

2) any assets which are not bona fide Franchise assets integrally related to the operation of the Franchised 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 Franchise. You will forever indemnify and hold us harmless against all obligations incurred in connection with the business prior to purchase. You'll 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 8.02 B, above, 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 14.8 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 90 days after closing, Twenty Percent (20%) no later than 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 Persons/Entities). In connection with our exercise of any rights under this Section 14.8, you (and each owner/Affiliate) will execute a General Release.

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 Persons/Entities 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.

15. RENEWAL FRANCHISE.

15.1 Your Rights.

A. 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 Article 15, you

will be eligible to be awarded a renewal franchise. The renewal 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 franchise agreement, although we may grant you an additional renewal term in our Business Judgment.

15.2 Notice of Election.

A. 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:

- 1) any reasons which could cause us to not award the renewal franchise, including any deficiencies requiring correction; and
- 2) our/Related Company(ies)'s then-current requirements relating to all aspects of a Cartridge World Store, including, but not limited to, image, appearance, decoration, furnishing, equipment, operations, and programs for a CARTRIDGE WORLD Store (collectively, the "specifications and standards then-applicable for new CARTRIDGE WORLD Stores and with the Manuals").

B. If you are subject to a Correction Process under Section 16.5 when i) you provide us with notice of your intent to obtain a renewal franchise, or ii) the renewal franchise would be awarded, then we can in our Business Judgment, choose to defer the award of any renewal until you have successfully complied with the applicable CARTRIDGE WORLD System Standards and Financial Standards.

15.3 Conditions to the Award of a Renewal. Any award of the renewal franchise must meet all of the following conditions, together with the then current standards applicable to renewal franchisees, each of which are agreed to be reasonable:

- A. You (and each Affiliate of yours) must be in Good Standing;
- B. Your CARTRIDGE WORLD Store and its operations must fully comply with all specifications and standards then-applicable for new CARTRIDGE WORLD Stores and with the 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 your CARTRIDGE WORLD Store for the duration of the renewal franchise, unless we otherwise agree in writing. If you are unable to maintain possession of your CARTRIDGE WORLD Store, or in our judgment your CARTRIDGE WORLD Store should be relocated, you must have obtained our consent to and secured substitute premises by the Expiration Date of this Agreement. Such premises must comply with all specifications and standards then-applicable for new CARTRIDGE WORLD Stores and with the Manuals;
- D. You (and each Affiliate of yours) must have paid all amounts owed to us and any Franchisor-Related Persons/Entities;
- E. You must have executed our then-current form of Franchise Agreement and related documents then customarily used by us (with appropriate modifications to reflect the fact that the 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, meals, lodging 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 Article 15, including providing us with a General Release; and

H. You must have paid us a renewal fee equal to _____ percent (_____%) of our then-current initial franchise fee for a first franchise (but not less than \$ _____, which minimum amount is subject to adjustment according to the inflation formula described in Section 9.6). 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 THE FRANCHISE.

16.1 Defaults with No Right to Cure. This Agreement will automatically Terminate upon delivery of our written notice of Termination to you in compliance with Article 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 3.1A and 3.6, above or failure to successfully complete training to our satisfaction as required in Section 5.1 above; or

B. abandon your CARTRIDGE WORLD Store; fail to conduct business on a continuous basis for the time periods specified in the Manuals or during the operating hours approved by us for your CARTRIDGE WORLD Store, without our prior written consent; or lose the right to possession of your Store and fail to relocate before the termination/expiration of any applicable lease/sublease to a substitute location authorized by us;
or

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

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 assets of your CARTRIDGE WORLD Store; or

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

F. engage in any misconduct which unfavorably affects the reputation of the Franchisee or any owner, your CARTRIDGE WORLD Store, us, a Related Company 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 Store); or

G. make, or attempt to make, an unauthorized "Transfer," as defined in this Agreement, or surrender control 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

I. violate any of the In Term or Post Term 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 Franchisor-Related Persons/Entities and/or any third party, including (but not limited to) any misrepresentation of Gross Volume; 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;

16.2 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 report accurately Gross Volume or fail to submit any other report due under this Agreement or any lease/sublease in accurate and complete form and when required;
- 6) failure to make payments of any amounts due us, any Franchisor-Related Person/Entity, any designee of ours and/or any supplier/creditor of yours and do not correct such failure(s);
- 7) 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 items 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) default under the lease or sublease for your CARTRIDGE WORLD Store within the applicable cure period set forth in the lease or sublease (if such applicable cure period is less than 30 days, then such applicable cure period will apply);
- 2) delinquency in your obligations to taxing authorities, landlords, equipment lessors, suppliers or others;
- 3) failure to comply with any other provision of this Agreement, any other agreement with us and/or any Affiliate of ours and/or any Related Company, or any specification, standard or operating procedure or rule prescribed by us in the Manuals or by other writing which does not provide for a shorter notice period.

If a default under this Section 16.2 B cannot reasonably be corrected within thirty (30) day period, then you must undertake diligent efforts within the thirty (30) day period 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.

16.3 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 or more applicable defaults within any twelve (12) consecutive months, or three 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 Manuals, or under any other agreement with us and/or any of our Affiliates/Related Companies, whether or not such default is cured, or is the same as or similar to a prior event of default.

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 Franchisor-Related Persons/Entities) 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 Persons/Entities) 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 Franchise Business 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 Franchisor-Related Persons/Entities).

16.5 Non Exclusive Remedies. Whenever we have a right to Terminate this Agreement, we (and any Franchisor-Related Person/Entity) will have all remedies allowed at law and in equity. No right or remedy which we and/or any Franchisor-Related Person/Entity may have under this Agreement or otherwise (including Termination) is exclusive, and we and/or any Franchisor-Related Person/Entity 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, etc. 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 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 can choose to condition such any such an extension upon the signing of a General Release by you, each owner and Affiliates of yours.

16.8 Management of the Store 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 CARTRIDGE WORLD Store until you have cured all defaults. All revenues received by the CARTRIDGE WORLD Store while we (or our designee) are managing it will be kept in a separate fund. All CARTRIDGE WORLD Store expenses, including compensation, travel and living expenses for our appointed manager, may be paid out of such fund. We shall be paid Five Hundred Dollars (\$500.00)/day as a management fee (subject to adjustment as provided in Section 9.6). If such fund is insufficient to pay CARTRIDGE WORLD Store 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.

B. Operation of the CARTRIDGE WORLD Store 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 CARTRIDGE WORLD Store. This Section 16.8 shall not limit our right to Terminate this Agreement as herein provided or affect any of our indemnity or other rights under this Agreement.

16.9 Our Right To Discontinue Supplying Items Upon Default. If we deliver a notice of default to you, we and/or each Franchisor-Related Persons/Entity have the right to (a) require that you pay C.O.D. (i.e., cash on delivery) or by certified check for goods/services and/or (b) stop selling and/or providing any goods/services to you until you have cured all defaults. No such action by us and/or any Franchisor-Related Persons/Entity 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.

16.10 Termination, Expiration, or Repurchase of Our Master Franchise Agreement. 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 agreements. CWNA also can terminate any or all Unit Franchise Agreements if it elects not to continue to regularly award Franchises and maintain a Franchise program for CARTRIDGE WORLD Stores in your state/country/Territory. If CWNA (1) 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 CARTRIDGE WORLD Stores in your state and (2) does not open or award franchises for CARTRIDGE WORLD Stores in your state for 12 months after the date of such announcement (provided that CWNA 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 it 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.

16.11 Prompt Notice of Claims by You. 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 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 30 day period, and we are diligently continuing efforts to cure, then we will have 90 days to cure; provided that:

A. 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 19.1; and

B. any claim for equitable relief with respect to a dispute under Section 19.1 (H) will not be subject to this Section 16.11. Any applicable statutes of limitations will be tolled during such 30 and 90-day periods.

17. RIGHTS AND OBLIGATIONS ON TRANSFER, REPURCHASE, TERMINATION AND/OR EXPIRATION OF THE FRANCHISE.

17.1 Payments of All Amounts Owed, etc. You must pay all royalties, marketing contributions and all amounts of any kind owed to us and/or any Franchisor-Related Persons/Entities within ten (10) days after the Repurchase, Termination or expiration of the Franchise, or from a later date when the amounts due can be determined.

17.2 Intellectual Property, Confidential Information, Trade Dress, etc. After any Transfer, Repurchase, Termination or expiration of the Franchise:

A. You agree to immediately and permanently discontinue your CARTRIDGE WORLD business and any use of the Intellectual Property and/or the Confidential Information, as defined in Article 1.2, 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, Manuals, forms, materials, signage and any other items containing any Intellectual Property or Marks, or otherwise identifying or relating to a CARTRIDGE WORLD Store (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 Premises in every manner and remove any distinctive signage, physical and/or structural features associated with the Trade Dress of CARTRIDGE WORLD Stores (and remodel, repaint, or otherwise alter the appearance of the Premises), so that the Premises are clearly distinguished from other CARTRIDGE WORLD Stores and do not create any public confusion (to the extent the 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 franchisee;

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, advertising 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 CARTRIDGE WORLD Store. 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, Repurchase and/or expiration of the 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 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 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 19 and 21). 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 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 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 Franchisee.

I have read Sec. 17.1-17.4, understand them, and agree with them.

Your Initials: _____ / _____

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/Related Company 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 CARTRIDGE WORLD Store and in all of the assets, including equipment, furniture, fixtures and signs, used by, at or in connection with, your CARTRIDGE WORLD Store and its related business and (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 CARTRIDGE WORLD Store, 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 CARTRIDGE WORLD Store 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.

I have read Art. 18, understand it, and agree with it.

Your Initials: _____ / _____

19. DISPUTE AVOIDANCE AND RESOLUTION.

For the purposes of this Article 19, "you" shall be deemed to include you, your owners and Affiliates and their respective employees, and "we" shall be deemed to include "Franchisor-Related Persons/Entities."

19.1 MEDIATION AND MANDATORY BINDING ARBITRATION, WAIVER OF RIGHT TO TRIAL IN COURT, etc. You and we believe that it is important to resolve any disputes amicably, quickly, cost effectively and professionally and to return to business as soon as possible. You and we have agreed that the provisions of this Article 19 support these mutual objectives and, therefore, agree as follows:

A. Claim Process: Any litigation, claim, dispute, suit, action, controversy, or proceeding of any type whatsoever including any claim for equitable relief and/or where you are acting as a "private attorney general," suing pursuant to a statutory claim or otherwise, between or involving you and us on whatever theory and/or facts based, and whether or not arising out of this Agreement, ("Claim") will be processed in the following manner, you and we each expressly waiving all rights to any court proceeding, except as expressly provided below at Section 19.1 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, submitted to non-binding mediation for a minimum of four (4) hours before i) 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), if FAM cannot conduct such mediation and the parties cannot agree on a mediation organization. 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 mediation/arbitration (and any appeal of arbitration) will be conducted by a mediator/arbitrator experienced in franchising. Any party may be represented by counsel and may, with permission of the mediator, bring persons appropriate to the proceeding.

3) Third, submitted to and finally resolved by binding arbitration before and in accordance with the arbitration rules of FAM or its successor (or an organization designated by FAM or its renewal); provided that if such arbitration cannot be heard by any such organizations, then the arbitration will be conducted before and in accordance with the arbitration rules of JAMS or its successor (or an organization designated by JAMS or its successor); provided that, in any case, arbitration may be filed prior to a face-to-face meeting and/or mediation, with such face-to-face meeting and/or mediation to follow as quickly thereafter as possible. All arbitrators must be experienced in franchising. On election by any party, arbitration and/or any other remedy allowed by this Agreement may proceed forward at the same time as mediation. Judgment on any preliminary or final arbitration award will be final and binding, and may be entered in any court having jurisdiction (subject to the opportunity for appeal as contemplated below). 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.

4) Fourth, a final award by an arbitrator (there will be no appeal of interim awards or other interim relief), may be appealed within thirty (30) days of such final award. Appeals will be conducted before a three (3) arbitrator panel appointed by the same organization as conducted the arbitration, each member of which must be experienced in franchising. The arbitration panel will not conduct any trial de novo or other fact-finding function. Such panel's decision shall be in writing, may be entered in any court having jurisdiction and will be binding, final and non-appealable. On request by either party, the arbitration panel shall provide to all disputants a reasoned opinion with findings of fact and conclusions of law and the party so requesting shall pay the arbitration panel's fees and costs connected therewith.

B. Confidentiality: The parties to any meeting/mediation/arbitration will sign confidentiality agreements, excepting only public disclosures and filings as are required by law.

C. Location and Attendees: Any meeting/mediation/arbitration (and any appeal) will be conducted exclusively at neutral location in the county for our then-current principal business address, which may change from time to time, and be attended by you and us, and/or designees authorized to make binding commitments on each of our respective behalfs; provided that if any court determines that this provision is unenforceable for any reason, mediation/arbitration (and any appeal) will be conducted at a location near your unit.

D. Arbitration Authority: Arbitrators in any proceeding under this Article 19 shall apply all applicable law, and a failure to apply the applicable law in accord with Section 19.14 shall be deemed an act in

excess of authority. The arbitrator shall decide any questions relating in any way to the parties' agreement (or claimed 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 may 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, etc. 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.

E. Discovery: The disputants shall have the same discovery rights as are available in civil actions under the state law selected in Section 19.14.

F. Compulsory Counter-claims: Each participant must submit or file any claim which would constitute a compulsory counter-claim (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. In no event may offers and/or other communications made in connection with, or related in any way to, mediation, possible settlement or other resolution of a dispute be admitted into evidence or otherwise used in any arbitration or other proceeding, and any arbitration award in violation of this provision shall be vacated by the arbitration appeal panel (described above) and/or any court having jurisdiction.

G. Fees and Costs: Subject to the provisions of Section 19.7, the parties will bear their own fees and costs, including attorneys' fees; provided that 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.

H. Disputes Not Subject to the Mediation/Arbitration Process: Claims or disputes relating primarily to the validity of the Marks and/or any Intellectual Property licensed to you may be subjected to court proceedings or to the Process outlined in 19.1 A, above, at our sole election; provided that only the portion of any claim or dispute relating primarily to the validity of the Marks and/or any Intellectual Property licensed to you and requesting equitable relief shall be subject to court action, and any portion of such claim seeking monetary damages will be subject to the Process outlined in 19.1 A, above. Any action to compel a party's compliance with 19.1 A, must be consistent with Section 19.2, below.

I. Your and Our Intentions: You and we mutually agree (and have expressly had a meeting of the minds) that, notwithstanding any contrary provisions of state, provincial or other law, and/or any statements in our Offering Circular required by a state/province as a condition to registration or for some other purpose:

1) all issues/disputes relating to arbitrability of issues (including whether or not any particular Claim, issue or otherwise is to be submitted to face-to-face meeting/mediation/arbitration), arbitration, waiver of jury trial, limitation of damages, venue, choice of laws, shortened periods in which to bring Claims, jurisdiction, choice-of-laws and/or the interpretation/enforcement of any of the dispute resolution-related provisions of this Agreement (including, but not limited to all of the provisions of Articles 19 and 21) will be decided by the arbitrator (together with any Claims that this, or any other, agreement, and/or their terms, were procured by fraud or uneven bargaining power, are or were unconscionable, were not subject to negotiation, or similar claims) and governed only by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law of arbitration and exclusive of state statutes and/or common law;

2) all provisions of this Agreement (including, but not limited to, Articles 19 and/or 21) shall be fully enforced, including (but not limited to) those relating to arbitration, waiver of jury trial, limitation of damages, venue, choice of laws, shortened periods in which to bring Claims;

3) you and we intend to rely on federal preemption under the Federal Arbitration Act (9 U.S.C. § 1 et seq.) 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 (except as expressly provided in this Agreement), 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, but still strongly preferring mediation and/or arbitration as provided in this Agreement; and

5) the terms of this Agreement (including but not limited to this Article 19) 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 (1) 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, (2) involves a possibility of conflicting rulings on common issues of law, fact or otherwise, and (3) 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, you and we strongly preferring arbitration to court actions and wishing to have a single entity (the arbitrator) determine all issues of fact and law between or involving us, except as expressly provided otherwise in this Agreement.

19.2 Venue. Without in any way limiting or otherwise affecting your and our obligations under Section 19.1, above, you and we agree that any litigation will be held in the United States District Court encompassing our then-current principal business address (the "Proper Federal Court.") Proceedings will be held only in 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.

19.3 Terms Applicable to All Proceedings, Waiver of Trial by Jury, Class Action Rights. With respect to any arbitration, litigation or other proceeding of any kind, you and we:

A. **knowingly waive all rights to trial by jury;**

B. Will pursue any proceeding on an individual basis only, and not on a class-wide or multiple plaintiff basis; provided that if this provision is not enforceable for any reason, then you and we agree that with respect to any multiple plaintiff or class action, a court will supervise the procedural aspects directly related to the multiple plaintiff/class nature of the proceeding (e.g. certification of the class, appropriateness of class representation, approval of attorneys' fees incurred on behalf of the class, approval of any settlement, etc.) and the arbitrator will decide all substantive matters related to the actual claims, including liability and damages.

19.4 Limitations on Damages and/or Remedies, Waiver of Punitive Damages.

A. **Damages.** Your liability to us and/or any of the Franchisor-Related Persons/Entities, for any and all claims, whenever brought, together with that of any and all Affiliates of yours, will be limited to a maximum of One Hundred Thousand Dollars (\$100,000) for any and all claims, whenever brought, subject to inflation adjustment (liability for the present value of all payments which normally would have been owed by you if the franchise had continued in existence for its full term, together with any past due payments owed to us and/or any Affiliate, are subject to and part of such total limit); provided that there shall be no limitation on indemnity obligations. Our maximum liability, together with that of any and all of the Franchisor-Related Persons/Entities, will also be limited to the same amount, for any and all claims.

In any event and to the fullest extent permitted by law, you and we (and your Affiliates and Franchisor-Related Persons/Entities, the Marketing Fund and/or the FAC) each knowingly waive any right to or claim for punitive, exemplary, consequential, multiple or similar damages against the other party and agree that, in the event of any dispute, you and we (and your Affiliates and the Franchisor-Related Persons/Entities, the Marketing Fund and/or the FAC) shall be limited to recovery of any actual damages sustained by the injured party, unless otherwise expressly stated in this Agreement; provided that no such waiver or limitation shall apply to amounts owed under any indemnification obligation provided in this Agreement. To the extent that any provision of this Section 19.4 is invalid or unenforceable, you and we intend that such provision shall be severed and the remainder of this Agreement shall remain in full force and effect.

19.5 Periods In Which to Make Claims. No arbitration, action or suit (whether by way of claim, counter-claim, cross-complaint, raised as an affirmative defense, offset or otherwise) by either you or us will be permitted against the other, whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other Claim of any type, unless such party commences such arbitration proceeding, action or suit before the expiration of the earlier of:

- 1) One (1) year after the date on which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of, such party; or
- 2) Two (2) years after the initial occurrence of any act or omission giving rise to the cause of action, whenever discovered.

The above periods may begin to run, and will not be tolled, even though the claiming party was not aware of the legal theories, statutes, regulations, case law or otherwise on which a claim might be based. Period (2) will begin to run and not be tolled even if the claiming party is unaware of the facts on which a claim is based. If any federal, state or provincial law provides for a shorter limitation period than is described in this Section, then such shorter period will govern. The time period for actions for indemnity shall not begin to run until the indemnified party(ies) have been found liable and any time for appeals has run in the underlying action.

19.6 Survival of Obligations.

A. Each provision of this Article 19, together with the provisions of Article 21, 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.

19.7 Costs and Attorneys' Fees. Except as expressly provided regarding recovery of attorneys' fees as part of indemnification rights hereunder, or in this Section, or as otherwise expressly provided in this Agreement, the parties will each bear their own costs of enforcement and/or defense (including but not limited to attorneys' fees) in any claim or dispute between you and us, including those matters resolved pursuant to a settlement agreement between the parties. However, if such case is summarily disposed of in an arbitration or litigation proceeding for lack of merit (such as by summary judgment or award, judgment on the pleadings, judgment n.o.v., non-suit, motion to dismiss, directed verdict or similar disposition in arbitration or court), the party bringing such case shall pay for the other party's costs of enforcement and/or defense (including but not limited to attorneys' fees.)

19.8 Binding Effect, Modification. This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns, and successor 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 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.

19.9 Our Exercise of "Business Judgment" and/or Meaning of "Sole Discretion"; Express Agreement.

A. When we use the phrases "sole and absolute discretion", "sole discretion" and/or "Business Judgment", whether in this Agreement or elsewhere, and whenever we exercise a right, prescribe or forbid an act or thing, or otherwise make a choice or use discretion, you and we agree that we have the wholly unrestricted right to make decisions and/or take (or refrain from taking) actions as we deem appropriate, except that we will not act arbitrarily. 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). The ultimate decision-making responsibility with respect to the System must be vested in us, since You, we and all other CARTRIDGE WORLD franchisees have a collective interest in working within a franchise system with the unrestricted flexibility to quickly adjust to changing business conditions, including but not limited to the competitive environment, new regulatory developments and emerging business opportunities. We have this right even if a particular decision/action may have negative consequences for you, a particular franchisee or group of

franchisees. So long as we act in compliance with the requirements of this Agreement, we will have no liability for the exercise of our discretion in accordance with the provisions of this Agreement.

B. You and we 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, nor is it your or our intention or desire, that the rights and obligations set out herein will be defined or determined to be other than as expressly written, or that additional or different obligations be imposed on you or us by any court, arbitrator or otherwise which you or we have not expressly agreed to in writing. It would be contrary to your and our mutual intentions and expectations that any court, arbitrator or otherwise use any doctrine and/or rule of interpretation (such as an "implied covenant of good faith and fair dealing") to impose additional or different obligations on you or us.

19.10 Construction, etc.

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.

19.11 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.

19.12 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: i) a greater time period for notice of the Termination of, or refusal to renew, this Agreement; or ii) 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.

19.13 Waivers; Cumulative Rights. Subject to the provisions of Section 19.5, 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.

19.14 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, 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, 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

{specify state}

[or]

the state where your CARTRIDGE WORLD Store is, or will be, located,

You and we agree that this provision shall be enforced without regard to the laws of such state relating to conflicts of laws or choice of law; except that the provisions of any law of that state regarding franchises (including, without limitation, registration, disclosure, non-competition, and/or relationship laws) shall not apply unless such state's jurisdictional, definitional and other requirements are met independently of, and without reference to, this Section.

19.15 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 Persons/Entities as if they were expressly named beneficiaries thereof.

B. We have the right to elect in our Business Judgment to not enforce (or to selectively enforce) any provision of this or any Agreement, standard or policy, whether with respect to you and/or any other franchisee or other person, in a lawful manner without liability.

C. If two (2) or more persons are at any time the Franchisee or the Franchisee owners, all of their obligations and liabilities under this or any other agreement with us and/or any Franchisor-Related Persons/Entities will be joint and several. We may in our Business Judgment require any or all owners of an interest in the Franchise and Franchised Business to sign a personal guarantee in the form attached as Exhibit 1 to this Agreement.

19.16 Fundamental Business Intention to Mediate and/or Arbitrate, Severability of Dispute Resolution Provisions, Federal Arbitration Act Governs, etc. Irrespective of any statute, regulation, decisional law or otherwise, it is your and our fundamental agreement and intention that you and we do not wish 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 (including, particularly, mediation and binding arbitration) to be superior from a business standpoint, less expensive, faster, more confidential, 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 19 are deemed by a court to be unenforceable for any reason, you and we agree and intend that such provisions will be i) modified so as to be enforceable or ii), if that cannot be done, severed and, in any event, any remaining portions of this Article 19 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. You and we acknowledge that your and our activities relating to the franchise relationship are in interstate commerce and that this Agreement is governed by the Federal Arbitration Act.

I have read Sec. 19.1-19.16, understand them, and agree with them.

Your Initials: _____ / _____

20. NOTICES AND PAYMENTS.

All written notices and reports to be delivered by the provisions of this Agreement or of the Manuals will be deemed so delivered when delivered by hand, immediately on transmission by facsimile transmission or other electronic system, including e-mail 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 CARTRIDGE WORLD Master Franchise, _____ (or our then-current principal business address), to the attention of the President, and to you, at your CARTRIDGE WORLD Store. Until your CARTRIDGE WORLD Store has opened for business, we may send you notices at any address appearing in your application for a 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 Franchisee, or owner of the Franchise, shall be deemed effective as to all Franchisees under this Agreement and all owners of the Franchise(s). Any party may change its address for receipt of notices by providing prior written notice of such change to the other party.

21. ACKNOWLEDGMENTS AND REPRESENTATIONS, ENTIRE AGREEMENT, NO FIDUCIARY RELATIONSHIP, ETC.

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 arms length dealings.

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've read, understood, had an opportunity to discuss and agreed to each provision of this Agreement. You agree that you've been under no compulsion to sign this Agreement.

C. You and we expressly acknowledge and agree that the provisions of Article 19, above, (whether relating to arbitration, 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, 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.

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 franchise). 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.

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 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.

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 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 Uniform Franchise Offering Circular 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 Franchised 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 you or any franchisee. We are unable to reliably predict the performance of a CARTRIDGE WORLD Store even operated by us, and certainly cannot predict results for your CARTRIDGE WORLD Store.

You understand and agree that our Franchisees are separate and distinct from us and are independently owned and operated and that while we strongly encourage you to speak with such Franchisees in connection with your evaluation of this franchise opportunity, they do not act as our agents or representatives in providing any information to you. We will have no obligations or liabilities with respect to (and you should not rely on) any information, opinions or otherwise they may provide to you.

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 further acknowledge that we have just recently begun franchising, we are not an experienced franchisor, and our business model is still 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 your Uniform Franchise Offering Circular of others currently operating, or who have operated, our franchises.

I. You acknowledge that you (and each of your owners) has received, fully read and understood, and all questions have been answered regarding, i) a copy of our Uniform Franchise Offering Circular with all exhibits at least ten (10) business days prior to signing any binding documents or paying any sums (whichever occurred first), and ii) a copy of this Agreement and all other agreements complete and in form ready to sign at least five (5) business days prior signing any binding documents (whichever occurred first).

Your Initials: _____ / _____

J. You understand, acknowledge and agree that (1) 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 (2) there may be instances where we have varied, or will vary, the terms on which we offer franchises, the charges we (and/or our Affiliates/Related Companies) make or otherwise deal with our Franchisees to suit the circumstances of a particular transaction, the particular circumstances of that Franchisee or otherwise, in each case in our Business Judgment.

Your Initials: _____ / _____

K. 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 Article 21. You agree that if any of the statements or matters set forth in this Article 21 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 the officers, directors, employees, and agents of the Franchisor and Related Companies act only in a representative capacity and not in an individual capacity, and that no other persons and/or entities other than the Franchisor has or will have any duties or obligations to you.

Your Initials: _____ / _____

M. You acknowledge that you have been given the opportunity and have reviewed the prices charged to franchisees for all Designated Equipment, Products and Services sold to them by CWNA and/or its Affiliates in effect as of the Effective Date of this Agreement, including, but not limited to, prices relating to inks and cartridges, and further acknowledge that CWNA and/or its Affiliates have the right to be the exclusive supplier of any such items/services and that current prices are subject to change.

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 THE PRESIDENT OR A VICE PRESIDENT OF FRANCHISOR. NO FIELD REPRESENTATIVE OR OTHER PERSON IS AUTHORIZED TO EXECUTE THIS AGREEMENT FOR FRANCHISOR.

FRANCHISOR:

(Master Franchisee's name)
a _____ corporation

By: _____

Title: President

FRANCHISEE (Individual)

Signature

Signature

Printed Name

Printed Name

FRANCHISEE (Corp., LLC or Partnership)

Legal Name of Franchisee Entity

a _____
Jurisdiction of Formation Corporation, LLC or Partnership

By: _____
Name

Signature

Title: _____



Exhibit 1

CONTINUING PERSONAL GUARANTEE

In consideration of, and as an inducement to, the execution by **(Master Franchisee's Name)**, a _____ **(NAME STATE/TYPE OF BUSINESS ENTITY)**, ("the Franchisor") of the franchise agreement (the "Franchise Agreement") between Franchisor and _____, (the "Franchisee"), each of the undersigned hereby personally and unconditionally, jointly and severally:

(1) guarantees to Franchisor, its Affiliates, the Franchisor-Related Persons/Entities (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 Franchisor, its Affiliates and/or any Franchisor-Related Persons/Entities, and

(4) agrees that neither Franchisor, its Affiliates, and/or any Franchisor-Related Persons/Entities need to bring suit first against 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 Franchisee and 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 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 19 and 21 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 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 Persons/Entities, 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

_____%
_____%
_____%

Corporate Franchisee:

_____, a _____ (specify jurisdiction of formation) _____
(specify corporation, LLC, LLP or otherwise).

By _____

Its _____

Franchise Agreement Number: _____

Exhibit 1.2

Current Form of
CARTRIDGE WORLD® Releasing Language
(subject to change)

Release-General Provisions. The Franchisee(s), jointly and severally, hereby release and forever discharge each and all of the Franchisor-Related Persons/Entities (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 Franchisee(s) (or any of them) now has or may hereafter have against all or any of the Franchisor-Related Persons/Entities 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 Persons/Entities are hereby forever canceled and forgiven.

THE 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 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 FRANCHISEE(S)' RESIDENCE AND LOCATION OF FRANCHISED UNITS].

The 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 Franchisee(s), and it is the 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 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 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 Franchisee(s), in the Franchisee(s) independent judgment, believe necessary or appropriate. The 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 Persons/Entities or anyone else, not expressly set forth herein, in executing this document and/or the related releases.

Franchisee(s) Initials: _____

No Assignment or Transfer of Interest. The 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 Franchisee(s) may have against any or all of the Franchisor-Related Persons/Entities, all Claims having been fully and finally extinguished, and the Franchisee(s) agree to forever indemnify and hold the Franchisor-Related Persons/Entities harmless from any liability, claims, demands, damages, losses, costs, expenses or attorneys' fees incurred by any of the Franchisor-Related Persons/Entities 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 Persons/Entities as a condition precedent to recovery against the Franchisee(s) under this indemnity.

Franchisee(s) Initials: _____

Attorneys Fees. If the Franchisee(s), or anyone acting for, or on behalf of, the 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 Persons/Entities any of the Claims released hereunder, the Franchisee(s) agree to pay all attorneys' fees and other costs incurred by any of the Franchisor-Related Persons/Entities in defending or otherwise responding to said suit or assertion directly to the Franchisor-Related Persons/Entities incurring such costs.

Franchisee(s) Initials: _____

"Franchisor-Related Persons/Entities." Us, Cartridge World North America, LLC, Cartridge World, Inc., Cartridge World 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.

Franchisee(s) Initials: _____

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 Franchisee(s) (and any other person/entity providing releases to the Franchisor-Related Persons/Entities) shall be joint and several.

Franchisee(s) Initials: _____



Exhibit 2.2

Territory and Designated Individual

The "Designated Individual" is: _____

Your Cartridge World Store location is: _____

The "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 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 CARTRIDGE WORLD Store or the number of CARTRIDGE WORLD Stores, other outlets or otherwise in any area or market.

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

A. Traditional CARTRIDGE WORLD Stores, Other Outlets and Distribution Opportunities:

As defined in Section 1.2, above, a Traditional CARTRIDGE WORLD Store is a conventional, store front retail facility located in a free-standing building or a shopping center accessible to the general public and using the Marks and CARTRIDGE WORLD® System. The definition is intended to exclude any other channel of distribution, such as (but not limited to) direct mail and/or the Internet. An "Other Outlet" is a distribution outlet (other than a Traditional CARTRIDGE WORLD Store) for products and services like those sold through a Traditional CARTRIDGE WORLD Store and which uses the CARTRIDGE WORLD Brand. 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 Brand and refilling/selling ink cartridges and related products. Traditional CARTRIDGE WORLD Stores and Other Outlets are collectively referred to as, "Distribution Opportunities."

B. The Start Up Period:

The "Start Up Period" is the first 24 months of your term, beginning with the Date of this Agreement. We will not enter into a Franchise Agreement licensing a Traditional CARTRIDGE WORLD Store, or open a Franchisor-owned Traditional CARTRIDGE WORLD Store, inside the Territory during the Start Up Period. Regardless of the foregoing, if you are awarded this Franchise as a renewal Franchise Agreement or as a transferee of an existing Franchise, there shall be no Start up Period for the purposes of your Agreement.

C. Rights of First Refusal, Terms and Conditions:

We will provide you with a right of first refusal to exercise before any additional Traditional CARTRIDGE WORLD Stores (after any Start Up Period) or Other Outlets are located in the Territory if: i) you are in Good Standing; and ii) meet our then current financial, operational and other business standards for the award of the applicable Distribution Opportunity. Any standards may be modified by us from time to time in our Business Judgment.

D. First Refusal Process.

A right of first refusal for Distribution Opportunities in your Territory will be processed as follows:

1. We will provide you written notice of Distribution Opportunities expected to be physically located in your Territory;
2. 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 Distribution Opportunities;
3. If you **do not** notify us within such period, then we may pursue the Distribution Opportunities and/or grant any other person/entity the right to participate in such Distribution Opportunities, without any liability to you;
4. If you timely notify us in writing that you **do** wish to participate in the Distribution Opportunities, then we may condition your participation on compliance with terms and conditions that we consider appropriate in our Business Judgment to the particular Distribution Opportunities. 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 Distribution Opportunity; 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 Distribution Opportunity; and the execution by you (and any Affiliate and owner of yours) of a General Release, as defined in Section 1.2, above. If you do not meet the conditions applicable to the award of the Distribution Opportunity and/or any opening requirements that may be included in any Distribution Opportunity agreements, then we and/or any Related Company may pursue such Distribution Opportunity, and/or grant any other person/entity the right to participate in it, without any liability to you.
5. If you do not elect to participate in a Distribution Opportunity or fail to meet all applicable conditions/requirements, according to the process described above, you will lose any rights of first refusal and all other territory rights in all or any portion of your Territory that is assigned by us/CWNA to the person/entity that operates such Distribution Opportunity, and that person/entity may acquire a right of first refusal and/or other rights in such portion.

E. Our Reserved Rights:

We and Franchisor-Related Persons/Entities 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 located anywhere, whether or not using the CARTRIDGE WORLD Marks and System, i) except for a Traditional CARTRIDGE WORLD Store during a Start up Period (if you are not a renewal or transfer franchisee) and ii) 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 located anywhere, whether or not using the CARTRIDGE WORLD Marks and System, including without limitation Traditional CARTRIDGE WORLD Stores;
- 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/Related Company 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 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;
- 4) market and sell CARTRIDGE WORLD Brand (or any other brand) products and services (whether or not competitive) to customers located anywhere using any channel of distribution located anywhere, subject only to any applicable rights of first refusal, as provided above in this Exhibit; and
- 5) in every instance in which we have the right to Terminate this Agreement under Article 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.

F. Customer Policies; Special Accounts and Internet Use.

- 1) Our current policy is to allow you to accept 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 with Special Account(s), as we may specify from time to time.
- 2) Your use of the Internet, World Wide Web, 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 Traditional CARTRIDGE WORLD Store without our written permission, which we can grant, condition or deny in our Business Judgment.

3) We and/or Franchisor-Related Persons/Entities may choose in our/their Business Judgment to offer/provide Products and/or Services through the Internet, World Wide Web and/or other similar venues (no matter where the Customer is located).

FRANCHISOR:
(Master Franchisee)

A _____ Corporation

By: _____
Signature

Title: President

FRANCHISEE:

Signature

Printed Name

Signature

Printed Name



Exhibit 3.2

CARTRIDGE WORLD
COLLATERAL ASSIGNMENT OF LEASE

THIS COLLATERAL ASSIGNMENT OF LEASE (this "Assignment") is entered into as of _____, 20__ between _____ ("Franchisee") and Cartridge World _____, a _____ corporation ("Franchisor.")

Subject to the provisions hereof, the Franchisee, to secure its obligations to the Franchisor under the franchise agreement between the Franchisor and the Franchisee for the operation of an "CARTRIDGE WORLD Unit Franchise" business, dated _____, 20__ (the "Franchise Agreement") and under every agreement between the Franchisee and the Franchisor, hereby assigns, transfers and sets over unto Franchisor [and/or such person(s)/entity(ies) as Franchisor may from time-to-time designate] all of 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 Franchisee and _____ ("Landlord"), respecting that property commonly known as _____ (the "Premises"). The Franchisor 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** the Franchisor, 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 Franchisee under the Lease. The Franchisor is only responsible for those obligations accruing after the date of such assumption.

The Franchisee agrees to indemnify and hold harmless the Franchisor 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 the Franchisee's use and occupancy of the Premises subject to the Lease.

The Franchisee represents and warrants to the Franchisor that the Franchisee has full power and authority to assign the Lease and its interest in the Lease.

The Franchisor will not take possession of the Premises until and unless the Franchisee defaults (and/or until there is a termination, cancellation, rescission or expiration of the Franchisee's rights) under the Lease, any sublease, the Franchise Agreement or other agreement between the Franchisee and the Franchisor (or any affiliate). In such event, the Franchisor (or its designee) shall have the right, and is hereby empowered, (but has no obligation) to take possession of the Premises, expel Franchisee therefrom. 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 the Franchisor or its designee, in each case without the Landlord's further consent. The Franchisee agrees to do all acts necessary or appropriate to accomplish such assignment on the Franchisor's request. The Franchisee will reimburse the Franchisor for the costs and expenses incurred in connection with any such 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), attorney's 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.

Franchisee agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without the prior written consent of Franchisor. Throughout the term of the

Franchise Agreement, 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 Franchisor otherwise agrees in writing. Franchisee shall provide Franchisor with a copy of all documents related to such options, extensions and other similar documents.

Failure of the Franchisor 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 the Franchisor under this Assignment are cumulative and are not in lieu of but are in addition to any other rights and remedies which the Franchisor shall have under or by virtue of the Franchise Agreement or otherwise. The terms, covenants, and conditions contained herein shall bind the Franchisee and its successors and assigns, and inure to the benefit of the Franchisor 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 Franchise Agreement between the Franchisor and the 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 the Franchisee from the Premises and awarding possession to the Franchisor, as well as granting such other relief as may be proper and fair at law and by equity. If there is more than one 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, the Franchisor. The Franchisee hereby appoints the Franchisor 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.

FRANCHISEE:

Signature

Signature

Printed Name

Printed Name

LANDLORD APPROVAL:

The undersigned Landlord under the Lease hereby:

- 20. Agrees to notify Franchisor in writing of any default and any failure of Franchisee to cure any default under the Lease;
- 21. Agrees that Franchisor shall have the right, but not be obligated, to cure any default by Franchisee under the Lease within 30 days after delivery by Lessor of written notice thereof;
- 22. Consents to the foregoing Collateral Assignment and agrees that if Franchisor takes possession of the Premises and confirms to Landlord the assumption of the Lease by Franchisor as tenant, Landlord shall recognize Franchisor, or its designee, as tenant under the Lease;
- 23. Agrees that Franchisor may further assign the Lease or sublet the Premises to a designee and/or a person or entity who is a CARTRIDGE WORLD franchise owner reasonably acceptable to Landlord. Franchisor will have no further liability under the Lease upon such an assignment. This Approval of Landlord shall apply to any subsequent CARTRIDGE WORLD Store franchise owner;
- 5. Agrees to provide a copy of this Collateral Assignment of Lease to any actual and/or prospective purchaser of the Premises.

LANDLORD

FRANCHISOR

By: _____

By: _____

Its _____

Its _____

EXHIBIT 3.3

**SITE SELECTION ACKNOWLEDGMENT
AND ADA CERTIFICATION
FORM**



_____ (“Franchisor”, or “we”, “us” or “our”) and _____ (“Franchisee(s)” or “you”) are parties to a franchise agreement dated _____, 200__ (the “Franchise Agreement”) for the operation of a CARTRIDGE WORLD Store at the location identified below (the “Store”). This Form refers to the following proposed location (the “site”), which we have accepted and consented to under the terms of a Franchise Agreement:

(STORE ADDRESS)

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 Franchisor-Related Persons/Entities 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 Franchisor-Related Persons/Entities 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 Store. 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 Franchisor-Related Persons/Entities with respect to the site and any site related matter, and you waive any claims you may have against us and/or any Franchisor-Related Persons Entities in connection with the site and any such matters.
- You agree that this Form, along with the 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 document 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 document and the Franchise Agreement are expressly disclaimed by you.

ADA Certification:

In accordance with Section 3.3 of the Franchise Agreement, Franchisee certifies to Franchisor that to the best of Franchisee’s knowledge, the Store 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. Franchisee acknowledges that it is an independent contractor and the requirement of this certification by Franchisor does not constitute ownership, control, leasing or operation of the Store. Franchisee acknowledges that Franchisor has relied on the information contained in this certification. Furthermore, Franchisee agrees to indemnify Franchisor and Franchisor-Related Persons/Entities, 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 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 Franchise Agreement (including, but not limited to, Articles 19, 20 and 21 of the Franchise Agreement, providing for BINDING ARBITRATION and WAIVER OF JURY TRIAL among other terms). Terms not defined in this document shall have the same meaning as they do in the Franchise Agreement.

All signers are jointly and severally responsible for the representations and promises described in this Acknowledgment and Certification Form.

FRANCHISEE(S)

By: _____

Printed Name: _____

Date: _____

By: _____

Printed Name: _____

Date: _____

By: _____

Printed Name: _____

Date: _____