



MAHOGANY HAIR
R E V O L U T I O N

ASSOCIATE STYLIST SUBLEASE AGREEMENT

This Stylist Sublease Agreement ("Sublease") is entered by and between Mahogany Hair Revolution, Inc. ("Sublessor") and _____ ("Subtenant"). Sublessor is the "Tenant" in a lease agreement dated August 1, 2015 between the Tenant and Pico Hause Plaza, LLC ("Building") for a term ending on July 31, 2018 (the "Master Lease Agreement"). Sublessor and Subtenant may collectively be referred to as the "Parties". This lease dictates joint and severally to all in the case off multiple Subtenants. The Parties agree as follows:

1. **PREMISES.** Sublessor hereby subleases (BOOTH No. ___/ ROOM No. ___) in the premises located at 5450 W. Pico Blvd. Suite 203 Los Angeles, CA 90019 (the "Space") to the Subtenant.
2. **SUBLEASE TERM.** The Sublease will start on _____ (begin date) and will end on _____ (end date) ("Sublease Term")
3. **LEASE PAYMENTS.** Subtenant agrees to pay Sublessor a base weekly rent for the Space in the amount of \$____.00. Payment is due every Saturday by 5:00 PM. (Receipts will be given as proof of payment.) Payments made by check are to be made at 5450 W. Pico Blvd. Suite 203, L.A. 90019. All payments by credit card will be charged an additional 3%.
4. **SALON ASSOCIATION DUES.** In order to associate with Mahogany, Subtenant agrees to pay Sublessor salon association dues of \$2600.00 in weekly installments of \$50.00 for each (1) year period Subtenant contracts for under this Sublease. Subtenant acknowledges that by virtue of Subtenant's status and physical presence at Mahogany, Subtenant will be privy to or have access to Mahogany's valuable and competitive proprietary and confidential information, including unique hair care and styling treatments and techniques. After the first (6) months of the Sublease Term Subtenant will receive a 20% discount on all training seminars /classes by Dr. Kari Williams while a subtenant.
5. **LATE CHARGES.** A late payment fee of \$25 per day until weekly Space rent for the Space is paid in full. Late charges are required to be paid in full at the time that the delinquent Space rent is paid.
6. **INSUFFICIENT FUNDS.** Subtenant agrees to pay the charge of \$75.00 for each check that is returned for lack of sufficient funds.

7. SECURITY DEPOSIT. Subtenant shall deposit with Sublessor, in trust, a security deposit of \$400.00 as security for the performance by Subtenant of the terms under this Sublease and for any damages caused by Subtenant, Subtenant's customers, agents and visitors to the Salon during the Sublease Term. However, Sublessor is not just limited to the security deposit amount. Subtenant remains liable for any balance that exceeds said security deposit. Subtenant shall not apply or deduct any part of any security deposit from the last or any week's rent. Subtenant shall not use or apply any such security deposit at any time in lieu of payment of rent. If Subtenant breaches any terms or conditions of this sublease, Subtenant shall forfeit any deposit as permitted by law.

8. USE OF PREMISES. Subtenant shall use the Space in connection with his/her salon business, and for no other purposes unless the consent of Sublessor in writing for a different use by Subtenant is first had and obtained by Subtenant.

9. OPTION FOR RENEWAL. Provided that the Subtenant is not in default in the performance of this Sublease, the term of this Sublease may be extended at the option of the Sublessor, from year to year, for two additional one-year periods. The first renewal period from _____ to _____ and the second from _____ to _____. Said options to extend shall be exercised by the Subtenant by giving written notice to the Sublessor no less than two months prior to the expiration of the sublease term and again of the expiration of the first one-year extension.

The extended terms shall be upon the same terms, covenants and conditions provided in the lease for the initial term, unless Sublessor notifies Subtenant otherwise 30 days prior to the expiration of the current term. A written notice of "Intent to Increase Weekly Rent" will be served on the Subtenant no less than 30 days prior to the expiration of the current Sublease term.

10. RELATIONSHIP OF PARTIES. This sublease shall not render Subtenant an employee, partner, agent of, or joint venture with Sublessor for any purpose. Subtenant shall provide all of their own tools and instrumentalities and is responsible for any and all expenses that are incurred in connection with his/her salon business.

11. NON-ASSIGNABILITY. The rights contained in this section shall be personal to the originally named Subtenant in this sublease and may be exercised only by the original herein named Subtenant (and not any assignee, or other transferee of Subtenant's interest in this sublease)

12. COMPLIANCE WITH RULES AND REGULATIONS. Subtenant will conduct her/himself and will cause Subtenant's employees, agents, customers, and invitees to conduct themselves with full regard for the rights, convenience, property, and welfare of all other tenants of the Building.

Subtenant further agrees to comply with and cause the employees, agents, customers, and invitees of Subtenant to comply with the rules and regulations, if any, of Sublessor and the Building, set forth and hereby made a part of this Sublease, and with all supplements and amendments thereto which Sublessor may, after giving notice hereafter adopt. Any violation by

Subtenant or by its employees, agents, customers, or invitees of any such rule or regulation heretofore or hereafter adopted, amended or supplemented by Sublessor shall constitute a default by Subtenant under this sublease and shall make available to Sublessor the remedies hereunder.

13. DEFAULTS. If Subtenant fails to perform or fulfill any obligation under this Sublease, Subtenant shall be in default of this Sublease. Except when a statute, ordinance or law provides to the contrary, Subtenant shall have seven (7) days from the date of notice of default by Sublessor to cure the default. In the event Subtenant does not cure a default, Sublessor may at Sublessor's option (a) cure such default and the cost of such action may be added to Subtenant's financial obligations under this sublease; or (b) declare Subtenant in default of the Lease. In the event of declaration of default of sublease, Sublessor shall serve written "Notice to Quit and Surrender Possession of the Space."

14. MISCELLANEOUS

A. JANITORIAL SERVICES

Subtenant shall be responsible for cleaning up his/her Space daily. Janitorial services will be provided for common areas only. Failure to reasonably keep the Room clean will result in a \$25 per day cleaning fee.

B. PARKING

Parking in the Pico Hauser parking lot (at East side of Building) is available for Subtenant or his/her customers. Parking is also available on public streets.

C. BUSINESS HOURS

The salon will be available for business 24/7. Each Subtenant will be given a key. A refundable key deposit of \$75.00 is required.

E. MARKETING SERVICES

For a fee of \$25 per week, Sublessor will include original content provided by Subtenant that advertises Subtenant's salon and hair services in Mahogany's weekly social media marketing.

D. ADDITIONAL SERVICES PROVIDED

1. Linen Services - clean towels will be provided at a cost of \$15 per week.
2. Concierge services will be offered for clients by front desk staff of Mahogany at no additional charge.
3. Supplies – Subtenant is responsible for purchasing his/her own supplies. Supplies may be purchased from Sublessor at the rates set forth in Mahogany's Supply Cost Sheet (available upon request.)

15. CLIENT REFERRALS. Mahogany may from time to time refer its clients to subtenants for services. Subtenant hereby agrees that upon acceptance of any clients referred by Mahogany,

Subtenant's compensation will be 50% of the total of the invoiced services. Subtenant agrees that Mahogany will solely negotiate the cost of services. Subtenant is responsible for all costs of service including hair, products and supplies needed to complete the service.

Subtenant acknowledges that they are responsible for all payments rendered by the referred client and will remit the agreed upon 50% of the total of services from the referred client to Mahogany's owner or salon manager within twenty-four (24) hours of receipt. Notwithstanding the foregoing, in the event that a fee is paid to Subtenant under this provision and, for whatever reason whatsoever, Mahogany is thereafter obligated to return the payments upon which the fee is determined, Subtenant shall, upon thirty (30) days written notice, repay to the Mahogany such compensation as Subtenant have received based on the amounts so returned or returnable.

Subtenant specifically acknowledges that referred clients are clients of Mahogany and agrees not to solicit Mahogany's clients during the term of this Sublease, or at any time thereafter. If a referred client would like to re-book Subtenant for services, Subtenant will instruct the referred client to contact Mahogany or Mahogany's owner Dr. Kari Williams directly.

16. NON-SOLICITATION AND NON-COMPETE. Subtenant agrees not to solicit for the purpose of engaging in competition with Sublessor, whether directly or indirectly through Subtenants agents or representative, any clients of Sublessor or Sublessor's other subtenants while a subtenant or at any time thereafter. This covenant not to compete shall survive termination of the Sublease. Subtenant further acknowledges and agrees not to interfere with or disrupt, or attempt to interfere with or disrupt, any business relationship, contractual or otherwise, between the Sublessor and any other party, including clients or prospective clients, subtenants suppliers, agents, or other contractors of the Sublessor. In addition, Subtenant agrees not to provide salon or other hair services to the public within a (10) mile radius of Sublessor's premises for a period of (1) year after the termination of this Sublease.

17. INSURANCE. Subtenant agrees that it will, at its own expense at all times during the sublease term, maintain in full force and effect a policy of comprehensive liability insurance written by a responsible insurance company which shall insure Subtenant against liability for injury to persons/customers. Said policy shall contain a clause or endorsement wherein the insurer agrees to hold Sublessor and Sublessor's agents, servants, employees harmless from and against all costs, expenses, and/or liability arising out of or based upon any and all claims, injuries and damages caused directly or indirectly by salon services rendered by Subtenant Subtenant shall secure and maintain in force during the lease term and any extension thereof the insurance policies specified in this sublease, including malpractice insurance in connection with their business activities.

18. LOSS AND DAMAGE. Sublessor and Subtenant agree that in the event of loss, each party shall look solely to their insurance for recovery.

19. SURRENDER OR CANCELLATION OF LEASE. The voluntary or other surrender of this Sublease by Subtenant, or a mutual cancellation thereof, shall not work a merger. Subtenant may not sublease or create any sub tenancies. Sublessor shall take possession of the surrendered room and is free to sublease it to another Subtenant. Sublessor shall have the right to cancel this

sublease if Subtenant engages in any conduct that can reasonably be expected to bring the business or societal reputation of Sublessor into disrepute. If Subtenant cancels the Sublease for any reason not the fault of Sublessor during the contracted for period, Subtenant shall be responsible for all future rent amounts that become due during the remaining contractual rental period until which time Sublessor can reasonably relet the Space in the normal course of business.

20. LOSSES AND SECURITY. Sublessor or her agents shall not be responsible for loss, injury or damage to personal property or person of Subtenant, his/her agents, guests, employees, clients caused by acts of God, fire, theft, flood, burglary, malicious acts, riot, insurrection, civil commotion, illegal entry or vandalism.

21. INDEMNITY. Subtenant hereby agrees to defend, indemnify, and hold harmless Sublessor from and against any loss, cost, expense, and liability, including reasonable attorneys' fees, to the extent resulting from any negligent or intentional act or omission arising out of the exercise of the Subtenant's rights or the performance or breach of their obligations under this sublease.

22. WASTE/NUISANCE. Subtenant shall not commit, or suffer to be committed, any waste upon premises, or any nuisance, or other act or thing which may disturb the quiet enjoyment of any other tenant of the CRISPI Building or Subtenant of Mahogany Salon. Subtenant shall not make any or suffer to be made, any alterations of said premises, or any part thereof.

23. LEASED "AS IS." The Space is being leased "AS IS" condition and Subtenant accepts them as such. Subtenant stipulates that he/she has examined the premises as well as the improvements located thereon prior to taking possession and that they are satisfied that they are all, at the date of this sublease, in good order, repair, and a safe and clean condition.

24. ATTORNEY'S FEES. In case Sublessor should bring suit or cross-complaint against Subtenant in any suit for the purpose of recovering possession of the premises, for the recovery of any sum due hereunder, or because of the breach of any covenant herein on the part of Subtenant, or in case Subtenant should bring suit against Sublessor or cross-complaint against Sublessor in any such breach of any covenant herein on the part of Sublessor, and should Sublessor or Subtenant, as the case may be, prevail in any such suit, or prevail upon a cross-complaint filed by Sublessor or Subtenant in any such suit, the party against whom judgment in any such suit is rendered shall pay to the other party a reasonable attorney's fee and shall be entitled to a specific provision in the judgment awarding such prevailing party such reasonable attorney's fee.

25. STATE BOARD LICENSE. During the term of the Sublease and each extension thereof, Subtenant shall at all times maintain his/her State Board License active and in good standing. Subtenant shall follow all rules and regulations set forth by the state and will be responsible to pay for all violations and fines given to them and the owner in the event of an inspection. Subtenant keep copy of their active license at the leased premises.

26. SIGNS. No sign or advertisement of any kind shall be painted or affixed on or to any part of the outside or inside of the leased premises or the building without prior written approval by the Sublessor.

27. CONFIDENTIALITY. This agreement and its terms are confidential and shall not be disclosed to any third parties, other than the Subtenants agents and/or representatives as is reasonably necessary, and except as and unless required by law to be disclosed.

28. INTEGRATION CLAUSE. This agreement contains the entire understanding of the parties hereto and may not be modified or amended except by a writing signed by the parties to be charged therewith.

Executed at Los Angeles, California on _____, 201__.

SUBLESSOR

SUBTENANT

MAHOGANY HAIR REVOLUTION, INC.
Dr. Kari Cie Williams
5450 W. Pico Blvd. Suite 203
Los Angeles, California 90019

Name