

# JOHN PAUL MITCHELL SYSTEMS®

## SALON & SCHOOL AGREEMENT

John Paul Mitchell Systems (JPMS) is committed to the professional salon industry, selling a high quality line of hair and skin care products designed and intended to be sold only in professional salons, barber shops and schools where a cosmetologist, hairstylist or barber is available to perform hair services at all times when JPMS products are available for use or sale in the salon, barber shop or school.

Your JPMS Distributor is contractually obligated to JPMS to sell its products only to professional salons, barber shops or schools for the use in those salons, barber shops, schools or for resale to legitimate salon, barber shop or school clients. Hereinafter "SALON" shall include professional salons, barber shops and schools. The undersigned SALON wishes to purchase JPMS products from Distributor and Distributor is willing to sell JPMS products to the Salon provided the SALON agrees to the terms and conditions set forth herein.

Distributor and SALON agree as follows:

1. Salon warrants that one or more licensed cosmetologists are available on the premises of the salon to perform hair services 100% of the time JPMS products are available for use or sale in the SALON. The SALON is licensed by the appropriate state agency, is advertised and listed as a SALON, has prominent signage promoting SALON services, with a telephone line for SALON customers to call for services and a reasonable SALON client service area. The SALON must intend to be and conduct its business as a true professional SALON, actively promoting and advertising its SALON business. The customer must have the perception that they have purchased their JPMS products in and through a Professional SALON. All JPMS products must be purchased within the walls of the Salon.

2. Under no circumstances shall JPMS products be sold by SALON through the mail, by telephone or telemarketing, catalogue, facsimile orders, over the Internet, e-mail, mail order or any other electronic order means.

3. SALON agrees that nothing in the relationship between JPMS, Distributor, Distributor's employees, or SALON shall be deemed to create an employment, agency, franchise or other relationship other than the supply and purchase of goods destined for use solely by the SALON or its clients.

4. SALON, including its owners, operators and employees, agrees that all JPMS products will be used in the SALON or sold only to legitimate SALON clients for personal use at home. SALON will not sell products to any person it knows or has reason to suspect intends to resell or divert any JPMS products. SALON will never resell any JPMS Professional use only products.

5. SALON will not sell or re-sell any JPMS 'professional use only' products at the consumer or retail level, including, but not limited to, hair color, hair lightener, hair relaxers, developer, perms, etc.

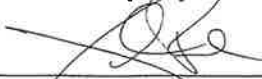
6. SALON will not remove, obliterate or tamper with the batch codes or security codes applied to JPMS products by either JPMS or the Distributor. SALON will not allow anyone else to remove, obliterate or tamper with said codes. These codes are essential to preserve the quality and integrity of JPMS products, including the recall or removal of products in the best interest of the consumer.

7. SALON acknowledges that the sale of JPMS products to anyone other than the intended user or consumer, known as the diversion of JPMS products, seriously damages the reputation and good will established by JPMS and the Distributor and interferes with their business relationship with other SALON customers as well as the consumer. The parties agree that one or more unauthorized sales or distribution of JPMS products will result in damage to JPMS in amounts not easily determined or calculated. Therefore, SALON agrees that JPMS or the Distributor shall be entitled to an injunction and liquidated damages of at least \$25,000.00, plus all profits and costs of recovering such diverted product, as well as reasonable attorney fees and costs incurred, against SALON for any JPMS products sold to SALON which are resold by SALON in violation of this Agreement.

8. SALON will take all necessary steps to insure that all of its employees are aware of and comply with all of the terms and conditions of this Agreement.

9. This Agreement is for the benefit of JPMS, the Distributor and SALON, and any one of them may bring an action to enforce the provisions of this Agreement. JPMS, the Distributor or the SALON may terminate this Agreement immediately upon notice. However, any product previously purchased must be sold only in compliance with this Agreement.

10. This Agreement constitutes the entire agreement of the parties relative to its subject matter. No party has made any representation or warranty to any other to induce them to enter into or perform this Agreement. This Agreement supersedes any prior written agreement between the parties and may only be modified or amended by a writing signed by all of the parties.

By:   
John Paul DeJoria, CEO, John Paul Mitchell Systems

Dated: December 15, 2008

By:   
Distributor

Dated: Aug. 17, 2011

By: \_\_\_\_\_  
SALON Owner/Operator

Dated: \_\_\_\_\_

Print SALON Owner/Operator Name \_\_\_\_\_

Print SALON Name & Address \_\_\_\_\_

Print SALON Telephone Number \_\_\_\_\_