

[XYZ, Inc. Letterhead]

June 3, 1997

Re: **Confidentiality Agreement**

Dear Mr. _____:

In connection with your possible interest in purchasing XYZ, Inc., an Illinois corporation (the "**Company**") or an interest in the Company, the Company will furnish you with certain materials including information concerning the Company, the financial status of the Company, and Company customers which is either non-public, confidential or proprietary in nature. Such information, in any form whatsoever, oral, written or otherwise, in whole or in part, together with analyses, compilations, studies or other documents prepared by you, your employees or your agents (including all persons acting on your behalf or at your direction) (collectively "**Your Representatives**") which contain or otherwise reflect or are generated from such information or your review of, or interest in the Company is referred to as the "**Information**". Notwithstanding the foregoing, Information shall not include any information which: (i) is or becomes generally available to the public other than as a result of a disclosure by you, Your Representatives or any person to whom you have disclosed Information; or (ii) is or becomes available to you on a non-confidential basis by a third party who is not bound by a confidentiality agreement with the Company.

In consideration of the Company furnishing you with Information, you agree that:

1. The Information has competitive value and damage could result to the Company if the Information is disclosed to any third party.
2. The Information will be kept confidential and shall not, without the prior written consent of the Company, be disclosed by you or Your Representatives in any manner whatsoever, in whole or in part, and shall not be used by you or Your Representatives, other than in connection with the transaction described above. Moreover, you will disclose the Information only to those of Your Representatives who are required to see such Information for purposes of evaluation of the possible transaction, who are informed by you of the confidential nature of the Information, and who shall have previously agreed in writing to be bound by the terms and conditions of this letter agreement. In any event, Your Representatives shall be bound by this letter agreement and you shall be responsible for any breach of this letter agreement by Your Representatives.

3. You shall keep, and upon request furnish to the Company, an accurate written record of each person or entity receiving the Information and each location of the Information. Immediately upon the Company's request, you and Your Representatives will return, and you will cause Your Representatives to return, the Information and all copies thereof to the Company, except for that portion of the Information which consists of analyses, compilations, studies or other documents prepared by you or Your Representatives. That portion of the Information which consists of analyses, compilations, studies or other documents prepared by you or Your Representatives shall be kept confidential by you and Your Representatives as provided in this letter agreement or destroyed, with such destruction certified to the Company in writing by one of your authorized representatives.
4. In the event that you or anyone to whom you transmit the Information becomes legally compelled to disclose any of the Information, you will provide the Company with prompt notice thereof prior to disclosure so that the Company may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this letter agreement. In any such event, you or anyone to whom you transmit the Information will furnish only the portion of the Information which is required by court order to be furnished and you will exercise your best efforts to obtain a protective order or other reliable assurance that confidential treatment will be accorded the Information.
5. You on behalf of yourself and Your Representatives acknowledge that your obligations under this letter agreement shall be continuing and shall survive the termination of discussions or negotiations regarding the possible transaction.
6. You on behalf of yourself and Your Representatives acknowledge that the Company will not have an adequate remedy at law for violation of this letter agreement and expressly waive the defense that there is an adequate remedy at law. Accordingly, and without limiting any other available remedies, the Company shall be entitled to an injunction, without bond, and other equitable relief in the event of any failure or threatened failure to comply with the provisions of this letter agreement.
7. The Company does not make any representation or warranty as to the accuracy or completeness of the Information. The Company reserves the right, in its sole discretion, to refuse to supply to you any Information and to reject any proposals made by you and terminate discussions and negotiations with you at any time. The Company shall have no liability hereunder to you or Your Representatives resulting from the use of the Information by you or Your Representatives. The agreement created by your acceptance of this letter shall be governed by and construed in accordance with the laws of the State of Illinois without regard to principles of conflicts of law.
8. Any Information disclosed to you and Your Representatives prior to the date of this letter agreement shall be subject to the terms of this letter agreement.

Please have your authorized representative execute, date and return the duplicate original of this letter agreement to evidence your agreement with its contents.

Very truly yours,

XYZ, Inc.

ACCEPTED AND AGREED TO
the ____ day of _____, 1997:

By: _____

Its: _____