



NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT

This Non-Disclosure and Confidentiality Agreement (“Agreement”) is entered into as of the _____ day of _____, 20____ by and between Uptown Art, LLC, an Alabama limited liability company (the “Company”) and _____, an individual or entity (the “Prospective Licensee”) and the owners of Prospective License, all of whom are signatories hereto.

RECITALS:

A. The Company operates and Licensees others to operate Uptown Art art instruction locations which feature a distinctive and efficient method and procedure for art instruction.

B. The Prospective Licensees desires to review certain confidential and proprietary information in connection with its consideration of the purchase of a franchise from the Company. As a part of the due diligence connected to the purchase of a license and general assessment of the Company, Prospective Licensees has become generally familiar with the Company’s operations and desires to learn more about the Company’s contracts, operations and financial condition.

C. The Company desires to provide Prospective Licensee with access to certain confidential information about the operations of the Company including its offering circular, license agreement and financial information, provided that the confidential information will not be used for the benefit of others or disclosed to any other person or entity.

D. The parties hereto wish to preserve the confidentiality of the Company’s trade secrets and confidential information.

NOW THEREFORE, in consideration of the covenants contained in this Agreement and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Confidential Information.

As used herein, “Confidential Information” means the Company’s license disclosure document, its license agreement, area development agreement, financial information concerning its operations, information concerning the Company’s system of operations including trademarks and service marks, building designs and layouts, equipment, standards and specifications, methods of inventory control and certain operational and business standards and policies and any other information provided to Prospective Licensee which is deemed to be confidential and a trade secret of the Company. All Confidential Information, regarding the business of the Company, in whatever form, is presumed to be confidential until it becomes public knowledge lawfully and without breach of any confidential obligation.

2. Covenants.

Prospective Licensee agrees to treat the Confidential Information in confidence and to undertake the following additional obligations with respect thereto.

2.1 Prospective Licensee shall not directly or indirectly at any time disclose the Confidential Information to any person, firm, corporation, association, partnership or other entity for any reason or purpose whatsoever except as provided herein.

2.2 Prospective Licensee shall not copy nor allow anyone else to copy in whole or in part, such Confidential Information.

2.3 Prospective Licensee may disclose Confidential Information to (a) the directors, officers and key employees of any corporation or business entity in which Prospective Licensee owns an interest or proposed investors, who have a reasonable need to know the contents thereof in connection with the purchase of a license from the Company, (b) Prospective Licensee's accountants, financial advisors, attorneys, lenders and other representatives and agents (collectively “advisors”) who are assisting Prospective Licensee with the proposed purchase of a license from the Company, and (c) any other person who acknowledges the existence of this Agreement and agrees in advance in writing and with the consent and approval of the Company to keep the Confidential Information confidential in accordance with this Agreement. Prospective Licensee will be responsible for any and all damages resulting from the violation of this Agreement by any such person or entity to whom Prospective Licensee provides the Confidential Information, without prejudice to any remedy the Company might have directly against such party.

2.4 Prospective Licensee shall return to the Company all Confidential Information, including all copies and records thereof, of whatever kind or nature, upon request therefor from the Company or

upon completion of Prospective Licensee's review of the Company and its Confidential Information whichever occurs first.

2.5 Prospective Licensee shall not use any Confidential Information of the Company for its personal business or personal gain unless Prospective Licensee signs a license agreement with the Company.

2.6 Prospective Licensee will provide the Company with prompt written (or, if not practical to do so, oral) notice of any legal obligation on Prospective Licensee's part to disclose Confidential Information, granting to the Company sufficient time to seek a protective order.

3. Prospective Licensee's Acknowledgment.

Although the Company has attempted to include in Confidential Information, information it believes relevant for the purposes of Prospective Licensee's investigation, Prospective Licensee understands, acknowledges and agrees that neither the Company nor any of its representatives, agents or advisors have made or make any representation or warranty as to the accuracy or completion of the Confidential Information. As such they will have no liability to Prospective Licensee or any of Prospective Licensee's agents or advisors resulting from the evaluation or use of Confidential Information. Prospective Licensee further acknowledges and agrees that all Confidential Information provided pursuant to this Agreement is the sole property of the Company.

4. Breach.

In the event of a breach, or threatened breach, of the terms of this Agreement, the Company shall be entitled to injunctive relief restraining Prospective Licensee or any person or entity over whom Prospective Licensee has control, restraining Prospective Licensee, such person or entity about to commit the breach of this Agreement, or who has committed a breach of it, without showing or proving any actual damages sustained by the Company. The Company's right to injunctive or other equitable relief is in addition and without prejudice to any other relief, including any remedy at law. In the event the Company prevails in any action brought to enforce any of the terms of this Agreement, it shall be entitled to all reasonable costs and attorneys fees incurred in seeking such remedy.

5. Miscellaneous.

5.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Alabama.

5.2 This Agreement sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof.

5.3 No rights, licenses, expressed or implied, are hereby granted to Prospective Licensee as a result of or related to this Agreement.

5.4 This Agreement shall be binding on the parties hereto and upon their respective heirs, legal representatives and assigns.

5.5 If any provision of this Agreement should conflict with applicable law, said conflict shall not affect other provisions that can be given effect without the conflicting provision and to this end, the provisions of this Agreement are hereby declared to be severable.

[Signatures on following page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date first above written.

UPTOWN ART, LLC

By: _____

As Its: _____

PROSPECTIVE LICENSEE:

By: _____

As Its: _____

OWNERS OF PROSPECTIVE LICENSEE:

(If different from above)
