

SALON CONTRACT

ColorProof, Inc., ("ColorProof") distributes hair and cosmetic products ("Products"). ColorProof has contracted with Salon Service Group ("Distributor") to distribute its Products to (a) Licensed Professional Stylists; and (b) a professional beauty and barber salon staffed by Licensed Professional Stylists who perform services there "Salon". ColorProof, Distributor and Salon make this contract with each other ("Contract") to enable _____ to act as a ColorProof Salon effective on the date Salon signs this Contract:

1. Salon promises that all Products it purchases from Distributor will be used only for Salon Use which is defined as: (a) cosmetological services performed at Salon's premises, (b) resale only to consumers on the Salon's premises in the limited amounts needed for personal use.
2. Salon shall maintain contemporaneously created records of sales of Products ("Records"), to keep Records until one year after it ceases to be a Salon, and to give access to all Records to Distributor and/or ColorProof upon 48 hours written notice.
3. All deliveries of Products to salon are in reliance on Salon's promise to use Products for Salon Use only. Any other use is "DIVERSION." Salon acknowledges that Diversion damages ColorProof's relations with its distributors and other salons. By placing each order, Salon reaffirms that the Products are intended only for Salon Use. Salon must give written notice of any intent to purchase Products for any purpose other than Salon Use.
4. If ColorProof, Distributor, or any other manufacturer or distributor, have any evidence, whether or not admissible in Court, that indicates Salon has defrauded anyone or has Diverted any products, Salon may be terminated immediately for Diversion and is subject to legal action.
5. Salon will not remove, obliterate, cover or otherwise tamper with any code or serial number applied to any Product, or to a box, or pallet of Products.
6. Salon is prohibited from selling Products over the Internet or via direct mail or catalog.
7. Salon warrants that all those working for it, know and understand the requirements of this Contract.
8. Salon agrees that it can be sued in Los Angeles, California for any breach of this Contract and that the Courts in Los Angeles, California have the exclusive jurisdiction over such suits. The amount of damages that ColorProof suffers as a result of Diversion is extremely difficult to ascertain. Thus, Salon agrees that equitable remedies, such as an injunction, should be granted for breach. Salon and ColorProof further agree that "actual damages" for Diversion will be replaced by liquidated damages, equal to two times the suggested retail price of the Products that were Diverted. Salon further agrees that for the purpose of calculating the number of Products Diverted, that if any part of an order was Diverted, it shall be conclusively presumed that all of the Products in that order and in all subsequent order(s), were Diverted. In any proceeding arising from or related to this Contract, the prevailing party shall recover its reasonable attorneys' fees, whether its claims were based in contract or tort law.
9. Salon, Distributor or ColorProof may terminate this Contract immediately by giving written notice to the others. Upon termination: (1) Salon shall immediately stop transferring by sale or otherwise any Products; and (2) Distributor and/or ColorProof shall each have the right to repurchase any remaining Products sold to Salon and the purchase price shall be the lowest price Salon paid to Distributor for those Products. Distributor and Salon waive any claim for lost profits arising from the termination of this Contract.
10. This Contract cannot be transferred or assigned in whole or in part by Salon. The Contract is specifically intended to benefit ColorProof and Distributor and either ColorProof or Distributor may initiate suit to enforce the terms of this Contract against Salon.

DISTRIBUTOR

By: _____

Name: _____

Title: _____

SALON

Salon Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____

E-mail: _____

COLORPROOF HAIRCARE, LLC

By: /s/ Jim Markham

Founder & CEO

Salon Website: _____

Salon Intro Purchased: Ultimate Entrée Best of the Best Open Stock

Signer Name: _____

Title: _____ Est. License #: _____

Signature: _____

Date: _____