

ChiRunning® & ChiWalking®
30 Orchard Street 28801 Asheville, North Carolina
CERTIFIED INSTRUCTOR CONFIDENTIALITY & NON-COMPETE AGREEMENT

This Licensing, Confidentiality and Non-Compete Agreement ("Agreement"), for Ten Dollars, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, is entered into by and between ChiLiving®, Inc. doing business as ChiRunning® ("ChiRunning®") and ChiWalking® ("ChiWalking®") and (Name) _____, hereafter referred to as "You" and "Your." ChiRunning® and ChiWalking® and You agree as follows:

1. Term: This agreement shall extend for a period of one year from the date above. At the termination of this Agreement, this Licensing Agreement shall be reviewed by ChiLiving®, Inc., and, if appropriate, a new Agreement, or a renewal of the existing Agreement shall be extended. A new Agreement shall be offered to you or the existing Agreement shall be renewed at the sole discretion of ChiLiving®, Inc. No new Agreement shall be effective unless signed by all parties.

An annual renewal fee will be due Jan. 31 of each year, as detailed in your Instructor Training Manual. Every two years you are required to take a Recertification Course to maintain your Certification unless otherwise approved by ChiLiving®, Inc. in writing.

2. Confidential Information. While involved with ChiRunning® and ChiWalking® or attending ChiRunning® and ChiWalking® Instructor Training, you will be exposed to certain valuable information that ChiLiving® deems confidential (hereafter the "Information"). This Information includes, but is not limited to, the ChiRunning® and ChiWalking® exercise method, techniques, program, processes, unpublished materials, products, and all other information included in the scope of the confidential Information as described below, all of which are collectively referred to for convenience as the "ChiRunning® and ChiWalking® Program and Method." ChiLiving® wishes to disclose the Information only if it can do so without risk that the Information's value will be diminished. You understand that ChiLiving® has invested substantial effort into developing this Information and the ChiRunning® and ChiWalking® Program and Methods, and that your **unauthorized disclosure of the Information would irreparably damage ChiLiving®** and subject you to immediate legal action.

The SCOPE of the Confidential Information includes, but is not limited to the ChiRunning® and ChiWalking® running, walking, hiking, living and fitness methods, program, and discipline. The Information includes the teaching techniques, instructional and other materials, and concepts in the presentation package, workbooks, and presentations that ChiLiving®, Inc. will make available to you only upon your signing this Agreement. The Confidential Information includes designs, text, movement techniques and combinations, and the concept of the ChiRunning® and ChiWalking® Program and Method, which themselves are among ChiLiving®'s trade secrets. The Confidential Information includes ChiRunning® and ChiWalking®'s "know-how," clients, client lists, Certified Instructor and Instructor candidate lists, certification standards, databases, marketing, tactics and strategy, merchandising, licensing, licensees, vendors, personnel contracts and their terms, business models and plans, compilations, techniques, devices, intellectual property, methods, processes, copy, formats, packaging, brand names, formulas, patterns, products, slogans, and illustrations. The Information includes all trade secrets and other information about ChiRunning®'s and ChiWalking®'s methods, programs, business, and techniques to which You are exposed while involved with ChiLiving® in any capacity.

In consideration of ChiLiving® disclosing this Confidential Information to you, and training you to become a Certified ChiRunning® and ChiWalking® Instructor, You hereby agree that the Confidential Information is and shall be kept confidential, except as You are authorized to disclose it by ChiLiving® and only after being Certified as a Instructor. You must first complete all requirements set out by ChiLiving®, Inc. to become a Certified Instructor and have express communication and written approval from ChiLiving®, Inc. for your Certification to be complete.

You also agree that information and resources which You develop or obtain while reviewing the ChiRunning® and ChiWalking® information or serving as a Certified ChiRunning® and ChiWalking® Instructor become the property of ChiLiving®, and that You will inform ChiLiving® of those developments. You agree that all such information shall be used only to benefit ChiLiving®.

You also agree to keep the Confidential Information secret and to hold it in confidence except as You are

NONDISCLOSURE & NONCOMPETITION

authorized to disclose it by ChiLiving®. You agree that you will not divulge, without consent, any of the Confidential Information to anyone who does not need to know to further ChiLiving®'s purposes unless: (a) the information is known to You prior to obtaining it from ChiLiving®; (b) the information is, at the time of disclosure by You, then in the public domain; or (c) the information is obtained by You from a third party who did not receive it directly or indirectly from ChiLiving®. You agree to return to ChiLiving® all materials related to the ChiRunning® and ChiWalking® Program and Method within fifteen (15) days of the conclusion of Your providing services to ChiLiving®, or when your certification ends, whichever is earlier, including all documentation, copies, notes, diagrams, computer data storage media, and other materials containing any portion of the Information.

Whether or not confidential or already public, ChiLiving® trademarks and trade names (including ChiLiving®, ChiRunning®, ChiWalking®, and others), and its written and recorded materials are protected by federal and state law, including copyright and trademark laws, from unauthorized reproduction or use, and may not be used or reproduced in any way without ChiLiving®'s written consent.

3. Authorized Disclosures by Certified ChiRunning® and ChiWalking Instructors®. Once certified as a ChiRunning® and ChiWalking® Instructor, You are authorized to teach the approved ChiRunning® and ChiWalking® Program and Method Curriculum to students using the teaching materials and techniques as presented in the manual distributed at or in connection with the Instructor Training workshop. Any products or services developed from these materials are the property of ChiLiving®, Inc. and must be approved for use by ChiLiving®, Inc. You agree to comply with all guidelines in the ChiRunning® and ChiWalking® Instructor training manuals that you will receive as part of your training, and all other materials provided to you by ChiLiving® from time to time, including but not limited to all guidelines relating to use of all ChiRunning® and ChiWalking® names and logos (including ChiRunning®, ChiWalking®, and ChiLiving®) in all promotional activities associated with your work as a Certified ChiRunning® and ChiWalking® Instructor. You may not use or disclose the names, logos, or Information in any other manner or context without ChiLiving®'s written consent. You may not teach others to teach the ChiRunning® or ChiWalking® Program and Method or to be ChiRunning® or ChiWalking® Program and Method instructors, and You may not certify others in the ChiRunning® or ChiWalking® Program and Method. You may not authorize any facility to represent that it is an authorized or licensed ChiRunning® or ChiWalking® Facility. You understand that the materials that will be distributed to you, including Danny Dreyer's ChiRunning® and ChiWalking® books, are copyrighted works, and that they may not be copied, reproduced, licensed, displayed, performed, or distributed in any manner except as expressly authorized in the written manual that will be distributed at or in connection with the Instructor Training workshop.

4. Non-competition and Indemnity. You agree not to manufacture, sell, deal in or otherwise use or appropriate the Confidential Information for your own use, including but not limited to creating derivative works, adaptation, imitation, redesign, reverse engineering, digitization, or modification. Products or services that You are currently manufacturing or marketing that are similar to those described in the Confidential Information and that are expressly listed on Schedule A attached hereto ("Preexisting Products") are exempt from this non-competition provision. You agree that You will not market, or cause to be marketed any exercise or fitness method or program that is substantially similar to the ChiRunning® or ChiWalking® Program and Method to anyone in the world at anytime during the time you are reviewing the ChiRunning® or ChiWalking® Confidential Information or performing services for ChiRunning® or ChiWalking® or serving as a Certified ChiRunning® or ChiWalking® Instructor and for a period of two years after the completion of that review or those services, or your certification ends. You agree to use the ChiRunning® or ChiWalking® name when using the ChiRunning® or ChiWalking® methods and to attribute this information to ChiLiving®, Inc. You further agree that You will not market, or cause to be marketed any program or method using the same or a substantially similar method to persons or businesses whom are then-present clients, contractors, directors, employees, or instructors of ChiRunning® or ChiWalking® for a period of two years after review, the completion of the services you performed for ChiRunning® or ChiWalking® or your certification ends. If the provisions contained in this non-competition provision are deemed to exceed the time, geographic, or other limits imposed by applicable law in any jurisdiction, then such provision shall be deemed reformed in such jurisdiction to the maximum extent permitted by applicable law.

You agree to indemnify and hold ChiLiving®, Inc. harmless for any damage, expense, or loss suffered by

NONDISCLOSURE & NONCOMPETITION

ChiLiving[®], Inc. as a result of Your instruction in, application of, injury caused by or other use of the Confidential Information. If ChiLiving[®], Inc. is required to seek indemnification by court action, and recovers damages from any part of ChiLiving[®], Inc.'s claim, You shall, in addition to paying the amount awarded by the court, shall also pay ChiLiving[®], Inc.'s reasonable legal expenses, specifically including, but not limited to attorney's fees.

5. General Provisions. This is the Parties' entire Agreement. It supersedes any and all prior agreements whether written or oral, and may be amended only by a separate writing. The persons signing below represent and warrant that each has the full power and authority to bind the party on whose behalf he or she signs, even if he or she signs on behalf of a corporation. This Agreement shall be construed under North Carolina law except as it applies to conflicts of law. The Parties consent to the jurisdiction of any federal or state court within Buncombe County, North Carolina. If any provision of this Agreement is determined to be unenforceable, that provision shall be reformed as set out above, or severed if such reformation is not applicable, and all other provisions shall remain in effect. This Agreement is not assignable, and shall bind the Parties and their heirs, fiduciaries, affiliates, directors, shareholders, partners, and successors. Correspondence will be to the Parties at the addresses at the bottom of this Agreement, or to such other places that the Parties designate from time to time in writing. This Agreement may be signed in counterparts, which together shall be one contract. Faxed signatures shall be construed to be as valid as originals.

ACCEPTED AND AGREED AS OF THE EFFECTIVE DATE ABOVE:

Dated: _____

Dated: _____

By: _____

By: _____

For: Katherine Dreyer
ChiLiving[®] Inc.
30 Orchard Street
Asheville, NC 28801

Print Name: _____
For Company Name: _____
Street Address: _____
City, State, Zip: _____

NONDISCLOSURE & NONCOMPETITION

**SCHEDULE A
PREEXISTING PRODUCTS**

Only those products listed here below are Pre-existing Products/Services exempt from the noncompete provisions of this Agreement.

PRODUCT NAME	PRODUCT DESCRIPTION

Dated: _____

Dated: _____

By: _____

By: _____

Katherine Dreyer

Print Name: _____

For: ChiLiving, Inc,
30 Orchard Street
Asheville, NC 28801

For Company Name: _____

Street Address: _____

City, State, Zip: _____