

## BUSINESS HEALTH CHECK-UP PROPOSAL & AGREEMENT

PROPOSAL OVERVIEW: In conjunction with the Client Key Personnel and the Client Program Leader, McKenna Management Corp. (MMC) proposes to conduct a Profit Improvement driven "Business Health Check-Up" Program (the Program). This Program is designed to rapidly provide Key Client personnel with a renewed Profit Improvement awareness from a combined subjective and objective perspective. In addition, certain Client operating segments will be evaluated for specific Profit Improvement action by Client Management and staff.

FOR: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(Client)

FROM: McKenna Management Corp  
195 Blackbrook Road  
Middle Grove, NY 12850

(MMC)

MMC proposes the following for the acceptance of the Client:

1) MMC will provide the Client (Client Program Leader) with the necessary program materials and professional support required to present the MMC "Business Health Check-Up" Program on-site, at Clients location. (For specific procedural details see "The Way It Works For Your Company" attached herewith as an integral part of this Proposal & Agreement)

2) The dual focus of this program is to conjunctively (Client & MMC) achieve the following:

A) Familiarize Client Key Personnel with a unique perspective of their corporate structure and Profit Improvement potential based upon the "Ten Early Warning Signal" theory.

B) In a conjunctive effort, Client Key Personnel and MMC subjectively and objectively evaluate various aspects of the specific Client operation and target areas which, after analysis, may indicate profit improvement potential.

3) The specific implementation of this program is defined in "The Way It Works For Your Company" attachment, which is an integral part of this Proposal & Agreement.

4) The MMC "Business Health Check-Up" basic program fee is twenty five thousand dollars (\$25,000) subject to the following:

### THE PROFIT CERTAIN GUARANTEE

If the Clients' own Key Personnel can not recommend first year profit improvement and/or expense reductions in their "Business Health Check-Up" Report, which exceed one hundred thousand dollars (\$100,000) then the entire basic program fee of twenty-five thousand dollars (\$25,000) will be completely waived. It's just that simple!



**Who knows a company better than its Key people?**

Nobody does! The collective knowledge of Key Personnel, if properly focused and channeled, can be an omnipotent Profit Improvement force for Top Management in their Profit Improvement efforts.

If the \$100,000 profit improvement and/or expense reduction minimum recommendation is attained, then in addition to the aforementioned basic fee, MMC will receive an incentive fee. This incentive fee will consist of a sum equal to five percent (5%) of any/all first year profit improvement and/or expense reduction recommendations between \$100,001 and \$1,000,000 as defined in the Client Key Personnel "Business Health Check-Up" report.

The computed fee, if any, is earned and payable upon completion of the "Business Health Check-Up" program as defined in the "The Way It Works For Your Company" procedural attachment.

For the convenience and at the option of the Client, this computed fee may be paid in ten equal, interest free payments over a ten month period commencing upon completion of the "Business Health Check-Up" Program activity. In the event of a monthly payment default, the then remaining balance will be payable to MMC in full, net ten days, after formal notice of payment acceleration from MMC to the Client.

5) The Client and its Agents acknowledge the proprietary nature of all aspects of the MMC Program and agree to treat all MMC materials, systems and procedures in a confidential and protective manner. The Client and its Agents also acknowledge that all MMC materials are copyrighted and/or otherwise legally protected from unauthorized use and therefore specifically agree to use such materials exclusively within the scope of this Proposal & Agreement. The Client and its Agents will not allow MMC materials, concepts, programs, etc. to be used for any purpose, business, activity, use or function outside the scope of this Proposal & Agreement.

6) MMC and its Agents agree to retain, protectively hold and use any Client materials in an exclusive manner, which is hereby limited to confidential review in conjunction with the completion of the "Business Health Check-Up" Program herein defined. All such materials will be returned to the Client upon completion of the program process.

The above constitutes the understanding and agreement of the parties.

CLIENT:	_____	DATE:	_____
TITLE:	_____		
MMC:	_____	DATE:	_____
TITLE:	_____		

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