

Grant of Charter and Membership Agreement

This Grant of Charter and Membership Agreement is entered into by and between The Vanderburgh Foundation, Inc., a Massachusetts nonprofit corporation, recognized as a Charitable Foundation by the IRS under IRC Section 501(c)3 having a principal address at 255 Main Street, Webster Massachusetts 01570 (“Vanderburgh”) and {Member}, a {Entity State of Reg.} {Entity Type}, having a principal address at {Member Address} (“Member” or “You”), as of this day of , 20 (“Effective Date”).

1. Grant of Charter; Term & Renewal; Relationship

1.1 Purpose of Charter. The Vanderburgh Foundation, Inc. facilitates a community of chartered Recovery Home operators referred to as Vanderburgh Sober Living™ (“VSL”). Each VSL member commits to providing effective Recovery Homes to Guests who are voluntarily looking to recover from substance use disorder. VSL members are equally committed to being compassionate in this mission and provide their fellow VSL community members with support, encouragement, and camaraderie. At the heart of VSL community, Vanderburgh’s role is to create, maintain, monitor, and update uniform standards of excellence with respect to the operation of Recovery Homes.

The grant of a charter and admittance to the VSL community is thus not a light undertaking and one that requires a significant and ongoing commitment by all parties involved in order to ensure VSL’s success.

1.2 Grant of Charter. Member affirms that it has fully contemplated the burdens of commitment arising from the grant of a VSL Charter and, having found those burdens acceptable, Member has requested Vanderburgh grant Member a VSL Charter (the “Charter”).

For good and valuable consideration between the parties, Vanderburgh hereby grants unto Member a Charter, subject to all the terms and conditions of this Grant of Charter and Membership Agreement (the “Agreement”).

1.3 Key Terminology. The following key terms are used throughout this Agreement:

“Recovery Home” refers to any form of residential facility providing a communal living to individuals in recovery from substance use disorders, and may provide access to peer support and resources to aid in maintaining sobriety and fostering long-term recovery. Recovery Homes would include any residential drug- or alcohol-free environment but would not refer to the offering of clinical treatment.

“Chartered Operator” refers to Member and further encompasses Member’s business entity or sole proprietorship and with respect to Member’s operation of one or more Chartered Homes that provide structured communal housing services to individuals in recovery from substance use disorder (“Guest” or “Guests”) in accordance with this Agreement.

“Chartered Home” means any Recovery Home described in any Chartered Home Addendum attached under **Schedule A** to this Agreement.

“Foundation Affiliate” means any person or entity, natural or otherwise, that directly or indirectly controls, is controlled by, is under common control with, or is in a partnership or joint venture with Vanderburgh and excludes VSL charter members (refer to Section 1.6 that describes the Charter relationship).

1.4 Initial Charter Term. The term of the Charter shall commence on the Effective Date and expire ten (10) years following the Effective Date (the “Initial Charter Term”).

1.5 Charter Renewal. At the expiration of the Initial Charter Term, the Charter shall automatically renew for five (5) years (the “Renewal Term”) and shall continue to automatically renew for an additional five (5) years at the end of each successive Renewal Term provided Member has satisfied the following conditions:

- a. Member has substantially complied with all its obligations and is not in default under this or any other agreement(s) between Member and Vanderburgh or between Member and any Foundation Affiliate;

- b. Member continues to meet the qualifications and standards required as a Chartered Operator and pertaining to any Chartered Homes, as those qualifications and standards may be amended from time to time.

Member may elect not to renew the Charter by providing Vanderburgh written notice of non-renewal not less than six (6) months nor more than twelve (12) months prior to the end of the Initial Charter Term or any subsequent Renewal Term. Vanderburgh may require Member to execute an amendment or a new Charter Agreement from time to time, including with respect to any renewal.

1.6 Charter Relationship. Member as a Chartered Operator is one of several independent chartered operators that establish and operate chartered homes, and Member shall retain control and direction over its business provided that Member as a Chartered Operator shall be required to adhere to the terms, conditions, and standards described in this Agreement.

The Charter created by this Agreement does not and is not intended to create a fiduciary relationship, transfer of ownership, or any other special relationship between the Member and Vanderburgh that is not expressly set forth herein, nor does the Charter establish any party as a principal, agent, legal representative, parent, subsidiary, corporate affiliate (except as affiliation is described under this section), joint venturer, partner, employer, joint employer, employee, or servant of another party.

As such, neither the Charter nor this Agreement authorize Member to make contracts, agreements, warranties, or representations of any kind on behalf of Vanderburgh, incur obligations, debts, or expenses in Vanderburgh's name, or make any representations indicating a business relationship with Vanderburgh unless permitted under Section 1.7 or Section 2 relating to standards. Vanderburgh disclaims liability and Member shall be solely liable for any claims or judgments arising from breach of this section. Each party shall remain responsible for its own obligations, debts, and expenses, and shall not be liable for the obligations, debts, or expenses of the other party except as expressly set forth in this Agreement.

1.7 Public Communication; Actions Required; Use of Accurate Terminology. The public's perception of Recovery Homes is not always favorable. Without public support, the opening and operating of Recovery Homes can be challenging. While Vanderburgh endeavors as part of its mission to advocate for the effectiveness of Recovery Homes, each member of the VSL community is public-facing and therefore has an obligation to refrain from actions that might negatively impact the public's perception of themselves, the VSL community, The Vanderburgh Foundation, Inc., or the concept of Recovery Homes in general. This is not limited to conduct and standards set forth in Section 2, but includes Member's public communications in general. As such, Member must exercise due care in representing itself to the public in any and all regards.

At the same time, Member is its own independent entity and is not under shared ownership or control with Vanderburgh. Public inquiries may occur from time to time regarding the nature of Member's Charter relationship. Examples of acceptable terminology in describing the Charter relationship to public includes: (i) that Member is a "Chartered Operator," "independent Operator," or "VSL Affiliate;" (ii) that a Chartered Home is a "Chartered Home," "VSL Affiliate Home," "affiliated with VSL" or "independently operated by a Chartered VSL Operator;" (iii) that Vanderburgh is a "charter membership nonprofit" offering "Charters"; and (iv) that "Vanderburgh Sober Living (or VSL)" is "a cooperative network of independently operated sober living homes." If Member is required to make a public statement regarding its relationship with the VSL community, Member shall consult Vanderburgh so that the parties may jointly contemplate a proper and mutually acceptable response.

Member may be similarly required to take reasonable actions to notify or reaffirm with the public, public officials, certification agencies, referral sources, Guests, House Mentors, suppliers, independent contractors, and others the nature of its Recovery Home operations, and Member shall similarly consult Vanderburgh as needed to successfully navigate these events.

2. Standards Required to Maintain Charter

2.1 Applicability of Charter Standards to All Members. To ensure uniformity across the VSL community and to maintain the quality and reputation of the community and Vanderburgh's goodwill, Member shall ensure as a Chartered Operator that each Chartered Home and the services Member provides to each Guest meet the required standards described in this section. Member is expressly obligated to remain informed of all required standards and modifications to those standards as may occur from time to time pursuant to Section 3.

2.2 Access to Standards. Vanderburgh shall provide Member with electronic access to all required standards and accompanying handbooks, policies and procedures through Vanderburgh's knowledge base. The URLs where these website pages may be changed from time to time with notice to Member pursuant to Section 3.

2.3 Chartered Standards Defined. The standards and expectations required of Chartered Operators are founded in a combination of current best practices in the field of Recovery Home operations as well as practices that Vanderburgh and the VSL community have recognized as being effective and practical in the successful operation of a Recovery Home. These standards are intended to universally apply to all chartered operators and encompass important and specific operational guidelines and requirements that Member is bound to adhere to under this Agreement. Standards include but are not limited to the *Chartered Operator Standards* published by Vanderburgh Sober Living attached hereto and incorporated herein by reference.

2.4 Other Required Standards; Handbooks, Policies & Procedures. In addition to the standards described above, Member shall further be bound to adhere to those additional standards identified in the training material, documents, handbooks, manuals, policies, procedures, and other material communicated to Member which includes the entirety of the policies and procedures in Vanderburgh's knowledge base platform, available at the following URL: <https://knowledge.vanderburghhouse.com>

2.5 Chartered Operator & Chartered Home Inspections; Compliance Certification. In order to verify compliance with all required standards and to ensure uniformity of the housing provided by all Chartered Operators, Vanderburgh and its agents may conduct periodic comprehensive audits and inspections of Member. Vanderburgh may further require Member to periodically self-certify and affirm Member's compliance with the standards required under the Charter through written statements or documentation of confirmation of adherence with the standards.

3. Modification of Standards

3.1. Modification of Standards, General. Vanderburgh may, under the guidance of the Advisory Council discussed in Section 4., add, remove, and modify any of the standards, underlying or related documents, and the contents of its knowledge base platform from time to time to ensure that all required standards underlying this Agreement continue to represent current best practices. Vanderburgh may elect to provide access to standards, documents and other materials at different URL(s) and/or within any alternative medium(s).

3.2 Notice of Modification to Member; Compliance Timeframes. Member shall be responsible for ensuring Member's full compliance with all standards described in this Agreement and with any modifications to standards that may occur from time to time. Vanderburgh and Member recognize that swift and accurate adherence by Member to modified standards is essential to ensure safe and effective recovery housing and is expressly required at all times under this Agreement.

In the event any standards described in this Agreement are substantially modified, Vanderburgh commits to providing Member with reasonable advance notice. Such notice shall describe the nature of the modification and provide Member with guidance on implementation. Vanderburgh may, under the guidance of the Advisory Council, stipulate a reasonable timeframe within which Member must achieve full compliance with the modified standard(s).

3.3. Member's Waiver Relating to Modified Standards. Member acknowledges that maintaining these standards as a Chartered Operator, and with respect to all Chartered Homes, is paramount to the collective integrity and success of Member, the VSL community, and Vanderburgh. Member expressly acknowledges that Member may incur additional responsibilities, operating costs, decreases in revenue, increased risks, or other adverse outcomes unfavorable to Member. Regardless, Member shall timely comply with all modified standards under this Agreement, and Member waives any defense or claim against Vanderburgh resulting from Vanderburgh's reasonable modification to any standards underlying this Agreement.

3.4 Member's Rights Relating to Modified Standards. Member shall have the right to provide input relative to Member's adoption of modified standards under this Agreement. In the event modified standards create a circumstance where Member would incur substantial cost or financial burden by adherence to the modified standards, Member shall have a right to appeal the modification of the standards to the Advisory Council. The Advisory Council will consider Member's feedback and further refine the modified standards until the Advisory Council and Member are reasonably satisfied with the modified standards.

4. Advisory Council; Eligibility & Role in Modifying Standards

4.1 Purpose. The Vanderburgh Foundation, Inc.'s Board of Directors has the authority to appoint members to Vanderburgh's Advisory Council (the "Council"). The Council exists for the purpose of reviewing and recommending modifications to the required standards referenced in Section 2. The Council's recommendations are legally non-binding on Vanderburgh but intended to carry significant weight in determining the best manners in which all VSL community members and all Chartered Homes must operate.

4.2 Composition. The Council is primarily comprised of VSL community members and has a limited number of seats. Council members hold a limited term and periodically rotate to ensure that the Council retains a fresh and broad perspective of the VSL community.

4.3 Member Eligibility. As Charter holder and member of the VSL community, Member is entitled to periodically designate a candidate for a seat on the Council. Vanderburgh shall provide the Member and the VSL community with details for candidacy submission prior to each Council appointment.

5. Intellectual Property; Use of Vanderburgh Sober Living Trademark & Restrictions

5.1 Non-Exclusive License; Use. Vanderburgh grants Member a limited and non-exclusive license under this Agreement to use the trademark, "Vanderburgh Sober Living" ("Designated Mark") solely for Member's use in its business purposes as a Chartered Operator and in connection with any Chartered Homes. In granting this license, Member shall abide by all guidelines for use and restrictions designated herein or that Vanderburgh may designate in the future designate. Unless Vanderburgh otherwise authorizes or requires, Member shall not use the Designated Mark in any part of Member's corporate or other legal name. The Member is further prohibited from using any other trademarks or service marks comprising the Intellectual Property defined in Section 5.4 below without obtaining Vanderburgh's prior written consent.

5.2 Term of License. The term of this license shall generally run concurrent with the Charter and any future renewals and shall terminate simultaneous with the termination or expiration of the Charter regardless of reason. Notwithstanding, Vanderburgh may modify the term of this license pursuant to Section 5.3.

5.3 Modifications & Restrictions. During the Term, Member shall identify itself as a Chartered Operator of Vanderburgh and member of VSL in conjunction with any use of the marks described in Section 5, as well the permitted terminology exemplified in **Section 1.7**, including such uses on letterhead, email signatures, voicemail greetings, forms, statements, receipts or contracts, in written, electronic, or any other form. Member shall display any notice or content in a form that Vanderburgh may designate throughout the Term. Member shall further substantially comply with Vanderburgh's instructions, if any, in filing and maintaining requisite trade

name or fictitious name registrations and shall execute any documents considered necessary by Vanderburgh to obtain protection of the Intellectual Property or to maintain their continued validity and enforceability. Member shall in all representations of the designated Intellectual Property used in connection with the Member as a Chartered Operator, append in a manner approved by Vanderburgh such inscriptions as are usual or proper for indicating that the Intellectual Property are registered and/or protected by law.

Vanderburgh reserves the right to modify, substitute, add to and/or withdraw all or a portion of the designated trademark at any time and at Vanderburgh's sole discretion. On reasonable notice to Member, Vanderburgh may require Member to discontinue or modify Member's use of the designated trademark regardless of whether the Charter is then effective.

5.4 All Intellectual Property Defined. The term "Intellectual Property" as used herein refers in the aggregate to all copyrighted works, trademarks, service marks, trade names, trade dress, patents, trade secrets, logos, emblems, handbooks, knowledge base content, best practices, policies, procedures, forms, flowcharts, diagrams, templates, digital marketing and communication media, software or portions thereof including but not limited to source codes and object codes that Vanderburgh has ownership interest in, business records, information relating to Guests or applicants seeking services offered by Member as Chartered Operator, and lists, directories, database content including the referral source database and referral source contact information and data, other creative assets, and all other intellectual property rights and interests whether used, licensed, registered, unregistered, and owned by Vanderburgh or Foundation Affiliates now or in the future.

5.5 Ownership. All Intellectual Property shall remain solely owned by Vanderburgh or Foundation Affiliates regardless of any use, license, or other access Vanderburgh may grant to Member or other parties. Member is prohibited from contesting ownership of or contesting any right to the Intellectual Property in any forum or before any decision-maker whatsoever. All documented standards underlying this Agreement including but not limited to documents identified as standards, knowledge base content, guides, articles, handbooks, policies, procedures, and any proprietary means by which any of the above are communicated to Member shall at all times remain Vanderburgh's sole property, and all trade secrets, copyright and any other interests therein shall vest in and remain solely owned by Vanderburgh or where applicable, Foundation Affiliates.

Copyright to all advertising and marketing materials that contain Intellectual Property as defined above or that otherwise relate to the Chartered Operator in any way including all advertising, marketing or related material developed by Member in collaboration with Vanderburgh ("Advertising Materials") shall be the sole property of Vanderburgh. Advertising Materials further includes décor, paper goods (including all forms and stationery used by Member as a Chartered Operator, websites, social media accounts, informational text, photographs, illustrations, artwork, software, music, sounds, photographs, graphics, audio, video, messages, files, documents, images or other materials as well as all derivative works for the purpose of promoting Member, Member's business as a Chartered Operator, or any Chartered Home.

Any improvements to Intellectual Property that Member develops shall be the sole property of Vanderburgh. All goodwill arising from use of the Intellectual Property shall inure solely and exclusively to Vanderburgh's benefit, and on expiration or rightful termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill attributable to Member's use of the Intellectual Property. In no circumstances shall Member directly or indirectly apply for registration of any of the Intellectual Property in the United States or elsewhere. Nothing in this Agreement prevents Vanderburgh from changing, modifying, or discontinuing any aspect of the Intellectual Property at Vanderburgh's sole election. If this provision is found to be invalid or unenforceable, Member shall grant to Vanderburgh a worldwide, perpetual, non-exclusive and fully paid license to use and sublicense the use of the idea, concept, technique or material.

5.6 Infringement. Member acknowledges that any unauthorized use of the Intellectual Property shall constitute an infringement of Vanderburgh's rights and a material default of this Agreement. Member shall provide Vanderburgh with all assignments, affidavits, documents, and information that Vanderburgh

reasonably requests to fully vest in Vanderburgh all right, title and interest in and to the Intellectual Property including all items reasonably requested by Vanderburgh to register, maintain and enforce Vanderburgh's rights in the Intellectual Property as applicable.

Member shall notify Vanderburgh promptly of any alleged infringement of or challenge to Member's use of any Intellectual Property or of any claim by any person of any rights to any Intellectual Property, and Member shall not communicate with any person other than Vanderburgh, its counsel and Member's counsel in connection with any alleged infringement, challenge or claim. Vanderburgh shall have the right, in its discretion, to take the action it deems appropriate in connection with any alleged infringement, challenge or claim, and the sole right to control any settlement, litigation or proceeding arising out of any alleged infringement, challenge or claim. Member shall execute all instruments and documents, render any assistance, and do any other acts or things, at no cost to Vanderburgh, that may, in the opinion of Vanderburgh, reasonably be necessary or advisable to protect and maintain the interests of Vanderburgh in any litigation or other proceeding, or to otherwise protect and maintain the interests of Vanderburgh in the Intellectual Property. Member shall have the right, through counsel of Member's choice, to monitor the defense of any suit or proceeding against Member in connection with any alleged infringement, challenge or claim, at Member's expense; or, if necessary, to participate in any such suit or proceeding, at Vanderburgh's expense, to preclude a default judgment or other loss of rights in the event Vanderburgh fails to assume and diligently pursue the defense of any such suit or proceeding. If the matter involves infringement or violation, or alleged infringement or violation, by Vanderburgh of any trademark, copyright or other proprietary right owned or controlled by a third party, Vanderburgh's indemnification obligations are specified herein.

6. Confidentiality

6.1 Confidential Information Defined. "Confidential Information" means any and all confidential knowledge, know-how, techniques, materials, and other information used in or related to the Charter, including but not limited to: any information regarding Guests, referral sources, vendors, employees, suppliers, agents, trade secrets, intellectual property, proprietary information, training resources, knowledge base content, database records, handbooks or materials, technical information, contracts, systems, procedures, mailing lists, know-how, trade names, improvements, price lists, financial or other data (including the revenues, costs, or profits associated with any of Vanderburgh's products or services), business plans, code books, invoices and/or other financial statements, computer programs, software systems, brochures, catalogs, discs and printouts, plans (business, technical, development, marketing or otherwise), customer and industry lists, correspondence, internal reports, personnel files, sales information, advertisers, advertising material, telephone numbers, names, addresses, or any other compilation of information, written or unwritten, which is or was or will be used in the business of Vanderburgh. Confidential Information may be communicated in writing or through other means, including electronic media. Confidential Information does not include (i) information that is already in, or after disclosure comes into, the public domain (other than information that is in the public domain due to breach by Member or its owners, affiliates, employees or representatives of this Agreement or other agreements with Vanderburgh or Foundation Affiliates), (ii) information that was independently developed by Member without reliance on the Confidential Information, (iii) information that was already in Member's possession without obligation of confidentiality at the time of disclosure by Vanderburgh, or (iv) information that is obtained by Member from any third party without obligation of confidentiality.

6.2 Obligations. Neither Member nor its owners, affiliates, employees or representatives shall, during the Term or thereafter, duplicate, communicate, divulge or use for the benefit of any other person, any Confidential Information, except in accordance with this Agreement or any agreement with Vanderburgh. Member shall divulge Confidential Information only to those of Member's personnel who must have access to it in order to operate as a Chartered Operator. The covenant in this paragraph shall survive the expiration or rightful termination of this Agreement, or any Transfer, and shall be perpetually binding on Member and its owners, affiliates, employees and representatives. Member shall at its own expense use commercially reasonable efforts

to enforce and restrain material defaults of such agreements and covenants.

Vanderburgh shall not, during the Term or thereafter, duplicate, communicate, divulge or use for the benefit of any other Person, any confidential information received from Member as a Chartered Operator, including information regarding Member's business and marketing performance, plans and forecasts, except in accordance with this Agreement. Vanderburgh shall divulge such confidential information only to those of its personnel who must have access to it in order to support the operation of Member as a Chartered Operator or to compile and use aggregated information to improve the services Vanderburgh provides. Member acknowledges that Vanderburgh may use such aggregated information in any lawful manner. The covenant in this second paragraph shall survive the expiration or rightful termination of this Agreement, or any Transfer, and shall be perpetually binding on Vanderburgh.

7. Non-Competition

7.1. Purpose. The Vanderburgh Foundation, Inc. is driven by its mission to ensure the quality, availability, and sustainability of Recovery Homes in the communities it serves. By providing a Charter, Vanderburgh is making a significant investment and commitment to the community at large. This investment includes providing Member with valuable, non-public Confidential Information, support, and proprietary standards that enable Member operate Recovery Homes effectively and in accordance with standards of safety, support, and recovery. In return, Vanderburgh requires Member to make a long-term commitment to meeting the obligations under the Charter. The purpose of this non-competition covenant is to further Vanderburgh's charitable purpose through ensuring the safety and sustainability of all Recovery Homes by preventing the establishment of unaffiliated Recovery Homes that would undermine the quality and integrity of the VSL community and the quality of recovery housing.

Member acknowledges the substantial value gained by receiving a Charter and Vanderburgh's provision of Confidential Information, which offer lasting and significant benefits to Member. The Member acknowledges that there is no financial cost to Vanderburgh's provision of a Charter, and the only significant reason for Member breaching the competitive restrictions herein would be the avoidance of reasonable standards necessary for the responsible, safe, and sustainable operation of recovery housing.

7.2 Covenants Against Competition. For the purposes of this agreement, a "Competitive Business" is any entity or person that may own, operate, manage, or provide resources for Recovery Homes or that may provide any services similar to Vanderburgh or a Foundation Affiliate. In consideration for the initial and continued grant of the Charter and to protect Vanderburgh's legitimate business interests, including its goodwill, trade secrets, and Confidential Information, the Member agrees to the following restrictions.

- a. Unless approved in writing by Vanderburgh, during the Term and for a continuous uninterrupted period of three (3) years following a Transfer under or the termination or expiration of the Charter, Member nor its owners, affiliates, employees or representatives shall, directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person:
 - i. Divert, or attempt to divert any funding or referral sources, vendor or other business relationships, or the Guests or House Mentors of any Chartered Home, to any Competitive Business, whether by direct or indirect inducement, suggestion or otherwise, or for Member to do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Charter, the VSL community, Vanderburgh, or the Intellectual Property; but notwithstanding the above, nothing herein shall prevent Member from directing Guests or referrals to another member of the VSL community or to Vanderburgh in lieu of Member's own operations; or
 - ii. Operate directly or indirectly any Recovery Home that is not a Chartered Home subject to the terms and conditions of this Agreement; or

- iii. Employ or engage any person who is employed or engaged as a contractor or as staff or any person or entity identified in the VSL CRM database, or at any time in the preceding 12-month period has been employed or engaged by Vanderburgh, a Foundation Affiliate, any other chartered operator, or by any chartered home, at any Competitive Business; or knowingly seek to induce any person who is employed or engaged by Vanderburgh, by a Foundation Affiliate, by any other chartered operator, or by any chartered home, to leave such employment or engagement, further including vendors, referral sources, and others; or
 - iv. Own, operate, manage, advise, or have any financial or beneficial interest in (including any interest in a corporation, partnership, limited liability company, trust, joint venture, or any other incorporated or unincorporated association or organization), or make loans to, or provide advisory or support services for (whether compensated or otherwise), any Competitive Business which is, or is intended to be, located within the United States or any other country, province or geographic area in which Vanderburgh or a Foundation Affiliate has registered or applied for registration of any of the Intellectual Property, or operates or licenses others to operate chartered homes; this provision not applying to the ownership of shares representing less than one (1%) percent of any entity that is publicly traded on any securities exchange.
- b. Vanderburgh shall have the right to reduce the scope of any covenant applicable to Member and its owners, affiliates, employees and representatives as set forth in this section, or any portion thereof, effective immediately on notice to Member; and Member agrees that Member and its owners, affiliates, employees and representatives shall comply with the reduced scope of any covenant so modified, which shall be fully enforceable.
 - c. If Member or its owners, affiliates, employees or representatives violate any covenants contained in this section, and if Vanderburgh institutes any court action to prevent or enjoin such violation, then the duration of the covenants under this section shall be lengthened by a period of time equal to the period between the date of the start of the violation and the date on which the decree of the court's disposition of the issues on the merits becomes final in favor of Vanderburgh and is not subject to further appeal.
 - d. Member agrees that the existence of any claims Member or its owners, affiliates, employees or representatives may assert against Vanderburgh shall not constitute a defense to the enforcement by Vanderburgh of the covenants in this section.
 - e. At Vanderburgh's reasonable request, Member shall require and obtain execution of covenants similar to those set forth in this section (including covenants applicable on the termination of Member's owners, affiliates, employees, or representatives' employment with Member) from any of Member's owners, affiliates, employees or representatives. In the event of any inconsistencies between the provisions of any such agreement and this section, this section shall govern and control. Vanderburgh may, in its discretion, decrease the period of time or limit the geographic scope of the covenants set forth in any related agreements, or eliminate those covenants altogether, for any person who is required to execute the covenants.
 - f. Member's obligations under this section are fully assignable solely by Vanderburgh, and shall survive any merger, acquisition, sale of assets, or other change in ownership or control of Member or Vanderburgh.

7.3 Justification and Consideration. The Parties agree that the covenants contained in this section are consideration for Vanderburgh's grant of a Charter to Member and are reasonable limitations as to time and scope of activity to be restrained, and do not impose greater restraints than are necessary to protect Vanderburgh's charitable mission or the goodwill or other interests of the VSL community, Vanderburgh and the Intellectual Property. Each of the covenants in this section shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this section is held unreasonable or unenforceable by a court, arbitrator or agency having valid jurisdiction in an unappealed final decision to

which Vanderburgh is a party, such covenant shall be modified by such court, arbitrator or agency to the minimum extent required by law to make the covenant enforceable. Member expressly agrees to be bound by any lesser covenant as reformed by such court, arbitrator or agency, or as subsumed within the terms of the covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this section.

7.4 Effect of Non-Compliance. The parties acknowledge that any failure by either party to substantially comply with the requirements of this section shall constitute a material default. The parties further acknowledge that a material violation by either party of the terms of this section would result in irreparable injury to the other party for which no adequate remedy at law may be available, and the parties accordingly consent to the issuance of an injunction prohibiting any conduct by the party in material violation of the terms of this section. In connection with any action to enforce the terms of this section, the losing party(ies) agree(s) to pay all court costs and reasonable attorneys' fees incurred by the prevailing party(ies), including all reasonable costs related to obtaining specific performance or an injunction.

8. Termination

8.1 Grounds for Automatic Revocation of Charter and Agreement Termination; Material Defaults.

Member shall be in material default of this Agreement, and Vanderburgh at its option may terminate this Agreement without affording Member any opportunity to cure the material default except as provided below, effective immediately when Vanderburgh gives written notice to Member on the occurrence of any of the following events:

- a. If Member (i) becomes insolvent or makes a general assignment for the benefit of creditors; (ii) files or consents to the filing of any voluntary petition under any chapter of the United States Bankruptcy Code or similar federal or state insolvency law, or admits in writing its inability to pay debts as they become due; (iii) is adjudicated bankrupt or insolvent, has a petition, bill in equity, or other proceeding filed against it under any such law that results in the appointment of a receiver, trustee, custodian, or similar official for all or a substantial part of its business or assets; or (iv) is dissolved, except for an inadvertent administrative
- b. If execution is levied against Member's business or property or if the real or personal property owned or leased by Member is sold after levy thereon by any sheriff, marshal, or constable, or if a final, non-appealable, judgment against Member remains unsatisfied or of record for 90 days or longer, or if suit to foreclose any lien or mortgage against the premises or equipment of the Chartered Business is instituted and not dismissed within thirty (30) days.
- c. If Member opens, attempts to open, or operates any sober living home not in accordance with this Agreement and/or that is not a Chartered Home, after a seven (7) day opportunity to cure.
- d. If Member at any time ceases to operate or otherwise abandons its business as a Chartered Operator; or if Member loses the right to possession of the premises of its business as a Chartered Operator, or otherwise forfeits the right to do or transact business in the jurisdiction where Member is located. For purposes of this provision, the term "abandon" shall mean Member's failure to conduct business as a Chartered Operator for seven (7) consecutive business days, or Member's performance of any act evidencing Member's intent to permanently cease business as a Chartered Operator.
- e. If Member or any of Member's principals, employees, or other agents are convicted of, or have entered a plea of *nolo contendere* to, a felony, or any other crime or offense that Vanderburgh reasonably believes is likely to have an adverse effect on Member or any other operators chartered by Vanderburgh, the goodwill associated with Vanderburgh or its interest.
- f. If a threat or danger to public health or safety, including and especially that of Guests, or other stakeholders results from the construction, maintenance, or conduct of Member as a Chartered Operator. This shall

specifically include failure of Member in following any standards, including drug screening and recording of drug screening results of Guests in software systems, the failure to provide adequate utilities and services to any Chartered Home, failure to maintain an adequate safe and drug- and alcohol-free environment in any Chartered Home, failure to accurately maintain Guest records, or other violations that, at Vanderburgh's sole discretion, endanger the lives or safety of Guests. Vanderburgh may at its sole discretion grant an opportunity to cure in relation to this subsection.

- g. If Member purports to effect any assignment or transfer in violation of this Agreement.
- h. If Member or any affiliate of Member does not pay when due any monies owed Vanderburgh or any Foundation Affiliate under any agreement, after a thirty (30) day opportunity to cure.
- i. If Member fails to pay a third-party supplier or trade creditor according to applicable credit terms, after a thirty (30) day opportunity to cure, except with respect to payments that are subject to a good faith dispute.
- j. If Member fails to comply with or satisfy, or breaches any term, covenant, warranty, or representation in this Agreement.
- k. If Member knowingly misuses any Confidential Information.
- l. If a Transfer on death or Permanent Disability is not made within the applicable time period set forth herein, or if Member fails to offer Vanderburgh the right of first refusal set forth herein.
- m. If Member engages in any misconduct including but not limited to embezzlement of funds, fraud, or misrepresentation relating to Member as a Chartered Operator.
- n. If Member fails to procure and maintain insurance required in this Agreement.
- o. If Member misuses or uses without authorization any Intellectual Property or otherwise impairs the goodwill or Vanderburgh's rights thereto, subject to a twenty four (24) hour opportunity to cure that may be afforded Member at Vanderburgh's sole discretion.
- p. If Member repeatedly commits material defaults under this Agreement of for which Vanderburgh has given Member written notice, whether or not those defaults are cured by Member.

The term "Permanent Disability" as used in this section means any physical, emotional, or mental injury, illness, or incapacity that prevents a natural Person from performing his or her obligations under this Agreement or in the Undertaking and Guaranty for at least ninety (90) consecutive days, and from which recovery within ninety (90) days after the date of determination of disability is unlikely.

For any material default by Member enumerated under this section for which Member is afforded a cure period, if it is impractical to cure the material default within the cure period because of a Force Majeure Event, or because of any other circumstance beyond Member's control, and if Member has commenced efforts to cure the subject material default and are diligently pursuing those efforts within the cure period, then the cure period herein prescribed shall be extended for an additional period as shall be reasonably necessary to accomplish such cure.

For purposes of this Agreement, the term "Force Majeure Event" shall mean an extraordinary event or act of God such as tornado, hurricane, flood, fire, or other natural catastrophe, war, riot, labor disturbance, power outage, other civil disturbance, epidemic, or other substantially disruptive event beyond Member's reasonable control that materially and adversely affects the development or operation of the Chartered Business.

8.2 Revocation of Charter and Agreement Termination After Opportunity to Cure. Except as provided herein, Vanderburgh may terminate this Agreement by giving written notice of default and termination to Member stating the nature of the default at least thirty (30) days before the effective date of rightful termination. However, Member may avoid rightful termination by promptly initiating a remedy to cure the default and curing it to Vanderburgh's reasonable satisfaction within the thirty (30) day cure period, and by

promptly providing proof thereof to Vanderburgh. However, if it is impractical to cure the default within the cure period because of circumstances beyond Member's control, and if Member has commenced efforts to cure the subject default and are diligently pursuing those efforts within the cure period, then the cure period herein prescribed shall be extended for an additional period as shall be necessary to accomplish such cure. If any default is not cured within the specified time (or such longer period as applicable law may require, or as provided in the immediately preceding sentence), this Agreement shall terminate without further notice to Member, effective immediately on the expiration of the thirty (30) day period (or such longer period as applicable law may require, or as provided hereinabove). Defaults that are susceptible of cure may include the following illustrative events, which do not comprise an exhaustive list of possible defaults, but rather provide examples therefore:

- a. Member fails to substantially comply with any of the requirements imposed by this Agreement, or Member fails to carry out the terms of this Agreement in good faith.
- b. Member fails to materially maintain or observe any of the required standards.
- c. Member fails, refuses or neglects to obtain Vanderburgh's prior written approval or consent as required by this Agreement.

8.3 Termination By Member For Cause. Member may terminate this Agreement for cause, if Vanderburgh has materially defaulted in the performance of any material obligation under this Agreement, and if:

- a. Member has given Vanderburgh written notice of termination specifying the material default; and
- b. Vanderburgh has failed to cure a noticed material default within sixty (60) days after the notice is given; but if Vanderburgh is delayed, hindered in, or prevented from the performance of any act required by the notice because of a Force Majeure event, or because of any other circumstance beyond Vanderburgh's control, then performance of the act will be excused for the period of delay, and the period of performance of the act shall be extended for a period equivalent to the period of the delay.

8.4 Post-Expiration & Post-Termination. Upon termination or expiration of this Agreement, for any reason, the Charter and all rights granted under this Agreement shall immediately cease. Member shall immediately cease operation of any Chartered Homes as a Chartered Operator and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a Chartered Operator. Member shall assign, and Vanderburgh or an assignee of Vanderburgh shall assume, all agreements and contracts between Member or Member's affiliates and any Guests, suppliers, vendors, landlords, and other contracting parties to which Member is a party on the date of such expiration or termination. Member hereby agrees to execute any and all documents necessary, in Vanderburgh's discretion, to effectuate the assignments set forth in this section, and Member hereby appoints Vanderburgh as Member's true and lawful agent and attorney-in-fact with full power and authority for the sole purpose of taking such action to complete these assignments. To effectuate an Operations Assumption, Member grants Vanderburgh the right to modify, alter, or update any filings with any government entity to confirm same. This power of attorney shall survive the expiration or termination of this Agreement. Vanderburgh may assign some or all of its options to any other party or parties without Member's consent.

8.5 Confidential Information & Intellectual Property. Member shall immediately cease to use, in any manner whatsoever, Confidential Information and any authorized Intellectual Property, and any associated proprietary methods, procedures and techniques. The restrictions in this section on the use by the parties of Confidential Information, and the restrictions in this section on the use by Member of any Intellectual Property, and any associated proprietary methods, procedures and techniques shall be perpetual. The parties shall substantially comply with the restrictions on confidential information and the noncompetition covenants, as applicable, contained herein, regardless of the basis for termination. Any other person required to execute similar covenants shall also substantially comply with those covenants.

Member shall promptly deliver to Vanderburgh all Confidential Information, including all records, files,

instructions, correspondence and other materials related to operation of Member's business as a Chartered Operator or related to any Chartered Home or Guest (including the original or copies, as Vanderburgh requests, of all Guest Agreements, records and invoices), and all Software licensed by Vanderburgh, in Member's possession or control, as well as all copies of any of them (all of which in any form whatsoever are acknowledged to be Vanderburgh's property). Member may not retain any copy or record of any of the foregoing, except copies of this Agreement, any correspondence between the parties and any other documents that Member reasonably needs to substantially comply with any provision of law. Member shall not be obligated to turn over to Vanderburgh any marketing or advertising materials that Member produced not in collaboration with Vanderburgh and not using Confidential Information or Intellectual Property.

Member shall further take all actions necessary to cease use and cancel any assumed name or equivalent registration Vanderburgh may have authorized that contain all or any part of the Intellectual Property and Member shall furnish Vanderburgh satisfactory evidence of substantial compliance with this obligation within thirty (30) days following expiration or rightful termination of this Agreement.

Member shall furnish Vanderburgh an itemized list of all Advertising Materials whether located at a Chartered Home or otherwise in Member's possession. Upon inspection, Vanderburgh shall have the option, exercisable within thirty (30) days after inspection to purchase any or all of the materials at Member's original cost or to require Member to destroy the materials. Any Advertising Materials not purchased by Vanderburgh may not be utilized by Member or any other party for any purpose unless authorized in writing by Vanderburgh.

Member shall further immediately and permanently cease to use, in any manner whatsoever any reproduction, counterfeit, copy or colorable imitation of the designated Intellectual Property which (i) is likely to cause confusion, mistake or deception; (ii) is likely to dilute Vanderburgh's or a Foundation Affiliate's rights therein; or (iii) is likely to falsely suggest or represent an association or connection with Vanderburgh or a Foundation Affiliate, whether or not constituting unfair competition, and all materials subject to Vanderburgh's copyright. Specifically, without limiting the generality of the foregoing, Member shall cease to use all Advertising Materials, displays, stationery, forms and other articles subject to Vanderburgh's copyright.

9. Representations, Warranties & Covenants

9.1 Member. Member expressly acknowledges and affirms each of the following:

- a. Member acknowledges and agrees that the rights granted in this Agreement relate only to the chartered business, and that Vanderburgh has reserved all rights not expressly conveyed in this Agreement, regardless of their competitive effect on the chartered business.
- b. Member's chartered business is duly organized and validly existing under the state law of its formation and is duly authorized to conduct business in each jurisdiction in which it operates, as applicable.
- c. Member has fully disclosed all Member's Controlling Owners and Member's Affiliates in **Schedule B** to this Agreement.
- d. Member has presented Vanderburgh with all requested documents and agreements establishing or governing the operation and relationship of the Member and Member's Controlling Owners, if applicable and whether or not filed with any governmental authority ("Governing Documents"). Examples of Governing Documents are Articles of Incorporation, Bylaws and Shareholder Agreements; the Articles of Formation, Member Agreements, Operating Agreements, and Partnership Agreement.
- e. Activities under Member's Governing Documents are exclusively confined to the operation of one or more Chartered Homes unless Vanderburgh has otherwise consented in writing.
- f. Member has the power and authority to enter into and perform all its obligations under this Agreement.
- g. Member's Governing Documents as applicable restrict transfers of all ownership interests, consistent with the transfer restrictions contained herein.

- h. Any certificate representing an ownership interest in Member, if applicable, shall have conspicuously endorsed on it a statement that the certificate is held subject to all transfer restrictions contained in this Agreement.
- i. If any individual ceases to qualify as one of Member's Controlling Owners or becomes one of Member's Controlling Owners, Member shall notify Vanderburgh in writing within five (5) business days after the change. Any individual becoming one of Member's Controlling Owners shall promptly execute the CONFIDENTIALITY AND NON-COMPETITION AGREEMENT as set forth herein.
- j. Member's Controlling Owners shall jointly and severally guarantee performance of all Member's obligations, covenants, and agreements under this Agreement, and shall execute the Undertaking and Guaranty included herein.
- k. Member shall use commercially reasonable efforts to operate as a Chartered Operator and promote the services offered by Member.
- l. Member shall use commercially reasonable efforts to ensure that adequate financial resources are available for the operation as a Chartered Operator through working capital.
- m. Member acknowledges that Member has received, read, and understands this Agreement including its Schedules and that Vanderburgh has afforded Member sufficient time and opportunity to consult with advisors selected by Member about the potential benefits and risks of entering into this Agreement.
- n. Member acknowledges that uniformity among chartered operators under varying conditions may be inadvisable, impractical or impossible, and accordingly agrees that Vanderburgh in its discretion may reasonably modify or vary aspects of the standards required as to any chartered operator or group of chartered operators based on, for example, local Guest volume, demographics, competition, business practices and other conditions. Member is aware that other chartered operators may operate under different agreements and consequently, Vanderburgh's obligations and rights as to those chartered operators may materially differ.
- o. Member is aware that its success or failure depends to a significant degree on Member's active participation in its business as a Chartered Operator, including its active participation in community outreach and developing and maintaining relationships with referral sources for Guests, business administrative functions including revenue collection and bill payment, and that Vanderburgh has no obligation now or in the future to provide any assistance to Member beyond the terms of this Agreement.
- p. Member has represented to Vanderburgh that neither Member nor its affiliates, principals, owners, employees, or representatives have been designated as suspected terrorists as set forth on the list of Specially Designated Nationals as promulgated by the Office for Asset Control under the U.S. Department of Treasury.
- q. The representations, warranties, and covenants set forth in this Section are continuing obligations of Member. A material breach or failure to substantially comply with these obligations constitutes a material default of this Agreement. Member shall reasonably cooperate with Vanderburgh in verifying substantial compliance with such obligations.
- r. Member agrees to substantially comply with all requirements of this Agreement and to perform all obligations imposed by this Agreement.
- s. Member agrees to comply with all Chartered Operator Standards, Chartered Home Standards, Facility Standards, and all other standards described in this Agreement and as may be updated by Vanderburgh from time to time.

9.2. Vanderburgh. Vanderburgh expressly acknowledges and affirms each of the following:

- a. Vanderburgh has the authority to enter into this Agreement which will not violate any other agreements by which Vanderburgh and/or Foundation Affiliates are bound.
- b. Similar but not necessarily identical restrictive covenants are imposed on all chartered operators.
- c. Vanderburgh, whether directly or as influenced by the Council, shall act in good faith in maintaining and updating any required standards.

- d. Vanderburgh intends to use commercially reasonable efforts, when appropriate, to enforce the restrictive covenants imposed on Member.
- e. Vanderburgh makes no representations about the application of laws, statutes, regulations, municipal or county ordinances, or the laws, regulations, or decisions of any government or regulatory body to the operation of the Chartered Business. Legal controversies may arise concerning building code, zoning, fire safety, and landlord/tenant laws as they relate to Member as a Chartered Operator and Chartered Homes, and Vanderburgh cannot guarantee Member will prevail in any legal controversy and cannot offer legal advice where Member should consult an attorney regarding specific legal concerns related to Member's business as a Chartered Operator.

10. Assignment

10.1 General. Parties may only Transfer their respective interests subject to the terms of this Agreement. "Transfer" shall mean without limitation and whether voluntary or involuntary, conditional or unconditional, and/or direct or indirect: (a) an assignment, sale, gift, transfer, pledge, or sub-charter; (b) the grant of a mortgage, charge, lien, or security interest, including, without limitation, the grant of a collateral assignment; (c) a merger, consolidation, exchange of shares or other ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or redemption of ownership interests; and (d) a sale or exchange of voting interests or securities convertible to voting interests, or an agreement granting the right to exercise or control the exercise of the voting rights of any holder of ownership interests or to control the operations or affairs of Charter Holder.

10.2 Transfers by Vanderburgh. Vanderburgh may transfer its interest under this Agreement in whole or in part and at its discretion so long as the transferee in Vanderburgh's reasonable business judgment is willing and able to assume all Vanderburgh's obligations under this Agreement. Without limiting the foregoing, Vanderburgh or any Foundation Affiliate, as applicable, may sell its assets, the Intellectual Property, Electronic Support Systems, or any other elements underlying the services Vanderburgh provides. Vanderburgh may offer its securities privately or publicly; may merge with, spin off or acquire other corporations, or be acquired by another corporation; or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any or all of the above transfers, sales, assignments and dispositions, Member expressly and specifically waives any claims, demands or damages against Vanderburgh arising from or related to the transfers set forth above provided that said transferee agrees to assume and is capable of assuming all obligations of Vanderburgh under this Agreement. In the event Vanderburgh exercises a Transfer, Vanderburgh shall facilitate meetings and presentations with the transferee and Member.

10.3 Transfers by Member. The rights and duties set forth in this Agreement are specific to Member, and Vanderburgh has granted rights under this Agreement in reliance on Member's and Member's Controlling Owners' business skill, financial capacity, and personal character. If Member or any of Member's Controlling Owners wish to effect a transfer of this Agreement, a Controlling Interest in Member, or all or most or all of the assets of Member, the transferor and the proposed transferee shall apply to Vanderburgh for Vanderburgh's consent. Vanderburgh reserves the right, in its sole discretion, to approve, decline to approve, or conditionally approve any application for transfer based on the reasonable application of Vanderburgh's then-current requirements for new chartered operators. If any of Member's Controlling Owners should seek to effect a Transfer, Member shall promptly notify Vanderburgh of the proposed Transfer in writing and shall provide any information relative thereto that Vanderburgh reasonably requests before the Transfer. The transferees must have good moral character, good business reputations and acceptable credit ratings as determined by Vanderburgh in its discretion and as applicable to new chartered operators, and may not operate or have any interests in any Competitive Businesses.

10.4 Security Interests. Member may not grant a security or other interest in Member, its business, or any Chartered Home without Vanderburgh's prior written consent. As a condition to Vanderburgh's consent, the

secured party shall be required by Vanderburgh to agree that in the event of any material default by Member under any documents related to the security interest, Vanderburgh shall have the right (at its option) to be substituted as obligor to the secured party and to cure any material default by Member. Member may not, at any time, grant a direct or indirect security interest in this Agreement.

10.5 Vanderburgh's Right of First Refusal. If Member seeks to effect a Transfer pursuant to any *bona fide* offer to purchase received from a third party, then the proposed seller shall promptly notify Vanderburgh in writing of the offer, and shall provide any additional information and documentation relating to the offer that Vanderburgh requires. Vanderburgh shall have the option, exercisable within forty-five (45) days after receipt of all written documentation reasonably requested by Vanderburgh describing the terms of the offer, to send written notice to the seller that Vanderburgh intends to purchase the seller's interest on the same terms and conditions offered by the third party.

10.6 Death or Permanent Disability. If the death or Permanent Disability of one of Member's Controlling Owners seriously and adversely impacts the operation of Member as a Chartered Operator, and if no other person associated with Member is trained to oversee the day-to-day operation of Member's business as a Chartered Operator, Vanderburgh at its option may elect to operate, or to appoint a designee such as a Foundation Affiliate to operate, the Member's business as a Chartered Operator until another of Member's Controlling Owners is able to oversee the operation of Member's business as a Chartered Operator. As compensation for operating the Member's business in this circumstance, Vanderburgh or a Foundation Affiliate shall be entitled to a reasonable fee equal to twenty percent (20%) of Member's actual gross revenue. Member shall execute any agreements or other documents required by Vanderburgh to effect the foregoing, and shall remain responsible for payment of employee salaries, taxes, rent, utilities, supplies and all other costs and expenses associated with the operation of the Chartered Business. Vanderburgh or a Foundation Affiliate, as applicable, shall exercise its best efforts in operating the Member's business as a Chartered Operator, but neither Vanderburgh nor any Foundation Affiliate shall be liable for any losses incurred by Member during the time of such temporary operation or thereafter.

On the death of any of Member's Controlling Owners, the executor, administrator, personal representative or trustee ("personal representative") of the deceased person shall transfer his or her interest to a third party or trust acceptable to Vanderburgh within two hundred forty (240) days after assuming that capacity. Any transfer of this type shall be subject to the same requirements as other transfer under this Agreement, and Vanderburgh shall not conduct business under Member's entity or trade name, and shall communicate to interested parties that a change in ownership and operation has taken place.

10.7 Effect of Consent. Vanderburgh's consent to a Transfer shall not constitute a waiver of any claims that Vanderburgh has against the transferring party, nor shall it waive Vanderburgh's right to demand substantial compliance with any terms of this Agreement by the transferee.

10.8 Transfers Among Member's Controlling Owners. In the event that any of Member's Controlling Owners seek to effect Transfers by and among themselves, of their respective Ownership Interests in Member, the Transfers shall be considered approved, provided that: (i) the same persons are Member's Controlling Owners both before and after the Transfers; (ii) the aggregate interests held by all of Member's Controlling Owners both before and after the Transfers are the same (*i.e.*, the Transfers are not to persons who are not already Member's Controlling Owners, and do not result in any of Member's Controlling Owners having no interest in Member after the Transfers); and (iii) there is substantial compliance with this Agreement.

11. Indemnification

11.1 Definitions. "Vanderburgh Indemnitees" as used herein refers to Vanderburgh and all affiliates of Vanderburgh, their respective successors, officers, owners, directors, shareholders, partners, agents, representatives, independent contractors, and employees.

11.2 Indemnification by Member. Member shall at all times indemnify to the fullest extent permitted by law all Vanderburgh Indemnitees from all compensatory, exemplary, incidental, consequential, and punitive damages, including lost revenue; all fines, charges, costs, or expenses imposed by courts or other governmental authorities or by arbitrators; reasonable attorneys' fees and all court costs; settlement amounts; judgments relating to litigation or arbitration; compensation for damages to Vanderburgh's or Member's reputation and goodwill; costs of or resulting from delays; costs of any necessary corrective advertising material and media time or space, and costs of changing, substituting or replacing advertising; and all expenses of recall, refunds, compensation to third parties, public notices, and other similar amounts incurred in connection with the matters for which these losses or expenses are to be paid ("Losses and Expenses") incurred in connection with any action, suit, proceeding, claim, counterclaim, demand, investigation or formal or informal inquiry pursued by any third party (collectively, an "Action"), or any settlement of any Action (whether or not a formal proceeding has been instituted), except as to (i) any claim arising out of a breach of this Agreement by Vanderburgh or Vanderburgh Indemnitees, (ii) any claim based on any other civil wrong of Vanderburgh or Vanderburgh Indemnitees, or (iii) any claim based on Vanderburgh's strict liability under the law, that arises out of or is based on any of the following acts or omissions:

- a. The infringement, alleged infringement, or any other violation or alleged violation by Member or its affiliates, officers, directors, shareholders, partners, representatives, independent contractors, employees, or other agents of any patent, trademark, copyright or other proprietary right owned or controlled by a third party except to the extent occurring with respect to any right granted hereunder to use the designated Intellectual Property.
- b. The violation or breach, or the alleged violation or breach, Member or its affiliates, officers, directors, shareholders, partners, representatives, independent contractors, employees, or other agents, or agents of any federal, state or local law, regulation, rule, standard or directive, or any accepted industry standard.
- c. Libel, slander or any other form of defamation by Member or its affiliates, officers, directors, shareholders, partners, representatives, independent contractors, employees, or other agents of Vanderburgh or its affiliates, principals, owners, employees, or agents, or any member of the VSL community, other chartered operators or chartered homes.
- d. The violation or breach by Member of any warranty, representation, or obligation under this Agreement, or the violation or breach by Member of any other agreement between Member, Vanderburgh, and their respective affiliates, officers, directors, shareholders, partners, representatives, independent contractors, employees, or other agents.
- e. Acts, errors or omissions of Member or its affiliates, officers, directors, shareholders, partners, representatives, independent contractors, employees, or other agents in connection with the establishment and operation of Member as a Chartered Operator or of any Chartered Home, further including any acts, errors or omissions of any of the foregoing in connection with the operation of any motor vehicle. Member specifically acknowledges that: (i) Vanderburgh does not have any inherent ownership interest in Member, and Vanderburgh has no control over Member other than pursuant to Member's obligations under the Charter, and Vanderburgh does not otherwise exercise any indirect or direct control over the day-to-day operation of Member as a Chartered Operator, including operations-related functions such as safety and security, the use of equipment and motor vehicles, and the delivery of products and services to Guests, and personnel-related functions such as recruiting, interviewing, hiring, timekeeping, scheduling, payroll processing, supervising, disciplining and firing; (ii) all liability arising out of Member's business as a Chartered Operator and the operation of any Chartered Home is Member's responsibility; and (iii) Member's indemnification obligation to Vanderburgh Indemnitees under this section covers any "joint employer," "agency," "ostensible agency" or similar claims by third parties based on the establishment or operation of a Chartered Home or Member's business as a Chartered Operator.
- f. Vanderburgh Indemnitees assume no liability for any acts, errors or omissions of any third party with

whom Member or its affiliates, officers, directors, shareholders, partners, representatives, independent contractors, employees, or other agents may contract, regardless of purpose. Member shall indemnify Vanderburgh Indemnitees for all Losses and Expenses arising out of any acts, errors or omissions of Member or its affiliates, officers, directors, shareholders, partners, representatives, independent contractors, employees, or other agents and any such third party without limitation and without regard to the cause or causes of the acts, errors or omissions, or the negligence, whether sole, joint or concurrent, and whether active or passive, of any other party or parties arising in connection therewith, except with regard to acts or omissions of Vanderburgh Indemnitees for which Vanderburgh shall indemnify Member and its affiliates, officers, directors, shareholders, partners, representatives, independent contractors, employees, or other agents as provided herein. Under no circumstances shall Vanderburgh Indemnitees be required or obligated to seek recovery from any third party or otherwise to mitigate their losses in order to maintain a claim against Member. Nevertheless, Vanderburgh Indemnitees are required to undertake reasonable efforts to mitigate their losses.

11.3 Notice of Claims; Legal Counsel. Member shall promptly notify Vanderburgh of any Action for which any Vanderburgh Indemnitee may be entitled to indemnification hereunder, even if none of Vanderburgh Indemnitees is initially named as a party to such Action. As to any such Action, Member shall retain legal counsel reasonably satisfactory to Vanderburgh with respect to the defense and/or settlement of the Action, and, except as otherwise provided in this Agreement, shall control the defense and/or settlement of the Action. If Member is unable or unwilling to retain such legal counsel, at the expense and risk of Member, Vanderburgh may elect (but under no circumstance is Vanderburgh obligated) to retain legal counsel of its own choosing with respect to the defense and/or settlement of such Action. The assumption of control of the defense and/or settlement of such Action by Vanderburgh shall, in no manner or form, diminish the obligation of Member to indemnify Vanderburgh Indemnitees.

11.4 Control of Settlement. In order to protect its reputation or goodwill, Vanderburgh may, at any time, agree to a settlement (after it has conferred with Member in good faith before agreeing to the settlement), or take other remedial or corrective actions that it considers expedient, with respect to an Action if, in Vanderburgh's reasonable business judgment, there are grounds to believe that: (i) any act or circumstance enumerated herein has occurred; or (ii) any act, error, or omission as described herein has occurred that may result in damage to Vanderburgh's reputation or goodwill. Notwithstanding the foregoing, Vanderburgh may not, at any time, agree to a settlement or take other remedial or corrective actions that it considers expedient with respect to an Action involving employee-related or labor relations matters ("Employment Action") by employees of Member and/or Member's Affiliates against Member and/or Member's Affiliates. Furthermore, Member shall have full control over the defense of an Employment Action and shall act in good faith to amicably settle the Employment Action if in the best interest of Member and Vanderburgh.

11.5 No Waiver. All Losses and Expenses incurred hereunder shall be chargeable to and paid by Member pursuant to the indemnification obligations hereunder, regardless of any actions, activity, or defense undertaken by Vanderburgh, or the subsequent success or failure of those actions, activity, or defense, unless, in the context of this section, Vanderburgh has failed to first confer with Member in good faith.

12. General Legal

12.1 Headings. The headings used in this Agreement are only for reference and shall not be construed to govern, limit, modify, or affect the scope, meaning, or intent of the provisions of this Agreement nor shall such headings be given any legal effect.

12.2 Non-Limiting Terms. In this Agreement, the words "include," "includes," "including," and "such as" are to be construed as if they were immediately followed by the words "without limitation."

12.3 Taxes. Member shall promptly pay when due all taxes levied or assessed in connection with Member's

business as a Chartered Operator and its Chartered Home(s). In no event shall Member permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor to occur against a Chartered Home, any improvements thereon, or against any other interest Member holds as a Chartered Operator.

12.4 Notice of Litigation. Member shall notify Vanderburgh in writing within ten (10) business days after the commencement of any legal action, suit or proceeding, or the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality that may adversely affect the operation or financial condition of Member as a Chartered Operator of any Chartered Home.

12.5 Notices. All notices and demands under this Agreement shall be in writing, and shall be deemed received: (i) at the time delivered by hand to the recipient party; (ii) the next Business Day after being sent via guaranteed overnight delivery by a commercial courier service; (iii) on confirmation of receipt by addressee if sent by email; or (iv) five (5) business days after being mailed by certified mail. All notices, payments and reports shall be sent to the parties as first described above unless the parties notify each other of any change in writing.

12.6 Merger. This Agreement, including any schedules and addenda to this Agreement, constitutes the entire, full and complete agreement between Member and Vanderburgh relating to the subject matter hereof, and supersedes all prior representations, understandings or agreements among or between Member, Vanderburgh and Affiliates of Member or Vanderburgh relating to the subject matter hereof. No amendment, change, or variance from this Agreement shall be binding on any party unless mutually agreed to by all parties in writing.

12.7 No Waiver. No delay, waiver, omission or forbearance on the part of either party to exercise any right, option, duty or power arising out of any default by the other party under this Agreement shall constitute a waiver by such party to enforce any such right, option, duty or power against the defaulting party, or as to a subsequent default by the defaulting party. Acceptance by a party of any payment due to it under this Agreement after the time at which the payment is due shall not be a waiver by the receiving party of any preceding default by the other party of any term, provision, covenant or condition of this Agreement.

12.8 Approvals and Consents. Whenever this Agreement requires the prior approval or consent of Vanderburgh, Member shall make a timely written request to Vanderburgh for the approval or consent, the approval or consent must be obtained in writing, and the approval or consent shall not be unreasonably withheld, conditioned or delayed by Vanderburgh. Vanderburgh makes no warranties or guarantees and assumes no liability or obligation to Member or to any third party to which Vanderburgh would not otherwise be subject in providing any approval or consent or by providing any other waiver, advice or suggestion to Member in connection with this Agreement. If Member is provided with an email address by Vanderburgh or a Foundation Affiliate, Member acknowledges that the communications contained in correspondence through same may not be secure and may be monitored and expressly acknowledges and consents to same.

12.9 Consequences of Force Majeure Event. Other than as described below, the parties shall not be liable for a failure to substantially comply with the terms and conditions of this Agreement when the failure is solely the result of a Force Majeure event. On the occurrence of a Force Majeure event, the affected party shall promptly notify the other party and include a description of the event, the duration the affected party expects its ability to substantially comply under this Agreement to be affected, and a plan for resuming operation under this Agreement, to be promptly undertaken by the affected party as soon as reasonable.

The affected party shall be liable for failure to reasonably give timely notice pursuant to this section to the extent of damage caused the other party by the delay. A Force Majeure event shall not relieve Member of any obligations or payments owed Vanderburgh and arising prior to the Force Majeure event. Member shall continue to indemnify Vanderburgh and its affiliates pursuant to Section 11 regardless of any Force Majeure event.

12.10 Governing Law. This Agreement is governed by the laws of the State of Delaware, without regard to conflicts rules. Any dispute arising out of or relating to this Agreement shall be resolved by binding arbitration administered by the AAA under its Commercial Rules before a single arbitrator, with the seat/venue in

Worcester County, Massachusetts. The FAA (9 U.S.C. §1 et seq.) governs the arbitration. Either party may seek temporary injunctive relief in the state or federal courts located in Worcester County, Massachusetts to preserve the status quo pending arbitration, and to confirm or vacate awards.

12.11 Limitations. Any claim by Member or Vanderburgh concerning this Agreement, any related agreement, the Chartered Business, or the Charter granted under this Agreement, shall be barred unless an arbitration or an action for a claim that cannot be the subject of arbitration is commenced within twelve (12) months after the date on which Member or Vanderburgh knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim. The foregoing time limit does not apply to claims (i) by one party related to non-payment under this Agreement by the other party, (ii) for indemnity, or (iii) related to unauthorized use of Confidential Information or the Marks.

12.12 Attorneys' Fees, Expenses and Costs. If any arbitration, action for any dispute, claim which cannot be subject of arbitration, or any action for injunctive relief relating to this Agreement is commenced, the party which prevails in that proceeding shall be entitled to a judgment against the other party for the costs of the action including court costs and reasonable attorneys' fees.

12.13 Multiple Originals. This Agreement may be executed electronically and/or in multiple counterparts, each of which shall be an original but all of which shall constitute the same instrument.

12.14 Survival. Any obligation of Vanderburgh or Member that contemplates performance after expiration or rightful Termination of this Agreement with respect to confidentiality (Section 6), competition (Section 7), indemnification (Section 11), or after any transfer (Sections 8, 10), shall be deemed to survive such expiration, rightful termination or transfer.

12.15 Severability. Except as expressly provided to the contrary in this Agreement, each portion, section, part, term and provision of this Agreement shall be considered severable. Any determination by a court or agency having valid jurisdiction that any portion, section, part, term or provision is invalid shall not impair the operation of, or have any other effect on, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and to be binding on the parties. Any portions, sections, parts, terms or provisions of this Agreement determined to be invalid shall be deemed not to be part of this Agreement, and there shall be automatically added a new portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation.

12.16 Joint and Several Obligations. All acknowledgments, promises, covenants, agreements and obligations made or undertaken by Member shall be deemed, jointly and severally, undertaken by Member and all controlling owners of Member.

12.17 Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of, any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or material default or threatened breach, failure or material default of any term, provision or condition of this Agreement or any other agreement between the parties. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration or termination of this Agreement shall not discharge or release Member from any liability or obligation then accrued or continuing beyond or arising out of the expiration or termination.

12.18 Third-Party Beneficiaries. Except as expressly provided to the contrary herein, nothing in this Agreement is intended nor shall be deemed to confer on any party other than Member and Vanderburgh any rights or remedies as a result of this Agreement. Notwithstanding, The Vanderburgh Foundation, Inc. and any such other Foundation Affiliate holding any right in any of the Intellectual Property, and such entity's

successors and assigns, shall have the full and independent right, at its option and in its discretion to enforce any term or condition in this Agreement concerning or affecting such Intellectual Property jointly with Vanderburgh.

12.19 Effectiveness. This Agreement shall not become effective until signed below by the parties' authorized representatives.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed by its duly authorized representative.

VANDERBURGH

MEMBER

By: _____

By: _____

Name: Hunter Foote

Name: {Member Signatory}

Title: Executive Director

Title: {Member Signatory Title}

MEMBER

MEMBER

By: _____

By: _____

Name: {Member Signatory}

Name: {Member Signatory}

Title: {Member Signatory Title}

Title: {Member Signatory Title}

Schedule A: Chartered Home Addenda

Schedule B: Member Owners, Principals, & Affiliates

Below are Member's owners, listing anyone owning or holding a direct or indirect interest in Member as of the Effective Date, followed by Member's Principals, listing anyone individuals, directors, managers, and/or corporate officers that have control over Member's business (collectively, "Member's Controlling Owners").

MEMBER OWNERS

<u>Name</u>	<u>Address</u>	<u>% Ownership & Nature of Interest</u>

MEMBER PRINCIPALS

<u>Name</u>	<u>Address</u>	<u>Telephone</u>	<u>E-Mail</u>

Below are Member's affiliates listing any entities that control Member, are controlled by Member, or are under common control with Member ("Member Affiliates").

MEMBER AFFILIATES

<u>Name</u>	<u>Address</u>	<u>Telephone</u>	<u>Nature of Relationship</u>

Initials

Initials

Initials

Initials

Schedule C: Undertaking & Guarantee Agreement

This Undertaking and Guarantee Agreement (this “Undertaking and Guarantee”) is entered into as of the Effective Date of the Agreements by the undersigned individuals (each, a “Guarantor,” and collectively, the “Guarantors”) for the benefit of Vanderburgh Foundation, Inc. (“Licensor”), in connection with that certain Grant of Charter and Membership Agreement (the “Agreement”) executed by and between Licensor and the Member named therein (“Member”).

1. Purpose and Consideration

Each of the undersigned acknowledges that execution of this Undertaking and Guarantee is a material inducement to and condition of Licensor entering into the Agreements with Member, and that Licensor would not have entered into the Agreements but for the execution and delivery of this Undertaking and Guarantee by each Guarantor.

2. Acknowledgment and Inclusion as Member’s Controlling Owners

Each of the undersigned is included within the definition of “Member’s Controlling Owners” as that term is used in the Agreements and is identified in Schedule B thereto. Each Guarantor acknowledges having received, read, and understood the terms of the Agreements, including all incorporated exhibits, schedules, and standards, and agrees to be bound by the covenants, representations, warranties, and obligations of Member’s Controlling Owners as set forth therein.

3. Unconditional and Irrevocable Guarantee

Each Guarantor, jointly and severally, unconditionally and irrevocably guarantees the full and timely performance of all obligations, duties, and liabilities of Member under the Agreements, as the same may be amended, renewed, extended, or otherwise modified from time to time (the “Guaranteed Obligations”). In the event of any failure by Member to perform the Guaranteed Obligations, Licensor may, at its sole discretion and without prior notice, demand performance by one or more of the Guarantors, and each Guarantor shall promptly and fully perform such obligations in accordance with the terms of the Agreements.

This guarantee shall be enforceable regardless of any waiver, extension, or modification granted by Licensor to Member, and each Guarantor waives any and all defenses available to a surety, including notice of default, presentment, demand, protest, or notice of any kind whatsoever.

4. Waiver of Defenses and Independent Obligations

Each Guarantor expressly waives:

- Any requirement that Licensor first proceed against Member or any other person before enforcing this Undertaking and Guarantee;
- Any requirement that Licensor exhaust any collateral or security held for the Guaranteed Obligations;
- Any and all notices of default, nonperformance, or nonpayment;
- Any right to require a marshalling of assets or other equitable doctrine.

This Undertaking and Guarantee constitutes a separate and independent obligation from that of the Member and shall remain in full force and effect regardless of any release, discharge, or substitution of any party to the Agreements or any other guarantor.

5. Binding Effect; Continuation

This Undertaking and Guarantee shall be binding upon each Guarantor and their respective heirs, successors, legal representatives, and assigns. In the event of the death of a Guarantor, the estate of the deceased shall remain liable for any Guaranteed Obligations existing at the time of death, and the obligations of the surviving Guarantors shall continue in full force and effect.

6. Governing Law and Enforcement

This Undertaking and Guarantee shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflict of law principles. Licensor shall be entitled to pursue all legal or equitable remedies available, including specific performance and injunctive relief, to enforce the terms of this Undertaking and Guarantee.

EXECUTED BY MEMBER'S CONTROLLING OWNERS:

_____ Guarantor Signature	_____ Guarantor Printed Name	_____ Witness Signature
_____ Guarantor Signature	_____ Guarantor Printed Name	_____ Witness Signature
_____ Guarantor Signature	_____ Guarantor Printed Name	_____ Witness Signature

Schedule D: Confidentiality & Non-Compete Agreement

This Confidentiality and Non-Compete Agreement (“Agreement”) is made by and between Vanderburgh Foundation, Inc., a Massachusetts nonprofit corporation, recognized as a Charitable Foundation by the IRS under IRC Section 501(c)3 having a principal address at 255 Main Street, Webster Massachusetts 01570 (“Licensor”) and {Member}, a {Entity State of Reg.} {Entity Type}, having a principal address at {Member Address} (“Member” or “You”), and the Covenantor defined below as of this day of , 20 (“Effective Date”).

Covenantor Name {first name, last name}

Address {input here}

City, State, Zip {input here}

WHEREAS, Licensor has granted a License to the Member, using the Intellectual Property and the Confidential Information, under a Grant of Charter and Membership Agreement made and entered into as of the date even with the Effective Date of this Agreement (the “Charter Agreement”), by and between Licensor and Member.

WHEREAS, Licensor or its Affiliates, as a result of the expenditure of significant time, skill, effort and capital, has developed and owns a system for developing Recovery Homes offering structured sober living services to Guests (“System”).

WHEREAS, Member does currently or intends in the future to invest it, acquire, develop, operator, or otherwise involve themselves with Recovery Homes under the Charter Agreement (“Licensed Homes”).

WHEREAS, the System includes the distinctive business format and methods for operating Licensed Homes. The System also includes Licensor’s methods, techniques, specifications, policies, procedures and other standards that relate to the operation of Licensed Homes, the quality and integrity of services offered at Licensed Homes.

WHEREAS, the System also includes certain Intellectual Property and information, knowledge, know-how, techniques, and materials used in or related to the System, including Licensor's confidential handbooks, knowledge bases, articles, and other digital media, copyrighted works, and other intellectual property, software, information about Operators and Guests, prospective Operators and Guests, plans and specifications, marketing information, materials and strategies, site evaluation and selection guidelines and techniques and other information (the “Confidential Information”).

WHEREAS, “Confidential Information” does not include (i) information that is already in, or after disclosure comes into, the public domain (other than information that is in the public domain due to Member’s or Covenantor’s breach of this Agreement or other agreements involving Licensor, Affiliates, Member or Covenantor), (ii) information that was independently developed by Member or Covenantor, (iii) information that was already in Member’s or Covenantor’s possession without obligation of confidentiality at the time of disclosure by Licensor, or (iv) information that is obtained by Member or Covenantor from any third party without obligation of confidentiality.

WHEREAS, the Confidential Information provides economic advantages to Licensor and Member, and are not generally known to, and are not readily ascertainable by proper means by, Licensor’s and Member's competitors who could obtain economic value from knowledge and use of the Confidential Information.

WHEREAS, Licensor and Member have taken and intend to take all reasonable steps to maintain the confidentiality and secrecy of Confidential Information.

WHEREAS, it will be necessary for Covenantor to have access to and to use some or all of the Confidential Information in the management and operation of Member's business using the System.

WHEREAS, Member has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and the System against unfair competition.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. Confidentiality Agreement

Disclosure: Licensors and/or Member will disclose to Covenantor, as necessary, some or all of the Confidential Information relating to the System. All information and materials, including, without limitation, any handbooks, knowledge base content, drawings, specifications, techniques and compilations of data which Licensors provide to Member or Covenantor, or which Member provides to Covenantor, will be deemed Confidential Information for the purposes of this Agreement.

Receipt: Covenantor will receive the Confidential Information in confidence and will, at all times, maintain them in confidence, and use them only in the course of his or her employment by or engagement by Member and then only in connection with the development and/or operation by Member of a Licensed Home for so long as Member is licensed by Licensors to use the System.

Copies prohibited: Covenantor will not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Licensors' express written permission.

Disclosure prohibited: Covenantor will not at any time disclose or permit the disclosure of the Confidential Information except to other personnel of Member or any of Member's affiliates, and only to the limited extent necessary to train or assist other personnel of Member or any of Member's affiliates in the development or operation of a Recovery Home. In the event Covenantor becomes aware of a breach or loss of any Confidential Information, Covenantor shall immediately notify Licensors and take measures to remediate including compliance with all applicable laws.

Obligation to Protect Goodwill: Covenantor will not at any time, directly or indirectly, do any act or omit to do any act that could or would likely be injurious or prejudicial to the goodwill associated with the Confidential Information and the System.

2. Covenants Not to Compete

2.1 Competition Strictly Prohibited. To protect the integrity, goodwill, and competitive advantage of the System and the Confidential Information, and in consideration for the Covenantor's access to and use of such Confidential Information, the Covenantor hereby agrees and covenants as follows:

2.2 Term of Restriction. The restrictions set forth in this Section shall apply throughout the full term of the Charter Agreement, including all automatic or discretionary renewal terms, and shall continue for a period of two (2) years thereafter, regardless of whether the Covenantor remains employed or engaged by Member, whether Member remains licensed under the Charter Agreement, or whether the Charter Agreement is assigned or otherwise transferred (the "Restricted Period").

2.3 Prohibited Competitive Conduct. During the Restricted Period defined above, Covenantor shall not, directly or indirectly, for themselves or through any entity, organization, or third party:

(a) Solicit, divert, or attempt to solicit or divert any business, business opportunity, Operator, Guest, referral source, or other commercial relationship from Licensors, Member, or any of their affiliates or Charter Holders, to any person or entity engaged in the business of operating structured sober living or recovery residences, or any substantially similar business.

(b) Employ, retain, or otherwise engage, or attempt to employ or engage, any person who is or within the preceding twelve (12) months was employed or engaged by Licensors, Member, or any of their affiliates or Charter Holders, or otherwise induce or attempt to induce any such person to terminate their employment or

engagement.

(c) Own, operate, manage, maintain, engage in, advise, assist, invest in, or have any direct or indirect financial or beneficial interest in (including through corporations, partnerships, trusts, joint ventures, or other entities), any business or entity that offers structured sober living, recovery residences, or any business that is of a character and concept substantially similar to a Licensed Home or Chartered Home.

This restriction applies to such business or entity located anywhere within the United States or its territories, or in any other geographic area in which Licensor, Member, or any Charter Holder has operated or has executed an agreement to operate a Licensed Home or Chartered Home, as of the commencement or during the term of this Agreement.

This restriction also applies specifically to any such business located within twenty-five (25) miles of any Licensed Home, Chartered Home, or location where a Licensed Home is under development (including any site where land has been acquired or a lease has been executed).

(d) Circumvent or attempt to circumvent the intent or effect of these restrictions through intermediaries, employment changes, entity restructuring, or other means.

2.4 Exceptions. This restriction shall not apply to the passive ownership of less than one percent (1%) of the outstanding stock of any publicly traded company, provided such ownership does not confer control or managerial involvement.

2.5 Independent Enforceability. The restrictive covenants in this section are separate from and in addition to any non-competition, non-solicitation, or confidentiality obligations arising under the Charter Agreement or any agreement between Covenantor and Member. The Covenantor agrees that these covenants are independently enforceable by the Licensor and Member, and shall survive termination of any employment, engagement, or agreement for any reason.

3. Miscellaneous

Covenantor as Principal: If the Covenantor is or becomes a principal of Member defined as one of Member's "Controlling Owners" under the Charter Agreement or any associated agreement, then Covenantor expressly agrees to be bound by and comply with each and every applicable provision of the Charter Agreement and all related agreements, as if Covenantor were a direct signatory thereto. This obligation applies in full force regardless of Covenantor's title, role, or employment status, and survives any change in such status.

Member Obligation: Member agrees to use commercially reasonable efforts to ensure that Covenantor fully complies with the terms and conditions of this Agreement.

Breach; Enforcement: Covenantor agrees that in the event of a breach of this Agreement, Licensor and/or Member would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Licensor and/or Member will be entitled to enforce the provisions of this Agreement and will be entitled, in addition to any other remedies which are made available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security. Covenantor agrees that any claim he or she may have against Member or Licensor, whether or not related to the Licensed Home(s), will not be a defense to the enforcement by Licensor or Member of any term of this Agreement.

Additional Terms:

1. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Licensor and Member in enforcing this Agreement.
2. Any failure by Licensor or Member to object to or take action with respect to any breach of any provision of this Agreement by Covenantor will not operate or be construed as a waiver of or consent to that breach

or any subsequent breach by Covenantor.

3. This Agreement will be governed by the laws of the state in which Licensor's principal business office is located on the date of the execution of this Agreement.
4. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographic area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Licensor and Member. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Licensor or Member is a party, Covenantor expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.
5. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties. This Agreement does not supersede any confidentiality or non-competition agreement that Covenantor may execute in connection with Covenantor's employment or engagement by Member.
6. All notices and demands required to be given hereunder will be in writing, and will be sent by personal delivery, expedited delivery service or certified mail to the respective parties at the addresses indicated in the Charter Agreement unless and until a different address has been designated by written notice to the other parties. If directed to Covenantor, the notice will be addressed to Covenantor's contact information displayed on the first page of this Agreement. Any notices or demands sent by personal delivery will be deemed given on receipt. Any notices or demands sent by expedited delivery service will be deemed given on the next business day. Any notices or demands sent by certified mail will be deemed given five (5) business days after the time of mailing. Any change in the foregoing addresses will be effected by giving ten (10) business days' written notice of such change to the other parties.
7. The rights and remedies of Licensor and Member under this Agreement shall inure to the benefit of their respective affiliates, successors and assigns. The obligations of Covenantor hereunder may not be assigned by Covenantor without the prior written consent of Licensor.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

LICENSOR

By: _____

Name: Hunter Foote

Title: Executive Director

MEMBER

By: _____

Name: {Member Signatory}

Title: {Member Signatory Title}

COVENANTOR:

Signed in an individual and personal capacity