

[DRAFT as of _____, 2005]

MASTER FRANCHISE AGREEMENT

FOR (Region)

Date

By and Between

**ABC
And
XYZ**

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MASTER LICENSE AGREEMENT

ABC CORP- LICENSOR

XYZ Co. - LICENSEE

FOR (REGION A)

_____, 2005

WHEREAS, Licensor has developed and owns a System relating to the operation of professional monorail competing; and

WHEREAS, Licensor has acquired and developed and may continue to acquire and develop Know How relating to the operation of professional monorail competing business; and

WHEREAS, Licensor through the utilization of its Know How and System and through its services and advertising and marketing program has become a recognized monorail competing facilities franchisor and licensor in Korea and in other countries; and

WHEREAS, Licensor's System has acquired a reputation for excellence and Licensor's Marks have gained and continue to gain public acceptance and goodwill; and

WHEREAS, Licensee believes that it can utilize Licensor's Know How and Marks to develop and operate and to sublicense the operation of a substantial number of monorail competing facilities in the Territory.

NOW, THEREFORE, for good and valuable consideration and the mutual promises of performance of the undertakings herein, it is agreed by and between the Licensor and Licensee as follows:

1. DEFINITIONS

Except as otherwise provided herein, the following terms shall have the meanings set forth below:

1.1. *Agreement.*

"Agreement" means this instrument and any and all Schedules to this Agreement as the same may be amended, modified or supplemented from time to time in accordance with the provisions of this Agreement.

1.2. Authority.

"Authority" means the relevant approving authority in the Territory, if any.

1.3. Competitive Business.

A "Competitive Business" shall mean any other business which develops or operates monorail competing products and services within the Territory.

1.4. Developed Material.

The "Developed Material" shall mean the Site Selection Criteria, Training Program, Guidance Criteria, Standard Accounting System, System Standards, and New Franchisee Promotional Program developed by Licensee under this Agreement; provided, however, that if anything incorporated into the Developed Material has been obtained under a license or other agreement with a person or entity other than Licensor, then only Licensee's rights therein shall be included within the Developed Material.

1.5. Effective Date.

The "Effective Date" of the Agreement shall mean the later of the date of execution hereof or, if, subject to government validation, the effective date of such validation as provided in Section 2.2.

1.6. Guidance Criteria.

The "Guidance Criteria" shall mean the guidance criteria developed by Licensee, pursuant to Section 4.2.2, which relates to the operation of _____ in the Territory.

1.7. Information.

The "Information" shall mean the site selection criteria, guidance criteria, training program and materials, specifications, procedures, accounting software and materials, system standards, Operations Manual, advertising and promotional material or any other materials, whether written or unwritten, oral, or visual, provided by Licensor to Licensee under this Agreement.

1.8. Interest.

An "Interest" shall mean the Licensee's rights (i) under this Agreement, including, but not limited to, Licensee's rights to use the Information, Marks, or Know How licensed or loaned to it under this Agreement and the Standard Site Selection Criteria, Standard Accounting System, Guidance Criteria, Training Program, System Standards, New Franchisee Promotional Program or other materials and information, whether written, auditory, or visual, developed by it under this Agreement; (ii) in and to any prescription lists, customer files or similar records in any form and all copies thereof, including any access thereto and the information contained therein; (iii) in and to any of the assets of any of the Franchisee Facilities; and (iv) any security interest or lien or encumbrance on any of the foregoing Interests.

1.9. Know How.

The "Know How" shall mean all proprietary information, trade secrets, skills, experience, recorded or unrecorded, accumulated by Licensor, from time to time prior to and during the term of this Agreement, relating to the operation of professional _____. The Know How shall include, but not be limited to, the Information provided to Licensee under this Agreement.

1.10. Licensee.

The "Licensee" shall mean the person or entity identified on Exhibit A.

1.11. Licensor.

The "Licensor" shall mean _____ Foundation, a _____ corporation, whose principal business address is _____, or its successors and assigns.

1.12. Marks.

The "Marks" shall mean any trademark or service mark owned by, licensed by or used by the Licensor from time to time which Licensor authorizes Licensee to use in the Territory.

1.13. New Facility Promotional Program.

The "New Facility Promotional Program" shall mean the promotional and advertising program developed by Licensee, pursuant to Section 6, which relates to the promotional and advertising services to be utilized at the opening of new Franchisee Facilities in the Territory.

1.14. Operations Manual.

The "Operations Manual" shall mean the manual or manuals Licensor has developed which relate to the procedures, methods, standards, and specifications for operating _____ systems in Korea.

1.15. Facility or Facilities.

A "Facility" or "Facilities" shall mean a _____ Facility located in the Territory subject to and in accordance with all of the terms and conditions of this Agreement.

1.16. Facility Site.

A "Facility Site" shall mean the specific geographic location of a Facility, as selected by Licensee, for Facilities it or a related entity owns and operates, and approved by Licensee for Facilities owned and operated by Sublicensees, in its reasonable discretion, pursuant to Section 3.2 and where only one Facility shall be located.

1.17. Private Label Equipment.

The "Private Label Equipment" shall mean equipment and materials bearing the Marks.

1.18. Standard Accounting System.

The "Standard Accounting System" shall mean the accounting system developed by Licensee, pursuant to Section 4, which relates to the accounting methods and procedures to be utilized by Facilities in the Territory.

1.19. *Standard Site Selection Criteria.*

The "Standard Site Selection Criteria" shall mean the criteria developed by Licensee, pursuant to Section 3, which relates to the selection of sites for Facilities in the Territory.

1.20. *Sublicensee.*

A "Sublicensee" shall mean a party or parties who enter into a sublicense agreement with Licensee pursuant to and subject to the terms and conditions provided in Section 11 of this Agreement.

1.21. *System.*

The "System" shall mean the franchise system owned and developed by Licensor relating to the operation of professional monorail competing facilities.

1.22. *System Standards.*

The "System Standards" shall mean the system standards developed by Licensee, pursuant to Section 5, which relate to the specifications, standards, procedures, methods, and rules to be employed at Facilities in the Territory.

1.23. *Territory.*

The "Territory" shall mean the geographic area identified in Exhibit A.

1.24. *Training Program.*

The "Training Program" shall mean the training program developed by Licensee, pursuant to Section 4, which relates to the operation of Facilities in the Territory.

2. LICENSES GRANTED

2.1. *Term and Licenses.*

Subject to the terms and conditions contained in this Agreement, Licensor grants to Licensee for the term specified in Exhibit A beginning from the Effective Date of this Agreement, unless earlier terminated in accordance with the terms and conditions of this Agreement:

2.1.1. A personal, non-transferable, and exclusive license to operate, and to sublicense the operation of Facilities in the Territory and to use and to sublicense the Know How in the operation of such Facilities.

2.1.2. A personal, non-transferable, and exclusive license to use and to sublicense the Marks in connection with the operation of Facilities in the Territory.

2.1.3. A personal, non-transferable, and exclusive right to enter into agreements, on behalf of Licensor, with Sublicensees to permit such Sublicensees the right to use the Marks, in accordance with the terms and conditions of this Agreement in connection with the operation of the Facilities in the Territory; provided, however that, if any court in the Territory rules or legislation is adopted in the Territory that makes such right illegal, unenforceable or jeopardizes Licensor's rights in and to the Marks in the territory; then, the right to enter into agreements, on behalf of Licensor, with Sublicensees to permit such Sublicensees the right to use the Marks shall terminate and Licensor will enter into such agreements direct with the Sublicensees. If Licensee terminates any Sublicense, then the agreement between Licensor and the Sublicensee for the use of the Marks will automatically terminate.

2.1.4. A personal, non-transferable, and exclusive license to sell Private Label Equipment exclusively through the Facilities in the Territory.

2.2. *Effective Date.*

The licenses enumerated under Section 2.1 shall be granted as of the Effective Date of this Agreement. If validation or approval by any governmental organization of the Agreement or such licenses is necessary, Licensee and Licensor shall collaborate to complete the validation or approval procedure with all reasonable speed; provided, however, that if the validation or approval of this Agreement is required in the Territory, then the Effective Date of this Agreement shall be the date of the validation or approval of this Agreement.

3. SITE SELECTION

3.1. *Development of Standard Site Selection Criteria.*

Promptly after the Effective Date:

3.1.1. Licensor shall assist Licensee in the development of the Standard Site Selection Criteria for the Territory based on the site selection criteria utilized by Licensor in Korea. Licensee acknowledges that neither the information provided by Licensor under this Section 3.1.1 nor the consent by Licensor under Section 3.1.2 nor any consent given under any other provision of this Agreement constitutes a warranty or a representation of any kind, expressed or implied, as to the suitability of the standard Site Selection Criteria or of any particular Facility Site or for any other purpose, and the selection of Facility Sites within the Territory and the performance of the other obligations of the Licensee are the sole responsibility of the Licensee, who shall make such selections based on its own independent research and investigation.

3.1.2. Licensee shall develop Standard Site Selection Criteria for the Territory to be utilized in selecting Facility Sites in the Territory. The Standard Site Selection Criteria developed by Licensee shall conform as near as practical to

the standard site selection criteria provided to Licensee by Licensor under Section 3.1.1; provided, however, that Licensee may make such modifications thereto as are reasonably necessary to reflect market conditions in the Territory. Notwithstanding anything in this Section 3.1.2 to the contrary, the Standard Site Selection Criteria shall not be utilized and implemented in the Territory without the prior written consent of the Licensor. After consent by the Licensor, the Standard Site Selection Criteria shall be utilized by Licensee in selecting Facility Sites in the Territory. Licensee shall provide Licensor with copies of the Standard Site Selection Criteria for the Territory used from time to time by Licensee.

3.2. *Facility Development Schedule.*

Licensee agrees to expend such time and effort and incur such expense in selecting Facility sites as it reasonably deems appropriate. Notwithstanding the preceding sentence, Facilities shall be opened in the Territory in accordance with the Facility Development Schedule as specified in Exhibit A. If there are not open and operating the required number of Facilities within the times set forth in Exhibit A, in addition to termination of this Agreement, as set forth in Section 15.1, Licensor reserves the right to terminate Licensee's rights hereunder in any portion of the Territory and award the rights to use the Know How, Marks and any other rights granted to Licensee hereunder to any other person or entity for such portion of the Territory. The right to terminate Licensee's rights as to any portion of the Territory shall be exercised by Licensor sending written notice to Licensee, in accordance with the requirements of Section 18.14, any time within the term of this Agreement or any extension or renewal thereof after the requirements of this section have not been complied with by Licensee.

4. TRAINING AND GUIDANCE

4.1. *Training.*

4.1.1. Promptly after the Effective Date, and during such time period as Licensor shall designate, Licensor shall provide an executive training program in the operation of a Facility as specified in Exhibit A. At the executive training program, Licensee will be provided with written materials relating to how Licensor operates and conducts its training programs. The executive training program also will include classroom instruction and shall take place at Licensor's principal office (or such other place as Licensor shall designate). Licensee agrees that it shall insure that all of its personnel who attend the executive training program are fluent in the English language or it will provide a translator fluent in the attendees native language and the English language at its expense. Licensee further agrees that it shall be solely responsible for any travel and living expenses incurred by its personnel in connection with the executive training program. Licensee's personnel must complete the executive training program to Licensor's satisfaction. Licensee agrees that if, in Licensor's sole

discretion, any of Licensee's personnel fail to complete the executive training program satisfactorily, Licensee shall hire a new person who shall enroll in and complete the next scheduled training program to Licensors' satisfaction. Licensee shall be responsible for all costs, including costs incurred by Licensors, necessary to re-train Licensee's personnel.

4.1.2. Promptly after the Effective Date, Licensee shall develop a Training Program the purpose of which will be to train its personnel and Sublicensees in the operation of a Facility. The Training Program developed by Licensee shall be in writing and shall conform as near as practical to the training program and training materials provided to Licensee under Section 4.1.1 provided, however, that Licensee may make such modifications thereto as are reasonably necessary to reflect market conditions in the Territory. Notwithstanding anything in this Section 4.1.2 to the contrary, Licensee shall not implement its Training Program in the Territory without the prior written consent of the Licensors. After consent by Licensors, the Training Program shall be implemented by Licensee for the purposes stated above. Licensee shall provide Licensors with copies of all written materials used from time to time in the Training Program.

4.2. Guidance.

Promptly after the Effective Date:

4.2.1. Licensors shall provide Licensee with such guidance in connection with: (1) methods and procedures utilized by its facilities in the United States; (2) purchasing and selling approved products and services; (3) formulating and implementing advertising and promotional programs; (4) employee training; and (5) administrative, bookkeeping, accounting, inventory control and general operating and management procedures for the operation of a facility. Such guidance is furnished to Licensors' Korean licensees in the form of an Operations Manual, and Licensors shall furnish such an Operations Manual to Licensee in accordance with Section 5.1.1. The guidance provided by Licensors hereunder, including but not limited to the on-going guidance under Section 4.2.2 is based on Licensors' experience in the monorail competing business in Korea.

4.2.2. Licensee shall develop Guidance Criteria to be provided to Facilities in the Territory. The Guidance Criteria shall conform as near as possible to the guidance criteria provided to Licensee by Licensors under Section 4.2.1; provided, however, that Licensee may make such modifications thereto as are reasonably necessary to reflect market conditions in the Territory. Notwithstanding anything in this Section 4.2.2 to the contrary, the Guidance Criteria shall not be implemented and utilized in the Territory without the prior written consent of the Licensors. After consent by Licensors, the Guidance Criteria shall be provided by Licensee to Facilities in the Territory. Licensee shall provide Licensors with copies of all written Guidance Criteria used from time to time.

4.3. *On Going Training/Guidance.*

4.3.1. As specified in Exhibit A, Licensor shall meet with Licensee for the purpose of reviewing the operations of the Facilities, discussing procedures to improve such operations, and sharing knowledge and information relating to the operation of Facilities in general. One of these meetings shall be held in the Territory, at a place designated by Licensee, and one of these meetings shall be held in the United States, at a place designated by Licensor. The Licensor and Licensee shall mutually agree as to when such meetings shall occur and, within the parameters of the preceding sentence, decide whether the meetings shall be at Licensee's or Licensor's office. Licensor and Licensee each shall be solely responsible for any travel and living expenses incurred by its personnel in attending these meetings.

4.3.2. Subject to the terms and conditions set forth herein, at any time during the term of this Agreement, Licensee shall have the right to have its personnel attend any of Licensor's regularly scheduled training programs, district meetings, regional meetings, or other meetings open to other licensees relating to the operation of its Facilities. Licensee shall give Licensor advance written notice specifying the meeting or program it plans on having its personnel attend and pay in advance the fees, if any, in United States dollars, which Licensor charges for attending such meetings or programs. It is the Licensee's responsibility to insure that any of its personnel attending the meetings or programs are fluent in the English language. Licensee shall be solely responsible for any travel or living expenses incurred by its personnel in attending such meetings or programs.

4.4. Accounting Services.

4.4.1. Promptly after the Effective Date, Licensee shall develop a Standard Accounting System to be utilized by each Facility in the Territory. The Standard Accounting System shall comply with all applicable laws, rules, and regulations, as the same may be amended from time to time, in the Territory. Licensors shall, to the extent reasonably required, as determined in Licensors's sole discretion, cooperate with Licensee in developing its Standard Accounting System for use in the Facilities in the Territory. Notwithstanding anything else in this Section 4.4.1 to the contrary, Licensee shall not implement the Standard Accounting System developed by it in the Territory without the prior written consent of Licensors. After consent by Licensors, Licensee shall cause the Standard Accounting System to be utilized in all Facilities in the Territory. Licensee shall provide Licensors with copies of the Standard Accounting System as used from time to time.

4.4.2. Licensee understands and agrees that Licensors has no duty to furnish and shall not furnish Licensee with any accounting materials or software in connection with accounting services provided to its licensees in Korea that Licensors does not have rights to license, and Licensors is under no duty to obtain such rights. If Licensors, in the future, develops accounting software and materials that are proprietary to and which Licensors may license to Licensee, Licensors shall, at no additional cost to Licensee, license an English language version of such materials to Licensee. Subject to the Licensors's prior consent, Licensee may make such modifications as are necessary to integrate any such software or materials into Licensee's Standard Accounting System.

4.4.3. Licensee shall furnish monthly and annual profit and loss statements and statements of financial condition to Licensors for each of the Facilities in the Territory within sixty (60) days after the end of each calendar quarter. In addition, Licensee shall furnish to Licensors timely sales and expense information, including the information required in Section 10.4 for each of the Facilities in the Territory within forty five (45) days after the end of each month. The information required to be provided by Licensee under this Section 4.4.3 shall be in English and shall be in accordance with the formats, methods of communication and procedures as Licensors shall prescribe from time to time. Licensee shall be solely responsible for the cost of providing the information required by this Section 4.4.3.

5. SYSTEM STANDARDS

5.1. *Specifications, Standards, Procedures and Rules.*

5.1.1. Promptly after the Effective Date, Licenser shall loan to Licensee one copy of its current Operations Manual that is provided by Licenser to its licensees in Korea. Such Operations Manual shall contain the system standards developed by Licenser and other mandatory and suggested specifications, standards, operating procedures and rules, including the guidance information set forth in Section 4.2.1 for the operation of Licenser's Facilities and the System in Korea. Licensee acknowledges and understands that the Licenser may periodically modify the Operations Manual, and the system standards contained therein, when, in Licenser's sole judgment, modification is appropriate. Licenser shall provide Licensee with such modifications as the same become available from time to time. Licensee shall promptly incorporate such modifications into its System Standards consistent with the terms and conditions of this Agreement, with such changes as are reasonably necessary to reflect market conditions in the Territory; provided, however, that such changes may not be implemented in the Territory without the prior written consent of the Licenser. Licensee understands and agrees that such modifications may obligate it and its Sublicensees to invest additional capital and/or incur higher operating costs.

5.1.2. Promptly after the Effective Date, Licensee shall develop written System Standards for use in Facilities in the Territory. The System Standards developed by Licensee shall conform as near as practical to the system standards found in the Operations Manual provided to Licensee by Licenser under Section 5.1.1; provided, however, that Licensee may make such modifications thereto as are reasonably necessary to reflect market conditions in the Territory. Notwithstanding anything in this Section 5.1.2 to the contrary, such System Standards may not be implemented in the Territory without the prior written consent of the Licenser. Licensee acknowledges that the operation of Facilities in the Territory in compliance with the System Standards is essential to preserve the goodwill of the Marks and the System. Therefore, after Licenser consents to the System Standards, Licensee agrees that it shall maintain and operate the Facilities in the Territory in accordance with each and every System Standard, as periodically modified from time to time. Licensee shall provide Licenser with copies of all System Standards in effect from time to time. System Standards may regulate any one or more of the following:

5.1.2.1 the Facility's design, layout, decor, appearance and lighting; periodic maintenance, cleaning and sanitation; replacement of obsolete or worn-out leasehold improvements, fixtures, equipment and signs; periodic painting, decorating and remodeling; the use of interior and exterior signs, emblems, lettering, logos and the illumination thereof; and periodic modification of Facility premises;

5.1.2.2 the types, models, brands, maintenance and replacement of equipment, fixtures and signs used in the operation of Facilities;

5.1.2.3 the categories of products and services that Facilities are authorized or required to offer for sale; the types, categories and brands and approved suppliers and distributors of (a) products and services offered for sale to race participants/customers, including Private Label Equipment, and (b) products, services, materials and supplies utilized in the preparation, packaging and delivery to customers of products and services offered by Facilities or otherwise used in the operation of Facilities, including supplies and materials bearing the Marks; minimum levels of inventory, product mix and displays to be maintained by Facilities from time to time; physical inventory methods, frequency of physical inventories and other inventory requirements;

5.1.2.4 the marketing, advertising and promotional activities and materials that Facilities are required or authorized to use or conduct (including point of sale displays, ad formats, etc.) and methods by which Facilities are authorized and prohibited to solicit sales of and sell products and services and the participation in any computer based information system offered by Licensee;

5.1.2.5 the terms and conditions of sale and delivery of, and payment for, Private Label Equipment consistent with Section 5.1.2.1, and other products and services;

5.1.2.6 the qualifications, training, dress and appearance of employees of the Facilities;

5.1.2.7 the bookkeeping, accounting, data processing, communications and record keeping systems, methods and forms that Facilities are required to utilize;

5.1.2.8 the method, format, content and frequency of reports to Licensor of sales, revenues, expenses, capital expenditures, and other operating and financial information relating to Facilities, and financial information and tax returns;

5.1.2.9 the types, amounts, terms and conditions, and approved underwriters and brokers of public, product, motor vehicle, Facility professional and other insurance coverage that Facilities are required to maintain; required insurance contract provisions; the periodic verification of such coverage to be furnished to Licensee; and similar matters relating to insurance policies; and

5.1.2.10 the obligation of the operator of the Facility to notify Licensee in the event any action, suit or proceeding is commenced against Licensee or the Facilities.

5.2. *Private Label Equipment.*

Licensee has the right to develop a line of Private Label Equipment which shall be provided to and sold exclusively through Facilities in the Territory. The Private Label Equipment shall conform as near as possible to the private label equipment sold by Licensor to its licensees in Korea; provided, however, that Licensee may make such modifications thereto as are reasonably necessary to reflect market conditions in the Territory. Notwithstanding anything in this Section 5.1.2.1 to the contrary, no item of Private Label Equipment shall be implemented and utilized in the Territory without the prior written consent of the Licensor to the label or package design. All items of Private Label Equipment shall bear the name of the manufacturer and the Licensee, together with a statement that the use of the Marks is under a license from Licensor. After consent by Licensor, the Private Label Equipment shall be provided by Licensee to Facilities in the Territory. Licensee shall provide Licensor with samples or copies of all Private Label Equipment used from time to time. The Licensee shall pay the fee for such Private Label Equipment as required under Section 10.5 of this Agreement. Licensor reserves the right to approve and inspect, at any time, any facility where Private Label Equipment is manufactured by or on behalf of Licensee.

5.3. *Facility Profession.*

5.3.1. Notwithstanding the fact that Licensee is required to insure that business is conducted at Facilities in accordance with the System Standards and other terms and conditions provided in this Agreement, both Licensor and Licensee recognize that the practice of Facility is a profession requiring independent judgment, skill and training and is governed in many particulars by applicable law, rules, and regulations, as the same may be amended from time to time. Any inconsistency between the Information, System Standards or any of Licensee's other Developed Material and the dictates of good facility practice, or any legal requirement of that practice, is inadvertent and not an effort to cause Licensee to deviate from that practice. Therefore, Licensor and Licensee both understand and agree that (i) in all cases, applicable law and regulatory requirements take precedence over any inconsistent Information and any inconsistent System Standards or other Developed Material; (ii) neither Licensor's consent to any Developed Material nor any Information provided to Licensee by Licensor shall be taken as advice in respect of the practice of the profession of a Facility as now or hereafter defined by law; (iii) Licensee's judgment, or the judgment of any of Licensee's monorail professionals, shall govern in all matters pertaining to monorail competing and each and every aspect of the professional practice of a Facility; and (iv) Licensee and the managing personnel employed by Licensee at each Facility shall be solely responsible for the operation of Facility at each particular site and the results of that operation.

5.3.2. Licensee shall require the appointment of a managing officer at each Facility in the Territory. Such managing officer shall devote his or her full working time and attention to the Facility, which shall be under his or her direct, on-premises supervision. All managing officers of each Facility shall have completed either Licensor's training program to Licensor's satisfaction or Licensee's training program to Licensee's satisfaction. The managing officers and all other officers at each Facility shall be registered, certified, licensed or shall otherwise meet the requirements of all applicable laws, rules, and regulations, in effect, as amended from time to time, in the Territory. Licensee agrees that Licensee and the managing officers at each Facility owned by any of them will at all times exert their best efforts to promote and enhance the business of the Facility, and that Licensee and the managing officers will not engage in any other business or activity that may conflict with their obligations under this Agreement.

5.4. Confidentiality.

Licensee acknowledges that the Information, Know How, Developed Material and other services and materials provided to or developed by Licensee during the term of this Agreement, are valuable elements of the System and are solely for Licensee's use in the operation and sublicensing of Facilities in the Territory during the term of this Agreement. Accordingly, Licensee agrees that it and each Sublicensee, affiliate, officer, director, and shareholder (1) will not use the Information, the Know How, the Developed Material or any other information provided to it or developed by it under this Agreement in any Competitive Business ; (2) will maintain the confidentiality of the Information, Know How, Developed Material and other materials provided to or developed by it under this Agreement during the term of this Agreement and thereafter for a period of not less than five (5) years; (3) will not make unauthorized copies of any portion of the Know How, Information, Developed Material or any other materials otherwise provided to or developed by it, whether or not such materials are in written, visual, oral or other form; and (4) will adopt and implement all reasonable procedures prescribed by Licensor from time to time to prevent unauthorized use or disclosure of the Information, Know How, Developed Material or any other materials or information provided to or developed by Licensee under this Agreement.

5.5. Noncompetition.

5.5.1. Licensee acknowledges that Licensor will be unable to protect the Know How, the Information, the Developed Material, and other confidential elements of the System and achieve an exchange of ideas with Licensee if Licensee was permitted to hold competitive interests or engage in competitive activities. Therefore, during the term of this Agreement, and for a period of three (3) years from the earlier of the termination or expiration of this Agreement, Licensee agrees that, except for the Facilities it is allowed to establish and sublicense under this Agreement, Licensee will not, directly or indirectly, engage in any Competitive Business. The activities of Licensee which shall be prohibited by the preceding sentence shall include, but not be limited to (a) Licensee's

ownership, whether directly or indirectly, and whether beneficially or of record, of any capital stock, partnership interest or any other interest in any Competitive Business and (b) the active participation, either directly or indirectly (e.g. as a general partner, representative, consultant, agent or in any other active capacity) in the management or operation of a Competitive Business.

5.5.2. Licensee further agrees that upon Licensor's request, it will and it will cause all of its shareholders, officers, directors, and key employees to execute a noncompetition agreement in the form prescribed from time to time by Licensor consistent with the provisions of this Section 5.5.

6. OPENING OF FACILITIES

Promptly after the Effective Date:

6.1. *Licensor's Standard Promotional and Advertising Program.*

Licensor shall provide to Licensee its standard promotional and advertising program for the opening of a new Facility by its licensees in Korea. Such materials shall include Licensor's standard opening activities and publicity and Licensor's advice and guidance with regard to staffing, decoration, and operation of a new Facility during the opening period.

6.2. *Licensee's New Facility Promotional Program.*

Licensee shall develop a New Facility Promotional Program to be used for the opening of Facilities in the Territory. Licensee's New Facility Promotional Program shall conform as near as practical to the promotional and advertising program provided to Licensee by Licensor under Section 6.1 provided, however, that Licensee may make such modifications thereto as are reasonably necessary to reflect market conditions in the Territory. Licensee shall not implement the New Facility Promotional Program developed by it under this Section 6.2 in the Territory without first having obtained the written approval of the Licensor. Licensee shall provide Licensor with copies of all written materials and scripts form all video or audio materials, in English and any other language used in the Territory, used in its New Facility Promotional Program from time to time.

7. ADVERTISING

7.1. *Advertising by Licensee.*

7.1.1. Licensee shall develop a Advertising and Marketing Programs to be used for the Facilities in the Territory. Licensee's Advertising and Marketing Programs shall conform as near as practical to the promotional and advertising program provided to Licensee by Licensor under Section 7.1.2 provided, however, that Licensee may make such modifications thereto as are reasonably necessary to reflect market conditions in the Territory. Licensee shall not implement the Advertising and Marketing Programs developed by it under this

Section 7.1.1 in the Territory without first having obtained the written approval of the Licensors.

7.1.2. In order to facilitate Licensee's advertising efforts on behalf of the Facilities, Licensors, upon request, shall provide Licensee with all written advertising, promotional, and marketing materials which it provides to its licensees in Korea. Such advertising and promotional materials shall be provided to Licensee in the English language and on the same terms and conditions as provided to Licensors' Korean licensees.

7.1.3. All advertising undertaken by Licensee shall be at Licensee's own cost and expense. Licensee shall provide Licensors with copies of all written materials and scripts from all video or audio materials, in English and any other language used in the Territory, used in its advertising program from time to time.

7.2. Advertising by Licensors.

Licensors have no obligation to advertise for the Facilities in the Territory under this Agreement.

8. TRANSLATION AND MODIFICATION OF DEVELOPED MATERIAL AND INFORMATION; OWNERSHIP OF DEVELOPED MATERIAL

8.1. Translation.

8.1.1. All of the Information, whether written, visual, oral or otherwise, required to be provided to Licensee by Licensors shall be in the English language. Licensee may, if it so desires, translate such materials into the local language, but any such translation shall be the sole responsibility of Licensee and shall be done at Licensee's sole cost and expense.

8.1.2. Except as otherwise provided in Sections 2 through 7, the Information shall be provided at no cost to the Licensee other than the payment of the fees and expenses provided for in this Agreement. Licensee is entitled to receive only that number of copies of the Information as is specified in Sections 2 through 7; provided, however, that if no number is specified, Licensee shall be entitled to receive only that number of copies which Licensors' Korean licensees are entitled to receive. If Licensee desires to obtain more copies of any such materials, Licensee shall be able to do so at the same cost and on the same terms and conditions as Licensors' Korean licensees subject to any modifications to such terms and conditions made in this Agreement.

8.1.3. The Developed Material and any other material required to be developed by Licensee pursuant to this Agreement, shall be set forth in writing, and may, at Licensee's sole option, be in the local language in the Territory or English language. The cost and expense of developing, implementing, and utilizing such materials are the sole responsibility of the Licensee. Where Licensors' approval or consent is required prior to the implementation or utilization of the

Developed Material or any other materials required to be developed by Licensee hereunder, Licensee shall submit copies of the materials developed by it to Licensor for its approval. Licensor may require Licensee to make any changes it deems necessary to such materials. The copies submitted to Licensor shall be in the English language.

8.2. *Modifications.*

Any of the Information may be supplemented or amended in any manner Licensor, in its sole discretion, deems appropriate. By way of illustration only, and not of limitation, the Information may be supplemented or amended by way of Operations Manual updates, bulletins, and other written materials; at any of the meetings specified in Section 4.3 or telephone consultations and/or consultations at Licensor's offices or at Licensee's offices. Any supplemental or amended materials provided by Licensor to Licensee shall be promptly incorporated by Licensee into the Developed Materials, subject to approval by Licensor if the original Developed Material required approval, with such modifications as are reasonably necessary to reflect market conditions in the Territory.

8.3. *Conflicts.*

If a conflict exists between any of the Developed Materials and any of the provisions of this Agreement, the provisions of this Agreement shall control.

8.4. *Developed Materials Owned by Licensor.*

Licensee acknowledges that the Developed Material shall be primarily based on the Information. Therefore, Licensee agrees that all Developed Material shall be proprietary to and owned by Licensor or its affiliates and may not be used or transferred by Licensee other than as provided in this Agreement.

8.5. *Developed Materials In Place Prior to Opening of Facilities.*

Notwithstanding the fact that the Developed Materials are to be developed promptly after the Effective Date, the Developed Materials shall be developed and in place and Licensor's consent to such Developed Materials shall be obtained prior to the opening of any Facility in the Territory.

9. MARKS

9.1. *Ownership and Goodwill of Marks.*

Licensee acknowledges that Licensor has the right to use and to license the use of the Marks to Licensee and that Licensee's right to use the Marks is derived solely from this Agreement and limited to the conduct of business pursuant to and in compliance with this Agreement. Licensee's unauthorized use of the Marks shall constitute an infringement of Licensor's rights in and to the Marks. Licensee acknowledges and agrees that usage of the Marks and any goodwill established thereby shall inure to Licensor's benefit, and that this Agreement does not confer any goodwill or other interests in the Marks upon Licensee (other than the right to operate Facilities in compliance with this Agreement). All provisions of this Agreement applicable to the

Marks shall apply to any additional trade and service marks Licensor hereafter authorizes for use by Licensee.

9.2. *Use of Marks.*

Licensee agrees that the Marks will be used as the sole identification of the Facility or Facilities. Licensee and each Sublicensee shall identify themselves as the independent owners of the Facility or Facilities in the manner prescribed by Licensor. Licensee shall not use or permit any Sublicensee to use any Mark as part of any corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to Licensee hereunder), or in any modified form, nor use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Licensor. Licensee shall display the Marks prominently on or in connection with any advertising materials, posters and displays and supplies or packaging materials Licensor designates, and in the manner prescribed by Licensor, and Licensee shall give such notices of trade and service mark registrations as Licensor specifies and to obtain such fictitious registrations required under applicable law, if any. Licensee agrees to notify Licensor immediately of any apparent infringement of or challenge to Licensee's use of any Mark or any claim by any person other than Licensor or its affiliates of any rights in any Mark or any similar commercial symbol of which Licensee becomes aware. Licensee further agrees to execute any and all instruments and documents, render such assistance and do such acts and things as may, in the opinion of Licensor or Licensor's counsel, be necessary or advisable to protect and maintain its interests in any litigation or other proceeding or otherwise to protect and maintain Licensor's interests in the Marks.

9.3. *Cooperation in Registering Marks.*

Licensee agrees to cooperate with Licensor in its registration of any of the Marks, including Marks developed by Licensor in the future, in the Territory. If Licensee incurs any out-of-pocket costs or expenses cooperating with Licensor hereunder, such reasonable costs shall be reimbursed by Licensor. Any such registration shall only be in the name of Licensor or its affiliate. Any attorneys or other advisors employed by Licensee hereunder shall be approved by Licensor in advance.

9.4. *Discontinuance of Use of Marks.*

If Licensor elects at any time for any reason in its sole discretion to modify or discontinue the use of any Mark, and/or use one or more additional or substitute trade or service marks, Licensee agrees to comply therewith within one hundred and twenty (120) days after notice thereof by Licensor or such longer time as Licensor states in such notice.

10. ORIGATION FEES AND ROYALTY PAYMENTS

10.1. *Acknowledgments.*

Licensee understands and acknowledges that through the services and materials to be provided to it under this Agreement prior to the opening of Facilities (such as the

Information and other assistance and materials) as well as the Marks and other services to be made available to Licensee, Licensors will provide Licensee with a substantial portion of the consideration flowing to Licensee under this Agreement prior to the date when the full continuing royalty payments (as set forth below) are due to Licensors. Licensee also understands and acknowledges that such consideration is greater in value than the origination fees (as set forth below). Therefore, both Licensors and Licensee agree that the origination fees hereunder will be earned upon execution of this Agreement.

10.2. Master License Fee.

As specified in Exhibit A, Licensee shall promptly pay to Licensors, in United States dollars, a non-recurring master license fee.

10.3. Facility Origination Fee.

10.3.1. Licensee shall promptly pay to Licensors, in United States dollars, a Facility origination fee for each Facility in the Territory as set forth in Exhibit A.

10.3.2. All Facility origination fees payable to Licensors under Section 10 shall be paid to Licensors within thirty (30) days from the date of execution of the sublicense agreement by the Licensee and the Sublicensee or, if the Facility is operated by Licensee within ten (10) days prior to opening the Facility.

10.3.3. All payments by Licensee, whether pursuant to Section, shall be in United States dollars, determined as of the date any payment is due, and, other than withholding taxes due on the payments to be made to Licensors, Licensee shall pay all local fees, taxes, duties, or charges of any kind due thereon without deduction of the same from the origination fees payable to Licensors.

10.4. Continuing Royalty Payments

10.4.1. For each Facility owned or operated by Licensee or a Sublicensee pursuant to a sublicense agreement as provided in Section 11, Licensee shall pay to Licensors a continuing royalty as specified in Exhibit A

10.4.2. Within sixty (60) days after the end of each month, the Licensee shall provide Licensors with accurate monthly statements for each Facility, including those operated under sublicense agreements as provided in Section 11, in the Territory. Such statements shall show the Net Revenues earned by each of the Facilities in the preceding month and the applicable royalties due to Licensee and Licensors, including the calculation used in arriving at the royalties due to Licensee and Licensors, for each of the Facilities for the preceding month. Licensee shall attach to the front of such statements a summary sheet showing the Net Revenues for all of the Facilities in the Territory for the preceding month and the aggregate royalty payment due from Licensee. The monthly statements and the summary sheet shall be in English and comply with any other requirements as prescribed by Licensors pursuant to Section 4.4.3. Such information shall be provided to Licensors on a form as approved by Licensors.

10.4.3. Licensee shall pay all royalties due to Licensor under this Agreement to the bank designated from time to time by Licensor. All royalties due from Licensee shall be paid within thirty (30) days from the end of the preceding month and shall be paid in United States dollars. Licensee shall pay all local fees, taxes, duties, or charges of any kind due on the continuing royalty payments hereunder, other than withholding taxes due on the payments to be made to Licensor, without any deduction thereof before payment to Licensor.

10.5. Private Label Equipment Fees.

10.5.1. Licensee shall pay Licensor a fee as specified in Exhibit A for all Private Label Equipment sold in the Territory.

10.5.2. The fee imposed by this Section 10.5 shall be payable in United States dollars at the same time and in the same manner as payment is due for continuing royalties under Section 10.4.3.

10.6. Definition of "Net Revenues".

As used in this Agreement, the term "Net Revenues" means and includes: (a) the actual gross receipts collected from customers of the Facility or third party payors in connection with sales of goods and services made to those customers, whether or not such sales are from the inventory or premises of the Facility; (b) the actual gross receipts collected from any person, whether or not a customer of the Facility, in connection with sales of goods or services made as a result of any association with or use of the Marks or the System, including sales of durable monorail competing equipment, supplies and other related products or services sold to customers of the Facility whether from the Facility or from a Facility premises that is located within one mile of the premises of the Facility; and (c) any and all other revenues derived through the operation of the Facility, but excluding (i) value added taxes paid to the appropriate taxing authority and (ii) transfers of inventory to another Facility provided that such other Facility includes the sale of such inventory in its Net Revenues when such inventory is sold by such other Facility.

10.7. Licensee's Duty to Pay.

Licensee is solely responsible for the payment of all origination fees, continuing royalties, Private Label Equipment fees, and other sums due Licensor under this Agreement. Licensee understands and acknowledges that Licensor will arrange its business affairs in reliance on continuing royalties, origination fees, Private Label Equipment fees, and other sums being paid to it under this Agreement. Accordingly, the failure of a Sublicensee to remit royalty payments, origination fees, Private Label Equipment fees, or other sums to Licensee under any contract including a sublicense agreement entered into pursuant to Section 11 of this Agreement or otherwise shall not relieve Licensee of its obligation to pay Licensor the amount of any royalties, origination fees, Private Label Equipment fees, and other sums due Licensor which are based on such contracts or otherwise. Licensee shall use its best efforts to obtain any consents or authorizations which may be necessary to permit timely payments in United

States Dollars of all amounts payable under this Agreement. If at any time any legal restriction or other circumstances prevent Licensee from making payments under this Agreement in United States Dollars, Licensee shall notify Licensors immediately. While such restrictions are in effect or such circumstances continue, Licensors may require that payments due Licensors be made in any currency designated by Licensors that is available to Licensee or, at Licensors's option, Licensee shall deposit all amounts due but unpaid as a result of such restriction or such circumstance in any type of account in the name of Licensors, in any bank or institution in the Territory designated by Licensors. If such legal restrictions or circumstances prevent payment by Licensee of amounts due under this Agreement in U.S. Dollars in accordance with the terms and conditions of this Agreement for a period of six (6) consecutive months or more, Licensors, at its option, may suspend Licensors's performance of services under this Agreement effective upon delivery of notice thereof to Licensee until such restrictions have been lifted or such circumstances cease to exist and Licensee has paid Licensors all accrued but unpaid amounts, including interest thereon.

10.8. Interest on Late Payments.

All origination fees, continuing royalty payments, Private Label Equipment fees, and other amounts due Licensors or its affiliates, shall bear interest after their due date at the highest applicable legal rate for open account business credit, compounded monthly, not to exceed two percent (2%) per month. Licensee acknowledges that this Section 10.8 shall not constitute agreement by Licensors to accept such payments after they are due or Licensors's commitment to extend credit to, or otherwise finance Licensee's operation of the Facilities. Furthermore, Licensee acknowledges that, notwithstanding the provisions of this Section 10.8, Licensee's failure to pay all amounts when due shall constitute grounds for termination of this Agreement as provided in Section 15.1.

10.9. Application of Payments.

Notwithstanding Licensee's designation to the contrary, Licensors shall have sole discretion to apply any of Licensee's payments to any of its indebtedness to Licensors.

11. SUBLICENSE AGREEMENTS

11.1. Approval.

11.1.1. Subject to the terms and conditions of this Section 11, if Licensee is in compliance with the terms and conditions of this Agreement, then Licensee may enter into a sublicense agreement with a Sublicensee pursuant to which the Sublicensee will operate a Facility or Facilities in the Territory. Licensors has the right to withdraw Licensee's ability to Sublicense at any time, if Licensee is not in compliance with the terms and conditions of this Agreement. Prior to initiating Sublicensing activities, Licensee must submit to Licensors (a) a copy of the proposed Sublicense Agreement, (b) all pertinent financial business terms between Licensee and Sublicensee, and (c) a Sublicensing business plan detailing, among other items, the support services which Licensee will provide to

Sublicensee. Licensors must approve these items prior to Licensee initiating Sublicensing activities. Licensors and Licensee intend that only one form of sublicense agreement will be entered into within the Territory; provided, however, that modifications may be made by Licensee to individual sublicense agreements so long as the such agreements are consistent with the terms and conditions of this Agreement or necessary to conform to applicable laws, rules and regulations in the Territory.

11.1.2. Prior to entering into a sublicense agreement with a Sublicensee to operate a Facility pursuant to Section 11.2, the following conditions must, in Licensee's professional judgment, be met:

11.1.2.1 The Sublicensee shall have furnished Licensee with information concerning its financial capacity, business experience, interests in other matters reasonably requested by Licensee, and if Licensee so elects, shall meet with Licensee's officials at its principal office;

11.1.2.2 The Sublicensee shall have sufficient business experience, capital and financial resources to operate the Facility, and the Sublicensee or its managing pharmacist shall hold or obtain any licenses, certificates or permits, if any, as required under applicable laws, rules and regulations, as the same may be amended from time to time, to operate the Facility; and

11.1.2.3 If the Sublicensee already owns one or more Facilities under a sublicense agreement, such Facilities shall be in compliance with their respective sublicense agreements.

11.2. Minimum Standards.

Any sublicense agreement shall, at a minimum, provide that:

11.2.1. The location of the Sublicensee's Facility shall meet the Standard Site Selection Criteria for the Territory, including, but not limited to the setting of Protected Areas as provided in Section 3;

11.2.2. The location of a Sublicensee's Facility shall not be so close to that of any other Sublicensee such that it could have a material adverse effect on the sales of any Sublicensee's Facility who is in compliance with the terms and conditions of his or her Sublicense;

11.2.3. The Sublicensee or its managing officer shall successfully complete the Licensee's Training Program or Licensors' Training Program prior to opening or operating a Facility;

11.2.4. Licensee shall provide the Sublicensee with the Guidance Criteria, Standard Accounting System, System Standards, and New Facility Promotional Program, and modifications made thereto from time to time in the Territory;

11.2.5. The Sublicensee or its managing officer shall utilize, implement and operate the Facility in compliance with the Guidance Criteria, Standard Accounting System, System Standards, and New Facility Promotional Program, as the same are modified from time to time in the Territory;

11.2.6. The Sublicensee or its managing officer shall be entitled to receive ongoing training from Licensee on the terms reasonably developed by it and from Licensor on terms substantially identical to those found in Section 4.3.2;

11.2.7. Subject to and upon the same terms and conditions found in this Agreement, the Sublicensee may use the Marks;

11.2.8. The Sublicensees shall be required to maintain an inventory of Private Label Equipment adequate for the needs of their customers, but may not manufacture or have manufactured on its behalf any products bearing the Marks;

11.2.9. Licensor or its designee and Licensee shall have the right to inspect, audit and conduct sales surveys of the Sublicensee's Facility on terms identical with those found in this Agreement;

11.2.10. The Sublicensee or any of the owners of a Sublicensee shall not be permitted to acquire an interest in any other Facility that competes with Licensee or any other Sublicensee;

11.2.11. The owners of any Sublicensee shall be prohibited from transferring any rights they have in the sublicense agreement without the prior written consent of Licensee;

11.2.12. Licensee shall not transfer any rights it has in any sublicense agreement; provided, however, that if this Agreement is terminated for any reason, Licensee's rights in the sublicense agreement may be assigned to Licensor or its designee;

11.2.13. The term of the sublicense agreement shall not exceed the term of this Agreement including any extensions thereto;

11.2.14. The sublicense agreement may be terminated, when in the judgment of Licensee or Licensor, the Sublicensee is in violation of any of its obligations under the sublicense agreement; and Licensee will take such legal action to terminate or enforce compliance with any terms of the sublicense agreement when directed by Licensor;

11.2.15. The sublicense agreement shall automatically terminate for reasons substantially similar to those found in Section 15 of this Agreement;

11.2.16. Upon termination of the sublicense agreement, Licensee, Licensors and Sublicensee shall have rights substantially similar to those found in Section 10 of this Agreement;

11.2.17. Sublicensee shall indemnify both Licensors and Licensee on terms substantially similar to those found in Section 18.2 of this Agreement;

11.2.18. Sublicensee shall be subject to confidentiality and noncompetition provisions similar to those found in Sections 5.3.1, 5.4 and 5.5 of this Agreement; and

11.2.19. Sublicensee shall operate the Facility in compliance with all applicable laws, rules, and regulations in the Territory, as the same may be amended from time to time.

12. TRANSFER

12.1. Transfer by Licensors.

This Agreement is fully transferable by Licensors and will inure to the benefit of any transferee or other legal successor to Licensors's interest.

12.2. Transfer by Licensee.

12.2.1. Except as set forth in Section 12.2.2, Licensee shall not sell, assign, transfer, or make any other disposition of any Interest without the prior written consent of Licensors, which consent may be withheld in the sole discretion of Licensors. Any purported transfer without prior written consent shall be voidable at Licensors's option and shall be grounds for termination of this Agreement pursuant to Section 15.1.

12.2.2. With the prior written consent of Licensors, Licensee may assign its rights and obligations under this Agreement to another corporation controlled by the Guarantors; but, nothing in such assignment shall in any way relieve Guarantors from their obligations to perform each and every term and provision of this Agreement.

13. INSPECTIONS, AUDITS AND SALES SURVEYS

13.1. Right to Inspect the Facilities.

To determine whether Licensee and the Facilities in the Territory are complying with this Agreement and with System Standards, Licensors or its agents shall have the right, at any reasonable time, to inspect the Facilities and Licensee's business. Licensors's right to inspect shall include, but not be limited to, the right to: (1) conduct or observe a physical examination of the Facilities; (2) remove samples of any equipment, components, products, materials and supplies for testing and analysis; (3) interview personnel of the Facilities; (4) interview customers of the Facilities; (5) photograph and

videotape the premises of any Facility or Facilities; and (6) inspect and copy any books, records and documents relating to the operation of any Facility and the Licensee. Licensee agrees to cooperate fully with Licensor in connection with any such inspections. Licensee shall present to its customers such evaluation forms as are periodically prescribed by Licensor and shall participate and/or request its customers to participate in any surveys performed by Licensor or on its behalf.

13.2. *Right to Audit.*

Licensor shall have the right at any time during business hours, and without prior notice, to inspect and audit, or cause to be inspected and audited, the business records, cash control devices, cash register tapes, bookkeeping and accounting records, sales, value added and income tax records and returns and other records of the Licensee or any Sublicensee and Facilities. Licensee shall fully cooperate and shall require each Sublicensee or Facility to fully cooperate with Licensor's representatives and any independent accountants hired by Licensor to conduct any such inspection or audit. In the event any such inspection or audit shall disclose an understatement of the Net Revenues, Licensee shall pay Licensor, within twenty five (25) days after receipt of the inspection or audit report, the continuing royalty fees due on the amount of such understatement, plus interest (at the rate and on the terms provided in Section 10.8) from the date originally due until the date of payment. If such inspection or audit is made necessary by Licensee's failure to furnish reports, supporting records or other information, as herein required, or to furnish such reports, records or information on a timely basis, or, if an understatement of Net Revenues for the period of any audit is determined by any such audit or inspection to be greater than two percent (2%), Licensee shall reimburse Licensor for the cost of such audit or inspection including, without limitation, the charges of any independent accountants and the travel expenses, room and board and compensation of Licensor's employees. The foregoing remedies shall be in addition to all other remedies and rights hereunder or under applicable law.

13.3. *Right to Conduct Sales Surveys.*

To determine whether the monthly sales of the Facilities are being accurately recorded and reported, Licensor, or any persons designated on its behalf, shall have the right at any time during business hours, and without prior notice to Licensee, to observe the Facilities' sales activity from inside the Facilities and to record all sales of the Facilities. Such sales surveys may be conducted as frequently and for such lengths of time as Licensor, in its sole discretion, determines, so long as such surveys do not cause significant disruption to the operation of the Facilities. Licensee shall fully cooperate with Licensor's representatives or designees performing such sales surveys.

14. LICENSE RENEWAL

14.1. *Right to Acquire a Successor License.*

Subject to the provisions of this Section 14.1, upon expiration of the term of this Agreement, if: (1) this Agreement or a sublicense of this Agreement pursuant to

Section 12.2.2 is renewed by the appropriate government agency on or prior to its expiration; (2) Licensee has substantially complied with this Agreement during its term; and (3) Licensee agrees to remodel and/or expand the Facilities it owns and to require all Sublicensees to do the same for the Facilities they own, add or replace equipment, fixtures and signs and otherwise modify the Facilities to bring them into compliance with Licensor's then current specifications and standards, as modified to adequately reflect market conditions in the Territory; Licensee shall have the right to acquire a successor license for the operation and sublicensing of Facilities in the Territory upon the expiration of this Agreement on the terms and conditions granted by Licensor, which terms and conditions shall be the same as those contained in this Agreement.

14.2. Procedures Applicable to All Successor Licenses.

Licensee shall give Licensor written notice of its desire to acquire any successor license at least one (1) year prior to the end of the term of this Agreement or any successor license. Licensor agrees to give Licensee written notice, not more than ninety (90) days after receipt of Licensee's notice, of: (a) Licensor's preliminary decision to grant or not to grant a successor license; and/or (b) any deficiencies in the Facilities or their premises or in Licensee's operation of its Facilities which could cause Licensor to refuse to grant a successor license. Such notice shall state what actions Licensee must take to correct the deficiencies in the Facilities or their premises, or in its operation of the Facilities, and shall specify the time period in which such deficiencies must be corrected. Grant of any successor license shall be conditioned upon Licensee's continued compliance with all of the terms and conditions of this Agreement up to the date of its expiration and may be granted conditionally, subject to remodeling and/or expanding the Facilities, replacement of equipment, fixtures and signs, decorating or other obligations with respect to the Facilities or their premises to be completed after commencement of the term of the successor licenses. Licensor shall give Licensee final written notice of its decision to grant or not to grant a successor license not less than six (6) months prior to the expiration of the term of this Agreement. If Licensor fails to give Licensee: (a) notice of deficiencies in the Facilities or their premises, or in the operation of the Facilities, within ninety (90) days after receipt of Licensee's timely election to acquire a successor license; or (b) notice of Licensor's decision not to grant successor licenses at least six (6) months prior to the expiration of the term of this Agreement, Licensor may extend the term for this Agreement for such period of time (not to exceed three months) as is necessary in order to provide Licensee reasonable time to cure deficiencies or to increase the prior notice of Licensor's refusal to grant a successor license required hereunder to six (6) months.

14.3. Successor License.

The term of the successor license shall be as set forth in Exhibit A.

14.4. Agreements/Releases.

If Licensor grants a successor license to Licensee, both Licensor and Licensee shall execute the form of license agreement and any ancillary agreements Licensor then deems appropriate for the granting of the successor license in the Territory, and

Licensee shall execute general releases, in a form satisfactory to Licensor, of any and all claims against Licensor and its officers, directors, employees and agents arising out of this Agreement or any acts of Licensor, its agents, directors and officers prior to the date of such successor license. Failure by Licensee to sign such agreements and releases within sixty (60) days after delivery thereof to Licensee shall be deemed an election by Licensee not to acquire a successor license.

15. TERMINATION AND SUSPENSION

Licensor may terminate or suspend its performance under this Agreement, and licenses granted hereunder, and, if Licensor terminates this Agreement, all rights granted to Licensee in this Agreement shall revert in Licensor without prior judicial authorization on the terms and conditions set forth below:

15.1. Licensee's Failure to Comply with the Agreement.

If the Licensee has failed to comply with any of its obligations under this Agreement, Licensor may terminate this Agreement or suspend its performance under the Agreement by giving notice of termination or suspension to Licensee, together with the reasons herefore. A notice of termination shall be effective sixty (60) days after receipt by Licensee unless Licensee has adequately complied with its obligations under this Agreement before the end of such sixty (60) day period, or such longer period of time as Licensor provides in the written notice. A notice of suspension will be effective immediately upon receipt by Licensee and will continue in effect until notice from Licensor that the suspension of the Agreement has ceased or Licensor gives Licensee a notice of termination in accordance with the terms of the Agreement. A suspension of the Agreement shall not extend the term of the Agreement.

15.2. Other Grounds for Termination.

At the option of Licensor, by giving notice of termination to Licensee, which notice shall be effective immediately upon receipt by Licensee, if:

15.2.1. Any of Licensee's officers have made any material misrepresentation or omission in connection with its purchase of the licenses under this Agreement or Licensee or its officers, directors or shareholders are convicted of or plead no contest to a crime or criminal offense which is likely to adversely affect, in Licensor's sole opinion, Licensee's, Licensor's, or any Facility's reputation;

15.2.2. In Licensor's sole opinion, an unreasonable number of Facilities have closed without adequate justification therefore or a substantial number of Facilities close or are not actively operated for four (4) consecutive weeks or more unless such Facilities have been closed for a purpose approved by Licensor or because of fire, flood, earthquake or other casualty;

15.2.3. Licensee gives Licensor notice of its intent to no longer perform its obligations under this Agreement;

15.2.4. Licensors, in its sole opinion, determines that Licensee is not adequately performing its obligations under sublicense agreements entered into by Licensee under Section 11 of this Agreement; or

15.2.5. Licensee or any of its owners or affiliates, directly or indirectly, attempt to register any of the Marks in the Territory or any other country;

15.2.6. Licensee fails to take all necessary and proper action to remedy any use or misuse of the Marks by a Sublicensee within sixty (60) days after Licensee becomes aware or should have become aware that such Sublicensee is not using the Marks in accordance with the terms and conditions of this Agreement or otherwise misuses or infringes on the use of any Marks; or

15.2.7. Any professional or governmental body suspends for a period of more than thirty (30) days or terminates Licensee's right to engage in and conduct business as a franchisor of Facilities.

15.3. Automatic Termination.

Automatically, if (1) any proceeding under any insolvency or bankruptcy laws shall be instituted against the Licensee whether or not resulting in adjudication; or (2) any receiver or trustee shall be appointed for the assets of the Licensee under any provisions of the insolvency or bankruptcy laws in effect in the Territory, as the same may be amended from time to time; unless such insolvency or bankruptcy proceedings are discharged without adverse consequences to Licensee within ninety days after the institution of a proceeding for liquidation or one hundred and twenty (120) days after seeking reorganization.

16. RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT

16.1 Payment of Amounts Owed to Licensor.

Licensee agrees to pay Licensor within thirty (30) days after the effective date of termination or expiration of this Agreement, or such later date that the amounts due to Licensor are determined, all amounts due to Licensor and any interest due thereon.

16.2 Marks.

Except as otherwise notified by Licensor, Licensee agrees that, upon the termination or expiration of this Agreement, it will:

16.2.1. except as provided for in paragraph 16.2.5 related to disposal of private label Equipment, not directly or indirectly at any time thereafter or in any manner identify itself or any business as a current or former Facility or as Licensor's franchisee, licensee or dealer, use any Mark, any colorable imitation thereof or other indicia of the Facilities in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other

commercial symbol that suggests or indicates a connection or association with Licensors;

16.2.2. return to Licensors or its designee or destroy if so instructed by Licensors all signs, sign-faces, sign-cabinets, catalogs, advertising materials, forms, invoices and other materials containing any Mark or otherwise identifying or relating to the Facilities and allow Licensors or its designee, without liability, to remove from the Licensee's offices or Facilities and retain or destroy all such items as directed by Licensors;

16.2.3. take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to Licensee's use of any Mark, if any;

16.2.4. paint the exterior and interior of the Facilities a different color and make such other changes to the appearance of the Facilities as are prescribed in the System Standards;

16.2.5. dispose of all Private Label Equipment identified by the Marks in the manner directed by Licensors within thirty (30) days after the effective date of termination or expiration of this Agreement; and

16.2.6. furnish Licensors or its designee, within thirty (30) days after the effective date of termination or expiration, evidence satisfactory to Licensors or its designee of Licensee's compliance with the foregoing obligations.

16.3 Information to be Furnished to Licensors.

Licensee agrees that if, upon termination of this Agreement, Licensors or its designees will continue the operation of the Facilities in the territory, then, within thirty (30) days after the termination of this Agreement, Licensee will furnish Licensors or its designee, at Licensee's expense, a complete list of the names and addresses of all persons employed by Licensee in any capacity relating to the operation of the Facilities or performance of this Agreement during the three (3) year period immediately preceding the termination or expiration of this Agreement, together with all employment files, prescription lists, customer files, customer profiles, mailing lists and other records relating to the operation of the Facilities. In no event shall Licensee transfer any prescription lists, customer files, customer profiles, mailing lists and other records relating to the operation of the Facilities, or any information or data contained therein, or copies thereof, to any Competitive Business, nor shall Licensee retain such information or data in any form whatsoever.

16.4 Information.

Licensee agrees that within thirty (30) days after termination or expiration of this Agreement, Licensee will return to Licensors or its designee or destroy if so instructed by Licensors all written Information provided by Licensors to Licensee under this Agreement as well as all copies thereof.

16.5 *Developed Materials.*

Licensee acknowledges and agrees that the Developed Material shall be considered proprietary to and owned by Licensor. Therefore, Licensee agrees that, within thirty (30) days after termination or expiration of this Agreement, Licensee will return to Licensor or its designee or destroy if so instructed by Licensor all Developed Material as well as any copies thereof and assign to Licensor its rights to portions of the Developed Material acquired by license or other agreement with any other person or entity.

16.6 *Continuing Obligations.*

All of Licensor's and Licensee's obligations which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding its expiration or termination until they are satisfied in full or by their nature expire.

16.7 *Sublicense Agreements.*

Upon expiration or termination of this Agreement for any reason, if requested by Licensor in writing within thirty (30) days after the date of the expiration or termination of this Agreement, Licensee shall execute an assignment to Licensor or its designee of all rights, title and interest in and to the sublicense agreements with Sublicensees which shall thereafter become the property of Licensor or its designee. To secure Licensee's performance of its obligations under this Section, Licensee pledges all its right, title and interest in and to the sublicense agreements to Licensor.

17. GUARANTY

Notwithstanding anything herein to the contrary, if this Agreement is assigned to another corporation or entity, then such assignment will be effective and contingent upon the execution of Guaranty Agreements, substantially in the form of Exhibit 1 hereto, by and among Licensor and the person or entity identified in Exhibit A.

18. MISCELLANEOUS

18.1 *Relationship of the Parties.*

Licensor and Licensee understand and agree that this Agreement does not create a fiduciary relationship between them, that Licensor and Licensee are and shall be independent contractors and that nothing in this Agreement is intended to make either of them a general or special agent, joint venturer, partner or employee of the other for any purpose. Licensee shall conspicuously identify itself in all dealings with customers, contractors, suppliers, public officials and others as the owner of its Facilities under a license with Licensor and shall place such other notices of independent ownership on such forms, business cards, stationery, advertising and other materials as required by Licensor from time to time. Licensor has not authorized or empowered Licensee to use the Marks except as provided by this Agreement, and Licensee shall not employ any of the Marks in its name, or in signing any contract, lease, mortgage, purchase

agreement, negotiable instrument or other legal obligation or application for any license or permit or in a manner that may result in Licensor being liable for any of Licensee's indebtedness or obligations. Neither party shall make any express or implied agreements, warranties or representations, or incur any debt, in the name or on behalf of the other or represent that their relationship is other than that of licensor and licensee. Licensor and Licensee shall not be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized hereunder, nor shall Licensor be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Facilities or the business authorized by or conducted pursuant to this Agreement, whether caused by Licensee's negligent or willful action, failure to act or otherwise. Neither Licensor nor its affiliates shall have liability for any sales, use, occupation, excise, gross receipts, income, property or other taxes, whether levied upon Licensee, the Facilities or the assets of either Licensor or its affiliates, in connection with the sales made or business conducted by Licensee or the origination fees, continuing royalty payments or other sums paid to Licensor or its affiliates.

18.2 Indemnification

Licensee agrees to indemnify, defend and hold Licensor and its affiliates, shareholders, directors, officers, employees, agents and assignees harmless from and against any expenses incurred by or claims made against Licensor arising out of the performance of this Agreement or any sublicense agreement entered into pursuant to Section 11, the operation of the Facilities and the business conducted by Licensee or by a Sublicensee, including, without limitation, actual or alleged infringements of trademarks arising out of misuse of the Marks or use of unauthorized trademarks; breach or violation of any lease, agreement, contract, law, rule, regulation, or ordinance; libel, slander or other form of defamation; breach of any provision of this Agreement; and acts, errors or omissions of Licensee or any of its agents, servants, employees, contractors, partners, shareholders, affiliates or representatives. For purposes of this indemnification, the term "expenses or claims" shall mean and include (i) all losses, obligations, expenses, actual and consequential damages, taxes and costs reasonably incurred in preparing for, defending or settling any demand, investigation, suit, action, claim, inquiry or proceeding, whether or not a formal inquiry, proceeding or investigation had been commenced; and (ii) reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. Licensee shall give Licensor immediate written notice of any demand, investigation, inquiry, action, suit, proceeding or claim. Licensor at its sole option shall have the right to defend at Licensee's expense any such liability or claims in which either Licensor or Licensee or both are named as defendants, or reasonably are expected to be named, and Licensor shall not be obligated to mitigate losses. Licensor's conduct of the defense shall not diminish Licensee's obligation to indemnify Licensor hereunder. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

18.3 Disclaimer of Warranty.

LICENSEE ACKNOWLEDGES, UNDERSTANDS AND ACCEPTS THAT NEITHER THE INFORMATION PROVIDED BY LICENSOR UNDER THIS AGREEMENT NOR ANY CONSENT, APPROVAL, WAIVER OR THE LIKE GIVEN BY LICENSOR REGARDING ANY DEVELOPED MATERIAL OR OTHERWISE UNDER THIS AGREEMENT (INCLUDING, BUT NOT LIMITED TO, CONSENT OR APPROVAL RELATING TO THE STANDARD SITE SELECTION CRITERIA, TRAINING PROGRAM, GUIDANCE CRITERIA, STANDARD ACCOUNTING SYSTEM, SYSTEM STANDARDS, NEW FACILITY PROMOTIONAL PROGRAM, OPERATIONS MANUAL, PRIVATE LABEL EQUIPMENT AND ANY LABEL OR PACKAGE DESIGN OR ANY ITEM OF PRIVATE LABEL EQUIPMENT, OR ADVERTISING MATERIALS) SHALL CONSTITUTE A REPRESENTATION OR WARRANTY AS TO THE SUCCESS OR PROFITABILITY OF THE LICENSEE, ANY SUBLICENSEE OR ANY OF THEIR FACILITIES, OR THE SUITABILITY, APPROPRIATENESS OR LEGALITY OF THE PARTICULAR ITEM, AND LICENSEE ACKNOWLEDGES, UNDERSTANDS AND ACCEPTS AND AGREES THAT IT IS NOT IN ANY WAY RELYING ON LICENSOR'S APPROVALS, CONSENTS, WAIVERS OR THE LIKE. LICENSOR MAKES NO WARRANTIES OR GUARANTIES UPON WHICH LICENSEE MAY RELY AND ASSUMES NO LIABILITY OR OBLIGATION TO THE LICENSEE OR ANY SUBLICENSEE BY GRANTING ANY WAIVER, APPROVAL OR CONSENT TO LICENSEE OR ANY SUBLICENSEE, OR BY REASON OF ANY NEGLIGENCE OR DELAY THEREOF OR DENIAL OF ANY REQUEST THEREFOR.

18.4 Severability and Substitution of Valid Provisions.

18.4.1. If any provision of this Agreement relating to (a) the payment of the continuing royalty payments, origination fees, Private Label Equipment fees, or other sums due hereunder, (b) the generally binding effect of System Standards as modified from time to time, or (c) the obligations of Licensee under Sections 5.4 and 5.5 is declared or made invalid or unenforceable by legislation, arbitration or court action, then Licensor, in its sole discretion, may terminate this Agreement upon sixty (60) days' written notice to Licensee if it believes that the continuation of this Agreement would not be in its best interests.

18.4.2. Except as expressly provided above, each section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable. If, for any reason, any such provision of this Agreement is held to be invalid, contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by an arbitrator, court, agency or tribunal with competent jurisdiction in a proceeding to which Licensor is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible. All such portions shall continue to be given full force and effect and to bind the parties hereto, although any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires, if Licensee is a party thereto, or upon Licensee's receipt of a notice of non-enforcement

thereof from Licensor. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of, or refusal to enter into a successor agreement to, this Agreement than is required hereunder, or the taking of some other action not required hereunder, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and Licensor shall have the right, in Licensor's sole discretion, to modify such invalid or unenforceable provision or require that Licensee do the same to the System Standards to the extent required to be valid and enforceable. Such modifications to this Agreement shall be effective only in such jurisdiction unless Licensor elects to give them greater applicability. If any covenant in this Agreement which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of geographic area, prohibited activity and/or length of time and can be made enforceable by reducing any or all thereof, Licensor and Licensee agree that the same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction where enforcement is sought.

18.5 *Waiver of Obligation.*

No failure by Licensor to take action on account of any default by Licensee, whether in a single instance or repeatedly, shall constitute a waiver of any such default or the performance required of Licensee. No express waiver by Licensor of any provision or performance hereunder or of any default by Licensee shall be construed as a waiver of any other or future provision, performance or default. Neither Licensor nor Licensee shall be liable for loss or damage or be deemed to be in breach of this Agreement if the failure to perform Licensor's or Licensee's obligations results from: (1) transportation shortages, inadequate supply of equipment, equipment, supplies, labor, material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any government or any department or agency thereof; or (2) acts of God. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that no such cause shall excuse payments of amounts owed at the time of such occurrence or payment of continuing royalty fees and all other amounts due to Licensor and its affiliates thereafter.

18.6 *Binding Effect.*

This Agreement is binding upon Licensor, its successors and assigns, and upon Licensee, and any corporation to which it assigns its obligations pursuant to Paragraph 12.2.2, and may not, except as hereinafter provided, be modified except by written agreement signed by both Licensor and Licensee.

18.7 *Governing Law.*

To the maximum extent permitted by law, this Agreement and the relationship between Licensor and Licensee shall be governed by and interpreted in accordance with the internal laws of the Republic of Korea. If this Agreement is translated, between Licensor and Licensee, the English version and text shall be controlling.

18.8 *Waiver of Punitive Damages.*

Except with respect to Licensee's obligation to indemnify Licensor pursuant to Section 17.2, Licensor and Licensee waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between them, the party making a claim shall be limited to recovery of any actual and compensatory damages sustained by it.

18.9 *Limitations on Claims.*

Any and all claims arising out of this Agreement or the relationship among Licensor and Licensee, except for payment of royalties, must be made within two (2) years from the occurrence of the facts giving rise to such claim.

18.10 Insurance.

18.10.1. Licensee shall, at its own cost, take out and maintain during the term of this Agreement and any renewals thereof, one or more policies of insurance for the purposes of product liability protection in respect of the Private Label Equipment in the Territory for an amount not less than such amounts as is customarily carried by others engaged in the Territory in the distribution of products similar to the Private Label Equipment, and, in addition, Licensee shall at its cost forthwith take out and maintain during the term of this Agreement and any renewals thereof, an adequate policy of insurance for the purpose of all-risk cover in respect of all Private Label Equipment delivered to or used by Licensee for the period from the time of delivery until payment in full in respect of that Private Label Equipment has been received by Licensee for the full replacement value of the Private Label Equipment. Licensors shall be named as an additional insured on such policies.

18.10.2. Licensee shall provide Licensors with at least thirty (30) days written notice prior to any cancellation of a policy referred to in this Section 18.10 and, upon the request of Licensors, Licensee shall furnish Licensors with a certificate of its insurer or broker confirming the status of a policy taken out by Licensee.

18.10.3. Licensee shall require that all of its Sublicensees maintain adequate product liability and third party liability insurance in respect of their activities pursuant to their appointment as Sublicensees.

18.11 Rights of Parties Are Cumulative.

Licensors' and Licensee's rights hereunder are cumulative and no exercise or enforcement by either party or any right or remedy hereunder shall preclude the exercise or enforcement by such party of any other right or remedy hereunder or which such party is entitled by applicable law to enforce.

18.12 Costs and Attorneys' Fees.

The party prevailing in a judicial or arbitration proceeding or appeal thereof shall be awarded its costs and expenses including, but not limited to, reasonable accounting, paralegal, expert witness and attorneys' fees and arbitrators' fees, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce the obligations of this Agreement.

18.13 Interpretation.

The preambles are a part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between Licensors and Licensee relating to the subject matter of this Agreement. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of such sections or paragraphs. References to "affiliate"

herein shall mean any company directly or indirectly owned or controlled by Licensor that sells products or otherwise transacts business with Licensee. Whenever this Agreement requires Licensor's advance approval or consent, Licensee must make a timely written request for approval, and Licensor's approval must be obtained in writing. Except where this Agreement expressly obligates Licensor reasonably to approve or not unreasonably to withhold its approval of any action or request by Licensee, Licensor shall have the absolute right to refuse any request or to withhold its approval of any action or omission by Licensee. This Agreement shall be executed in multiple copies, each of which shall be deemed an original.

18.14 Notice and Payments.

All written notices and reports permitted or required to be delivered by the provisions of this Agreement or of the System Standards shall be deemed so delivered (a) at the time delivered by hand, (b) three (3) business days after transmission by telegraph, telecopy, facsimile or comparable electronic system, (c) ten (10) business days after placement with a commercial courier service, (d) with regard to Licensor, thirty (30) business days after placement in the mail by registered or certified mail, return receipt requested, postage prepaid and addressed to Licensee at its most current principal business address of which the Licensor has been notified or (e) with regard to Licensee, thirty (30) business days after placement in the mail by a method which shows proof of delivery thereof, postage prepaid and addressed to Licensor at its most current business address of which Licensee has been notified. Except as otherwise provided herein, all payments and reports required by this Agreement shall be directed to Licensor at the address notified to Licensee from time to time, or to such other persons and places as Licensor may direct from time to time. Any required payment or report not actually received by Licensor during regular business hours on the date due (or postmarked by postal authorities at least five (5) days prior thereto) shall be deemed delinquent.

18.15 Grammatical Interpretation.

The use in this Agreement of a singular term shall include the plural, and the plural the singular, and the use of the masculine, feminine or neuter genders shall include all others.

19 DISPUTE RESOLUTION

19.1 Availability of Alternative Dispute Resolution.

Except for the disputes described in Section 19.2 of this Agreement and except as otherwise specifically modified by this Section 19, any dispute between Licensor and any of its affiliated entities, and Licensee and any of its affiliated entities, including any Sublicensee, arising out of or related to this Agreement or its breach, including without limitation, any claim that this Agreement or any of its parts is invalid, illegal or otherwise void or voidable, is subject to the dispute resolution provisions set forth in this Section 19 of this Agreement. All proceedings under this Section 19 shall be conducted in the English language.

19.2 Disputes Not Subject To Alternative Dispute Resolution.

The following disputes are not subject to the procedures stated in Sections 19.3 through 19.6, inclusive, of this Agreement:

19.2.1 Dispute solely concerning non-payment of moneys due to Licensor by Licensee;

19.2.2 Disputes relating to:

19.2.2.1 Licensee's use of the Marks or any other mark in which Licensor or any of its affiliated entities has an interest;

19.2.2.2 Acts in derogation of Licensee's obligations under Sections 5.4 and 5.5 of this Agreement; or

19.2.2.3 Conduct which is alleged to otherwise infringe the intellectual property rights of Licensor or any of its affiliated entities;

19.2.3 A dispute relating to the assignment of Interests in violation of Section 12 of this Agreement;

19.2.4 Any dispute, claim or cause of action in which temporary, preliminary, permanent or any other form of mandatory or prohibitory injunctive relief is sought as provided in Section 0; and

19.2.5 A dispute for which Licensor is entitled to terminate this Agreement without prior notice under the provisions of Section 15 of this Agreement.

19.3 Written Notice of Unresolved Disputes.

19.3.1 Except as provided in Section 19.1 above, all disputes shall be brought to the attention of Licensor and Licensee by delivering a written notice headed "Notification of Dispute." Delivery of such notice shall be made in accordance with Section 18.14 of this Agreement within sixty (60) days of the date on which the facts respecting the dispute first come to Licensor's or Licensee's attention. The Notification of Dispute shall specify, to the fullest extent possible, the party's version of the facts surrounding the dispute; the amount of damages and the nature of any injunctive or other relief such party claims. The party (or parties as the case may be) receiving a Notification of Dispute shall respond within thirty (30) business days after receipt thereof, in accordance with Section 18.14 of this Agreement, stating its version of the facts and, if applicable, its position as to damages sought by the party initiating the dispute procedure; provided, however, that if the dispute has been the subject of a default notice given under Section 15 of this Agreement, Licensee shall respond within ten (10) business days.

19.3.2 Upon receipt of a notice and response under Section 19.3, the parties shall endeavor, in good faith, to resolve the dispute outlined in the notice and response. To the extent the matter is not resolved by agreement, and further procedures are initiated as provided in this Section 19, neither party shall make factual assertions that were not included in the notice or response during the course of those procedures unless a Court or arbitrator determines that the assertions are ones which the party could not reasonably have been aware of at the time of the Notification of Dispute or the response thereto.

19.4 Option to Mediate Dispute.

19.4.1 If the parties have been unable to resolve a dispute outlined in a Notification of Dispute or a response thereto within thirty (30) days after receipt of the response, either party may initiate a mediation procedure in accordance with this Section 19.4 within fifteen (15) business days thereafter by making a written request for mediation. Such mediation will be conducted by _____ (“_____”). If _____ is unable to act in the matter, mediation shall be conducted under the auspices of Franchise Arbitration and Mediation Inc. (“FAM”) of the United States, or any other mediation service with offices in the United States mutually agreed to by the parties. The scope of such mediation and the authority of the mediator to act with respect to the dispute is defined by the specific provisions of this Section 19 and any mediator will be required to execute an acknowledgment of applicability of the provisions of this Section 19 in any proceeding under this Agreement.

19.4.2 The object of any mediation subject to this Section 19.4 is to assist the parties in reaching a mutually acceptable resolution of the dispute. Such mediation shall, in all circumstances, be consistent with the rights and obligations created by this Agreement and shall not be premised on the derogation or diminution of those rights or disregard of those rights. The mediation process shall begin promptly and shall be concluded within forty-five (45) days of the day the request for mediation is made.

19.4.3 If the dispute is not resolved by mutual agreement, the mediator may request each party to submit proposed “Findings of Relevant Facts” which that party asserts are relevant to the resolution of the dispute. Based on such submissions, the mediator shall prepare a list of those facts which appear to be related to the dispute and undisputed; those which appear to be relevant to the dispute but are the subject of factual disagreement; and, those which (whether disputed or not) appear to be irrelevant to the dispute. Such findings shall be made by the mediator, in writing, within ten (10) business days after the conclusion of the mediation period defined in this Agreement and shall be delivered to all parties.

19.5 Business Judgment.

The parties recognize, and any mediator, arbitrator and judge, is affirmatively advised, that certain provisions of this Agreement reflect rights of Licensor to take (or refrain from taking) certain actions in exercise of its business judgment based on its assessment of the long term interests of the franchised system as a whole. Where such discretion has been exercised, and is supported by the business judgment of Licensor, a mediator, arbitrator or judge, shall not substitute his or her judgment for the judgment so exercised by Licensor.

19.6 Arbitration.

19.6.1 If the parties are unable to resolve any dispute within thirty (30) business days following the submission of Findings of Relevant Facts, either party may avail itself of the right to seek relief through arbitration in accordance with the procedures set forth in this Section 19 and the UNCITRAL Arbitration Rules presently in force. The arbitration shall be heard and determined by one arbitrator. The place of arbitration shall be in San Francisco, California, USA. The English language shall be used in the arbitration proceedings. The arbitrator shall have the right to award or include in his or her award any relief which he or she deems proper in the circumstances including, without limitation, money damages (with interest on unpaid amounts from the due date), specific performance, injunctive relief and attorneys' fees and costs, provided that the arbitrator shall not award exemplary or punitive damages. The award shall include interest from the date of any breach or other violation of this Agreement. The arbitrator shall also fix the appropriate rate of interest from the date of breach or other violation to the date the award is paid in full. In no event, however, should that interest rate during such period be lower than the prime commercial lending rate announced by Bank of America, N.A. at its principal office in San Francisco, California, United States of America, for ninety (90) day loans for responsible and substantial commercial customers. The award and decision of the arbitrator shall be conclusive and binding upon each of the parties and judgment upon the award may be entered in any court of competent jurisdiction. Licensor and Licensee both agree to be bound by the provisions of any statute of limitations provided herein or, if shorter, any statute of limitations that would otherwise be applicable to the controversy, dispute or claim which is the subject of any arbitration proceeding initiated hereunder. Without limiting the foregoing, Licensor and Licensee both shall be entitled in any such arbitration proceeding to the entry of an order by a court of competent jurisdiction pursuant to an opinion of the arbitrators for specific performance of any of the requirements of this agreement. This agreement to arbitrate shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. The scope of any arbitration hereunder and the authority of any arbitrator to act with respect to all arbitrations before any arbitration organization is defined by the specific provisions of this Section 19 and any arbitrator will be required to execute an acknowledgment of applicability of the provisions of this Section 19 to any arbitration proceeding under this Agreement.

19.6.2 This arbitration provision shall be self-executing and shall remain in full force and effect after the expiration or termination of this Agreement. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party by default or otherwise notwithstanding said failure to appear.

19.6.3 The provisions of this Section 19 shall be construed as independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any such provisions are unlawful in any way, such court shall modify or interpret such provisions to the minimum extent necessary to have them comply with the law.

19.6.4 Except as otherwise set forth in Section 0, the arbitrator is empowered to include in any award made hereunder, such relief as the arbitrator deems appropriate, including, without limitation, injunctive relief, in addition to or in lieu of monetary damages and reasonable attorneys' fees and expenses.

19.7 Injunctive Relief.

In the event of a breach or a threatened breach of this Agreement, Licensor may seek temporary, preliminary, permanent or any other form of mandatory or prohibitory injunctive relief or any other extraordinary remedy against threatened or actual breach thereof. Licensor and Licensee agree that Licensor may have such injunctive relief without posting any bond, but upon due notice, in addition to any other equitable relief available to it. Any action brought under this Section 0 shall be brought in accordance with Sections 18.7 and 0.

19.8 Forum and Venue.

Licensor and Licensee agree that any action for injunction, to compel arbitration or to enforce an arbitrator's award shall be brought only in the Federal District Court for the Eastern District of Missouri, in St. Louis, Missouri, unless such court shall lack jurisdiction, in which case, such action shall be brought only in the state courts in St. Louis County, Missouri; provided that Licensor shall have the option in its sole discretion to bring any such action in any court within the Territory.

IN WITNESS WHEREOF, the Licensor and Licensee have caused this Agreement to be signed by their duly authorized officers on this ____ day of _____, 2005.

LICENSOR:

LICENSEE:

ABC

XYZ

By:_____

By:_____

President & CEO

Prsident & CEO

EXHIBIT A

The Licensee identified in Section 1.10 is _____.

The Territory identified in Section 1.23 is _____.

The Term of the Agreement pursuant to Section 2.1 is 10 years.

The Facility Development Schedule pursuant to Section 3.2 is as follows:

Within twelve (12) months from the Effective Date, Licensee shall have selected Facility Sites for and there shall be open and operating at least three (3) Facilities in the Territory; and

Within twenty-four (24) months from the Effective Date, Licensee shall have selected Facility Sites for and there shall be open and operating at least five (5) Facilities in the Territory; and

Within thirty six (36) months from the Effective Date, Licensee shall have selected Facility Sites for and there shall be open and operating at least eight (8) Facilities in the Territory; and

Within forty eight (48) months from the Effective Date, Licensee shall have selected Facility Sites for and there shall be open and operating at least thirty ten (10) Facilities in the Territory; and

Within sixty (60) months from the Effective Date, Licensee shall have selected Facility Sites for and shall have opened and there shall be open and operating at least twelve (12) Facilities in the Territory.

The Licensors will train up to ten (5) of your staff members at a single Executive Training School in Seoul, Korea to be held in Year 1. You will cover all transportation, lodging and meal expenses for your delegation. The Executive Training School shall be for a period not less than seven (7) days.

The master license fee pursuant to Section 10.2 shall be \$_____ and shall be paid as follows:

_____ United States Dollars (\$_____) shall be paid on the execution of this Agreement; and

_____ United States dollars (\$_____) shall be paid on _____.

The Facility origination fee pursuant to Section 10.3 shall be paid in United States dollars as follows: \$ _____ per location for Facilities 1-3, \$ _____ per location for Facilities 4-8 and \$ _____ per location for each additional Facility.

The Continuing Royalty Payments pursuant to Section 10.4 shall be: the greater of 20% of the Master Licensee's royalty revenues or one-half of one percent (0.50%) of total Facility sales revenues.

The Private Label Equipment Fees pursuant to Section 10.5 shall be determined at such time as ABC Brand Label Equipment becomes available or is developed locally to be sold to Facilities operated by you, Facilities operated by a sub-franchisee, or any other third party.

The term of the successor license pursuant to Section 14.3 shall be ten (10) years.

The guarantor pursuant to Section 17 shall be IDEA Marketing, Ltd., whose principal business address is _____.