

CONFIDENTIALITY AGREEMENT: letter contract requiring prospective purchaser's confidentiality in connection with its request for business information to evaluate proposed purchase of assets

_____ [letterhead of prospective seller]

To: _____ [officer of prospective purchaser]

_____ [street address]

_____ [city], _____ [state] _____ [ZIP Code]

Re: Purchase of _____ [company]—Confidentiality Agreement

Dear _____:

Your company, _____ [prospective purchaser], has expressed an interest in acquiring the assets and business of our _____ [specify] operation conducted in _____ [State] and its vicinity under the name _____ [prospective seller] (the "Acquisition"). In this connection, you have requested certain information concerning the business, operations, finances, properties and affairs of the Company.

As a condition to furnishing you with this information you agree that this information and any other information which the Company furnishes to you or your representatives or which you or your representatives obtain through this access (collectively, the "Evaluation Material") will be kept confidential.

You agree that the Evaluation Material will not be used by you, your employees, affiliates or your representatives (collectively, your "representatives") in any way detrimental to the Company. The Evaluation Material will be treated as belonging to the Company, and shall not, without our prior written consent, be disclosed in any manner, in whole or in part, to anyone who is not one of your affiliates or representatives and does not have a need to know it to help in the Acquisition. The Evaluation Material shall not be used other than for the purpose of the Acquisition.

You agree that you will not, and your representatives will not, disclose to anyone who is not a direct participant in the possible Acquisition, either the fact that negotiations are taking place or any of the terms, conditions or other facts with respect to a possible transaction.

If our negotiations with you are terminated for any reason, or if the Acquisition is not consummated promptly, you agree to return to the Company all Evaluation Material and all copies, summaries and notes of the contents or parts of this material (regardless of who made them), without retaining any copies of any of this material.

No failure or delay by us in exercising any right, in whole or in part, shall operate as a waiver of any other right. This Agreement shall be governed by the internal laws of the State of _____.

It is further understood and agreed that money damages may not be a sufficient remedy for any breach of this Agreement by you and that the Company shall also be entitled to specific performance as a remedy for any such breach. These remedies shall not be deemed to be the exclusive remedies for your breach of this Agreement, but shall be in addition to all other remedies available at law or equity to the Company.

If you are in agreement with this, please sign and return one copy to the Company. It will then constitute our Agreement with respect to its subject matter.

Very truly yours,

[Signature and title of representative of prospective seller]

AGREED:

[Signature and title of representative of prospective purchaser, and date of signing]