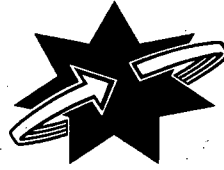


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Cartridge World

Ink Southwest, LLC
An Arizona Limited Liability Company
4411 S. Rural Rd., Suite #201
Tempe, Arizona 85282
Telephone: (480) 755-0744
EMAIL: jeff@cartridgeworldsowest.com
www.cartridgeworld.com

You will operate a Cartridge World retail store located at street front, mall, or other retail and business establishment. The Store will provide products and services related to refilling of printer (and other) cartridges, including refilling of inkjet cartridges; remanufacturing of laser cartridges; sales of toner, computer hardware (including printers) and software, ancillary products and services; and such additional products and services as we may specify from time to time

The estimated total initial investment necessary to begin operation of a Traditional Store ranges from \$128,450 to \$205,150. This includes \$93,150 (assuming that you purchase the minimum amount of the Opening Package by cash) that must be paid to us, our affiliate or Cartridge World (as defined in Item 1 below). The estimated total initial investment necessary to begin operation of a Finished Goods Store ranges from \$78,950 to \$131,150. This includes \$49,650 (assuming that you purchase the minimum amount of the Opening Package by cash) that must be paid to us, our affiliate or Cartridge World. The estimated total initial investment necessary to begin operation of a Satellite Store ranges from \$73,950 to \$124,150. This includes \$44,650 (assuming that you purchase the minimum amount of the Opening Package by cash) that must be paid to us, our affiliate or Cartridge World.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Jeff Sayas at Ink Southwest, LLC, 4411 S. Rural Road, Suite #201, Tempe, AZ 85282, telephone number (480) 755-0744.

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

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

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

Date of Issuance: October 22, 2012

STATE COVER PAGE

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

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

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

Risk Factors:

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

- *1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN THE STATE AND IN THE JUDICIAL DISTRICT IN WHICH WE HAVE OUR PRINCIPAL PLACE OF BUSINESS (WHICH CURRENTLY IS MARICOPA COUNTY, ARIZONA). OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN ARIZONA THAN IN YOUR OWN STATE.**
 - *2. THE FRANCHISE AGREEMENT REQUIRES THAT ARIZONA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
 - *3. PLEASE SEE NOTE B OF PAGE 8 OF THE 2011 AUDITED FINANCIAL STATEMENTS OF CARTRIDGE WORLD NORTH AMERICA, LLC FOR YEAR ENDED DECEMBER 31, 2011 REGARDING CARTRIDGE WORLD NORTH AMERICA, LLC'S ABILITY TO CONTINUE AS A GOING CONCERN.**
 - *4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**
- * Some of these provisions may be superseded by certain state laws. Refer to Exhibit F for any addendum applicable to your state.

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

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

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/cartridge-world>