Agreement, you will pay Royalties for each Royalty period as follows:
For each Royalty period, the Royalty shall be calculated as set forth in Paragraph 1 of this Exhibit. Each "Year" period, as defined below in this Paragraph of this Exhibit A-2, after you commence business, you will pay Royalties to us each Royalty period equal to the greater of (a) the amount calculated as set forth in Paragraph 1 above, or (b) the amount set forth in the following schedule:
<table><tr><th><u>Year Period</u></th><th><u>Minimum Royalty Payable For Each Royalty Period During Year</u></th></tr><tr><td>Year 1</td><td>$750</td></tr><tr><td>Year 2</td><td>$1,050</td></tr><tr><td>Year 3</td><td>$1,200</td></tr><tr><td>Year 4</td><td>$1,500</td></tr><tr><td>Year 5 and each Year (or partial Year) thereafter</td><td>$1,800</td></tr></table>Year 1 in the above schedule will commence on the first day of the Royalty period (currently a calendar month; a "Month") in which you commence business and will</td></tr>
</table>

Unit Franchisee Initials ____/____

¶	**Section Cross-Reference**	**Item**
		continue for 12 consecutive Months. Year 2 and each Year period thereafter will commence on the applicable anniversary date of Year 1 and will continue for 12 consecutive Months until the Expiration Date of this Agreement.

______________________________	______________________________
Master Franchisee	Unit Franchisee
By:____________________________	By:____________________________
Name:__________________________	Name:__________________________
Title:___________________________	Title:___________________________

Unit Franchisee Initials ____/____

CARTRIDGE WORLD®
Unit Franchise Agreement

Exhibit B
Continuing Personal Guarantee

In consideration of, and as an inducement to, the execution by **___________________________** (**Master Franchisee's Name**), a(n) **_____________________** (**Name of State/Type of Business Entity)**, ("Master Franchisee") of the franchise agreement (the "Unit Franchise Agreement") between Master Franchisee and **_________________________** ("Unit Franchisee"), each of the undersigned hereby personally and unconditionally, jointly and severally:

(1) guarantees to Master Franchisee, its Affiliates, the Master Franchisee-Related Parties (as defined in the Unit Franchise Agreement) and each of their respective successors and assigns, for the term of the Unit Franchise Agreement and thereafter as provided for in the Unit Franchise Agreement, that the undersigned will be personally bound by, and punctually pay and perform, each and every agreement and obligation set forth in the Unit Franchise Agreement including, but not limited to, the continuing obligations set forth in Sections 17.4.A and 17.4.B;

(2) agrees to be personally bound by, and personally liable for, any breach of any provision in the Unit Franchise Agreement;

(3) agrees to be personally bound by, and personally liable for, each obligation of Unit Franchisee to Master Franchisee, its Affiliates and/or any Master Franchisee-Related Parties; and

(4) agrees that neither Master Franchisee, its Affiliates, and/or any Master Franchisee-Related Parties need to bring suit first against Unit Franchisee or any of the undersigned in order to enforce the provisions of this Continuing Personal Guarantee (this "Guarantee"), and each may enforce this Guarantee against any or all of the undersigned as it chooses in its sole and absolute discretion.

Each of the undersigned waives presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever including, without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under this Guarantee and/or otherwise and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Unit Franchisee and Master Franchisee, and the settlement, compromise or adjustment thereof.

Further, each of the undersigned consents and agrees that:

(1) his or her direct and immediate liability under this Guarantee will be joint and several and shall not be relieved or diminished by any release or compromise of any liability of any of the other undersigned or of any party or parties primarily or secondarily liable under the Unit Franchise Agreement, this Guarantee and/or otherwise;

Unit Franchisee Initials ____/____

(2) such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Master Franchisee may from time-to-time grant to Unit Franchisee and/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 will in any way modify or amend this Guarantee, which will be continuing and irrevocable;

(3) the liabilities and obligations of the undersigned, whether under this Guarantee or otherwise, will not be diminished or otherwise affected by the termination, rescission, expiration, renewal or modification of the Unit Franchise Agreement;

(4) the undersigned will comply with the Post-Termination Provisions of the Unit Franchise Agreement, as that term is defined in the Unit Franchise Agreement; and

(5) the provisions of Sections 19, 20 and 23 of the Unit Franchise Agreement are incorporated in and will apply to this Guarantee as if fully set forth herein and shall apply to any dispute involving Master Franchisee and any of the undersigned; provided that in all events the undersigned agrees to pay all expenses paid or incurred by Master Franchisee in enforcing the provisions of this Guarantee against the undersigned and in collecting or attempting to collect any amounts due hereunder, including reasonable Attorneys' Fees.

In connection with the execution of this Guarantee and with Master Franchisee permitting the Unit Franchise Agreement to be awarded to Unit Franchisee, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the undersigned hereby grants a General Release of any and all claims, liabilities and/or obligations, of any nature whatsoever, however arising, known or unknown, against Master Franchisee and/or any or all of the Master Franchisee-Related Parties, excepting only those claims solely related to the offer and sale of the Unit Franchise, where such releases are expressly prohibited by applicable law.

Terms not defined in this Guarantee shall have the same meanings as in the Unit Franchise Agreement.

IN WITNESS WHEREOF, each of the undersigned has here unto affixed his or her signature on the same date as the Unit Franchise Agreement has been executed.

GUARANTOR(S)	PERCENTAGE OF OWNERSHIP OF UNIT FRANCHISEE
______________________________	________________________%
______________________________	________________________%
______________________________	________________________%

CARTRIDGE WORLD®
Unit Franchise Agreement

Exhibit C
<u>Territorial Rights and Obligations</u>

Your and our respective rights in the Territory are subject to the terms and conditions of the Unit Franchise Agreement and this Exhibit. All rights not expressly granted to you are reserved by us and Master Franchisee-Related Parties.

A. Start-Up Period:

The "Start-Up Period" is defined as the first twenty-four (24) months of the term of the Unit Franchise Agreement, commencing on the Effective Date of the Unit Franchise Agreement. We will not enter into a Unit Franchise Agreement licensing a CARTRIDGE WORLD Unit Franchise, or open a Master Franchisee/CWNA-owned CARTRIDGE WORLD business, located in or that includes the Territory during the Start-Up Period. Regardless of the foregoing, if you are awarded the Franchise as a successor Unit Franchise Agreement or as a transferee of an existing Unit Franchise, there shall be no Start-Up Period for the purposes of your Unit Franchise Agreement.

B. Right of First Refusal:

After the Start-Up Period, we will provide you with a right for first refusal before any additional CARTRIDGE WORLD Unit Franchise is located in the Territory if: (1) you are in Good Standing; and (2) you meet our then-current financial, operational and other business standards for the award of the applicable Unit Franchise. Such standards may be modified by us from time to time in our Business Judgment.

C. Right of First Refusal Process:

The procedure for the right of first refusal for the Unit Franchises in your Territory will be as follows:

1. We will provide you with prior written notice of the proposed Unit Franchise to be operated in your Territory either because the territory for the proposed Unit Franchise will include a portion of your Territory or the Premises for the proposed Unit Franchise will be located in your Territory;

2. The written notice will include a description of the territory for the proposed Unit Franchise and an explanation of the new unit franchisee's first refusal rights (if any) to own future proposed Unit Franchises in such territory if you decline to own and operate the proposed Unit Franchise, and/or any changes to your rights in (or a portion of) your Territory if you decline to own and operate the proposed Unit Franchise.

3. You will have fifteen (15) days in which to tell us in writing (and pay any initial fees) that you wish to own and operate the proposed Unit Franchise;

4. If you notify us in writing within fifteen (15) days that you are not interested in the proposed Unit Franchise or if you **do not** respond to us in writing within fifteen (15) days, then we may pursue and/or grant any other person/entity the right to own, operate or otherwise participate in such Unit Franchise without any liability or further obligation to you;

5. If you timely notify us in writing that you **do** wish to own and operate the Unit Franchise, then we may condition your participation on compliance with terms and conditions that we consider appropriate in our Business Judgment to the particular Unit Franchise. Conditions may include, but are not limited to: your execution of the agreements and related documents that are then generally used by us in connection with the award of the applicable Unit Franchise; payment of all initial fees and any other applicable fees; meeting any eligibility requirements as are then generally applied by us to candidates for the particular Unit Franchise; and the execution by you (and any Affiliate and owner of yours) of a General Release, as defined in Section 1.11 of the Unit Franchise Agreement. Such General Release will exclude, where such releases are expressly prohibited by applicable law, those claims solely related to the offer and sale of the new Unit Franchise. If you do not meet the conditions applicable to the awarding of the Unit Franchise and/or any opening requirements that may be included in any agreements, then we and/or CWNA may pursue such Unit Franchise; and/or grant any other person/entity the right to participate in it, without any liability or further obligation to you.

D. Reserved Rights:

We expressly reserve all other rights, including among them the rights to:

1. own and/or operate ourselves, and/or authorize others to own and/or operate:

    (a) any kind of business in the Territory selling to customers and clients located anywhere, whether or not using the Marks and System, except (1) a Unit Franchise during the Start-Up Period (if the Unit Franchise Agreement is not a renewal Unit Franchise Agreement or for the Transfer of an existing Unit Franchise); and (2) subject to any applicable right of first refusal as described above in this Exhibit; and

    (b) any kind of business outside of the Territory selling to customers and clients located anywhere, whether or not using the Marks and System including, without limitation, Unit Franchises.

2. develop or become associated with other concepts (including dual branding and/or other franchise systems), and award franchises under such other concepts for locations anywhere, and/or operate units/channels of distribution owned by us and/or any Affiliate under such other concepts for locations anywhere, selling to customers located anywhere;

3. acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere and selling to customers located anywhere. Such transactions may include (but are

Unit Franchisee Initials ____/____

not limited to) arrangements involving competing outlets and brand conversions (to or from the Marks and System). Such transactions are expressly permitted under this Agreement, and you agree to participate at your expense in any such conversion as instructed by us;

4. market and sell products and services, whether or not under the Marks and whether or not competitive to the Products and Services, to customers and clients located anywhere using any channel of distribution located anywhere; and

5. in every instance in which we have the right to terminate this Agreement under Section 16, we may elect in our Business Judgment to cancel any and/or all of your territorial or similar rights (including, but not limited to, any rights of first refusal), whether arising under this Agreement or in any other manner or document.

E. Customer Policies; Special Accounts and Internet Use.

1. We have the right to place geographic or other restrictions upon the operations and marketing activities of your Unit Franchise, among other things. You agree to comply with all such policies and restrictions issued and/or implemented by us in this Exhibit or otherwise in writing. You also agree only to deal with Special Account(s), as defined below, in the manner that we authorize. We may service and/or administer Special Accounts and may request related assistance from franchisees, according to processes and procedures we establish. If you accept such a request from us, you will be required to participate in the applicable project on the terms negotiated for such Special Account. **"Special Accounts"** shall mean classes of special customers and clients (which may include national accounts, other large businesses, government agencies, and/or other specified accounts) as designated by us from time to time in our Business Judgment.

2. Your use of the Internet and other electronic or other means of marketing and distribution of goods and/or services must be consistent with any specifications, policies and/or standards we establish from time to time in our Business Judgment. You will not market or sell through such venue(s) or any channel of distribution other than your Unit Franchise without our written permission, which we can grant, condition or deny in our Business Judgment.

3. We may choose in our Business Judgment to offer/provide the Products and/or Services through the Internet and/or other similar venues (no matter where the customer is located), including websites administered by third parties such as Amazon.

4. Other than specifically authorized by us, you must operate your Unit Franchise only as authorized by the terms of the Unit Franchise Agreement, and you must not engage in sales in any other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing sales.

CARTRIDGE WORLD®
Unit Franchise Agreement

Exhibit D
COLLATERAL ASSIGNMENT OF LEASE

THIS COLLATERAL ASSIGNMENT OF LEASE (this "Assignment") is entered into as of ___________________________, 20___, between __________________________________ ("Unit Franchisee") and __________________________________, a(n) ____________________ ("Master Franchisee").

Subject to the provisions hereof, Unit Franchisee, to secure its obligations to Master Franchisee under the franchise agreement between Master Franchisee and Unit Franchisee for the operation of a "CARTRIDGE WORLD Unit Franchise," dated ____________________, 20__ (the "Unit Franchise Agreement") and under every agreement between Unit Franchisee and Master Franchisee, hereby assigns, transfers and sets over unto Master Franchisee [and/or such person(s)/entity(ies) as Master Franchisee may from time-to-time designate] all of Unit Franchisee's right, title and interest, whether as tenant or otherwise, in, to and under that certain lease (the "Lease"), a copy is attached to this Assignment, dated _________, 20__, between Unit Franchisee and ____ ("Landlord"), respecting that property commonly known as ____ (the "Premises"). Master Franchisee shall have no liabilities or obligations of any kind arising from, or in connection with, this Assignment, the Lease or otherwise (including, but not limited to, any obligation to pay rent and/or other amounts) **until and unless** Master Franchisee, in its Business Judgment, takes possession of the Premises pursuant to the terms hereof and expressly (and in writing) assumes the rights and obligations of Unit Franchisee under the Lease. Master Franchisee is only responsible for those obligations accruing after the date of such assumption.

Unit Franchisee agrees to indemnify and hold harmless Master Franchisee from and against all claims and demands of any type, kind or nature made by the Landlord or any third party that arise out of or are in any manner connected with Unit Franchisee's use and occupancy of the Premises subject to the Lease.

Unit Franchisee represents and warrants to Master Franchisee that Unit Franchisee has full power and authority to assign the Lease and its interest in the Lease.

Master Franchisee will not take possession of the Premises until and unless Unit Franchisee defaults (and/or until there is a termination, cancellation, rescission or expiration of Unit Franchisee's rights) under the Lease, any sublease, the Unit Franchise Agreement or other agreement between Unit Franchisee and Master Franchisee (or any Affiliate). In such event, Master Franchisee (or its designee) shall have the right, and is hereby empowered, (but has no obligation) to take possession of the Premises and expel Unit Franchisee therefrom. Unit Franchisee shall then have no further right, title or interest in or under the Lease or to the Premises, all such rights thereby passing to Master Franchisee or its designee, in each case without the Landlord's further consent. Unit Franchisee agrees to do all acts necessary or appropriate to accomplish such assignment on Master Franchisee's request. Unit Franchisee will reimburse Master Franchisee for the costs and expenses incurred in connection with any such

Unit Franchisee Initials ____/____

retaking including, without limitation, the payment of any back rent and other payments due under the Lease (whether such payments are made by a separate agreement with the Landlord or otherwise), Attorneys' Fees and expenses of litigation incurred in enforcing this Assignment, costs incurred in reletting the Premises and costs incurred for putting the Premises in good working order and repair.

Unit Franchisee agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Master Franchisee. Throughout the term of the Unit Franchise Agreement, Unit Franchisee agrees that it shall elect and exercise all options to extend the term of (or renew or assume in bankruptcy) the Lease not less than ten (10) days prior to the last day that said option must be exercised, unless Master Franchisee otherwise agrees in writing. Unit Franchisee shall provide Master Franchisee with a copy of all documents related to such options, extensions and other similar documents.

Failure of Master Franchisee to exercise any remedy hereunder shall not be construed or deemed to be a waiver of any of its rights hereunder. The rights and remedies of Master Franchisee under this Assignment are cumulative and are not in lieu of but are in addition to any other rights and remedies which Master Franchisee shall have under or by virtue of the Unit Franchise Agreement or otherwise. The terms, covenants, and conditions contained herein shall bind Franchisee and its successors and assigns, and inure to the benefit of Master Franchisee and its successors and assigns. In the event of any dispute between the parties regarding this Assignment, or any matter related in any way to it, the dispute resolution provisions (including, but not limited to, mediation, binding arbitration, waiver of jury trial and limitation of damages) of the Unit Franchise Agreement between Master Franchisee and Unit Franchisee shall apply. The arbitrator in any such proceeding shall have the full power and authority to grant an appropriate award to give full effect to this Assignment, expelling Unit Franchisee from the Premises and awarding possession to Master Franchisee, as well as granting such other relief as may be proper and fair at law and by equity. If there is more than one Unit Franchisee, their obligations hereunder will be joint and several.

This Assignment, any memorandum hereof or any financial statement related hereto may be recorded by, and at the expense of, Master Franchisee. Unit Franchisee hereby appoints Master Franchisee as its attorney in fact to execute any and all documents and to take any and all such actions, as are necessary or appropriate to record such instrument referenced above.

UNIT FRANCHISEE:	MASTER FRANCHISEE:
______________________________	______________________________
______________________________ Signature	______________________________ Signature
______________________________ Printed Name	______________________________ Printed Name

LANDLORD APPROVAL:

The undersigned Landlord under the Lease hereby:

1. Agrees to notify Master Franchisee in writing of any default and any failure of Unit Franchisee to cure any default under the Lease;
2. Agrees that Master Franchisee shall have the right, but not be obligated, to cure any default by Unit Franchisee under the Lease within 30 days after delivery by Landlord of written notice thereof;
3. Consents to the foregoing Collateral Assignment and agrees that if Master Franchisee takes possession of the Premises and confirms to Landlord the assumption of the Lease by Master Franchisee as tenant, Landlord shall recognize Master Franchisee, or its designee, as tenant under the Lease;
4. Agrees that Master Franchisee may further assign the Lease or sublet the Premises to a designee and/or a person or entity who is a CARTRIDGE WORLD Unit Franchisee reasonably acceptable to Landlord. Master Franchisee will have no further liability under the Lease upon such an assignment. This Approval of Landlord shall apply to any subsequent Unit Franchisee;
5. Agrees to provide a copy of this Collateral Assignment of Lease to any actual and/or prospective purchaser of the Premises.

LANDLORD	MASTER FRANCHISEE
______________________________	________________________
By: ____________________________	By: ___________________
Its ____________________________	Its ______________________

Unit Franchisee Initials ____/____

CARTRIDGE WORLD®
Unit Franchise Agreement

Exhibit E

SITE SELECTION ACKNOWLEDGMENT AND ADA CERTIFICATION FORM

______________________ ("Master Franchisee", or "we", "us" or "our") and __________________ ("Unit Franchisee(s)" or "you") are parties to a franchise agreement dated ________, 20__ (the "Unit Franchise Agreement") for the operation of a CARTRIDGE WORLD Unit Franchise at the Premises identified below (the "Unit Franchise"). This Form refers to the following proposed location of the Premises for the Unit Franchise (the "Site"), which we have accepted and consented to under the terms of the Unit Franchise Agreement:
____ (*ADDRESS OF PREMISES)*

You understand and agree that:

- You have independently selected and are solely responsible for the selection, development and operation of the Site.
- Our consent to the Site is not, and should not be relied upon as, a recommendation or endorsement of such location, nor a representation or warranty as to the suitability of the Site for any purpose, the likelihood of any success at such Site, or otherwise. We cannot and do not guarantee the success of any location.
- Although we, or companies referred by or associated with us, may assist you in site location, identification, financing and/or development by providing consultation, evaluation and/or other assistance, including references to potential locations, contractors and other professionals (individually and collectively referenced as "Site-Related Matters") neither we nor any Master Franchisee-Related Parties will have any liability with respect to any location to be selected, obtained and/or used by you or for any Site-Related Matters. The sole responsibility for the selection of the Site and all Site-Related Matters is your own.
- We and/or any Master Franchisee-Related Parties may have made, or may make, available to you standard and/or site specific plans and specifications to be used by you in the construction of your Premises at the Site. You are solely responsible for obtaining architectural, engineering and other applicable professional services to prepare surveys, site and foundation plans and adapt any plans and specifications to the Site and all applicable laws, regulations and ordinances.
- In signing this Form, you acknowledge that you have not relied on any assistance or input from us or any Master Franchisee-Related Parties with respect to the Site and any Site-Related Matters, and you waive any claims you may have against us and/or any Master Franchisee-Related Parties in connection with the Site and any such matters.
- You agree that this Form, along with the Unit Franchise Agreement between us, contains the final, complete and exclusive expression of the terms of your and our agreement with respect to the subject matter of this Form and supersedes all other agreements and/or representations of any kind or nature. <u>Any understandings, agreements, representations, or otherwise (whether oral or written) which are not fully expressed in this document and the Unit Franchise Agreement are expressly disclaimed by you.</u>

Unit Franchisee Initials ____/____

ADA Certification:

In accordance with Section 3.3 of the Unit Franchise Agreement, Unit Franchisee certifies to Master Franchisee that to the best of Unit Franchisee's knowledge, the Premises of the Unit Franchise and its adjacent areas comply with all applicable federal, state and local accessibility laws, statutes, codes, rules, regulations and standards including, but not limited to, the Americans with Disabilities Act. Unit Franchisee acknowledges that it is an independent contractor and the requirement of this certification by Master Franchisee does not constitute ownership, control, leasing or operation of the Unit Franchise. Unit Franchisee acknowledges that Master Franchisee has relied on the information contained in this certification. Furthermore, Unit Franchisee agrees to indemnify Cartridge World, Master Franchisee and Master Franchisee-Related Parties, and each of their respective officers, directors, and employees, in connection with any and all claims, losses, costs, expenses, liabilities, compliance costs, and damages incurred by such indemnified party(ies) as a result of any matters associated with Unit Franchisee's compliance (or failure to comply) with the Americans with Disabilities Act, as well as the costs, including attorneys' fees, related to the same.

In the event of any dispute concerning or relating to this document and/or any of the transactions and/or matters to which it may apply, such dispute will be resolved in accordance with the dispute resolution provisions of the Unit Franchise Agreement (including, but not limited to, Sections 19, 20 and 23 of the Unit Franchise Agreement). Terms not defined in this document shall have the same meaning as they do in the Unit Franchise Agreement.

All signers are jointly and severally responsible for the representations and promises described in this Acknowledgment and Certification Form.

UNIT FRANCHISEE(S)

By: ____

Printed Name: _______________________________

Date: ______________________________________

By: ____

Printed Name: _______________________________

Date: ______________________________________

By: ____

Printed Name: _______________________________

Date: ______________________________________

CARTRIDGE WORLD®
MULTI-UNIT AGREEMENT

This Multi-Unit Agreement (this "**Agreement**") is entered into as of ___________, 20__ between ____ ("**Master Franchisee**") and _______________________________________ ("**Unit Franchisee**"), upon the following terms, conditions, covenants and agreements.

INTRODUCTION

A. Master Franchisee and Unit Franchisee are, concurrently with the signing of this Agreement, entering into a Unit Franchise Agreement (the "**1st FA**") for the operation of a CARTRIDGE WORLD Unit Franchise at __________________________ (the "**1st Unit Franchise**"). All capitalized terms not otherwise defined in this Agreement shall have the same meanings given in the 1st FA.

B. Unit Franchisee desires to obtain and qualifies for a second Unit Franchise Agreement (the "**2nd FA**") for a second Unit Franchise (the "**2nd Unit Franchise**"), or for a 2nd FA for a 2nd Unit Franchise and a third Unit Franchise Agreement (the "**3rd FA**") for a third Unit Franchise (the "**3rd Unit Franchise**"), and to pay the applicable Initial Franchise Fees for such Unit Franchises in the amounts as agreed under this Agreement, instead of under the then-current form of Unit Franchise Agreement.

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. INITIAL FRANCHISE FEES; CONDITIONS ON FRANCHISE.

1.1 Unit Franchisee understands and agrees that this Agreement confers upon Unit Franchisee a conditional right to obtain an additional Franchise for an additional Unit Franchise. Unit Franchisee agrees that Unit Franchisee's right to obtain an additional Franchise is expressly contingent upon: (i) Unit Franchisee's compliance at all times with the requirements of this Agreement, the 1st FA, any other agreements between Master Franchisee and Unit Franchisee, and the standards, policies and specifications for Unit Franchises, whether contained in the Operations Manuals or any other written communication to Unit Franchisee by Master Franchisee, relating to the development, appearance or operation of the 1st Unit Franchise; (ii) Unit Franchisee's delivery of a General Release; (iii) Unit Franchisee's ability to meet Master Franchisee's/CWNA's then-current financial criteria then generally applicable to the award of a second or third Unit Franchise to a unit franchisee, as applicable; and (iv) the opening of any such Unit Franchise(s) within the applicable timeframes noted below in this Section 1.1. Based upon the understanding of all such conditions and agreement by Unit Franchisee, Master Franchisee covenants to grant to Unit Franchisee, subject to all of the other terms of the applicable Unit Franchise Agreement for such Unit Franchises: ***[choose one]***

_____ The Initial Franchise Fee for the 2nd Unit Franchise shall be $20,000. The 2nd Unit Franchise must be open for business not later than ________________ (the "**Deadline Date**"); or

_____ The Initial Franchise Fee for the 2nd Unit Franchise shall be $20,000. The 2nd Unit Franchise must be open for business not later than ________________ (the "**1st Deadline Date**"). The Initial Franchise Fee for the 3rd Unit Franchise shall be $20,000. The 3rd Unit Franchise must be open for business not later than ________________ (the "**2nd Deadline Date**").

1.2 Unit Franchisee understands and agrees that Unit Franchisee obtains no rights (including, without limitation, any right of first refusal, right of first offer, or option) with respect or relating to any site, location, geographical area or territory under this Agreement. Unit Franchisee is not required under this Agreement to develop and open any additional Unit Franchises.

1.3 If Master Franchisee terminates this Agreement due to Unit Franchisee's failure to comply with the Unit Franchise opening Deadline Date(s) established in Section 1.1 above, Unit Franchisee agrees that Unit Franchisee shall not be entitled to any refund or credit for any amounts paid pursuant this Agreement or any Unit Franchise Agreement upon the termination of this Agreement.

2. AGREEMENT PROCESS.

2.1 For the 2nd Unit Franchise and the 3rd Unit Franchise (if applicable), the parties shall enter into Master Franchisee's then-current form of Unit Franchise Agreement. The parties' rights and obligations under the 2nd FA and 3rd FA (if applicable) shall be governed exclusively by the terms and conditions thereof, except with respect to the amount of the Initial Franchise Fee and the deadline to open the 2nd Unit Franchise and 3rd Unit Franchise (if applicable), as expressly provided in Section 1.1 of this Agreement. Master Franchisee reserves the right to modify, in its sole discretion and from time to time, Master Franchisee's form Unit Franchise Agreement, and the terms of the 2nd FA and/or 3rd FA may be materially different from the terms of the 1st FA.

2.2 If Master Franchisee and Unit Franchisee enter into the 2nd FA and, if applicable, the 3rd FA, then the applicable Initial Franchise Fee as set forth above will be paid by Unit Franchisee to Master Franchisee on the signing of the then-current Unit Franchise Agreement.

2.3 Unit Franchisee agrees that as a condition to Master Franchisee granting Unit Franchisee an additional Unit Franchise, Unit Franchisee, including all of its owners, shareholders, members and partners, must sign Master Franchisee's then-current standard form General Release of all claims against Master Franchisee and its Affiliates, officers, directors, members, shareholders, employees and representatives in their corporate and individual capacities, before executing the 2nd FA and the 3rd FA (if applicable).

3. OPENING DEADLINES PER ADDITIONAL UNIT FRANCHISE; TERM AND TERMINATION.

3.1 Unit Franchisee is not required under this Agreement to develop and open any additional Unit Franchises. However, if Unit Franchisee chooses to pursue an additional location, subject to the above described conditions, each Unit Franchise must be opened by the applicable Deadline Date(s) stated in Section 1.1 above. For purposes of this Agreement, a Unit Franchise will be considered to have been "opened" on the day it is open for regular, continuous business to the public. Unit Franchisee acknowledges and agrees that if Master Franchisee is not able to deliver a Franchise Disclosure Document to Unit Franchisee by reason of any lapse or expiration of any applicable franchise registration, or because Master Franchisee is in the process of amending such registration, or for any other reason, Master Franchisee may delay the award/execution of any Unit Franchise Agreement accordingly without liability to Unit Franchisee. If Unit Franchisee is attempting, but is unable to meet, the applicable opening Deadline Date for a Unit Franchise solely as a result of a force majeure event as described in Section 22.7 of the 1st FA, and which Unit Franchisee could not by the exercise of due diligence have avoided, the applicable Deadline Date shall be extended only for the duration of such force majeure event.

3.2 The term of this Agreement shall expire on the last Deadline Date noted in Section 1.1 above, unless earlier terminated as provided herein or extended under the circumstances noted in Section 3.1 above.

3.3 Master Franchisee shall have the right, but not the obligation, to immediately terminate this Agreement effective upon delivery to Unit Franchisee of written notice of termination, if:

A. Unit Franchisee fails to comply with any provision of this Agreement and does not correct such failure within thirty (30) days after Master Franchisee sends written notice.

B. Unit Franchisee, or any owner, shareholder, partner or member, if Unit Franchisee is a corporation, partnership or limited liability company, attempts to make an unauthorized assignment or transfer of this Agreement.

C. Any Unit Franchise Agreement between Unit Franchisee and Master Franchisee is terminated for whatever reason.

D. Unit Franchisee ceases to be a unit franchisee of Master Franchisee.

4. GENERAL PROVISIONS.

4.1 Unit Franchisee acknowledges and agrees that any award of the 2nd FA or, if applicable, the 3rd FA by Master Franchisee will depend upon Unit Franchisee meeting the requirements provided in Section 1.1.

4.2 The parties agree that the provisions of the following sections of the 1st FA are incorporated by reference into this Agreement and also apply, *mutatis mutandis*, to this Agreement): 1 (Definitions); 7 (Relationship of the Parties; Indemnification); 14 (Transfer); 16 (Termination of Franchise); 17 (Rights and Obligations on Transfer, Repurchase, Termination and/or Expiration of Franchise); 19 (Governing Law and Dispute Resolution); 20 (Notices and Payments); 21 (CWNA as Third-party Beneficiary); 22 (Entire Agreement; Construction); and 23 (Miscellaneous).

4.3 This Agreement, the 1st FA, and any exhibits referenced in either of them constitute the entire understanding among the parties with respect to the 1st FA and this Agreement, and supersede all negotiations, prior discussions and preliminary agreements. Except as referenced herein, no prior agreement or other contemporaneous understanding pertaining to the 1st FA and this Agreement exists. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Unit Franchisee to waive reliance on any representation that Master Franchisee made in the most recent Franchise Disclosure Document (including its exhibits and amendments) that Master Franchisee delivered to Unit Franchisee or its representative, subject to any agreed-upon changes to the contract terms and conditions described in that Franchise Disclosure Document and reflected in the 1st FA and this Agreement. This Agreement may not be modified except in writing executed by each of the parties and approved by Master Franchisee.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Agreement in three counterparts on the day and year first above written.

THIS AGREEMENT WILL NOT BECOME EFFECTIVE UNLESS AND UNTIL SIGNED BY THE PRESIDENT OR A VICE PRESIDENT OF MASTER FRANCHISEE. NO FIELD REPRESENTATIVE OR OTHER PERSON IS AUTHORIZED TO EXECUTE THIS AGREEMENT FOR MASTER FRANCHISEE.

______________________________	______________________________
Master Franchisee	Unit Franchisee
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:_____________________________	Title:_____________________________

EXHIBIT A-2
TO MASTER FRANCHISE DISCLOSURE DOCUMENT

SPOUSAL/DOMESTIC PARTNER CONSENT

Spousal/Domestic Partner Consent Form

I, __________________________ [SPOUSE'S/DOMESTIC PARTNER'S NAME], am the spouse/domestic partner of ________________ [MASTER FRANCHISEE'S NAME], who is a party to and/or guarantor of that certain Master Franchise Agreement dated ________________, 20____ for the CARTRIDGE WORLD Master Franchise located in the following territory: ____ (the "Master Franchise Agreement"), by and between Cartridge World North America, LLC (the "Franchisor"), on the one hand, and

____________________________, an individual, and _________________, an individual (individually and collectively, the "Master Franchisee")

[or]

_____________________________, a corporation/partnership/limited liability company (circle, as appropriate), (the "Master Franchisee"),

on the other hand.

I represent, warrant, acknowledge, and agree that I am not a Master Franchisee under the above referenced Master Franchise Agreement and do not, and will not, have any legal, beneficial or other interest in the Master Franchise Agreement and/or the Master Franchise.

I hereby represent, warrant and acknowledge that, while I am not a prospective franchisee, I have reviewed a copy of the Franchisor's Franchise Disclosure Document, and read and understood the Master Franchise Agreement, including:

1. the provisions of Article 22 [Dispute Resolution and Applicable Law] of the Master Franchise Agreement requiring dispute avoidance and resolution (e.g., governing law, venue, waiver of punitive damages, waiver of jury trial, class action waiver of legal fees, contractual statute of limitations, etc.,); and

2. the provisions of Articles 14 [Confidentiality] and 19 [Restrictions] of the Master Franchise Agreement pertaining to my spouse's/domestic partner's non-disclosure and non-compete obligations, both during and after the Master Franchise Agreement, and his/her commitment to my compliance with those provisions; and

3. the other terms of the Master Franchise Agreement including, but not limited to, the continuing obligations set forth in Article 15 of the Master Franchise Agreement.

I hereby consent to the execution of the Master Franchise Agreement and all related documents by my spouse/domestic partner and agree that I will not make any claim at any time in a manner contrary to the requirements of the Master Franchise Agreement or the representations/statements contained in this document.

Any claims by me against or relating in any way to the Franchisor, its parent or affiliates, and/or any of their respective directors, officers, members, partners, agents, employees, attorneys and representatives, will be governed by the dispute resolution provisions of the Master Franchise Agreement.

____
Signature

____
[Spouse's/Domestic Partner's Name]

Date ____________________________

EXHIBIT A-3
TO MASTER FRANCHISE DISCLOSURE DOCUMENT

AUTOMATIC BANK DRAFT – AUTHORIZATION FORM

<u>Automatic Bank Draft Authorization Form</u>

I hereby authorize Cartridge World North America, LLC ("CWNA") and its agent EasyDraft to initiate withdrawals by electronic funds transfer ("EFT") from my checking account, as identified below, for amounts owed under my CARTRIDGE WORLD Master Franchise Agreement with CWNA. In addition, the financial institution at which my checking account is held is hereby authorized to debit my checking account for the withdrawals initiated by CWNA and its agent EasyDraft.

I authorize CWNA to withdraw funds at such days and times as CWNA shall determine via EFT from my bank account for all fees and other charges owed by me in connection with the Master Franchise Agreement and this Authorization Form. I understand that all fees and other charges must be received by or credited to CWNA's account by the due dates set forth in the Master Franchise Agreement. Failure to pay or late payment is a default under the Master Franchise Agreement.

If my account does not have sufficient funds to cover the debits authorized herein, I agree to pay a $25 Returned Debit service charge, which may be collected electronically. I acknowledge that the origination of ACH transactions in my account must comply with all applicable laws and the NACHA operating guidelines.

This authority is to remain in full force and effect until the underlying obligations under my Master Franchise Agreement have been satisfied in full or released in writing by CWNA.

This authorization further confirms my understanding of the Master Franchise Agreement signed by me in which I expressly agree to participate in any then current electronic funds transfer program. I agree that this authorization shall apply to any and all depositories and bank accounts with which I/we open accounts during the term of the Master Franchise Agreement and any renewals. I also agree that if I close any bank account, I am obligated immediately to: (i) notify CWNA thereof in writing, (ii) establish another bank account, and (iii) execute and deliver to CWNA all documents necessary to begin and continue making withdrawals from such bank account/depository by ACH debiting or other electronic means. I specifically agree and declare that this Authorization shall be the only written authorization needed from me in order to initiate debit entries/ACH debit originations to my bank account(s) established with any depository or bank in the future.

[Customer information and signature page to follow]

Customer Information

Name (as shown on bank account): ________________________________ Master Franchise #: ________________

Address: ____

City: ____ State: _______ Zip Code: ________

Master Franchise Phone Number: ____________________ Home Phone Number: _______________

Bank Name: ____

Email: _____________________________________

___________________ /________________________
Transit Routing Number / Account Number

Name (please print): ___________________________

____ ________________________________
Signature Date

Please attach a voided check with this application

Send to:
Cartridge World North America, LLC
3917 Mercy Drive
McHenry, Illinois 60050
Attention: Accounting Department

EXHIBIT B
TO MASTER FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

EXHIBIT C
TO MASTER FRANCHISE DISCLOSURE DOCUMENT

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Business Oversight California Department of Business Oversight	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
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
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
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, 1st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7th Place East, Suite 500 St. Paul, MN 55101-2198
New York (State Administrator)	Office of the New York State Attorney General Investor Protection Bureau, Franchise Section	120 Broadway, 23rd Floor New York, NY 10271-0332 212-416-8236 Phone 212-416-6042 Fax
New York (Agent)	Attention: New York Secretary of State New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
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 69-1 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Securities	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor Richmond, VA 23219 804-371-9051
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 201 W. Washington Ave., Suite 300 Madison, WI 53703

EXHIBIT D
TO MASTER FRANCHISE DISCLOSURE DOCUMENT

FRANCHISEE INFORMATION

D-1
Current and Former Master Franchisees

D-2
Current Unit Franchisees

D-3
Former Unit Franchisees

D-4
Unit Franchise Agreements Signed But Units Not Yet Open

Exhibit D-1

Current and Former Master Franchisees

D-1
Current and Former Master Franchisees
As of December 31, 2016

Master Code	States	Primary Contact	Alt. Contact	E-mail	Phone	Address	City	State	Zip Code
AKA	AK	Diana Pierce		cartridge.world@acsalaska.net	907-569-4465	2815 a-Dawson	Anchorage	AK	99503
ARK	AR	Joe Frederick	Shelia Frederick	jfrederick@cartridgeworldusa.com	501-227-7480	#2 Wellington Parrish Cove	Little Rock	AR	72211
AZN	AZ,NV,CA	Jeff Sayas		jeff@cartridgeworldsowest.com	480-755-0744	3961 E Chandler Blvd #111-105	Phoenix	AZ	85048
ORA	CA	CWNA	Jeff Sayas	jeff@cartridgeworldsowest.com	480-755-0744	3961 E Chandler Blvd #111-105	Phoenix	AZ	85048
HAW	HI	Jake Brown		jbrown@cartridgeworld.com	925-736-9815	P.O. Box 1899	Danville	CA	94526
RMT	CO, UT, MT, WY	Tom Ryan		tryan@cartridgeworld.com	720-941-0408	8081 E 29th Ave	Denver	CO	80238
FLA	FL	Francisco Garrido		fgarrido@cartridgeworld.com	954-383-4442	1945 S. Ocwan Dr # 112	Hallandale	FL	33009
MIN	MN, WI, IL, ND, SD	Steve Vollmer		svollmer@cartridgeworldmw.com	952-236-9032	7314 Kestrel Trail	Savage	MN	55378
MDA	MD, VA, DC	Gregg Carafello	Christine Carafello	kingofcolor@aol.com	973-492-8687	10 Briarcliff Terrace	Kinnelon	NJ	07405
NWJ	NJ	Greg Carafello	Christine Carafello	kingofcolor@aol.com	973-492-8687	10 Briarcliff Terrace	Kinnelon	NJ	07405
NYS	NY	Greg Carafello	Christine Carafello	kingofcolor@aol.com	973-492-8687	10 Briarcliff Terrace	Kinnelon	NJ	07405
OHM	OH, MI	Greg Carafello	Christine Carafello	kingofcolor@aol.com	973-492-8687	10 Briarcliff Terrace	Kinnelon	NJ	07405
INA	IN	Joe DeBerry	Arlo DeKraai	jdeberry@cartridgeworldntx.com	918-935-2701	2727 E 21st St Suite 304	Tulsa	OK	74114
NTX	TX, OK, KS, MO, IA, NE	Joe DeBerry	Arlo DeKraai	jdeberry@cartridgeworldntx.com	918-935-2701	2727 E 21st St Suite 304	Tulsa	OK	74114
PAD	PA, DE, NC	Brad Sinclair	Bruce Thaler	bsinclair@cartridgeworld.com	814-949-2767	116 Union Ave	Altoona	PA	16602

D-1
Current and Former Master Franchisees
As of December 31, 2016

Master Code	States	Primary Contact	Alt. Contact	E-mail	Phone	Address	City	State	Zip Code
PTR	PR	Adonay Ramirez		aramirez@cartridgeworldpr.com	787-786-3800	Lomas Verdes Ave IF47	Bayamon	PR	956
CNE	ME, MA, NH, VT,RI,CT	Michael Mancuso		mikem@cartridgeworlri.com	401-884-0321	41 Harbour Terrace	E. Greemwich	RI	02818
GEO	GA, Central & Eastern TN	Jackie Kennedy	Timothy George	jkennedy@cartridgeworld.com	615-598-1218	1023 Falling Leaf Circle	Brentwood	TN	37027
SCR	SC	Gerry Medlin		gwmedlin1@aol.com	423-282-5971	208 Sunset Dr, Suite 5971	Johnson City	TN	37604
AMT	AL,MS, Western TN	Jim Threlkeld		Jim@cartridgeworld.com	901-327-0355	2719 Union Ave	Memphis	TN	38112
STX	TX	Patrick LeFeuvre		plefeuvre@cartridgeworld.com	713-785-4465	1102 Bayou Island Dr	Houston	TX	77063
NCB	CA	Ed Horowitz		ehorowitz@cartridgeworld.com	425-837-8135	27131 SE 25th Pl	Sammamish	WA	98075
PNW	WA, OR, ID	Ed Horowitz	Geoff Smith	ehorowitz@cartridgeworld.com	425-837-8135	27131 SE 25th Pl	Sammamish	WA	98075
NCC	CA	CWNA	Ed Horowitz	ehorowitz@cartridgeworld.com	425-837-8135	27131 SE 25th Pl	Sammamish	WA	98075

Former Master Franchisees:

INA	IN	Mark Myrick	Tina Myrick	mmyrick@cartridgeworld.com	317-436-7940	10995 Woodward Dr	Fishers	IN	46037
OHM	OH, MI	Gary Voll	Bob Oyster	gvoll@cartridgeworld.com	614-793-0930	5640 Frantz Rd	Dublin	OH	43017

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Exhibit D-2

Current Unit Franchisees

Exhibit D-2
Current Unit Franchisees
As of December 31, 2016

Master Code	Store Number	Owner First Name	Owner Last Name	Street Address	City	State	Zip / Postal Code	Phone Number
AMT	0749	Erich	Walchek	1401 Doug Baker Blvd Suite 103	Birmingham	Alabama	35242	(205) 408-0506
AMT	0879	George	Harrell	23858 US Hwy 98 Suite C	Fairhope	Alabama	36532	(251) 308-4080
AMT	0522	Gary	Campbell	700 C Airport Rd	Huntsville	Alabama	35802	(256) 883-4567
AMT	0842	Brook	Conkle	3664A Airport Blvd.	Mobile	Alabama	36608	(251) 725-6380
AMT	0672	Wiley	Dempsey	6383 Atlanta Highway	Montgomery	Alabama	36117	(334) 819-8797
AMT	0792	Rick	Baker	1940 Highway 31 South	Pelham	Alabama	35244	(205) 733-2299
AMT	0285	Rick	Baker	1360 Montgomery Highway Suite 108	Vestavia Hills	Alabama	35216	(205) 822-6767
AKA	0194	Diana	Pierce	2815-A Dawson	Anchorage	Alaska	99503	(907) 569-4465
AZN	0020	Jeff	Sayas	3029 North Alma School Rd Ste 121A	Chandler	Arizona	85224	(480) 756-8615
AZN	0316	Laurence	Flinders	1155 South Power Road Suite 116	Mesa	Arizona	85206	(480) 854-3080
AZN	0235	William	Cavinder	8411 W. Thunderbird A103	Peoria	Arizona	85381	(623) 776-7400
AZN	0524	Linda	Neider	749 E Bell Rd Ste 7	Phoenix	Arizona	85022	(602) 298-5100
AZN	0308	Dan	Lasure	2432 W. Peoria Ave Ste 1288	Phoenix	Arizona	85029	(602) 943-3223
AZN	0284	Linda	Neider	4015 E Bell Rd Suite 124	Phoenix	Arizona	85032	(602) 788-0840
AZN	0022	Linda	Neider	635 E. Indian School Rd.	Phoenix	Arizona	85012	(602) 636-1400
AZN	0372	Kathleen	Heckel	1260 Gail Gardner Way Suite 129	Prescott	Arizona	86303	(928) 776-0444
AZN	0544	John	Fortunato	14884 N. Pima Road Suite 105	Scottsdale	Arizona	85260	(480) 443-4465
AZN	0546	Linda	Neider	9897 W McDowell Rd # 340	Tolleson	Arizona	85353	(623) 742-9192
AZN	0391	Chuck	Sawyer	7292 N. Oracle Road	Tucson	Arizona	85704	(520) 544-4646
AZN	0129	Chuck	Sawyer	4592 E. Broadway	Tucson	Arizona	85711	(520) 325-7979
ARK	0752	Joe	Frederick	180 E. Joyce Blvd. # 108	Fayetteville	Arkansas	72703	(479) 251-1900
ARK	0742	Glenda	Lennier	4900 Rogers Ave Suite 103E	Fort Smith	Arkansas	72903	(479) 434-4657
ARK	0667	Joe	Frederick	11321 W. Markham Ste 1	Little Rock	Arkansas	72211	(501) 227-7480
ARK	0874	Kristie	Olson	4325 Mac Arthur	North Little Rock	Arkansas	72118	(501) 227-4657
ORA	0273	Rafael	Hernandez	860 W. Imperial Hwy Suite K	Brea	California	92821	(714) 256-9427
NCB	0723	Scott	Hansel	760 Mangrove Ave	Chico	California	95926	(530) 342-3333
NCC	0511	Hyun	Jun Kim	10133 S. De Anza Blvd	Cupertino	California	95014	(408) 996-8040
NCB	0796	Gary	McConnell	5145 Golden Foothill Parkway Ste 130	El Dorado Hills	California	95762	(916) 939-7384

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Current Unit Franchisees
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Master Code	Store Number	Owner First Name	Owner Last Name	Street Address	City	State	Zip / Postal Code	Phone Number
NCB	0523	Stanley	White	7119 Elk Grove Blvd #121	Elk Grove	California	95758	(916) 714-6055
NCC	0839	Rajbir	Dudwal	22306 Foothill Blvd.	Hayward	California	94541	(510) 733-6363
NCB	0150	Young	Han	2265 Las Positas Road	Livermore	California	94551	(925) 455-4446
ORA	0512	Jack	Zarember	11300 Los Alamitos	Los Alamitos	California	90720	(562) 594-7140
NCB	0312	Omar	Huda	6380 Wilshire Blvd Suite 110	Los Angeles	California	90048	(323) 653-3999
NCB	0469	Omar	Huda	319 S. Arroyo Parkway #5	Pasadena	California	91105	(626) 793-5555
NCB	0140	Ed	Belton	1420 Contra Costa Blvd. Suite C	Pleasant Hill	California	94523	(925) 609-9220
NCB	0461	Gary	McConnell	11170 Sun Center Dr #200	Rancho Cordova	California	95670	(916) 859-0961
NCB	0338	Scott	Hansel	3890 Truxel Rd #400	Sacramento	California	95834	(916) 285-8611
NCC	0247	Katy	Kao	2206 Ringwood Ave	San Jose	California	95131	(408) 777-9001
NCC	0481	Desmond	Lee	3973 Stevens Creek Blvd.	Santa Clara	California	95051	(408) 985-1688
NCB	0196	Wan	Chao	1554 Newell Avenue	Walnut Creek	California	94596	(925) 932-1096
NCB	0453	Scott	Hansel	1025 Gray Avenue	Yuba City	California	95991	(530) 751-9585
RMT	0501	Allan	Chan	955-G Garden of Gods Road Oak Center	Colorado Springs	Colorado	80907	(719) 268-6880
RMT	0215	Garry	Hill	1737 Briargate Blvd	Colorado Springs	Colorado	80920	(719) 260-0710
RMT	0673	Nancy	Follender	273-C E 29th Street	Loveland	Colorado	80538	(970) 669-2120
CNE	0163	Mike	Mancuso	2 Willowbrook Road	Cromwell	Connecticut	6416	(860) 632-9922
CNE	0615	Greg	Oneill	247 Connecticut Ave	Norwalk	Connecticut	6854	(203) 956-5915
CNE	0855	Robert	Wilson	68 Bridge St Suite 102	Suffield	Connecticut	6078	(860) 814-4126
PAD	0472	Bob	Nicholson	800 Peoples Plaza	Newark	Delaware	19702	(302) 832-2933
FLA	0233	Jeff	Karakoosh	801 W. SR 436 Ste 1025	Altamonte Springs	Florida	32714	(407) 767-0680
FLA	0190	Jeff	Rosenzweig	1777 N Congress Ave	Boynton Beach	Florida	33426	(561) 732-0016
FLA	0736	Robert	Bohacek	932 W Lumsden Rd	Brandon	Florida	33511	(813) 288-8465
FLA	0881	Ramon	Casanova	10330 W Sample Rd	Coral Springs	Florida	33065	(954) 800-7512
FLA	0354	Lech	Jaszcz	1808 International Speedway Blvd Unit 302	Daytona Beach	Florida	32114	(386) 253-3555
FLA	0865	David	Monuse	1418 S Andrews Avenue Unit B	Fort Lauderdale	Florida	33316	(954) 554-5566

Exhibit D-2
Current Unit Franchisees
As of December 31, 2016

Master Code	Store Number	Owner First Name	Owner Last Name	Street Address	City	State	Zip / Postal Code	Phone Number
FLA	0840	Alexander	Irigoyen	13141 McGregor Blvd. Suite 4	Fort Myers	Florida	33919	(239) 689-5123
FLA	0849	James	A Dieugenio	3501 SW 2nd Ave	Gainesville	Florida	32607	(352) 505-6626
FLA	0880	Daniel	Schwob	4226 W 16th Ave	Hialeah	Florida	33012	(786) 618-9172
FLA	0543	Dean	Jayroe	790 Skymarks Dr #107	Jacksonville	Florida	32218	(904) 330-0156
FLA	0048	Clifton	Jayroe	8608 Baymeadows Rd	Jacksonville	Florida	32256	(904) 636-7878
FLA	0882	Janyer	Pino	3855 SW 137th Ave	Kendall	Florida	33175	(786) 558-9379
FLA	0221	Enrique	Yunis	2757 Coral Way	Miami	Florida	33145	(305) 856-3434
FLA	0479	Rohit	Kapadia	1500 Alafaya Trail Suite 1044	Oviedo	Florida	32765	(407) 366-0699
FLA	0876	Todd	Keesler	622 W 23rd St	Panama City	Florida	32405	(850) 257-5148
FLA	0677	Stephen	Eittreim	3800 S Tamiami Trail Unit 325B	Sarasota	Florida	34239	(941) 924-2221
FLA	0203	Roger	Madore	107 King Street	St. Augustine	Florida	32084	(904) 826-1462
FLA	0009	Robert	Boheck	1111 N. Himes Ave	Tampa	Florida	33607	(813) 288-8465
GEO	0172	Lowell	(Alan) A Greer	2820 Meredyth Drive Suite #2	Albany	Georgia	31707	(229) 883-8826
GEO	0152	Brad	Bishoff	210 Hawthorne Ave.	Athens	Georgia	30606	(706) 354-1333
GEO	0631	Joe	Oxman	2221 Peachtree Rd	Atlanta	Georgia	30305	(404) 231-5000
GEO	0428	Brian	Oxman	3220 Cobb Parkway #106	Atlanta	Georgia	30339	(770) 850-3455
GEO	0229	Robert	Amos	266 Bobby Jones Expressway Suite 128	Augusta	Georgia	30907	(706) 228-6000
GEO	0436	Dave	Jeffers	2501 Whittlesey Blvd Suite G	Columbus	Georgia	31909	(706) 507-3943
GEO	0686	John	Debroux	2239 Hwy. 20 Suite G	Conyers	Georgia	30013	(770) 929-9110
GEO	0445	Curtis	Harkins	1800 Marketplace Blvd Suite 106	Cumming	Georgia	30041	(770) 888-8220
GEO	0478	Ashish	Gupta	2109 N Decatur Road	Decatur	Georgia	30033	(404) 321-3220
GEO	0706	Mike	Powers	4900 Stewart Mill Rd #C	Douglasville	Georgia	30135	(770) 949-4465
GEO	0430	Curtis	M Harkins	2628 Pleasant Hill Rd Suite 400	Duluth	Georgia	30096	(770) 497-4910
GEO	0454	Jim	Walsh	1100 Hammond Dr. Suite 150	Dunwoody	Georgia	30346	(770) 391-1100
GEO	0455	Curtis	Harkins	33 Shallowford Rd Suite C	Gainesville	Georgia	30504	(855) 998-6637
GEO	0864	Rafael	Guerra	5157 Jimmy Smith Parkway Suite 209	Hiram	Georgia	30141	(770) 635-1100
GEO	0405	Steve	Gornall	10475 Medlock Bridge Rd Suite 104	Johns Creek	Georgia	30097	(770) 232-9990

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Current Unit Franchisees
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Master Code	Store Number	Owner First Name	Owner Last Name	Street Address	City	State	Zip / Postal Code	Phone Number
GEO	0687	Nancy	McGill	911 Duluth Hwy 120 #C1C	Lawrenceville	Georgia	30043	(770) 995-4465
GEO	0156	Nancy	McGill	911 Duluth Highway Suite C-1-C	Lawrenceville	Georgia	30043	(770) 995-4465
GEO	0635	Dennis	Fraser	8200 Mall Pkwy Suite 145	Lithonia	Georgia	30038	(770) 484-4651
GEO	0813	Quinn and Mandy	Pinnell	4524 Forsythe Rd Suite 309	Macon	Georgia	31210	(931) 728-9505
GEO	0825	Brad	Bishoff	142 Martin Luther King Blvd	Monroe	Georgia	30656	(770) 207-6600
GEO	0805	Scott	Millen	90G Glenda Trace	Newnan	Georgia	30265	(770) 252-5255
GEO	0848	Brad	Hansard	712 Broad St	Rome	Georgia	30161	(706) 234-9465
GEO	0208	Luba	Bilentschuk	10713 Alpharetta Hwy	Roswell	Georgia	30076	(770) 594-1991
GEO	0556	Jitendra N	Patel	3320 Lawrenceville-Suwanee Road Suite 1-D	Suwanee	Georgia	30024	(678) 482-4822
GEO	0660	Ashish	Gupta	4135 Lavista Rd. Ste #220	Tucker	Georgia	30084	(770) 414-0400
GEO	0707	Brad	Bishoff	108 East May Street Suite 200	Winder	Georgia	30680	(678) 425-1599
HAW	0039	Glenn	Kinoshita	99-209 Moanalua Road #302	Aiea	Hawaii	96701	(808) 488-8855
HAW	0729	Wesley	Hara	1124 Kohou St	Honolulu	Hawaii	96817	(808) 593-4465
PNW	0059	Jason	King	1786 W. State St	Boise	Idaho	83702	(208) 363-7300
PNW	0307	Ben	Irwin	3524 N. Government Way	Coeur d'Alene	Idaho	83815	(208) 930-4355
PNW	0774	Byron	Nukaya	2087 E. 17th Street	Idaho Falls	Idaho	83404	(208) 522-5017
PNW	0058	Jason	King	1742 E Fairview	Meridian	Idaho	83642	(208) 884-0090
PNW	0517	Jacob	Davis	1432 S. Main St	Moscow	Idaho	83843	(208) 882-0206
PNW	0195	Jason	King	624 12th Ave South	Nampa	Idaho	83651	(208) 465-1800
PNW	0503	Nick	Fort	647 Blue Lakes Blvd North	Twin Falls	Idaho	83301	(208) 736-8667
MIN	0811	Steve	Belt	438 Orchard St	Antioch	Illinois	60002	(847) 395-5705
MIN	0207	Dominique	Dauphin	358 W Army Trail Rd. Suite 150	Bloomingdale	Illinois	60108	(630) 893-6300
MIN	0490	Larry	Gusk	3106 Three Oaks Road Unit B	Cary	Illinois	60013	(847) 639-0644
MIN	0170	Steve	Szeszel	17E Crystal Lake Plaza	Crystal Lake	Illinois	60014	(815) 477-0600
MIN	0260	Dominique	Dauphin	7341 Lemont Road	Downers Grove	Illinois	60516	(630) 353-1113
MIN	0632	Daniel	Silberman	1316 S. Milwaukee Ave.	Libertyville	Illinois	60048	(847) 996-0642

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Master Code	Store Number	Owner First Name	Owner Last Name	Street Address	City	State	Zip / Postal Code	Phone Number
MIN	0112	Karrie	Holland	3924 38th Avenue	Moline	Illinois	61265	(309) 762-2465
MIN	0387	Dan	Crepeau	744 E. Dundee	Palatine	Illinois	60074	(847) 202-0008
MIN	0647	Ed	Pocius	16114 S Rte 59	Plainfield	Illinois	60586	(815) 267-7571
MIN	0404	Jeff	Mcbee	6139 E. State Street	Rockford	Illinois	61108	(815) 316-7722
MIN	0571	Doug	Watson	3307 E. Lincoln Way	Sterling	Illinois	61081	(815) 625-2345
MIN	0471	Curtis	Drayton	7751-2 159th St	Tinley Park	Illinois	60477	(708) 532-3337
INA	0857	Tomm	Triplett	5450 Coldwater Road	Ft. Wayne	Indiana	46825	(260) 444-5681
INA	0486	Steve	Farley	7120 Zionsville Rd	Indianapolis	Indiana	46268	(314) 471-8681
INA	0567	Jeff	Peek	5550 W 86th St. Ste 102	Indianapolis	Indiana	46268	(317) 471-8661
INA	0622	Marlin	Horner	7225 US 31 S Unit D1	Indianapolis	Indiana	46227	(317) 887-9100
INA	0761	Greg	Bewley	2110 B. Boulevard Crossing	Kokomo	Indiana	46902	(765) 456-3465
INA	0424	Dorrie	Henderson	210 Meijer Drive Suite D	Lafayette	Indiana	47905	(765) 448-4500
MIN	0111	Karrie	Holland	5252 Utica Ridge Rd	Davenport	Iowa	52807	(563) 344-0465
NTX	0504	Tim	Reed	2116 Park Avenue	Muscatine	Iowa	52761	(563) 288-1610
NTX	0527	Tim	Reed	1509 Flammang Drive	Waterloo	Iowa	50702	(319) 226-3041
NTX	0460	Joe	Jerome	801 73rd Street Suite I	Windsor Heights	Iowa	50324	(515) 564-7400
NTX	0508	James	Burd	612 N. Broadway	Pittsburg	Kansas	66762	(620) 231-3455
NTX	0457	Dal	Lindstrom	2919 SW Wanamaker	Topeka	Kansas	66614	(785) 861-7455
NTX	0506	Joseph	Copper	7130 W. Maple St. Suite 290	Wichita	Kansas	67209	(316) 729-7465
NTX	0348	Dal	Lindstrom	11333 E. Kellogg Suite 202	Wichita	Kansas	67207	(316) 684-3455
NTX	0084	Joseph	Copper	2250 North Rock Road	Wichita	Kansas	67226	(316) 681-1183
COR	0871	Kimberly	Wisner	808 N Hwy 190	Covington	Louisiana	70433	(985) 373-6752
COR	0697	William	Bisland	265 Corporate Dr	Houma	Louisiana	70360	(985) 580-1010
COR	0487	Ramona	Begnaud	3603-E Ambassador Caffery Parkway	Lafayette	Louisiana	70503	(337) 984-9000
CNE	0224	Philip	J. Coupe	183 U.S. Rte 1	Scarborough	Maine	04074	(207) 510-7048
MDA	0519	Barry	Taylor	330 140 Village Road Suite 14 Fairground Village Shopping Center	Westminster	Maryland	21157	(410) 848-9183
CNE	0795	Stephen	R Trask	83 Parkhurst Rd #16	Chelmsford	Massachusetts	01824	(978) 735-4311

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Current Unit Franchisees
As of December 31, 2016

Master Code	Store Number	Owner First Name	Owner Last Name	Street Address	City	State	Zip / Postal Code	Phone Number
CNE	0735	Chuck	Wallace	223 Maple St	Middleton	Massachusetts	01949	(978) 762-4657
CNE	0762	Salvatore	Schembre	1 Robert Tower Blvd Suite 6	North Attleboro	Massachusetts	02760	(508) 699-8999
OHM	0251	Steven	Meyer	1958 S Industrial Highway Suite C	Ann Arbor	Michigan	48104	(734) 213-1739
OHM	0618	Amy	Tate	206 N. Euclid Ave.	Bay City	Michigan	48706	(989) 686-1491
OHM	0155	Steven	Meyer	9864 E. Grand River Suite 140	Brighton	Michigan	48116	(810) 229-5599
OHM	0866	Mark	Provencher	2119 S. Linden Road	Flint	Michigan	48532	(810) 732-5080
OHM	0353	Kieu	Thu Le (Alt)	2839 Breton Rd	Grand Rapids	Michigan	49512	(616) 532-1717
OHM	0868	Steven	Rumler	72 W. Carleton Rd	Hillsdale	Michigan	49242	(517) 437-2990
OHM	0591	Brad	Troyer	4512 Stadium Drive	Kalamazoo	Michigan	49008	(269) 342-6331
OHM	0815	Brian	Tallon	5025 W. Saginaw Hwy	Lansing	Michigan	48917	(517) 853-0709
OHM	0211	Amy	Tate	1112 S. Saginaw Road	Midland	Michigan	48640	(989) 631-0716
OHM	0210	Brian	Tallon	1715 E. Grand River	Okemos	Michigan	48864	(517) 721-1307
OHM	0819	Amy	Tate	5647 State Street Suite C	Saginaw	Michigan	48603	(989) 790-2855
OHM	0086	Amy	Tate	5699 Bay Rd.	Saginaw	Michigan	48604	(989) 790-8060
OHM	0167	Matt	Markus	3281 Rochester Rd	Troy	Michigan	48083	(248) 619-9959
MIN	0627	Tom	Schablitsky	7595 W. 148th Street	Apple Valley	Minnesota	55124	(952) 891-4545
MIN	0157	Dan	Stafford	10450 Baltimore Street NE Suite 120	Blaine	Minnesota	55449	(763) 717-0114
MIN	0716	Steve	Horbul	138 Main St S	Cambridge	Minnesota	55008	(763) 552-4657
MIN	0044	Steve	Vollmer	7906 Eden Road	Eden Prairie	Minnesota	55344	(952) 224-8555
MIN	0049	Erv	Zinter	13760 83rd Way	Maple Grove	Minnesota	55369	(763) 420-6632
MIN	0541	Jeanne	ONeal	3035 White Bear Avenue Suite 11	Maplewood	Minnesota	55109	(651) 779-9700
MIN	0557	Erv	Zinter	9125 Quaday Avenue NE Suite 101	Otsego	Minnesota	55330	(763) 441-7368
MIN	0271	Steve Rochester	Vollmer	1615 1st SW #4	Rochester	Minnesota	55902	(507) 424-3959
MIN	0414	Stan	Case	1633 County Road C West	Roseville	Minnesota	55113	(651) 379-0390
MIN	0252	Bill	Hafdal	3411 W. Division St	St. Cloud	Minnesota	56301	(320) 258-3148
AMT	0521	Sreemukh	Sanne	201 LayFair Drive Suite 110	Flowood	Mississippi	39232	(601) 939-3373
NTX	0370	Ky	Ngo	14248 Manchester Road	Ballwin	Missouri	63011	(636) 391-2278

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Master Code	Store Number	Owner First Name	Owner Last Name	Street Address	City	State	Zip / Postal Code	Phone Number
NTX	0347	James	Burd	211 West 3rd	Carthage	Missouri	64836	(417) 781-3455
NTX	0340	Ky	Ngo	17277 Chesterfield Airport Blvd	Chesterfield	Missouri	63005	(636) 532-8484
NTX	0505	Jeff	Zehner	770 Market Street	Farmington	Missouri	63640	(573) 747-0070
NTX	0294	Susan	Abbott	6024 NE Antioch Road	Gladstone	Missouri	64119	(816) 741-4465
NTX	0507	James	Burd	102 North Range Line	Joplin	Missouri	64801	(417) 206-3455
NTX	0216	Mary	Pycior	412 SW Ward Road	Lee's Summit	Missouri	64081	(816) 246-4845
NTX	0603	Ky	Ngo	9532 Manchester Road	Rock Hill	Missouri	63119	(314) 963-3439
NTX	0462	Scott	Hertzke	1842 S. Glenstone	Springfield	Missouri	65804	(417) 886-1234
NTX	0431	Dan	McNeil	3656 South Campbell	Springfield	Missouri	65807	(417) 823-9990
NTX	0416	Ken	Jones	824 Washington Corners	Washington	Missouri	63090	(636) 390-0550
NTX	0426	Ken	Jones	504 West Pearce	Wentzville	Missouri	63385	(636) 887-4840
RMT	0861	Tom	Ryan	2455 Central Ave Suite 1	Billings	Montana	59102	(406) 652-2445
NTX	0272	Andy	Neil	5400 S. 56th Street #6	Lincoln	Nebraska	68516	(402) 464-3455
NTX	0611	Rachelle	Ogden	701 S. 25th St. #900	Norfolk	Nebraska	68701	(402) 844-3455
NTX	0091	Andy	Neil	11728 W. Dodge Rd	Omaha	Nebraska	68114	(402) 334-3455
AZN	0781	Sham	Mehta	9550 S. Eastern Avenue Suite 190	Las Vegas	Nevada	89123	(702) 586-0634
AZN	0318	Sherin	Holla	4825 West Flamingo Road Suite 12	Las Vegas	Nevada	89103	(702) 444-1116
AZN	0561	John	Braun	1300 E. Plumb Ln Suite B2	Reno	Nevada	89502	(775) 826-2465
CNE	0509	Brian	Gallagher	777 South Willow St	Manchester	New Hampshire	03103	(603) 657-7121
CNE	0075	Brian	Gallagher	295 Daniel Webster Hwy Ste 2B	Nashua	New Hampshire	03060	(603) 598-4657
CNE	0597	Zeina	Saghbini	13 Plaistow Rd #1	Plaistow	New Hampshire	03865	(603) 378-9465
CNE	0403	Brian	Gallagher	379A South Broadway Unit C-1	Salem	New Hampshire	03079	(866) 211-4200
NWJ	0859	Daniel	Menders	525 Becket Rd	Beckett	New Jersey	08085	(518) 786-5188
NWJ	0115	Norm	Friedman	205 Brick Mall	Brick	New Jersey	08723	(732) 920-1774
NWJ	0652	Robert	Long	2 Split Rock Dr Suite 6	Cherry Hill	New Jersey	08003	(856) 751-0900

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Master Code	Store Number	Owner First Name	Owner Last Name	Street Address	City	State	Zip / Postal Code	Phone Number
NWJ	0136	Eric	Chui	60 Rte 10 W	East Hanover	New Jersey	07936	(973) 884-1306
NWJ	0662	Steven	Pallo	105 Route 46 West	Fairfield	New Jersey	07004	(973) 808-1903
NWJ	0291	Lynn	Furman	268 US HWY 202/31	Flemington	New Jersey	08822	(908) 782-1180
NWJ	0634	Jeff	Bier	830 Franklin Ave.	Franklin Lakes	New Jersey	07417	(201) 891-0990
NWJ	0230	Jack	Pezzuti	2 Kiel Avenue	Kinnelon	New Jersey	07405	(973) 248-1010
NWJ	0027	Mohammad	Haq	2300 Wrangleboro Road # 304	Mays Landing	New Jersey	08330	(609) 484-1001
NWJ	0062	Michael	Guido	469 Main Street	Metuchen	New Jersey	08840	(848) 229-2390
NWJ	0757	John	Applegate	4095 Route 1 South Suite 33B	Monmouth Junction	New Jersey	08852	(732) 329-2222
NWJ	0083	John	Figueiredo	1310 Springfield Ave.	New Providence	New Jersey	07974	(908) 771-9696
NWJ	0187	Greg	Carafello	55 Mill St	Newton	New Jersey	07860	(973) 383-0204
NWJ	0560	Michael	Webb	291 Ridge Rd	North Arlington	New Jersey	07031	(201) 438-8070
NWJ	0237	Robert	Doyle	106 E Ridgewood Ave	Paramus	New Jersey	07652	(201) 261-3131
NWJ	0085	Donna	Anderson	44 East Main Street	Ramsey	New Jersey	07446	(201) 934-0020
NWJ	0236	Thomas	Rippman	1304 Rte 47 Unit E	Rio Grande	New Jersey	08242	(609) 760-0814
NWJ	0078	Ken	Bohs	350 Route 46 Suite 110	Rockaway	New Jersey	07866	(973) 586-9099
NWJ	0051	Jose	Villacorta	415 Egg Harbor Road Ste 21B	Sewell	New Jersey	08080	(856) 245-7386
NWJ	0533	Mahmoud	Mesheh	863 Somerset St	Somerset	New Jersey	08873	(732) 246-7575
NWJ	0299	Jyoti	Desai	120 Cedar Grove	Sommerset	New Jersey	08873	(732) 384-4411
NWJ	0056	Alex	Martello	2576 Route 22 East	Union	New Jersey	07083	(908) 688-5601
NWJ	0305	Thomas	Terranova	1370 South Main Road #8	Vineland	New Jersey	08360	(856) 692-0372
NWJ	0088	Robin	Bordman	1055 Hamburg Turnpike Wedgewood Plaza	Wayne	New Jersey	07470	(973) 696-2880
NWJ	0089	Jim	Feeney	Plaza 46 1590 Hwy 46 West	woodland park	New Jersey	07424	(973) 256-5610
NYS	0528	Howard	Service	2068 Flatbush Avenue	Brooklyn	New York	11234	(718) 252-7771
NYS	0024	Mark	Becker	19 Clifton Country Road	Clifton Park	New York	12065	(518) 371-2207
NYS	0017	Frank	Francia	776 Hempstead Turnpike	Franklin Square	New York	11010	(516) 539-1211
NYS	0826	Glenn	Norman	1200-8 East Jericho Turnpike	Huntington	New York	11743	(631) 271-0240
NYS	0437	Qing	Li	56-11 A Marathon Parkway	Little Neck	New York	11362	(718) 504-2862

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Master Code	Store Number	Owner First Name	Owner Last Name	Street Address	City	State	Zip / Postal Code	Phone Number
NYS	0847	Henri	Kalajian	805 Third Ave	New York	New York	10022	(212) 308-1465
NYS	0844	Gerry	Moultry	225 West 23rd St	New York	New York	10011	(212) 414-8406
NYS	0098	Glen	Friedman	155 West 35th Street	New York	New York	10001	(212) 777-6600
NYS	0853	Greg	Carafello	14 Wall St	New York City	New York	10005	(973) 768-9780
NYS	0128	Phil	Caputo	101 Route 112	port Jefferson	New York	11776	(631) 979-3292
NYS	0077	Trevor	Rose	425 Willis Ave	Williston Park	New York	11596	(516) 222-2422
NYS	0817	Michael	Traina	1928 Commerce St	Yorktown Heights	New York	10598	(914) 245-8939
PAD	0082	Dave	Culp	11046-A Cedar Walk Lane	Charlotte	North Carolina	28277	(704) 529-7360
PAD	0270	Mark	Crampton	105 W. NC Hwy 54 Suite 281	Durham	North Carolina	27713	(919) 806-0500
PAD	0183	Trena	Daignault	440 Westwood Shopping Center	Fayetteville	North Carolina	28314	(910) 482-4465
PAD	0440	Mark	Wickham	1838 Startown Rd	Hickory	North Carolina	28602	(828) 322-1001
PAD	0046	Scott	Cohen	424 Airport Blvd Suite 400	Morrisville	North Carolina	27560	(919) 678-0910
PAD	0605	Steve	Holder	6325 Falls of Neuse Rd. Suite 5	Raleigh	North Carolina	27615	(919) 872-8072
MIN	0794	William	R Bernhagen	537 South 7th St.	Bismarck	North Dakota	58504	(701) 751-3334
MIN	0691	Henry	Holtgard	3501 13th Ave S	Fargo	North Dakota	58103	(701) 235-6200
OHM	0141	Steve	Tirrell	1918 Buchholzer Road	Akron	Ohio	44310	(330) 633-2735
OHM	0123	Gregory	Winn	1393 Grandview Ave	Columbus	Ohio	43212	(614) 457-1324
OHM	0036	Eric	Kehler	323 W. Bridge Street	Dublin	Ohio	43017	(614) 889-8488
OHM	0613	Dawn	Rettig	820 N Main St Suite 4	Findlay	Ohio	45840	(419) 422-7166
OHM	0099	Christopher	Ratchford	1004 N. Hamilton Rd.	Gahanna	Ohio	43230	(614) 532-5368
OHM	0657	Alan	Horvath	4508 Cemetery Rd	Hilliard	Ohio	43026	(614) 777-4465
OHM	0070	Gary	Goodwin	6567 Brandt Pike	Huber Heights	Ohio	45424	(937) 233-4655
OHM	0831	David	Fett	1094 N Cable Rd	Lima	Ohio	45805	(419) 999-9278
OHM	0830	David	Fett	2100 Harding Highway Suite 6	Lima	Ohio	45804	(419) 999-9276
OHM	0383	Mike	Detrow	327 N Lexington-Springmill Rd	Mansfield	Ohio	44906	(419) 747-7468
OHM	0069	Steve	Tirrell	4901 Portage Street NW	North Canton	Ohio	44720	(330) 305-1424
OHM	0658	Rusty	McNair	1347 E. Kemper Road	Springdale	Ohio	45246	(513) 671-5700
OHM	0739	Tom	Rhoden	3814 W. Alexis Rd	Toledo	Ohio	43623	(419) 517-7555

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Master Code	Store Number	Owner First Name	Owner Last Name	Street Address	City	State	Zip / Postal Code	Phone Number
NTX	0034	Jane	Porter	1015 East Lansing Street	Broken Arrow	Oklahoma	74012	(918) 251-5096
NTX	0143	Frank	Smith	1704 South Broadway	Edmond	Oklahoma	73013	(405) 359-8765
NTX	0330	James	Burd	1620 S Main St Ste E	Grove	Oklahoma	74344	(918) 791-9465
NTX	0313	Joe	DeBerry	114-C W. Taft	Sapulpa	Oklahoma	74066	(918) 227-3500
NTX	0730	Joe	DeBerry	1251 S Harvard Ave	Tulsa	Oklahoma	74112	(918) 747-4340
NTX	0148	Scott	Brown	11161 E. 31st Street	Tulsa	Oklahoma	74146	(918) 270-1300
NTX	0071	Joe	DeBerry	2727 E 21st St Suite 305	Tulsa	Oklahoma	74114	(918) 369-2888
NTX	0382	Nancy	K Wood	108 E Main	Wilburton	Oklahoma	74578	(918) 426-5900
PNW	0304	Brian	McCann	810 Eastman Parkway	Gresham	Oregon	97080	(503) 489-1884
PNW	0135	Richard	Jarvis	3962 SE Hawthorne Blvd Suite B	Portland	Oregon	97214	(503) 231-7900
PNW	0807	Keith	Figueroa	476 Lancaster Dr NE	Salem	Oregon	97301	(503) 363-0966
PNW	0327	Brian	McCann	10115 SW Nimbus Avenue Ste 600	Tigard	Oregon	97223	(503) 624-2171
PAD	0368	Drew	Sinclair	3420 Pleasant Valley Blvd	Altoona	Pennsylvania	16602	(814) 944-5554
PAD	0451	David	Crown	200 S. Spring Garden Suite D	Carlisle	Pennsylvania	17013	(717) 249-8900
PAD	0037	Bob	Bilbow	7A Gateway Shopping Center	Edwardsville	Pennsylvania	18704	(570) 822-4100
PAD	0579	Samuel	Hoffman	346 N. Reading Road	Ephrata	Pennsylvania	17522	(717) 721-1850
PAD	0606	Tom	Landis	1000 Carlisle St. #20	Hanover	Pennsylvania	17331	(717) 637-1311
PAD	0563	David	Shaffer	1052 Oakland Ave	Indiana	Pennsylvania	15701	(724) 465-2679
PAD	0390	Karen	McCready	1309 Eisenhower Blvd.	Johnstown	Pennsylvania	15904	(814) 262-7464
PAD	0008	Michael	Szwast	1937-B Fruitville Pike	Lancaster	Pennsylvania	17601	(717) 509-8989
PAD	0692	Joe	Jasek	1049 Waterdam Plaza Dr Waterdam Plaza	McMurray	Pennsylvania	15317	(724) 731-0218
PAD	0860	Thomas	Laird	2671 Monroeville BLVD	Monroeville	Pennsylvania	15146	(412) 374-1700
PAD	0449	Bruce	Thaler	536 Smithfield Street	Pittsburgh	Pennsylvania	15222	(412) 281-7950
PAD	0599	Norman	Washick	26 Laurel St Suite 6	Pittston	Pennsylvania	18640	(570) 883-0300
PAD	0408	Gerald	Stricker	4886 Penn Ave	Sinking Spring	Pennsylvania	19608	(610) 927-9202
PAD	0582	Karen	Mazurek	1805 Loucks Rd Suite 100	York	Pennsylvania	17404	(717) 699-4465

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Master Code	Store Number	Owner First Name	Owner Last Name	Street Address	City	State	Zip / Postal Code	Phone Number
PTR	0721	Hector	Despiau	Road 2 km. 71.5 Int. Road 638 Domingo Ruiz Ward	Arecibo	Puerto Rico	00612	(787) 878-5542
PTR	0694	Adonay	Ramirez	Ave. Lomas Verdes IF-47 Royal Palm	Bayamon	Puerto Rico	00956	(787) 786-3800
PTR	0645	Joe	V Rodriguez-Nazario	C15 Acuarela Street Urb Munoz Rivera	Guaynabo	Puerto Rico	00969	(787) 999-2032
CNE	0489	Mike	Mancuso	776 Main St	East Greenwich	Rhode Island	02818	(401) 515-2011
CNE	0212	Mike	Mancuso	1744 Mineral Spring Avenue	North Providence	Rhode Island	02904	(401) 353-3246
SCR	0725	Joe	Medlin	3275-C N Pleasantburg Drive	Greenville	South Carolina	29609	(864) 286-6300
SCR	0367	Joe	Medlin	1140 Woodruff Road Suite 105	Greenville	South Carolina	29607	(864) 286-6300
SCR	0621	Barry	Stachnik	1200 Queensborough	Mt Pleasant	South Carolina	29464	(843) 856-2344
SCR	0790	Susan	DeMarco	104B Franklin Avenue	Spartanburg	South Carolina	29301	(864) 576-2766
MIN	0690	Scott	Bauer	5013 S Louise Ave.	Sioux Falls	South Dakota	57108	(605) 362-1900
AMT	0376	Dan	Stockel	5985 Stage Road Unit #28	Bartlett	Tennessee	38134	(901) 372-7373
GEO	0244	Hyuck	Jin Kwon	7540 East Brainerd Road Suite 109	Chattanooga	Tennessee	37421	(423) 894-5737
AMT	0803	Taylor	Morse	1016 W. Poplar Ave. Suite 104	Collierville	Tennessee	38017	(901) 853-3230
GEO	0535	Arun	Mahtani	4115 Mallory Lane Suite 216	Franklin	Tennessee	37067	(615) 327-3600
GEO	0829	Cameron	Gonder	5502 Hixson Pike Suite I	Hixson	Tennessee	37343	(423) 842-0702
GEO	0198	Larry	England	1735 W. State of Franklin Road Suite 9	Johnson City	Tennessee	37604	(423) 722-0333
GEO	0199	Larry	England	1420 E Stone Dr Suite B1	Kingsport	Tennessee	37660	(423) 247-7465
GEO	0555	David	Grafton	221 N. Peters Rd	Knoxville	Tennessee	37923	(865) 690-4465
GEO	0108	Gerald	T. Utermark	10420 B Kingston Pike	Knoxville	Tennessee	37922	(865) 312-9456
AMT	0806	Michael	Willis	1603 Union Avenue	Memphis	Tennessee	38104	(901) 721-6024
AMT	0732	Michael	Willis	4717 Poplar Ave	Memphis	Tennessee	38117	(901) 767-4065
GEO	0653	Marcy	Jacobs	215 Robert Rose Dr. Suite F	Murfreesboro	Tennessee	37129	(615) 848-0465
GEO	0536	Arun	Mahtani	218 20th Ave N Suite 1	Nashville	Tennessee	37203	(615) 327-3600
GEO	0814	Jerry	Day	4935 Main St #8	Spring Hill	Tennessee	37174	(615) 302-0252
NTX	0786	Raja	Bhatti	3648 Matlock Road	Arlington	Texas	76015	(817) 557-0300

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Master Code	Store Number	Owner First Name	Owner Last Name	Street Address	City	State	Zip / Postal Code	Phone Number
STX	0245	Danny & JoAnn	Studdard	500 Canyon Ridge Drive Suite B-200	Austin	Texas	78753	(512) 833-8490
STX	0073	Danny & JoAnn	Studdard	MOBILE STORE	Austin	Texas	78704	(512) 833-8490
NTX	0688	Paul	Andow	836 E Renfro St	Burleson	Texas	76028	(817) 386-7606
STX	0227	James	Spillman	2200B I 45 North	Conroe	Texas	77301	(936) 539-1080
NTX	0286	Ali	Master	7632 Campbell Rd Suite 311	Dallas	Texas	75248	(972) 705-9494
STX	0586	Christopher	David	5638 Westheimer Road	Houston	Texas	77056	(713) 572-1700
STX	0568	Berhane	Reddy	4036 Bellaire Blvd.	Houston	Texas	77025	(713) 518-1484
STX	0200	Clay	Deaton	1560 Eldridge Pkwy Suite 156	Houston	Texas	77077	(281) 497-4465
STX	0127	Christopher	David	8582 Westheimer	Houston	Texas	77063	(713) 783-9200
STX	0120	Iqbal	Budhwani	7331 Harwin Dr. Suite 201	Houston	Texas	77036	(713) 975-1562
STX	0030	Van	Arrington	2055 Westheimer #165	Houston	Texas	77098	(713) 526-0040
STX	0031	Ray	Curtis	317 Sidney Baker South #200	Kerrville	Texas	78028	(830) 895-3465
NTX	0643	Paul	Holloway	2414 Gilmer Rd Ste. #3	Longview	Texas	75604	(903) 759-4657
NTX	0442	Paul	Younger	3205 N. University Drive Suite L	Nacogdoches	Texas	75964	(936) 559-8347
STX	0181	George	Morato	290 S Business I-35	New Braunfels	Texas	78130	(830) 625-3338
STX	0760	Gerald	Nickelson	10904 Memorial Hermann Drive Suite 105	Pearland	Texas	77584	(281) 998-3050
STX	0590	Ray	Edinger	7959 Fredericksburg Rd Suite 213	San Antonio	Texas	78229	(210) 949-0565
STX	0072	Jim	Timmer	7312 Louetta Rd. Suite A100	Spring	Texas	77379	(281) 257-8668
STX	0179	Robert	Snider	16126 Southwest Freeway Suite 150	Sugar Land	Texas	77479	(281) 980-1145
NTX	0267	Paul	Holloway	1400 W. Southwest Loop 323 Ste 50	Tyler	Texas	75701	(817) 921-2344
RMT	0712	Brandt	Wilcox	101 E. 1600 N.	Logan	Utah	84341	(435) 753-2180
RMT	0050	Kelly	Thompson	832 E Fort Union Blvd	Midvale	Utah	84047	(801) 567-0202
RMT	0659	Kelly	Mason	46 N Main St.	Richfield	Utah	84701	(435) 893-0105
RMT	0648	Kelly	Thompson	2120 S 700 E Suite H	Salt Lake City	Utah	84106	(801) 484-4657
CNE	0870	Marc	Bouchard	7 Turner Ave	Milton	Vermont	05468	(802) 734-0528

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Master Code	Store Number	Owner First Name	Owner Last Name	Street Address	City	State	Zip / Postal Code	Phone Number
MDA	0675	Sharon	Hiatt	44050 Ashburn Shopping Plaza Unit 171	Ashburn	Virginia	20147	(703) 858-9558
MDA	0798	Tom	Boone	6327 Multiplex Drive	Centreville	Virginia	20121	(703) 266-6666
MDA	0702	Jamie	Parker	45 Conston Ave	Christiansburg	Virginia	24073	(540) 381-0016
MDA	0589	Bruce	J Barnett	1990 William St	Fredericksburg	Virginia	22401	(540) 621-0320
MDA	0097	William	Papierniak	4120 Cox Rd Suite A	Glen Allen	Virginia	23060	(804) 237-6844
MDA	0696	Fung	Yong (Angela) Tee	13924 Hull Street Road	Midlothian	Virginia	23112	(804) 639-6797
MDA	0804	Joann	Hubbard	610 Trent St. NE	Norton	Virginia	24273	(276) 679-1665
MDA	0480	William	Papierniak	11540 Busy Street	Richmond	Virginia	23236	(804) 423-6628
MDA	0743	Jamshed	Ahmed	3940 Valley Gateway Blvd	Roanoke	Virginia	24012	(540) 682-8200
MDA	0297	Jim	Ahmed	2020 Electric Rd.	Roanoke	Virginia	24018	(540) 776-1112
MDA	0539	Nathan	Evans	4001 Virginia Beach Blvd. Unit 136	Virginia Beach	Virginia	23452	(757) 340-7700
PNW	0101	Kay	Brewer	1360 N Louisiana Suite B	Kennewick	Washington	99336	(509) 735-9266
PNW	0439	Susan	Cowperthwaite	6020 Main St SW Suite H	Lakewood	Washington	98499	(253) 582-0300
PNW	0246	Bill	Johns	17190 Redmond Way	Redmond	Washington	98052	(425) 895-1465
PNW	0319	Bill	Johns	400 NE 45th Street	Seattle	Washington	98105	(206) 632-5555
PNW	0538	Patrick	McCord	2525 E 29th St Suite 8	Spokane	Washington	99223	(509) 315-8760
PNW	0418	Patrick	McCord	4407 N. Division St. #100	Spokane	Washington	99207	(509) 489-3000
PNW	0394	Patrick	McCord	9502 N Newport Hwy Suite 2A	Spokane	Washington	99218	(509) 465-8900
PNW	0258	Ben	Irwin	506 N. Sullivan Road Suite F.	Spokane	Washington	99037	(509) 927-1077
PNW	0175	Richard	Jarvis	2100 SE 164th Ave Suite D104	Vancouver	Washington	98683	(360) 882-4465
PNW	0823	Kay	Brewer	221 East Main Street	Walla Walla	Washington	99362	(509) 529-4556
PNW	0872	Kay	Brewer	2402 S 1st St Suite 102	Yakima	Washington	98903	(509) 469-9711
MIN	0080	Tim	Spilchen	2011 Richmond St	Appleton	Wisconsin	54913	(920) 954-7252
MIN	0081	Tim	Spilchen	2605 S. Oneida St Suite 111	Ashwaubenon	Wisconsin	54304	(920) 497-8669
MIN	0722	Corine	Nareski	19035 W. Bluemound Rd #9	Brookfield	Wisconsin	53045	(262) 754-2901
MIN	0572	Jennifer	Price	1424 E. Geneva St	Delavan	Wisconsin	53115	(262) 728-8570

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Master Code	Store Number	Owner First Name	Owner Last Name	Street Address	City	State	Zip / Postal Code	Phone Number
MIN	0468	Steve	Vollmer	2919 Mall Drive Suite A	Eau Claire	Wisconsin	54701	(715) 839-9733
MIN	0518	Jeff	Faul	N6663 Rolling Meadows Dr. Suite D	Fond du Lac	Wisconsin	54937	(920) 322-1236
MIN	0238	Scott	Kuhn	119 Green Bay Rd	Glendale	Wisconsin	53092	(414) 351-4655
MIN	0747	Steve	Vollmer	1015 Pearson Drive	Hudson	Wisconsin	54016	(715) 381-5000
MIN	0542	Doug	Franzen	3949 Calumet Ave Suite 5	Manitowoc	Wisconsin	54220	(920) 686-9395
MIN	0809	Bill	Fox	8608 University Green Ste #5	Middleton	Wisconsin	53562	(608) 831-9626
MIN	0263	Steve	Vollmer	1220 Crossing Meadows Dr Ste 100	Onalaska	Wisconsin	54650	(608) 783-2644
MIN	0158	Frank	Formiller	1171 S Washburn St	Oshkosh	Wisconsin	54904	(920) 230-1522
MIN	0269	Greg	Nickels	1230 George Towne Dr. Suite B	Pewaukee	Wisconsin	53072	(262) 695-8036
MIN	0718	Dan	Landsverk	5370 Highway 10 East Suite G	Stevens Point	Wisconsin	54482	(715) 544-4945
MIN	0042	David	Morrill	6650 West State Street	Wauwatosa	Wisconsin	53213	(414) 777-1830
MIN	0337	Dan	Landsverk	4551 8th Street South Suite 101	Wisconsin Rapids	Wisconsin	54494	(715) 424-0960

Exhibit D-3

Former Unit Franchisees

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Former Unit Franchisees
2016 Calendar Year

Master Code	Store Number	Primary Contact	Store City	Store State	Phone	Reason
AMT	0738	Gary Campbell	Huntsville	AL	245-429-9195	Ceased Operations/Other
AMT	0842	Craig Ferguson	Mobile	AL	251-725-6380	Transfer
AZN	0564	Randy Wiseman	Chandler	AZ	480-838-3505	Non-Renewal
AZN	0767	John Albers	Lake Havasu City	AZ	928-854-9300	Ceased Operations/Other
AZN	0186	Dan Lasure	Phoenix	AZ	602-955-5600	Ceased Operations/Other
AZN	0372	Al Gotland	Prescott	AZ	928-776-0444	Transfer
NCB	0776	Ed Belton	Brentwood	CA	925-240-7614	Ceased Operations/Other
NCC	0296	Dominique Woon	Fremont	CA	510-790-2023	Non-Renewal
NCB	0759	Seth Parker	Modesto	CA	209-545-5253	Ceased Operations/Other
RMT	0674	Nancy Follender	Longmont	CO	720-494-1715	Ceased Operations/Other
GEO	0687	Mary Hines	Buford	GA	770-995-4465	Transfer
GEO	0173	Kaushik Patel	Douglas	GA	912-384-4465	Ceased Operations/Other
GEO	0704	Mike Powers	Douglasville	GA	770-949-4465	Non-Renewal
GEO	0705	Susan Caballa	Liburn	GA	770-925-4465	Non-Renewal
GEO	0848	Missy Alford	Rome	GA	706-234-9465	Transfer
HAW	0039	Albert Holt	Aiea	HI	808-488-8855	Transfer
MIN	0693	Paul Buesse	Batavia	IL	630-406-3575	Non-Renewal
MIN	0651	Paul Roth	Carbondale	IL	618-529-1204	Non-Renewal
MIN	0427	Angela Cushing	Decauter	IL	217-875-0465	Non-Renewal
MIN	0573	Domick Dauphin	Wheaton	IL	630-653-5500	Non-Renewal
INA	0435	Sam Giannakis	Munster	IN	219-513-0565	Non-Renewal
NTX	0349	Dal Lindstrom	Derby	KS	316-788-7760	Ceased Operations/Other
MDA	0502	Brian Bandenburg	Kenington	MD	301-816-0465	Non-Renewal
OHM	0251	Laura Morris	Ann Arbor	MI	734-213-1739	Transfer
OHM	0166	Atul Laddad	Canton	MI	734-254-0544	Ceased Operations/Other
OHM	0592	Fred & Susan Watts	Royal Oak	MI	248-556-8020	Non-Renewal
OHM	0425	Imran Mussami	Southgate	MI	734-642-0011	Non-Renewal
PAD	0834	Jeff Neal	Goldboro	NC	919-778-6552	Non-Renewal
NTX	0396	Jon Zvolanek	Grand Island	NE	308-384-6644	Ceased Operations/Other
NTX	0746	Jon Zvolanek	Omaha	NE	918-455-0422	Ceased Operations/Other
NTX	0065	Brad Rohrig	Omaha	NE	402-334-3455	Non-Renewal
NWJ	0355	David Sciascia	Lopatcong	NJ	908-454-8776	Non-Renewal
NWJ	0047	Joseph Betesh	Oakhurst	NJ	732-531-4232	Non-Renewal
NWJ	0758	Martin Kennedy	Spotswood	NJ	732-251-4657	Ceased Operations/Other
NWJ	0859	Greg Carafello	Swedesboro	NJ	518-786-5188	Transfer
AZN	0311	Sham Mehta	Las Vegas	NV	702-870-0099	Non-Renewal
OHM	0393	Steve Tirrell	Cleveland	OH	216-251-6300	Ceased Operations/Other
OHM	0623	Kurt Pritz	Westerville	OH	614-794-3040	Non-Renewal
NTX	0443	Kelly Seratt	Tahlequah	OK	918-207-1777	Ceased Operations/Other

Exhibit D-3
Former Unit Franchisees
2016 Calendar Year

Master Code	Store Number	Primary Contact	Store City	Store State	Phone	Reason
NTX	0314	Joe DeBerry	Muskogee	OK	918-935-2701	Non-Renewal
PNW	0327	Michelle Potter	Tigard	OR	503-624-2171	Transfer
PAD	0184	Linda Eyer	Harrisburg	PA	717-724-2201	Ceased Operations/Other
PAD	0493	Alan Seymour	Indiana	PA	724-349-4615	Ceased Operations/Other
PAD	0563	Karen McCready	Indiana	PA	724-465-2679	Transfer
SCR	0734	Rob Whitlock	Columbia	SC	803-736-2992	Ceased Operations/Other
GEO	0477	Barry Bean	Hermitage	TN	615-232-2465	Non-Renewal
GEO	0555	Scott Landry	Knoxville	TN	865-690-4465	Transfer
GEO	0814	Eric Barnes	Spring Hill	TN	615-302-0252	Transfer
NTX	0877	Wayne Gordon	Amarillo	TX	580-237-2790	Ceased Operations/Other
STX	0878	Bhupesh Patel	Beaumont	TX	409-225-5398	Non-Renewal
STX	0364	Dennis Edklund	Bryan	TX	979-823-4800	Non-Renewal
NTX	0510	Todd Kuenstler	Dallas	TX	214-361-2850	Ceased Operations/Other
STX	0010	Robert Clark	Friendswood	TX	281-286-8244	Non-Renewal
STX	0808	Clay Deaton	Houston	TX	832-427-5214	Ceased Operations/Other
NTX	0153	Wayne Gordon		TX	580-237-2790	Ceased Operations/Other
PNW	0369	Ed Horowitz	Issaquah	WA	425-391-4657	Non-Renewal
PNW	0319	James Kinskey	Seattle	WA	206-632-5555	Transfer
MIN	0158	Ron Hasselbacher	Oshkosh	WI	920-230-1522	Transfer
MIN	0491	Randy Johnson	Sheboygan	WI	920-208-7077	Non-Renewal
MIN	0717	Greg Nickels	West Allis	WI	414-727-4830	Ceased Operations/Other
RMT	0637	Jennifer James	Sheridan	WY	307-675-2010	Non-Renewal

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Exhibit D-4

Unit Franchise Agreements Signed But Units Not Yet Open

Exhibit D-4
Unit Franchise Agreements Signed But Units Not Yet Open
As of December 31, 2016

Master Code	Store Number	Date Store Awarded	Primary Contact	Address	City	State	Zip Code	Phone
AMT	0810	3/31/2008	Rick Baker	7713 Clayton Cove Pkway	Pinson	AL	35126	205-680-6098
AZN	0838	8/26/2009	Randy Weisman	652 E. Torrey Pines Pl	Chandler	AZ	85249	480-248-8707
NCA	0724	2/16/2007	Edris Niakian	2998 W Sugar Hill Terrace	Dublin	CA	94568	925-361-0153
NCC	0303	3/23/2005	Charles Dietz	1941 Grande Circle #55	Fairfield	CA	94533	707-208-6808
NCB	0249	1/28/2005	Wan Chao	2 Neva Court	Oakland	CA	94611	925-932-1096
NCC	0483	1/12/2006	Krishna Katikaneni	20810 Arbeleche Ln	Saratoga	CA	95070	408-872-1188
NCC	0484	1/12/2006	Krishna Katikaneni	20810 Arbeleche Ln	Saratoga	CA	95070	408-872-1188
RMT	0791	12/7/2007	Walt Van Bibber	25704 Shiloh Circle	Conifer	CO	80433	303-838-7040
CNY	0824	11/4/2008	Frank P Lyons	252 Oronoque Rd	Milford	CT	06461	203-640-7761
PAD	0661	9/29/2006	Bruce Thaler	116 Union Ave	Altoona	DE	16602	814-949-2767
PAD	0473	12/16/2005	Scott Andersen	101 Citation Court	Bear	DE	19701	302-838-0915
FLA	0737	3/27/2007	Francisco Garrido			FL		267-275-2101
FLA	0678	11/14/2006	Keith Harrison	4001 Arrow Ave	Sarasota	FL	34232	941-323-0063
FLA	0407	9/16/2005	David Bennett	11125 Marina Bay Rd	Wellington	FL	33467	561-793-1353
HAW	0773	7/31/2007	Robert McKinney	1405 Hiahia St	Wailuku	HI	96793	808-283-1858
NTX	0644	8/11/2006	Todd Clausen	2702 Cedar Heights Dr	Cedar Falls	IA	50613	319-266-2448
NTX	0766	7/11/2007	Shawn Jerrett	10506 Borah Rd	Lancaster	IA	53813	608-778-6165
NTX	0526	2/22/2006	Tim Reed	3301 Spinning Wheel Ct	Muscatine	IA	52671	563-264-1518
MIN	0132	7/26/2004	Doug McLennan	1040 N. Winchester Ave Apt 2R	Chicago	IL	60622	312-282-0304
MIN	0529	2/22/2006	Domineca Neal	575 W Madison #4507	Chicago	IL	60661	312-902-2851
MIN	0689	11/8/2006	Chris Gallagher	931 W VanBuren	Chicago	IL	60607	312-399-5299
MIN	0754	6/8/2007	Ronald Francisco	1010 Salim Place	Lemont	IL	60439	630-243-1144
MIN	0569	4/12/2006	Joseph Stadler	9197 Alamo St	Blaine	MN	55449	763-783-4516
NTX	0763	7/10/2007	Jim Kennedy	299 Glyn Cagny Rd	Ballwin	MO	63021	314-574-4305
NTX	0764	7/10/2007	Jim Kennedy	299 Glyn Cagny Rd	Ballwin	MO	63021	314-574-4305
NTX	0463	11/30/2005	Scott Hertzke	1555 E 646 Rd	Bolivar	MO	65613	417-777-6366
NTX	0464	11/30/2005	Scott Hertzke	1555 E 646 Rd	Bolivar	MO	65613	417-777-6366
NTX	0552	3/27/2006	Jay Sowash	101 Ellerman Ridge Dr	Foristell	MO	63348	636-447-6699

Exhibit D-4
Unit Franchise Agreements Signed But Units Not Yet Open
As of December 31, 2016

Master Code	Store Number	Date Store Awarded	Primary Contact	Address	City	State	Zip Code	Phone
NTX	0292	3/14/2005	Susan Abbott	7423 Hickory St	Kansas City	MO	64118	816-468-7411
NTX	0293	3/14/2005	Susan Abbott	7423 Hickory St	Kansas City	MO	64118	816-468-7411
NTX	0520	2/22/2006	Rick Johnson	1691 Frontenac Woods Ln	St. Louis	MO	63131	314-616-3685
NTX	0384	7/21/2005	Debra Pickrel	2462 E 13th Ave	Columbus	NE	68601	402-563-9661
NWJ	0185	10/22/2004	Christine Tashjian			NJ		201-261-3131
NWJ	0554	3/30/2006	Tim Carter	118 Independence Trl	Totowa	NJ	07521	201-921-5298
NWJ	0558	3/30/2006	Tim Carter	118 Independence Trl	Totowa	NJ	07521	201-921-5298
NWJ	0559	3/30/2006	Tim Carter	118 Independence Trl	Totowa	NJ	07521	201-921-5298
NWJ	0816	8/19/2008	Dominick Cicalese	10190 E Honey Mesquite Dr	Tucson	NJ	85730	520-465-9562
NWJ	0497	1/31/2006	Kathleen Petitt	5 Alanon St	Whippany	NJ	07981	973-887-4939
NYS	0323	4/12/2005	Bill Paolini			NY		718-380-6803
NYS	0324	4/13/2005	Phil Caputo			NY		631-476-4104
NYS	0325	4/13/2005	Phil Caputo			NY		631-476-4104
NYS	0326	4/13/2005	Phil Caputo			NY		631-476-4104
NYS	0333	4/19/2005	Glen Friedman	157 E 18th St Apt 2H	New York	NY	10003	917-566-6852
NYC	0845	11/30/2009	Gerry Moultry	50 Mayhew Dr	South Orange	NY	07079	973-327-4086
NYC	0846	11/30/2009	Gerry Moultry	50 Mayhew Dr	South Orange	NY	07079	973-327-4086
NTX	0315	4/11/2005	Jane Porter			OK		918-251-5096
NTX	0421	9/14/2005	Stan Corley	8029 NW 114th St	Oklahoma City	OK	73162	405-722-8913
NTX	0423	9/14/2005	Stan Corley	8029 NW 114th St	Oklahoma City	OK	73162	405-722-8913
NTX	0744	4/11/2007	James Turley	4000 N. Sara Rd	Yukon	OK	73099	405-354-7884
PNW	0438	10/14/2005	Michelle Potter	9243 SE Main St	Portland	OR	97214	502-235-7566
PAD	0397	8/18/2005	Bruce Thaler	116 Union Ave	Altoona	PA	16602	814-949-2767
PAD	0398	8/18/2005	Bruce Thaler	116 Union Ave	Altoona	PA	16602	814-949-2767
PAD	0399	8/18/2005	Bruce Thaler	116 Union Ave	Altoona	PA	16602	814-949-2767
PAD	0607	5/31/2006	Tom Landis	192 Hillside Dr	East Berlin	PA	17316	717-637-1311
PAD	0608	5/31/2006	Tom Landis	192 Hillside Dr	East Berlin	PA	17316	717-637-1311
PAD	0616	6/28/2006	Rajat Agarwal	120 Sandstone Dr	Hollidaysburg	PA	16648	814-695-8016

Exhibit D-4
Unit Franchise Agreements Signed But Units Not Yet Open
As of December 31, 2016

Master Code	Store Number	Date Store Awarded	Primary Contact	Address	City	State	Zip Code	Phone
PAD	0728	2/28/2007	Michael Szwast	318 Rumford Rd	Litiz	PA	17543	717-569-6497
PAD	0525	2/15/2006	Gerald Stricker	35 Old Rockingham Rd	Salem	PA	03079	603-893-1697
PAD	0562	4/11/2006	Gayle Sauer	2342 Fairhill Rd	Sewickley	PA	15143	412-741-6765
PAD	0576	4/13/2006	Thomas Gorman III	319 W Union St	West Chester	PA	19382	484-716-9591
PAD	0577	4/13/2006	Thomas Gorman III	319 W Union St	West Chester	PA	19382	484-716-9591
PAD	0610	5/31/2006	Karen Mazurek	811 Shenandoah Ln	York	PA	17404	717-764-9201
PTR	0843	11/24/2006	Anibal Roldan Rodriguez	K28 Calle10 Rub. Bonneville	Gardens Cagus	PR	00725	011/787-608-7676
SCR	0055	3/17/2005	Joe Medlin	535 Crimson Rose Run	Wessterville	SC	43081	864-286-6300
NTX	0709	12/29/2006	Robert McMichael	PO Box 1300	Farmington	TX	72730	479-267-1775
NTX	0602	5/25/2006	Matt Tilley	2109 Canterbury Dr	Ft. Worth	TX	76107	817-738-3026
NTX	0740	4/10/2007	Peter Stuerman	32446 Green Ave	Sioux City	TX	51108	712-239-6113
NTX	0458	11/22/2005	Dal Lindstrom	319 Fieldstone	Valley Center	TX	67147	316-755-1305
RMT	0802	3/13/2008	Darin Hoki	1061 Nayon Drive #L	Layton	UT	84040	801-682-8237
RMT	0649	8/17/2006	Kelly Thompson	5801 Stone Flower Way	Salt Lake City	UT	84118	208-351-1696
MDA	0540	3/7/2006	Nathan Evans	4908 B Lauderdale Ave	Virginia Beach	VA	23455	757-363-7505
MIN	0306	3/31/2005	Sam Adams	2919 Mall Dr suite A	Eau Claire	WI	54701	715-839-9733
MIN	0680	10/27/2006	Randall Johnson	W4519 City Rd EH	Elkhart Lake	WI	53020	920-565-2011
MIN	0389	7/29/2005	Mike Campbell	3605 Saddle Brooke Trail	Sun Prairie	WI	53590	608-825-9954
RMT	0784	10/12/2007	Jennifer James	368 Burkitt St	Sheridan	WY	82801	307-675-8032

EXHIBIT E
TO MASTER FRANCHISE DISCLOSURE DOCUMENT

OPERATIONS MANUAL TABLE OF CONTENTS

Operations Manual Table of Contents

The Operations Manual is updated frequently. The above sections and corresponding page numbers may be changed by CWNA at any time.

EXHIBIT F
TO MASTER FRANCHISE DISCLOSURE DOCUMENT

STATE DISCLOSURE AND AGREEMENT ADDENDA

[STATE MASTER FRANCHISE DISCLOSURE DOCUMENT ADDENDA]

California Master Franchise Disclosure Document Addendum

Item 17 of the Master Franchise Disclosure Document is also amended to include the following:

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

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

Neither CWNA nor any person identified in Item 2 of the Master Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. Sec. 78a, et seq., suspending or expelling such persons from membership in such association or exchange.

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

You must sign a joint and mutual release of claims if you transfer your Master Franchise. California Corporations Code, Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. Consequently, California Corporations Code, Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516), and California Business and Professions Code, Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

The provisions of the Master Franchise Agreement containing post-term covenants not to compete may not be enforceable under California law.

California Corporations Code, Section 31125 requires franchisors to give California franchisees a disclosure document, approved by the California Department of Business Oversight, before the solicitation of a proposed material modification of an existing franchise.

The Master Franchise Agreement provides for non-binding mediation and binding arbitration. Mediation and arbitration will occur in Illinois, with the costs being borne by the parties. 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 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Master Franchise Agreement restricting venue to a forum outside the State of California.

The Master Franchise Agreement does not contain a liquidated damages clause.

CWNA'S WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

[STATE AMENDMENTS TO MASTER FRANCHISE AGREEMENT]

California Master Franchise Agreement Amendment

The parties to the attached Master Franchise Agreement (the "Agreement") agree as follows:

1. Section 22.13 of the Agreement is hereby amended to provide as follows:

   You and we agree that, except with respect to the applicability of the Federal Arbitration Act, 9 U.S.C. § 1 et seq. and the effect of federal pre-emption of state law by such Act, and except to the extent governed by the United States Trademark Act and other federal laws and as otherwise expressly provided in this Agreement, all matters concerning the franchise relationship between you and us will be governed by, and construed and enforced in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this California Amendment to the Master Franchise Agreement on the same date as the Master Franchise Agreement was executed.

[signature page to follow]

Cartridge World North America, LLC	______________________________ Master Franchisee
By:______________________________	By:______________________________
Name:______________________________	Name:______________________________
Title:______________________________	Title:______________________________
Address for Notices:	Address for Notices:
3917 Mercy Drive McHenry, IL 60050	______________________________ ______________________________
Telephone: (815) 321-4408 Fax: (815) 675-6321 Attn:______________________________	Telephone:______________________________ Fax:______________________________ Attn:______________________________

EXHIBIT G
TO MASTER FRANCHISE DISCLOSURE DOCUMENT

STATEMENT OF PROSPECTIVE MASTER FRANCHISEE

STATEMENT OF PROSPECTIVE MASTER FRANCHISEE

[Note: Dates and Answers Must Be Completed in the Prospective Master Franchisee's Own Handwriting.]

Since the Prospective Master Franchisee (also called "me," "our," "us," "we" and/or "I" in this document) and Cartridge World North America, LLC (also called the "Franchisor," "you" or "your") both have an interest in making sure that no misunderstandings exist between them, and to verify that no violations of law might have occurred, and understanding that the Franchisor is relying on the statements I/we make in this document, I/we assure the Franchisor as follows:

A. The following dates and information are true and correct:

1.	_____________, 20___ **Initials** _____________	The date on which I/we received a Franchise Disclosure Document about a CARTRIDGE WORLD Master Franchise.
2.	_____________, 20___ **Initials** _____________	The date when I/we received a fully completed copy (other than signatures) of the Master Franchise Agreement and all other documents I/we later signed.
3.	_____________, 20___ **Initials** _____________	The earliest date on which I/we signed the Master Franchise Agreement or any other binding document (not including any Letter or other Acknowledgment of Receipt.)
4.	_____________, 20___ **Initials** _____________	The earliest date on which I/we delivered cash, check or other consideration to the Franchisor, or any other person or company.

B. Representations and Other Matters:

1. No oral, written, visual or other promises, agreements, commitments, representations, understandings, "side deals," options, rights-of-first-refusal or otherwise of any type, including, but not limited to, any which expanded upon or were inconsistent with the Franchise Disclosure Document or the Master Franchise Agreement or any other written documents, have been made to or with me/us with respect to any matter (including, but not limited to, advertising, marketing, site location and/or development, operational, marketing or administrative assistance, exclusive rights or exclusive or protected territory or otherwise) nor have I/we relied in any way on any such, except as expressly set forth in the Master Franchise Agreement or a written Addendum thereto signed by the Prospective Master Franchisee and the President of the Franchisor, except as follows:
____.
(If none, the Prospective Master Franchisee should write NONE in his/her/their own handwriting.)

Prospective Master Franchisee's Initials: _________________________________

2. No oral, written, visual or other claim, guarantee or representation (including, but not limited to, charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise), which stated or suggested any specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, was made to me/us by any person or entity, nor have I/we relied in any way on any such, except for information (if any) expressly

set forth in Item 19 of the Franchisor's Franchise Disclosure Document (or an exhibit referred to therein), except as follows:
____.
(If none, the Prospective Master Franchisee should write NONE in his/her/their own handwriting.)

Prospective Master Franchisee's Initials: ___________________________________

3. No contingency, prerequisite, reservation or otherwise exists with respect to any matter (including, but not limited to, the Prospective Master Franchisee obtaining any financing, the Prospective Master Franchisee's selection, purchase, lease or otherwise of a location, any operational matters or otherwise) or the Prospective Master Franchisee fully performing any of the Prospective Master Franchisee's obligations, nor is the Prospective Master Franchisee relying on the Franchisor or any other entity to provide or arrange financing of any type, nor have I/we relied in any way on such, except as expressly set forth in the Master Franchise Agreement or a written Addendum thereto signed by the Prospective Master Franchisee and the President of the Franchisor, except as follows:
____.
(If none, the Prospective Master Franchisee should write NONE in his/her/their own handwriting.)

Prospective Master Franchisee's Initials: ___________________________________

4. The individuals signing for the "Prospective Master Franchisee" constitute all of the executive officers, partners, shareholders, investors and/or principals of the Prospective Master Franchisee and each of such individuals has received the Franchise Disclosure Document and all exhibits and carefully read, discussed, understands and agrees to the Master Franchise Agreement, each written Addendum and any Personal Guarantees.

Prospective Master Franchisee's Initials: ___________________________________

5. I/we have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and the Franchisor has strongly recommended that I/we obtain such independent professional advice. I/we have also been strongly advised by the Franchisor to discuss my/our proposed purchase of, or investment in, a CARTRIDGE WORLD Master Franchise with existing CARTRIDGE WORLD Master Franchisees prior to signing any binding documents or paying any sums and I/we have been supplied with a list of existing CARTRIDGE WORLD Master Franchisees.

Prospective Master Franchisee's Initials: ___________________________________

6. I confirm that, as advised, I've spoken with past and/or existing CARTRIDGE WORLD Master Franchisees, and that I made the decision as to which, and how many, CARTRIDGE WORLD Master Franchisees to speak with. I understand and acknowledge that CARTRIDGE WORLD Master Franchisees are distinct from the Franchisor and are independently owned and operated. I understand and acknowledge that they do not act as the Franchisor's agents or representatives in providing any information to me and that no such information can be attributed to the Franchisor and/ or relied upon as such.

7. I/we understand that: entry into any business venture necessarily involves some unavoidable risk of loss or failure, the purchase of a CARTRIDGE WORLD Master Franchise (or any other)

franchise is a speculative investment, investment beyond that outlined in the Master Franchise Disclosure Document may be required to succeed, there exists no guaranty against possible loss or failure in this or any other business and the most important factors in the success of a CARTRIDGE WORLD Master Franchise, including the one to be operated by me/us, are my/our personal business, marketing, sales, management, judgment and other skills.

Prospective Master Franchisee's Initials: __________________________________

8. I acknowledge receiving, reviewing and signing the receipt page for the Master Franchise Disclosure Document that was delivered to me (the "Receipt"). I confirm that the Master Franchise Seller Information contained within the Receipt is complete and accurately identifies all of the persons who sold or arranged for the sale of my Master Franchise and were involved in the franchise sales activities.

Prospective Master Franchisee's Initials: __________________________________

If there are any matters inconsistent with the statements in this document, or if anyone has suggested that I sign this document without all of its statements being true, correct and complete, I/we will (a) **immediately** inform the Franchisor's President or Chief Executive Officer and (b) make a written statement regarding such next to my signature below so that the Franchisor may address and resolve any such issue(s) at this time and before either party goes forward.

I/we understand and agree that the Franchisor does not furnish or endorse, or authorize its salespersons or others to furnish or endorse, any oral, written or other information concerning actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, that such information (if any) not expressly set forth in Item 19 of the Franchisor's Master Franchise Disclosure Document (or an exhibit referred to therein) is not reliable and that I/we have not relied on it, that no such results can be assured or estimated and that actual results will vary from unit to unit and may vary significantly.

Prospective Master Franchisee's Initials: __________________________________

I/we understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete.

Date: ___________________________

PROSPECTIVE MASTER FRANCHISEE (Individual)

____
Signature

____
Printed Name

____
Signature

____
Printed Name

PROSPECTIVE MASTER FRANCHISEE (Corp., LLC or Partnership) - Must be accompanied by appropriate personal guarantee(s)

____
Legal Name of Entity

_______________________ _____________________________________
Jurisdiction of Formation Corporation, LLC or Partnership

By: _________________________________
Name

____
Signature

Title: _______________________________

PRINCIPALS

______________________________ ____________________________

______________________________ ____________________________

All of the above is true, correct and complete to the best of my knowledge:

____
Franchise Marketing Representative

Reviewed by: ______________________

____
President of Franchisor Master Franchise Agreement Number

EXHIBIT H
TO MASTER FRANCHISE DISCLOSURE DOCUMENT

SAMPLE GENERAL RELEASE

SAMPLE GENERAL RELEASE

Release-General Provisions. The Master Franchisee(s), jointly and severally, hereby release and forever discharge each and all of the Franchisor-Related Parties (as defined below) of and from any and all causes of action, in law or in equity, suits, debts, liens, defaults under contracts, leases, agreements or promises, liabilities, claims, demands, damages, losses, costs or expenses, of any nature whatsoever, howsoever arising, **known or unknown**, fixed or contingent, past or present, that the Master Franchisee(s) (or any of them) now has or may hereafter have against all or any of the Franchisor-Related Parties by reason of any matter, cause or thing whatsoever from the beginning of time to the date hereof (the "**Claims**"), it being the mutual intention of the parties that this release be unqualifiedly general in scope and effect and that any Claims against any of the Franchisor-Related Parties are hereby forever canceled and forgiven.

THE MASTER FRANCHISEE(S) ACKNOWLEDGE THAT THEY ARE FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

THE MASTER FRANCHISEE(S), BEING AWARE OF THIS CODE SECTION, HEREBY EXPRESSLY WAIVE ALL OF THEIR RIGHTS THEREUNDER AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT OF ANY APPLICABLE JURISDICTION, INCLUDING, WITHOUT LIMITATION, CALIFORNIA AND/OR ***[JURISDICTIONS OF MASTER FRANCHISEE(S)' RESIDENCE AND LOCATION OF FRANCHISED UNITS]***.

The Master Franchisee(s) expressly assume the risk of any mistake of fact or fact of which they may be unaware or that the true facts may be other than any facts now known or believed to exist by Master Franchisee(s), and it is the Master Franchisee(s) intention to forever settle, adjust and compromise any and all present and/or future disputes with respect to all matters from the beginning of time to the date of this document finally and forever and without regard to who may or may not have been correct in their understanding of the facts, law or otherwise. All releases given by the Master Franchisee(s) are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action whatsoever which exist, or might have existed, on the date of this document. The Master Franchisee(s) represent and warrant that they have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this document as the Master Franchisee(s), in the Master Franchisee(s) independent judgment, believe necessary or appropriate. The Master Franchisee(s) have not relied on any statement, promise, representation or otherwise, whether of fact, law or otherwise, or lack of disclosure of any fact, law or otherwise, by the Franchisor-Related Parties or anyone else, not expressly set forth herein, in executing this document and/or the related releases.

No Assignment or Transfer of Interest. The Master Franchisee(s) represent and warrant that there has been, and there will be, no assignment or other transfer of any interest in any Claims that the Master Franchisee(s) may have against any or all of the Franchisor-Related Parties, all Claims having been fully and finally extinguished, and the Master Franchisee(s) agree to forever indemnify and hold the Franchisor-Related Parties harmless from any liability, claims, demands, damages, losses, costs, expenses or attorneys' fees incurred by any of the Franchisor-Related Parties as a result of any person asserting any interest in any of the Claims and/or any voluntary, involuntary or other assignment or transfer, or any rights or claims under any assignment, transfer or otherwise. It is the intention of the parties that this indemnity does not require payment by any of the Franchisor-Related Parties as a condition precedent to recovery against the Master Franchisee(s) under this indemnity.

Attorneys' Fees. If the Master Franchisee(s), or anyone acting for, or on behalf of, the Master Franchisee(s) or claiming to have received, by assignment or otherwise, any interest in any of the Claims, commence, join in, or in any manner seek relief through any suit (or otherwise) arising out of, based upon or relating to any of the Claims released hereunder or in any manner asserts against all or any of the Franchisor-Related Parties any of the Claims released hereunder, the Master Franchisee(s) agree to pay all attorneys' fees and other costs incurred by any of the Franchisor-Related Parties in defending or otherwise responding to said suit or assertion directly to the Franchisor-Related Parties incurring such costs.

"Franchisor-Related Parties" shall mean Cartridge World North America, LLC, Cartridge World International, Inc., Cartridge World Australia Pty Ltd, CW Group Holdings Pty Ltd, and each Affiliate of any of the foregoing, each Cartridge World® marketing and/or advertising fund and each and all of the following, whether past, current and/or future: Each and all entities and/or persons acting through or in concert with any of the foregoing; each and all of the partners, shareholders, officers, directors, agents, attorneys, accountants, and/or employees of any of the foregoing, as well as each and all of the successors and/or assigns of any of the foregoing.

Date of Releases, Joint and Several Liability. The releases granted hereunder shall be deemed effective as of the date hereof. The liabilities and obligations of each of the Master Franchisee(s) (and any other person/entity providing releases to the Franchisor-Related Parties) shall be joint and several.

Cartridge World North America, LLC	______________________________ Master Franchisee
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:_____________________________	Title:_____________________________
Address for Notices:	Address for Notices:
3917 Mercy Drive McHenry, Illinois 60050	______________________________ ______________________________
Telephone: (815) 321-4400 Fax: (815) 675-6321 Attn:_____________________________	Telephone:________________________ Fax:_____________________________ Attn:_____________________________

EXHIBIT I
RECEIPT OF MASTER FRANCHISE AGREEMENT AND EXHIBITS

I, the undersigned Master Franchise Candidate, do hereby acknowledge receipt of the following documents, in ready-to-sign form:

Master Franchise Agreement and Exhibits

Exhibit A-1: Territory; Designated Individual; Fees

Exhibit A-2: Minimum Development Standards

Exhibit A-3: Average Annual Unit Volume

Exhibit B: Approved Employee Confidentiality Agreement

Exhibit C: Statement of Prospective Master Franchisee

Exhibit D: Current Form Of Releasing Language

Exhibit E: Master Franchisee's Responsibilities

Exhibit F: Continuing Personal Guarantee

Exhibit G: Forms of Unit Franchise Agreement and Multi-Unit Agreement

I further acknowledge my understanding that it is my responsibility, to review all such documents, so that I am fully familiar with their contents and the transaction they describe.

Date: ________________________ (*complete with the date you first received the documents*)

PLEASE DO NOT SIGN OR RETURN THESE DOCUMENTS UNLESS YOU RECEIVED OUR MASTER FRANCHISE DISCLOSURE DOCUMENT AT LEAST 14 CALENDAR DAYS AGO AND HAVE HELD THIS MASTER FRANCHISE AGREEMENT AND RELATED EXHIBITS FOR AT LEAST SEVEN (7) CALENDAR DAYS (EXCLUDE THE DAY OF DOCUMENT RECEIPT AND THE DAY OF SIGNING IN CALCULATING THESE HOLDING PERIODS).

____
Signature of Master Franchise Candidate

____
Print Name of Master Franchise Candidate

EXHIBIT J
TO MASTER FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

RECEIPTS

(To be retained by Master Franchisee)

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

If we offer you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale.

Iowa and New York require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

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

If we do 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 your state agency.

The Franchisor is Cartridge World North America, LLC, located at 3917 Mercy Drive, McHenry, Illinois 60050. Its telephone number is (815) 321-4400.

The name, principal business address, and telephone number of each franchise seller is as follows:

Name: Mark Pinner	Name:
Address: 3917 Mercy Drive	Address:
Address: McHenry, Illinois 60050	Address:
Phone: (815) 321-4400	Phone:

Issuance Date: March 31, 2017. See the third page of this Disclosure Document for additional state effective dates.

We authorize the agents listed in Exhibit C to receive service of process for us.

I have received a Disclosure Document, dated March 31, 2017, that included the following Exhibits and other Attachments:

A-1 Master Franchise Agreement (and Exhibits)
A-2 Spousal/Domestic Partner Consent
A-3 Automatic Bank Draft – Authorization Form
B Financial Statements
C State Administrators and Agents for Service of Process
D-1 Current and Former Master Franchisees
D-2 Current Unit Franchisees
D-3 Former Unit Franchisees
D-4 Unit Franchise Agreements Signed But Units Not Yet Open
E Operations Manual Table of Contents
F State Disclosure and Agreement Addenda
G Statement of Prospective Master Franchisee
H Sample General Release
I Receipt of Master Franchise Agreement and Exhibits
J Receipts (2 copies)

____
Date Received

____
Prospective Master Franchisee

____
Name (please print)

Address:_____________________________
____

RECEIPT

(To be signed, dated, and sent to Franchisor)

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

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J Receipts (2 copies)

____
Date Received

____
Prospective Master Franchisee

____
Name (please print)

Address:______________________________
____