



\_\_\_\_\_ (Date)

KCB Management, LLC (“KCB”) has requested information from you regarding \_\_\_\_\_ (the “Company”) in connection with our consideration of a possible transaction (a “Transaction”) with the Company. In return for providing Confidential Information (as defined below) to us exclusively for the purpose of our evaluating our interest in such possible Transaction, we agree to the following terms and conditions:

As used in this letter, “Confidential Information” means any non-public information about the Company furnished to KCB in connection with a possible Transaction and also includes any notes, analyses, compilations, studies and other materials prepared by KCB or its Advisors (as defined below) containing or based in whole or in part on any such information. Confidential Information does not include information which (i) is already in the possession of KCB prior to disclosure by the Company to KCB, or (ii) becomes generally available to the public other than as a result of a disclosure by KCB or its Advisors (as defined below) in violation of this letter agreement, or (iii) becomes available to KCB on a non-confidential basis from a source other than the Company or the Company’s respective agents or advisors, provided that, to KCB’s knowledge, such source is entitled to disclose such information; or (iv) is or was developed independently by KCB without use of or reference to any of the Confidential Information and without violation of any confidentiality restriction.

KCB hereby agrees that the Confidential Information will be used only in connection with its consideration of a possible Transaction, will be kept confidential by KCB and its officers, employees, directors and Advisors, and will not be disclosed to any other person, except as permitted in this letter.

Such disclosure may be made (i) to KCB’s principals, directors, officers, employees who have a reasonable need to know the contents thereof in connection with a possible Transaction, (ii) KCB’s attorneys, accountants, financial advisors and other representatives and agents (collectively, “Advisors”) who are assisting KCB in connection with a possible Transaction, and (iii) to any other person to whom the Company agrees in advance in writing, provided in each case that such disclosure is conditioned on the person to whom KCB provides Confidential Information agreeing to keep it confidential in accordance with this letter or in accordance with any code of professional responsibility applicable to such person. The Company shall have the right to hold KCB responsible for any breach of this agreement by any person to whom KCB furnishes Confidential Information, it being understood that the term “person” as used in this letter shall be broadly interpreted to include any entity, group or individual.

Without the Company's prior written consent, KCB and its Advisors will not disclose to any person the fact that the Confidential Information has been made available to you or them, that discussions or negotiations are taking place concerning a possible Transaction, or any of the terms, conditions or other facts with respect thereto (including the status thereof), unless such disclosure is required by law and then only with as much prior written notice to the Company as is practical under the circumstances. Without KCB's prior written consent, the Company and its advisors, agents and representatives will not disclose to any person the fact that any discussions or negotiations are taking place concerning a possible Transaction or any of the terms, conditions or other facts with respect thereto (including the status thereof), unless such disclosure is required by law and then only with as much prior written notice to KCB as is practical under the circumstances

KCB will provide the Company with prompt written (or, if not practicable to do so, oral) notice of any legal obligation on KCB's part to disclose any Confidential Information so that the Company may seek an appropriate protective order with such cost to protect the Confidential Information being borne by the Company. If KCB decides that it does not wish to proceed with a possible Transaction, KCB will promptly inform the Company of that decision. In that case, or at any time upon the Company's request for any reason or for no reason, KCB agrees promptly to destroy all Confidential Information (and all copies thereof) furnished to KCB or its Advisors by or on behalf of the Company pursuant hereto. In the event of such a decision or request, all other Confidential Information prepared by KCB or its Advisors shall be destroyed and no copy thereof shall be retained. Notwithstanding the destruction of the Confidential Information, KCB and its Advisors will continue to be bound by the obligations of confidentiality and other obligations as provided hereunder.

KCB agrees that neither the Company nor any of its representatives, agents or advisors has made or makes any representation or warranty as to the accuracy or completeness of the Confidential Information, and the Company shall have no liability to KCB or any of its agents or Advisors resulting from the use of the Confidential Information. This paragraph shall not preclude the provision of normal and customary warranties regarding information provided by owners and brokers in the sale of a business. This paragraph will be governed and superseded by a more definitive written agreement in regards to the treatment of such warranties. It is further understood and agreed that a breach of the provisions of this letter by KCB, its Advisors or any person to whom KCB has given Confidential Information could cause irreparable harm to the Company, that damages would not be a sufficient remedy for breach of this agreement by KCB or its Advisors and that the Company shall be entitled to seek specific performance and/or injunctive relief as non-exclusive remedies for any such breach.

Unless and until a definitive agreement regarding a possible Transaction has been executed, neither of the parties hereto will be under any legal obligation of any kind whatsoever with respect to a possible Transaction by virtue of this letter agreement except for the rights and obligations specifically agreed to herein. Either KCB or the Company may terminate any discussion or negotiation regarding any Transaction at any time prior to the execution and delivery of definitive documents, without liability to the other. This letter agreement shall be governed by, and construed in accordance with, the laws of the State of California. This agreement may not be amended, terminated or rescinded except pursuant to a written agreement duly executed by the parties hereto.

If you are in agreement with the foregoing, please sign and return one copy of this letter, which will constitute our entire agreement with respect to the subject matter of this letter. This Agreement, and any confidentiality obligations contained herein, shall terminate two (2) years from the date of this agreement.

Sincerely,

*Accepted and agreed this \_\_\_\_ day of \_\_\_\_\_*

**KCB MANAGEMENT, LLC**

\_\_\_\_\_:

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name:

Title: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_ (COMPANY)

\_\_\_\_\_ (STREET)

\_\_\_\_\_ (CITY, STATE,

ZIP)

\_\_\_\_\_ (TELEPHONE)

\_\_\_\_\_ (FACSIMILE)

\_\_\_\_\_ (E-MAIL)