CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES  
 AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.  
 EXHIBIT 10.1  
 Franchise Agreement  
 Franchisee Information:  
  
 Name: XXXX XXXXXXX ("Franchisee")  
 Address: Le Xxxxx  
 0000 Xxxxx  
 Xxxxxxxxxxx  
 Telephone No.: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
 Fax No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   
  
 Effective Date:December 31, 1996   
  
 Territory: BELGIUM, TUNISIA  
  
 BACKGROUND  
  
 ThermoLase Corporation ("ThermoLase") has developed certain proprietary  
 equipment and processes for the removal of unwanted human hair and the  
 exfoliation or rejuvenation of skin. ThermoLase desires to operate, or  
 license others to operate, facilities for the utilization of such  
 equipment and procedures under the name "Spa Thira". ThermoLase is  
 prepared to appoint Franchisee as the exclusive Spa Thira franchisee in  
 the territory identified above (the "Territory") on the terms and  
 conditions set forth below.  
  
 AGREEMENT  
  
 ThermoLase and Franchisee hereby agree as follows:  
  
 1. DEFINITIONS  
  
 The following terms shall have the following meanings when  
 capitalized herein:  
  
 1.1 "Business Day" means a day on which banks are open for business  
 in San Diego, California and in the Territory  
  
 1.2 "Facility" means a "Spa Thira" facility which has been  
 approved by ThermoLase for the practice of the SoftLight Procedures.  
  
 1.3 "Improvement" means any improvement, enhancement or  
 modification to the Technology, whether developed by ThermoLase,  
 Franchisee or any third party.  
  
 1.4 "Licensed Technology" means the inventions claimed in the  
 Patents, including Improvements, together with any and all know-how,  
 trade secrets and other information relating to the SoftLight Procedure  
 and SoftLight Laser, as described in Exhibit A.  
  
 1.5 "Patents" means (i) the patents and patent applications listed  
 on Exhibit A attached hereto, (ii) any subsequent patent application by  
 ThermoLase having one or more claims covering Improvements, (iii) any  
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 divisions, reissues, continuations, renewals and extensions of any of  
 said patents or patent applications, and (iv) any patent issuing upon any  
 of the foregoing.  
  
 1.6 "SoftLight Laser" means a laser designed by ThermoLase for use  
 with a lotion in the removal of unwanted human hair and the exfoliation  
 or rejuvenation of skin.  
  
 1.7 "SoftLight Lotion" means the lotion approved by ThermoLase for  
 use in the SoftLight Procedures.  
  
 1.8 "SoftLight Marks" means ThermoLase's SoftLight and Spa Thira   
 service marks and the trade name "ThermoLase".  
  
 1.9 "SoftLight Procedures" means the removal of unwanted human hair  
 and the exfoliation or rejuvenation of skin using one or more SoftLight  
 Lasers and the SoftLight Lotion.  
  
 1.10 "User Manual" means the SoftLight manual provided by ThermoLase  
 to Franchisee (or to Franchisee's Subfranchisee), setting forth, among  
 other things, the protocols for the SoftLight Procedures, procedures to  
 be followed with respect to the use and operation of the SoftLight  
 Lasers, guidelines for personnel training, operation and maintenance  
 procedures for a Facility, and procedures for establishing and  
 maintaining a common "look and feel" between each Facility and other  
 locations at which ThermoLase permits the operation of SoftLight Lasers  
 under the name Spa Thira , as such User Manual may be amended by  
 ThermoLase from time to time. In the event that Franchisee believes that  
 compliance with any provision of the User Manual would be in violation of  
 local law, Franchisee may provide ThermoLase with an opinion of local  
 counsel to such effect and ThermoLase will consider in good faith the  
 modification of the User Manual applicable to Franchisee to avoid such  
 violation.  
  
  
 2. GRANT OF FRANCHISE; FACILITIES  
  
 2.1 Grant of Franchise. ThermoLase grants to Franchisee an  
 exclusive license and franchise to practice the SoftLight Procedures in  
 the Territory at one or more Facilities. Franchisee shall have the right  
 to appoint one or more subfranchisees (the "Subfranchisees") to practice  
 the SoftLight Procedures in the Territory at the Facilities pursuant to a  
 Subfranchise Agreement in a form approved by ThermoLase, provided that  
 Franchisee shall guaranty and be liable to ThermoLase for any violation  
 by Subfranchisee of the terms of such Subfranchise Agreement or the terms  
 of this Agreement applicable to Subfranchisee.  
  
 2.2 Facilities. Each Facility established by Franchisee or  
 Subfranchisee in accordance with this Agreement shall conform to the  
 designs and specifications of a Spa Thira as determined by ThermoLase in  
 its sole discretion, and shall contain furnishings and fixtures  
 appropriate to said standards. Franchisee agrees at all times to  
 operate and maintain each Facility in accordance with the User Manual or,  
 in the case of Subfranchisee, to ensure that Subfranchisee complies with  
 such restrictions. ThermoLase shall have the right to inspect and approve  
  
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 each Facility before equipping it with SoftLight Lasers and allowing such  
 Facility to perform the SoftLight Procedures, and the right to inspect  
 any and all Facilities at any time during the term of this Agreement to  
 ensure that they are being operated in accordance with the User Manual  
 and the designs and specifications established by ThermoLase.  
  
 2.3 Procedures. Franchisee acknowledges and understands that the  
 safety and efficacy of the SoftLight Procedures are dependent upon strict  
 compliance with the provisions of the User Manual. Franchisee covenants  
 and agrees to ensure that the SoftLight Procedures are performed in a  
 safe and appropriate manner by properly trained personnel in full  
 compliance with the User Manual and all applicable laws, rules, orders,  
 ordinances and regulations of any governmental or other public authority.  
  
 2.4 Client Consents. Xxxxxxxxxx agrees to obtain, directly or  
 through Subfranchisee, a signed Informed Consent Release, in a form  
 reasonably satisfactory to ThermoLase, from each client on whom the  
 SoftLight Procedures are performed. Franchisee will establish and  
 enforce procedures to ensure that proper and complete confidential  
 medical records are maintained in the manner required by applicable law  
 and regulations with respect to all persons on whom the SoftLight  
 Procedures are performed, and, in the event of Subfranchise, Franchisee  
 shall inspect and confirm that Subfranchisee complies with this provision  
 to the extent permitted by local law and professional rules of conduct.  
  
  
 3. LICENSE AND OWNERSHIP OF TECHNOLOGY  
  
 3.1 Grant of License: ThermoLase grants to Franchisee, upon the  
 terms and subject to the conditions set forth in this Agreement, an  
 exclusive, non-transferable license, under the Patents and all other  
 ThermoLase intellectual property in the Licensed Technology, to perform  
 the SoftLight Procedures at Facilities in The Territory in accordance  
 with the protocols set forth in the User Manual. Franchisee shall have  
 the right to sublicense the foregoing rights to the Subfranchisee  
 pursuant to the Subfranchise Agreement.  
  
 3.2 Ownership of Licensed Technology. Franchisee acknowledges that  
 ThermoLase owns all right, title and interest in and to the Patents and  
 the Licensed Technology, and Franchisee agrees that it will not, at any  
 time, do or cause to be done any act or thing contesting or in any way  
 impairing or tending to impair the Patents or Licensed Technology or any  
 part of such right, title or interest of ThermoLase. Franchisee shall  
 not in any manner represent that Franchisee has ownership of the Licensed  
 Technology or Patents, and acknowledges that Franchisee's use of the  
 Licensed Technology shall not create in Franchisee any right, title or  
 interest in or to the Licensed Technology, except for the rights granted  
 to Franchisee by the express terms of this Agreement.  
  
 3.3 Franchisee Improvements. Franchisee shall disclose promptly to  
 ThermoLase any and all Improvements to the Licensed Technology developed  
 or discovered by Franchisee or Subfranchisee or their officers, employees  
 or agents. Subject to locally applicable rules or requirements, all such  
 Improvements shall be the property of ThermoLase, and Franchisee hereby  
 assigns all right, title and interest in and to such Improvements, and  
  
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 all patent, copyright, trademark, trade secret and other intellectual  
 property rights therein, to ThermoLase, as they are developed. Franchisee  
 shall, at ThermoLase's request, execute and deliver all certificates,  
 waivers, applications, assignments and other instruments as ThermoLase  
 may reasonably request in order to effectuate the assignment of  
 Improvements to ThermoLase as described above. All employees of  
 Franchisee shall waive all moral rights with respect to works of  
 authorship constituting Improvements created by them. To the extent  
 permitted by local law, Franchisee will enter into, and cause  
 Subfranchisee to enter into, agreements with its employees to ensure  
 compliance with the provisions of this Section 3.3. If such assignment  
 is not possible under local law, the parties shall agree in good faith on  
 an arrangement to enable ThermoLase to benefit from the full economic and  
 technical value of such improvements at no cost to ThermoLase.  
  
 3.4 ThermoLase Improvements. In the event that ThermoLase develops  
 or acquires Improvements that it provides to its franchisees generally,  
 it shall provide such Improvements to Franchisee at its then prevailing  
 charges. Such Improvements shall be deemed to constitute Licensed  
 Technology for all purposes hereunder.  
  
 3.5 Future Patents. ThermoLase shall have the exclusive right, at  
 its sole expense, to make all decisions and take all actions relating to  
 the filing and prosecution of additional patent applications relating to  
 the Licensed Technology and the Improvements. If Franchisee requests  
 ThermoLase to pursue particular patent protection in The Territory  
 relating to the Licensed Technology, then, notwithstanding ThermoLase's  
 exclusive ownership of such patent, Franchisee shall be responsible for  
 all costs of preparing, prosecuting and maintaining such patent in The  
 Territory.  
  
  
 4. SOFTLIGHT EQUIPMENT AND SUPPLIES  
  
 4.1 SoftLight Lasers.  
  
 a. ThermoLase agrees to rent to Franchisee up to ten (10)  
 SoftLight Lasers for use in Facilities in the Territory on ThermoLase's  
 standard rental terms and conditions and at its standard rental rates.  
 Franchisee acknowledges that ownership of and title to such SoftLight  
 Lasers shall remain with ThermoLase, and Franchisee shall take no action  
 adverse to ThermoLase's title to and interest in such SoftLight Lasers.  
 Franchisee shall not directly or indirectly create or suffer to exist any  
 mortgage, security interest, attachment, writ or other lien or  
 encumbrance on the SoftLight Lasers, and will promptly, at its own  
 expense, discharge any such lien or encumbrance that may arise.  
 Xxxxxxxxxx agrees, and agrees to cause Subfranchisee, not to remove,  
 obscure or otherwise alter any labeling present on any SoftLight Laser at  
 the time of delivery thereof. Franchisee, at its expense, shall take all  
 steps necessary to record the SoftLight Lasers as owned by ThermoLase, so  
 as to avoid potential attachment by third party creditors.  
  
 b. After Franchisee or Subfranchisee, if designated by  
 Franchisee, has successfully completed ThermoLase's training course  
 relating to the performance of the SoftLight Procedures, ThermoLase shall  
  
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 use commercially reasonable efforts to complete shipment of the SoftLight  
 Lasers to a Facility within thirty (30) days after Franchisee's request  
 for such shipment, provided that Franchisee has completed or, in the  
 event of subfranchise, supervised, all of the modifications necessary to  
 the Facility to prepare the Facility as a Spa Thira in accordance with  
 the specifications established by ThermoLase. Franchisee agrees to pay  
 all costs and expenses associated with the shipment of such SoftLight  
 Lasers from ThermoLase to the Facilities, including without limitation  
 freight, insurance, customs duties and related charges and taxes.  
  
 4.2 Installation. As soon as reasonably practicable after delivery  
 of the SoftLight Lasers, ThermoLase shall install, or cause to be  
 installed, at no additional charge to Franchisee or Subfranchisee, as the  
 case may be, the SoftLight Lasers at the Facilities; provided, however,  
 that ThermoLase shall have no obligation to install the SoftLight Lasers  
 unless the installation site (i) meets the specifications approved by  
 ThermoLase, (ii) remains accessible to ThermoLase throughout the period  
 of installation and (iii) is otherwise safe and appropriate for  
 installation of the SoftLight Lasers. ThermoLase, or its designated  
 agent or subcontractor, shall perform all unpacking of the SoftLight  
 Lasers at the Facility. Upon installation thereof, ThermoLase, or its  
 designated agent or subcontractor, shall perform ThermoLase's standard  
 acceptance test procedures to confirm that the SoftLight Lasers operate  
 in substantial conformance with the applicable specifications.  
  
 4.3 Unauthorized Installation, Reinstallation or Relocation. Any  
 installation or reinstallation of any SoftLight Laser performed by any  
 person other than ThermoLase, or its designated agent or subcontractor,  
 without the prior written consent of ThermoLase, shall constitute a  
 breach of this Agreement by Franchisee. Franchisee shall not relocate,  
 and shall not permit Subfranchisee to relocate, the SoftLight Lasers  
 installed in the Facility without the prior written consent of  
 ThermoLase. Any such relocation consented to by ThermoLase shall be  
 performed by ThermoLase, or its designated agent or subcontractor.  
 Franchisee hereby irrevocably releases ThermoLase from all liability for  
 any and all claims, losses, costs and damages to the extent arising from  
 or in connection with the unauthorized installation, reinstallation or  
 relocation of any SoftLight Laser.  
  
 4.4 Technical Assistance. During the first year of the term of  
 this Agreement, ThermoLase shall provide to Franchisee (or to  
 Subfranchisee, if so designated by Franchisee) up to an aggregate of one  
 hundred (100) person hours of support and assistance in connection with  
 the establishment and operation of the Facilities. ThermoLase shall not  
 charge for such support services, except that Franchisee shall be  
 responsible for all travel and out of pocket expenses incurred by  
 ThermoLase and its personnel in providing such services. Any direct  
 costs and expenses for additional support and assistance shall be borne  
 by the Franchisee.  
  
 4.5 Service and Maintenance.  
  
 (a) During the warranty period for each SoftLight Laser,  
 ThermoLase agrees, provided it is promptly notified of the discovery of  
 any defect, to repair or replace, at ThermoLase's option, such defective  
  
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 SoftLight Laser or any component thereof, so as to cause the same to  
 operate in substantial conformance with the User Manual when subjected to  
 normal, proper and intended usage by properly trained personnel, all in  
 accordance with the Use Manual. Such repair or replacements shall be at  
 ThermoLase's expense, except that Franchisee shall pay all costs and  
 expenses associated with the shipment of such SoftLight Lasers, including  
 without limitation freight, insurance, customs duties and related charges  
 and taxes. Franchisee agrees to make SoftLight Lasers installed in the  
 Facility available to ThermoLase for inspection at any reasonable time  
 and to cooperate reasonably with ThermoLase in the performance of its  
 obligations hereunder. Because of the importance of safe and effective  
 operation of the SoftLight Lasers in compliance with applicable laws and  
 regulations, it is understood and agreed that Franchisee shall not  
 undertake to provide, or contract with any party other than ThermoLase  
 (or ThermoLase's designated agent or subcontractor) to provide,  
 maintenance or other services of any nature with respect to any SoftLight  
 Laser. ThermoLase shall have the right to subcontract its obligations  
 under this Section 4.5.  
  
 (b) ThermoLase shall not be responsible for costs of service  
 or maintenance with respect to SoftLight Lasers that is necessitated by  
 or related to (i) misuse, fault or negligence of or by Franchisee or its  
 Subfranchisee, agents, employees, representatives or contractors, or (ii)  
 use of the SoftLight Lasers in an operating environment inconsistent with  
 the User Manual or in combination with equipment, software or other  
 products not supplied by ThermoLase.   
  
 (c) ThermoLase shall furnish reasonable levels of off-site  
 telephone support, in the form of consultations, assistance and advice on  
 the use and maintenance of SoftLight Lasers. As required, in  
 ThermoLase's discretion, ThermoLase may replace or repair malfunctioning  
 SoftLight Lasers. Replacement parts may be new or refurbished, at the  
 election of ThermoLase. If, at any time after arrival at the Facility,  
 ThermoLase's service representatives are unable to proceed with the  
 performance of service or maintenance requested hereunder due to delays  
 caused by Franchisee, its agents, employees, representatives or  
 contractors, Franchisee shall reimburse ThermoLase upon demand for such  
 delays at ThermoLase's then prevailing rates.  
  
 4.6 Replacement SoftLight Lasers. ThermoLase shall have the right  
 to substitute modified or replacement versions of the SoftLight Laser for  
 any SoftLight Laser then installed in a Facility. In such event,  
 ThermoLase shall arrange for the delivery and installation of a new  
 SoftLight Laser at, and removal of the replaced SoftLight Laser from, the  
 Facility at ThermoLase's expense, except that Franchisee shall pay all  
 costs and expenses associated with the shipment of such SoftLight Lasers,  
 including without limitation freight, insurance, customs duties and  
 related charges and taxes.  
  
 4.7 SoftLight Lotion. ThermoLase will sell to Franchisee (or to  
 the Subfranchisee, if designated by Franchisee) SoftLight Lotion for use  
 in connection with the performance of the SoftLight Procedures under the  
 terms of this Agreement pursuant to the Supply Agreement. Franchisee  
 acknowledges and understands that the composition of the SoftLight Lotion  
 has been carefully developed in order to maximize the safety and   
  
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 AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.  
  
 effectiveness of the SoftLight Procedures in compliance with applicable  
 laws and regulations, and Franchisee covenants and agrees not to (i)  
 modify the same in any manner or (ii) use a SoftLight Laser in the  
 absence of the SoftLight Lotion or otherwise in conjunction with any  
 lotion, gel, compound or other substance which has not been approved in  
 advance and in writing by ThermoLase as complying with applicable laws  
 and regulations and satisfying ThermoLase's safety and efficacy standards  
 with respect to the use of SoftLight Lasers. ThermoLase reserves the  
 right to modify, from time to time during the term of this Agreement, the  
 SoftLight Lotion supplied to Franchisee (or to Subfranchisee designated  
 by Franchisee) hereunder.  
  
 4.8. Other Supplies. All other supplies required in connection with  
 the performance of the SoftLight Procedures at the Facilities shall be  
 provided by Franchisee or Subfranchisee at their sole cost and expense,  
 including without limitation, smoke evacuator filters, waxing equipment  
 and supplies, and lotions and cleansers; provided, however, that  
 ThermoLase reserves the right to inspect such supplies and to impose  
 minimum standards with respect to such supplies, which ThermoLase  
 considers, in its reasonable discretion, to be necessary in order to  
 satisfy ThermoLase's safety and efficacy standards with respect to the  
 use of SoftLight Lasers.  
  
  
 5. PAYMENT OF FEES AND ROYALTIES  
  
 5.1 Fees and Royalties.  
  
 (a) In consideration of the rights and licenses granted to  
 Franchisee pursuant to this Agreement, Franchisee shall pay to  
 ThermoLase: (i) a one-time, non-refundable fee of One Million United  
 States Dollars (US$1,000,000), due at the time of execution of this  
 Agreement, and (ii) percentage royalties as provided in paragraph (b)  
 below (the "Royalties").  
  
 (b) Royalties shall be payable quarterly within 45 days  
 following the end of each calendar quarter in the amount of \*\*\*\*\*\*  
 \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*  
 \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*. The Royalty shall be increased by \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*  
 \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*for any Facility in a country in which ThermoLase has  
 filed a patent application covering the Licensed Technology. Each  
 payment of Royalties shall be accompanied by a written report, in detail  
 reasonably satisfactory to ThermoLase, specifying the method of  
 calculation of the Royalties for the applicable quarter. Any fees or  
 Royalties that are not paid when due shall bear interest from the due  
 date until paid at the lesser of (i) the rate of 1.5% per month or (ii)  
 the maximum rate allowed by applicable law.  
  
 (c) It is understood and agreed that Franchisee shall have the  
 right to determine, in its sole discretion, the fees to be charged by  
 Franchisee to its clients in connection with the performance of the  
 SoftLight Procedures, and the sublicense fees to be charged to the  
 Subfranchisee, if any.  
  
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 (d) The Royalties, fees and all other amounts payable pursuant  
 to this Agreement are exclusive of any and all present and future  
 federal, national, state, local, municipal and other excise, sales, use,  
 property, value-added or similar taxes and fees, all of which shall be  
 paid by Franchisee. Franchisee shall obtain and provide to ThermoLase  
 any certificate of exemption or similar document required to exempt any  
 transaction under this Agreement from any such tax or fee.  
  
 (e) The Royalties, fees and all other amounts payable pursuant  
 to this Agreement shall be payable in United States Dollars. To the  
 extent that revenues generated at a Facility are in a currency other than  
 United States Dollars, such revenues shall be converted into United  
 States Dollars, for the purposes of calculating Royalties payable to  
 ThermoLase hereunder, at the average exchange rate during the relevant  
 quarter as published in the New York edition of the Wall Street Journal.  
  
 5.2 Financial Records. Franchisee shall keep and maintain, or  
 shall cause its Subfranchisee to keep and maintain, with respect to each  
 Facility and for a period of not less than five (5) years after the  
 expiration or earlier termination of this Agreement, complete and  
 accurate books and records (collectively, the "Financial Records")  
 covering all financial and other information required in connection with  
 the determination of the Royalties payable hereunder. Franchisee's  
 computation of and booking of revenue shall be in accordance with United  
 States generally accepted accounting principles, consistently applied;  
 all other books and records of Franchisee must be maintained in  
 accordance with accounting principles generally accepted in the relevant  
 jurisdiction of the Territory, consistently applied. Franchisee shall  
 engage an internationally recognized accounting firm to provide an annual  
 audit and accounting of the business to ThermoLase.  
  
 5.3 Audit Rights. At any time during normal business hours and  
 upon reasonable notice, ThermoLase, or an independent certified public  
 accountant designated by ThermoLase, shall have the right, at  
 ThermoLase's expense, to audit and inspect the Financial Records at the  
 offices of Franchisee for the purpose of verifying the accuracy thereof  
 and the payment of Royalties required to be made by Franchisee under the  
 terms of this Agreement. If, as a result of such audit or inspection,  
 ThermoLase shall determine that the Royalties paid by Franchisee to  
 ThermoLase with respect to the period covered by such audit or inspection  
 are less than the Royalties payable hereunder by Franchisee to ThermoLase  
 with respect to said period, ThermoLase shall promptly furnish to  
 Franchisee a copy of such audit or inspection report (the "Deficiency  
 Report") setting forth the amount of the deficiency (the "Deficiency")  
 and showing, in reasonable detail, the basis upon which the Deficiency  
 was determined. Franchisee shall pay to ThermoLase, within thirty (30)  
 days following receipt of the Deficiency Report a sum equal to the  
 Deficiency together with interest thereon at the lesser of 1.5% per month  
 or the maximum rate allowed by applicable law, calculated from the date  
 when such amount was originally due through the date of payment. If the  
 Deficiency is an amount equal to or greater than five percent (5%) of the  
 amounts payable by Franchisee to ThermoLase with respect to the period  
 covered by such audit or inspection, Franchisee shall promptly reimburse  
 ThermoLase upon demand for the reasonable cost of such audit or  
 inspection. ThermoLase shall exercise the same degree of care to  
  
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 safeguard the confidentiality of the Financial Records as ThermoLase  
 would exercise in safeguarding its own similar confidential information;  
 provided, however, that ThermoLase shall be entitled to use the Financial  
 Records in any proceeding to enforce its rights pursuant to this  
 Agreement or as may be otherwise required by law.  
  
  
 6. USE OF SOFTLIGHT AND SPA THIRA SERVICE MARKS  
  
 6.1 Promotional Activities.   
  
 (a) Franchisee agrees to use its best efforts, to the extent  
 permitted by applicable law and regulations, or to cause the  
 Subfranchisee to use its best efforts, to promote the performance of the  
 SoftLight Procedures at the Facilities. Franchisee shall have the right  
 (and shall have the right to sublicense Subfranchisee) to use the  
 SoftLight Marks in connection with promotional activities relating to the  
 performance of SoftLight Procedures at the Facilities, provided it  
 obtains ThermoLase's prior written approval and acknowledges ThermoLase's  
 rights in and to the SoftLight Marks by (i) referring to the same at all  
 times as service marks of ThermoLase in any signage, advertising, press  
 release, article, publication or other promotional material, document or  
 broadcast referencing the SoftLight Marks and by (ii) including the  
 proprietary marking "SM" after SoftLight and Spa Thira each time they are  
 used by Franchisee (or Subfranchisee) in any printed or electronic media.  
 In any and all descriptions of or references to the SoftLight Procedures,  
 Franchisee and Subfranchisee shall use no descriptive name or mark other  
 than SoftLightSM, Spa ThiraSM, and "ThermoLase".   
  
 (b) ThermoLase shall have the right to review and pre-approve  
 (or reject) all promotional and advertising materials relating to the  
 SoftLight Procedures or SoftLight Lasers which are prepared by Franchisee  
 or its Subfranchisee, consultants, contractors, agents, and which are not  
 based substantially on materials provided by ThermoLase. Franchisee  
 shall not include in any such promotional or advertising materials any  
 claims, facts, data or representations relating to the SoftLight  
 Procedures or SoftLight Lasers which are not provided in writing by  
 ThermoLase or approved in writing by ThermoLase.  
  
 6.2 Ownership of SoftLight Marks. Franchisee acknowledges that  
 ThermoLase (i) has the exclusive right, title and interest in and to the  
 SoftLight Marks and (ii) shall have the exclusive right to apply for  
 registration, and to extend existing registrations, of the SoftLight  
 Marks for use in connection with the SoftLight Procedures, the Facilities  
 or otherwise. Franchisee will not register, or cause or permit to be  
 registered in the name of any entity other than ThermoLase, the SoftLight  
 Marks or any trademark, trade name or service mark confusingly similar  
 thereto, with any federal, national, supra-national, state, municipal or  
 other governmental authority of any jurisdiction, whether within or  
 outside the United States or The Territory. Franchisee will not use or  
 associate the SoftLight Marks with any other trademark, trade name or  
 service mark in any advertising or publicity utilized by Franchisee in  
 connection with the SoftLight Procedures, the Facilities or otherwise in  
 such manner as to be misleading with respect to the ownership of the  
 SoftLight Marks. Xxxxxxxxxx further agrees not to create a composite  
  
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 trademark, trade name or service mark with the SoftLight Marks, except in  
 each instance with ThermoLase's prior written consent which ThermoLase  
 acting in its sole discretion may withhold. Xxxxxxxxxx agrees that every  
 use of the SoftLight Marks shall inure to the ultimate benefit of  
 ThermoLase. Franchisee shall not remove or obscure or alter in any  
 manner the SoftLight Marks or any notice thereof, which may be displayed  
 on the SoftLight Lasers, the SoftLight Lotion, a Facility, the User  
 Manual or any other documentation provided by ThermoLase hereunder.  
  
 6.3 Quality Controls and Assurance.   
  
 (a) Franchisee agrees that any services provided by Franchisee  
 based on performance of the SoftLight Procedures pursuant to this  
 Agreement shall be of a quality at least equal to the quality of similar  
 services provided by ThermoLase or its other franchisees at facilities   
 at which ThermoLase or its other franchisees provide such services.  
  
 (b) In addition, in order to comply with ThermoLase's quality  
 control standards, Franchisee shall: (i) use the SoftLight Marks in  
 compliance with all relevant laws and regulations; and (ii) accord  
 ThermoLase the right to inspect during normal business hours, without  
 prior advance notice, the Facilities in order to confirm that  
 Franchisee's use of the SoftLight Marks is in compliance with this  
 Agreement.  
  
 (c) Franchisee agrees that its failure to comply with the  
 quality standards described in this Article 6 shall constitute a material  
 breach of this Agreement.  
  
 6.4 Translation of Documentation. To the extent required by law,  
 Franchisee shall translate, at its own expense, or cause Subfranchisee to  
 translate, the User Manual, all technical manuals, advertising and  
 marketing information and other documentation provided by ThermoLase into  
 the French language and provide ThermoLase with advance copies of all  
 such materials for approval; provided, however, that Franchisee shall  
 take full responsibility for any mistakes or inaccuracies in such  
 translations. All right, title and interest in and to such translations  
 shall be owned by ThermoLase, and Franchisee hereby assigns all right,  
 title and interest in and to such translations, and all copyright,  
 trademark and other intellectual property rights therein, to ThermoLase,  
 as they are developed. Franchisee shall, at ThermoLase's request,  
 execute and deliver all certificates, applications, assignments and other  
 instruments as ThermoLase may reasonably request in order to effectuate  
 the assignment of Improvements to ThermoLase as described above. All  
 employees of Franchisee shall waive all moral rights with respect to  
 works of authorship in such translations created by them. To the extent  
 permitted by local law, Franchisee will enter into, and cause  
 Subfranchisee to enter into, agreements with its employees to ensure  
 compliance with the provisions of this Section 6.4.  
  
  
 7. TRAINING  
  
 7.1 Training Program. Xxxxxxxxxx agrees that all officers,  
 employees, agents or independent contractors of Franchisee or  
  
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 Subfranchisee who will be involved in the performance of the SoftLight  
 Procedures at a Facility will complete the training program offered by  
 ThermoLase prior to performing the SoftLight Procedures at a Facility.  
 Franchisee shall be required to pay the cost of the training course at  
 ThermoLase's then prevailing standard rates and all related travel and  
 other expenses associated with its personnel attending the training  
 course.  
  
 7.2 User Manual. ThermoLase agrees to provide to Franchisee, at no  
 additional charge, one copy of the User Manual for each Facility operated  
 by Franchisee or its Subfranchisee. Franchisee acknowledges that the User  
 Manual is copyrighted material of ThermoLase and cannot be reproduced in  
 whole or in part, except to translate it into French in accordance with  
 Section 6.4 above. ThermoLase will consider requests for additional  
 copies of the User Manual.  
  
  
 8. EXCLUSIVITY  
  
 Franchisee agrees that, during the term of this Agreement,  
 Franchisee shall not offer or perform, either directly or indirectly, at  
 any facility or location any hair removal or exfoliation or skin-  
 rejuvenation process or offer any similar service other than the  
 SoftLight Procedures and such other processes and services as may be  
 expressly permitted by the User Manual.  
  
  
 9. CONFIDENTIALITY  
  
 9.1 Franchisee acknowledges and agrees that ThermoLase has  
 disclosed, and shall continue to disclose, to Franchisee in connection  
 with the use of the Licensed Technology and performance of this Agreement  
 certain confidential information of ThermoLase regarding its business  
 operations, trade secrets, know-how, customer information, pricing,  
 marketing data and other information of a confidential nature relating to  
 the Licensed Technology and the SoftLight Procedures, including, without  
 limitation, the terms of this Agreement (collectively, the "ThermoLase  
 Confidential Information"). In addition, ThermoLase acknowledges and  
 agrees that Franchisee may disclose to it during the term of this  
 Agreement certain confidential information of Franchisee regarding its  
 business operations, trade secrets, know-how, customer information,  
 pricing, marketing data and other information of a confidential nature  
 (the "Franchisee Confidential Information").  
  
 9.2 The Confidential Information of each party shall remain the  
 sole and exclusive property of such party, and the other party shall have  
 no interest or rights with respect thereto, except to the extent  
 expressly provided in this Agreement. Each party agrees to maintain the  
 confidentiality of the Confidential Information of the other party,  
 provided, however, that Franchisee shall have the right to disclose such  
 information to its sublicensees who have a need to know such information  
 and who have agreed in writing to maintain the confidentiality thereof in  
 a manner no less restrictive than that required under this Agreement.  
 Notwithstanding the foregoing provisions of this Article 9, the receiving  
 party shall have the right to disclose any information that it can  
  
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 demonstrate (i) was rightfully possessed by the receiving party before it  
 was received from the disclosing party, (ii) is or becomes public  
 otherwise than through any act or default of the receiving party, or  
 (iii) is required by law, court order or stock exchange rule to be  
 disclosed, provided the receiving party notifies the disclosing party in  
 writing prior to making any such disclosure so as to afford to ThermoLase  
 a reasonable opportunity to object or seek an appropriate protective  
 order with respect to such disclosure.  
  
  
 10. INSURANCE.  
  
 10.1 Franchisee shall maintain (or, if all Facilities in The  
 Territory are operated by Subfranchisee, then Franchisee shall cause  
 Subfranchisee to maintain) the following policies of insurance in effect  
 throughout the term of this Agreement and for three years thereafter and  
 shall provide to ThermoLase certificates of insurance evidencing the  
 existence of the same upon request by ThermoLase:  
  
 (a) Commercial general liability insurance, including the  
 broad form endorsement, written on an occurrence basis with bodily injury  
 and property damage limits of not less than One Million United States  
 Dollars (US$1,000,000) per occurrence and Three Million United States  
 Dollars (US$3,000,000) annual aggregate, and a deductible not to exceed  
 Two Thousand Five Hundred United States Dollars (US$2,500); and  
  
 (b) Professional liability insurance written on an occurrence  
 basis with limits of not less than One Million United States Dollars  
 (US$1,000,000) per occurrence and Three Million United States Dollars  
 (US$3,000,000) annual aggregate, and a deductible not to exceed Two  
 Thousand Five Hundred United States Dollars (US$2,500).  
  
 Any policy limits and deductibles stated in a currency other than United  
 States Dollars shall be converted into United States Dollars at the  
 exchange rate published in the New York edition of The Wall Street  
 Journal from time to time.  
  
 10.2 All insurance required to be carried by Franchisee pursuant to  
 this Article 10 shall be issued by insurers of recognized responsibility,  
 licensed to do business in the location in which the Facilities are  
 located and reasonably acceptable to ThermoLase, and shall include  
 ThermoLase as an additional named insured. Franchisee agrees that any  
 insurance policy obtained and maintained in accordance with this Article  
 10 shall include a provision stating that such policy may not be canceled  
 without thirty (30) days prior written notice to ThermoLase. Franchisee  
 shall notify ThermoLase in writing no less than sixty (60) days prior to  
 the non-renewal or other material change in the provisions of any such  
 insurance. In the event of such cancellation, ThermoLase shall have the  
 right to terminate this Agreement effective immediately and without the  
 requirement of notice to Franchisee.  
  
 10.3 In the event that the types of coverage described in this  
 Article 10 are not available in the Territory or portions thereof, then  
 Franchisee shall obtain insurance as close as possible to such coverages  
 and which is acceptable to ThermoLase, in its absolute discretion.  
  
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 11. INDEMNIFICATION  
  
 11.1 By Franchisee. Subject to the provisions of Article 12 below,  
 Franchisee shall indemnify, defend and hold harmless ThermoLase, its  
 parents, subsidiaries and affiliates, and their respective officers,  
 directors, shareholders and employees, from and against any and all  
 actions, causes of action, suits, claims, or demands by, or damages,  
 liabilities, costs and expenses (including without limitation reasonable  
 attorneys' fees and disbursements and court costs) to, a third party to  
 the extent arising from or in connection with (i) the negligence  
 (including without limitation professional malpractice) or willful  
 misconduct of Franchisee or its Subfranchisee, their agents, employees,  
 representatives or contractors; (ii) failure of Franchisee or its  
 Subfranchise to perform the SoftLight Procedures in accordance with the  
 protocols set forth in the User Manual; (iii) failure to operate and  
 maintain each Facility in accordance with the User Manual; or (iv) any  
 employee, agent or representative of Franchisee or its Subfranchisee  
 under any applicable termination, labor, social security or other similar  
 laws or regulations.  
  
 11.2 Procedures. The indemnified party shall provide prompt written  
 notice of any third party claim to the indemnifying party. The  
 indemnifying party shall have the right to assume exclusive control of  
 the defense of such claim or, at the option of the indemnifying party, to  
 settle the same provided that no settlement that imposes any obligation  
 on the indemnified party or affects the indemnified party rights under  
 this Agreement may be made without the prior written consent of the  
 indemnified party. The indemnified party agrees to reasonably cooperate  
 with the indemnifying party in connection with the performance of the  
 indemnifying party's obligations under this Article. In the event that  
 the indemnifying party fails to perform its defense obligations  
 hereunder, the indemnified party shall have the right to do so at the  
 indemnifying party's expense.  
  
 11.3 Enforcement of Intellectual Property Rights. Franchisee shall  
 promptly advise ThermoLase upon becoming aware of any infringement or  
 threatened infringement of any of the Licensed Technology or the  
 SoftLight Marks or any claim that the Licensed Technology or the  
 SoftLight Marks infringe the intellectual property rights of another  
 party. ThermoLase, in its sole discretion, shall determine the  
 appropriate action, if any, to be taken with respect to any such  
 infringement and shall have the right to exclusive control of any  
 enforcement suit or proceeding. Franchisee shall cooperate with  
 ThermoLase with respect to any enforcement, including, without  
 limitation, joining as a party to any litigation, if required. The costs  
 and expenses of such action shall be borne solely by Franchisee.  
  
  
 12. LIMITATION OF LIABILITY; REMEDIES  
  
 12.1 Consequential Damages. Notwithstanding anything to the  
 contrary contained in this Agreement, including without limitation the  
 provisions of Article 11 above, neither party hereto shall be liable to  
  
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 the other for any indirect, special, consequential, incidental or  
 punitive damages (including without limitation damages for loss of use of  
 facilities or equipment, loss of revenue, loss of profits or loss of  
 goodwill) regardless of (i) the negligence (either sole or concurrent) of  
 either party and (ii) whether either party has been informed of the  
 possibility of such damages.  
  
 12.2 No Warranty. THERMOLASE PROVIDES HEREIN NO WARRANTY OF  
 MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OF NON-  
 INFRINGEMENT, OR AS TO THE RESULTS THAT MAY BE ATTAINED BY THE  
 PERFORMANCE, PRACTICE OR OPERATION OF THE SOFTLIGHT PROCEDURES, INCLUDING  
 WITHOUT LIMITATION THE SOFTLIGHT LASERS.  
  
 12.3 Aggregate Liability. Notwithstanding anything to the contrary  
 contained in this Agreement, the aggregate liability of ThermoLase to  
 Franchisee for any matter arising out of or in connection with this  
 Agreement or the subject matter hereof (whether directly or indirectly  
 and whether by reason of breach of contract, tort or otherwise) shall be  
 limited to a maximum amount equal to the total aggregate fees and  
 Royalties theretofore paid by Franchisee to ThermoLase hereunder.  
 ThermoLase shall have no liability whatsoever hereunder to any  
 Subfranchisee, agent, employee, contractor, consultant or customer of  
 Franchisee, or any other person or entity other than Franchisee.  
  
 12.4 Equitable Relief. Notwithstanding any other provision of this  
 Agreement to the contrary, due to the fact that the unauthorized use,  
 transfer or dissemination of the ThermoLase Confidential Information or  
 the Licensed Technology, or the improper use thereof in violation of the  
 User Manual and/or applicable law or regulations, would diminish  
 substantially the value thereof and cause irreparable harm to ThermoLase  
 which could not be adequately addressed by monetary damages, if  
 Franchisee breaches any of the provisions of Articles 3, 6 or 9 of this  
 Agreement, ThermoLase shall be entitled, without limiting its other  
 rights or remedies, to obtain equitable relief to prevent or restrain  
 such breach, including without limitation injunctive relief.  
  
  
 13. TERM AND TERMINATION; RESTRICTIVE COVENANT  
  
 13.1 Term. The initial term of this Agreement ("Term") shall  
 commence on the Effective Date and shall continue until December 31,  
 2012, unless sooner terminated as set forth herein, and shall be  
 renewable by Franchisee for successive one-year renewal terms upon the  
 delivery of written notice of renewal to ThermoLase at least sixty (60)  
 days prior to the end of the initial term or the applicable renewal term,  
 as the case may be, so long as Franchisee is in full compliance with all  
 terms and conditions of this Agreement.  
  
 13.2 Termination.   
  
 (a) This Agreement may be terminated by ThermoLase:  
  
 (i) in the event of a breach by Franchisee of any  
 obligation hereunder that is not cured within thirty (30) days following  
 written notice thereof; or  
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 CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES  
 AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.  
  
 (ii) in the event of the occurrence of a change in control  
 of Franchisee which has, or in the reasonable opinion of ThermoLase could  
 have, a material adverse effect on the business, prospects or operations  
 of Franchisee and the failure of Franchisee to promptly pursue (within  
 thirty (30) days after receiving written notice thereof from ThermoLase)  
 a remedy designed to cure (in the reasonable judgment of ThermoLase)  
 ThermoLase's objections to such change; or  
  
 (iii) immediately, in the event Franchisee contests  
 the validity of the Patents, the Licensed Technology or the ownership  
 thereof by ThermoLase; or  
  
 (iv) at any time after the \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*  
 \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*, upon thirty (30) days' prior written notice to  
 Franchisee, if (1) Franchisee does not have operating for commercial  
 service at least \*\*\*\*\*\*\*\* Facilities or (2) if Franchisee does not pay  
 ThermoLase Royalties of at least $\*\*\*\*\*\*\*\*\*\*\* during any calendar quarter  
 ending after the \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*.  
  
 (b) This Agreement may be terminated without cause by  
 Franchisee upon one hundred eighty (180) days written notice to  
 ThermoLase.  
  
 13.3 Termination Upon Occurrence of Certain Events. ThermoLase may  
 terminate this Agreement, effective immediately and without the  
 requirement of any notice if Franchisee: (i) files for or consents to a  
 general assignment for the benefit of creditors, (ii) files a petition in  
 bankruptcy or liquidation, or is adjudicated bankrupt or insolvent or  
 takes similar actions under the laws of any jurisdiction for the general  
 benefit of creditors of an insolvent or financially troubled debtor, or  
 (iii) is the subject of an involuntary bankruptcy or insolvency  
 proceeding which is not fully dismissed within forty-five (45) days.  
  
 13.4 Additional Termination Rights of ThermoLase. This Agreement  
 may be terminated by ThermoLase, effective immediately upon written  
 notice to Franchisee, in the event that (i) the marketing clearance  
 granted to ThermoLase by the U.S. Food and Drug Administration (the  
 "FDA") or any regulatory authority in the Territory with respect to the  
 SoftLight Procedures is revoked, rescinded or suspended for any reason,  
 or any adverse regulatory action is undertaken by the FDA or any  
 regulatory authority in the Territory with respect to the validity or  
 scope of such marketing clearance, or (ii) any claim is asserted against  
 ThermoLase alleging that the Licensed Technology, or any portion thereof,  
 or the SoftLight Marks are being used by Franchisee in a manner which  
 infringes a patent or other intellectual property rights owned by a third  
 party and ThermoLase and Franchisee are unable to agree as to how to  
 resolve such claim after consulting with each other for a period of not  
 less than ten (10) Business Days.  
  
 13.5 Effect of Termination. Upon expiration or earlier termination  
 of this Agreement for any reason, all rights and obligations of the  
 parties under this Agreement shall cease, except that Franchisee shall be  
 obligated to pay to ThermoLase all outstanding fees and Royalties that  
 are payable with respect to the period prior to the effective date of   
  
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 such expiration or earlier termination. Upon such expiration or earlier  
 termination, Franchisee shall cease all use of the SoftLight Marks and  
 the Licensed Technology, and ThermoLase shall have free access to all  
 User Manuals and any other materials in Franchisee's possession that are  
 related to the Licensed Technology or the SoftLight Marks. The SoftLight  
 Lasers shall be returned to ThermoLase free of all liens and encumbrances  
 and in good working order and repair. Upon the expiration or earlier  
 termination of this Agreement, Franchisee will be deemed to have  
 assigned, transferred or conveyed to ThermoLase any and all rights and  
 goodwill in or to the SoftLight Marks that may have been obtained or  
 developed by Franchisee, and Franchisee will, without any consideration  
 other than the mutual covenants and agreements of this Agreement, execute  
 and deliver such instruments and other documents as may be requested by  
 ThermoLase to accomplish such assignment, transfer and conveyance, or to  
 preserve and secure the rights of ThermoLase (or its parents,  
 subsidiaries or affiliates) in and to the SoftLight Marks. Upon the  
 expiration or earlier termination of this Agreement, Franchisee shall  
 immediately remove all signs and other markings from each Facility which  
 indicate any connection to the SoftLight Procedures, SoftLight Lasers,  
 the SoftLight Marks or ThermoLase.  
  
 13.6 Restrictive Covenant. Franchisee agrees that, in the event  
 that this Agreement expires or is terminated pursuant to Section 13.2,  
 13.3, or 13.4 Franchisee shall not, in the Territory, offer or perform,  
 directly or indirectly, commercial laser, light-source or electrolysis  
 based hair-removal or skin exfoliation or rejuvenation services for a  
 period of twenty-four (24) months following the effective date of  
 expiration or termination.  
  
 13.7 No Rights to Compensation Upon Expiration or Termination. In  
 the event of a termination pursuant to any of the provisions of this  
 Agreement or upon expiration of this Agreement, ThermoLase shall not have  
 any obligation to Franchisee or to its Subfranchisee, or to any employee  
 of Franchisee or Subfranchisee, for compensation or for damages of any  
 kind, on account of the loss by Franchisee or Subfranchisee or such  
 employee of present or prospective sales, investments, compensation or  
 goodwill. Franchisee, for itself and on behalf of each of its employees,  
 hereby waives any rights which may be granted to it or them under the  
 laws and regulations of The Territory or otherwise which are not granted  
 to it or them by this Agreement.  
  
 13.8 Survival. Notwithstanding anything to the contrary contained  
 herein, the provisions of Sections 3.2, 3.3, 5.2, 5.3, 6.2, 9, 10, 11,  
 12, 13.5, 13.6, 13.7 and 14 of this Agreement shall survive any  
 expiration or earlier termination of this Agreement according to their  
 respective terms.  
  
  
 14. MISCELLANEOUS  
  
 14.1 Relationship of the Parties. The parties acknowledge that no  
 relationship of partnership, joint venture or employment is created by  
 this Agreement and that neither party shall have any right, power or  
 authority to act for or to bind the other party in any way except to the  
 extent expressly provided in this Agreement. Without in any way limiting  
  
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 the foregoing, Franchisee shall be solely responsible at all times during  
 the term of this Agreement for all aspects of the professional services  
 delivered at each Facility and for the selection, training, professional  
 direction, supervision and employment of all persons, who are licensed,  
 registered or certified by the jurisdiction in which each Facility is  
 located to perform such services (collectively, the "Professional  
 Staff"). No provision of this Agreement is intended, nor shall it be  
 construed, to permit ThermoLase to affect or influence the professional  
 judgment of any member of the Professional Staff involved in the  
 performance of the SoftLight Procedures at a Facility.  
  
 14.2 Franchisee Operations. Franchisee shall comply with all  
 national, supra-national, provincial and local laws, rules, orders,  
 ordinances and regulations of any governmental or other public authority  
 applicable to the operation of each Facility, including, without  
 limitation, the performance of the SoftLight Procedures.  
  
 14.3 Notices. Whenever by the terms of this Agreement, notice,  
 demand or other communication shall or may be given to either party, the  
 same shall be in writing and, addressed if to Franchisee at the address  
 set forth at the beginning of this Agreement and if to ThermoLase at  
 ThermoLase Corporation, 00000 Xxxxxxx Xxxxxx Xxxxx, Xxx Xxxxx, XX 00000,  
 XXX, Attn: President; with a copy to General Counsel, Thermo Electron  
 Corporation, 00 Xxxxx Xx., Xxxxxxx, XX 00000- 0000 XXX, or to such other  
 address or addresses as shall from time to time be designated by written  
 notice by either party to the other as herein provided. All notices  
 shall be sent by registered or certified air mail, postage prepaid and  
 return receipt requested, or by Federal Express or other comparable  
 courier providing proof of delivery, and shall be deemed duly given and  
 received (i) if mailed, on the tenth (10th) Business Day following the  
 mailing thereof, or (ii) if sent by courier, the date of its receipt (or,  
 if such day is not a Business Day, the next succeeding Business Day).  
  
 14.4 Governing Laws. This Agreement shall be governed by and  
 construed in accordance with the laws of the State of New York,  
 excluding: (i) its conflict of laws principles; (ii) the United Nations  
 Convention on Contracts for the International Sale of Goods; and (iii)  
 the 1974 Convention on the Limitation Period in the International Sale of  
 Goods (the "1974 Convention") and the Protocol amending the 1974  
 Convention, done at Vienna April 11, 1980. Notwithstanding the  
 application of the laws of the State of New York, Franchisee agrees that  
 ThermoLase shall have no obligation to provide Franchisee with any  
 information or disclosures relating to the Licensed Technology, the  
 SoftLight Procedures or the operation of a Spa Thira except as set forth  
 herein and in the User Manual. In particular, Franchisee waives, and  
 releases ThermoLase from, any obligation to comply with the Disclosure  
 Requirements and Prohibitions concerning Franchising and Business  
 Opportunity Ventures of the United States Federal Trade Commission or any  
 similar provisions existing under the laws of the State of New York.  
  
 14.5 Dispute Resolution.  
  
 a. Mediation. In the event of any dispute, controversy or  
 claim arising out of or relating to this Agreement or to a breach hereof,  
 including its interpretation, performance or termination, the parties  
  
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 agree to follow the procedures set forth in this Section 14.5. First,  
 the parties shall identify in writing the point on which they cannot  
 agree (the "Disputed Point") and the respective positions of each party  
 with respect to such point. The parties will refrain from making a  
 decision on the Disputed Point for a period of up to two weeks. During  
 such 2-week period, the parties will (i) consult with one another in good  
 faith with the goal of resolving the Disputed Point, (ii) engage a  
 mutually acceptable impartial mediator who is fluent in both English and  
 French (the "Mediator") to assist them in finding a mutually agreeable  
 solution to the Disputed Point, (iii) study the economic or commercial  
 bases on which each of the parties has based its position and the issues  
 raised by each of the parties in respect of the Disputed Point, and (iv)  
 cooperate with the Mediator in examining alternative solutions to the  
 Disputed Point. The costs and expenses of the Mediator shall be shared  
 equally by the parties. The parties will meet at the end of such 2-week  
 period for the sole purpose of discussing and voting on the Disputed  
 Point. The Mediator shall conduct the meeting and begin it with a  
 summary of the situation, the nature of the Disputed Point and any  
 proposed solutions, while reminding the parties of the consequences of  
 the continuation of the dispute. The parties will use their good faith  
 best efforts to agree on a solution prior to or during such meeting.  
  
 b. Arbitration. In the event that a Disputed Point cannot be  
 resolved by the mediation procedure described in Section 14.5(a) above,  
 then such Disputed Point, shall be finally resolved by arbitration. The  
 arbitration shall be conducted by one (1) arbitrator fluent in French and  
 English, with experience in international commercial joint ventures, to  
 be appointed by the presiding officer of the London Court of  
 International Arbitration ("LCIA"). The arbitration shall be conducted  
 in English, under the supervisory authority of the LCIA, and in  
 accordance with the LCIA arbitration rules. Multiple arbitrations between  
 the parties and their Affiliates relating to the same transaction or  
 series of transactions may be aggregated in the same arbitration  
 proceeding. The arbitration, including the rendering of the award, shall  
 take place in London, England, and shall be the exclusive forum for  
 resolving such dispute, controversy or claim. The decision of the  
 arbitrator shall be binding upon the parties hereto, and the expense of  
 the arbitration (including without limitation the award of reasonable  
 attorneys' fees to the prevailing party) shall be paid as the arbitrator  
 determines. The decision of the arbitrator shall be executory, and  
 judgment thereon may be entered by any court of competent jurisdiction.  
 Notwithstanding the foregoing, nothing in this section 14.5(b) shall be  
 construed as limiting in any way the right of a party to seek injunctive  
 relief with respect to any actual or threatened breach of this Agreement  
 from a court of competent jurisdiction.  
  
 14.6 Entire Agreement. This Agreement, together with all exhibits  
 and schedules hereto, constitutes the sole and entire agreement between  
 ThermoLase and Franchisee with respect to the subject matter hereof,  
 supersedes all prior agreements between the parties either written or  
 oral and shall not be supplemented, amended, varied or modified in any  
 manner except (i) by an instrument in writing signed by duly authorized  
 representatives of both parties; or (ii) by ThermoLase amending and/or  
 supplementing the User Manual, as described above. Notwithstanding the  
 foregoing, the parties do not intend this Agreement to supersede or alter  
  
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 the agreements that they may have entered into with respect to activities  
 outside the Territory.  
  
 14.7 Waiver. No delay or omission on the part of either party to  
 this Agreement in requiring performance by the other party or in  
 exercising any right hereunder shall operate as a waiver of any provision  
 hereof or of any right hereunder, and the waiver, omission or delay in  
 requiring performance or exercising any right hereunder on any one  
 occasion shall not be construed as a bar to or waiver of such performance  
 or right on any future occasion.  
  
 14.8 Remedies Cumulative. Any and all rights and remedies which  
 either party may have under this Agreement, at law or in equity, shall be  
 cumulative and shall not be deemed inconsistent with each other, and any  
 two or more of all such rights and remedies may be exercised at the same  
 time insofar as permitted by law.  
  
 14.9 Headings. Article and Section headings and the organization of  
 this Agreement are for descriptive purposes only and shall not control or  
 alter the meaning of this Agreement.  
  
 14.10 Costs. Except as otherwise expressly provided herein,  
 each party shall bear its own costs and expenses in performing its  
 obligations under this Agreement. In the event that one party to this  
 Agreement commences an arbitration or other action against the other  
 party to this Agreement, the prevailing party shall be entitled to  
 recover its costs resulting from such arbitration or action from the  
 non-prevailing party.  
  
 14.11 Force Majeure. Neither party shall be deemed to be in  
 default under this Agreement if prevented from performing any obligation  
 hereunder (other than a payment obligation) for any reason beyond its  
 reasonable control, including without limitation Acts of God, war, civil  
 commotion, fire, flood or casualty, labor difficulties, shortages of or  
 inability to obtain labor, materials or equipment, governmental  
 regulations or restrictions, or unusually severe weather. In any such  
 case, the parties agree to negotiate in good faith with the goal of  
 preserving this Agreement and the respective rights and obligations of  
 the parties hereunder, to the extent reasonably practicable. It is  
 agreed that financial inability shall not be a matter beyond a party's  
 reasonable control.  
  
 14.12 Successors and Assigns. This Agreement is personal to  
 Franchisee and has been entered into in reliance upon the competence and  
 skill of Franchisee. Accordingly, except as expressly permitted herein,  
 Franchisee may not assign this Agreement without the prior written  
 consent of ThermoLase, which consent may be withheld in ThermoLase's sole  
 and absolute discretion. ThermoLase may assign this Agreement upon  
 written notice to Franchisee. This Agreement shall be binding upon and  
 shall inure to the benefit of the parties hereto and their respective  
 successors and permitted assigns.  
  
 14.13 Authority. The individuals executing this Agreement  
 hereby represent and warrant that they are empowered and duly authorized  
 to so execute this Agreement on behalf of the parties they represent.  
  
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 14.14 Severability. If any provision of this Agreement is  
 declared invalid or unenforceable by a court or other tribunal having  
 competent jurisdiction, it is mutually agreed that this Agreement shall  
 endure except for the part declared invalid or unenforceable by order of  
 such court or tribunal. The parties shall consult and use their best  
 efforts to agree upon a valid and enforceable provision which shall be a  
 reasonable substitute for such invalid or unenforceable provision in  
 light of the intent of this Agreement.  
  
 IN WITNESS WHEREOF, the parties hereto have executed this Agreement  
 under seal as of the date first set forth above.  
  
  
  
 THERMOLASE CORPORATION XXXX XXXXXXX  
  
  
 By: Xxxx Xxxxxx Xxxx Xxxxxxx  
 ------------------------- ----------------------------  
 Name: Xxxx X. Xxxxxx Xxxx Xxxxxxx  
 Title: President and CEO  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
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 CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES  
 AND EXCHANGE COMMISSION. ASTERISKS DENOTE OMISSIONS.  
  
 EXHIBIT A  
  
 Licensed Technology  
 -------------------  
  
 United States Patents  
  
 5,226,907 Hair Removal Device and Method  
 5,425,728 Hair Removal Device and Method  
 5,423,803 Skin Surface Peeling Process using Laser  
  
 United States Patent Applications  
  
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 European Patent Applications  
  
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 Patent Cooperation Treaty ("PCT") Applications  
  
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 Other Patents. As patent applications that cover the Licensed Technology  
 are filed and issue in the Territory, they shall constitute Patents under  
 this Agreement.  
  
 Other Licensed Technology  
  
 ThermoLase's trade secrets and know how relating to the inventions  
 covered by the above patents, the operation and maintenance of the  
 SoftLight Lasers and the performance of the SoftLight Procedures, as  
 described more fully in the User Manual and the training to be provided  
 by ThermoLase to Franchisee.