

the Franchise Agreement, whichever occurs first (the “**Term**”). Any action by Franchisee to revoke the appointment of Company before the end of such period on less than six (6) months written notice, shall be deemed a material breach of this Agreement.

1.3 Termination.

1.3.1 Franchisee shall have the right to terminate this Agreement on thirty (30) days written notice if Company at any time during the Term fails to supply Franchisee with sufficient quantities of Food Products to meet the needs of Franchisee’s customers. The Company will, however, only be deemed to have failed to meet the needs of Franchisee’s customers if during any ninety (90) day period Company fails to deliver at least ninety percent (90%) of the Food Products ordered by Franchisee (by number of pieces ordered) to the Centre within an average of thirty (30) days from the date the order is received by Company. The Company shall not be deemed to have failed to meet the needs of Franchisee’s customers if any failure to deliver Food Products is due to the failure of Franchisee to make timely orders or timely payments for Food Products as required by this Agreement, or due to any force majeure or other incident or event beyond Company’s control.

1.3.2 Franchisee shall have the right to terminate this Agreement upon fifteen (15) days written notice if Company is in material breach of any term or condition hereof, which breach remains uncured for a period of thirty (30) days after Company’s receipt of written notice from Franchisee with respect to any such breach; provided, however, that this right to terminate is conditioned on Franchisee being current with respect to all amounts then due to Company, Franchisor and any of their affiliates.

1.3.3 This Agreement shall automatically terminate upon termination of the Franchise Agreement.

1.3.4 Any material breach of the Agreement shall constitute a material breach of the Franchise Agreement entitling Franchisor to all of its remedies thereunder as well as hereunder.

2. FOOD PRODUCTS SALE TERMS

2.1 Basic Price Formula. Company shall purchase Food Products from suppliers and make such Food Products available to Franchisee at prices equal to the greater of thirty four percent (34%) of Company’s suggested retail charge (excluding discounts) for such Food Products in Weight Loss and Weight Management Centres owned and operated by Company, Franchisor or any of their affiliates (“**Company Centres**”), or one hundred five percent (105%) of Company’s net cost from its supplier(s) with respect to such Food Products.

2.2 Price Changes. Nothing in Section 2.1 or elsewhere shall be construed to restrict Company’s freedom to increase the retail charges for Food Products in Company Centres, nor shall anything herein be construed to tie the cost of Food Products provided hereunder to Franchisee’s retail charges for such Food Products to its customers.

2.3 Payment Terms. Franchisee shall pay for Food Products received (i) within one calendar week seven (7) days from the date of delivery or (ii) prior to shipment of Franchisee's next Food Products order, whichever is earlier. In the event that payment for Food Products is not received within seven (7) days from the date of delivery, payment shall be deemed past due and shall bear interest at two percentage points (2%) above the prime rate published from time to time by Bank of America (or its successor) or at the maximum rate allowed by law, whichever is less. If requested by Company, Franchisee shall establish an arrangement for electronic funds transfer or deposit of any payments required under this Agreement. Franchisee shall execute Company's current form of "Authorization Agreement for Prearranged Payments (Direct Debits)," a copy of which is attached to the Franchise Agreement as Exhibit FA-5, and Franchisee shall comply with the payment and reporting procedures specified by Company. Company may also refuse to ship further Food Products ordered by Franchisee until past due amounts are paid in full. If Franchisee submits more than one (1) check which is returned for insufficient funds during any calendar year, Company shall have the right on request to require payment for Food Products in the form of certified or cashiers' checks. This provision does not authorize or excuse any late payment or dishonored check or otherwise waive any right of Company to collect full payment for any Food Products.

2.4 Credits. Franchisee shall receive a credit for all damaged or defective Food Products delivered to it by or through Company, Franchisor or any of their affiliates, whether such damage or defect is discovered by Franchisee, its customers or otherwise; provided, however, that such damage or defect does not arise out of, and is not in any way related to, the negligence of Franchisee or any of its affiliates or any of their respective shippers, customers, or employees.

3. FREIGHT AND DELIVERY

3.1 Delivery and Freight. Company shall ship Food Products to Franchisee. Shipment shall be FOB Company's warehouse selected at Company's sole discretion. Company shall use best efforts to deliver Food Products ordered by Franchisee within ten (10) business days after receipt of each order from Franchisee. Food Products shall be at the risk of Franchisee upon delivery to carrier at Company's warehouse. Franchisee shall pay all freight, handling, and insurance charges from Company's warehouse to the point of delivery.

3.2 Payment Failure. If delivery of an order is delayed because of nonpayment, a returned or dishonored check, or any other reason within the control of Franchisee, Franchisee shall prepay all extra freight, handling and insurance costs to receive that order.

4. MEDIATION/DISPUTE RESOLUTION

4.1 Mediation. Before any party may bring an action in court against the other, the parties must first meet to mediate the dispute (except as otherwise provided below). Any such mediation shall be non-binding and shall be conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes.

4.1.1 The non-binding mediation provided for hereunder shall be commenced by the party requesting mediation (the “**complainant**”) providing written notice of the request for mediation (the “**request**”) to the party with whom mediation is sought (the “**respondent**”). The request shall specify with reasonable particularity the matter or matters on which non-binding mediation is sought. A copy of the request shall be given by the complainant simultaneously to Company if Company is not a complainant or respondent.

4.1.2 Non-binding mediation commenced hereunder shall be concluded within sixty (60) days of the issuance of the request or such longer period as may be agreed upon by the parties in writing. All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatever. Complainant and respondent shall each bear their own costs of mediation, and each shall bear one-half the cost of the mediator or mediation service.

4.2 Company Actions. Notwithstanding the provisions of Section 4.1, Company shall have the right to proceed to any court of competent jurisdiction and seek appropriate remedies, including, but not limited to, damages, repossession, foreclosure, specific performance, and injunctive relief, in the following instances:

4.2.1 Conduct or threatened conduct which may cause Company or its trade names or trademarks irreparable harm;

4.2.2 Franchisee’s infringement, misuse or inappropriate use of Company’s trade names or trademarks (including but not limited to actions seeking relief under the Trademark Act of 1946, as amended), copyrights, trade dress, trade secrets, or other proprietary or confidential information;

4.2.3 Any actions by Company as secured creditor under applicable law under any promissory notes, equipment lease, or other secured obligation; and

4.2.4 Any actions by Company under applicable bankruptcy law.

4.3 Consent to Jurisdiction. Any mediation or litigation relating in any way to this Agreement shall be conducted in the state in which Company maintains its principal place of business. By execution and delivery of this Agreement, Franchisee hereby irrevocably waives, to the fullest extent permitted by law, any objection that Franchisee may now or hereafter have to the laying of venue in the state in which Company maintains its principal place of business, and any claim that such venue is an inconvenient forum. Notwithstanding the foregoing, nothing herein shall limit the right of Company to commence any action of the kind described in Section 4.2, above, in courts other than those that are located in the state in which Company maintains its principal place of business.

5. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State in which Company maintains its principal place of business (without giving effect to the conflict of laws rules of that State); provided, however, that if a provision of this Agreement is unenforceable under such law, such provision shall be governed by and construed under the laws of the State in which the Centre is located.

6. LEGAL FEES AND COSTS

If without the commencement of arbitration or litigation, Company incurs any legal expenses, costs or attorneys' fees in connection with either the collection of any sums due under this Agreement or the enforcement of Franchisee's compliance with this Agreement, or as a result of Franchisee's breach of this Agreement, Franchisee shall pay such legal expenses, costs and attorneys' fees. If Company commences arbitration or litigation to collect any sums due under this Agreement, or to enforce Franchisee's compliance with this Agreement, or as a result of Franchisee's breach of this Agreement, the prevailing party in such arbitration or litigation and in any appeals from the judgment rendered in such arbitration or litigation shall be entitled to recover the full amount of all of its legal expenses, costs and attorneys' fees incurred in such arbitration or litigation.

7. ASSIGNMENT

Neither this Agreement nor the rights, duties or obligations arising hereunder shall be assignable or delegable by Franchisee without the express prior written consent of Company. Company shall have the right at any time to assign this Agreement, and any rights and obligations in this Agreement, in whole or in part, in any manner and for any purpose to any person, firm, corporation or other entity, including but not limited to any affiliate, subsidiary or other entity related to Company. Upon full assignment or Transfer of this Agreement to a third party, Franchisor shall automatically be released from all future obligations hereunder.

8. FORCE MAJEURE

Franchisee and Company shall not be deemed to be in default of their obligations hereunder, other than any obligation of Franchisee to pay money to Company, if such obligations are delayed or become impossible due to act of God, war, earthquake, fire, accident, civil commotion, act of government, its agencies or officers or any other similar cause beyond the control of the parties hereto.

9. NO OFFSET

No amounts due to Company under this Agreement shall be subject to any right of offset by Franchisee.

10. TIME OF ESSENCE

Franchisee's timely performance of each and all of Franchisee's obligations is of the essence of this Agreement.

11. ENTIRE AGREEMENT

This Agreement is the entire agreement among the parties concerning its subject matter and supersedes all other agreements, understandings, negotiations and discussions pertaining to such subject matter.

12. AMENDMENT

No amendment of any provision in this Agreement shall be effective unless an instrument stating the amendment has been signed by both parties. No provision of this Agreement can be waived except by an express instrument in writing signed by the party to be bound thereby.

13. SEVERABILITY

If any provision of this Agreement is unenforceable, the remainder of this Agreement shall continue in effect.

14. INTERPRETATION

Wherever herein appearing, unless repugnant to the context:

14.1 Except as otherwise specifically provided herein, words importing the singular shall be deemed to include the plural and vice versa.

14.2 "**Company**" shall mean Jenny Craig Operations, Inc., its agents, successors in title and permitted assigns, permitted transferees and those claiming through or under them, respectively.

14.3 "**Franchisee**" shall mean the entity (or person) designated as Franchisee in the first paragraph of this Agreement, its successors in title and permitted assigns, permitted transferees and those claiming through or under them, respectively.

14.4 The masculine, feminine and neuter gender shall include each other.

14.5 The section headings contained in this Agreement are for purposes of convenient reference only and shall not affect the meaning or interpretation of this Agreement.

14.6 The provisions of this Agreement shall be interpreted according to their fair meanings and not strictly for or against either party.

15. LIMITATION OF LIABILITY

Under no circumstances shall either party be liable for any indirect, incidental, punitive, exemplary, special or consequential damages or statutory multiples of damages (such as statutory treble damages) suffered by the other party or any other person arising out of or related to this Agreement or the performance or non-performance of its obligations hereunder, regardless of whether or not such party has been advised of the possibility of such damages. Nothing contained herein or elsewhere in this Agreement shall act to limit liability to Franchisor for the indemnification obligations of Franchisee set forth in any franchise agreement between the parties.

16. NOTICES

16.1 Franchisee shall immediately notify Company in the manner specified below in Section 16.2 in the event of any complaints or recalls from any Federal, State or local agencies regarding the Food Products, or any allegations of spoilage or other health and safety issues related to the Food Products. In addition, Franchisee must not comment, remark, or make any statements regarding such complaints, recalls or claims, and shall direct any media inquiries directly to Company.

16.2 All notices or other communications in connection with this Agreement shall be in writing, and shall be considered given when personally delivered or when delivered to the addressee by registered or certified mail, postage prepaid, return receipt requested, or when delivered to the addressee via commercial courier or telecopier directed as follows (or directed to such other address or telecopier as instructed by the recipient in accordance with this Section 16):

Company: Jenny Craig Operations, Inc. and
Jenny Craig Products, Inc.
5770 Fleet Street
Carlsbad, California 92008
Attention: President
Telecopier: _____

and

Jenny Craig, Inc. and
Jenny Craig Franchising, LLC
5770 Fleet Street
Carlsbad, California 92008
Attention: General Counsel
Telecopier: _____

Franchisee:

Attention: _____

Telecopier: () ____ - ____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

Company

Franchisee Entity

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

**JENNY CRAIG
FRANCHISE AGREEMENT**

EXHIBIT FA-8

LEASE RIDER

THIS LEASE RIDER is made and entered into _____, 200__ BY
AND AMONG _____ (the "Landlord"), _____ (the
"Tenant"), and Jenny Craig Franchising, LLC, a Delaware limited liability company, whose
principal place of business is _____ ("JC").

RECITALS:

- A. This Lease Rider supplements and forms part of the attached Lease Agreement between the Landlord and the Tenant dated _____ (the "Lease") for the premises situated at _____ (the "Premises") to be used by the Tenant as a Weight Loss and Weight Management Centre.
- B. This Lease Rider is entered into in connection with JC's approval of the location of the Premises as a Weight Loss and Weight Management Centre and the grant of a franchise to the Tenant pursuant to a Franchise Agreement dated _____, 200__ (the "Franchise Agreement").
- C. This Lease Rider is intended to provided JC the opportunity to reserve the Premises as a Weight Loss and Weight Management Centre under the circumstances set out below and to assure the Landlord that JC exercises the option set out below on the basis that any defaults of the Tenant under the Lease will be cured by JC before it takes possession of the Premises.
- D. The Landlord agrees that JC shall have the right but not the obligation to assume the Lease of the Premises on the terms, covenants and conditions contained in this Lease Rider.

THE PARTIES HEREBY AGREE:

1. UPON DEFAULT OF TENANT UNDER THE LEASE

1.1 The Landlord agrees to send to JC copies of any Notice of Default that are given to the Tenant concurrently with the giving of such Notices to the Tenant. If the Tenant fails to cure any defaults within the period specified within the Notices, the Landlord shall promptly give to JC further written Notice specifying the defaults that the Tenant has failed to cure. JC shall have forty-five (45) days following receipt of the second written Notice to exercise its right to enter a new Lease on the same terms as apply to this Deed of Lease by written notice to the Landlord and the Tenant and in the event that JC does exercise such right, then the circumstances described in clause 1.2 below shall apply.

1.2 The provisions of this clause 1.2 shall take effect if and when JC exercises its rights pursuant to clause 1.1 above. JC shall cure the defaults and/or begin paying rent upon the Landlord delivering possession of the Premises to JC. If it becomes necessary for the Landlord to pursue legal remedies in order to remove the Tenant and deliver possession of the premises, JC shall, upon written request of the Landlord, pay into the trust account of the Landlord's lawyer to be held upon escrow on an "at call" interest-bearing account, such amounts as are necessary to cure the Tenant's defaults. If the Landlord is unable to deliver possession of the Premises to JC within nine (9) months following the date of exercise referred to in clause 1.0 above, JC shall hereafter have the right, at any time, until the Landlord delivers possession of the Premises, to rescind the option exercise by written notice to the Landlord whereupon all amounts held in escrow including accrued interest shall be returned to JC.

2. UPON TERMINATION OF THE FRANCHISE AGREEMENT

If the Franchise Agreement is terminated for any reason during the term of the Lease or any extension or renewal of the Lease, and if JC shall desire to assume the Lease, JC shall promptly give the Landlord written notice to this effect. Within thirty (30) days after receipt of such notice the Landlord shall give JC written notice specifying any defaults of the Tenant under the Lease and the provisions of clause 4.3 below shall apply.

3. UPON NON-RENEWAL OF THE LEASE TERM

If the Lease contains term renewal or extension right(s) and if the Tenant allows the term to expire without exercising such right(s), the Landlord shall give JC written notice to this effect and JC shall have the option for thirty (30) days following receipt of such notice to exercise the Tenant's renewal or extension right(s) on the same terms and conditions as are contained in this Lease. If JC elects to exercise such right(s) it shall notify the Landlord in writing whereupon the Landlord and JC shall promptly execute and exchange an agreement whereby JC assumes the Lease effective at the date of termination of any holding over period by the Tenant to the effect that such extension or renewal term shall have subtracted from it the number of days constituting such holding over period.

4. ADDITIONAL PROVISIONS

4.1 The Tenant agrees that termination of the Franchise Agreement shall be a default under the Lease. In the event of termination of the Franchise Agreement, or if the Tenant fails to timely cure any defaults under the Lease the Tenant shall within ten (10) days after written demand by JC, assign all of its right, title and interest in and to the Lease to JC. If the Tenant fails to do so within the said ten (10) days, the Tenant hereby designates JC as its agent to execute any and all documents, agreements and to take all action as may be necessary or desirable to effect the assignment of the Lease and the relinquishment of any and all of the Tenant's rights thereunder. The Landlord hereby consents to such assignment subject to JC executing an assignment of the Lease and curing all defaults of the Tenant under the Lease before taking possession of the Premises. The Tenant further agrees to promptly and peaceably vacate the Premises and to remove its personal property at the written request of JC. Any

property not so removed by the Tenant within ten (10) days following receipt of such written request shall be deemed abandoned by the Tenant and immediately and permanently relinquished to JC. JC acknowledges that where JC enters into an assignment or sub-letting as referred to in clause 4.5 below it will attempt to procure, if the assignee is a company (other than a listed public company) a Deed of Guarantee in customary form approved or prepared by the landlord from the principal shareholders of the assignee company and (if required by the landlord) by the Directors of the assignee company.

4.2 The Tenant shall be and remain liable to the Landlord for all of its obligations under the Lease, notwithstanding any assignment of the Lease to JC. JC shall be entitled to recover from the Tenant all amounts it pays to the Landlord to cure the Tenant's defaults under the Lease including interest thereon and JC's reasonable collection costs.

4.3 JC, upon taking possession of the Premises, shall concurrently cure the defaults specified by the Landlord in its written notice and shall execute and deliver to the Landlord its assumption of the Tenant's rights and obligations under the Lease. JC shall pay, perform and be bound by all of the duties and obligations under the Lease. JC shall pay, perform and be bound by all of the duties and obligations of the Lease applicable to the Tenant. JC may elect not to be bound by the terms of any amendment to the Lease executed by the Tenant without obtaining JC's prior written approval to such amendment, which approval shall not be unreasonably withheld or delayed.

4.4 After JC assumes the Tenant's interest under the Lease, JC may, at any time, sublet the Premises to a JC franchisee without having to obtain the prior written consent of the Landlord.

4.5 After JC assumes the Tenant's interest under the Lease, JC may, at any time, assign or sublet its interest under the Lease but only with the prior written consent of the Landlord and the usual provisions of the Lease concerning consent shall apply. Upon receipt by the Landlord of an assignment agreement pursuant to which the assignee agrees to assume the Lease and to observe the terms, conditions and agreements on the part of the tenant to be performed under the Lease, JC shall thereupon be released from all liability as tenant under the Lease from and after the date of assignment, without any need of a written acknowledgment of such release by the Landlord.

4.6 If the Lease or Franchise Agreement is terminated and JC fails to exercise its option as described above, the Tenant agrees, upon written demand by JC to de-identify the Premises as a Weight Loss and Weight Management Centre and to promptly remove signs, decor and other items which JC reasonably requests be removed as being distinctive and indicative of a Weight Loss and Weight Management Centre. JC may enter upon the Premises without being guilty of trespass or tort to effect de-identification if the Tenant fails to do so within ten (10) days after receipt of written demand from JC, following termination of the Franchise Agreement or Lease. The Tenant shall pay JC for its reasonable costs and expenses in effecting the de-identification. The Landlord shall not be obligated to JC for such costs unless the Landlord and the Tenant share one (1) or more common owners, partners, beneficiaries or shareholders (as the case may be). The Tenant agrees and accepts that its obligations to the Landlord in respect to the

provisions of the Lease concerning the removal of signage and additions and alterations at the termination of the Lease subsist notwithstanding the right made available to JC pursuant to this clause.

4.7 BY EXECUTING THIS LEASE RIDER TO THE LEASE, JC DOES NOT ASSUME ANY LIABILITY WITH RESPECT TO THE PREMISES OR ANY OBLIGATION AS TENANT UNDER THE LEASE UNLESS AND UNTIL JC EXPRESSLY ASSUMES SUCH LIABILITY AND/OR OBLIGATION AS DESCRIBED ABOVE.

4.8 All notices pursuant to this Lease Rider shall be in writing and shall be personally delivered, sent by registered mail or reputable overnight delivery service or by other means which afford the sender evidence of delivery or rejected delivery to the addresses described above or to such other address as any party to this Deed may, either by written notice, instruct that notices be given.

EXECUTED by the parties as follows:

SIGNED by _____)
as Landlord by its Director)
in the presence of:) _____
Director
(Name of Signatory)

SIGNED by _____)
as Tenant by its Director)
in the presence of:) _____
Director
(Name of Signatory)

SIGNED by JENNY CRAIG)
INTERNATIONAL, INC. by its)
duly authorized officer in the presence of:) _____
Director
(Name of Signatory)

**JENNY CRAIG
FRANCHISE AGREEMENT**

EXHIBIT FA-9

NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

THIS NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

(“Agreement”) is made this ____ day of _____, 200 __, by and between _____ (the “Franchisee”), and _____, who is a Principal, manager, supervisor, member, partner, employee or a person in a managerial position with, Franchisee (the “Member”).

RECITALS:

WHEREAS, Jenny Craig Franchising, LLC (“JC”) owns a format and system (the “System”) relating to the establishment and operation of weight management centres that provide products and services to customers to help them manage their body weight, under the “Jenny Craig” name and marks (the “Centres”);

WHEREAS, JC and Franchisee have executed a Franchise Agreement (“Franchise Agreement”) granting Franchisee the right to operate a Centre and to produce and distribute products and services approved by JC and use the Proprietary Marks in connection therewith under the terms and conditions of the Franchise Agreement;

WHEREAS, the Member, by virtue of his or her position with Franchisee, will gain access to certain of JC’s Confidential Information, as defined herein, and must therefore be bound by the same confidentiality and non-competition agreement that Franchisee is bound by.

IN CONSIDERATION of these premises, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. Confidential Information. Member shall not, during the term of the Franchise Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the business franchised thereunder which may be communicated to Member or of which Member may be apprised by virtue of Franchisee’s operation under the terms of the Franchise Agreement. Any and all information, knowledge, know-how, and techniques which JC designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by JC; or which, at or after the time of disclosure by JC to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others.

2. Covenants Not to Compete.

(a) Member specifically acknowledges that, pursuant to the Franchise Agreement, and by virtue of its position with Franchisee, Member will receive valuable specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of JC and the System.

(b) Member covenants and agrees that during the term of Member's employment with, or ownership interest in, Franchisee, except as otherwise approved in writing by JC, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

(i) Divert or attempt to divert any business or customer of the Centre or of any Centre using the System to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with JC's Proprietary Marks and the System.

(ii) Employ or seek to employ any person who is at that time employed by JC, Franchisee, any other franchisee, master franchisee, developer, or development agent, or otherwise directly or indirectly induce such person to leave his or her employment; or

(iii) Either directly or indirectly for him/herself or on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity, own, maintain, operate, engage in, or have any interest in any business which is the same as or similar to the Centre.

(c) Member covenants and agrees that during the Post-Term Period (defined below), except as otherwise approved in writing by JC, Member shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity, own, maintain, operate, engage in, or have any interest in any business which is the same as or similar to that conducted at the Centre and which business is, or is intended to be, located within a three (3) mile radius of either the Approved Location, the Territory, or any other Weight Loss and Weight Management Centre operating at the time that the obligations under this commence.

(d) As used in this Agreement, the term "Post-Term Period" shall mean a continuous uninterrupted period of two (2) years from the date of: (a) a transfer permitted under Section 12 of the Franchise Agreement with respect to Member; and/or (b) termination of Member's employment with, and/or ownership interest in, Franchisee.

3. Injunctive Relief. Member acknowledges that any failure to comply with the requirements of this Agreement will cause JC irreparable injury, and Member agrees to pay all court costs and reasonable attorney's fees incurred by JC in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

4. Severability. All agreements and covenants contained herein are severable. If any of them, or any part or parts of them, shall be held invalid by any court of competent

jurisdiction for any reason, then the Member agrees that the court shall have the authority to reform and modify that provision in order that the restriction shall be the maximum necessary to protect JC's and/or Franchisee's legitimate business needs as permitted by applicable law and public policy. In so doing, the Member agrees that the court shall impose the provision with retroactive effect as close as possible to the provision held to be invalid.

5. Delay. No delay or failure by the JC or Franchisee to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

6. Third-Party Beneficiary. Member hereby acknowledges and agrees that JC is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Franchisee.

[Signature page to follow]

IN WITNESS WHEREOF, the Franchisee and the Member attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on this ____ day of _____, 200____.

FRANCHISEE

MEMBER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

**JENNY CRAIG
FRANCHISE AGREEMENT**

EXHIBIT FA-10

ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

THIS ASSIGNMENT (the "Assignment") is made and entered into on this _____ day of _____, 200__ (the "Effective Date"), by and between Jenny Craig Franchising, LLC, and _____ a [resident of] [corporation organized in] [limited liability company organized in] _____ and having offices at _____ ("Franchisee"), pursuant to the franchise agreement executed concurrently with this Assignment (the "Franchise Agreement"), under which Franchisor granted Franchisee the right to establish and operate a Weight Loss and Weight Management Centre (as defined in the Franchise Agreement) located at _____ (the "Centre").

Franchisee hereby assigns to Franchisor all of its right, title and interest in and to those certain telephone numbers listed below and regular, classified or other telephone directory listings (collectively, the "Telephone Numbers and Listings") associated with Franchisor's trademarks and service marks and used from time to time in connection with the operation of the Centre at the address provided above. Except as specified herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor notifies the telephone company and/or the listing agencies with which Franchisee has placed telephone directory listings (all such entities are collectively referred to herein as the "Telephone Company") to effectuate the assignment pursuant to the terms hereof.

Jenny Craig Franchising, LLC

Franchisor

Franchisee Entity

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Telephone Numbers:

**JENNY CRAIG
FRANCHISE AGREEMENT**

EXHIBIT FA-11

SOFTWARE LICENSE AGREEMENT

THIS SOFTWARE LICENSE AGREEMENT FOR FRANCHISEES (the “**Agreement**”) is made and entered into on this _____ day of _____, 200____ (the “**Effective Date**”), by and between:

- Jenny Craig Franchising, LLC, a Delaware limited liability company whose principal place of business is 5770 Fleet Street, Carlsbad, California 92008 (“**Company**”); and
- _____ a
[resident of] [corporation organized in] [limited liability company organized in] _____
and having offices at _____
_____ (“**Franchisee**”).

Background

A. Company and Franchisee have entered into a Jenny Craig Franchise Agreement, dated _____ (hereinafter the “**Franchise Agreement**”), pursuant to which Company has granted to Franchisee the right, and Franchisee has accepted the obligation, to establish and operate a franchised weight management centre that provides products and services to customers to help them manage their body weight, under the “Jenny Craig” name and marks (the “**Weight Loss and Weight Management Centre**”) and under Company’s unique format and system (the “**System**”);

B. Company has developed and owns certain customized software which performs various tasks related to the operation of Weight Loss and Management Centres under the System (the “**Proprietary Software**”);

C. The Proprietary Software may include, but is not limited to, sales, client, inventory and financial management programs, and such other components or modifications as Company may make to the Proprietary Software from time to time; and

D. The Franchise Agreement contemplates the license of the Proprietary Software by Company to Franchisee to be installed by Company, its designee, or Franchisee, and used by Franchisee in the operation of the Franchised Business.

NOW THEREFORE, in consideration of the undertakings and commitments of each party to the other party as set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **GRANT.**

A. Subject to the terms and conditions of this Agreement, Company grants to Franchisee, and Franchisee accepts from Company, a personal, non-exclusive, non-transferable license for Franchisee's employees, agents and representatives to use the Proprietary Software at the Weight Loss and Management Centre in connection with such hardware and software listed in Exhibit A attached hereto (hereinafter the "**Designated Equipment**"). Franchisee will, at Franchisee's own expense, implement any upgrades, modifications and additions to the Designated Equipment required by Company within a reasonable time after notification of the requirements by Company. Franchisee also will implement, at Franchisee's expense, any supplemental software modules for and/or upgrades to the Proprietary Software not originally included in this license within a reasonable time after notification of the requirements by Company.

B. Franchisee acknowledges and agrees that the license granted by this Agreement extends solely to the internal use, by the Franchisee or its authorized employees, agents and representatives, of the Proprietary Software with the Designated Equipment. Franchisee will not add to or modify the Proprietary Software without the express written authorization of Company. Any unauthorized modifications, substitutions or additions could cause a malfunction of the Proprietary Software or Designated Equipment, and Franchisee shall be responsible solely for any such malfunction or damages arising therefrom.

C. The use of the Proprietary Software for any purposes other than the Weight Loss and Management Centre pursuant to the Franchise Agreement is strictly prohibited.

D. Franchisee shall not: (i) sell, transfer, rent, lease, license or dispose of the Proprietary Software, or any part or copies thereof; (ii) modify, change, alter, translate, create derivative works from, reverse engineer, disassemble or de-compile the Proprietary Software in any way for any reason or otherwise attempt to discern the source code to the Proprietary Software; (iii) provide, disclose, divulge or make available to, or permit use of the Proprietary Software by, any third party; (iv) copy or reproduce all or any part of the Proprietary Software except to make one (1) copy of the Proprietary Software solely for backup purposes; or (v) use the Proprietary Software other than as specifically permitted in this Agreement.

2. **TERM OF LICENSE.**

A. The term of this Agreement shall begin on the effective date of the Franchise Agreement and, unless terminated earlier pursuant to Section 7 of this Agreement, will terminate automatically upon the termination or expiration of the Franchise Agreement.

B. Upon termination or expiration of this Agreement, Franchisee shall: (i) immediately de-install the Proprietary Software and return the Proprietary Software, including any backup copies, to Company; and/or (ii) if required by Company, permit Company or its designee to de-install the Proprietary Software from Franchisee's computer systems. Upon the request of Company, Franchisee shall certify, in writing, that Franchisee has returned to Company all copies of the Proprietary Software in its possession and has not maintained in its possession, or in the possession of a third party on its behalf, the Proprietary Software.

C. If Franchisee transfers possession of any copy of the Proprietary Software licensed under this Agreement to any party without the prior written consent of Company, Franchisee's license to the Proprietary Software shall automatically terminate.

D. In the event of a transfer in compliance with Section 12 of the Franchise Agreement (hereinafter, a "**Transfer**"), Franchisee shall have the right to assign this Agreement to such transferee if, and only if, the transferee:

(i) Assumes, in writing, this Agreement, or, at Company's option, signs the then-current form of software license agreement; and

(ii) Furnishes Company with a signed copy of the assignment including the assumption by the transferee of the Franchise Agreement, this Agreement and all other obligations of the Franchisee to Company.

In the event of a Transfer, Franchisee shall deliver to the transferee the original versions of the Proprietary Software provided by Company and shall de-install all versions of the Proprietary Software from Franchisee's computer systems and destroy any backup copies of the Proprietary Software. This paragraph shall not be construed or interpreted in any way as granting Franchisee the right to Transfer except as specifically provided in the Franchise Agreement or to make more than one (1) backup copy of the Proprietary Software without the written consent of Company.

E. In the event the Franchise Agreement is renewed in accordance with its terms, Franchisee may renew this license, provided that: (i) Franchisee signs the then-current form of license agreement if required by Company; and (ii) Franchisee pays the license renewal fee in effect at the time of renewal.

3. **FEES.**

A. For and in consideration of periodic upgrades, updates and/or modifications to the Software Product and continuing technical support for the Proprietary Software to the extent defined in this Agreement, Company reserves the right to charge Franchisee a monthly software and systems development and technical support fee. If required, the software and systems development and technical support fee shall be paid to Company each month during the term of this Agreement, in the manner as set forth in Section 4.2 of the Franchise Agreement.

B. All sales, excise and any other federal, state or local taxes (other than personal property taxes imposed on Company and taxes based upon Company's net income) shall be paid or reimbursed by Franchisee as a separate charge.

4. **INSTALLATION, UPGRADES AND SUPPORT.**

A. The Proprietary Software shall be installed on the Designated Equipment by Company, its designee, or Franchisee. Franchisee shall be solely responsible for obtaining, at Franchisee's expense, the Designated Equipment and any on-site installation and networking services in order to make the Designated Equipment and Proprietary Software operational.

B. Franchisee shall accept and use any upgrades, updates, modifications and/or additions to either the Proprietary Software or the Designated Equipment required by Company. Any required updates, upgrades, modifications and additions to the Proprietary Software shall be installed by Company, its designee, or Franchisee.

C. Company will provide or arrange for on-line or telephone hotline support for the Proprietary Software during normal business hours (as determined by Company), or during such additional time periods as Company may determine. Telephone support will address operational problems and questions that can be resolved without on-site assistance or examination of Franchisee's system by a technician.

D. On-site technical support necessitated by a cause other than a malfunction of the Proprietary Software shall be at Franchisee's sole expense. In the event operational problems arise as a result of a malfunction of the Proprietary Software, Company, or its designee, will provide such on-site assistance during normal business hours (as determined by Company) as Company deems necessary to resolve such operational problems with the Proprietary Software at the location of the Franchised Business.

E. Company has no obligation to provide technical support for, or to correct defects or problems with, the Designated Equipment. Franchisee must maintain the Designated Equipment at its own expense.

F. Company will not be responsible or obligated to provide technical support or to correct any problem or defect for any problem or defect resulting from: (i) the acts or omissions of Franchisee and/or a third party; (ii) misuse, improper use, improper installation or alteration to the Proprietary Software by Franchisee or a third party; (iii) use of a version of the Proprietary Software other than the most current version released to Franchisee; (iv) modifications to the Proprietary Software by Franchisee or a third party; or (v) third party software. Technical support provided in connection with any of the foregoing exclusions shall be at Franchisee's sole expense.

5. **PROPRIETARY RIGHTS; CONFIDENTIALITY OF SOFTWARE.**

A. The Proprietary Software licensed to Franchisee hereunder is proprietary to Company. Both during the term of this Agreement and thereafter, all right, title and interest including, without limitation, all copyright, patent, trade secret and other intellectual property and proprietary rights in and to the Proprietary Software (including but not limited to the programs, software design and technologies, database design (including the data in the database), directory/folder structure, user interface design and technologies, system integration, routines, subroutines, concepts, formulas, ideas, specifications, applications and know-how, regardless of the physical object, article, media or documentation in or on which they are embedded) are and shall remain the property of Company. Franchisee acknowledges that the Proprietary Software is deemed a trade secret of Company, whether or not copyrighted.

B. Franchisee shall keep confidential and protect the Proprietary Software from unauthorized disclosure. In this respect, Franchisee shall not directly or indirectly: (i) sell, rent, lease, redistribute, transfer disclose or otherwise make the Proprietary Software available to anyone other than its authorized employees, agents and representatives; (ii) modify, translate,

reverse engineer (except to the limited extent permitted by law), decompile, disassemble, create derivative works based on, sublicense, or distribute any of the Proprietary Software; or (iii) remove any proprietary notice, labels, or marks on or in Proprietary Software.

C. All copyright notices, trademarks and any other proprietary legends or logos appearing on any element or portion of the Proprietary Software, and all updates and new releases thereof, which are supplied to Franchisee must be retained without alteration by Franchisee.

D. Franchisee shall be responsible for compliance with this Section 5 by Franchisee's employees, agents and representatives and shall take such action with its employees, agents and representatives which it deems necessary to give effect to this Section 5.

E. In fulfillment of its confidentiality obligations set forth in this Section 5, upon termination or expiration of this Agreement, Franchisee shall undertake the measures described in Section 2.B above.

6. **LIMITED WARRANTY.**

A. **THE SOFTWARE PRODUCT IS PROVIDED "AS IS", WITHOUT WARRANTY OF ANY KIND OR NATURE. COMPANY HEREBY DISCLAIMS ALL WARRANTIES, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY WARRANTY AGAINST INTERFERENCE WITH A FRANCHISEE'S ENJOYMENT OF THE PROPRIETARY SOFTWARE OR AGAINST INFRINGEMENT.**

B. Company and Company's suppliers of components of the Proprietary Software make no warranty or representation that the functions contained in the Proprietary Software will meet Franchisee's requirements or will operate in the combination selected by Franchisee or that the operation of the Proprietary Software will be uninterrupted or error free.

7. **DEFAULT.**

In the event Franchisee breaches this Agreement or the Franchise Agreement, Company shall have the right and may elect any or all of the following remedies which shall be cumulative and not exclusive:

- (1) declare this Agreement immediately terminated;
- (2) if the default arises out of a failure by Franchisee to observe the confidentiality obligations imposed herein, then it is hereby expressly agreed that Company's remedies at law shall be inadequate and Company may obtain such injunctions and/or affirmative relief as will adequately protect its best interests; and
- (3) pursue each and every other remedy available at law and equity.

8. **INDEMNITY.**

Franchisee shall indemnify and hold Company harmless from any and all claims, costs, expenses, damages, losses and liabilities for damage or injury to persons or property arising out of or related to any use, possession or operation of the Proprietary Software, or the Designated Equipment by Franchisee which is in violation of the terms of this Agreement, and arising out of or related to any other breach of this Agreement by Franchisee. This indemnity shall survive the termination of this Agreement.

9. **LIMITATION OF LIABILITY.**

IN NO EVENT WILL COMPANY BE LIABLE FOR ANY DAMAGES CAUSED BY FRANCHISEE'S FAILURE TO PERFORM FRANCHISEE'S OBLIGATIONS HEREUNDER OR FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOST SAVINGS OR INTERRUPTION OF BUSINESS), ARISING OUT OF THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, THE DELIVERY, USE OR PERFORMANCE OF THE PROPRIETARY SOFTWARE, OR ANY PART THEREOF, EVEN IF COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES, OR FOR ANY CLAIM AGAINST FRANCHISEE BY ANY OTHER PARTY.

10. **FORCE MAJEURE.**

Neither party shall be responsible for delays or failures in performance under this Agreement resulting from acts or occurrences beyond the control of such party which may not be overcome by due diligence, and such performance shall be suspended during the continuance of such act or occurrence. If any such delay or failure shall last, in the aggregate, for a period of more than thirty (30) calendar days, the party not relying on the excusable delay, at its option, may terminate this Agreement without penalty or financial obligation of any kind.

11. **GENERAL PROVISIONS.**

A. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter contained herein, and supersedes any and all previous negotiations, proposals, commitments, writings, advertisements, publications and understandings of any nature whatsoever. By execution hereof, the signer hereby certifies that he/she has read this Agreement and is duly authorized to execute it on behalf of Franchisee.

B. Section headings are inserted for convenience only and shall not be used in any way to construe the terms of the Agreement.

C. This Agreement may not be modified or amended, nor any rights of either party waived, except in a writing, signed by duly empowered and authorized representatives of the parties hereto.

D. Any notice required by this Agreement shall be given in writing, sent either by: (i) certified or registered U.S. Mail, postage prepaid, return receipt requested or (ii) commercial courier service for overnight delivery to the addresses stated at the beginning of

this Agreement, or to such other address as the parties may, from time to time, specify by written notice.

E. In the event that one or more of the provisions contained herein shall be declared invalid, illegal or unenforceable in any respect under any applicable statute or rule of law, then such provisions shall be considered inoperative to the extent of such invalidity, illegality or unenforceability, and the remainder of the Agreement shall continue in full force and effect.

F. This Agreement shall be construed in accordance with, and governed by, the laws of the state in which Company maintains its principal place of business. **ALL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT BY OR BETWEEN COMPANY OR OTHER RELATED PARTIES AND FRANCHISEE OR ITS OWNERS OR OTHER RELATED PARTIES SHALL BE BROUGHT AND CONDUCTED ONLY IN A COURT OF COMPETENT SUBJECT MATTER JURISDICTION LOCATED IN THE STATE IN WHICH COMPANY MAINTAINS ITS PRINCIPAL PLACE OF BUSINESS, AND FRANCHISEE HEREBY SUBMITS TO THE EXCLUSIVE VENUE AND JURISDICTION OF SUCH COURTS.**

By its execution of this Agreement, Franchisee acknowledges that he or she has read this Agreement, understands it, and agrees to be bound by its terms and conditions.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Agreement in duplicate on the day and year first above written.

Jenny Craig Franchising, LLC
Franchisor

Franchisee Entity

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

**EXHIBIT SLA-A TO THE SOFTWARE
LICENSE AGREEMENT**

Currently, we require all Centres to operate using 1-3 (sometimes more) POS-systems called ICAN for the purposes of processing client transactions and maintaining basic client information. For each system, you will need a monitor, keyboard and surge protector (see below). In addition, a laser jet printer is required to support the entire Local Area Network.

Franchisee's cannot install any software on any centre systems. If you are requesting the install of any non-JC deployed software you will need to submit this request in writing with documentation on software description, business need for this product, system requirements and licensing information to the JC – IS department. If approved JC is not responsible to support this installed product and cannot be held liable for any system interruption of this product.

The initial equipment set-up may require the use of a third party for installation / hook-up based on our specifications. Since it is sometimes difficult to obtain these systems, you can either purchase your own based on the following criteria, or you can purchase them from us.

JC1-JC5 (Thin Clients)

Wyse Thin Client
17" Flat Screen LCD Display

Server

IBM Tower Server

Software

Microsoft Windows Server
Symantec Antivirus
Verifone PC Charge Pro
Verifone PC Charge Pro (Clients)

Printers

HP DeskJet Printer (Color)
HP LaserJet Printer (Black/White)

Accessories

Belkin 2 Port PS2 KVM
Firewall Appliance
APC UPS
Wireless cards
HP Wireless Print Server
Magtek Wedge Readers
Pin Pads
Patch Cables
Isobar 8

**JENNY CRAIG
FRANCHISE AGREEMENT**

EXHIBIT FA-12

**RENEWAL RIDER
(For Franchisees Renewing Their Agreements)**

If Franchisee is renewing its franchise, the parties agree that Section 2.2 shall be deleted and Franchisee shall have no additional options to extend the right to operate the business. The parties further agree that Section 4.1 will be amended to provide that Franchisee's renewal fee shall be \$_____.

Jenny Craig Franchising, LLC
Franchisor

Franchisee Entity

By: _____

By: _____

Name: Doug Fisher

Name: _____

Title: Vice President of Franchising

Title: _____