



Cady Investment Company

3033 Excelsior Blvd. Suite 10
Minneapolis, MN 55416

Engagement Agreement

The undersigned, a duly authorized representative of ABC Company, Inc. (“Client”) acknowledges that the professional services available from Cady Investment Company (“Cady”) are secured on a fee basis, negotiated at the beginning of the relationship. The purpose of this agreement is to confirm our engagement and it’s corresponding terms.

The following understanding is based on conversations held between the parties preceding this agreement, and acceptance of this agreement is indication of both the accuracy of the Business Evaluation Summary Report (dated ___/___/2007) containing recommendations and the list of contracted deliverables in the Scope of Work document (attached as an exhibit).

The Client wishes to engage Cady to perform certain duties and fill certain roles within the Client’s company. The intention is to collaborate on development projects, as specified in the Scope of Work, that will increase the company’s efficiency, effectiveness, and profitability. By leveraging Cady’ considerable experience in combination with the Client’s intimate knowledge of the business, opportunities will be created for a healthy recovery. Key outcomes in the course of the engagement are outlined in the Scope of Work.

The initial term of this agreement is three (3) months (___/___/07 – ___/___/07). The length of this term does not necessarily represent the length of time it would take to complete all items contemplated within the Scope of Work document. Rather, the term reflects the amount of time the Client wishes to commit to Cady at this point in the engagement. The term may be extended by way of written addendum to this agreement for whatever additional amount of time the Client and Cady may agree to.

The following compensation schedule will apply during this period:

Monthly rate	\$7,500.
Weekly rate	\$2,000.
Hourly rate	\$200.
Performance bonus	TBD
Other benefits - (options, grants, etc.)	TBD

The current commitment is to be on site for two (2) days per week, Tuesday and Thursday, 8 – 5, with 1 hour for lunch. The Client will be invoiced \$1,875. on a weekly basis for services and payment is due upon receipt. Additional hours requested by the Client, and provided by Cady will be billed at the weekly equivalent rate of \$175. per hour. Other arrangements may be made regarding payment terms, but in all cases those terms will be made part of this agreement by way of addendum to the agreement.

If at any point during this engagement Cady determines that a conflict of interest has arisen (regarding another client, customer, vendor/supplier, etc.), it will seek to rectify the conflict, and advise the Client accordingly. If no satisfactory solution exists, Cady in cooperation with the Client can elect to terminate the engagement, or restructure it in order to eliminate the conflict.

Cady acknowledges that all matters that come before it as a result of this engagement are of a strictly confidential nature and will not share information regarding the Client (unless information is already “public domain”) with others unless authorized to do so by the Client. This also includes any proprietary information such as trade secrets, intellectual property, or other competitive assets.

The agreement is considered complete when the term of the agreement has reached its conclusion. Cady is committed to providing its services for the length of time promised in the initial term as stipulated above, and any additional term(s) that may result by way of extension. If Cady or the Client find at some point prior to the conclusion of the term that either wishes to terminate the agreement, then the party who so wishes will express this request to the other in writing, and the parties will negotiate an appropriate schedule for bringing the relationship to a close along with any incomplete work.

The parties agree to use their best efforts to resolve any misunderstandings or breakdowns between them through discussion and conversation. Should any disagreement arise that can not be amicably resolved between the parties, the parties agree to use third party mediation services and be bound by the outcome of said mediation services.

This agreement, along with any exhibits or attachments, constitutes the entire agreement, and supercedes any prior understandings, written or verbal. Any single provision of the agreement that may be deemed unenforceable will be considered stricken and will not effect the validity or enforceability of the remainder of the agreement. This agreement will be governed by the laws of the state of Minnesota.

We agree to the above terms in their entirety and so signify this ____ day of _____, 2007.

Scott D. Cole, Partner
Cady Investment Company

Mr. Joe Dokes, Officer, ABC Company