

SALON CONTRACT

Moroccanoil, Inc., (“**Moroccanoil**”) produces and distributes hair care and cosmetic products (“**Products**”). The Products are designed for salon distribution. Moroccanoil has contracted with **SALON SERVICE GROUP**, (“**Distributor**”) to distribute its Products to qualifying salons in your area. Distributor wishes to sell Products to the salon identified below (“**Salon**”) for Salon use and resale. Although not a party to this Agreement, Moroccanoil is hereby acknowledged by the parties as a third party beneficiary hereunder, pursuant to which it is entitled to the benefit of certain provisions contained herein. Distributor and Salon agree with each other as follows:

1. Salon represents and promises that all Products purchased from Distributor will be used only for: (a) cosmetological services performed at Salon’s premises, or (b) resale only to bona fide salon clients on the Salon’s premises in such limited amounts as necessary for personal and family use at home. This limited distribution is called “Salon Use and Resale”. Salon represents and promises that it will not resell Products to any other business, retailer, salon, cosmetologist or distributor.
2. Salon is prohibited from selling Products over the Internet or via direct mail or catalog.
3. Salon will not remove, obliterate, or tamper with any batch or tracking code, serial number or other codes applied to any Product, or box or pallet of Products and Salon will not agree or conspire with others to do so.
4. Salon agrees to create and maintain contemporaneous records of its sales of Products (“**Records**”) and make such Records available to Distributor or Moroccanoil upon written request on forty-eight hours notice.
5. Salon represents that it currently meets, and during the term of the Contract will continue to meet, Moroccanoil’s requirements to be a “Salon” as stated on the reverse side of this Contract. If Salon changes its business operation and no longer meets Moroccanoil’s requirements to be a Salon, the Contract shall automatically terminate upon the change occurring. Salon shall promptly notify Distributor and Moroccanoil in writing of any change in Salon’s ability to satisfy Moroccanoil’s requirements to be a Salon or Salon’s ability to comply with the Salon Use and Resale restriction on Moroccanoil Products.
6. **All Products delivered to Salon are delivered in reliance on Salon’s representation that they are solely for Salon Use and Resale. Any other use or resale is prohibited and is considered to be “DIVERSION”. For each order that Salon places with Distributor, Salon reaffirms its representation that the Products are being ordered only for Salon Use and Resale. If Salon intends the Products for any purpose other than Salon Use and Resale, Salon must notify both Distributor and Moroccanoil of that purpose in writing mailed separately to each. If Salon’s intention changes and it fails to inform Moroccanoil and Distributor of that fact, Salon will have committed fraud. Salon agrees that DIVERSION damages Moroccanoil’s contractual relations with its distributors and other salon customers. If Moroccanoil, or Distributor, or any other manufacturer, or distributor have any evidence indicating Salon has diverted any Products, Salon may be terminated for diverting Products and be subject to civil action.**
7. Salon agrees that it can be sued in New York City, New York for any breach of this Contract and it consents to the exclusive jurisdiction of the Courts in New York City, New York for all suits arising under this Contract, in which litigation the governing law shall be the laws of the State of New York and the federal laws of the United State of America applicable therein. The amount of damages that Moroccanoil would suffer as a result of Diversion is extremely difficult to ascertain. Accordingly, Salon agrees that equitable remedies should be granted to remedy any violation(s) of the Contract. Salon further agrees that “actual damages” for breach of this Contract will be replaced by liquidated damages in the amount of three times the retail price of each Product that was diverted by Salon. In any litigation arising from or related to this Contract, the prevailing party shall recover its reasonable attorneys’ fees, whether the claims in the litigation are based in contract or tort law.
8. Salon shall take appropriate steps to ensure that each of its employees and independent contractors are aware of the requirements of this Contract. Salon waives any defense based upon the assertion or evidence that its employee(s), representative(s), or agent(s) did not know the requirements of this Contract.
9. Either Salon or Distributor may terminate this Contract immediately by giving written notice: (1) in the case of any breach hereunder, either Salon or Distributor may terminate effective immediately upon the delivery of a written notice; (2) notwithstanding the lack of any breach of the Agreement, either Salon or Distributor may terminate this Agreement upon thirty (30) days written notice. Upon termination, (1) Distributor will immediately stop selling Products directly or indirectly to Salon; and (2) Distributor and Moroccanoil shall each have the right to repurchase any Products sold to Salon by Distributor that remain in Salon’s inventory. The purchase price for the remaining inventory 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. This Contract is not assignable by Salon. The Contract is specifically intended to benefit Moroccanoil and either Moroccanoil or Distributor may initiate suit to enforce the terms of this Contract against Salon.
- 10.

Acknowledged and Agreed

SALON SERVICE GROUP

Salon Name:	*	_____
Salon Address:	*	_____
City and Zip:	*	_____
Telephone:		_____
By: *		_____
Title: *		_____
Date: *		_____
E-mail:		_____
Printed Name:	*	_____
Signature:	*	_____
Establishment License #		_____

MOROCCANOIL DEFINITION OF PROFESSIONAL SALON

All of MoroccanOil's distributors and sales representatives and of each Salon and stylist who purchases any Products agree that Products shall be supplied only to professional "Salons" or a "Salon". "Salon" is defined as a business entity where state licensed cosmetologists who are employees, or independent contractor cosmetologist(s) or booth renters perform cosmetological services, such as hair cutting, hair styling and hair coloring, at a government-licensed business location that has a commercial street address. A Salon must have shampoo bowls and styling chairs. At least one (1) full-time licensed (to the extent the state/province/territory licenses cosmetologists) professional cosmetologist must be on the premises regularly and customarily, and must be performing services on patrons on the premises while the premises is open for business. A Salon must have an appearance indicating that its principal business is the performance of professional services on hair rather than the making of retail sales, and must derive a substantial percentage of its revenue from the provision of hair care services (cutting, coloring, styling, etc.).

[AFFIX TO BACK OF SALON CONTRACT]