[Fund Letterhead]

_____ __, 20__

_____
_____
_____
_____

Dear _____,

In connection with [YOUR FUND], LLC's ("we", "our", "us" or "[___]") review and evaluation of a possible transaction involving [TARGET CO] (together with its subsidiaries, the "Company"), the Company has agreed to furnish us with certain information regarding the Company and its business and activities, some of which may be of a confidential nature. This letter confirms our agreement with respect to our treatment of such confidential information of the Company.

For purposes of this letter, "Company Confidential Information" means any confidential or proprietary information regarding the Company which is either disclosed to us, or our directors, officers, employees, members, partners, agents, advisors (including without limitation, accountants, attorneys, consultants, bankers and financial advisors) [**and potential and prospective financing sources**[1]] (collectively, "Representatives") in connection with a possible transaction. Company Confidential Information shall include all notes, analyses, compilations, studies or other documents prepared by us or our Representatives to the extent such materials are based on the Company Confidential Information. Company Confidential Information shall not include information which (i) is already in our (or any of our Representative's) possession at the time of its disclosure to us by the Company or is subsequently developed or discovered by us or any of our Representatives without use of Company Confidential Information, (ii) is generally known to the public or in the trade, or becomes so known other than as a result of a breach of our obligations under this letter, (iii) is disclosed to us on a non-confidential basis by a person other than the Company, provided that such person is not actually known by us to be in violation of a confidentiality agreement with the Company in making such disclosure, or (iv) has been independently developed by us without the use of Company Confidential Material.

We agree to use the Company Confidential Information solely for the purpose of evaluating, negotiating and possibly concluding a transaction with the Company. We further agree to maintain the confidentiality of the Company Confidential Information and not to disclose it to anyone without your consent, except for (a) disclosures to our Representatives having a need to know such information in connection with our evaluation of a possible transaction with the Company (it being understood that we will advise such Representatives of the confidential nature of such information and instruct them to treat such information confidentially **[, and be responsible for any disclosure by any of them in violation of this Agreement**[2]**]**), and (b) disclosures which may be required by law.

In the event that we or any of our Representatives is requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any Company Confidential Information, we will, to the extent practicable, promptly

[1] If you want to bring in senior debt, its always better to get the ability to disclose CI to the lender – some sellers resist this, in part because they worry that once a "big" bank knows they are on the market, disclosure is inevitable

[2] Fair to give them this point if asked. If you intend to share their information with lenders and you agree to this concept, I recommend getting the lender to execute a joinder to this agreement (or an NDA with you).

notify the Company of such request or requirement so that the Company may, at its sole expense, seek an appropriate protective order or take any other mutually agreed action. If, in the absence of a protective order, we or any of our Representatives is compelled to disclose information, we or such Representative may disclose that portion of the requested information that such person is compelled to disclose.

Without the prior written consent of the other party or as required by law, neither we nor the Company nor any of their respective Representatives will disclose to any person (including any governmental agency, authority or official or any third party), except as permitted herein, either the fact that discussions or negotiations are taking place concerning a possible transaction or any of the terms, conditions or other facts with respect to any such possible transaction, including the status thereof.

In the event that we do not proceed with the transaction which is the subject of this letter, we shall upon request, at our election, (a) destroy the Company Confidential Information and any computer files reflecting any of the Company Confidential Information and upon written request by the Company, deliver confirmation of such destruction to the Company or (b) promptly redeliver to the Company all written Company Confidential Information or computer files containing or reflecting any of the Company Confidential Information. Notwithstanding the foregoing, nothing shall require the erasure, deletion, alteration or destruction of back-up tapes and other back-up media made in the ordinary course of business as required by law or any applicable document retention policy; provided that we and our Representatives keep such materials confidential pursuant to the terms of this letter agreement

In the event that we enter into definitive transaction documents with the Company, the provisions of this letter shall be superseded by the confidentiality provisions of such documents. We are not under any obligation to pursue a transaction with the Company as a result of our review and evaluation.

[As consideration for the Company providing us with the Company Confidential Information, we hereby agree that, for a period of twelve (12) months from the date hereof, [YOUR FUND] will not solicit for employment any individual (of whom we become aware in the course of evaluating the possible transaction) who is an officer [or employee][or person listed on Schedule I attached hereto] of the Company as of the date of this letter agreement. Notwithstanding anything to the contrary, nothing will prohibit (i) any general solicitation for employment not specifically directed at employees of the Company (including by public advertisements and/or through an independent search firm that is not directed by us to target the Company's employees [or (ii) the hiring of anyone who initiates contact with us regarding such employment.[3]]]

Each party hereby acknowledges and agrees that money damages may not be a sufficient remedy for any breach of this letter agreement by the other party and that the non-breaching party shall be entitled to seek, at its own expense, equitable relief, including injunction and specific performance, as a remedy for any such breach.

This Agreement shall be governed by, construed and interpreted in accordance with the internal laws of the State of [Delaware][YOUR STATE], without giving effect to principles of conflicts of laws. Both parties hereby agree and consent to the exclusive personal and subject matter jurisdiction of the state and federal courts for [YOUR TOWN, YOUR STATE][TARGETCO's TOWN, STATE], USA for the resolution of any disputes arising out of or in connection with this Agreement and hereby waive any

[3] Its common to give a non-solicit/no hire when evaluating a target. You may decide to offer this up in advance as it is a somewhat watered-down version. Note the alternative provisions in brackets

objection or defense based on lack of jurisdiction (personal or subject matter), lack of venue, forum nonconviens or otherwise with respect to such courts.

The Company acknowledges that [YOUR FUND] is a professional investment firm and is in the business of locating and pursuing investment opportunities. In addition, the Company acknowledges that such opportunities may be within the Company's industry and possibly with an entity which the Company believes is a competitor or potential competitor. Nothing in this letter shall prevent [YOUR FUND] from investing or evaluating a possible investment in, or entering into any transaction with, a company whose business is similar to or competitive with the business of the Company, subject to [YOUR FUND]'s observance of the confidentiality **[and non-solicitation]** obligations set forth above. In addition, none of the provisions of this agreement shall in any way apply to any member of [YOUR FUND] so long as the Company Confidential Information is not provided to such member.

The obligations under this letter shall terminate on the earlier of (a) one year following the date hereof or (b) the signing of a definitive agreement with respect to a transaction between us and the Company (which shall not include a letter of intent).

This letter may be executed in any number of counterparts and may be modified, amended or waived only by a separate writing executed by the Company and [YOUR FUND] expressly so modifying, amending or waiving such agreement.

Please confirm your receipt and acceptance of this letter by signing and dating a copy in the space indicated below and returning the signed copy to the undersigned.

[YOUR FUND], LLC

By:_____
Name:
Title:
Date:

Accepted and agreed to:

[THE COMPANY]

By:_____
Name:
Title:
Date: