



FRANCHISE DISCLOSURE DOCUMENT

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P3 Cost Analysts Franchise, LLC (“We”, “Us”, “Our”, “Franchisor”) offers franchises to individuals wishing to operate their own cost reduction consulting business (the “Franchised Business”).

The total investment necessary to begin operation of a Franchised Business ranges from \$68,690 to \$85,935. This amount includes \$59,500 to \$64,400 that must be paid to franchisor or its affiliates.

This Disclosure Document summarizes certain provisions of your franchise agreement (the “Franchise Agreement”) and other information in plain English. Read this Disclosure Document and all of the accompanying exhibits and agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different forms, contact P3 Cost Analysts Franchise, LLC, 3589 N. Shiloh Drive, Suite 3, Box 44, Fayetteville, AR 72703 and (877) 843-7579.

The terms of your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read your contract carefully and in its entirety. It is strongly recommended you that show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as “Buying a Franchise: A Consumer Guide” which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Date of Issuance: April 11, 2024

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about unit sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 and Exhibit “E”.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor and at the franchisor's direction; Item 7 lists the initial investment to open, and Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit “F” includes financial statements. Review these statements carefully.
Is the franchise system stable, growing or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only P3 Cost Analysts® business in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be a P3 Cost Analysts® franchisee?	Item 20 or Exhibit “E” lists current or former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this Disclosure Document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if your franchise is losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit “A”.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This Franchise*

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Arkansas. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Arkansas than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

**FOR TRANSACTIONS REGULATED BY THE MICHIGAN FRANCHISE
INVESTMENT LAW ONLY**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

1. A prohibition on the right of a franchisee to join an association of franchisees.
2. A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
3. A provision that permits a franchisor to terminate a franchise before the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need more than 30 days, to cure such failure.
4. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise agreement is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of the franchisor's intent not to renew the franchise.
5. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
6. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
7. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (a) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards;

(b) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor;

(c) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations

(d) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

8. A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

9. A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

Michigan Attorney General
Consumer Protection Bureau
G. Mennen Williams Building
525 West Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 335-7632

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The purpose of this Franchise Disclosure Document is to familiarize you with important legal and business aspects of the Franchisor and the Franchised Business we offer. To simplify the language in this Franchise Disclosure Document (the “Disclosure Document”), we will refer to ourselves as “Franchisor”, “we”, “our”, or “us”. “You” or “your” means the person who is awarded the franchise rights. If you are a corporation, partnership or other legal entity, our Franchise Agreement also will apply to your owners, officers and directors.

The Franchisor

We are an Arkansas limited liability company formed on September 9, 2018. Our principal place of business is 3589 N. Shiloh Drive, Suite 3, Box 44, Fayetteville, AR 72703 but we and our employees operate 100% remotely. We do business under our corporate name and under the trade names “P3 Cost Analysts” and “P3 Waste Consulting”. We do not do business under any other name. If we have agents in your state for service of process, they are disclosed in Exhibit “A” to this Disclosure Document. We do not operate Franchised Businesses. We commenced offering Franchised Businesses on December 7, 2018. We do not engage in any business other than the offer and sale of Franchised Businesses. We have never offered franchises in any other line of business.

Our Predecessors, Parents and Affiliates

We have no predecessors. Our parent is Old Arkana, Inc., an Arkansas corporation, doing business as P3 Waste Consulting, which shares our principal office address. Our parent provides cost reduction consulting services similar to the services offered by our franchisees and will provide auditors to assist you and your clients in your Franchised Business.

We have no affiliates that offer franchises in any line of business or that provide products or services to you on our behalf.

The Business We Offer

We grant franchises to qualified candidates for the right to develop and operate a Franchised Business that helps businesses reduce expenses. Our franchise owners will be trained to meet with prospective business clients (“Clients”) and educate them on potential savings in all areas we audit. We perform all of the audits. Specifically, we will analyze the clients’ invoices to identify errors, overcharges and opportunities for reduction. If we find savings, we will split the cost savings with the clients and then we share the revenues with you.

This is a no risk proposition for clients. If we are not able to find savings through our auditing process, then the client owes nothing to you or us. At the beginning of the engagement, your clients will sign your shared savings agreement, outlining that IF we find the client savings and IF the client approves those savings, we will share them with the client per the terms of the shared savings agreement. Upon engagement, the vendor invoices you collect from your clients will be provided to our auditing staff. Our auditors search for billing discrepancies, errors, overcharges and opportunities for reductions. Once the audit is complete, our auditors prepare a savings report and will review it with you and the client. Once the audit is accepted and approved by the client, the recommended changes will be implemented.

If our auditors produce savings from their work, we will bill the client for the contracted share of savings and remit that collection to you less the audit service fee of 25-27.5%, the administrative service fee of 5%, and any other fees then due to the franchisor as specified in this Disclosure Document, such as the technology fee, and if applicable, a successor agreement fee, transfer fee, attorney's fees, brand fund contribution, remedial training fee, new staff training fee, and insufficient funds fee. Account revenue is generally made up of rebates, refunds and/or monthly savings billed each month to the client for the term of the engagement. If, however, at the end of the audit, there are no savings identified, the client pays you and us no fee. The engagement is completely risk free to the client.

You must sign our standard Franchise Agreement (the "Franchise Agreement") in the form attached as Exhibit "B" to this Disclosure Document. The Franchise Agreement grants you the right to develop, own and operate a single Franchised Business (the "Unit Franchise"). You will be required to meet minimum performance standards as set forth in this Disclosure Document. You must use our "Shared Savings Agreement," and any modifications to same must be approved by us. You are required to use only the auditors designated by us. You may choose to operate as a home-based business or select an approved office space. Your franchise must be operated by you (or your Operating Principal if you are an entity) on a full-time basis.

You will not receive a protected territory but rather, a prescribed area comprised of approximately 200,000 people (the "Geographic District"). You will be allowed to market, solicit and seek customers in any Geographic District following the policies and procedures provided in our Manual. We reserve the right to restrict any of your direct marketing efforts which is interfering with other franchisees. Prior to meeting one-on-one with a potential client, you are required to enter that client's information in our designated Customer Relationship Management ("CRM") system. You may not meet with or market to a potential client who has been tagged by another franchisee via our designated CRM. You may have a maximum of 200 tagged prospects in our designated CRM at any time.

The Franchised Business will operate under the trade name and service mark P3 Cost Analysts®, and will use other trade names, service marks, trademarks, logos, emblems and indicia of origin that we designate for use by Franchised Businesses (the "Proprietary Marks"). Our parent company, Old Arkana, Inc., has provided us the unrestricted right to license the Proprietary Marks to you. Your Franchised Business will include: (a) advertising and other marketing programs, (b) training programs, and (c) operations manuals and certain other written standards for operations (the "System"), all of which may change from time to time at our discretion.

Before becoming a franchise, our parent company, Old Arkana, Inc., maintained a small network of independent salespeople who were referred to as "affiliates". Upon establishing our franchise program, no new affiliates have been added. We only sell franchises and support new franchisees. However, there are approximately five affiliates still active as of the issuance date of this Disclosure Document under a separate legacy program agreement. We only support these legacy relationships for the categories of waste, utility, and telecom. These "affiliates" do not receive any marketing materials or administrative support.

Agents for Service of Process

We disclose our agents for service of process in Exhibit "A".

The Market and Competition

The cost reduction services industry is competitive but fragmented. Your competitors may include national, regional and local consulting firms that offer the same or similar consulting services. Some

competitors may be better-established and have significantly greater financial, marketing and other resources. Your competitive advantage in the marketplace will be based on your adherence to our System standards and guidelines as well as your managerial abilities and focus on building relationships.

Applicable Government Regulations

We are not aware of any industry-specific laws or regulations that govern our industry as of the issue date of this Disclosure Document. You may need to file for business licenses or other permits in your municipality or state. We encourage you to make further inquiries about all of these and other laws that may be applicable to your Franchised Business. It is your responsibility to investigate applicable laws and regulations, make sure that you understand how these laws may impact your Franchised Business and comply with all laws and regulations that may be applicable to your Franchised Business. Consult your local lawyer about all relevant laws, rules and regulations.

ITEM 2 **BUSINESS EXPERIENCE**

CHIEF EXECUTIVE OFFICER: Aaron Stahl

Aaron Stahl has been our President and Chief Executive Office since our in September 2018. Mr. Stahl has served as the Chief Executive Officer of our parent, Old Arkana, Inc. d/b/a P3 Waste Consulting, in Fayetteville, Arkansas, since October 2004.

CHIEF FINANCIAL OFFICER: Colby Ezell

Colby Ezell has been our Chief Financial Officer since our inception in September 2018. Mr. Ezell has served as the Chief Financial Officer of our parent, Old Arkana, Inc. d/b/a P3 Waste Consulting, in Fayetteville, Arkansas, since January 2014.

VICE PRESIDENT: Scott Swearingen

Scott Swearingen has served as our Vice President of Operations since our inception in September 2018. Mr. Swearingen has served as the Vice President of Operations at our parent, Old Arkana, Inc. d/b/a P3 Waste Consulting, in Fayetteville, Arkansas, since July 2008.

PRESIDENT: Michael Nicholas

Michael Nicholas has served as our President of Franchising since December 2019 and was named President in May 2020. From December 2013 to November 2019, Mr. Nicholas was CEO of Michael Nicholas and Associates, a management consulting firm in Dallas, Texas.

ITEM 3 **LITIGATION**

There is no litigation required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

There is no bankruptcy required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Fees

The initial franchise fee for one Franchised Business is \$59,500 (the “Initial Franchise Fee”). The Initial Franchise Fee is payable in full upon execution of the Franchise Agreement and is deemed fully earned by us upon receipt. We are not required to refund your Initial Franchise Fee under any conditions. We charge the Initial Franchise Fee uniformly to all franchisees.

Veteran Discount

To honor those men and women who have served in the U.S. Armed Forces, we offer a \$5,000 discount of the Initial Franchise Fee for honorably discharged veterans or current service members.

Initial Training Fee for Additional Business Partners

You are required to pay us \$4,900 for any additional business partners you wish to send to our initial training program. The initial training of up to two individuals is covered under the Initial Franchise Fee. You will incur this fee for the third and any additional attendees to initial training. This fee is non-refundable.

ITEM 6
OTHER FEES

TYPE OF FEE ^{(1) (6)}	AMOUNT	DUE DATE	REMARKS
Audit and Administrative Fee ⁽²⁾	Generally, we retain 60% of the Gross Invoiced Amount ⁽³⁾	Upon receipt from clients	Payable to us. We perform the audit services for you.
Minimum Monthly Fee	Beginning on the seven-month anniversary of the effective date of your franchise agreement, you will be responsible for paying us a Minimum Monthly Fee of \$250 per month for months 7 – 12 of your agreement and \$500 per month thereafter for any month the Audit and Administrative Fee is less than this amount, or	Upon being invoiced from us.	Payable to us

TYPE OF FEE ^{(1) (6)}	AMOUNT	DUE DATE	REMARKS
	the difference thereof.		
Brand Development Fund Contribution	Currently \$0, subject to increase up to 3% of Gross Savings	Upon receipt from clients	Payable to us
Successor Agreement Fee	\$2,500 when you sign a successor Franchise Agreement	Upon signing of successor Franchise Agreement	Payable to us
Transfer Fee	\$1,500 when transferring shares between existing owners approved by us; 50% of the then-current initial franchise fee when transferring between new owners approved by us; 50% of the then-current initial franchise fee when transferring the entire business to an existing franchisee approved by us; and a \$500 per diem fee should such additional training be necessary or any other additional onsite assistance provided by us	Upon transfer	Payable to us
Indemnification	Will vary under circumstances	On demand	You must indemnify us when certain of your actions result in loss or damages to us
Attorneys' Fees and Costs	Will vary under circumstances	On demand	You will reimburse us for all costs, including reasonable attorneys' fees, as a result of your default and to enforce and terminate the Franchise Agreement
Insurance – Reimbursement of Costs	Amount of unpaid premiums and our reasonable expenses	As invoiced	Payable only if you fail to purchase and maintain or provide adequate evidence of any required insurance coverage
Technology Fee ⁽⁵⁾	\$160 per month per user subject to increase from	Due to us each month based on the annual fee.	Fee is payable to us. Franchisor reserves the

TYPE OF FEE ^{(1) (6)}	AMOUNT	DUE DATE	REMARKS
	time to time at our discretion based on vendor pricing and updates to our computer software requirements and changes in specifications		right to adjust software and this annual fee at its sole discretion
Remedial Training	Maximum fee = \$4,900, plus expenses incurred	As incurred, prior to commencement of additional training	This fee is payable to us if we require you to repeat the Initial Training Program. You are responsible for all transportation, meals, and other expenses associated with your and your employees' attendance at remedial training.
New Staff Training	Maximum fee = \$1,000 per day per trainer, plus expenses incurred	As incurred, prior to commencement of training	This fee is payable to us if you request, or we require, that our trainer conduct the training of any staff members. You are responsible for all transportation, meals, and other expenses associated with your and your employees' attendance at this training.
Additional Training	No charge currently, but we reserve the right to charge a fee up to \$500 per day. You will also be responsible for all travel and other related expenses incurred by you and your personnel.	As incurred	We may offer additional training programs from time to time. These may be optional or required. You or your Operating Principal must participate in refresher training we require.
Annual Conference	We prepay the costs for the Annual Conference, and each franchisee is responsible for reimbursing us for their portion of the Annual Conference Cost. (see note 6).	As incurred	We may offer an Annual Conference at a location we designate. You or your Operating Principal must participate in any Annual Conference. We will debit you a fee of \$100 per month as an advance payment of your Annual Conference Cost.

TYPE OF FEE ^{(1) (6)}	AMOUNT	DUE DATE	REMARKS
Insufficient Funds Fee	The fee is \$30 per occurrence if you present to us a method of payment that is returned as insufficient funds, or if we are unable to debit an agreed-upon account, for any fees you owe us.	As incurred	Three or more instances of insufficient funds in a twelve-month period is grounds for default of the Franchise Agreement
Interest	1.5% per month, or the highest rate permitted by applicable state law, whichever is less	As incurred	If you fail to pay us any amount when due, we may charge you interest on the unpaid balance until the payment is received.

Notes:

Note 1. All fees and expenses described in this chart are non-refundable. All fees are uniformly imposed. Except as otherwise indicated in the chart above, we impose all of the fees and expenses listed, and they are payable to us.

Note 2. The Audit and Administrative Service Fee is earned by us for performing the audits and other back-office services to help you maintain your business. Generally, the fee is 60% of the Gross Invoiced Amount (see note 3, below), although occasionally, due to the expense of auditing for certain categories, the competitive marketplace, or other reasons at our sole discretion, this fee may be increased on a per-service basis. You have the option of not offering clients any services we may implement that have a higher Audit and Administrative Service Fee. We do not ever anticipate these to be a significant portion of your business.

Note 3. “Gross Invoiced Amount” means the amount we invoice your clients based on the total savings to your client as a result of the audit work and cost reduction techniques we employ based on the standard P3 Cost Analysts® contract which terms may change from time to time as set forth in our Manual. Using our centralized billing system, we will invoice your clients, on your behalf, for the savings resulting from our audit achieved. Upon our receipt of payment from the clients, we will deduct Audit and Administrative Service Fee (or the Minimum Monthly Fee) , and any other fees then due to the franchisor as specified in this Disclosure Document, and send you an ACH transfer for the balance on or before the 10th day of the month following receipt of payment from the client.

Note 4. The “Minimum Monthly Fee” is a fee that you will pay us for any month you are in business where your franchised business does not generate the required Audit and Administrative Service Fees. A Minimum Monthly Fee of \$250 per month per active partner takes effect on the seven-month anniversary of the date of your franchise agreement and increases to \$500 per month per active partner on the one-year anniversary date of your franchise agreement. For illustrative purposes, if, during a calendar month after the six-month anniversary but before the one-year anniversary of your franchise agreement, your Audit and Administrative Service Fee is \$200, you would be charged the Minimum Monthly Fee of \$50 per active partner in the business. See Item 8.



Note 5. As of the date of this Disclosure Document, you are required to pay a separate technology fee for each active member or partner of Franchisee, which includes use of certain software and a technical support person. The technology fee includes use of certain CRM software, office suite software, and electronic signature managing software. These prices are not within our control and subject to change by the vendors of these computer software programs. We reserve the right to modify the computer software used by our franchisees at any time. If the Franchised Business is to be operated by two active business partners in a partnership you will pay a second technology fee.

Note 6. Franchisees are responsible for the cost of travel, lodging, and meals for annual conference attendance. To secure the most favorable terms for our Annual Conference, including conference space, room rates, meals, and other expenses, we generally pre-pay vendors, such as hotels and conference centers, on behalf of our franchisees. Generally, we will withhold \$100 per month or debit your account \$100 per month to offset your cost of attending the Annual Conference. This monthly contribution will only offset some of the expenses that we pay on your behalf, and you are responsible for reimbursing us the entire amount of your costs upon receiving an invoice from us for the outstanding amount. Our failure to withhold any amount does not change that responsibility. You are required to attend the Annual Conference. If you fail to do so, you will still be responsible for reimbursing us the costs we incurred on your behalf, without affecting any other rights we have under the franchise agreement should you fail to attend.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount [Low to High]	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ¹	\$59,500	Lump Sum	When you sign the Franchise Agreement	Franchisor
Furniture ²	\$0 to \$1,000	As Incurred	As Arranged	Suppliers
Computer Hardware ³ and Computer System	\$0 to \$1,100	As Incurred	As Arranged	Suppliers
Internet Connection ⁴	\$0 to \$225	As Incurred	As Arranged	Suppliers
Office Equipment and Supplies ⁵	\$400 to \$500	As Incurred	As Incurred	Suppliers

Type of Expenditure	Amount [Low to High]	Method of Payment	When Due	To Whom Payment is to be Made
Business Licenses and Permits	\$175 to \$700	As Incurred	As Incurred	State and/or Local Agencies
Initial Supply of Marketing & Promotional Materials ⁶	\$500 to \$1,500	Lump Sum	When you sign the Franchise Agreement	Approved Suppliers
Insurance ⁷	\$500 to \$750	As Incurred	As Arranged	Insurance Company
Professional Fees ⁸	\$1,500 to \$3,000	As Incurred	As Arranged	Lawyer, Accountant, Business Advisor
Grand Opening Advertising ⁹	\$0 to \$2,000	As Incurred	As arranged	Our Designated Public Relations Firm
Training Expenses ¹⁰	\$1,615 to \$3,260	As Incurred	As Incurred	Third Parties
Additional Business Partner Training Expense ¹¹	\$0 to \$4,900	As Incurred	As Incurred	Franchisor
Additional Funds/Working Capital ¹² (Three months)	\$4,500 to \$7,500	As Needed	As Incurred	Third Parties
Total¹³	\$68,690 to \$85,935			

None of the expenses listed in the above chart are refundable. Neither we nor any affiliate finance any portion of your initial investment.

ALL CHART FIGURES ARE ESTIMATES ONLY.

Notes:

Note 1. See Item 5 for information about the Initial Franchise Fee.

Note 2. The low number assumes you have the necessary furniture to set up a home office. The high number assumes you need to purchase furniture.

Note 3. You will need a laptop or desktop computer and a printer. The low number assumes you have equipment that meets our standards. The high number assumes you need to purchase this equipment.

Note 4. The low range assumes you have sufficient internet speeds at home. The high assumes you will need to obtain a higher speed or separate Internet connection. We estimate that a separate internet connection will be approximately \$75 per month for 3 months.

Note 5. Basic supplies such as pens, printer ink, paper, envelopes, calculator, etc. for the first 3 months and QuickBooks Pro.

Note 6. Business stationery and promotional materials.

Note 7. First quarterly premium for the business policy (liability) and vehicle coverage.

Note 8. This estimate includes legal and accounting expenses you may incur for the organization of your franchised business entity during the business entity formation period.

Note 9. You may, but are not required to, conduct a grand opening campaign. If you choose to conduct grand opening advertising, you must use our designated public relations firm. You may not use any advertising or marketing materials in your grand opening campaign unless they have been approved in advance in writing by us, which approval may be withheld in our discretion. We reserve the right to collect some or all of your grand opening funds and implement grand opening campaign activities on your behalf.

Note 10. The cost of initial training for two individuals is covered under the Initial Franchise Fee. This range represents the costs of transportation, meals, and other expenses associated with your and your partner's attendance at the initial training program. The cost will depend on the distance you must travel and the types of accommodations you choose. See Item 11.

Note 11. The cost of initial training for two individuals is covered under the Initial Franchise Fee. If you wish to have more than two individuals attend our initial training program, you will incur this \$4,900 fee for each additional attendee, which fee is due upon execution of the Franchise Agreement.

Note 12. This estimates your startup expenses. You should be prepared to have additional cash available to pay your personal living expenses during the first 6 to 12 months of operation. This is only an estimate, however, and the necessary amount of working capital will vary considerably with each franchisee. We relied on our officers' experience in operating businesses substantially similar to the Franchised Business in computing the estimated Additional Funds. See Item 2. We cannot guarantee that this amount is sufficient. You may require additional working capital over and above this estimated amount if your sales are low or if your fixed costs are high.

Note 13. These figures are estimates only, and we cannot guarantee that you will not have additional expenses starting your Franchised Business. In estimating what your local initial investment expenses will be, you should allow for inflation, discretionary expenditures, fluctuating interest rates and other financing

costs, and local market conditions, all of which are highly variable factors that can result in sudden and unexpected increases in costs. You must bear all cost escalations and budget for these contingencies. You should review these numbers carefully with a business advisor such as a lawyer or accountant before making any decision to purchase a Franchised Business.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must establish and operate your franchise in compliance with your Franchise Agreement and the standards and specifications contained in the Manual. In order to maintain the reputation, goodwill, high standards, quality and uniformity of the System, the Franchise Agreement restricts the sources of products and services you utilize in establishing and operating your Franchised Business. Certain equipment, hardware, software and products necessary for the operation of your franchise must comply with our specifications and quality standards, and if required by us, be purchased only from us or approved suppliers that we designate or approve, which may be us or an affiliate. We estimate that your required purchases and leases from us or our designated or approved sources, or those meeting our standards and specifications, will be approximately 15% to 30% of your total cost to establish a Franchised Business and approximately 10% to 20% of your total cost of operating your Franchised Business.

Purchases from Us

You may be required to purchase certain products, software, equipment, and services directly from us or our affiliates. We may designate ourselves, or an affiliate as a supplier, or the exclusive supplier, of any of the products or services used by your Franchised Business effective upon written notice to you. Currently, neither we nor any of our affiliates are approved suppliers for any products or services required in the operation of your Franchised Business. In our last fiscal year ended December 31, 2023, neither we nor our affiliates derived revenue from franchisees' required purchases. We reserve the right to set System standards for all products, programs and equipment that will be used in your Franchised Business. You must comply with all such standards and specifications. We may revise these standards and specifications.

Purchases from Approved Suppliers

To maintain the superior quality of the services offered by our franchisees and protecting our goodwill and reputation, you must purchase marketing and promotional materials, computer software that we designate, from us or suppliers that we designate or approve. In certain instances, we may designate a single source for these items that you must use. We and our affiliates reserve the right to derive revenue from designated suppliers. While certain suppliers are currently mandated, approved or recommended, we reserve the right to change suppliers from time to time. Approval of suppliers may be revoked in writing, with 30 days' notice. We will communicate to you the identity of all designated and approved suppliers through written or electronic communications. We do not make any express or implied warranties for any products or goods that we recommend for your use. None of our officers own an interest in any supplier.

Purchases According to Standards and Specifications

You are required to purchase or lease certain items in accordance with the specifications and guidelines issued by us. Specifications may include minimum standards for quality, delivery, performance, design, appearance, durability, style, warranties, price range, and other related restrictions. We consider these specifications to be of critical importance to the success of the System. (All specifications and guidelines are more fully described in our Manual.).

Computer Hardware and Software – You are required to purchase and use the computer hardware and software described in Item 11 of this Disclosure Document.

Advertising and Promotional Materials – We must approve all advertising and promotional materials before you use them as discussed in Item 11 of this Disclosure Document. If you conduct a grand opening campaign, you must use our designated public relations firm.

Insurance – You must obtain and maintain, at your own expense, insurance coverage that we require. We may regulate the types, amounts, terms and conditions of insurance coverage required for your Franchised Business, and standards for underwriters of policies providing required insurance coverage, including (a) our protection and rights under these policies as an additional insured; (b) required or permissible insurance contract provisions; (c) assignment of policy rights to us; (d) periodic verification of insurance coverage that must be furnished to us; (e) our right to obtain insurance coverage at your expense if you fail to obtain required coverage; and (f) similar matters relating to insured and uninsured claims.

All policies must be written by an insurance company satisfactory to us. You are currently required to purchase and maintain the following insurance policies throughout the term of the Franchise Agreement:

1. Comprehensive general liability insurance, including contractual liability, broad form property damage, premises liability, personal injury, advertising injury, product liability, automobile liability, employee liability, completed operations and independent contractors coverage, and fire damage coverage in the amount of \$1,000,000 per occurrence, with \$2,000,000 aggregate coverage.
2. Automobile insurance: You must carry a commercial rider on your existing automobile policy. You must also follow state requirements for underinsured or uninsured coverage which we recommend you purchase.
3. Workman's Compensation. You must carry this coverage on any employees and have the option for employees to provide coverage for themselves. The coverage will be the minimum as required by the state in which you are located.

The cost of this coverage will vary depending on the insurance carrier's charges, terms of payments, and your history. We require that all insurance policies be underwritten by companies having an A.M. Best rating of A or higher. All insurance policies, except workers' compensation policies, must name us, as well as our officers and directors, as an additional insured party. You must provide us with a copy of each certificate of insurance at least 15 days before the opening of the Franchised Business and on each policy renewal date. No policy may be cancelled or materially altered without 30 days advance written notice to us.

We do not derive revenue as a result of your purchase of insurance. If you fail to purchase and maintain any required insurance coverage or furnish satisfactory evidence of coverage to us, in addition to our other remedies (including without limitation declaring you in default of the Franchise Agreement), we may, but are not obligated to, purchase the insurance coverage for you. If we do purchase insurance on your behalf, you must pay us on our demand the amount of any premiums and reasonable expenses we incur in obtaining the insurance. The failure to maintain insurance coverage at any time is a material default under the Franchise Agreement.

Supplier Approval Procedure

If you propose to purchase or lease any services or products not previously approved by us in writing (for services and products that require supplier approval), you must first notify us. We may require (among other things) submission of sufficient information, specifications and/or samples for us to determine whether the product or service complies with our standards and specifications, or whether the supplier meets our approved supplier criteria. We generally apply the following criteria (among others) in considering whether the supplier will be designated as an approved supplier:

1. Ability to produce the products, services, supplies, or equipment and meet our standards and specifications for quality and uniformity;
2. Production and delivery capabilities and ability to meet supply commitments;
3. Integrity of ownership (to assure that its association with us would not be inconsistent with our image or damage our goodwill); and
4. Financial stability.

You are responsible for all reasonable expenses incurred by us in connection with evaluating product, service or supplier. Although we are not required to approve or disapprove supplier requests within any particular time period, we generally will respond within 30 days after we receive your written request. Suppliers must maintain our standards in accordance with written specifications and any modifications. Failure to correct a deviation from the System's specifications will result in the termination of status as an approved supplier.

Purchasing Arrangements

We reserve the right to negotiate and collect rebates, commissions, promotional allowances, volume discounts and other payments and/or benefits from all current and future suppliers of goods and services to our franchisees. We have the right to retain payments and benefits that we receive, including those based on purchases from franchisees. In the event we will seek rebates, we may use some of the rebates for the benefit of our franchisees (although we are under no obligation to do so). Our rebate programs, when and if established, may vary depending on the supplier and the nature of the product or service. As of the date of this Disclosure Document, we have not received revenues from any required purchases that you are required to make from software vendors that we designate.

Miscellaneous

We are not obligated to establish – and have not established – any purchasing or distribution cooperatives. When possible, we make our best efforts to negotiate discounts for your benefit for all mandated, designated, and recommended supplies; however, we are under no obligation to do so. We do not provide any material benefits, such as renewal or granting of additional franchises, to you based on your purchase of a particular product or service or use of particular suppliers. In doing so, we seek to promote the overall interests of the franchise System.

Except as described above, neither we nor our affiliates have derived any revenue or other material consideration as a result of your required purchases or leases.

ITEM 9
FRANCHISEE’S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

OBLIGATION	SECTION IN FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
Site selection and acquisition/lease	Not Applicable	Not Applicable
Pre-opening purchases/leases	Section 4	Item 11
Site development	Not Applicable	Not Applicable
Initial and ongoing training	Section 4, Exhibit “C”	Item 11
Opening	Section 4	Item 11
Fees	Section 5	Items 5 and 6
Compliance with standards and policies/operating manual	Section 8	Item 11
Trademarks & proprietary information	Section 7	Items 13 and 14
Restrictions on Products and Services Offered	Section 6	Items 8 and 16
Warranty and customer service requirements	Not applicable	Item 11.
Territorial development and sales quota	Section 6	Item 11
Ongoing product/service purchases	Section 6	Item 8
Maintenance, appearance and remodeling requirements	Not Applicable	Not Applicable
Insurance	Section 12	Items 7 and 8
Advertising	Section 11	Items 6, 8 and 11
Indemnification	Section 19	Item 6
Owners participation, management and staffing	Sections 3 and 19	Items 11 and 15
Records and reports	Section 10	Item 17
Inspections and audits	Section 6	Items 6 and 11
Transfer	Section 13	Items 6 and 17
Renewal	Section 2	Items 6 and 17
Post-termination obligations	Sections 15 and 16	Item 17
Non-competition covenants	Section 16	Item 17
Dispute resolution	Section 25	Item 17

ITEM 10
FINANCING

We do not offer any direct or indirect financing. We do not guarantee your loan, lease or obligations.

ITEM 11
FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Franchise Agreement:

Except as listed below, we are not required to provide you with any assistance.

Pre-Opening Obligations

Before you open your Franchised Business, we will:

1. Provide you with written specifications for the operation and management of the Franchised Business;
2. Provide you with written specifications for supplies, equipment, materials and services you must purchase before the opening of the Franchised Business and the names of approved suppliers for some items. We do not supply or deliver any items and there is no required installation for any item. You do not need to purchase signs or fixtures for the Franchised Business office;
3. We do not require you to construct any improvements, remodel or decorate your Franchised Business office. We do not assist you with construction, remodeling, decorating or conforming the premises of the Franchised Business office to building codes or ordinances, nor do we assist you with obtaining permits;
4. Require that you commence operations within 90 days of signing the Franchise Agreement or within 7 days of successfully completing the Initial Training Program;
5. Require that you purchase the specific software needed to manage your Franchised Business which may change from time to time in our sole discretion;
6. Provide you with our Initial Training Program described below;
7. Provide to you our Operating Manual (the “Manual”), which will include specifications for equipment, inventory, management, and operation. The Manual is confidential and remains our property. A copy of the Table of Contents of our Manual is attached as Exhibit “C” to this Disclosure Document;
8. Permit you to hire employees at your option and in your sole discretion. We do not assist in the hiring of employees. As disclosed below in this Item 11 under the heading, *Initial Training Program*, we may provide an initial training program to your new employees upon your request, or if we require it. We may also provide remedial training and additional training; and
9. We do not provide site selection assistance for your office; however, we must consent to the location for a leased office space, which will be within 30 days of receipt of your office information. The main factors we consider in approving a site are capacity to equip the site with high-speed Internet and telephone services.

Continuing Obligations:

During the operation of your Franchised Business, we will:

1. Furnish guidance to you with respect to your obligations under the Franchise Agreement;
2. Provide general advisory assistance and field support deemed by us, in our discretion, to be helpful to you in the ongoing operation, advertising and promotion of the Franchised Business;
3. Continue our efforts to establish and maintain high standards of quality, customer satisfaction and service;
4. Provide you with updates, revisions and amendments to our Manual. We may periodically modify the Manual, but these modifications will not alter your fundamental status and rights under the Franchise Agreement;
5. Conduct periodically (as we deem advisable) inspections of your Franchised Business and its operations and evaluations of you operating methods and your staff; and
6. Provide you up to five days of ongoing training and meetings per year at locations designated by us or through virtual classes.

Although we may voluntarily provide additional services, no additional duties may be implied because we provide those additional services (if any). We have no implied duties or other duties not expressly stated in the Franchise Agreement. We have the right to delegate to a third party the performance of any pre-opening or continuing obligation. Our providing the above services is contingent on you satisfying your requirements herein including that your Franchised Business is always under the direct operation of you (or your Operating Principal if you are an entity); that you are utilizing the most up-to-date software required by us; that you keep records in the format specified by us and provide us with all reports designated in our Manual; that you are providing us with unrestricted access to your electronic data that pertains to the operation of your Franchised Business; and that you submit copies of all annual financial statements and tax returns when requested by us.

Advertising and Promotion

Approval of Advertising

Your advertising, promotion, and marketing must be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing. All promotional and marketing materials that you propose to use must conform to our standards and requirements. You must provide us with all samples of promotional and marketing materials in whatever form you desire to use for our approval at least 15 days before your proposed use of the materials. We will make reasonable efforts to notify you of our approval or disapproval of the materials within 15 days of receiving them. If you do not receive our written approval within 15 days, we will be deemed to have disapproved the materials. ***You may not use any advertising plans or materials until we have approved them.*** However, our approval does not: (a) constitute a determination that the advertising, promotions and marketing that you conduct complies with applicable laws and regulations or (b) provide assurance that such approved materials will be successful. You must consult your own advisors at your own expense.

Even if we have approved specified materials, we may later withdraw our approval if we reasonably believe it necessary to make the advertising conform to changes in our System or to correct unacceptable features of the advertising, including but not limited to any misrepresentation in the advertising material.

Local Advertising and Marketing

You will not be required to expend any funds on initial promotions and marketing concurrent with commencement of operations, although we believe that you should expend as much effort as necessary to market the services you will be providing clients. If you choose to conduct a grand opening campaign, you must use our designated public relations firm. Local marketing must be implemented in a format and using procedures, suppliers, and designs approved by us.

Advertising Funds and Regional Advertising Cooperatives

There is no requirement for franchisees to participate in a local or regional advertising cooperative. We do not require our franchisees to contribute to an advertising fund.

Internet Advertising

In addition to our general rights over all advertising, promotion and marketing, we have the exclusive right to conduct and manage all marketing on the Internet or other electronic medium, including all websites and “social media” marketing related to our brand. You may not conduct such marketing, or establish any website or social media presence independently, except as we may specify and only with our written consent. We retain the right to approve any linking to or other use of our website. You must comply with any Internet and social media policy that we may prescribe.

Advertising Council

There is no advertising council composed of franchisees.

Brand Fund

We reserve the right to establish a Brand Fund. If established, you are required to contribute to the Brand Fund up to 3% of Gross Savings. Each P3 Cost Analysts® outlet operated by our affiliates or us may contribute to the Brand Fund, in our discretion, but has no obligation to do so.

The Brand Fund is administered by us. We may use Brand Fund contributions to pay any and all costs for the development, production and placement of advertising, marketing, promotional and public relations materials and programs. We may also use Brand Fund contributions to pay any and all costs of marketing seminars and training programs, market research, services of advertising and/or public relations agencies, and website development and maintenance. We may further use Brand Fund contributions to pay our costs (including personnel and other administrative costs) for advertising that is administered by us or prepared by us, as well as for administration and direction of the Brand Development Fund.

The Brand Fund will not be used to defray any of our other general operating expenses. Brand Fund contributions will not be used to solicit new franchise sales; provided however, we reserve the right to include “Franchises Available” or similar language and contact information in advertising produced with Brand Fund contributions.

The Brand Fund collects and expends the Brand Fund contributions for the benefit of the System as a whole. We reserve the right to use the Brand Fund contributions to place advertising in national, regional or local media (including broadcast, print, or other media) and to conduct marketing campaigns through any channel, in our discretion, including but not limited to, Internet and direct-mail campaigns. We have no obligation, however, to place advertising or conduct marketing campaigns in any particular area, including the Territory where your Franchised Business is located.

The Brand Fund and its earnings shall not otherwise inure to our benefit except that any resulting technology and intellectual property shall be deemed our property.

We have no obligation to make expenditures that are equivalent or proportionate to your Brand Fund contribution or to ensure that you benefit directly or pro rata from the production or placement of advertising from the Brand Fund.

An annual unaudited financial statement of the Brand Fund is available to any franchisee upon written request.

If we spend more or less than the total of all contributions to the Brand Fund in any fiscal year, we may carry-forward any surplus or deficit to the next fiscal year.

Brand Fund contributions were required, made or expended in our most recently concluded fiscal year. Although the Brand Fund is intended to be of perpetual duration, we may terminate it at any time and for any reason or no reason. We will not terminate the Brand Fund, however, until all monies in the Brand Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

Initial Training Program

You must complete training by us and comply with all of the initial training requirements we prescribe for your Franchised Business (the “Initial Training Program”). We will make an Initial Training Program available to you and one additional partner at no cost to you. We conduct the Initial Training Program on an as needed basis. If you sign the Franchise Agreement as an individual, you must satisfactorily complete our Initial Training Program. If you sign the Franchise Agreement as an entity, at a minimum your Operating Principal must satisfactorily complete our Initial Training Program. If you sign the Franchise Agreement with an active business partner, both partners must satisfactorily complete our Initial Training Program. You are solely responsible for all expenses and costs incurred, including, without limitation, wages, travel, lodging, and subsistence expenses of those persons completing training. Your expenses may include hotel, lodging, airfare and meals. Your costs will depend on where you are located and how far you have to travel, the type of accommodations you choose and similar factors. There are no additional fees or charges for the Initial Training Program.

The Initial Training Program consists of three weeks of training virtually but we reserve the right to conduct the training at any other location as we designate. The Initial Training Program will run over the course of three weeks up to 8 hours per day which shall include live and recorded calls and activities for you to complete at home. You are responsible for all travel and living expenses we incur in traveling to your location or a location near you to provide such pre-opening training and assistance. The Initial Training Program will focus on targeting prospective clients, the sales process, understanding the benefits of the Franchised Business model, data collection, working with the Franchisor, use of the various required software programs, networking, marketing, reporting requirements and customer service.

INITIAL TRAINING PROGRAM

Week 1 Subject	Hours of Classroom Training (Webinars and Calls)	Hours of On-the-Job Training	Location
Welcome and Introduction to P3 Cost Analysts	2	0	Virtual or at a Designated Location
P3 Cost Analysts - What we do	2	0	Virtual or at a Designated Location
Intro to Franchising	4	0	Virtual or at a Designated Location
All Services Training	8	0	Virtual or at a Designated Location
Intro to Prospecting	8	0	Virtual or at a Designated Location
TOTAL	24	0	

Week 2 Subject	Hours of Classroom Training (Webinars and Calls)	Hours of On-the-Job Training	Location
Prospecting	4	0	Virtual or at a Designated Location
P3 Prospecting Playbook	4	0	Virtual or at a Designated Location
Intro to Sales	5.5	0	Virtual or at a Designated Location
Building Your Pipeline	2.5	0	Virtual or at a Designated Location
IT Training	3	0	Virtual or at a Designated Location
Roleplays	4	0	Virtual or at a Designated Location
Your Goal Your Plan	1	0	Virtual or at a Designated Location
TOTAL	24	0	

Week 3 Subject	Hours of Classroom Training (Webinars and Calls)	Hours of On-the-Job Training	Location
Sales Training	4.5	0	Virtual or at a Designated Location
Building Your Pipeline (cont.)	5.5	0	Virtual or at a Designated Location
TOTAL	10	0	

The time periods allocated to the subjects listed above are approximations, and the time actually spent by you and your personnel may vary based on the experience and performance of those persons being trained. Additional training may also be provided through the Initial Training Program which may add

hours and days at our discretion. The instructional materials used in the Initial Training Program will consist primarily of our Manual, marketing and promotional materials, videos and other handouts.

Ongoing Training Program

We may, in our discretion, make available other ongoing continuing education and training programs, seminars or meetings (on an optional or mandatory basis) that we deem advisable. We may also host one or more conventions per calendar year, as well as conference telephone calls, which may include education and training. You and your designated employees must attend and successfully complete all ongoing continuing education and training programs and must attend all meetings, seminars, conventions and conference telephone calls as we require. We may charge a reasonable fee for instruction and training materials. You are responsible for all other expenses, including travel, lodging and meals, incurred by you and your employees for ongoing continuing education and training programs.

If you request that additional staff attend the Initial Training Program and we approve this request or if we believe that an employee has been inadequately trained by you, the then-current tuition will be charged per attendee (currently \$4,900).

Aaron Stahl, Colby Ezell, Scott Swearingen and Michael Nicholas will be conducting and/or overseeing the Initial Training Program, and all trainers will have the relevant minimum experience necessary for the subjects taught. Mr. Stahl, Mr. Ezell, Mr. Swearingen and Mr. Nicholas have extensive operational experience with the services performed through this cost reduction franchise program offered in this Disclosure Document and all topics listed in the chart above. See Item 2.

Computer Systems

You must, at your sole cost, purchase, use, maintain and update the computer systems (collectively, the “Computer System”) we specify for use in the operation of the Franchised Business, and you will follow the procedures related thereto that we specify in the Manual or otherwise in writing. You must acquire and use the computer hardware and software that we specify or otherwise approve. You may be required to obtain some of these components and services directly from us, our affiliates or designated suppliers. You may incur monthly fees for ISP, ASP, and the like. You must, at your sole cost, purchase, use, maintain and update the computer systems that we specify for use in the operation of your Franchised Business and must follow all policies and procedures that we specify in the Manual or otherwise in writing.

You will be required to use specific software programs to operate and manage your Franchised Business as set forth in the Operations Manual. These programs currently include specific CRM software, office suite software, and electronic signature managing software. You are also required to use accounting software we approve, such as QuickBooks Pro at an estimated cost of approximately \$50/month.

You will pay monthly fees on \$160 per month per user to use the required software. Your Computer System must be capable of connecting with our computer system, performing the functions we designate for your Franchised Business, permitting us to review the results of your franchise operations, and engaging in any e-commerce activities that we designate. You will continuously comply with each of our then-current terms of use and privacy policies (and all other requirements) regarding the Computer System, including (but not limited to) Internet use. The cost of purchasing the computer system is approximately \$1,100 (less if you already have some of the specified hardware and software). The estimated annual cost of optional or required maintenance, updating, upgrading, or support contracts to your Computer System is \$0 to \$1,000.

We will have independent access to the information that will be generated or stored in your Computer System, such as your franchise's sales and payroll information, customer information, and your bookings and appointments. We will have the right at any time to poll your system to retrieve and compile such information concerning your franchise. There are no contractual limitations on our right to access this information and data. We may require you to purchase and install other and/or additional computer systems and software meeting our standards and specifications, which would be used, among other purposes, to assist you in the operation of your franchise. You would be responsible for all costs associated with such other or additional computer systems and software. We would have the right to access the information generated by these computer systems, without limitation.

We reserve the right to update and modify our Computer System and software requirements. We may, at a later date, develop or utilize additional computer software which you will be required to use in your Franchised Business. You must comply with these new requirements which may involve additional license fees to be paid by you. You are required to pay a technology fee that includes use of certain software and a technical support person which is \$160 per month per user but there are no contractual limitations on the frequency and cost involved in the upgrading, updating, or modifying of your hardware or software but we expect that the technology fee will be between \$160 and \$375 per month. The total annual cost of maintaining, updating, upgrading, or support contracts cannot be estimated with precision due to the continually changing nature of today's technology.

Except as described above, neither we, our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades, or updates to your computer system, and there are no optional or required maintenance/upgrade contracts for the point-of-sale or computer system.

Selection of Your Office Location

You may operate the Franchised Business from a home office located within your home or from an office located outside your home (e.g., a leased office space). To operate from a home office requires no approvals from us.

If you intend to operate from another office location, such as a leased office, you will select the site and propose the site to us. You must obtain our prior approval of the site before use. We will approve the proposed site if it is in or near the Geographic Area assigned to you. There are no other factors we consider in approving the office location. We do not assist you in selecting a site. We don't own the premises or lease it to you.

There is no time limit to locate an approved office location, except, you must start operating the Franchised Business within 90 days of signing the Franchise Agreement or 7 days of completing the Initial Training Program, unless we grant you an extension to open. If you fail to locate an approved office location within these time frames, we may terminate your Franchise Agreement.

Typical Length of Time Before You Open Your Franchised Business

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of the Franchised Business is going to be approximately 30 to 90 days. Some factors which may affect this timing include your ability to secure any necessary financing as well as your ability to attend the Initial Training Program. Your Franchised Business must be open for business within 90 days from the date of execution of the Franchise Agreement or within 7 days of completing the Initial Training Program (the "Commencement Deadline"), unless we grant you an extension, which we may choose to grant in our

sole discretion. Failure to commence operations of your Franchised Business by the Commencement Deadline may result in, at our option, the termination of your Franchise Agreement, and we can retain the entire Initial Franchise Fee.

Operating Manual

The Manual is confidential and remains our property. We may add to or otherwise modify the Manual from time to time as we deem necessary. The table of contents of our Manual is attached as Exhibit “C.” As of the Date of Issuance of the Franchise Disclosure Document, the Manual consists of 188 pages.

ITEM 12 **TERRITORY**

Geographic Districts

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We will, however, we will limit the number of franchisees in your prescribed area to one franchisee per 200,000 people (the “Geographic District”). Franchised Business owners will be allowed to market, solicit, and seek customers in their Geographic District and areas outside of their Geographic Districts so long as they follow our System and the policies and procedures set forth in our Manual. We reserve the right to restrict any Franchised Business owners’ direct marketing efforts to a specific geographic district which will be defined by zip codes if we determine, in our sole discretion, that a franchisee’s direct marketing efforts are interfering with other Franchised Business owners. Prior to meeting one-on-one with a potential client, you are required to enter that client’s information in our designated CRM. You may not meet with or market to a potential client who has been tagged by another franchisee via our designated CRM. You may have a maximum of 200 tagged prospects in our designated CRM at any time.

You will operate the Franchised Business at a specific home-office location or pre-approved office location that you choose and we approve in or near your Geographic District. Except as expressly limited by the terms of your Franchise Agreement, we have the right, in our sole discretion, to grant additional franchises or establish franchises at any time and at any location within and outside your Geographic District, even at a location in close proximity to your Franchised Business, on such terms as we deem appropriate. We expressly reserve the right to market similar services and products under a different trademark within your Geographic District.

If you need to move your Franchised Business, you must petition us and allow us 60 days to make a decision based on factors such as availability of the requested location (based on the number of existing Franchised Business owners in the Geographic District), whether or not the new location is in a Geographic District in which we are granting Franchised Businesses and any other factors we feel are pertinent in making the decision.

Neither we nor our affiliates operate and have an intention to operate a competing franchise business under a different trademark that will sell goods or services that are the same as or similar to those the franchisee will sell. We and our affiliates reserve the right to use other channels of distribution, including the Internet, to sell goods or services that are the same as or similar to those the franchisee will sell within the franchisee’s territory using the franchisor’s principal trademarks or other marks. We and our affiliates may engage, directly or through others, in the sale of services under the P3 Cost Analysts® name or other

mark, at any location or by any method of distribution, without regard to the location of other P3 Cost Analysts® franchises and these offerings and services may compete with your franchise and adversely affect its sales. We have no obligation to pay you any compensation for soliciting or accepting customers inside your Geographic District.

Referral Program

We reserve the right to implement a referral program in your Geographic District. Currently, we have formed relationships with various referral sources that provide us with leads for prospective clients. Once the lead becomes a client, we provide the referral source with a referral fee based on percentage of the income generated from the client. This fee can range from 10 to 50 percent of the revenue collected by us. You are responsible for payment of any applicable referral fee. If the referral program is implemented by us, you will have the ability to accept or decline working with the prospect based on the terms of the referral agreement. If you decline, then we would have the right to offer the client to another franchisee in or outside the Geographic District or service the client ourselves.

Enterprise Accounts

We must approve certain potential clients. These potential clients are defined as an entity that has over \$300,000,000 in annual revenue. These are very large clients and do not represent the majority of clients we target. We reserve the right to modify the description of these potential clients and the applicable Audit Service Fee.

Conflict Check

You expressly acknowledge and understand that any clients who you bring in for auditing are subject to our internal “conflict check” and that we may reject any client which presents or may present a conflict to one of our existing clients or their affiliates. We expressly reserve the right to reject a client in our sole discretion if we determine that a conflict exists. If the client presented to us already has an existing contract with us, then we will consider that client to remain ours and may provide you with a percentage of the audit fees earned on a case-by-case basis.

Minimum Performance Requirements

You are required to sign at least one client account within 90 days of commencing operation of your Franchised Business. If you do not meet this requirement, you may be required to attend the next available Initial Training Program with no fee assessed to you other than travel costs. After completing the second session, you will have an additional 90 days to sign at least one client account. If you fail to meet the minimum performance standards twice during the term of the Franchise Agreement, we reserve the right to terminate the Franchise Agreement. Your continuing obligations in the Franchise Agreement, including the non-compete and non-solicitation clauses, will govern our relationship post-termination. You understand and agree that all other costs and fees paid by you are not refundable by us if we elect to terminate under this provision.

You will be required to meet annual minimum performance levels in order to maintain the franchise relationship. If a franchisee fails to meet the minimum performance standards twice during the term of the Franchise Agreement, we reserve the right to terminate the Franchise Agreement. Our minimum performance requirement for qualified client contracts is as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5
Minimum Performance Requirement Number of Qualified Client Contracts Signed	6	10	12	12	12

The minimum performance requirement for the first year will be pro-rated by us based on the number of weeks in operation during the initial calendar year of operation.


Additional Franchises

You will be granted no options or rights of first refusal as to any Geographic Districts. You will be required to sign a separate franchise agreement for each franchise you purchase.

ITEM 13 **TRADEMARKS**

Pursuant to the terms of the Franchise Agreement, we grant you the right and license to operate a Franchised Business pursuant to the System and using the Proprietary Marks and related names and marks that may be developed in the future and used as part of the System. Specifically, we grant you the right to operate a franchise under the name “P3 Cost Analysts®.” By “Proprietary Marks” or “Marks,” we mean trade names, trademarks, service marks and logos used to identify your franchise.

As of the date of issuance of this Disclosure Document the following trademarks are registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”):

MARK	REG. NUMBER	REG. DATE	INTERNATIONAL CLASS OF GOODS
	5,853,079	September 3, 2019	035
P3 COST ANALYSTS	5,883,468	October 15, 2019	035

The registered owner of the Marks is our parent company, Old Arkana, Inc. and it intends to renew the registration and file all appropriate affidavits for the mark at the times required by law. You must use the ® symbol anytime you use the trademarked name or logo listed above. You must use the ™ symbol next to other unregistered trademarks that we designate. We and Old Arkana, Inc. are parties to a license agreement which grants us rights to use the Marks and sublicense the use of the Marks in connection with franchising P3 Cost Analysts® businesses in the United States. Our license may be terminated if we become bankrupt, discontinue our business, violate the license agreement or improperly use the Marks. The term of the License Agreement is ten years and may be renewed for three successive terms of five years each.

There is no currently effective material determination of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement,

opposition or cancellation proceeding or any pending material litigation involving the principal trademark. We are not aware of either superior or infringing uses that could materially affect your use of our applied for trademark, trade name, logotype or other commercial symbol in any state in which a Franchised Business is to be located. There are no other agreements currently in effect which significantly limit our rights to use or license the use of the trademark, trade name, logotype or other commercial symbol in any manner material to the Franchised Business.

You must use all of our names and Marks in full compliance with provisions of the Franchise Agreement and in accordance with the rules we periodically prescribe. You may not use any name or Mark as a part of any corporate name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed by us to you). In addition, you may not use any name or Mark for the sale of any unauthorized product or services, or in any other manner not explicitly authorized in writing by us.

If there is any infringement of, or challenge to, your use of any name, mark or symbol, you must immediately notify us, and we will have the sole discretion to take any action as we deem appropriate, in order to fulfill our obligation to preserve and protect the ownership, identity and validity of the Proprietary Marks. We are not obligated to protect your rights in the Proprietary Marks, nor are we obligated to indemnify you for losses associated with any infringement of, or challenge to, our rights in the Proprietary Marks. We are not obligated to participate in your defense and/or indemnify you for damages or expenses if you are party to an administrative or judicial proceeding involving the Proprietary Marks if the proceeding is resolved unfavorably to you.

If it becomes advisable at any time, in our sole discretion, to modify or discontinue the use of any name or Mark and/or use one or more additional or substitute names or Marks, you must pay for the tangible costs (such as replacing materials) associated with a change. We and our affiliates have invested substantial time, energy and money in the promotion and protection of our Marks. We have no present intention of altering them. However, we recognize that rights in intangible property such as the Marks are often difficult to establish and defend, and that changes in the cultural and economic environment within which our System operates may make changes in the Marks desirable or necessary. Accordingly, we reserve the right to change our Marks and the specifications for each when we believe that such changes will benefit the System. You agree that you will promptly conform, at your own expense, to any such changes.

You may not contest, directly or indirectly, our ownership, title, right or interest in any of our names or marks, trade secrets, methods, procedures, and advertising techniques which are part of the System, or contest our sole right to register, use or license others to use such names, marks, trade secrets, methods, procedures, or techniques.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents that are material to the franchise. We do claim copyright protection and proprietary rights to the confidential information contained in our Manual. The Manual is described in Item 11. We claim common law copyrights on our operational materials and on other proprietary materials specifically created by us in connection with the System, including the proprietary advertisements, all of our materials presented to your prospective customers, printed materials, and forms used in connection with the operation of your Franchised Business. The Manual and other proprietary materials have not been registered with any copyright office, but we reserve the right to register these copyrights in the future.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. Nor are there any agreements currently in effect that significantly limit our right to use or authorize franchisees to use the copyrighted materials. Furthermore, there are no infringing uses actually known to us that could materially affect a franchisee's use of the copyrighted materials in any state.

Item 11 describes limitations on the use of the Manual by you and your staff members. You must also promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action but will respond to this information as we deem appropriate. We will not indemnify you for losses brought by a third party concerning your use of this information. If you develop any new concept, process or improvement in the operation or promotion of your Franchised Business, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. You agree that any of these concepts, processes or improvements will become our property, and we may use or disclose them to other franchisees, as we deem appropriate.

We will disclose to you certain confidential or proprietary information and trade secrets. Except as is necessary for the operation of your Franchised Business and as we approve, you may not, during the term or at any time after the expiration or termination of the Franchise Agreement, regardless of the cause of termination, directly or indirectly, use for your own benefit or communicate or divulge to, or use for the benefit of any other person or entity, any trade secrets, confidential information, knowledge or know-how concerning the services, advertising, marketing, designs, plans, or methods of operation of your Franchised Business or the System. You may disclose to your employees only that confidential, proprietary or trade secret information as is necessary to operate the business and then only while the Franchise Agreement is in effect. Any and all information, or knowledge, including, materials, equipment, marketing, and other data, which we designate as secret or confidential, will be deemed secret and confidential for purposes of the Franchise Agreement.

You must require any personnel having access to any of our confidential information, to execute the Confidentiality/Non-Competition Agreement attached to the Franchise Agreement, which provides that they will maintain the confidentiality of information they receive in connection with their employment by you at your Franchised Business. You are obligated to take all necessary precautions to ensure that all your personnel retain our confidential and proprietary information in confidence.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION
OF THE FRANCHISE BUSINESS

You are required to participate personally in the direct operation of your Franchised Business. During the term of the Franchise Agreement, you (if you are a natural person) or your Operating Principal (if you are a corporation, limited liability company, partnership or other business entity (a “Business Entity”)) must devote your best efforts to the development and operation of the Franchised Business. Your Operating Principal must have full authority to bind you regarding all operational decisions about the Franchised Business. We must approve your Operating Principal, and you must designate a qualified replacement from among your owners if your Operating Principal can no longer fulfill his or her responsibilities under the Franchise Agreement. You (or your Operating Principal) cannot have an interest or business relationship with any of our business competitors.

The Franchised Business must be under the direct supervision of you (or your Operating Principal). You (or your Operating Principal) must successfully complete our Initial Training Program. You must require all employees to sign a confidentiality agreement and a non-compete agreement.

You (or your Operating Principal) must participate in the Franchised Business throughout the term of your Franchise Agreement as follows:

1. You (or your Operating Principal) must successfully complete training, based on the standards established by us. Failure to do so may result in your termination;
2. You (or your Operating Principal) must keep records in the format specified by us and shall comply with all of our requirements relating to the supervision of your Franchised Business, including inspections, accessing electronic data, reports and guidance;
3. You (or your Operating Principal) must strictly adhere to the obligations set forth in our Manual;
4. You (or your Operating Principal) must attend ongoing training and continuing or ongoing education courses as directed by us;
5. You (or your Operating Principal) must utilize the most up-to-date computer software required by us for use in your Franchised Business;
6. You (or your Operating Principal) must submit all advertising and/or publicity materials to us for approval and give us 15 days to approve or reject the materials (our non-response is deemed a rejection);
7. You (or your Operating Principal) must submit an initial business plan for your Franchised Business to be developed during the Initial Training Program before beginning operations and an annual business plan each year;
8. You (or your Operating Principal) must submit annual financial statements, including an income statement and balance sheet, within 90 days of your fiscal year end, a profit and loss statement within ten days following the end of each month, and your tax returns when filed;
9. You (or your Operating Principal) must be directly responsible for all accounting, reporting and bookkeeping;
10. You (or your Operating Principal) must attend any meeting that is called by us;
11. You (or your Operating Principal) must be directly involved in all personnel decisions;
12. You (or your Operating Principal) must obtain covenants against the use and disclosure of any confidential information and covenants not to compete from your managers and any other staff members or agents who have received or will have access to our training or Confidential Information. All of the required covenants must be in substantially the form of Nondisclosure and Noncompetition Agreement attached as Exhibit "F" to the Franchise Agreement; and
13. You, or if you are a business entity, each of your owners must sign the Franchise Agreement and each of your owners, must individually, jointly and severally, guaranty your obligations under the Franchise Agreement and be personally bound by each term of the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all services, products, and programs that we require you to sell and that are part of the System, or that we incorporate into the System in the future. We may add to, delete from, or modify the services, products, and programs that you can and must offer. You must abide by any additions, deletions, and modifications, but only if the changes do not materially and unreasonably increase your obligations under the Franchise Agreement.

The Franchise Agreement provides that you must offer only the products and services that conform to our standards and specifications. These are described in our Manual and other writings, as they may be updated periodically. Unless you obtain our prior written approval, you are prohibited from (a) offering or selling services or products not authorized by us; and (b) soliciting other franchisees either directly or indirectly for any other business or investment activity. We have the right to add or delete services and you must do the same on notice from us. There are no limits in our right to do so.

You must operate your Franchised Business in complete compliance with the standards and specifications set forth in the Manual, the Franchise Agreement, other agreements and instructions we provide and the requirements of the laws of the location in which your Franchised Business is located. We are entitled to make changes in our standards and specifications when, in our discretion, change is needed as a result of the market and for the development of the System. These changes may require your purchase of software, supplies, or other goods, the completion of additional training by your employees, or other cost to you. We cannot predict the future costs to you of such items. You must promptly conform to the modified standards and specifications at your expense.

In addition, we may, from time to time, send you materials and bulletins on new systems and new sales and marketing developments and techniques. You must promptly implement and/or use the ideas and implement the changes described in these materials within your Franchised Business in a commercially reasonable manner. There are no limitations imposed by us on the persons to whom you may provide services and products, other than you cannot violate any applicable laws or any of the terms set forth herein.

ITEM 17
RENEWAL, TERMINATION, TRANSFER & DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section In Franchise Agreement	Summary
a. Length of the franchise term	2.A	Term is equal to 10 years.
b. Renewal or extension of the term	2.B	If you are in good standing and satisfy certain conditions, you may renew for two additional 5-year terms. You will be required to pay a successor fee of \$2,500 for each renewal. You will sign a release (provided that any release

Provision	Section In Franchise Agreement	Summary
		will not be inconsistent with any state law regulating franchising).
c. Requirements for franchisee to renew or extend	2.B	<p>Renewal means that you are allowed to remain as a franchisee after the initial term of your Franchise Agreement expires. However, to remain a franchisee, you must meet all required conditions to renewal, including signing our then-current form of franchise agreement, which may be materially different than the form attached to this Disclosure Document.</p> <p>Other conditions include: advance written notice of 6 to 12 months, not be in default, satisfy all monetary obligations to us and suppliers, complete ongoing training, pay successor fee, and sign general release.</p>
d. Termination by franchisee	15.F	If we terminate the Franchise Agreement for cause, or you terminate the Franchise Agreement without cause, we can recover an amount equal to the average of the prior 12 months Audit Service Fee (or shorter period if the Franchised Business has been in operation for less than 12 months) multiplied by: (i) 36 or (ii) the number of months remaining in the term of the Franchise Agreement, whichever is less.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	14.A and 14.B	We can terminate only if you default.
g. “Cause” defined – curable defaults	14.B	You have 30 days to cure certain defaults listed within the section, such as failure to file reports or financial reports, failure to comply with standards and specifications, or failure to obtain required consents or approvals.
h. “Cause” defined – non-curable defaults	14.A	Non-curable defaults include: failure to pay amounts due within 10 days after

Provision	Section In Franchise Agreement	Summary
		<p>notice; insolvency, bankruptcy, general assignment for the benefit of creditors, appointment of a receiver or custodian, or final judgment remains unsatisfied for 30 days or more; failure to open for business within the required time periods; abandonment of the franchise; failure to operate or maintain, or unapproved modification of other required systems; material misrepresentation or omissions; repeated excessive use of alcohol or drugs; failure to comply with applicable laws and license requirements; unauthorized use of any Marks or disclosure of confidential information; conviction or plea of no contest or guilty to a felony or other serious crime or offense likely to adversely affect the Proprietary Marks or the System; judgment or consent decree entered against you or your owners involving fraud or unfair/deceptive trade practices; unauthorized transfers; failure to comply with restrictive covenants, including non-solicitation and non-competition; knowingly maintain false books or records; unlawful or deceptive trade practices; failure to comply with standards and specifications not cured within 10 days after notice; termination of another franchise agreement between you and us; repeated defaults, even if cured; engaging in illegal, immoral or unethical acts in violation of our mission and values; default under any other agreement with us or our affiliate and failure to cure such default within the applicable cure period, regardless of whether such agreement is terminated; unapproved relocation of the Franchised Business;</p>

Provision	Section In Franchise Agreement	Summary
h. "Cause" defined – non-curable defaults (Cont.)	14.A	Violation of existing confidentiality or non-competition agreements with third parties upon entering into Franchise Agreement; failure to maintain a qualified Operating Principal; or blocking of your or your owners' property or interests under Anti-Terrorism laws.
i. Franchisee's obligations on termination/ non-renewal	15 and 16	Obligations include, among others: You must cease operating the Franchised Business, cease using the Proprietary Marks and System, pay all amounts due to us or our affiliates, return the Manual and other proprietary materials, pay liquidated damages, assign telephone numbers and listings to us, and comply with confidentiality requirements and post-term restrictive covenants.
j. Assignment of contract by franchisor	13.A	No restriction on our right to assign as long as the transferee or assignee assumes our obligations under the Franchise Agreement.
k. "Transfer" by franchisee – defined	13.B	Includes transfer of any interest in the Franchise Agreement, Franchised Business (including the assets) or Franchisee.
l. Franchisor approval of transfer by franchisee	13.B	We have the right to approve all transfers (even to a business entity controlled by you), but we will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	13.B	You must petition us at least 60 days prior to the date of the intended assignment. You may transfer a non-controlling interest in you to a qualified transferee, with our prior written consent. For transfer of the Franchise Agreement or a controlling interest in you, we may require, among other things, that you (a) pay all amounts due us or our affiliates; (b) not otherwise be in default, (c) sign a general release; and (d) pay a transfer fee. The proposed transferee must meet our criteria,

Provision	Section In Franchise Agreement	Summary
		assume all of your obligations, attend training, and sign our then-current form of franchise agreement.
n. Franchisor’s right of first refusal to acquire franchisee’s business	13.D	We can match any offer for sale of your business or any ownership interest in you.
o. Franchisor’s option to purchase franchisee’s business	13.D, 14.F and 15.K	We have the right to purchase any or all of the tangible assets of the Franchised Business at your cost or fair market value, whichever is less, by written notice to you within 15 days after termination or expiration of the Franchise Agreement.
p. Death or disability of franchisee	13.E	The interest must be assigned to an approved transferee within 6 months and is subject to the same conditions as a transfer under Section 13.B of the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	15 and 16	No direct or indirect involvement in the operation of any business selling services similar to those sold by your Franchised Business, and you agree not to knowingly solicit any current or former employee of ours, without our prior written permission, or to divert business from the franchise.
r. Non-competition covenants after the franchise is terminated or expires	16.B	You and your owners may not, for 2 years after expiration or termination of the Franchise Agreement: (a) divert any business or customer to a competitor, or do or perform any act injurious or prejudicial to the goodwill of the Proprietary Marks and System; (b) recruit or hire any person employed by us or our franchisees; (c) solicit other franchisees nor use available lists of franchisees for any commercial purpose or (d) operate or be involved with a competing business for two years in the Geographic District assigned to you, and within a 50 mile radius of the Geographic District, or within 50 miles of any other Franchised Business.

Provision	Section In Franchise Agreement	Summary
s. Modification of the Agreement	17	You must comply with the Manual. The Franchise Agreement may not be modified unless mutually agreed to in writing, except we may reduce the scope of the covenants.
t. Integration/merger clause	23	Only the terms of the Franchise Agreement and any addendums are binding (subject to applicable state law). No other representations or promises will be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	25	<p>Except for certain claims, including non-payment by Franchisee, all claims must first be mediated prior to arbitration or litigation. The exclusive venue for any claims is Washington County, Arkansas. The arbitration will occur with each respective party paying their own costs except that the prevailing party shall be entitled to its attorney's fees.</p> <p>Before you take any legal or other action against us, whether for damages, injunctive, equitable or other relief (including rescission) upon any alleged act or omission of ours, you must first give us 30 days prior written notice and an opportunity to cure such alleged act or omission or otherwise resolve such matter.</p>
v. Choice of forum	25.E	Subject to applicable state law, any disputes not subject to the mandatory arbitration clause, including your non-payment to us, shall be instituted exclusively in a court of competent jurisdiction in Washington County, Arkansas.

Provision	Section In Franchise Agreement	Summary
w. Choice of law	25.D	Arkansas law applies (subject to applicable state law) except to the extent governed by the U.S. trademark laws.

ITEM 18
PUBLIC FIGURES

We currently do not use any public figures to promote our franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The historical financial performance representation below reflects the performance for our some of our franchised outlets. To be included in these Disclosures, a franchise location had to be (1), Open for business for all of calendar year 2023 and, (2) at least one Principal owner operating the franchised business on a full-time basis (see note 1 directly following the tables below). Of the 45 franchisees that were open on December 31st, 2023, 2 were excluded from this disclosure as they had not been operating for a full calendar year, and 28 have been excluded as they were not, to the best of our knowledge, operating their business on a full-time basis (that is they were either operating part-time or inactive). Specifically, for each group we excluded the following:

Group 1 (Table 1), which represents franchisees whose first full year operating as a P3 franchised business was in 2020 or before, 2 franchisees that were operating a P3 business as of December 31st, 2023;

Group 2 (Table 2), which represents franchisees whose first full year operating as a P3 franchised business was in 2021, 9 franchisees that were operating a P3 business as of December 31st, 2023;

Group 3 (Table 3), which represents franchisees whose first full year operating as a P3 franchised business was in 2022, 8 franchisee that were operating a P3 business as of December 31st, 2023;

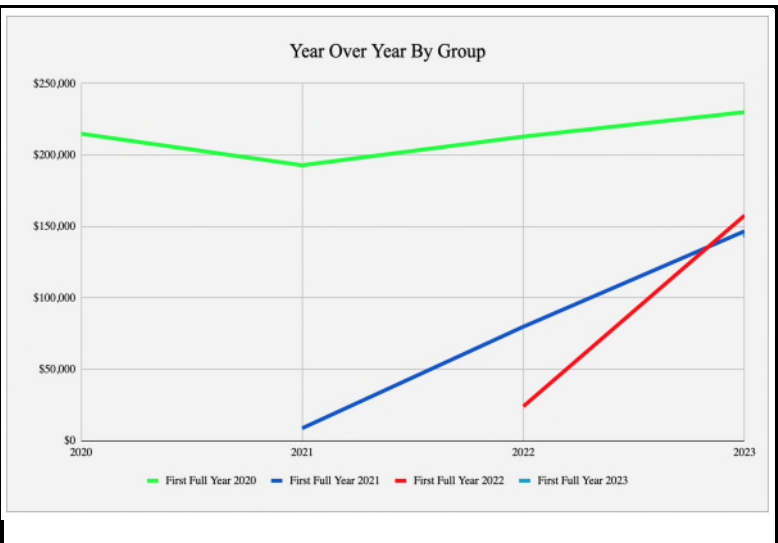
Group 4 (Table 4), which represents franchisees whose first full year operating as a P3 franchised business was in 2023, 3 franchisees that were operating a P3 business as of December 31st, 2023 were excluded.

Group 5 (Table 5) all franchisees in the previous groups in one group.

Table 6 represents the average Gross Revenue for all Groups, and Figure 1 represents the same in a chart for easy visualization.

Table 1 - Franchisee Group 1 (2 franchisees)					
	2020	2021	2022	2023	Av. Y/y
Average	\$214,744.50	\$192,661.54	\$212,723.84	\$229,847.91	2.73%
High	\$360,222.37	\$313,489.02	\$293,309.55	\$321,271.03	
Low	\$69,266.62	\$71,834.06	\$132,138.12	\$138,424.79	
At or above average	1	1	1	1	
Table 2 - Franchisee Group 2 (3 franchisees)					
		2021	2022	2023	Av. Y/y
Average		\$8,521.92	\$79,607.74	\$146,450.19	459.06%
High		\$16,599.49	\$102,893.42	\$253,899.85	
Low		\$1,078.15	\$43,180.20	\$58,809.22	
At or above average		2	2	2	
Table 3 - Franchisee Group 3 (6 franchisees)					
			2022	2023	Av. Y/y
Average			\$24,022.03	\$157,637.10	278.11%
High			\$78,041.42	\$346,686.06	
Low			\$4,227.59	\$31,869.86	
At or above average			2	2	
Table 4 - Franchisee Group 4 (4 franchisees)					
				2023	
Average				\$40,936.55	
High				\$94,595.06	
Low				\$0	
At or above average				2	
Table 5 - Franchisee Group 5 (15 franchisees)					
	2020	2021	2022	2023	Av. Y/y
Average	\$214,744.50	\$82,177.77	\$73,491.19	\$133,907.68	7.64%
High	\$360,222.37	\$313,489.02	\$293,309.55	\$346,686.06	
Low	\$69,266.62	\$1,078.15	\$4,227.59	\$29,645.58	
At or above average	1	1	5	4	

Table 6 - Average Revenue by group				
	2020	2021	2022	2023
First Full Year 2020	\$214,744	\$192,662	\$212,724	\$229,848
First Full Year 2021		\$8,522	\$79,608	\$146,450
First Full Year 2022			\$24,022	\$157,637
First Full Year 2023*				\$40,936



*Graph shows year-over-year growth, therefore this group is excluded

These financial performance representations do not reflect all of the costs or expenses that must be deducted from the gross savings figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business.

We offered the same services to the franchised units described in this statement. These franchised units offer the same products and services to the public as you will. These franchised units report gross savings information to us via our centralized billing system. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request. The information presented above has not been audited.

Other than the preceding Financial Performance Representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the Franchisor's management by contacting Aaron Stahl, P3 Cost Analysts Franchise, LLC, 3589 N. Shiloh Drive, Suite 3, Box 44, Fayetteville, AR 72703, and (877)-843-7579, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System wide Outlet Summary
For Years December 31, 2021 to December 31, 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	21	35	+14
	2022	35	42	+7
	2023	42	45	+3
Company or Affiliate-Owned *	2021	1	1	0
	2022	1	1	0
	2023	1	1	0
Total	2021	22	36	+14
	2022	36	43	+7
	2023	43	46	+3

* The business disclosed in Tables 1 and 4 are owned by our parent company, Old Arkana, Inc.

Table No. 2
Transfers of Outlets From Franchisees
To New Owners
(Other Than The Franchisor)
For years December 31, 2021 to December 31, 2023

State	Year	Number of Transfers
None	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

Table No. 3
Status of Franchised Outlets
For Years December 31, 2021, to December 31, 2023

State	Year	Outlets at the Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Alabama	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arkansas	2021	2	0	0	0	0	0	2

State	Year	Outlets at the Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Connecticut	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Delaware	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Florida	2021	2	1	0	0	0	0	3
	2022	3	1	1	0	0	0	3
	2023	3	0	0	0	0	0	3
Georgia	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Idaho	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Illinois	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Kentucky	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Louisiana	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maryland	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Michigan	2021	1	1	0	0	0	0	2
	2022	2	0	1	0	0	0	1
	2023	1	0	0	0	0	0	1
Missouri	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nebraska	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
New Hampshire	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New Jersey	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2

State	Year	Outlets at the Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
New York	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
North Carolina	2021	1	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Ohio	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Oklahoma	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Pennsylvania	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
South Carolina	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Tennessee	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Texas	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Utah	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Virginia	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Washington	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Wisconsin	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Total	2021	21	15	1	0	0	0	35
	2022	35	9	2	0	0	0	42
	2023	42	3	0	0	0	0	45

Table No. 4
Status of Company and Affiliate-Owned Outlets
For Years December 31, 2021 to December 31, 2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets sold to Franchisees	Outlets at End of the Year
Arkansas	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Total	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1

Table No. 5
Projected Openings as of December 31, 2023

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company or Affiliate-Owned Outlets in the Next Fiscal Year
Florida	0	1	0
Texas	0	1	0
Total	0	2	0

The names of all current franchisees with their business address and business telephone number and the name, city, state, and current business telephone number (or, if unknown, the last known home telephone number) of the franchisees who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year, or has not communicated with us within ten weeks of the issuance date of this Disclosure Document are contained in Exhibit “E” to this Disclosure Document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

As of the date of this Disclosure Document, we are not offering any existing franchised outlets to prospective franchisees. If we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate supplement to this Disclosure Document. We have no current or former franchisees who have signed provisions during the last three fiscal years restricting their ability to speak openly to you about their experience with the franchise system. As of the date of this Disclosure Document, there are no franchisee organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this Disclosure Document.

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit “F” are our audited financial statements for the year ending December 31, 2021, December 31, 2022, and December 31, 2023. Our fiscal year end is December 31.

ITEM 22
CONTRACTS

Copies of the following forms, contracts and/or agreements are attached as exhibits to this Disclosure Document:

- | | |
|-----------|---|
| Exhibit B | Franchise Agreement (with attachments) |
| Exhibit H | Assignment and Assumption of Franchise Agreement |
| Exhibit I | Franchisee Disclosure Questionnaire, as permitted by law. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise. |

ITEM 23
RECEIPTS

You will find two copies of a detachable Receipt in Exhibit “K” at the end of the Disclosure Document. One Receipt must be signed, dated and delivered to us. The other Receipt should be retained for your records.

EXHIBIT A

AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, NY 10005 (212) 416-8222 Phone	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard State Capitol, 14 th Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B
FRANCHISE AGREEMENT



P3 Cost Analysts.®

P3 COST ANALYSTS FRANCHISE, LLC

FRANCHISE AGREEMENT

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Exhibit A	Approved Location; Protected Territory
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Exhibit C	Franchisee Training Acknowledgment Form
Exhibit D	Electronic Funds Authorization Form
Exhibit E	Conditional Assignment of Telephone Numbers and Listings
Exhibit F	Nondisclosure and Noncompetition Agreement
Exhibit G	State Riders to the Franchise Agreement

P3 COST ANALYSTS FRANCHISE, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “**Agreement**”) is made and entered into this day of _____ (the “**Effective Date**”) by and between **P3 COST ANALYSTS FRANCHISE, LLC**, an Arkansas limited liability company, which has a principal business address of 3589 N. Shiloh Drive, Suite 3, Box 44, Fayetteville, AR 72703 (the “**Franchisor**,” “**we**,” “**us**,” or “**our**”) and _____, a(n) _____, with its principal place of business located at _____ and _____'s principal(s) _____, an individual residing at _____ and _____, an individual residing at _____ (“**Principal(s)**”). _____ and _____ Principal(s) shall be collectively referred to in this Agreement as the “**Franchisee**”, “**you**”, or “**your**”.

WHEREAS, we have developed a proprietary system through significant expenditures of time, skill, effort and money (the “**System**”) relating to the establishment, development and operation of a business that offers cost reduction consulting services under the name P3 or P3 Cost Analysts (the “**Franchised Business**” or a “**P3 Cost Analysts® franchise**”);

WHEREAS, we have developed the uniform standards, specifications, methods, policies and procedures for P3 Cost Analysts® franchise operations, including but not limited to, advertising and marketing programs, training and operational assistance, as well as providing other manuals and written standards for operations, all of which may be changed, improved and further developed from time to time;

WHEREAS, we, through our dedicated operations and marketing methods, have developed the reputation, public image and goodwill of our System;

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including but not limited to, the trade name and service mark P3 or P3 Cost Analysts® and such other trade names, service marks and trademarks as are now and may hereafter be designated for use in connection with the System (all of which are referred to as the “**Proprietary Marks**”);

WHEREAS, we grant P3 Cost Analysts® franchises to qualified candidates for the right to develop and operate one P3 Costs Analysts® franchise;

WHEREAS, you desire to operate a Franchised Business under the System and the Proprietary Marks and to obtain a license from us for that purpose, as well as to receive the training and other assistance provided by us in connection therewith;

WHEREAS, you understand and acknowledge the importance of the high standards of quality, appearance, procedures, controls, and service established by us, and the necessity of operating your P3 Cost Analysts® franchise in strict conformity with the standards and specifications established by us;

WHEREAS, you acknowledge that you have read this Agreement and our Franchise Disclosure Document, and that you have no knowledge of any representations about the Franchised Business or about us or our franchising program or policies made by us or our officers, directors, shareholders, employees or agents which are contrary to the statements in our Franchise Disclosure Document or to the terms of this Agreement, and that you understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain our high standards of quality and service and the

uniformity of those standards at all locations which operate pursuant to the System and thereby to protect and preserve the goodwill of the Proprietary Marks;

WHEREAS, you acknowledge that any assistance, approval or advice given by us under or in connection with this Agreement shall not constitute a warranty or guaranty of the financial success of your Franchised Business; and

WHEREAS, you further acknowledge that we have advised you that prior business management experience is critical for the success of your Franchised Business, and prior business ownership experience is highly desirable.

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth in this Agreement, mutually agree as follows:

1. GRANT OF FRANCHISE

A. Grant. You have applied for a P3 Costs Analysts franchise to operate a single Franchised Business within a prescribed geographic area that we approve. Your application has been approved by us in reliance upon and subject to all representations made in your application. We therefore grant to you, upon the terms and conditions contained in this Agreement, the right and license to: (a) independently manage and operate one P3 Costs Analysts franchise in strict conformity with our quality control standards and specifications, as they may be changed, improved and further developed from time to time; (b) use the Proprietary Marks and the System, but only in connection with the Franchised Business (recognizing that we may periodically change or improve the Proprietary Marks and the System), and in accordance with the marketing strategies that we establish for the System; and (c) do all of the things described in (a) and (b) above only within the prescribed Geographic District (defined below). You accept this license and agree to perform all of your obligations in this Agreement. You do not have the right to franchise, sub-franchise, license, or sub-license your rights under this Agreement. You do not have the right to assign this Agreement or your rights under this Agreement except as specifically provided for herein. The establishment by you of additional P3 Cost Analysts® franchises requires that you sign an additional franchise agreement and pay us additional franchise fees.

B. Office Location. You may choose to operate your Franchised Business as a home-based business or select an approved office space that is in the Geographic District in which you will operate your Franchised Business and that is specified in Exhibit “A” to this Agreement. If you need to relocate your Office Location, you must petition us, and allow us 60 days to approve or deny such request. The term “**Office Location**” means the street address of the location for your home office or approved office space for your Franchised Business that is specified in Exhibit “A” to this Agreement.

C. Geographic District. You will not be granted a protected or an exclusive territory. However, during the term of this Agreement, and except as otherwise provided, we agree to limit the number of P3 Cost Analysts® franchisees in each prescribed geographic area to one franchisee per 200,000 people (the “**Geographic District**”). The Geographic District will be based on a particular area surrounding or near your Office Location and will be defined by zip codes and comprised of 200,000 people. You and other P3 Cost Analysts® franchisees will be allowed to market, solicit, and seek customers in your Geographic District and areas outside of your Geographic District so long as you follow our System and the policies and procedures specified in our Manual. Notwithstanding, we also reserve the right to restrict you or any other P3 Cost Analysts® franchisees’ direct marketing efforts to a specific Geographic District, which is defined by zip codes if we determine, in our sole discretion, that a franchisees’ direct marketing efforts are interfering with other Franchised Business owners. Prior to meeting one-on-one with a potential client, you are required to enter that client’s information in our designated Customer Relationship

Management (“CRM”) system. You may not meet with or market to a potential client who has been tagged by another franchisee via our designated CRM. You may have a maximum of 200 tagged prospects in our designated CRM at any time.

D. Reservation of Rights. We and our affiliates retain all other rights with respect to P3 Cost Analysts® businesses, the Proprietary Marks and the sale of any other goods and services anywhere in the world. Namely, we reserve the right to: (a) grant additional P3 Cost Analysts® franchises or establish additional P3 Cost Analysts® franchises or businesses within and outside of your Geographic District, even at a location in close proximity to your Franchised Business, on any terms we deem appropriate; (b) market similar products and services under a different trademark or trade name within your Geographic District; (c) sell products and services through alternative distribution channels, including e-commerce, using any marks or system (including the Proprietary Marks and System) and (d) establish or license businesses under the “P3 Cost Analysts®” name for services and products other than cost reduction consulting services provided for hereunder.

We also reserve the right to develop or be associated with other concepts (including dual branding and/or other franchise systems), whether or not using the P3 Cost Analysts® System and/or the Proprietary Marks, and award franchises under these other concepts for locations anywhere or to acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere. These transactions may include arrangements involving competing outlets and brand conversions to or from the P3 Cost Analysts® Proprietary Marks and System. These transactions are expressly permitted under the Franchise Agreement, and you must participate at your expense in any conversion as instructed by us.

We and our affiliates have the right to make sales anywhere through alternative channels of distribution of any kind, including the Internet. We may engage in any activity, action or undertaking that we are not expressly prohibited from taking under this Agreement. You have no right of first refusal or similar rights to acquire additional franchises.

There are no restrictions on soliciting or advertising for customers, except that you must follow our System and policies and procedures set forth in the Manual.

E. Relocation. If you need to move your Franchised Business, you must petition us and allow us 60 days to make a decision based on factors such as availability of the requested location (based on the number of existing Franchised Business owners in the Geographic District), whether or not the new location is in a Geographic District in which we are granting Franchised Businesses and any other factors we feel are pertinent in making the decision.

F. Varying Standards. You acknowledge that because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically have the unrestricted right to vary standards for any franchisee based upon the peculiarities of the particular Geographic District or circumstance, density of population, business potential, population of trade area, existing business practices or any other condition which we deem to be of importance to the operation of such franchisee's business. You shall not be entitled to require us to grant to you a like or similar variation hereunder, except to the extent required under any applicable law.

G. Enterprise Accounts. We must approve certain potential clients. These potential clients are defined as an entity that has over \$300,000,000 in annual revenue. These are very large clients and do not represent the majority of clients we target. We reserve the right to modify the description of these potential clients and the applicable Audit Service Fee.

H. Referral Program. We reserve the right, in our sole discretion, to implement a referral program in your Geographic District. We have formed relationships with various referral sources that provide us with leads for prospective clients. Once the lead becomes a client, we provide the referral source with a referral fee based on percentage of the income generated from the client. This fee can range from 10 to 50 percent of the revenue collected by us. You are responsible for payment of any applicable referral fee. If the referral program is implemented by us, you will have the ability to accept or decline working with the prospect based on the terms of the referral agreement. If you decline, then we would have the right to offer the client to another franchisee in or outside the Geographic District or service the client ourselves.

I. Conflict Check. You expressly acknowledge and understand that any clients which you bring in for auditing are subject to our internal “conflict check” and that we may reject any client which presents or may present a conflict to one of our existing clients or their affiliates. We expressly reserve the right to reject a client in our sole discretion if we determine that a conflict exists. If the client presented to us already has an existing contract with us, then we will consider that client to remain ours and may provide you with a percentage of the audit fees earned on a case-by-case basis.

2. TERM AND RENEWAL

A. Initial Term. Except as otherwise provided in this Agreement, the term of this Agreement will be for 10 years commencing on the Effective Date of this Agreement.

B. Renewal Term. You may, subject to our approval and in our sole discretion, continue the Franchised Business for two additional five-year terms, subject to the following conditions which must be met prior to the renewal period, unless and to the extent expressly waived in writing by us:

1. You must give us written notice of your election to renew this Agreement not less than 6 months nor more than 12 months prior to the end of the current term of this Agreement;

2. You must not be in default of any provision of this Agreement or any amendment of this Agreement, or any other agreement between you and us or our subsidiaries, affiliates and suppliers;

3. You must have satisfied all monetary obligations owed to us and suppliers and shall have timely met those obligations throughout the term of this Agreement;

4. You must execute upon renewal our then-current form of franchise agreement. The new franchise agreement shall supersede in all respects this Agreement and may be materially different from the terms of this Agreement, and the term will expire in accordance with the renewal term as outlined above;

5. You must pay us a successor fee of \$2,500 for each renewal;

6. We may require You (or your Operating Principal) to attend and successfully complete, to our satisfaction, any new training program(s) implemented by us, at your expense;

7. You, your owners, directors and officers must execute a general release, in a form prescribed by us, of any and all claims against us and our affiliates, and our respective officers, directors, agents and employees; however, such release will not be inconsistent with any state law regulating franchising; and

8. Your operation and management of the Franchised Business shall be in full compliance with the System.

In the event that any of the foregoing conditions to renewal have not been met at least one month prior to the expiration of the current term of this Agreement, then we will have no obligation to renew this Agreement and will give you at least 30 days prior written notice of our intent not to renew this Agreement, which notice shall set forth the reasons for such refusal to renew. Your right to renew this Agreement is subject to your continued compliance with all of the terms and conditions of this Agreement through the date of expiration, in addition to your compliance with the obligations described above. We have the right to extend the term of this Agreement for such period of time as we deem necessary in order to provide you with 30 days notice of our refusal to renew this Agreement.

3. YOUR REPRESENTATIONS, WARRANTIES AND COVENANTS

A. Your Investigation of this Franchise.

1. You acknowledge having received our Franchise Disclosure Document within the time period required by applicable law before you executed this Agreement or paid any consideration to us or an affiliate. You further acknowledge that you have read this Agreement (including all Exhibits) and our Franchise Disclosure Document and that you understand the terms of this Agreement (including all Exhibits) and accept them as being reasonably necessary for us to maintain the uniformity of P3 Cost Analysts® franchises and to protect the goodwill of the Proprietary Marks and the integrity of the System.

2. You have conducted an independent investigation of the business contemplated by this Agreement and recognize that an investment in a P3 Cost Analysts® franchise involves business risks, that your success is largely dependent on your own abilities, efforts and active participation in the daily affairs of the Franchised Business, and that the nature of P3 Cost Analysts® franchises may change over time. **You have not received or relied on any guaranty or assurance, express or implied, as to the revenues, profits or potential success of the business contemplated by this Agreement.**

3. You understand and agree that we may operate and change the System and our business in any manner that is not expressly and specifically prohibited by this Agreement.

4. Whenever we have expressly reserved in this Agreement, or are deemed to have, a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, then except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, including, without limitation, our judgment of what is in the best interests of our franchise network, at the time our decision is made or our right or discretion is exercised, without regard to whether: (a) other reasonable alternative decisions or actions could have been made by us; (b) our decision or the action we take promotes our financial or other individual interest; (c) our decision or the action we take applies differently to you and one or more other franchisees or our company-owned operations; or (d) our decision or the exercise of our right or discretion is adverse to your interests. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

5. You expressly understand and acknowledge that you are relying solely on us, and not on any affiliated entities or parent companies related to us, with regard to our financial and other obligations under this Agreement, and no employee or other person speaking on behalf of, or otherwise

representing, us has made any statement or promise to the effect that our affiliated entities or parent companies guarantee our performance or financially back us.

B. Your Organization. If you are a corporation, partnership, limited liability company or other legal entity:

1. You are duly organized and validly existing under the law of the state of your formation;

2. You are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties you own require such qualification;

3. Your corporate charter or written partnership or limited liability company agreement, as applicable, will at all times provide that your activities are confined exclusively to the operation of your P3 Cost Analysts® franchise. You warrant and represent that neither you nor any of your owners own, operate or have any financial or beneficial interest in any business that is competitive with a P3 Cost Analysts® franchise;

4. The execution of this Agreement and the performance of the transactions contemplated by this Agreement are within your corporate power, or if you are a partnership or a limited liability company, are permitted under your written partnership or limited liability company agreement, and have been duly authorized;

5. You will provide to us, at our request, copies of your articles of incorporation and bylaws or, as applicable, your written partnership or limited liability company agreement, other governing documents, any amendments to them, resolutions authorizing your entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of your stock or other ownership interests and any other documents that we may reasonably request;

6. Your organizational or governing documents will recite that the issuance and transfer of any ownership interests in you are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this Agreement;

7. Exhibit “B” accurately and completely describes all of your owners and their ownership interests in you as of the Effective Date. You agree to sign and deliver to us a revised Exhibit “B” to reflect any permitted changes in the information Exhibit “B” now contains (no ownership changes may be made without our prior written approval);

8. Unless your spouse is an owner of the Franchised Business or an owner of the entity that owns the Franchised Business, he or she will not be required to sign the Franchise Agreement or a personal guaranty.; and

9. You must, subject to our approval, designate at least one of your owners as your **“Operating Principal.”** The Operating Principal must have full authority to bind you with respect to all operational decisions with respect to your Franchised Business. If you are an individual, you will perform all obligations of the Operating Principal. The Operating Principal must devote full time, best efforts to the development and operation of the Franchised Business, and shall not engage in any other business or activity, directly or indirectly, that requires substantial management responsibility or time commitments (except other P3 Cost Analysts® franchises operated under valid agreements with us) or otherwise may conflict with your obligations under this Agreement. If, at any time, your Operating Principal cannot fulfill

its responsibilities under this Agreement, you must appoint a qualified replacement from among your owners, subject to our approval, to serve as the replacement Operating Principal. The Operating Principal must meet our initial and ongoing requirements for serving as an Operating Principal.

C. Legal Compliance. In addition to complying with your obligations under this Agreement, you agree to comply with all applicable federal, state and local laws, rules, regulations, ordinances and orders. Such laws, rules, regulations, ordinances and orders vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from time to time. It is your sole responsibility to apprise yourself of the existence and requirements of all such laws, rules, regulations, ordinances and orders, and to adhere to them at all times during the term of this Agreement.

D. Anti-Terrorism Activities. You certify that neither you nor any of your owners, employees or anyone associated with you is listed in connection with any Anti-Terrorism Law (as defined below) and you agree not to hire or have any dealings with a person so listed. You further certify that you have no knowledge or information that, if generally known, would result in you, your owners, employees, or anyone associated with you being so listed. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with the Anti-Terrorism Laws and, in connection with such compliance, you represent and warrant that none of your property or interests are subject to being “blocked” under any of the Anti-Terrorism Laws and that you and your owners are not otherwise in violation of any of the Anti-Terrorism Laws. Any misrepresentation by you under this Section or any violation of the Anti-Terrorism Laws by you, your owners or employees will constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or one of our affiliates. For purposes of this Agreement, “**Anti-Terrorism Laws**” means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

E. Continuing Obligations. You and your owners make the foregoing representations, warranties and covenants understanding that such representations, warranties and covenants are continuing obligations. You agree to cooperate with us to verify you and your owners’ continuing compliance with such representations, warranties and covenants. Any failure to comply with these representations, warranties and covenants will constitute a material event of default under this Agreement.

4. DUTIES OF FRANCHISOR

A. Pre-Opening Obligations. Our duties prior to the opening of the Franchised Business are as follows:

1. We will provide you with written specifications for the operation and management of the Franchised Business.
2. We will designate the opening inventory of products, supplies, equipment, materials and services that you must purchase before the opening of the Franchised Business, including certain computer software needed to manage your Franchised Business.

3. If the location for your Franchised Business has not been approved at the time you sign the Franchise Agreement, we will designate a Geographic District within which the Franchised Business is to be located.

4. We will provide you with our Initial Training Program. The Initial Training Program is mandatory for you (or your Operating Principal). If you sign the Franchise Agreement as an individual then you must satisfactorily complete the Initial Training Program. If the Franchise Business is to be operated by two active business partners in a partnership (who are not spouses) then both partners must satisfactorily complete the Initial Training Program.

The Initial Training Program consists of three weeks of training virtually but we reserve the right to conduct the training at our Fayetteville, Arkansas office, or at such other location as we designate. The Initial Training Program will run over the course of three weeks up to 8 hours per day which shall include live and recorded calls and activities for you to complete at home. The Initial Training Program will focus on targeting prospective clients, the sales process, understanding the benefits of the Franchised Business model, data collection, working with the Franchisor, use of the various required software programs, networking, marketing, reporting requirements and customer service. In all cases, you are responsible for the travel and living expenses of any persons who attend initial training or other training. Should you or any of your employees fail to satisfactorily complete the Initial Training Program, or any other required training program, we may, in our sole discretion, allow you to repeat such training. The maximum fee for remedial training is \$4,900 per person per day, in addition to any expenses you incur. The fee to train new staff members is \$1,000 per person per day, plus your expenses incurred. We reserve the right to provide pre-opening training and assistance. In the event we travel to your location to provide pre-opening training or assistance, you will be responsible for all travel and living expenses we incur.

Prior to attending the Initial Training Program, you are required to review our confidential Manual and other designated materials, complete any software tutorials that we require, and prepare a list of 100 potential clients in your Geographic District that you will approach once you commence operation of the Franchised Business. We estimate that such tasks should take you approximately 60 hours.

You must sign and return to us a Franchisee Training Acknowledgement Form (a copy of which is attached as Exhibit "C" to this Agreement) upon your completion of the Initial Training Program. At our sole discretion, we will make available other ongoing continuing education and training programs, meetings or seminars (on an optional or mandatory basis), as we deem appropriate. We may also host one or more conventions per calendar year, as well as conference telephone calls, which may include education and training. All additional training programs, meetings, seminars, conventions and conference telephone calls provided by us shall be subject to the terms and conditions set forth herein. You must attend and successfully complete all mandatory ongoing continuing education and training programs, and must attend all meetings, seminars, conventions and conference telephone calls, as we may require, and you are responsible for all expenses, which may include travel, lodging, and meals. There is no fee for additional mandatory training programs.

5. We will loan you (or provide access to) a single set of our operating manuals (the "Manual"), which shall include specifications for equipment, supplies, inventory, management and operation. The Manual is confidential and shall remain our property at all times.

6. We will require that you commence operations within 90 days of signing the Franchise Agreement or within seven (7) days of successfully completing the Initial Training Program.

B. Post-Opening Obligations. Our obligations following the opening of the Franchised Business are as follows:

1. We will furnish guidance to you with respect to your obligations under the Franchise Agreement.

2. We will require that you sign at least one account within 90 days of commencing operations of the Franchised Business. If you do not meet this requirement, at our discretion, you may be required to complete the next available Initial Training Program. You are responsible for payment of the then-current fee for the Initial Training Program as well as any travel costs incurred.

3. We will require that you meet annual minimum performance levels in order to maintain the franchise relationship as discussed below.

4. We will provide general advisory assistance and field support deemed by us, in our discretion, to be helpful to you in the ongoing operation, advertising and promotion of the Franchised Business.

5. We will continue our efforts to establish and maintain high standards of quality, customer satisfaction and service.

6. We will provide you with updates, revisions and amendments to our Manual. We may periodically modify the Manual, but these modifications will not alter your fundamental status and rights under the Franchise Agreement.

7. We will conduct periodically (as we deem advisable) inspections of your Franchised Business and its operations and evaluations of you operating methods and your staff.

8. We may provide you with up to five days of ongoing training and meetings per year at locations designated by us, or through virtual means such as Skype or webinars.

All of our obligations under this Agreement are to you, and no other party is entitled to rely on, enforce or obtain relief for breach of such obligations either directly or by subrogation. Although we may voluntarily provide additional services, no additional duties may be implied because we provide those additional services (if any). We have no implied duties or other duties not expressly stated herein. Our providing the above services is contingent on you satisfying your requirements herein including that your Franchised Business is always under the direct operation of you (or your Operating Principal if you are an entity); that you are utilizing the most up-to-date software required by us; that you keep records in the format specified by us and provide us with all reports designated in our Manual; that you are providing us with unrestricted access to your electronic data that pertains to the operation of your Franchised Business; and that you submit copies of all annual financial statements and tax returns when requested by us.

C. Delegation of Performance. You agree that we have the right to delegate performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

5. FEES

A. Initial Franchise Fee. The initial franchise fee for one Franchised Business is \$59,500, payable in full upon execution of the Franchise Agreement (the “**Initial Franchise Fee**”). You must sign a separate franchise agreement for each additional franchise that you purchase. The Initial Franchise Fee is

deemed fully earned by us upon receipt. If the Franchisee is a corporate entity with more than one member or shareholder, the fee to train additional members and shareholders shall be \$4,900 per person.

If you are a veteran of the United States Armed Forces qualified under the International Franchise Association's VetFran Program, we will reduce the Initial Franchise Fee for your first franchise by \$5,000 from the then-current Initial Franchise Fee.

B. Remedial Training Fees. If, after the Initial Training Program, you hire additional staff or if we believe that an employee has been inadequately trained by you and requires remedial training, we will charge you a Remedial Training Fee of \$1,000 for each additional person per day (the "**Remedial Training Fee**"). All Remedial Training Fees are payable before you begin the required training program and are non-refundable.

C. Definition of Gross Savings. "**Gross Savings**" means the total savings to your client as a result of the audit work and cost reduction techniques we employ. Using our centralized billing system, we will invoice your clients, on your behalf, for the savings resulting from our audit achieved. Upon our receipt of payment from the clients, we will deduct the Audit Service Fee and the Administrative Service Fee, and send you an ACH transfer for the balance on or before the 10th (tenth) day of the month following receipt of payment from the client.

D. Audit Service Fee. We will perform all audit services for you. You shall pay to us a fee for these services (the "**Audit Service Fee**") based on the current P3 Cost Analysts® Franchise contract which is subject to change as set forth in our Manual, in the following amounts:

1. During the first six (6) months after signing this Agreement, the Audit Service Fee is equal to 25% to 27.5% of the Gross Savings generated by the audit;
2. During the remainder of the first year after signing this Agreement, you shall pay us an Audit Service Fee equal to 25% to 27.5% of Gross Savings or \$250 per month, whichever is greater;
3. Thereafter, you shall pay 25% to 27.5% of Gross Savings or \$500 per month, whichever is greater;
4. If the Franchised Business is to be operated by two active business partners in a partnership (who are not spouses), then the minimum Audit Services fees are per partner. For example, the Audit Service Fee in Section 5.D.2. above which shall be due from a partnership is 25% to 27.5% of Gross Savings or \$500 per month (\$250 per partner), whichever is greater and the minimum Audit Service Fee in Section 5.D.3. above which shall be due from a partnership is \$1,000 per month (\$500 per partner).

The Audit Service Fee is earned by us for performing audit services for you.

E. Administrative Service Fee. You shall pay to us an Administrative Service Fee equal to 5% of the Gross Savings (the "**Administrative Service Fee**"). The Administrative Service Fee is earned by us to, among other things and in our sole discretion, off-set administrative costs including billing.

F. Technology Fee. As of the date of this Disclosure Document, you shall pay to us or our designated vendor a Technology Fee equal to \$160 per month per user (the "**Technology Fee**"). The Technology Fee includes use of certain software and a technical support person which such fee may be increased as a result of vendor price increases, additional software requirements or changes in specifications. The Technology Fee shall be paid monthly based on the annual fee beginning in the first

month of the term of this Agreement. We reserve the right to increase the Technology Fee to up to \$375 based upon vendor price increases or additional software requirements.

G. Insufficient Funds Fee. We will assess a fee of \$30 per occurrence for insufficient funds in the event you purchase items using EFT or check from us and there are insufficient funds to complete such purchase (the “**Insufficient Funds Fee**”). In addition, any overdue amounts will bear interest, until paid, at the rate of 1.5% per month, or the highest rate permitted by applicable state law, whichever is less (the “**Default Rate**”). Interest shall be calculated on a daily basis. Late Fees and interest charges are nonrefundable. The provision in this Agreement concerning late fees does not mean that we accept or condone late payments, nor does it indicate that we are willing to extend credit to, or otherwise finance, the operation of your Franchised Business. These Late Fees are intended to reimburse us for our expenses and to compensate us for our inconvenience and do not constitute interest.

H. Payment Procedures. We will bill your clients for the Revenue on your behalf using our centralized billing system. Upon our receipt of payment from your client, we will deduct the Audit Service Fee and Administrative Service Fee and send you an ACH for the balance on or before the tenth day of the month following receipt of payment from the client. At our request, you will execute the pre-authorized bank form attached as Exhibit “D” to this Agreement and all other documents necessary to permit us to withdraw and/or deposit funds from your designated bank account by electronic funds transfer (“**EFT**”) for payment of any amounts due to you or us under this Agreement, at the time such amounts become due under this Agreement. Should any EFT not be honored by your bank for any reason, you agree that you will be responsible for that payment and any service charge. If any payments due to us are not received when due, interest and fees may be charged in accordance with Section 5.G. Upon written notice to you, we may designate another method of payment.

I. Application of Payments. Notwithstanding any designation you might make, we have sole discretion to apply any of your payments to any of your past due indebtedness to us. You acknowledge and agree that we have the right to set off any amounts you owe us against any amounts we might owe you.

J. Payment Offsets. We may set off from any amounts that we may owe you any amount that you owe to us, or our affiliates, for any reason whatsoever, including without limitation, monthly fees, late payment penalties and late payment interest, amounts owed to us or our affiliates for purchases or services, or for any other reason. Thus, payments that we make to you may be reduced, in our discretion, by amounts that you owe to us or our affiliates from time to time. In particular, we may retain (or direct to our affiliates) any amounts that we have received for your account as a credit and payment against any amounts that you may owe to us, or our affiliates, at any time. We may do so without notice to you. You do not have the right to offset payments owed to us for amounts purportedly due to you from us or our affiliates.

6. YOUR DUTIES

A. Compliance with System. You understand and acknowledge that every detail of the appearance and operation of the Franchised Business in compliance with the System is critical to us, and to other franchisees. Accordingly, you will:

1. Develop and maintain high and uniform operating standards;
2. Increase the demand for the products and services sold by franchisees; and
3. Protect the Proprietary Marks and the System, and our trade secrets, reputation and goodwill.

B. Opening Date. You must begin operations of the Franchised Business within 90 days of signing the Franchise Agreement or within seven (7) days of successfully completing the Initial Training Program. Prior to attending the Initial Training Program, you must prepare and submit to us a written list of 100 potential clients that you will approach once you commence operations of the Franchised Business. You may not commence operations of the Franchised Business until you have received our prior written approval. You should not construe any statement by us as any assurance, warranty or representation that your Franchised Business will be successful, make a profit, or continue to comply with all of our requirements and governmental requirements.

C. Initial Training Program. In accordance with the terms and conditions set forth in Section 4.A above, you (or your Operating Principal) and your partner, and other key personnel must attend and complete to our reasonable satisfaction our Initial Training Program prior to the opening of the Franchised Business.

D. Supervision Requirements. The Franchised Business shall at all times be under the direct supervision of you (or your Operating Principal). You (or your Operating Principal) will devote your full time and energy to the supervision and management of the Franchised Business and must at all times remain active in overseeing the operations of your Franchised Business.

Unless we approve otherwise, your Operating Principal must have full authority to bind you with respect to all operational decisions with respect to your Franchised Business. Notwithstanding anything to the contrary contained herein, you (or your Operating Principal) must participate in the Franchised Business as follows:

1. You (or your Operating Principal), and your partner must successfully complete training, based on the standards established by us. Failure to do so may result in your termination.
2. You (or your Operating Principal) must keep records in the format specified by us and shall comply with all of our requirements relating to the supervision of your Franchised Business, including inspections, accessing electronic data, reports and guidance.
3. You (or your Operating Principal) must strictly adhere to the obligations set forth in our Manual.
4. You (or your Operating Principal) must attend ongoing training and continuing or ongoing education courses as directed by us.
5. You (or your Operating Principal) must utilize the most up-to-date computer software required by us for use in your Franchised Business.
6. You (or your Operating Principal) must submit all advertising and/or publicity materials to us for approval and give us 15 days to approve or reject the materials (our non-response is deemed a rejection).
7. You (or your Operating Principal) must submit an initial business plan for your Franchised Business to be developed during the Initial Training Program before beginning operations and an annual business plan each year.
8. You (or your Operating Principal) must submit annual financial statements, including an income statement and balance sheet, within 90 days of your fiscal year end, a profit and loss statement within ten days following the end of each month, and your tax returns when filed;

9. You (or your Operating Principal) must be directly responsible for all accounting, reporting and bookkeeping.

10. You (or your Operating Principal) must attend any meeting that is called by us.

11. You (or your Operating Principal) must be directly involved in all personnel decisions.

12. You (or your Operating Principal) must obtain covenants against the use and disclosure of any confidential information and covenants not to compete from and any staff members or agents who have received or will have access to our training or Confidential Information. All of the required covenants must be in substantially the form of Nondisclosure and Noncompetition Agreement attached as Exhibit "F" to the Franchise Agreement.

13. You, or if you are a business entity, each of your owners must sign the Franchise Agreement and each of your owners, must individually, jointly and severally, guaranty your obligations under the Franchise Agreement and be personally bound by each term of the Franchise Agreement.

E. Ongoing Training. You will cause your employees to attend and complete, to our reasonable satisfaction, such special programs or periodic additional training as we may require in writing from time to time. You and/or your employees shall be responsible for any and all other expenses incurred in training, including, without limitation, the costs of meals, entertainment, lodging, travel, laundry and wages. You may be required to complete up to five days of ongoing training and meetings per year at locations designated by us or through virtual means such as Skype or Webinar.

F. Personnel Responsibilities. You are solely responsible for all employment decisions and functions related to your Franchised Business, including hiring, firing, compensation, benefits, work hours, work rules, record-keeping, supervision, and discipline of personnel.

G. Working Capital. You will, at all times, maintain sufficient working capital to operate your P3 Cost Analysts® franchise and fulfill your obligations under this Agreement and will take steps to ensure the availability of capital to fulfill your obligations under this Agreement.

H. Default Notices and Significant Correspondences. You will deliver to us, immediately upon your receipt, an exact copy of all: (a) notifications or other correspondence relating to any legal proceeding for any claim, relating in any way to your Franchised Business, and (b) inspection reports or any other notices, warnings or citations from any governmental authority, including any health and safety, taxing and/or licensing authorities. You will notify us in writing within five days of the commencement of any proceeding and/or of the issuance of any governmental order or action impacting the Franchisee and/or the operation of your Franchised Business. Within ten days after receipt of a written request from us, you will provide us with a written summary of all written consumer and employee complaints made since the date indicated in our request for this information. You will also provide all additional information requested by us relating to any of these matters.

I. Operational Requirements. You must operate your Franchised Business in strict conformity with the uniform methods, standards, and specifications as we may from time to time prescribe for all P3 Cost Analysts® franchises to ensure that the highest degree of quality service is uniformly maintained. You must conduct your Franchised Business in a manner that reflects favorably at all times on the System and the Proprietary Marks. You further agree that any advertising, promotion, and marketing you conduct will be completely clear and factual. You shall not engage in any deceptive, misleading or unethical practices, or conduct any other act which may have a negative impact on our reputation and

goodwill or that of any other franchisee operating under the System. Pursuant to this ongoing responsibility, you agree to:

1. Operate your Franchised Business in conformity with all uniform methods, standards and specifications required in the Manual or otherwise to ensure that the highest degree of quality and service is uniformly maintained, including utilizing our Shared Savings Agreement for each client you engage;
2. Offer those cost reduction consultancy and sales services that are approved by us;
3. Comply with the procedures and systems we reasonably institute for Franchised Businesses, both now and in the future, including those on required and/or recommended sales, good business practices, advertising and other obligations and restrictions;
4. Maintain in sufficient supply (as we may reasonably prescribe in the Manual or otherwise in writing) and use at all times, only equipment, materials, and supplies that conform with our standards and specifications, if any, and to refrain from deviating from these requirements without our written consent;
5. Adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct in all dealings with customers, suppliers, employees, independent contractors, us and the public;
6. Sell or offer for sale only the products and services that meet our reasonable uniform standards of quality and quantity and have been expressly approved for sale in the Manual or otherwise in writing by us. You shall refrain from any deviation from our standards and specifications for providing or selling the products and services without our written consent; and you shall discontinue selling or offering for sale any products and services that we reasonably disapprove on a System-wide basis in writing at any time;
7. You shall purchase and use all products, materials, supplies, goods, signs, and equipment prescribed by us. All such items must conform to our standards. All supplies must be maintained in a condition that meets the operational standards specified in the Manual. If we determine that additional or replacement supplies are needed, you will purchase the additional supplies within the time we specify;
8. Purchase or license and maintain only approved billing and collection systems, and software programs from our approved suppliers and/or vendors (these approved suppliers and vendors are outlined in the Manual);
9. Comply with our policies regarding the use of social media and online promotions in connection with your operation of your Franchised Business; and
10. Participate in and comply with all requirements for customer loyalty programs, reciprocity programs, and similar programs for members of P3 Cost Analysts® franchises.

J. Compliance with Laws, Rules and Regulations. You will comply with all federal, state, and local laws, rules and regulations, and you will timely obtain, maintain and renew when required, all permits, insurance coverage, certificates, licenses or franchises necessary for the proper conduct of the Franchised Business under this Agreement, including qualification to do business, fictitious, trade or assumed name registration, building and construction permits, occupational licenses, and sales tax permits.

K. Modification of the System. We have the right to change or modify the System from time to time, including, without limitation, the adoption and use of new or modified Proprietary Marks or copyrighted materials, and new or additional computer hardware, software, equipment, supplies or techniques. You will comply with any such changes in, or additions to, the System and will make such expenditures as such changes, additions or modification in the System may reasonably require. Any required expenditure for changes or upgrades to the System will be in addition to expenditures otherwise required pursuant to this Section 6.

L. Designated and Approved Products, Distributors and Suppliers.

1. You acknowledge that the reputation and goodwill of the System is based in large part on offering high quality services and products to our clients. Accordingly, you shall provide or offer for sale only those products and services that we approve (and which are not thereafter disapproved) and that comply with our specifications and quality standards. If required by us, any such services or items shall be purchased only from “**Approved Suppliers**” that we designate or approve (which can be limited to us and/or our affiliates).

2. You may be required to purchase certain products, software, equipment, and services directly from us or our affiliates. We may designate ourselves, or an affiliate as a supplier, or the exclusive supplier, of any of the products or services used by your Franchised Business effective upon written notice to you.

3. To maintain the superior quality of the services offered by our franchisees and protecting our goodwill and reputation, you must purchase marketing and promotional materials, computer software that we designate, from us or suppliers that we designate or approve. In certain instances, we may designate a single source for these items that you must use. We and our affiliates reserve the right to derive revenue from designated suppliers. While certain suppliers are currently mandated, approved or recommended, we reserve the right to change suppliers from time to time. Approval of suppliers may be revoked in writing, with 30 days’ notice. We will communicate to you the identity of all designated and approved suppliers through written or electronic communications. We do not make any express or implied warranties for any products or goods that we recommend for your use.

4. You are required to purchase or lease certain items in accordance with the specifications and guidelines issued by us. Specifications may include minimum standards for quality, delivery, performance, design, appearance, durability, style, warranties, price range, and other related restrictions.

5. If you propose to purchase or lease any services or products not previously approved by us in writing (for services and products that require supplier approval), you are responsible for all reasonable expenses incurred by us in connection with evaluating the product, service or supplier. We may require (among other things) submission of sufficient information, specifications and/or samples for us to determine whether the product or service complies with our standards and specifications, or whether the supplier meets our approved supplier criteria. Although we are not required to approve or disapprove supplier requests within any particular time period, we generally will respond within 30 days after we receive your written request. Suppliers must maintain our standards in accordance with written specifications and any modifications. Failure to correct a deviation from the System’s specifications will result in the termination of status as an approved supplier.

6. We or our affiliates have the right to retain volume rebates, markups and other benefits from suppliers. You will have no entitlement to or interest in such benefits, unless otherwise agreed to by us in writing.

M. Audit Compliance. We or our affiliates or designees shall perform all audit services that are provided to the clients of your Franchised Business under this Agreement. Upon your engagement with a client, your client will sign our standard Shared Savings Agreement which outlines all applicable fees and payments.

N. Inspections. We have the right at any time during normal business hours: (a) to conduct inspections of the Franchised Business; (b) to interview your personnel, representatives, clients and customers; (c) to observe and participate in services that your personnel and representatives provide for customers; and (d) to review your business records. We can initiate these actions with or without prior notice to you. You must cooperate with such inspections by giving our representatives unrestricted access and rendering such assistance as our representatives may reasonably request. If we notify you of any deficiencies after the inspection, you must promptly take steps to correct them. If you fail to correct any deficiencies within a reasonable time, we have the right to correct such deficiencies and to invoice you for our expenses.

O. Development of the Market. You must at all times use your best efforts to promote and increase the sales and consumer recognition of the products and services offered at the Franchised Business, pursuant to the System and the Manual, and to devote your best efforts in controlling the Franchised Business and its employees.

P. Computer System.

1. You must, at your sole cost, purchase, use, maintain and update the computer systems (collectively, the “**Computer System**”) we specify from time to time for use in the operation of the Franchised Business and will follow the procedures related thereto that we specify in the Manual or otherwise in writing. The Computer System has various components, including (without limitation), designated computer hardware and software and a high-speed Internet connection, and related services, such as maintenance, service and support, and internet access. You may be required to obtain some of these components and services directly from us, our affiliates or designated or approved suppliers. You may incur monthly fees for ISP, ASP, data polling services and the like.

2. You must maintain the Computer System in good working order at all times and upgrade, update or otherwise change the Computer System during the term of this Agreement, as we require. Our modifications and specifications for components of the Computer System may require you to incur costs to purchase, lease or license new or modified computer hardware and software or to obtain service and support for the Computer System during the term of this Agreement. You agree to comply with modifications to the Computer System within 30 days after you receive notice of such modifications.

3. Your Computer System must be capable of connecting with our computer system, performing the functions we designate for your Franchised Business, permitting us to review the results of your franchise operations, and engaging in any e-commerce activities that we designate. You will continuously comply with each of our then-current terms of use and privacy policies (and all other requirements) regarding the Computer System, including (but not limited to) Internet use.

4. You will provide us with independent access to the information that will be generated or stored in your Computer System, such as your franchise’s sales and payroll information, customer information, and your bookings and appointments. We will have the right at any time to poll your system to retrieve and compile such information concerning your franchise. There are no contractual limitations on our right to access this information and data.

5. We may require you to purchase and install other and/or additional computer systems and software meeting our standards and specifications, which would be used, among other purposes, to assist you in the operation of your franchise. You would be responsible for all costs associated with such other or additional computer systems and software. We would have the right to access the information generated by these computer systems, without limitation.

6. You acknowledge and agree that we may include financial performance information concerning your Franchised Business in our franchise disclosure document (including providing prospective franchisees with such backup documentation as may be required by law), in related media claims, to existing franchisees, and as otherwise required or permitted by law.

7. You agree to abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information (“**Privacy Laws**”). You agree to comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards and policies pertaining to Privacy Laws and actual applicable law, then the parties agree that you must: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law. You agree not to publish, disseminate, implement, revise, or rescind a data privacy policy without our prior written consent as to that policy.

Q. Minimum Performance Requirement. You are required to sign at least one account within 90 days of commencing operation of your Franchised Business. If you do not meet this requirement, you will be required to attend the next available Initial Training Program at your expense. Within 90 days of completing the second session, you will have an additional 90 days to sign at least one account.

If you fail to meet the minimum performance standards twice during the term of the Franchise Agreement, we reserve the right to terminate the Franchise Agreement. Your continuing obligations in the Franchise Agreement, including the non-compete and non-solicitation clauses, will govern our relationship post-termination. You understand and agree that all other costs and fees paid by you are not refundable by us if we elect to terminate under this provision.

You will be required to meet annual minimum performance levels in order to maintain the franchise relationship. If a franchisee fails to meet the minimum performance standards twice during the term of the Franchise Agreement, we reserve the right to terminate the Franchise Agreement. Our minimum performance requirement for qualified client contracts is as follows:

	Year 1	Year 2	Year 3	Year 4	Year 5
Minimum Performance Requirement Number of Qualified Client Contracts Signed	6	10	12	12	12

The minimum performance requirement for the first year will be pro-rated by us based on the number of weeks in operation during the initial calendar year of operation.

R. Other Requirements. You must timely comply with all other requirements set forth in this Agreement, in the Manual, as revised and updated, or otherwise as we may designate from time to time. You must comply with all applicable federal, state, and local laws and regulations pertaining, directly or indirectly, to your Franchised Business. We may from time to time establish maximum, minimum or other pricing requirements to the fullest extent allowed by law. You agree to operate the Franchised Business in

full compliance with all applicable municipal, county, state, and federal laws, rules, regulations, and ordinances. You have sole responsibility for such compliance despite any information or advice that we may provide. To the extent that the requirements of those laws conflict with the terms of this Agreement, the Manual, or our other instructions, then the parties agree that you must: (a) comply with those laws; (b) immediately give us written notice of the conflict; and (c) promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet the terms of this Agreement within the bounds of applicable law.

7. PROPRIETARY MARKS

A. Grant of License. We grant you the right and license to use the Proprietary Marks in connection with the operation of your Franchised Business and the provision of authorized services and products to your customers. We represent, with respect to the Proprietary Marks, that: (a) we have, to the best of our knowledge, all right, title and interest in and to the Proprietary Marks; (b) we shall take all steps, which we deem reasonably necessary, to preserve and protect the ownership and validity of such Proprietary Marks; and (c) we will use and license you and other franchisees to use the Proprietary Marks only in accordance with the System and the operating standards and quality control specifications attendant thereto which underlie the goodwill associated with and symbolized by the Proprietary Marks.

B. Conditions for Use. With respect to your use of the Proprietary Marks pursuant to the license granted under this Agreement, you agree that:

1. You must use only the Proprietary Marks designated by us and shall use them only in the manner required or authorized and permitted by us.

2. You must use the Proprietary Marks only in connection with the right and license to operate the Franchised Business granted under this Agreement.

3. During the term of this Agreement and any renewal of it, you must identify yourself as a licensee and not the owner of the Proprietary Marks and shall make any necessary filings under state law to reflect such status. In addition, you must identify yourself as a licensee of the Proprietary Marks on all invoices, order forms, receipts, business stationery and contracts, as well as at the Franchised Business on a sign that is conspicuously displayed to clients.

4. Your right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement or in the Manual, and any unauthorized use thereof shall constitute an infringement of our rights and grounds for termination of this Agreement.

5. You may not use the Proprietary Marks to incur or secure any obligation or indebtedness.

6. You may not use the Proprietary Marks as part of your corporate or other legal name.

7. You must comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and must execute any documents our counsel or we deem necessary to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

8. In the event that you become aware of any infringement of the Proprietary Marks or if your use of the Proprietary Marks is challenged by a third party, then you are obligated to immediately notify us, and we will have sole discretion to take such action as we deem appropriate. You will cooperate

and assist as required by us in any enforcement activities or litigation as we deem necessary to fully protect all our interests in the Proprietary Marks, including any state and federal trademark and service mark registrations for the Proprietary Marks, or to protect the System. If we determine that no action to protect the Proprietary Marks is necessary, then you may take any action you deem necessary to protect your own interest, at your own expense.

9. We reserve the right to change, revise, or substitute different Proprietary Marks and trade names for use in identifying the System and the products and services used or sold at the Franchised Business, if the Proprietary Marks or trade name no longer can be used, or if we, in our sole discretion, determine that substitution of different trademarks or trade names will be beneficial to the System. In such circumstances, the use of the substituted trademarks will be governed by the terms of this Agreement. You will modify or discontinue the use of any such name or mark, within a reasonable time after receiving notice, and use such additional or substitute name or mark, and shall be responsible for the tangible costs (such as replacing signs and materials) of complying with this obligation. We will not reimburse you for any loss of revenue attributable to any modified or discontinued Proprietary Mark or for any expenditure you make to change names or marks or to promote a modified or substitute name or mark.

C. Acknowledgements. You expressly understand and acknowledge that:

1. We are the owners of all right, title and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them.

2. The Proprietary Marks are valid and serve to identify the System and those who are licensed to operate a P3 Cost Analysts® franchise in accordance with the System.

3. Your use of the Proprietary Marks pursuant to this Agreement does not give you any ownership interest or other interest in or to the Proprietary Marks, except the nonexclusive license granted in this Agreement.

4. Any and all goodwill arising from your use of the Proprietary Marks and/or the System shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System or the Proprietary Marks.

5. The license and rights to use the Proprietary Marks granted by this Agreement to you are non-exclusive, and we may: (a) ourselves use, and grant franchises and licenses to others to use, the Proprietary Marks and the System; (b) establish, develop and franchise other systems, different from the System licensed to you in this Agreement, without offering or providing you any rights in, to or under such other systems; and (c) modify or change, in whole or in part, any aspect of the Proprietary Marks or the System, so long as your rights thereto are in no way materially harmed thereby.

6. We reserve the right to substitute different trade names, trademarks and service marks for use in identifying the System, the Franchised Business and other P3 Cost Analysts® franchises operating there under, all of which shall become Proprietary Marks.

7. We shall have no liability to you for any senior users that may claim rights to the Proprietary Marks.

8. You shall not register or attempt to register the Proprietary Marks in your name or that of any other person, firm, entity or corporation.

9. You shall not establish a website on the Internet using any domain name or uniform resource locator containing any of the Proprietary marks or the words “P3” or “P3 Cost Analysts®” or any variation thereof without our prior written consent. We retain the sole right to advertise on the Internet and to create and maintain a website using the P3 Cost Analysts® domain name. We are the sole owner of all right, title and interest in and to such domain names as we may designate in the Manual or otherwise in writing. We also have the exclusive right to manage all marketing on the Internet or other electronic medium, including all websites and “social media” marketing related to the P3 Cost Analysts® brand.

8. CONFIDENTIAL MANUAL

A. Compliance. In order to protect our reputation and goodwill and to maintain uniform standards of operation in connection with the Proprietary Marks, you shall conduct your Franchised Business in strict compliance with the operational systems, procedures, policies, methods and requirements prescribed in the Manual and any supplemental bulletins, notices, revisions, modifications, or amendments thereto, all of which shall be deemed a part thereof. One Manual shall be provided to you on loan from us while this Agreement is in effect, and you shall sign a corresponding receipt for it.

B. Use. You agree to immediately adopt and use the programs, services, methods, standards, materials, policies and procedures set forth in the Manual, amendments thereto, as we may modify them from time to time. You acknowledge that we are the owner or licensee of all proprietary rights in and to the System and the Manual, and any changes or supplements thereto.

C. Confidentiality. You acknowledge and agree that the Manual is proprietary, include trade secrets belonging to us, and are disclosed to you or authorized for your use in the operation of the Franchised Business, solely on the condition that you agree, and you therefore do agree, to treat the Manual, including amendments and modifications thereto, and all of the information contained therein, as proprietary and confidential. You shall use all reasonable efforts to maintain such information as confidential. The Manual must remain in a secure location on the premises of the Franchised Business at all times.

D. Access. The Manual must be accorded maximum security consistent with your need to make frequent reference thereto. You shall strictly limit access to the Manual to employees who have a demonstrable and valid need to know the information contained therein in order to perform their duties. You must strictly follow any provisions in the Manual regarding the care, storage and use of the Manual and all related proprietary information.

E. Duplication. You shall not at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce in any manner any part of the Manual, updates, supplements, amendments or related materials, in whole or in part, or otherwise make the same available to any unauthorized person.

F. Our Property. The Manual shall at all times remain our sole property. Upon the expiration or termination of this Agreement for any reason, you shall return to us the Manual and all supplements and amendments thereto.

G. Updates or Revisions. We have the right to prescribe additions to, deletions from or revisions to the Manual, as well as amendments, which shall become binding upon you upon being mailed or otherwise delivered to you or posted; provided, however, that no such addition or modification will alter your fundamental status and rights under this Agreement.

H. Master Set. You shall at all times insure that your set of the Manual is kept current and up-to-date, and in the event of any dispute as to the contents of the Manual, the terms contained in the master set of the Manual maintained by us at our headquarters shall be controlling.

9. CONFIDENTIAL INFORMATION

A. Types of Confidential Information. We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the “**Confidential Information**”) relating to the development and operation of P3 Cost Analysts® businesses, including (without limitation): (a) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, auditing techniques, knowledge and experience used in developing and operating P3 Cost Analysts® businesses, including information in the Manual and System standards; (b) marketing research and promotional, marketing, advertising, public relations, customer relationship management and other brand-related materials and programs; (c) knowledge of specifications for suppliers and products that Franchised Businesses use and/or sell; (d) knowledge of the operating results and financial performance of P3 Cost Analysts® businesses; (e) customer information and customer communication and retention programs, along with data used or generated in those programs and customer records of all types; (f) graphic designs and related intellectual property; (g) and any other information we reasonably designate as confidential or proprietary.

B. Confidential Relationship. The parties expressly understand and agree that the relationship established between you and us by this Agreement is one of confidence and trust, and that as a result, we will be disclosing and transmitting to you certain trade secrets and other Confidential Information concerning various aspects of your development of the Franchised Business, its methods of operation, techniques and all proprietary systems, procedures and materials relevant thereto, pursuant to the System and this Agreement. In addition, during the course of your development and operation of the Franchised Business, you, your employees, owners or agents may develop ideas, copyrightable works, concepts, methods, techniques or improvements (“**Improvements**”) relating to your Franchised Business, which you agree to promptly disclose to us. We will be deemed to own the Improvements, whether developed separately or in conjunction with us, and may use them and authorize you and others to use them in the operation of P3 Cost Analysts® businesses. Improvements will then also constitute Confidential Information. In the event that the foregoing provisions are held to be invalid or otherwise unenforceable, you and your owners hereby grant to us an irrevocable, worldwide, perpetual, exclusive, royalty-free license, with the right to sublicense such information, improvement or technique.

C. Confidentiality Obligations. You agree that your relationship with us does not vest in you any interest in the Confidential Information, other than the right to use it in the development and operation of the Franchised Business, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition. You acknowledge and agree that the Confidential Information is proprietary, includes trade secrets belonging to us, and is disclosed to you for your use solely on the condition that you agree, and you therefore do agree, that:

1. You shall treat and maintain the Confidential Information as confidential both during the term of this Agreement and thereafter;

2. You shall use the Confidential Information only for your operation of the Franchised Business under this Agreement, and not in any other business or capacity;

3. You shall not make unauthorized copies of any portion of the Confidential Information (whether disclosed via electronic medium or in written or other intangible form), including, for example, the Manual;

4. You shall disclose the Confidential Information only as necessary to your employees who have a demonstrable and valid need-to-know the Confidential Information, and not to anyone else;

5. You shall advise your employees or agents of the confidential nature of such information and the requirements of nondisclosure thereof;

6. You shall adopt and implement all reasonable procedures that we prescribe from time to time to prevent the unauthorized use or disclosure of the Confidential Information, including, without limitation, restrictions on disclosure of Confidential Information to your employees and the use of nondisclosure and noncompetition agreements we may prescribe for employees or others who have access to the Confidential Information. We shall be designated a third-party beneficiary of such nondisclosure and noncompetition agreements, with the independent right to enforce such agreements; and

7. You must comply with our System standards, other directions from us, and all applicable laws and regulations regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of customer information on your Computer System or otherwise in your possession or control and, in any case, employ reasonable means to safeguard the confidentiality and security of such information. If there is a suspected or actual breach of security or unauthorized access involving such information, you must notify us immediately after becoming aware of the occurrence and specify the extent to which Customer Information was compromised or disclosed.

These covenants shall survive the expiration, termination or transfer of this Agreement or any interest herein, and shall be perpetually binding upon you and each of your owners.

D. Exceptions to Confidentiality. The restrictions on your disclosure and use of Confidential Information will not apply to the following:

1. Disclosure or use of information, processes or techniques which you can demonstrate lawfully came to your attention prior to disclosure by us to you;

2. Disclosure or use of information, processes or techniques which are generally known and used in the relevant industry (as long as the availability is not because of a disclosure by you); and

3. Disclosure of Confidential Information in judicial or administrative proceedings when and only to the extent you are legally compelled to disclose it, provided that you have first given us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially.

E. Remedies. You acknowledge that in addition to any remedies otherwise available to us under this Agreement, you agree to pay all court costs and reasonable attorneys' fees incurred by us in obtaining specific performance of, or a temporary restraining order and/or an injunction against violation of, the requirements of this Section 9.

10. ACCOUNTING, INSPECTIONS AND RECORDS

A. Maintenance of Books and Records. You shall maintain during the term of this Agreement and shall preserve for not less than seven years from the date of preparation full, complete and accurate books, records and accounts in accordance with the System and in the form and manner prescribed by us in the Manual or otherwise in writing from time to time.

B. Financial and Related Reporting. During the term of this Agreement, you may be required, at your expense, upon written request by us, submit to us, on such forms that we prescribe from time to time:

1. An annual financial statement, which shall include an income statement and balance sheet;
 2. Profit and loss statements for the Franchised Business for the time period requested by us;
- and
3. Copies of federal and state tax returns when filed.

If requested by us, the financial statements and tax returns produced shall be signed by you attesting that the statements therein are true and correct. We may require the financial statements to be prepared on a consolidated basis for each Franchised Business that you and your affiliates own. We also reserve the right to require you to submit to us certified financial statements for any period or periods of any fiscal year, which shall be certified by your accounting firm and attested to by you. If any of the aforementioned are not timely received by us, we reserve the right to assess a Late Fee pursuant to Section 5 above.

C. Other Submissions. You shall also submit to us, for review and auditing, such other forms, and other reports, including such information and data as we may reasonably designate, in the form and at the times and places reasonably required by us, upon request and as specified from time to time in the Manual or otherwise in writing, at any time during the term of this Agreement. If not timely received by us, a Late Fee will be assessed pursuant to Section 5 above.

D. Inspection. We or our designated agents shall have the right at all reasonable times to examine and copy, at our expense, your books, records, receipts and tax returns. We shall also have the right, at any time, to have an independent audit made of your books.

11. ADVERTISING

Recognizing the value of advertising, marketing and promotion and the importance of the standardization of those programs to the furtherance and protection of the Proprietary Marks, goodwill and public image of the System, the parties agree as follows:

A. Approval of Advertising. You agree and warrant that any advertising or marketing you conduct will be completely factual. All advertising, promotional and marketing materials to be used by you in any medium shall be presented in a dignified manner and shall conform to such standards and requirements as we may specify from time to time in the Manual or otherwise. You shall submit to us for our prior written approval, samples of all advertising, promotional and marketing materials in whatever form that you desire to use at least 15 days before their intended use. We shall make reasonable efforts to notify you of our approval or disapproval of the materials, or to make revisions to such materials, within 15 days from the time of receipt. If you do not receive our written approval within this time period, we will be deemed to have disapproved the materials. However, our approval does not: (a) constitute a determination that the advertising, promotions and marketing that you conduct complies with applicable laws and regulations or; (b) provide assurance that such approved materials will be successful.

You shall comply with all revisions to such advertising, promotional and marketing materials which we may require prior to approving such materials. You shall not use any advertising, marketing or promotional plans or materials, which have not been approved in writing by us, and you shall cease to use any plans or materials promptly upon notice by us. Your failure to obtain our prior written approval for all proposed advertising, marketing and promotion shall be deemed a material event of default under this

Agreement. Even if we have approved specified materials, we may later withdraw our approval if we reasonably believe it necessary to make the advertising to conform to changes in the System or to correct unacceptable features of the advertising, including but not limited to any misrepresentation in the advertising material. In the event we withdraw our approval of previously approved marketing, advertising or promotional materials, you must immediately discontinue use of any such materials upon receiving notice from us that we have withdrawn our approval of the materials, and you must return any existing copies of the materials to us, at your expense, within 15 days of such written notice.

B. Internet Advertising. We have the exclusive right to conduct and manage all marketing on the Internet or other electronic medium, including all websites and “social media” marketing related to our brand. You may not conduct such marketing, or establish any website or social media presence independently, except as we may specify and only with our written consent. We retain the right to approve any linking to or other use of our website. You must comply with any Internet and social media policy that we may prescribe.

C. Local Advertising and Promotion. You will not be required to expend any funds on initial promotions and marketing concurrent with commencement of operations, although we believe that you should expend as much effort as necessary to market the services you will be providing clients. We will provide you with general marketing guidelines for your Local Advertising. Local advertising and marketing must be implemented in a format and using the procedures, suppliers and designs approved by us.

D. Advertising Advisory Council. We do not currently have a franchisee advertising advisory council. At our discretion, we may, in the future, form an Advisory Council (the “**Council**”) once there are a sufficient number of franchisees in the System. The Council members will be P3 Cost Analysts® franchisees. The Council shall serve in an advisory capacity only, advising us on operations, marketing and other subjects. We have the authority to dissolve, change and reform the Council in our discretion.

E. Brand Fund. We reserve the right to establish a national fund on behalf of the System for national advertising, marketing, and brand development (the “**Brand Fund**”). If we establish a Brand Fund, you are required to contribute up to three percent (3%) of Gross Savings generated monthly by your Franchised Business to the Brand Fund (“**Brand Fund Contribution**”). Payments will be deducted in the same manner and time as the Audit Service Fee and Administrative Service Fee. Franchisor reserves the right to modify the method and frequency of collection of the Brand Fund Contribution upon thirty (30) days’ prior notice to Franchisee.

1. If established, we will direct the Brand Fund and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. You agree and acknowledge that the Brand Fund is intended to maximize general public recognition and acceptance of the Proprietary Marks and enhance the collective success of all Franchised Businesses operating under the System.

2. We may, but have no obligation to, contribute to the Brand Fund on the same basis as franchisees with respect to P3 Cost Analysts® outlets operated by us or our affiliates.

3. We may use the Brand Fund to satisfy any and all costs of developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, promotional and public relations materials, programs, campaigns, sales and marketing seminars and training programs of every kind and nature, through media now existing or hereafter developed (including, without limitation, the cost of television, radio, magazine, social media, newspaper and electronic advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; conducting marketing

research, employing advertising agencies to assist therein; developing, enhancing and maintaining the Website, social media platforms, apps, and other technology for the benefit of the brand image and/or systemwide improvements; and staff salaries and other personnel and departmental costs for advertising that we internally administer or prepare). While we do not intend that any part of the Brand Fund will be used for advertising which is principally a solicitation for franchisees, we reserve the right to use the Brand Fund for public relations, to explain the franchise system, and/or to include a notation in any advertisement indicating “Franchises Available.”

4. The Brand Fund will not be used to defray any of our general operating expenses, except for reasonable administrative costs and overhead that we may incur in activities related to the administration and direction of the Brand Fund and such costs and expenses in Section 3 above. The Brand Fund and its earnings shall not otherwise inure to our benefit except that any resulting technology and intellectual property shall be deemed the property of Franchisor.

5. We will prepare an unaudited annual statement of the Brand Fund’s operations and will make it available to you upon request. In administering the Brand Fund, we undertake no obligation to make expenditures for you that are equivalent or proportionate to your contribution or to ensure that any particular franchisee benefits directly or pro rata from the production or placement of advertising.

6. Although the Brand Fund is intended to be of perpetual duration, we may terminate it at any time and for any reason or no reason. We will not terminate the Brand Fund, however, until all monies in the Brand Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

12. INSURANCE

A. Procurement. You must obtain and maintain, at your own expense, insurance coverage that we require. We may regulate the types, amounts, terms and conditions of insurance coverage required for your Franchised Business, and standards for underwriters of policies providing required insurance coverage, including (a) our protection and rights under these policies as an additional insured; (b) required or permissible insurance contract provisions; (c) assignment of policy rights to us; (d) periodic verification of insurance coverage that must be furnished to us; (e) our right to obtain insurance coverage at your expense if you fail to obtain required coverage; and (f) similar matters relating to insured and uninsured claims.

The cost of this coverage will vary depending on the insurance carrier’s charges, terms of payments, and your history. We require that all insurance policies be underwritten by companies having an A.M. Best rating of A or higher. All insurance policies, except workers’ compensation policies, must name us, as well as our officers and directors, as an additional insured party. You must provide us with a copy of each certificate of insurance at least 15 days before the opening of the Franchised Business and on each policy renewal date. No policy may be cancelled or materially altered without 30 days advance written notice to us.

B. Minimum Coverage. Such policy or policies shall be written by an insurance company satisfactory to us in accordance with the standards and specifications set forth in the Manual or otherwise in writing. We will consider you to have adequate insurance under this Agreement if you currently maintain the following coverage:

1. Comprehensive general liability insurance, including contractual liability, broad form property damage, premises liability, personal injury, advertising injury, product liability, automobile

liability, employee liability, completed operations and independent contractors coverage, and fire damage coverage in the amount of \$1,000,000 per occurrence, with \$2,000,000 aggregate coverage.

2. Automobile insurance: You must carry a commercial rider on your existing automobile policy. You must also follow state requirements for underinsured or uninsured coverage which we recommend you purchase.

3. Workman's Compensation. You must carry this coverage on any employees and have the option to provide coverage for themselves. The coverage will be the minimum as required by the state in which you are located.

C. Certificates. At least 15 days prior to the opening of the Franchised Business and on each policy renewal date thereafter, you shall submit to us, original or duplicate copies of all policies and policy amendments. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be canceled or materially altered without at least 30 days prior written notice to us.

D. Independence of Coverage Requirements. Your obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by us, and your performance of that obligation shall not relieve you of liability under the indemnity provision set forth in Section 19 of this Agreement. Any and all policies must provide that your failure as Franchisee to comply with the Franchise Agreement or any other conduct, will not void or otherwise affect the protection afforded to us, as Franchisor.

E. Failure to Procure. Should you for any reason fail to procure or maintain or provide adequate evidence of any insurance required by this Agreement, as revised from time to time for all franchisees by the Manual or otherwise in writing, we shall have the right and authority (without, however, any obligation) to immediately procure such insurance and to charge the same to us, which charges, together with a reasonable fee for our expenses in so acting, including, but not limited to, attorneys' fees, shall be payable by you immediately upon notice.

F. Third Parties. You shall ensure that all third parties with which you conduct business, are properly insured.

G. Proceeds. You agree to look solely to the proceeds of such insurance policies as required herein for reimbursement of any loss, and neither you nor any insurance carrier may recover damages against us as Franchisor.

13. TRANSFER OF INTEREST; OPERATION BY FRANCHISOR

A. Transfer by Us. We shall have the right to assign this Agreement, and all of our rights and privileges under this Agreement, to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (a) the assignee shall, at the time of such assignment, be capable of performing our obligations under this Agreement; and (b) the assignee shall expressly assume and agree to perform such obligations.

Specifically, and without limitation to the foregoing, you expressly affirm and agree that we may sell our assets, our rights to the Proprietary Marks and the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and, with regard to any or all of the foregoing sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or

related to the loss of said Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of “P3 Cost Analysts Franchise, LLC” as the Franchisor under this Agreement.

Nothing contained in this Agreement shall require us to remain in this cost reduction consulting industry or to offer the same or related products and services, whether or not bearing our Proprietary Marks, in the event that we exercise our rights under this Agreement to assign our rights in this Agreement.

B. Transfer by You and Your Owners.

1. Neither you nor any of your owners, nor any of your or their permitted successors or assigns, shall sell, assign, transfer, convey, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement, in the Franchised Business, or in you without our prior written consent; provided, however, that our prior written consent shall not be required for a transfer of less than a 5% interest in a publicly-held corporation. For such purposes, and under this Agreement in general, a publicly-held corporation is a “**Reporting Company**” as that term is defined by the Securities Exchange Act of 1934. “You” is defined as either you, any immediate or remote successor to any part of your interest in the Franchised Business, any individual, partnership, corporation or other legal entity which directly or indirectly controls you, if you are a business entity, or any, or any general partner or any limited partner (including any corporation which controls, directly or indirectly, any general or limited partner) if you are a partnership. You must notify us in writing at least 60 days prior to the date of the intended assignment. Any purported assignment or transfer, by operation of law or otherwise, not having our prior written consent shall be null and void and shall constitute a material breach of this Agreement, for which we may then terminate without opportunity to cure pursuant to Section 14.A. of this Agreement.

2. If you (and your owners) are in full compliance with this Agreement, then, subject to the other provisions of this Section 13, we will not unreasonably withhold our consent to a transfer that meets all of the requirements of this Section. A non-controlling ownership interest in you or your owners (determined as of the date on which the proposed transfer will occur) may be transferred if the proposed transferee and its direct and indirect owners are of good character and meet our then applicable standards for P3 Cost Analysts® franchise owners (including no ownership interests in, or performance of services for, a competitive business). If the proposed transfer is of this Agreement or a controlling ownership interest in you or one of your owners, or is one of a series of transfers (regardless of the time period over which these transfers take place) which, in the aggregate, transfer this Agreement or a controlling ownership interest in you or one of your owners, then we may, in our sole discretion, require any or all of the following as conditions of our approval:

a. All of your accrued monetary obligations and all other outstanding obligations to us, our subsidiaries, affiliates and suppliers shall be up to date, fully paid and satisfied;

b. You shall not be in default of any provision of this Agreement, any amendment of this Agreement or successor to this Agreement, any other franchise agreement or other agreement between you and us, or our subsidiaries, affiliates or suppliers;

c. You and each of your partners, shareholders, officers and directors shall have executed a general release under seal, in a form satisfactory to us, of any and all claims against us and our officers, directors, shareholders and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances;

d. The transferee shall demonstrate to our satisfaction that the transferee meets our educational, managerial and business standards; possesses a good moral character, business

reputation and credit rating; has the aptitude and ability to operate the Franchised Business (as may be evidenced by prior related experience, our testing criteria or otherwise); has at least the same managerial and financial criteria required of new franchisees; and shall have sufficient equity capital to operate the Franchised Business;

e. The transferee shall enter into a written assignment, under seal and in a form satisfactory to us, assuming and agreeing to discharge all of your obligations under this Agreement. If the transferee is not an individual, then the shareholders, partners or other owners of the transferee shall jointly and severally guarantee your obligations under this Agreement in writing in a form satisfactory to us;

f. At our option, the transferee shall execute (and/or, upon our request, shall cause all interested parties to execute) for a term ending on the expiration date of this Agreement and with such renewal term as may be provided by this Agreement, the standard form of Franchise Agreement then being offered to new franchisees and such other ancillary agreements as we may require for the Franchised Business, which agreements shall supersede this Agreement in all respects and the terms of which agreements may differ materially from the terms of this Agreement;

g. You (and your owners) shall remain liable for all direct and indirect obligations to us in connection with the Franchised Business prior to the effective date of the transfer, shall continue to remain responsible for your and their obligations of nondisclosure, noncompetition and indemnification as provided elsewhere in this Agreement, and shall execute any and all instruments reasonably requested by us to further evidence such liability;

h. At the transferee's expense, the transferee and its employees shall complete any training programs then in effect for current franchisees upon such terms and conditions as we may reasonably require unless we have previously trained such employees;

i. The transferee shall have signed an acknowledgement of receipt of all required legal documents, such as the Franchise Disclosure Document and the then-current Franchise Agreement and ancillary agreements;

j. The transferor shall pay to us the applicable transfer fee equal to \$1,500 when transferring shares between existing owners approved by us; 50% of the then-current initial franchise fee when transferring between new owners approved by us; 50% of the then-current initial franchise fee when transferring the entire Franchised Business to an existing franchisee who is approved by us, and a \$500 per diem fee should additional training be necessary; and

k. The transferor must provide us with a copy of the agreements of purchase and sale between the transferor and the transferee. You acknowledge that this right of approval shall not create any special liability or duty on our part to the transferor or the proposed transferee.

3. You acknowledge and agree that each of the foregoing conditions of transfer which must be met by you and the transferee are necessary and reasonable to assure such transferee's full performance of the obligations under this Agreement.

4. You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you and are granted in reliance upon the individual or collective character, skill, aptitude, and business and financial capacity of you and/or your owners. You have represented to us that you are entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of your rights and obligations under this Agreement.

5. You understand and acknowledge that any sale or assignment of your interest, right or license under this Agreement must be to an approved transferee who will assume the status of a P3 Costs Analysts franchisee, and you will notify the proposed transferee of your responsibilities and obligations under this Franchise Agreement, including, but not limited to, protection of the Proprietary Marks and the System.

C. Transfer for Convenience of Ownership. If the proposed transfer is to a corporation or limited liability company formed solely for the convenience of ownership, our consent to such transfer may, in our sole discretion, be conditioned on the following requirements:

1. You and all other owners (if you are more than one individual) will be required to personally, jointly and severally, guarantee your full performance under this Agreement;

2. The corporation, limited liability company or other business entity shall be newly organized and its charter, bylaws and other organizational documents shall provide that its activities are confined exclusively to operating the business contemplated under this Agreement;

3. You must maintain management control and own a majority or controlling interest in the corporation or limited liability company;

4. The transferee corporation or limited liability company must expressly assume all of your obligations under this Agreement;

5. Each of your corporate stock certificates or other evidence of ownership shall have conspicuously endorsed upon its face a statement in a form satisfactory to us that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers or assignments by this Agreement; and

6. Copies of the articles of incorporation, bylaws or other governing documents of the corporation or limited liability company, including resolutions of the board of directors authorizing entry into this Agreement, shall be furnished to us.

Transfers of ownership interests in the corporation or limited liability company will be subject to Section 13.B. above. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur.

D. Our Right of First Refusal.

1. Any party who holds an interest (as we reasonably determine) in you or in the Franchised Business and who desires to accept any bona fide offer from a third party to purchase his interest shall notify us in writing of each such offer and, except as otherwise provided in this Agreement, we shall have the right and option, exercisable within 30 days after receipt of such written notification, to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by the third party less any amount of the purchase price attributable to fees payable to brokers or intermediaries, the Proprietary Marks or the System. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer. In the event that we elect to purchase the seller's interest, closing on such purchase must occur by the later of: (a) the closing date specified in the third party offer; or (b) within 30 days from the date of notice to the seller of our election to purchase. Our right to exercise the option afforded by this Section 13.D. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 13 with respect to a proposed transfer.

2. In the event the consideration, terms and/or conditions offered by a third party are such that we may not reasonably be required to furnish the same consideration, terms and/or conditions, then we may purchase the Franchised Business proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree on the value within a reasonable time, we will designate an independent appraiser to determine the value of the Purchased Assets under the terms of this Section. The determination of such appraiser will be binding on you and us, and the costs of such appraisal will be divided equally between you and us.

E. Transfer Upon Death or Mental Incapacity. Upon the death, mental incapacity or disability of you (if you are a natural person) or that of any owner who is a natural person, we shall consent to the transfer of your interest in the Franchised Business or this Agreement to your spouse, heirs or relative by blood or by marriage, of you or said owner, whether such transfer is made by will or by operation of law, if, in our sole discretion and judgment, such person or persons meet our educational, managerial and business standards; possess a good moral character, business reputation and credit rating; have the aptitude and ability to conduct the Franchised Business; have at least the same managerial and financial criteria required by new franchisees and have sufficient equity capital to operate the Franchised Business. If said transfer is not approved by us, the executor, administrator or personal representative of such person shall transfer his or her interest to a third party approved by us within six (6) months after such death, mental incapacity or disability. Such transfer shall be subject to our right of first refusal and to the same conditions as any inter vivos transfer.

F. Effect of Consent to Transfer. Our consent to a transfer of this Agreement and the Franchised Business or any interest in you (if you are a legal entity) does not constitute a representation as to the fairness of the terms of any contract between you and the transferee, a guarantee of the prospects of success of the Franchised Business or the transferee, or a waiver of any claims we may have against you (or your owners) or of our right to demand exact compliance with any of the terms or conditions of this Agreement or any other agreement by any transferor or transferee.

14. DEFAULT AND TERMINATION

A. Default With No Opportunity To Cure. You shall be deemed to be in default and we may, at our option, terminate this Agreement and all rights granted under this Agreement, without affording you any opportunity to cure the default, effective immediately upon receipt of notice from us to you, upon the occurrence of any of the following events:

1. If you fail, refuse or neglect to pay promptly any monies owing to us or our subsidiaries or affiliates or suppliers, including any amounts due under any promissory note you execute in our favor, within ten days of your receipt of notice that such monies are past due, or you fail to submit the financial information or other reports required by us under this Agreement;

2. If you become insolvent or make a general assignment for the benefit of creditors, or if a petition in bankruptcy is filed by you or such a petition is filed against and consented to by you, or if you are adjudicated as bankrupt, or if a bill in equity or other proceeding for the appointment of a receiver of or other custodian (permanent or temporary) of your business or assets is appointed by any court of competent jurisdiction, or if proceedings for a conference with a committee of creditors under any state, federal or foreign law should be instituted by or against you, or if a final judgment remains unsatisfied or of record for 30 days or longer (unless supersedeas bond is filed), or if execution is levied against your operating location or property, or suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within 30 days, or if any substantial real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal or constable;

3. If you fail to open the Franchised Business for business within 90 days from the Effective Date of this Agreement, or within seven (7) days of successfully completing the Initial Training Program, unless otherwise agreed to in writing by us;

4. If you abandon the Franchised Business or fail to operate or maintain any required software or Computer System, or perform an unapproved modification of other required systems, necessary in carrying out the operations of the Franchised Business;

5. If you (or any of your owners) have made any material misrepresentation or omission in this Agreement or any other agreement to which you are a party with us;

6. If you (or any of your owners) in our determination repeatedly engage in the excessive use of alcohol and/or abuse of drugs or engage in any one or more incidence of violence or abusive behavior within your Franchised Business jeopardizing the health, safety or welfare of employees or the public;

7. If you, by act or omission, permit a continued violation in connection with the operation of the Franchised Business of any law, ordinance, rule or regulation of a governmental agency, including, but not limited to, a violation of the Anti-Terrorism Laws, in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief therefrom;

8. If you fail to obtain and maintain all required licenses under state and local law for the establishment and operation of the Franchised Business;

9. If you misuse or make any unauthorized use of the Proprietary Marks, engage in any business or market any service or products under a name or mark which is confusingly similar to the Proprietary Marks, or otherwise materially impair the goodwill associated therewith or our rights therein;

10. If you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest, or guilty, to, a felony or other serious crime or offense that we reasonably believe is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith or our interest therein;

11. If a judgment or a consent decree against you, or any of your officers, directors, shareholders or partners is entered in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith or our interest therein;

12. If you (or any of your owners) purport to transfer any rights or obligations under this Agreement to any third party without our prior written consent, contrary to any of the terms of this Agreement;

13. If you (or any of your owners) fail to comply with any of the restrictive covenants contained in this Agreement;

14. If you (or any of your owners) disclose or divulge the contents of the Manual or any other trade secrets or Confidential Information provided to you by us, except as otherwise expressly permitted by this Agreement;

15. If you knowingly maintain false books or records, or submit any false statements, applications or reports to us or any assignee of ours;

16. If you willfully and repeatedly engage in a course of conduct which constitutes a misrepresentation or a deceptive or unlawful act or practice in connection with your sale of the services and products offered at the Franchised Business;

17. If you fail to strictly comply with our product and quality control standards and specifications, fail to have any suppliers approved by us as required by this Agreement, or otherwise fail to meet any other significant specifications or guidelines set forth in the Manual and do not cure such failure within ten days after you receive written notice from us;

18. If any other franchise agreement issued to you by us is terminated for any reason;

19. If you receive three or more notices of default under this Agreement during the term of this Agreement, whether or not such defaults are cured after notice;

20. If you (or any of your owners) engage in any illegal, immoral or unethical acts or any act in violation of our mission and values, as determined by us;

21. If you default under any agreement to which you are party with us, or any parent or subsidiary corporation or any other affiliated entity of ours, and fail to cure said default within the grace period (if any) provided for in such agreement, regardless of whether we in fact terminate such agreement;

22. If you relocate the Franchised Business or Office Location without obtaining our prior written approval;

23. If your entering into this Agreement or operating thereunder violates or breaches any confidentiality or non-competition agreement previously existing between you and others prior to your entry of this Agreement;

24. If you fail to maintain at all times a qualified Operating Principal meeting the requirements of Section 3.B. hereof; or

25. If your (or any of your owners') assets, property or interests are blocked under any Anti-Terrorism Laws, or you (or any of your owners) otherwise violate any such law, ordinance or regulation.

B. Default With 30 Day Opportunity To Cure. Except as otherwise provided in Section 14.A. of this Agreement, you shall have 30 days after receiving from us a written notice of default within which to remedy any default described in this Section 14.B. and provide evidence thereof to us. If any such default is not cured within that time, or such longer period as applicable law may require, this Agreement, at our option, shall terminate without further notice to you effective immediately upon the expiration of the 30-day period or such longer period as applicable law may require. You shall be in default under this Agreement for any failure to comply substantially with any of the requirements imposed by this Agreement, as it may from time to time reasonably be supplemented by updates to the Manual, or for any failure to carry out the terms of this Agreement in good faith. Such defaults shall include, without limitation, the occurrence of any of the following events:

1. If you fail to maintain any of the standards or procedures prescribed by us in this Agreement, the Manual, or any part thereof, any other franchise agreement between you and us, or any other written agreements between you and us or otherwise;

2. If you fail to comply with your duties set forth in Section 6 of this Agreement or to perform any obligation owing to us or to observe any covenant or agreement made by you, whether such obligation, covenant or agreement is set forth in this Agreement or in any other agreement with us including, but not limited to, any other franchise agreement by and between you and us or any entity related to us;

3. If you fail to adequately promote the Franchised Business as provided in the Manual or otherwise in writing;

4. If you fail to maintain and timely submit to us any reports required pursuant to Section 10 of this Agreement, including, but not limited to, financial statements and copies of tax returns; or any reports, compliance items or other documentary items referenced in this Agreement, in the Manual as updated and revised or otherwise, as we may designate from time to time;

5. If you fail to maintain our quality control standards with respect to your use of signage and other uses of the Proprietary Marks;

6. If you fail to attend and successfully complete any mandatory training program, convention, telephone conference call, or other mandatory event, unless attendance is excused or waived, in writing, by us;

7. If you fail to obtain our prior written approval of any and all advertising, marketing or promotional plans and materials in whatever form used by you in connection with your promotion of the Franchised Business or otherwise fail to comply with our policies and procedures with respect to advertising, marketing or promotion; or

8. If you fail to maintain proper insurance as set forth in Section 12 of this Agreement.

C. Cross Default. Any default by you under any other agreement between us and any of our affiliates as the one party, and you or your affiliates as the other party, that is so material as to permit us to terminate or declare a default under such other agreement will be deemed to be a default of this Agreement, and we will have the right, at our option, to terminate this Agreement, effective immediately upon notice to you.

D. No Right or Remedy. No right or remedy conferred upon or reserved to us by this Agreement is exclusive of any other right or remedy provided or permitted by law or equity.

E. Default and Termination. The events of default and grounds for termination described in this Section 14 shall be in addition to any other grounds for termination contained elsewhere in this Agreement or otherwise.

F. Right to Purchase. In the event of termination of this Agreement for any reason, including, but not limited to, a default under this Section 14, we shall have the right and option to purchase your interest in the tangible assets of the Franchised Business as set forth in Section 13.D and Section 15.J, as applicable.

15. OBLIGATIONS UPON TERMINATION

Upon termination or expiration of this Agreement, all rights granted under this Agreement to you shall forthwith terminate, and you shall observe and perform the following:

A. Cessation of Operation. You shall immediately cease to operate the Franchised Business and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a franchisee of ours.

B. Cessation of Use of Proprietary Marks. You shall immediately and permanently cease to use, in any manner whatsoever, any equipment, format, confidential methods, client data base, programs, literature, procedures and techniques associated with the System, the name P3 Cost Analysts® or P3 and any other Proprietary Marks and distinctive trade dress, forms, slogans, uniforms, signs, symbols or devices associated with the System. In particular, you shall cease to use, without limitation, all signs, fixtures, furniture, equipment, advertising materials or promotional displays, uniforms, stationery, forms and any other articles which display the Proprietary Marks associated with the System.

C. Cancellation of Name. You shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the Proprietary Marks or any of our other trademarks, trade names or service marks, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within 30 days after termination or expiration of this Agreement.

D. Our Right to Continue Operations. Upon the expiration or termination of this Agreement for any reason, we shall have the right (but not obligation) to continue to provide services to clients of the Franchised Business which you have a contract with for such period as we deem necessary and practical and to recoup all of the revenue from the audits performed by us pursuant to your contract with the clients.

E. Non-Usage of Marks. You agree, in the event you continue to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks or trade dress, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute our exclusive rights in and to the Proprietary Marks or trade dress, and agree not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with us so as to constitute unfair competition.

F. Prompt Payment Upon Default. You shall promptly pay all sums owing to us and our subsidiaries, affiliates and suppliers. In the event of termination for your default, such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by us as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of us against any and all of the personal property, machinery, fixtures, equipment and inventory owned by you and on the premises of the Franchised Business at the time of default. We shall be entitled to keep monies received from your client through a pending audit at the time of default and apply the monies to any debt owed to us. If we terminate the Franchise Agreement for cause, or you terminate the Franchise Agreement without cause, we can recover an amount equal to the average of the prior 12 months Audit Service Fee (or shorter period if the Franchised Business has been in operation for less than 12 months) multiplied by: (i) 36 or (ii) the number of months remaining in the term of the Franchise Agreement, whichever is less.

G. Payment of Costs. You shall pay to us all damages, costs and expenses, including reasonable attorneys' fees, incurred by us subsequent to the termination or expiration of this Agreement in

obtaining injunctive or other relief for the enforcement of any provision of this Section 15 or any other obligation under this Agreement.

H. Return of Materials. You shall immediately turn over to us all copies of all materials in your possession including the Manual, all records, files, instructions, correspondence, client database, brochures, agreements, disclosure statements and any and all other materials relating to the operation of the Franchised Business in your possession, and all copies thereof (all of which are acknowledged to be our property), and shall retain no copy or record of any of the foregoing, excepting only your copy of this Agreement, any correspondence between you and us, and any other documents which you reasonably need for compliance with any provision of law. In addition to the foregoing, you shall deliver to us a complete list of all persons employed by you during the three years immediately preceding termination, together with all employment files for each employee on such list. All costs of delivering all materials required by this Section shall be borne by you.

I. Assignment of Telephone Listings. You shall promptly notify the appropriate telephone company and all telephone directory listing agencies of the termination or expiration of your right to use any telephone number and any regular, classified or other telephone directory listings associated with any Proprietary Marks and authorize the transfer of same to us or, at our direction, instruct the telephone company to forward all calls made to the telephone numbers to numbers we specify. You must sign and deliver to us our standard form of Conditional Assignment of Telephone Numbers and Listings (the current form of which is attached as Exhibit "E"), simultaneous with your execution of this Agreement. You acknowledge that, as between us and you, we have the sole right to and interest in all telephone numbers and directory listings associated with any Proprietary Marks. You authorize us, and appoint us and any officer of ours as your attorney in fact, to direct the appropriate telephone company and all listing agencies to transfer all such listings to us upon termination or expiration of this Agreement.

J. Option to Purchase. Upon expiration or termination of this Agreement, we shall have the right (but not the obligation) to purchase any or all of the furnishings, equipment, signs, supplies, materials and other assets related to the operation of the Franchised Business, at your cost or fair market value, whichever is less. If the parties cannot agree on fair market value within a reasonable time, the fair market value will be determined by an independent appraiser within 15 days after we notify you that we are exercising our option to purchase the assets of the Franchised Business. You and we will bear the cost of our own appraisers and share equally the fees and expenses of the third appraiser chosen by the two party-appointed appraisers. The appraisers are obligated to complete their appraisal within 30 days after the third appraiser's appointment. With respect to our option under this Section, we shall purchase assets only and shall assume no liabilities. Our election to purchase the assets must be exercised by written notice to you within 30 days after termination or expiration of this Agreement. If we elect to exercise any such option, we shall have the right to set off from the purchase price: (a) all amounts due from you to us or any of our affiliates; (b) your portion of the cost of any appraisal conducted hereunder; and (c) any costs incurred in connection with any escrow arrangement (including reasonable legal fees and costs). We shall have the unrestricted right to assign this option to any other party, without your consent.

K. Covenant of Further Assurances. You shall execute any legal document that may be necessary to effectuate the termination of this Agreement and shall furnish to us, within 30 days after the effective date of termination, written evidence satisfactory to us of your compliance with the foregoing obligations.

L. Compliance with Covenants. You shall comply with all applicable covenants that, by their nature, survive expiration or termination of this Agreement, including those contained in Section 9 (confidentiality) and Section 16 (non-competition and non-solicitation) of this Agreement.

M. No Further Interest. Other than as specifically set forth above, you shall have no interest in the Franchised Business upon termination or expiration of this Agreement.

16. COVENANTS

A. Best Efforts. You covenant that during the term of this Agreement, and subject to the post-termination provisions contained in this Agreement, and except as otherwise approved in writing by us, you will devote your full time, energy and best efforts to the efficient and effective management and operation of the Franchised Business.

B. In-Term Restrictive Covenants. You and your owners specifically acknowledge that, pursuant to this Agreement, you and they will receive access to valuable specialized training and Confidential Information which are beyond your and their present skills and experience, including, without limitation, information regarding the business, promotional, sales, marketing and operational methods and techniques of the System. You and your owners further acknowledge that such specialized training and Confidential Information provide a competitive advantage, and that gaining access thereto is a primary reason for entering into this Agreement. Accordingly, you and your owners covenant that, with respect to you, during the term of this Agreement (or, with respect to each of the owners, for so long as such person satisfies the definition of “owner” under this Agreement), except as otherwise approved in writing by us, neither you nor any of your owners shall, directly or indirectly, for yourself or themselves or through, on behalf of or in conjunction with any other person or legal entity:

1. Divert or attempt to divert any business, customer or franchisee or prospective business, customer or franchisee to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System;

2. Knowingly solicit any current or former employee of ours or any other franchisee, or any prospective or existing franchisee without our authorization or otherwise directly or indirectly induce such person to violate a nondisclosure, noncompetition or franchise agreement; and

3. Except with respect to P3 Cost Analysts® franchises operated under valid agreements with us, own, maintain, operate, engage in, be employed by, advise, assist, invest in, franchise, make loans to or have any financial or beneficial interest in any business that offers the same or substantially similar products and services as P3 Cost Analysts® businesses wherever located.

C. Post-Term Restrictive Covenants. You and your owners covenant that, with respect to you, for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement for any reason or, with respect to each of the owners, commencing on the earlier of: (a) the expiration or termination of this Agreement for any reason, or (b) the time such person ceases to satisfy the definition of “owner” under this Agreement, and continuing for two years thereafter, except as otherwise approved in writing by us, neither you nor any of your owners shall, directly or indirectly, for themselves or through, on behalf of or in conjunction with any other person or legal entity:

1. Divert or attempt to divert any business or customers or prospective business, customers or franchisees to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System;

2. Solicit any person who is at that time employed by us or by any other franchisee or multi-unit operator of ours, or otherwise directly or indirectly induce such person to violate a nondisclosure or noncompetition agreement; or

3. Except with respect to P3 Cost Analysts® franchises operated under valid agreements with us, own, maintain, operate, engage in, be employed by, advise, assist, invest in, franchise, make loans to or have any financial or beneficial interest in any business or facility which any business offers the same or substantially similar products and services as a P3 Cost Analysts® business and which is located within the Geographic District assigned to you or within a 50 mile radius of any other P3 Cost Analysts® business which is in existence on the date of expiration or termination of this Agreement.

If any person restricted by this Section refuses voluntarily to comply with the foregoing obligations, the two-year period shall be extended by the period of non-compliance.

D. No Undue Hardship. You and your owners acknowledge and agree that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on you or them, since you and they have other considerable skills, experience and education which afford you and your owners the opportunity to derive income from other endeavors. If the period of time or the geographic area specified for any of the covenants in this Section 16 should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the area will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced in such area and or such time as is adjudged to be reasonable.

E. Inapplicability of Restrictions. Sections 16.B. and 16.C. of this Agreement shall not apply to the ownership by you or your owners of less than a 5% beneficial interest in the outstanding equity securities of any publicly-held corporation.

F. Independence of Covenants. The parties agree that each of the covenants in this Agreement shall be construed as independent of any other covenant or provision of this Agreement. If any or all portions of the covenants in this Section 16 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you and your owners expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

G. Mission. You agree to support our mission and to conduct the Franchised Business in accordance with our operating policies and stated principles.

H. Modification of Covenants. You and your owners understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any restrictive covenant set forth in this Agreement or any portion thereof, without your or their consent, effective immediately upon receipt by you or them of written notice thereof, and you and your owners agree to promptly comply with any covenant as modified, which shall be fully enforceable notwithstanding anything to the contrary in this Agreement.

I. Enforcement of Covenants. You and your owners expressly agree that the existence of any claims you or they may have against us, whether arising under this Agreement or otherwise, shall not constitute a defense to the enforcement by us of the covenants in this Agreement.

J. Injunctive Relief. You and your owners acknowledge that any failure to comply with the requirements of this Section 16 shall constitute a material event of default under this Agreement and further acknowledge that such a violation would result in immediate and irreparable injury to us for which no

adequate remedy at law will be available. Accordingly, you and your owners' consent to the entry of an injunction prohibiting any conduct by you or them in violation of the covenants not to compete set forth in this Agreement, without the requirement that we post a bond. You and your owners expressly agree that it may be presumed conclusively that any violation of the terms of said covenants not to compete was accomplished by and through your unlawful utilization of our Confidential Information, know-how, methods and procedures. You and your owners agree to pay all court costs and reasonable attorneys' fees and costs that we incur in connection with the enforcement of this Section 16, including all costs and expenses for obtaining specific performance, or an injunction against the violation, of the requirements of this Section 16, or any part of it.

K. Execution of Covenants. You agree to require and obtain the execution of covenants similar to those set forth in Section 9 (regarding confidentiality) and Section 16 (regarding non-competition and non-solicitation), including covenants applicable upon the termination of a person's relationship with you, from your officers, directors, and, at our request, any other personnel. These covenants must be substantially in the form set forth in Exhibit "F"; provided, however, that we reserve the right, in our sole discretion, to decrease the scope of the restrictive covenants set forth in Exhibit "F" or eliminate such restrictive covenants altogether for any person that is required to execute such agreement. Your failure to obtain execution of any covenants required by this Section shall constitute a material event of default under this Agreement.

L. Non-solicitation. You and your owners may not solicit other franchisees, nor use available lists of franchisees, for any commercial or other purpose other than purposes directly related to the operations of the Franchised Business.

17. CHANGES AND MODIFICATIONS

This Agreement may be modified only by a written agreement signed by you and us. We reserve and shall have the sole right to make changes in the Manual, including all parts thereof, the System and the Proprietary Marks at any time and without prior notice to you. You shall promptly alter any signs, products, business materials, business methods, or related items, at your sole cost and expense, upon receipt of written notice of such change or modification in order to conform to our revised specifications. In the event that any improvement or addition to the Manual, the System or the Proprietary Marks is developed by you, then you agree such improvement or addition is owned by us, or, upon our written agreement, you will grant to us an irrevocable, world-wide, exclusive, royalty-free license, with the right to sublicense such improvement or addition.

You understand and agree that due to changes in competitive circumstances, presently unforeseen changes in the needs of customers, and/or presently unforeseen technological innovations, the System must not remain static, in order that it best serve the interests of us, our franchisees and the System. Accordingly, you expressly understand and agree that we may from time to time change the components of the System, including, but not limited to, altering the programs, services, methods, standards, forms, policies and procedures of that System; adding to, deleting from or modifying those programs, services and products which the Franchised Business is authorized to offer; and changing, improving or modifying the Proprietary Marks. Subject to the other provisions of this Agreement, you expressly agree to abide by any such modifications, changes, additions, deletions and alterations.

18. TAXES AND INDEBTEDNESS

A. Payment. You shall promptly pay when due, all taxes levied or assessed by any federal, state or local tax authority and any and all other indebtedness incurred by you in the operation of the Franchised Business. You shall pay to us an amount equal to any sales tax, gross receipts tax or similar tax

imposed on us with respect to any payments to us required under this Agreement, unless the tax is credited against income tax otherwise payable by us.

B. Dispute. In the event of any bona fide dispute as to liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; provided, however, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Franchised Business or any improvements thereon.

C. Compliance with Federal, State and Local Laws. You shall comply with all federal, state, and local laws, rules and regulations, and shall timely obtain any and all permits, certificates, licenses and bonds necessary for the full and proper operation and management of the Franchised Business, including, without limitation, required licenses to do business and provide services, fictitious name registration and sales tax permits. Copies of all subsequent inspection reports, warnings, certificates and ratings, issued by any governmental entity during the term of this Agreement in connection with the conduct of the Franchised Business which indicate your failure to meet or maintain the highest governmental standards or less than full compliance by you with any applicable law, rule or regulation, shall be forwarded to us by you within three days of your receipt thereof.

D. Duty to Notify. You shall notify us in writing within three days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business. Additionally, any and all consumer related complaints shall be answered by you within 15 days after receipt thereof or such shorter period of time as may be provided in said complaint. A copy of said answer shall be forwarded to us within three days of the date that said answer is forwarded to the complainant.

19. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

A. Independent Contractor

1. It is understood and agreed by the parties to this Agreement that this Agreement does not create a fiduciary relationship between them, that you shall be an independent contractor, and that nothing in this Agreement is intended to make either party an agent, legal representative, subsidiary, joint venturer, joint employer, partner, employee or servant of the other for any purpose whatsoever. The sole relationship between you and us is a commercial, arms' length business relationship.

2. During the term of this Agreement and any extensions or renewals of this Agreement, you shall hold yourself out to the public as an independent contractor operating the Franchised Business pursuant to a license from us and as an authorized user of the System and the Proprietary Marks which are owned by us. You agree to take such affirmative action as may be necessary to do so, including, without limitation, exhibiting to customers and others such notices of independent ownership as we may require from time to time, in a conspicuous place on the premises of the Franchised Business and on such forms, business cards, stationery and advertising and other materials as we may specify.

3. We shall not have the power to hire, supervise or fire your employees, and except as expressly provided in this Agreement, we may not control your funds or expenditures thereof or in any other way exercise dominion or control over the Franchised Business. You agree that you are solely responsible for all employment and other decisions relating to employees, agents and independent contractors that you may hire to assist in the operation of your Franchised Business. You acknowledge that we will have no liability for any action or settlement related to hiring, firing, training, establishing

remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of your employees and you agree to indemnify us for any liabilities that are incurred related to the aforementioned. You agree that any direction you receive from us regarding employment policies should be considered as examples only, and that you alone are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel well-versed in employment law. You shall inform each of your employees that you alone are their employer and we are not. You agree to explain to your employees and contractors the respective roles of a franchisor and franchisee and our relationship with you. You agree that any employee, agent or independent contractor that you hire will be your employee, agent or independent contractor and not our employee, agent, or independent contractor. You also agree that you are exclusively responsible for the terms and conditions of employment of your employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. You agree to manage the employment functions of your Franchised Business in compliance with federal, state and local employment laws. You will file your own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation payments with respect to your employees and operations.

B. No Liability. It is understood and agreed that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we shall in no event assume liability for or be deemed liable under this Agreement as a result of any such action or by reason of any act or omission of you in your conduct of the Franchised Business or any claim or judgment arising therefrom against us. You agree at all times to defend at your own cost, and to indemnify and hold harmless to the fullest extent permitted by law, us, our corporate parent, the corporate subsidiaries, affiliates, successors, assigns and designees of either entity, and the respective directors, officers, employees, agents, shareholders, designees, and representatives of each (we and all others referred to collectively as “Indemnitees”) from all losses and expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises out of or is based upon any of the following: your alleged infringement or any other violation or any other alleged violation of any patent, trademark or copyright or other proprietary right owned or controlled by third parties; your alleged violation or breach of any contract, federal, state or local law, regulation, ruling, standard or directive of any industry standard; libel, slander or any other form of defamation by you; your alleged violation or breach of any warranty, representation, agreement or obligation in this Agreement; any acts, errors or omissions of you or any of your agents, servants, employees, contractors, partners, proprietors, affiliates, or representatives; latent or other defects in the Franchised Business, whether or not discoverable by you or us; the inaccuracy, lack of authenticity or nondisclosure of any information by any customer of the Franchised Business; any services or products provided by you at, from or related to the operation of the Franchised Business; any services or products provided by any affiliated or nonaffiliated participating entity; any action by any customer of the Franchised Business; and, any damage to the property of you or us, our agents or employees, or any third person, firm or corporation, whether or not such losses, claims, costs, expenses, damages, or liabilities were actually or allegedly caused wholly or in part through the active or passive negligence of us or any of our agents or employees, or resulted from any strict liability imposed on us or any of our agents or employees.

C. No False Representations. Except as otherwise expressly authorized by this Agreement, neither party to this Agreement will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between you and us is other than that of Franchisor and Franchisee. We do not assume any liability, and will not be deemed liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement, nor will we be obligated for any damages to any

person or property which directly or indirectly arise from or relate to the operation of the Franchised Business franchised by this Agreement.

20. APPROVALS AND WAIVERS

A. Written Consent. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us therefore and such approval or consent shall be obtained in writing.

B. No Waiver. No failure by us to exercise any power reserved to us by this Agreement, or to insist upon strict compliance by you with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of our right to demand exact compliance with any of the terms in this Agreement. Our waiver of any particular default by you shall not affect or impair our rights with respect to any subsequent default of the same, similar or different nature, nor shall any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants of this Agreement affect or impair our right to exercise the same, nor shall such constitute a waiver by us of any right under this Agreement or the right to declare any subsequent breach or default and to terminate this Franchise Agreement prior to the expiration of its term. Subsequent acceptance by us of any payments due to us under this Agreement shall not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement.

21. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by regular U.S. mail, or by certified mail, return receipt requested, or dispatched by overnight delivery service, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Us: P3 Cost Analysts Franchise, LLC
3589 North Shiloh Drive, Suite 3, Box 44
Fayetteville, AR 72703
Attn: CEO

With a copy to: Spadea Lignana
232 North 2nd Street
Philadelphia, PA 19106
Attn: Jessica Dempsey, Esq.

Notices to You: _____

With a copy to: _____

Any notice shall be deemed to have been given at the date and time of mailing.

22. RELEASE OF PRIOR CLAIMS

By executing this Agreement, you, individually and on behalf of your heirs, legal representatives, successors and assigns, and each assignee of this Agreement by accepting assignment of the same, forever releases and discharges us and our officers, directors, employees, agents and servants, including our subsidiary and affiliated corporations, their respective officers, directors, employees, agents and servants, from any and all claims relating to or arising under any franchise agreement or any other agreement between the parties executed prior to the date of this Agreement including, but not limited to, any and all claims, whether presently known or unknown, suspected or unsuspected, arising under the franchise, securities or antitrust laws of the United States or of any state or territory thereof.

23. ENTIRE AGREEMENT

This Agreement, all exhibits to this Agreement and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements. Notwithstanding the foregoing, nothing in this Agreement shall disclaim, or require you to waive reliance on, any representation that we made in the most recent franchise disclosure document (including its exhibits and amendments) that we delivered to you or your representative, subject to any changes to the contract terms and conditions described in that franchise disclosure document as reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement). No amendment, change or variance from this Agreement shall be binding on the parties unless mutually agreed to by both parties and executed by themselves or their authorized officers or agents in writing.

24. NATURE AND SCOPE, SEVERABILITY AND CONSTRUCTION

A. Nature and Scope. We and you have entered into this Agreement for the sole purpose of authorizing you to use the intellectual property rights licensed by this Agreement in the operation of a single business operation at the designated location during the term of this Agreement in which those specific service and product items designated by us for sale in such locations are offered for sale in individual, face-to-face transactions with patrons visiting this fixed location (and equivalent telephone or mail transactions accepted as a convenience to that customer group). All consideration being furnished by you to us during the course of performance of this Agreement has been determined based on the limited rights and other limitations expressed in this Agreement. No other rights have been bargained for or paid for. This provision is intended to define the nature and extent of the parties' mutual contractual intent, there being no mutual intent to enter into contract relations, whether by agreement or by implication, other than as set forth above. The parties further acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Agreement, would affect the economic terms of this bargain.

B. Severability. Every part of this Agreement is severable. If for any reason any part of this Agreement is held to be invalid, that determination will not impair any other part, or the rest, of this Agreement; provided, however, that if we determine that such finding of invalidity or illegality adversely affects the basic consideration of this Agreement, we, at our option, may terminate this Agreement. If any part of this Agreement that restricts competitive activity is deemed unenforceable by virtue of its scope in terms of geographical area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part or all of it, you and we agree that it will be enforced to the fullest extent permissible under applicable law and public policy.

If any applicable law requires a greater prior notice of the termination of or refusal to enter into a successor franchise than is required hereunder, a different standard of “good cause”, or the taking of some other action not required hereunder, the prior notice, “good cause” standard and/or other action required by such law shall be substituted for the comparable provisions hereof. If any part of this Agreement or any specification, standard or operating procedure prescribed by us is invalid or unenforceable under applicable law, we may modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to make it valid and enforceable.

C. Covenants. You expressly agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision of this Agreement, as though you were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which we are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

D. Construction. All captions in this Agreement are intended solely for the convenience of the parties, and none of the captions shall be deemed to affect the meaning or construction of any provision of this Agreement or any part thereof, nor shall such captions otherwise be given any legal effect. “A or B” means “A” or “B” or both. All references in this Agreement to the masculine, neuter or singular shall be construed to include the feminine, neuter or plural, where applicable. Unless otherwise specified, all references to number of days means calendar days and not business days. This Agreement may be executed in multiple counterparts, each of which when so executed shall be deemed an original, and all of which shall constitute one and the same instrument.

E. Certain Definitions. An “affiliate” of a named person means any person or entity that is controlled by, controlling or under common control with the named person. The term “control” or “controlling interest” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise. The term “owners” mean those persons and entities which, collectively and individually, hold an ownership interest in you and in any entity directly or indirectly controlling you. The term “person” means any natural person, corporation, partnership (general or limited), limited liability company, or other artificial or legal entity.

F. Force Majeure. If, as a result of hurricane, tornado, typhoon, flooding, lightning, blizzard and other unusually severe weather, earthquake, avalanche, volcanic eruption, fire, riot, insurrection, terrorism, war, explosion, unavoidable calamity or other act of God (a “Force Majeure”), compliance by any party with the terms of this Agreement is rendered impossible or would otherwise create an undue hardship upon any party, all parties shall be excused from their respective obligations under this Agreement for the duration of the Force Majeure and for a reasonable recovery period thereafter, but otherwise this Agreement shall continue in full force and effect. However, such delays or events do not excuse payments of amounts owed at any time.

G. Timing is of the Essence. Time is of the essence. It will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement. In computing time periods from one date to a later date, the words “**from**” and “**commencing on**” (and the like) mean “**from and including**”; and the words “**to**,” “**until**” and “**ending on**” (and the like) mean “**to but excluding**.” Indications of time of day mean Fayetteville, Arkansas (Central) time.

H. No Third Party Beneficiaries. Except as otherwise expressly provided herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors and personnel, and such of your and our respective successors and assigns as may

be contemplated (and, as to you, expressly authorized pursuant to Section 13), any rights or remedies under or as a result of this Agreement.

I. Agreement Effective Upon Execution by Franchisor. This Agreement will not become effective until signed by one of our authorized representatives. You and we each agree to promptly execute and deliver such further documents and take such further action as may be necessary in order to carry out the intent and purposes of this Agreement.

J. Approval and Consents. Whenever this Agreement requires our advance approval, agreement or consent, you agree to make a timely written request for it. Our approval or consent will not be valid unless it is in writing. Except where expressly stated otherwise in this Agreement, we have the absolute right to refuse any request by you or to withhold our approval of any action or omission by you. If we provide to you any waiver, approval, consent or suggestion, or if we delay or neglect our response or deny any request for any of those, we will not be deemed to have made any warranties or guarantees which you may rely on, and will not assume any obligation or liability to you.

K. Our Judgment. Whenever we exercise a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make such decision or exercise such right and/or discretion on the basis of our judgment of what is in our best interests. "Best interests" includes what we believe to be the best interests of the System at the time the decision is made or the right or discretion is exercised, even though (a) there may have been other alternative decisions or actions that could have been taken; (b) our decision or action taken promotes our financial or other individual interest; or (c) our decision or the action it takes may apply differently to different franchisees or any company-owned businesses. In the absence of an applicable statute, we will have no liability to you for any such decision or action. The exercise of the right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions.

25. ENFORCEMENT

A. Mediation. WITH THE EXCEPTION OF ANY CONTROVERSY OR CLAIM RELATING TO THE OWNERSHIP OR IMPROPER USE OF OUR PROPRIETARY MARKS OR CONFIDENTIAL INFORMATION, AND EXCEPT FOR EQUITABLE CLAIMS AND CLAIMS OF NON-PAYMENT BY YOU TO US, THE PARTIES AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN OR INVOLVING US OR ANY OF OUR AFFILIATES (AND OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND YOU (AND YOUR AGENTS, REPRESENTATIVES AND/OR EMPLOYEES, AS APPLICABLE) ARISING OUT OF OR RELATED TO: (A) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN US AND YOU OR OUR AND YOUR RESPECTIVE AFFILIATES; (B) OUR RELATIONSHIP WITH YOU; (C) THE VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN YOU AND US OR OUR AND YOUR RESPECTIVE AFFILIATES; OR (D) ANY SYSTEM STANDARD, TO NON-BINDING MEDIATION AT A PLACE WE DESIGNATE WITHIN 50 MILES OF OUR HEADQUARTERS PRIOR TO BRINGING SUCH CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL. THE MEDIATION SHALL BE CONDUCTED IN WASHINGTON COUNTY, ARKANSAS BY EITHER A MUTUALLY AGREED-UPON MEDIATOR OR, FAILING SUCH AGREEMENT WITHIN A REASONABLE PERIOD OF TIME (NOT TO EXCEED FIFTEEN (15) DAYS) AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN

ARBITRATION ASSOCIATION IN ACCORDANCE WITH ITS COMMERCIAL MEDIATION PROCEDURES. ABSENT AGREEMENT TO THE CONTRARY, THE MEDIATOR SHALL BE EXPERIENCED IN THE MEDIATION OF DISPUTES BETWEEN FRANCHISORS AND FRANCHISEES. YOU AND WE AGREE THAT ANY STATEMENTS MADE BY EITHER YOU OR US IN ANY SUCH MEDIATION PROCEEDING WILL NOT BE ADMISSIBLE IN ANY SUBSEQUENT ARBITRATION OR LEGAL PROCEEDING OR OTHERWISE DISCLOSED BY EITHER YOU OR US TO ANY THIRD PARTY, EXCEPT TO THE EXTENT SUCH DISCLOSURE IS MADE TO A THIRD PARTY WHO IS A PARTICIPANT IN THE MEDIATION PROCEEDING. EACH PARTY WILL BEAR ITS OWN COSTS AND EXPENSES OF CONDUCTING THE MEDIATION AND SHARE EQUALLY THE COSTS OF ANY THIRD PARTIES WHO ARE REQUIRED TO PARTICIPATE. HOWEVER, THE PARTIES MUST IMMEDIATELY AND CONTEMPORANEOUSLY SUBMIT THE DISPUTE FOR NON-BINDING MEDIATION. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN NINETY (90) DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY THE WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING UNDER THIS SECTION 25. THE MEDIATION PROVISIONS OF THIS AGREEMENT ARE INTENDED TO BENEFIT AND BIND CERTAIN THIRD-PARTY NON-SIGNATORIES, AND ALL OF YOUR AND OUR OWNERS AND AFFILIATES. ANY MEDIATION PROCEEDING CONDUCTED PURSUANT TO THIS SUBSECTION AND ANY SETTLEMENT OR AGREEMENT ARISING THEREFROM SHALL BE KEPT CONFIDENTIAL BETWEEN THE PARTIES, EXCEPT FOR ANY SETTLEMENT DISCLOSURE WE ARE LEGALLY REQUIRED TO MAKE WITHIN A FRANCHISE DISCLOSURE DOCUMENT. THE PARTIES INTEND FOR ANY MEDIATION PROCEEDING TO BE BOTH PRIVATE AND CONFIDENTIAL. ANY THIRD PARTIES WHO ARE REQUIRED TO PARTICIPATE IN A MEDIATION PROCEEDING MUST BE BOUND BY THE SAME CONFIDENTIALITY OBLIGATIONS AS THE PARTIES.

B. Arbitration. WITH THE EXCEPTION OF ANY CONTROVERSY OR CLAIM RELATING TO THE OWNERSHIP OR IMPROPER USE OF OUR PROPRIETARY MARKS OR CONFIDENTIAL INFORMATION, AND EXCEPT FOR EQUITABLE CLAIMS AND CLAIMS OF NON-PAYMENT BY YOU TO US, ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, IF NOT RESOLVED BY THE NEGOTIATION AND MEDIATION PROCEDURES DESCRIBED ABOVE, MUST BE DETERMINED BY ARBITRATION IN WASHINGTON COUNTY, ARKANSAS BY THE AMERICAN ARBITRATION ASSOCIATION (“AAA”). THIS ARBITRATION CLAUSE WILL NOT DEPRIVE US OF ANY RIGHT WE MAY OTHERWISE HAVE TO SEEK PROVISIONAL INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION. THE ARBITRATOR MUST HAVE SUBSTANTIAL EXPERIENCE IN FRANCHISE LAW AND WITH COMMERCIAL DISPUTES. THE PARTIES ASK THAT THE ARBITRATOR LIMIT DISCOVERY TO THE GREATEST EXTENT POSSIBLE CONSISTENT WITH BASIC FAIRNESS IN ORDER TO MINIMIZE THE TIME AND EXPENSE OF ARBITRATION. IF PROPER NOTICE OF ANY HEARING HAS BEEN GIVEN, THE ARBITRATOR WILL HAVE FULL POWER TO PROCEED TO TAKE EVIDENCE OR TO PERFORM ANY OTHER ACTS NECESSARY TO ARBITRATE THE MATTER IN THE ABSENCE OF ANY PARTY WHO FAILS TO APPEAR. BOTH PARTIES WAIVE ANY RIGHTS THEY MAY HAVE TO DEMAND TRIAL BY JURY OR TO SEEK PUNITIVE DAMAGES FROM ONE ANOTHER. THE ARBITRATOR WILL HAVE NO POWER TO: (A) STAY THE EFFECTIVENESS OF ANY PENDING TERMINATION OF FRANCHISE; (B) ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY; OR (C) MAKE ANY AWARD THAT MODIFIES OR SUSPENDS ANY LAWFUL PROVISION OF THIS AGREEMENT. THE PARTY AGAINST WHOM THE ARBITRATORS RENDER A DECISION MUST PAY ALL EXPENSES OF ARBITRATION. ANY COURT OF COMPETENT JURISDICTION MAY ENTER

JUDGMENT UPON ANY AWARD. THE PARTIES AGREE AND INTEND THAT AN ARBITRATION WILL BE KEPT BOTH PRIVATE AND CONFIDENTIAL BETWEEN THEM. AT THE OUTSET OF ANY ARBITRATION, THE PARTIES WILL SEEK THE ENTRY OF A PROTECTIVE ORDER FROM THE ARBITRATOR, PROTECTING ALL PLEADINGS, MOTIONS, EXHIBITS, DEPOSITION TRANSCRIPTS, DISCOVERY REQUESTS AND RESPONSES, DOCUMENTS, AWARDS, ORDERS, DECISIONS AND REPORTS FROM DISCLOSURE BY THE PARTIES, THE ARBITRATOR, AND ANY NON-PARTY WITNESSES OR OTHER PARTICIPANTS. ADDITIONALLY ANY FINAL AWARD SHALL REITERATE SUCH ORDER OF PROTECTION, EXCEPT FOR THE TERMS OF AN AWARD WHICH WE ARE LEGALLY REQUIRED TO DISCLOSE IN A FRANCHISE DISCLOSURE DOCUMENT, OR DISCLOSURES IN CONNECTION WITH JUDICIAL PROCEEDINGS ANCILLARY TO THE ARBITRATION, SUCH AS A JUDICIAL CHALLENGE TO, OR ENFORCEMENT OF, AN AWARD, AND UNLESS OTHERWISE REQUIRED BY LAW.

C. Notice and Opportunity to Cure. As a mandatory condition precedent prior to your taking any legal or other action against us, whether for damages, injunctive, equitable or other relief (including, but not limited to, rescission), based upon any alleged act or omission of ours, you shall first give us 90 days prior written notice and opportunity to cure such alleged act or omission, or to resolve such matter.

D. Governing Law. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 and the sections following it) or other federal law, this Agreement and the relationship created hereby are governed by Arkansas law, excluding any law regulating the sale of franchises or governing the relationship between a franchisor and franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this Section. References to any law or regulation also refer to any successor laws or regulations and any implementing regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

E. Jurisdiction and Venue. You and we each consent and irrevocably submit to the exclusive jurisdiction and venue of the state and federal courts of competent jurisdiction for Washington County, Arkansas, and waive any objection to the jurisdiction and venue of such courts. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards in any appropriate jurisdiction.

F. Waiver of Jury Trial. YOU AND WE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE RELATIONSHIP CREATED BY THIS AGREEMENT, OR ANY OTHER AGREEMENTS BETWEEN YOU AND US AND/OR YOUR AND OUR RESPECTIVE AFFILIATES.

G. Waiver of Punitive and Consequential Damages. EXCEPT FOR YOUR OBLIGATIONS TO US AND CLAIMS FOR UNAUTHORIZED USE OF THE PROPRIETARY MARKS OR CONFIDENTIAL INFORMATION, YOU AND WE EACH WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO, OR CLAIM FOR, ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER. YOU AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US, YOUR DAMAGES WILL BE LIMITED TO EQUITABLE RELIEF AND RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

H. Limitations of Claims. ANY AND ALL CLAIMS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE RELATIONSHIP BETWEEN YOU AND

US MUST BE MADE BY WRITTEN NOTICE TO THE OTHER PARTY WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE ACT OR EVENT GIVING RISE TO SUCH CLAIM OR ONE YEAR FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST, EXCEPT FOR CLAIMS FOR: (A) INDEMNIFICATION; OR (B) UNAUTHORIZED USE OF THE CONFIDENTIAL INFORMATION OR PROPRIETARY MARKS. HOWEVER, THIS PROVISION DOES NOT LIMIT OUR RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY.

I. Specific Performance/Injunctive Relief. Nothing in this Agreement shall bar our right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause us loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and your sole remedy, in the event of the entry of such injunction, shall be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

J. Cumulative Rights and Remedies. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, to be exclusive of any other right or remedy provided or permitted in this Agreement, by law or at equity, but each right or remedy shall be cumulative of every other right or remedy. Nothing contained herein shall bar our right to obtain injunctive relief against threatened conduct that may cause us loss or damages, including obtaining restraining orders and preliminary and permanent injunctions.

K. Private Disputes. Any dispute and any litigation will be conducted and resolved on an individual basis only and not a class-wide, multiple plaintiff or similar basis. Any such proceeding will not be consolidated with any other proceeding involving any other person, except for disputes involving affiliates of the parties to such litigation.

26. ATTORNEYS' FEES

If a claim for amounts owed by you to us or any of our affiliates is asserted in any legal or other proceeding or if either you or we are required to enforce this Agreement in a judicial or other proceeding, the party prevailing in such proceeding will be entitled to reimbursement of its costs and expenses, including reasonable accounting and attorneys' fees. Attorneys' fees will include, without limitation, reasonable legal fees charged by attorneys, paralegal fees, and costs and disbursements, whether incurred prior to, or in preparation for, or contemplation of, the filing of written demand or claim, action, hearing, or proceeding to enforce the obligations of the parties under this Agreement.

27. JOINT AND SEVERAL LIABILITY

The term "**Franchisee**", "**you**" or "**your**" shall include all persons who succeed to the interest of the original Franchisee by transfer or operation of law and shall be deemed to include not only the individual or entity defined as the "Franchisee" in the introductory paragraph of this Agreement, but shall also include all partners of the entity that executes this Agreement, in the event said entity is a partnership; all shareholders of the entity that executes this Agreement, in the event said entity is a corporation; and all members of the entity that executes this Agreement, in the event said entity is a limited liability company. If two or more persons are at any time the "Franchisee" under this Agreement, whether as partners or joint venturers, their obligations and liabilities to us shall be joint and several.

28. NO WAIVER

The failure by any party to give notice of default or to pursue any remedy for a breach of this Agreement shall not affect its right to give notice of any other default or pursue any remedy upon subsequent breaches.

29. SURVIVAL

It is agreed by the parties to this Agreement that whenever performance by a party is contemplated to extend beyond the expiration or termination of this Agreement, such performance obligation shall survive the expiration or termination of this Agreement and continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement, until such performance is satisfied in full or the obligation, by its nature, expires. Examples include indemnification, payment, de-identification, post-term restrictive covenants, and dispute resolution proceedings.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed, sealed and delivered this Agreement in triplicate on the day and year first above written (regardless of the actual date of signature).

FRANCHISEE:

FRANCHISOR:

P3 COST ANALYSTS FRANCHISE, LLC

By: _____

Name: _____

Title: _____

By: _____

Name: Michael Nicholas

Title: President

PRINCIPALS:

Name: _____

Name: _____

**EXHIBIT "A" TO
P3 COST ANALYSTS FRANCHISE, LLC FRANCHISE AGREEMENT**

OFFICE LOCATION AND GEOGRAPHIC DISTRICT

As contemplated by Section 1.B. of the Franchise Agreement, the Office Location under this Agreement will be:

As contemplated by Section 1.C. of the Franchise Agreement, the Geographic District under this Agreement will be:

Check if map is attached.

FRANCHISEE:

FRANCHISOR:

P3 COST ANALYSTS FRANCHISE, LLC

By: _____

Name: _____

Title: _____

By: _____

Name: Michael Nicholas

Title: President

PRINCIPALS:

Name: _____

Name: _____

**EXHIBIT "B" TO
P3 COST ANALYSTS FRANCHISE, LLC FRANCHISE AGREEMENT**

STATEMENT OF OWNERSHIP INTERESTS

Name

Percentage of Ownership

**EXHIBIT “C” TO
P3 COST ANALYSTS FRANCHISE, LLC FRANCHISE AGREEMENT**

FRANCHISEE TRAINING ACKNOWLEDGMENT FORM

VOID IN CALIFORNIA AND MARYLAND

Franchisee Training Acknowledgement Form

Opening Date _____ Today's Date _____

Franchisee Name _____

Address _____

City _____

State _____

Zip _____

Please answer the following questions and, where applicable, circle the correct answer:

- 1. Did you complete the Initial Training Program? YES NO
- 2. Did you complete the Training Exam? YES NO NA
- 3. Did you receive adequate training during the Initial Training in each area? YES NO
- 4. Did you feel that more attention was needed in any one area of Training? YES NO

If "YES" please describe:

- 5. How would you rate the knowledge base and effectiveness of the class trainer? (circle)

POOR

GOOD

EXCELLENT

- 6. Overall, the training was:

POOR

GOOD

EXCELLENT

- 7. Do you feel that you require additional training in any aspect of the business? YES NO

If "YES", please describe:

- 8. Did you receive adequate training in each of the following areas?

Regulations and Compliance

YES NO

Sales and Marketing

YES NO

Employee Management

YES NO

Operations

YES NO

Recruiting/Hiring

YES NO

- 9. If You Answered "NO" to any of the above, please explain:

- 10. Are there any changes or improvements you would suggest for our training program(s)?

Franchisee

Signature _____

Trainer Signature _____

NOTE: After completing this form, please mail to: P3 COST ANALYSTS FRANCHISE, LLC;

Attn.: Aaron Stahl, 3589 N. Shiloh Drive, Suite 3, Box 44, Fayetteville, AR 72703

**EXHIBIT “D” TO
P3 COST ANALYSTS FRANCHISE, LLC FRANCHISE AGREEMENT
ELECTRONIC FUNDS AUTHORIZATION FORM**

ELECTRONIC FUNDS TRANSFER (EFT) AUTHORIZATION

Franchisee Information:

Franchisee Name

Franchisee Mailing Address (street)

Franchisee Phone No.

Franchise Mailing Address (city, state, zip)

Contact Name, Address and Phone number (if different than above)

Franchisee Fax No.

Franchisee E-mail Address

Bank Account Information:

Bank Name

Bank Account No.

Bank Mailing Address (street)

Bank Routing
No. [:]: (9
characters)

Bank Mailing Address (city, state, zip)

Bank Phone No.

Payee Information: P3 Cost Analysts Franchise, LLC

Authorization: The Franchisee hereby authorizes the Bank to honor and charge the Bank Account for electronic funds transfers or drafts drawn on the Bank Account and payable to the Payees. The amount of such charge shall be set forth in a notice from the Payees presented to the Bank on the 5th calendar day of each month. The Franchisee agrees to execute such additional documents as may be reasonably requested by the Payees or the Bank to evidence the interest of this EFT Authorization. This authority shall remain in full force and effect until the Payees have received written notification from the Franchisee in such time and manner as to afford the Payees and the Bank to act on such notice. The Franchisee understands that the termination of this authorization does not relieve the Franchisee of its obligations to make payments to the Payees.

Signature: _____

Federal Tax ID No.: _____

Date: _____

**INDEMNIFICATION OF
BANK**

In consideration of the Bank's compliance with the foregoing request and authorization, the Payees agree with respect to any action by the Bank in compliance with the foregoing request and authorization to indemnify the Bank and hold the Bank harmless for, from and against any loss the Bank may suffer as a consequence of the Bank's actions from or in connection with the execution and issuance of any electronic fund transfer or draft, whether or not genuine, purporting to be executed by the Payees and received by the Bank in the regular course of business for the purpose of payment, except to the extent such loss caused by the negligence or willful misconduct of the Bank.

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

Return via Email at info@costanalalysts.com or U.S. First Class Mail to P3 Cost Analysts Franchise, LLC, 3589 N. Shiloh Drive, Suite 3, Box 44, Fayetteville, AR 72703

**EXHIBIT “E” TO
P3 COST ANALYSTS FRANCHISE, LLC FRANCHISE AGREEMENT**

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS (this “Assignment”) is effective as of _____, 20___, between **P3 COST ANALYSTS FRANCHISE, LLC**, an Arkansas limited liability company, with its principal place of business at 3589 N. Shiloh Drive, Suite 3, Box 44, Fayetteville, AR 72703 (“we,” “us” or “our”) and _____, whose current place of business is _____ (“you” or “your”). You and we are sometimes referred to collectively as the “parties” or individually as a “party.”

BACKGROUND INFORMATION:

We have simultaneously entered into the certain Franchise Agreement (the “**Franchise Agreement**”) dated as of _____, 20___ with you, pursuant to which you plan to own and operate a P3 Cost Analysts® business at an approved Office Location within a prescribed geographic district (the “**Franchised Business**”). P3 Cost Analysts® franchises use certain proprietary knowledge, procedures, formats, systems, forms, printed materials, applications, methods, specifications, standards and techniques authorized or developed by us (collectively the “**System**”). We identify P3 Cost Analysts® franchises and various components of the System by certain trademarks, trade names, service marks, trade dress and other commercial symbols (collectively the “**Marks**”). In order to protect our interest in the System and the Marks, we will have the right to control the telephone numbers and listings of the Franchised Business if the Franchise Agreement is terminated.

OPERATIVE TERMS:

You and we agree as follows:

1. **Background Information:** The background information is true and correct. This Assignment will be interpreted by reference to the background information. Terms not otherwise defined in this Assignment will have the meanings as defined in the Franchise Agreement.
2. **Conditional Assignment:** You assign to us, all of your right, title and interest in and to those certain telephone numbers and regular, classified or other telephone directory listings (collectively, the “**Numbers and Listings**”) associated with the Marks and used from time to time in connection with the operation of the Franchised Business. This Assignment is for collateral purposes only. We will have no liability or obligation of any kind arising from or in connection with this Assignment, unless we notify the telephone company, the provider of a voice over internet phone, and/or the listing agencies with which you have placed telephone directory listings (collectively, the “**Telephone Company**”) to effectuate the assignment of the Numbers and Listings to us. Upon termination or expiration of the Franchise Agreement we will have the right and authority to ownership of the Numbers and Listings. In such event, you will have no further right, title or interest in the Numbers and Listings and will remain liable to the Telephone Company for all past due fees owing to the Telephone Company on or before the date on which the assignment is effective. As between us and you, upon termination or expiration of the Franchise Agreement, we will have the sole right to and interest in the Numbers and Listings.
3. **Power of Attorney:** You irrevocably appoint us as your true and lawful attorney-in-fact to: (a) direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us; and (b) sign on your behalf such documents and take such actions as may be necessary to effectuate the assignment. Notwithstanding anything else in the Assignment, however, you will immediately notify and instruct the Telephone Company to effectuate the assignment described in this

Assignment to us when, and only when: (i) the Franchise Agreement is terminated or expires; and (ii) we instruct you to so notify the Telephone Company. If you fail to promptly direct the Telephone Company to effectuate the assignment of the Numbers and Listings to us, we will direct the Telephone Company to do so. The Telephone Company may accept our written direction, the Franchise Agreement or this Assignment as conclusive proof of our exclusive rights in and to the Numbers and Listings upon such termination or expiration. The assignment will become immediately and automatically effective upon Telephone Company's receipt of such notice from you or us. If the Telephone Company requires that you and/or we sign the Telephone Company's assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, our signature on such forms or documentation on your behalf will effectuate your consent and agreement to the assignment. At any time, you and we will perform such acts and sign and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement. The power of attorney conferred upon us pursuant to the provisions set forth in this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without our consent.

4. **Indemnification:** You will indemnify and hold us and our affiliates, stockholders, directors, officers and representatives (collectively, the "**Indemnified Parties**") harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses that any of the Indemnified Parties incur as a result of any claim brought against any of the Indemnified Parties or any action which any of the Indemnified Parties are named as a party or which any of the Indemnified Parties may suffer, sustain or incur by reason of, or arising out of, your breach of any of the terms of any agreement or contract or the nonpayment of any debt you have with the Telephone Company.

5. **Binding Effect:** This Assignment is binding upon and inures to the benefit of the parties and their respective successors-in-interest, heirs, and successors and assigns.

6. **Assignment to Control:** This Assignment will govern and control over any conflicting provision in any agreement or contract which you may have with the Telephone Company.

7. **Attorney's Fees, Etc.:** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment or the enforcement thereof, the prevailing party will be entitled to reimbursement of its attorneys' fees, costs and expenses from the non-prevailing party. The term "**attorneys' fees**" means any and all charges levied by an attorney for his or her services including time charges and other reasonable fees including paralegal fees and legal assistant fees and includes fees earned in settlement, at trial, appeal or in bankruptcy proceedings and/or in arbitration proceedings.

8. **Severability:** If any of the provisions of this Assignment or any section or subsection of this Assignment are held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected, and will remain in full force and effect in accordance with its terms.

9. **Governing Law and Forum:** This Assignment is governed by Arkansas law. The parties will not institute any action against any of the other parties to this Assignment except in the state or federal courts of general jurisdiction in Washington County, Arkansas, and they irrevocably submit to the jurisdiction of such courts and waive any objection they may have to either the jurisdiction or venue of such court.

ASSIGNOR:

By: _____

Name: _____

Title: _____

Date: _____

ASSIGNEE:

P3 COST ANALYSTS FRANCHISE, LLC

By: _____

Name: Michael Nicholas

Title: President

Date: _____

THIS CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND LISTINGS is accepted and agreed to by:

(TELEPHONE COMPANY)

By: _____

Name: _____

Its: _____

Date: _____

**EXHIBIT “F” TO
P3 COST ANALYSTS FRANCHISE, LLC FRANCHISE AGREEMENT
NONDISCLOSURE AND NONCOMPETITION AGREEMENT**

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This NONDISCLOSURE AND NONCOMPETITION AGREEMENT (the “**Agreement**”) is made and entered into this ____ day of _____, 20____, by and between _____, residing at _____, who presently is an employee of a P3 Cost Analysts® business, or a director, manager or officer of a P3 Cost Analysts® franchise (the “**Employee**”) and _____, and its successors and assigns (the “**Employer**”).

RECITALS:

A. Employer is a company engaged in the business of owning and operating a P3 Cost Analysts® franchise under a license granted by P3 COST ANALYSTS FRANCHISE, LLC (the “**Franchisor**”).

B. Employer is desirous of protecting its rights and interests in and to the P3 Cost Analysts® franchise that Franchisor has granted to Employer, including operating systems, sales and marketing programs and ideas, and all information and documents relating thereto.

C. Employee is being retained by Employer to provide services as the _____ for Employer.

D. Employer will provide substantial opportunities to the Employee in the conduct of Employee’s position including, but not limited to, present and future earnings, access to potential and existing clients, and Employer’s and Franchisor’s confidential and proprietary information. Employee further acknowledges that Employer would not employ or continue to employ Employee without Employee’s agreeing to be bound by the restrictions contained in this Agreement.

AGREEMENTS:

NOW, THEREFORE, in consideration of the premises, which Employee agrees is good and valuable consideration, the receipt of which hereby is acknowledged, Employee represents and warrants to Employer and covenants and agrees with Employer as follows:

1. Recitals. The statements made in the Recitals above are true and accurate and are incorporated herein.

2. Specialized Knowledge and Training. Employee acknowledges and agrees that:

(a) the knowledge and experience that Employee will acquire while associated with and/or employed by Employer is of a special, unique, and extraordinary character and that Employee’s position with Employer places Employee in a position of a confidence and trust with the customers and allow Employee access to Confidential Information (as that term is defined in *Section 6* below), which access Employee would not have but for Employee’s relationship with Employer; and

(b) Employer will make substantial investments of time and capital in the development of Employee’s goodwill, education and expertise, from which Employee will receive a substantial and direct economic benefit.

3. Operating System and Trademarks. Employee acknowledges and agrees that:

(a) Franchisor is the creator and owner of the trade secrets, products, concept, style, confidential information, format and operating system (collectively, the “**Operating System**”) and the logotypes, service marks and trademarks now or hereafter involved in the operation of a P3 Cost Analysts business using the style, trademark, service mark, and trade name **P3 COST ANALYSTS®** (collectively, the “**Trademarks**”), and the good will associated therewith, and has granted to Employer the right and license to operate a licensed P3 Cost Analysts® franchise using the Operating System and the Trademarks subject to the continuing control by Franchisor of the dissemination and use of the Operating System and the Trademarks;

(b) Employee has obtained or will obtain knowledge of the Operating System in connection with its association with or employment by either Franchisor and/or Employer, which knowledge obtained or to be obtained by Employee was unknown to it prior to said employment the execution of this Agreement, and which knowledge is a prerequisite for Employee’s employment; and

(c) Because the protection of the Operating System and the Trademarks is vital to the continued success of Franchisor and franchisees of Franchisor, Franchisor is unwilling to permit Employer to disclose to Employee the Operating System except upon the terms set forth in this Agreement, including the requirements of confidentiality, nondisclosure and noncompetition as set forth in this Agreement.

4. Ownership of Operating System and Trademarks. Employee acknowledges and agrees that Franchisor is the sole and exclusive owner of all right, title and interest in and to the Operating System and the Trademarks, and that the Operating System and the Trademarks shall be used by Employee only in accordance with the terms hereof. Employee shall acquire no right, title or interest in or to the Operating System and/or the Trademarks. Employee shall not, directly or indirectly, at any time during or after the term of Employee’s employment by or association with Employer’s P3 Cost Analysts® business, do or cause to be done any act or thing disputing, attacking, or in any way impairing or intending to impair Franchisor’s right, title, or interest in or to the Operating System or the Trademarks. Employee shall immediately notify Employer of all infringements of the Operating System or the Trademarks by others that come to Employee’s attention and of all challenges to or limitations on Franchisor’s use of the Operating System or any of the Trademarks.

5. Nondisclosure of Confidential Information. The parties hereto acknowledge that during the period in which the Employee is employed by or associated with Employer (the “**Employment Period**”), the Employee shall use, receive, conceive or develop Confidential Information (as that term is defined in *Section 6* below). Employee covenants and agrees that during the Employment Period and at all times thereafter, Employee shall not, except with the prior written consent of Employer or Franchisor, which consent shall be granted or denied at the Employer’s or Franchisor’s sole and absolute discretion, or except if acting solely for the benefit of Employer in connection with Employer’s business and in accordance with the Employer’s business practices and policies, at any time disclose, divulge, report, transfer or use, for any purposes whatsoever, any of such Confidential Information which has been used, received, conceived or developed by Employee. Employee also recognizes that such Confidential Information represents a valuable asset of the Employer and Franchisor and is required to ensure the effective and successful conduct of their respective businesses.

6. Confidential Information. For purposes of this Agreement, the term “**Confidential Information**” shall mean all of the following materials and information that Employee uses, receives, conceives or develops or has used, received, conceived or developed, in whole or in part, in connection with Employee’s employment by or association with Employer:

(a) The Operating System and Trademarks;

(b) The contents of any manuals or other written materials of Franchisor, Employer, or any of Franchisor's subsidiaries or affiliates;

(c) The names and information relating to customers and prospective customers of Employer, or other persons, firms, corporations or other entities with whom the Employee has contact with on behalf of Employer or to whom any other employee of Employer has provided goods or services at any time;

(d) The terms of various agreements between Employer and any third parties, including without limitation, the terms of customer agreements, vendor or supplier agreements, lease agreements, advertising agreements and the like;

(e) Any data or database, or other information compiled by Employer, including, but not limited to, client lists, customer information, information concerning Employer, or any business in which Employer is engaged or contemplates becoming engaged, any company that Employer engages in business, any client, prospective client or other person, firm or corporation to whom or which Employer has provided services or goods or to whom or which any employee of Employer has provided services or goods on behalf of Employer, or any compilation, analysis, evaluation or report concerning or deriving from any data or database, or any other information;

(f) All policies, procedures, strategies and techniques regarding the services performed by Franchisor, training, marketing and sales of Franchisor, specifically including but not limited to the Operating System and Trademarks, either oral or written, and assorted lists containing information pertaining to clients and prospective clients; and

(g) Any other information, data, know-how or knowledge of a confidential or proprietary nature observed, used, received, conceived or developed by Employee in connection with Employee's employment by Employer.

7. Use and Return of Confidential Information.

(a) The Employee agrees that under no circumstance and at no time shall any of the Confidential Information be taken from Employer's premises and that under no circumstances and at no time shall any of the Confidential Information be duplicated, in whole or in part, without the express written permission of Employer, which permission may be granted or denied in its sole and absolute discretion.

(b) The Employee agrees that, upon termination of employment with Employer, Employee shall return to Employer all such Confidential Information, which is in Employee's possession regardless of the form in which any such materials are kept.

(c) The Employee covenants and agrees that all right, title and interest in any Confidential Information shall be and shall remain the exclusive property of Employer and/or Franchisor. Employee agrees to promptly disclose to Employer all Confidential Information developed in whole or in part by Employee within the scope of this Agreement and to assign to Employer and/or Franchisor any right, title or interest Employee may have in such Confidential Information. Employee agrees to turn over to the Employer all physical manifestations of the Confidential Information in Employee's possession or under Employee's control at the request of Employer.

8. In-Term Non-Solicitation and Non-Competition. In order to protect the goodwill of the Operating System and Trademarks, during the term of Employee's employment by or association with Employer, Employee shall not, directly or indirectly:

(a) Directly or indirectly divert, or attempt to divert, any business opportunity or customer of Employer, Franchisor or any licensed P3 Cost Analysts® business to any competitor, or do or perform, directly or indirectly, any act injurious or prejudicial to the goodwill associated with the Operating System and the Trademarks;

(b) Solicit any employee of Employer, Franchisor or any P3 Cost Analysts® franchisee, or otherwise directly or indirectly induce such employee or a P3 Cost Analysts franchisee to violate a nondisclosure, noncompetition or franchise agreement;

(c) Develop, own, manage, operate, be employed by or have any interest in any business (other than a licensed P3 Cost Analysts business) which offers the same as or substantially similar goods or services as a P3 Cost Analysts business wherever located.

9. Post-Term Non-Solicitation and Non-Competition. In order to protect the goodwill of the Operating System and Trademarks, for a period of two years following the termination of Employer's employment by or association with Employer, for any reason, Employee shall not, directly or indirectly:

(a) Directly or indirectly divert, or attempt to divert, any business opportunity or customer or prospective business opportunity or customer of Employer, Franchisor or any licensed P3 Cost Analysts business or any franchisee or prospective franchisee of Franchisor to any competitor, or do or perform, directly or indirectly, any act injurious or prejudicial to the goodwill associated with the Operating System and the Trademarks;

(b) Solicit any employee of Employer, Franchisor or any P3 Cost Analysts® franchisee, or otherwise directly or indirectly induce such employee or a P3 Cost Analysts® franchisee to violate a nondisclosure, noncompetition or franchise agreement;

(c) Develop, own, manage, operate, be employed by or have any interest in any business (other than a licensed P3 Cost Analysts® business) which offers the same as or substantially similar goods or services as a P3 Cost Analysts® business wherever located, and which is located within the franchisee's prescribed Geographic District or within a radius of 50 miles of any other P3 Cost Analysts® business which is in existence on the date of expiration or termination of this Agreement.

At no time during or after the term of Employee's employment by or association with Employer shall Employee use or duplicate the Operating System or the Trademarks, except pursuant to a valid license from Franchisor. Employee expressly agrees that the restrictive covenants contained in *Sections 8 and 9*: (i) are reasonable as to time and geographical area; (ii) do not place an unreasonable burden on Employee; and (iii) are supported by adequate consideration to Employee.

10. At-Will Employment. The mere entering into this Agreement by Employee shall not operate so as to require Employer to continue to employ Employee, and Employee hereby represents and warrants to Employer that Employee has not received any promises or guarantees, implied or express, of such continued employment by or association with Employer. Employee agrees that this Agreement shall be applicable to Employee regardless of whether the termination of its employment by or association with Employer occurs at the instance of Employee or Employer and, if at the instance of Employer, regardless of whether the termination was for cause. Employee further agrees that Employee's breach of this Agreement shall be grounds for the termination of Employee's employment.

11. Enforcement and Remedies. Employee agrees that a breach or default of the terms of this Agreement will cause irreparable harm to Employer and/or Franchisor and, therefore, in the event of any

such breach or default, Employer and/or Franchisor shall be entitled to injunctive relief, specific performance, or other equitable relief. Employer and/or Franchisor shall be entitled to a restraining order or injunction without bond and without specific proof of irreparable harm and without specific proof of an inadequate remedy at law. Any specific right or remedy set forth in this Agreement shall not be exclusive, but shall be cumulative to other remedies available to Employer and/or Franchisor under this Agreement or at law or in equity, including injunctive relief, specific performance and recovery of money damages. The failure of Employer and/or Franchisor to enforce any of the provisions of this Agreement shall not constitute a waiver thereof or otherwise operate to limit any of Employer's and/or Franchisor's rights hereunder. The existence of any claim, defense or cause of action that Employee may have against Employer and/or Franchisor, regardless of cause or origin, shall not constitute a defense against the enforcement of this Agreement by Employer and/or Franchisor against Employee.

12. Toll Period. In the event Employee shall violate any provision of this Agreement as to which there is a specific time period during which Employee is prohibited from taking certain actions or from engaging in certain activities, as set forth in such provision, then, such violation shall toll the running of such time period from the date of such violation until such violation shall cease.

13. Successors and Assigns. This Agreement shall be binding upon Employee and his or her heirs, personal representatives, successors and assigns, and shall inure to the benefit of Employer and Franchisor (Franchisor being an intended third-party beneficiary hereof, with independent rights to enforce this Agreement) and their respective heirs, personal representatives, successors and assigns. Employee expressly agrees that this Agreement shall be assignable by Employer to a successor to the business of Employer and Employee hereby expressly consents to such assignment. Franchisor's rights under this Agreement are fully assignable and transferable and shall inure to the benefit of Franchisor's affiliates, successors and assigns.

14. Miscellaneous:

(a) Time is of the essence of this Agreement and of every term, covenant and condition hereof.

(b) The headings in this Agreement are for convenience only and are not to be construed as a part of this Agreement or in any way defining, limiting or amplifying the provisions hereof.

(c) If Employer or Franchisor retains an attorney or institutes a suit against Employee in any way connected with this Agreement or its enforcement, or to utilize remedies for its breach, they (if prevailing) shall be entitled to recover from Employee reasonable attorneys' fees (not to exceed actual attorneys' fees incurred) and all costs in connection with said enforcement or suit, whether or not suit is filed or, if filed, is prosecuted to judgment.

(d) This Agreement shall be governed by, construed and enforced under the laws of the State of _____ whose courts shall have jurisdiction over any legal proceedings arising out of this Agreement, and _____ County, _____ shall be the place of venue for any such action or proceedings. *[Insert State and County where Employer's Franchised Business is located]*

(e) The invalidity or unenforceability of any covenant, term or condition of this Agreement, or any portion of any covenant, term or condition of this Agreement, shall not affect any other covenant, term or condition or portion thereof and this Agreement shall remain in effect as if such invalid or unenforceable covenant, term or condition (or portion thereof) were not contained herein; provided that the invalidity of any such provision does not materially and adversely affect the expected benefits accruing to any party hereunder.

(f) This Agreement contains the entire agreement between the parties and supersedes all prior and contemporaneous understandings, representations, warranties, and agreements. This Agreement shall not be amended or modified, except in writing signed by all parties hereto.

15. WAIVER OF JURY TRIAL. EMPLOYEE HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES THE RIGHT EMPLOYEE MAY HAVE TO A TRIAL BY JURY OF, UNDER, OR IN CONNECTION WITH EMPLOYEE'S EMPLOYMENT WITH EMPLOYER, THIS AGREEMENT, OR ANY AGREEMENT OR DOCUMENT EXECUTED IN CONJUNCTION HERewith OR ANY COURSE OF CONDUCT, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY RELATING HERETO OR THERETO.

16. Acknowledgment. Employee acknowledges that Employee understands the terms and conditions set forth in this Agreement and has had adequate time to consider whether to agree to them and to consult a lawyer, if Employee wished to do so.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

EMPLOYER:

EMPLOYEE:

By: _____

[Print Name]

[Print Name and Title]

**EXHIBIT “G” TO
P3 COST ANALYSTS FRANCHISE, LLC FRANCHISE AGREEMENT
STATE RIDERS TO THE FRANCHISE AGREEMENT**

CALIFORNIA RIDER TO FRANCHISE AGREEMENT

THIS RIDER (the “**Rider**”) is effective as of _____, 20____ (the “**Agreement Date**”), and amends the Franchise Agreement dated _____, 20____ (the “**Agreement**”), between **P3 COST ANALYSTS FRANCHISE, LLC** (“**we**,” “**us**,” “**our**” or the “**Franchisor**”) and _____ (“**you**,” “**your**” or the “**Franchisee**”).

1. **California Law**

The California Department of Business Oversight requires that certain provisions contained in the Franchise Agreement be amended to be consistent with California law, including the California Franchise Investment Law. CAL. BUS. & PROF. CODE Section 31000 *et seq.* and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 *et seq.* To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, those provisions are amended as follows:

(a) **Nonrenewal and Termination**

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or nonrenewal of a franchise. The Federal Bankruptcy Code also provides rights to you concerning termination of the Franchise Agreement upon the occurrence of certain bankruptcy-related events. If the Franchise Agreement contains a provision that is inconsistent with these laws, these laws will control.

(b) **Franchise Termination and Release Agreements**

You must sign a release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). California Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (California Business and Professions Code Sections 20000 through 20043).

(c) **Liquidated Damages**

If the Franchise Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671, the liquidated damages clauses may be unenforceable.

(d) **Covenants Not to Compete**

If the Franchise Agreement contains a covenant not to compete that extends beyond the termination of the Franchise Agreement, the covenant may be unenforceable under California law.

(e) **Venue**

If the Franchise Agreement requires litigation, arbitration or mediation to be conducted in a forum other than the State of California, the requirement may be unenforceable under California law.

(f) **Governing Law**

If the Franchise Agreement requires that it be governed by a state’s law other than the State of California, the requirement may be unenforceable.

(g) **Arbitration**

The Franchise Agreement requires binding arbitration. The arbitration will occur in the city where the Franchisor's headquarters is located at the time of arbitration with the costs being born by the non-prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (including Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

(h) **Statute of Limitations**

The Franchise Agreement requires a shortened statute of limitations period. Pursuant to California Corporations Code Section 31512, this provision is void, to the extent that it is inconsistent with the provisions of the Corporation Code Sections 31303 and 31304.

(i) **Non-Waiver**

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

2. **Alternate Channels of Distribution**

The Franchisor reserves the right to establish alternative channels of distribution within the Franchisee's Territory without compensation.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

P3 COST ANALYSTS FRANCHISE, LLC:

FRANCHISEE:

By: _____

Sign: _____

Title: _____

Print: _____

Date: _____

Date: _____

ILLINOIS RIDER TO FRANCHISE AGREEMENT

THIS RIDER (the “**Rider**”) is effective as of _____, 20____ (the “**Agreement Date**”), and amends the Franchise Agreement dated _____, 20____ (the “**Agreement**”), between **P3 COST ANALYSTS FRANCHISE, LLC** (“**we,**” “**us,**” “**our**” or the “**Franchisor**”) and _____ (“**you,**” “**your**” or the “**Franchisee**”).

1. **General.** The Illinois Attorney’s General’s Office requires that certain provisions contained in the Franchise Agreement be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ch. 815 705/1 *et seq.* (West 2014) (the “Illinois Franchise Disclosure Act” or “Act”).

2. **Termination and Non-Renewal.** Your rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act. To the extent that the Franchise Agreement contains provisions that are inconsistent with Sections 19 and 20 of the Act, the provisions are amended.

3. **Waivers Void.** In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void.

4. **Governing Law and Jurisdiction.** Notwithstanding any provision of the Franchise Agreement to the contrary, the Franchise Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Franchise Agreement provides will be resolved by arbitration.

5. **Limitation of Claims.** No action will be maintained under Section 26 of the Illinois Franchise Disclosure Act to enforce any liability created by the Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever expires first.

6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

This Rider is effective only to the extent that the jurisdictional requirements of the Act are met independent of this Rider. This Rider has no force and effect if the jurisdictional requirements are not met.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

P3 COST ANALYSTS FRANCHISE, LLC:

FRANCHISEE:

By: _____

Sign: _____

Title: _____

Print: _____

Date: _____

Date: _____

MARYLAND RIDER TO FRANCHISE AGREEMENT

THIS RIDER (the “**Rider**”) is effective as of _____, 20____ (the “**Agreement Date**”), and amends the Franchise Agreement dated _____, 20____ (the “**Agreement**”), between **P3 COST ANALYSTS FRANCHISE, LLC** (“**we,**” “**us,**” “**our**” or the “**Franchisor**”) and _____ (“**you,**” “**your**” or the “**Franchisee**”).

1. Section 2, **Term and Renewal**, and Section 13., **Transfer of Interest; Operation by Franchisor**, are amended to add the following:

A general release required as a condition of the renewal or transfer of the franchise will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. The Franchise Agreement is amended to add: the following

Notwithstanding any provision of the Franchise Agreement to the contrary, nothing in the Agreement or any related agreement requiring you to assent to a release, estoppel, or waiver of liability is intended to nor act as a release, estoppel, or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

3. Section 5.a, **Initial Franchise Fee**, is amended to add the following:

Based on the Franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all Initial Franchise Fees and payment owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement.

4. Section 14., **Default and Termination**, is amended to add the following:

Bankruptcy as a ground for a termination of the Franchise Agreement may not be enforceable.

5. Section 25, **Enforcement**, is amended to add the following:

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. Section 25., **Enforcement**, is amended to add the following:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

7. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

-Signature page immediately follows-

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

P3 COST ANALYSTS FRANCHISE, LLC:

FRANCHISEE:

By: _____

Sign: _____

Title: _____

Print: _____

Date: _____

Date: _____

MINNESOTA RIDER TO FRANCHISE AGREEMENT

THIS RIDER (the “**Rider**”) is effective as of _____, 20____ (the “**Agreement Date**”), and amends the Franchise Agreement dated _____, 20____ (the “**Agreement**”), between **P3 COST ANALYSTS FRANCHISE, LLC** (“**we,**” “**us,**” “**our**” or the “**Franchisor**”) and _____ (“**you,**” “**your**” or the “**Franchisee**”).

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in the Franchise Agreement be amended to be consistent with the Minnesota Franchise Act, Minn. Stat. §§ 80.01 *et seq.*, (the “Minnesota Franchise Act” or “Act”) and of the Rules and Regulations promulgated under the Minnesota Franchise Act (the “Rules”). To the extent that the Franchise Agreement contains provisions that are inconsistent with the Act or Rules, the provisions are amended:

(a) Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

(b) With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

(c) The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

(d) Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

(e) Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

(f) The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

(g) The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore Subsection 23.h., Limitation of Claims, is amended to state: “No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than 3 years after the cause of action accrues.”

2. Each provision of this Rider is effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Rider. This Rider has no force or effect if the jurisdictional requirements are not independently met.

3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

P3 COST ANALYSTS FRANCHISE, LLC:

FRANCHISEE:

By: _____

Sign: _____

Title: _____

Print: _____

Date: _____

Date: _____

NEW YORK RIDER TO FRANCHISE AGREEMENT

THIS RIDER (the “**Rider**”) is effective as of _____, 20____ (the “**Agreement Date**”), and amends the Franchise Agreement dated _____, 20____ (the “**Agreement**”), between **P3 COST ANALYSTS FRANCHISE, LLC** (“**we,**” “**us,**” “**our**” or the “**Franchisor**”) and _____ (“**you,**” “**your**” or the “**Franchisee**”).

1. New York Law Modifications

The New York Department of Law requires that certain provisions contained in the Franchise Agreement be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989). To the extent that the Franchise Agreement contains provisions that are inconsistent with the following provisions those provisions are amended as follows:

(a) Release of Claims

If you are required in the Franchise Agreement to sign a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, representation or action that would violate the General Business Law, regulation, rule or order under the Law, the release must exclude claims arising under the New York General Business Law, Article 33, Sections 680 through 695 and its regulations, and any acknowledgments are void. It is the intent of this provision that the non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.

(b) Governing Law

If the Franchise Agreement requires that it be governed by a state’s law other than the State of New York, the choice of law provision will not be considered to waive any rights conferred upon the Franchisee under the New York General Business Law, Article 33, Sections 680 through 695.

2. Jurisdictional Requirements

Each provision of this Rider is effective only to the extent that the jurisdictional requirements of the New York law applicable to the provision are met independent of this Rider. This Rider has no force or effect if the jurisdictional requirements are not independently met.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

P3 COST ANALYSTS FRANCHISE, LLC:

FRANCHISEE:

By: _____

Sign: _____

Title: _____

Print: _____

Date: _____

Date: _____

NORTH DAKOTA RIDER TO FRANCHISE AGREEMENT

THIS RIDER (the “**Rider**”) is effective as of _____, 20____ (the “**Agreement Date**”), and amends the Franchise Agreement dated _____, 20____ (the “**Agreement**”), between **P3 COST ANALYSTS FRANCHISE, LLC** (“**we,**” “**us,**” “**our**” or the “**Franchisor**”) and _____ (“**you,**” “**your**” or the “**Franchisee**”).

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1993). To the extent that the Franchise Agreement contains provisions that are inconsistent with the North Dakota law, those provisions are amended as follows:

(a) If you are required in the Franchise Agreement to sign a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, the release excludes claims arising under the North Dakota Franchise Investment Law, and any acknowledgments are void as to claims under the Law.

(b) Covenants not to compete during the term or upon termination or expiration of the Franchise Agreement are enforceable only under certain conditions according to North Dakota law. If the Franchise Agreement contains a covenant not to compete, which is inconsistent with North Dakota law, the covenant may be unenforceable.

(c) If the Franchise Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void as to any claims under the North Dakota Franchise Investment Law.

(d) If the Franchise Agreement requires that it be governed by a state’s law, other than the State of North Dakota, to the extent that the law conflicts with the North Dakota Franchise Investment Law, the North Dakota Franchise Investment Law will control.

(e) If the Franchise Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon before the arbitration or if the parties cannot agree on a location, the arbitrator will determine the location.

(f) If the Franchise Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law.

(g) Any provision in the Franchise Agreement which requires you to consent to a waiver of exemplary and punitive damages will not apply to any claims brought under the North Dakota Franchise Investment Law.

2. Each provision of this Rider is effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law as to each provision are met independent of this Addendum. A provision of this Rider has no force or effect if the jurisdictional requirements are not met independent of this Rider. If this Rider is inconsistent with any terms of the Franchise Agreement, the terms of this Rider govern.

3. Section 25.F of the Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. The Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-

09 of the North Dakota Franchise Investment Law. This provision is hereby deleted in each place it appears in the Franchise Agreement used in North Dakota.

4. Section 25.H of the Franchise Agreement requires the franchisee to consent to a limitation of claims within one year. The Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The provision is hereby amended to state the statute of limitations under North Dakota law shall apply.

5. Item 17(i) of the Disclosure Document requires the franchisee to consent to liquidated damages. The Commissioner has determined this to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. This provision is hereby deleted in each place it appears in the Franchise Agreement used in North Dakota.

6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

P3 COST ANALYSTS FRANCHISE, LLC:

FRANCHISEE:

By: _____

Sign: _____

Title: _____

Print: _____

Date: _____

Date: _____

RHODE ISLAND RIDER TO FRANCHISE AGREEMENT

THIS RIDER (the “**Rider**”) is effective as of _____, 20____ (the “**Agreement Date**”), and amends the Franchise Agreement dated _____, 20____ (the “**Agreement**”), between **P3 COST ANALYSTS FRANCHISE, LLC** (“**we,**” “**us,**” “**our**” or the “**Franchisor**”) and _____ (“**you,**” “**your**” or the “**Franchisee**”).

1. The Rhode Island Securities Division requires that certain provisions contained in the Franchise Agreement be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R. I. Gen. Law Ch. 395 Sec. 19-28.1-1 to 19-28.1-34 (the “**Act**”). To the extent that the Franchise Agreement contains provisions that are inconsistent with the Act, the provisions are amended:

(a) **Venue**

If the Franchise Agreement requires litigation or arbitration to be conducted in a forum other than the State of Rhode Island, the requirement is void under the Act.

(b) **Governing Law**

If the Franchise Agreement requires that it be governed by a state’s law, other than the State of Rhode Island, to the extent that this law conflicts with the Act, the Act will control.

2. Each provision of this Rider is effective only to the extent that the jurisdictional requirements of the Act applicable to the provision are met independent of this Rider. This Rider has no force or effect if the jurisdictional requirements are not independently met.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

P3 COST ANALYSTS FRANCHISE, LLC:

By: _____

Title: _____

Date: _____

FRANCHISEE:

Sign: _____

Print: _____

Date: _____

**VIRGINIA RIDER TO
P3 COST ANALYSTS FRANCHISE, LLC
FRANCHISE AGREEMENT**

THIS RIDER (the “**Rider**”) is effective as of _____, 20____ (the “**Agreement Date**”), and amends the Franchise Agreement dated _____, 20____ (the “**Agreement**”), between **P3 COST ANALYSTS FRANCHISE, LLC** (“**we,**” “**us,**” “**our**” or the “**Franchisor**”) and _____ (“**you,**” “**your**” or the “**Franchisee**”).

1. Precedence and Defined Terms. This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. Initial Fees and Payments. The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer the initial franchise fee and other initial payments owed by franchisees to the franchisor in escrow until the franchisor has completed its pre-opening obligations under the franchise agreement at which time the initial franchise fee shall be due and owing to us and paid by you.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

P3 COST ANALYSTS FRANCHISE, LLC:

FRANCHISEE:

By: _____

Sign: _____

Title: _____

Print: _____

Date: _____

Date: _____

WASHINGTON RIDER TO FRANCHISE AGREEMENT

THIS RIDER (the “**Rider**”) is effective as of _____, 20____ (the “**Agreement Date**”), and amends the Franchise Agreement dated _____, 20____ (the “**Agreement**”), between **P3 COST ANALYSTS FRANCHISE, LLC** (“**we,**” “**us,**” “**our**” or the “**Franchisor**”) and _____ (“**you,**” “**your**” or the “**Franchisee**”).

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal rights of your Franchise. There may also be court decisions that may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal by us.

2. In any arbitration involving a franchise purchased in Washington, the arbitration site must be either in the State of Washington, or in a place mutually agreed upon when the dispute arises, or as determined by the arbitrator.

3. Upon a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW prevails.

4. A release or waiver of rights you sign will not include rights under the Washington Franchise Investment Protection Act except when signed as part of a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions that unreasonably restrict or limit the statute of limitations period for claims under the Act or the right to a jury trial or other similar waivers of rights specifically granted under the Act are not be enforceable.

5. Transfer fees are collectable to the extent that they may reflect our reasonable estimated or actual costs in effecting a transfer.

6. If the Franchise Agreement contains a choice of law provision applying a state law which conflicts with the Washington Franchise Investment Protection Act shall control.

Intending to be bound, you and we sign and deliver this Rider in 2 counterparts effective on the Agreement Date, regardless of the actual date of signature.

P3 COST ANALYSTS FRANCHISE, LLC:

FRANCHISEE:

By: _____

Sign: _____

Title: _____

Print: _____

Date: _____

Date: _____

EXHIBIT C

OPERATING MANUAL TABLE OF CONTENTS

P3 Cost Analysts Franchise Operations Manual

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CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION, NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HERIN IS TRUE, COMPLETE AND NOT MISLEADING.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION, ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW.DFPI.CA.GOV.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR.

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

Item 3 of the Disclosure Document is amended to add:

The franchisor, and the persons and franchise brokers listed in Item 2 of the Disclosure Document are not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

Item 17 of the Disclosure Document is amended to add:

You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et. Seq.).

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The franchise agreement requires application of the laws of the State of Arkansas. This provision may not be enforceable under California law.

The franchise agreement contains forum selection provisions requiring mediation and arbitration be conducted in Washington County, Arkansas, and any suits must be filed in the state or federal courts located in Washington County, Arkansas. These provisions may not be enforceable under California law.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

The franchise agreement requires binding arbitration. The arbitration will occur in Washington County, Arkansas with the costs being borne equally by the parties. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as the Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281 and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement contains waivers of punitive damages and jury trial provisions. These provisions may not be enforceable under California law.

Each owner of the franchise is required to execute a personal guaranty. Doing so could jeopardize the marital assets of non-owner spouses domiciled in community property states such as California.

HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

THESE FRANCHISES WILL BE (OR HAVE BEEN) FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST. A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Item 17 of the Disclosure Document is amended to add:

You must sign a general release if you renew or transfer your franchise. The Hawaii Franchise Investment Law voids a waiver of your rights under the Franchise Investment Law. Any provisions in the franchise agreement for the release of the franchisor from liability imposed under the Franchise Investment Law or accompanying regulations is unenforceable.

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

Special Risks to Consider About *This* Franchise

YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS. YOUR INABILITY TO MAINTAIN THESE LEVELS MAY RESULT IN LOSS OF TERRITORIAL RIGHTS, TERMINATION OF YOUR FRANCHISE, AND LOSS OF YOUR INVESTMENT.

Illinois law governs the Franchise Agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

For franchises and franchisee subject to the Maryland Franchise Registration and Disclosure Law, the following information replaces, supplements and/or otherwise amends, as the case may be, the corresponding disclosures in the main body of the text of the P3 Cost Analysts Franchise Disclosure Document:

Item 5.

Based on the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payment owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement.

Item 17.

Pursuant to COMAR 02.02.08.16L, the general release required as a condition to renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

With respect to this Item's discussion of our right to terminate you upon your bankruptcy, this provision in the Franchise Agreement may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq.*).

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of a franchise.

Exhibit I

With respect to the Franchisee Questionnaire/Compliance Certification, all representations requiring prospective franchisees to assent to a release, estoppel or waiver of any liability are not intended to nor shall they as act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

- Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchiser from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchiser will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases):
 - that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and
 - that consent to the transfer of the franchise will not be unreasonably withheld.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchiser will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J). Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.
- No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Special Risks to Consider About *This* Franchise

THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.

YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS. YOUR INABILITY TO MAINTAIN THESE LEVELS MAY RESULT IN LOSS OF ANY TERRITORIAL RIGHTS YOU ARE GRANTED, TERMINATION OF YOUR FRANCHISE, AND LOSS OF YOUR INVESTMENT.

NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of ITEM 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in ITEM 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, state, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any business activity as a result of an action

brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of ITEM 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of ITEM 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of ITEM 17(c), titled **“Requirements for franchisee to renew or extend,”** and ITEM 17(m), entitled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of ITEM 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of ITEM 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NEW YORK MATERIAL FACT STATEMENT

WE REPRESENT THAT THIS OFFERING PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF MATERIAL FACT

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

The North Dakota Securities Commissioner has held the following to be unfair, unjust or inequitable to North Dakota franchisees (North Dakota Century Code Section 51-19-09):

1. **Restrictive Covenants:** Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.
2. **Situs of Arbitration Proceedings:** Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
3. **Restrictions on Forum:** Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
4. **Liquidated Damages and Termination Penalties:** Requiring North Dakota franchisees to consent to liquidated damages or termination penalties. Any provision in the Disclosure Document and Franchise Agreement requiring the franchisee to consent to liquidated damages is hereby deleted.
5. **Applicable Laws:** Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.
6. **Waiver of Trial by Jury:** Requiring North Dakota Franchises to consent to the waiver of a trial by jury. Any provision in the Disclosure Document and Franchise Agreement requiring the franchisee to consent to a waiver of trial by jury is hereby deleted.
7. **Waiver of Exemplary & Punitive Damages:** Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.
8. **General Release:** Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.
9. **Limitation of Claims:** Franchise Agreements that require the franchisee to consent to a limitation of claims within one year. The provision is hereby amended to state the statute of limitations under North Dakota law applies.
10. **Enforcement of Agreement:** Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.
11. **No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.**

RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT

Item 17.v. and 17.w. is amended to add the following:

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

Special Risks to Consider About *This* Franchise

THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.

YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS. YOUR INABILITY TO MAINTAIN THESE LEVELS MAY RESULT IN LOSS OF ANY TERRITORIAL RIGHTS YOU ARE GRANTED, TERMINATION OF YOUR FRANCHISE, AND LOSS OF YOUR INVESTMENT

The following sentence is added to Item 5 and the end of Section 5.A of the Franchise Agreement:

The Virginia State Corporation Commission Division of Securities and Retail Franchising requires us to defer payment of the Initial Franchise Fee and other initial payments owed by franchisees to the franchisor until the Franchisor has completed its pre-opening obligations under the franchise agreement.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, this Disclosure Document for P3 Cost Analysts Franchise LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17.h.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT

The State of Washington has a Statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

The following replaces the language in the “Summary” column of Item 17(d), titled “Termination by franchisee”:

You may terminate the franchise agreement under any grounds permitted by law.

Item 17.v. is amended to add the following:

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

Item 17.w. is amended to add the following:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

Items 17.c. and 17.m are amended to add the following:

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel.

Item 17.m. is amended to add the following:

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

EXHIBIT E

ROSTER OF CURRENT AND FORMER FRANCHISEES
AS OF DECEMBER 31, 2023

ROSTER OF CURRENT AND FORMER FRANCHISEES

(a) **Operational Franchisees.** The following are the names, addresses and telephone numbers or email address of all franchisees as of December 31, 2022, who are operational:

Alabama:

N4 Investments, Inc.	2078 Greenside Way Hoover, AL 35226	toddnevill@yahoo.com
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Arkansas:

Franchise #1, LLC	7618 Worth Avenue East Benton, AR 72019	chris@costanalysts.com
Salerno Industries LLC	2 Topin Court Little Rock, AR 72223	bsalerno@costanalysts.com

Connecticut:

SC Advisory Services, LLC	999 Bronson Road Fairfield, CT 06824	scasey@costanalysts.com
Turning Points Consulting, Ltd.	431 Old Poverty Road Southbury, CT 06488	ebettigole@costanalysts.com

Delaware:

Cost Reduction Services, LLC	30782 Iron Branch Road Dagsboro, DE 19939	mredington@costanalysts.com
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Florida:

ACR Auditing, LLC	2199 Arnold Palmer Drive Titusville, FL 32796	dhatoum@acrsolutionsllc.com
Terry McGovern Enterprises, LLC	130 Barbados Drive Ponte Vedra, FL 32081	tmcgovern@costanalysts.com
G3 Analyst Group	9317 Cerulean Drive Unit 206 Riverview, FL 33578	rgomez@costanalysts.com

Georgia:

Cost Reduction Analysts of Atlanta, Inc.	4651 Sweetwater Avenue Powder Springs, GA 30127	skoven@costanalysts.com
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Total Cost Advocates	P.O. Box 804 Ellijay, GA 30540	shood0228@gmail.com
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Idaho:

<u>SAH Cost Reduction Solutions LLC</u>	<u>6700 N Linder Rd, Ste 156A-176 Meridian ID 83646</u>	<u>shecht@costanalysts.com</u>
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Illinois:

MGSE Consultants LLC	2565 Riverwoods Road Riverwoods, IL 60015	erossini@costanalysts.com
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Kentucky:

Arave Business Analyst	14012 Crossbranch Court Louisville, KY 40245	sarave@costanalysts.com
Johnson Expense Management, LLC	2520 Saratoga Drive Louisville, KY 40205	djohnson@costanalysts.com

Louisiana:

KW Group, LLC	1 Holly Lane Covington, LA 70433	kwilliamson@costanalysts.com
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Maryland:

WJBL Industries LLC	12213 Eagles Nest Court #A Germantown, MD 20874	wlamb@costanalysts.com
LML Holding, LLC	2101 Hideaway Court Annapolis, MD 21401	larrymlevine@hotmail.com

Michigan:

DLV Ventures	2025 Talamore Court SE Grand Rapids, MI 49546	dvorce@costanalysts.com
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Missouri:

JE Advisors, Inc.	308 Northmoor Drive Ballwin, MO 63011	jefken@costanalysts.com
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Nebraska:

Lukehart Family Enterprises, LLC	4833 N 20th Street Lincoln, NE 68521	pilotluke@hotmail.com
Lukehart Family Enterprises, LLC	4833 N 20th Street Lincoln NE 68521	slukehart@costanalysts.com

New Hampshire:

Profit Gains, LLC	26 Nottingham Road Windham, NH 03087	rhigginsnh@gmail.com
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New Jersey:

HSMS Consulting LLC	18 Mountain Avenue Rockaway, NJ 07866	hsislin@costanalysts.com
P3 NYC LLC	565 Warwick Avenue Teaneck, NJ 07666	bblumenthal@costanalysts.com

New York:

JMR Business Enterprises LLC	101B Deer Run Drive Hudson Falls, NY 12839	mroberts@costanalysts.com
Louis Caracappa Consulting LLC	5 Buckbee Place Katonah, NY 10536	lcaracappa@costanalysts.com

Ohio:

JM Consulting Services, LLC	7501 Hickory Valley Drive Maumee, OH 43537	jmorrisn@costanalysts.com
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Oklahoma:

Yearous Consulting and Auditing, LLC	2021 Smoky Hollow Rd Edmond, Oklahoma 73013	jenyearous@gmail.com
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Pennsylvania:

Commonwealth Consulting	93 E. Center Avenue Newtown, PA 18940	cippolito@costanalysts.com
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South Carolina:

DPH Holdings, LLC	109 Kincade Drive Simpsonville, SC 29681	dhoughton@costanalysts.com
Expense Recovery Analysts, LLC	3459 O'Neal Church Road Greer, SC 29651	shannon@costanalysts.com
Cost Reduction Concepts LLC	4019 Turnberry Place Florence, SC 29501	rstephens@costanalysts.com

Tennessee:

Sevensite Corporation 401k Plan	2653 Paddock Park Drive Thompson's Station, TN 37179	cdavis@costanalysts.com
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Texas:

Erickson-Lynn Analytics, LLC	1705 Carmel Drive Plano, TX 75075	kmcjunkin@costanalysts.com
Berlinco, LLC	1209 Wind Ridge Drive El Paso, TX 79912	jill.berlinski@costanalysts.com

Utah:

Cost Audit Solutions LLC	11850 S. Poultry Drive Draper, UT 84020	elister@costanalysts.com
Mountainview Consulting, LLC	1364 W. Stillwater Drive R3017 Heber City, UT 84032	martinelli@costanalysts.com
Goodwill Consulting Corporation	14656 S Rose Creek Lane Herriman UT 84096	sgoodwill@costanalysts.com

Virginia:

Chavis Cost Analysts, LLC	1501 Blach Drive #202 Leesburg, VA 20195	bchavis@costanalysts.com
TP Audits, LLC	2225 N. Tuckahoe Street Arlington, VA 22205	tpence@costanalysts.com
Cost Reduction Professionals, LLC	1 Tallwood Trail Palmyra, VA 22963	deangelisjc@g.cofc.edu

Washington:

SWW Enterprises, LLC	920 Willow Street Sumner, WA 98390	wdw.work@gmail.com
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Wisconsin:

Between2Whistles, LLC	215 W. Maple Street Apr 312 Milwaukee, WI 53204	hrusso@costanalysts.com
Expense Reduction Consultants, LLC	37908 Atkins Knoll Road Oconomowoc, WI 53066	mtheile@costanalysts.com

(b) **Franchises Executed But Not Yet Operational.** The following are the names, addresses and telephone numbers of all franchisees as of December 31, 2022, who are not yet operational but have signed a Franchise Agreement:

None.

(c) **Former Franchisees.** The following are the names, last known home addresses and home telephone numbers of all franchisees that have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the most recently completed fiscal year (January 1, 2022 to December 31, 2022) or who have not communicated with us within 10 weeks of the effective date of this Franchise Disclosure Document:

FJ Hagan Enterprises	4801 S. University Drive #131 Davie, FL 33328	fhagan@costanalysts.com
Brand Cost Solutions LLC	39571 Greenview Place Apt 8 Plymouth, MI 48170	sbrandemuehl@costanalysts. com

EXHIBIT F
FINANCIAL STATEMENTS

P3 Cost Analysts Franchise, LLC

**Financial Statements with Report of Independent Auditors
December 31, 2023 and December 31, 2022**

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Report of Independent Auditors

To the Members of
P3 Cost Analysts Franchise, LLC:

Opinion

We have audited the accompanying financial statements of P3 Cost Analysts Franchise, LLC, a limited liability company, which comprise the balance sheets as of December 31, 2023 and December 31, 2022, and the related statements of operations, changes in members' capital and cash flow for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and December 31, 2022, and the results of its operations and its cashflows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after April 9, 2024.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

DA Advisory Group PLLC

Troy, MI
April 9, 2024

P3 Cost Analysts Franchise, LLC
BALANCE SHEETS
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 743,013	\$ 953,144
Accounts receivable, net of allowance of \$30,037 and \$20,083	503,932	526,540
Other current assets	1,073	1,073
Deferred franchise acquisition costs, current	<u>72,741</u>	<u>95,714</u>
Total current assets	1,320,758	1,576,471
Noncurrent assets:		
Deferred franchise acquisition costs, long-term	<u>119,326</u>	<u>131,909</u>
Total noncurrent assets	119,326	131,909
Total assets	<u><u>\$ 1,440,084</u></u>	<u><u>\$ 1,708,380</u></u>
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 113,657	\$ 15,743
Credit card	10,181	-
Accrued liabilities	258,033	272,459
Due to parent	-	118,973
Deferred franchise revenue, current	<u>82,769</u>	<u>112,568</u>
Total current liabilities	464,641	519,743
Noncurrent liabilities:		
Deferred franchise revenue, long-term	<u>106,466</u>	<u>153,275</u>
Total noncurrent liabilities	106,466	153,275
Total liabilities	<u>571,106</u>	<u>673,018</u>
Members' equity	<u>868,978</u>	<u>1,035,362</u>
Total liabilities and members' equity	<u><u>\$ 1,440,084</u></u>	<u><u>\$ 1,708,380</u></u>

see accompanying notes

P3 Cost Analysts Franchise, LLC
STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
REVENUE		
Franchise revenues	\$ 169,061	\$ 429,922
Audit revenue	4,031,432	2,404,634
Other revenues	80,543	59,219
Total revenue	4,281,036	2,893,775
OPERATING EXPENSES		
Selling and administrative expenses	3,148,803	2,538,188
OTHER INCOME		
Interest income	25,970	2,425
Other income	8,000	11,640
Change in estimate	-	171,611
Net other income	33,970	185,676
Net income	\$ 1,166,203	\$ 541,263

see accompanying notes

P3 Cost Analysts Franchise, LLC
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
For the Years Ended December 31, 2023 and 2022

	<u>Total Members' Equity</u>
BALANCE, DECEMBER 31, 2021	\$ 494,098
Capital contributions	-
Capital distributions	-
Net income	<u>541,263</u>
BALANCE, DECEMBER 31, 2022	<u>\$ 1,035,361</u>
Capital contributions	-
Capital distributions	(1,332,586)
Net income	<u>1,166,203</u>
BALANCE, DECEMBER 31, 2023	<u>\$ 868,978</u>

see accompanying notes

P3 Cost Analysts Franchise, LLC
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 1,166,203	\$ 541,263
Change in:		
Accounts receivable	22,608	(246,301)
Deferred franchise costs	35,556	802,376
Other current assets	-	(1,073)
Accounts payable	108,096	8,285
Accrued liabilities	(14,426)	190,137
(Decrease) in due to parent	(118,973)	(40,534)
(Decrease) in deferred franchise revenue	(76,608)	(914,272)
Net cash provided by operating activities	<u>1,122,456</u>	<u>339,881</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used by investing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Partner capital distributions	<u>(1,332,586)</u>	<u>-</u>
Net cash provided by financing activities	<u>(1,332,586)</u>	<u>-</u>
Net change in cash and cash equivalents	\$ (210,131)	\$ 339,881
Cash and cash equivalents at beginning of year	<u>953,144</u>	<u>613,262</u>
Cash and cash equivalents at end of year	<u>\$ 743,013</u>	<u>\$ 953,144</u>
Total cash and cash equivalents	<u>\$ 743,013</u>	<u>\$ 953,144</u>

see accompanying notes

P3 Cost Analysts Franchise, LLC
Notes to the Financial Statements
December 31, 2023 and 2022

1. THE COMPANY

P3 Cost Analysts Franchise, LLC (“Company”) was formed on September 9, 2018, (Inception) in the State of Arkansas as a limited liability company. The Company grants franchises to qualified persons wishing to operate their own cost reduction consulting business. The franchised business will operate under the trade name and service mark P3 Cost Analysts™ and other trade names as designated by the Company. The franchised business will operate in a prescribed area.

The Company’s parent is Old Arkana, Inc. (“Parent”) is an Arkansas corporation. The Parent owns and operates one business similar to the franchised business. Parent has granted the Company the unrestricted right to license the Propriety Marks to the Company’s franchisees.

The following table summarizes the number of executed franchise agreements for the years ended December 31, 2023 and 2022.

	2023	2022
Agreements, beginning	45	35
Agreements signed	1	10
Agreements terminated	0	0
Agreements, ending	46	45
Franchise agreements	45	44
Affiliate owned locations	1	1

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The accompanying financial statements have been prepared under the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

Concentration of Credit Risk – Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Advertising Costs - The Company expenses advertising costs as incurred. Advertising expenses for the years ended December 31, 2023 and 2022 was \$147,746 and \$102,373 respectively.

P3 Cost Analysts Franchise, LLC
Notes to the Financial Statements
December 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable – Accounts receivable arise in the normal course of business through franchise sales and royalties earned. Timing of revenue recognition may be different from the timing of invoicing to customers. The Company records accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized after invoicing. Management evaluates individual customers' receivables considering their financial condition, credit history and current economic conditions.

Accounts receivables are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received. The Company had bad debt expense of \$42,747 and \$5,163 for the years ended December 31, 2023 and 2022 respectively. The Company had an allowance for doubtful accounts as of December 31, 2023 and 2022 of \$30,037 and \$20,083 respectively.

Use of Estimates – Preparation of the Company's financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes – The members of the Company has elected to be taxed as a Disregarded Entity under the provisions of the Internal Revenue Code. Under those provisions, taxable income and losses of the Company are reported on the income tax returns of its member and no provisions for federal or state franchise taxes have been recorded on the accompanying balance sheet.

The Company adopted ASC 740-10-25-6 "Accounting for Uncertainty in Income Taxes", that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold upon examination by taxing authorities.

Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements or that would affect the Company's member. The Company's evaluation was performed for the years ended December 31, 2023 and 2022 for U.S. Federal Income Tax and the State of Arkansas Income Tax.

Franchise Fee and Audit Fee Revenue Recognition – Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation and

P3 Cost Analysts Franchise, LLC
Notes to the Financial Statements
December 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee. The remainder of performance obligations represent a single performance obligation and are recognized over the term of the respective franchise agreement from the date the agreement is executed. Unearned initial fee revenues from franchisee acquisition and acceptance will be recorded as deferred revenue and recognized as revenue over the term of the contract which is ten years.

Audit fee revenue consists of a service fee (generally 25-27.5%) and an administration fee (generally 5%), collectively the audit revenue, of gross savings on each audit performed. Using the centralized billing system, the Company invoices the client and records the fees as audit revenue. The remaining amount is recorded as payable and is paid the following month.

Fair Value of Financial Instruments – For the Company’s financial instruments which consist of cash and cash equivalents the carrying amounts approximate fair value due to their short maturities.

Change in Accounting Estimates – As discussed above, franchise fee revenue and the associated costs are recognized over time. In 2022, the Company adjusted the assumptions used in the calculation and recognition of franchise fee revenue and the associated costs.

Previously, the Company would recognize a portion of the initial franchise fee based on costs associated to that sale, which resulted in a large accruing balance in asset account of deferred acquisition cost and liability account of deferred revenue.

The Company analyzed each contract and performed an analysis of the market value of the services provided to franchisees on an ongoing basis. The value assessed was then used to recalculate the balance of deferred franchise fees and also the associated costs, proportionate to the revenue earned. The updated calculation created an acceleration of revenue and costs recognized and a positive impact to the financials of \$185,676 for the year ended December 31, 2022.

3. CONTRACT BALANCES

The Company recorded an asset for unrecognized expenses and a liability for unearned revenue associated with the performance obligation of the Company’s franchise agreements. The account balances and activity are as follows for the years ended December 31:

P3 Cost Analysts Franchise, LLC
Notes to the Financial Statements
December 31, 2023 and 2022

3. CONTRACT BALANCES (CONTINUED)

Deferred Franchise Costs:

	2023	2022
Deferred franchise costs - beginning	\$ 227,623	\$ 1,029,999
Change in accounting estimate (see Note 1)	-	(924,583)
Increase in franchise costs	51,718	468,668
Amortization of franchise acquisition costs	(87,274)	(346,461)
Deferred franchise costs - ending	\$ 192,067	\$ 227,623
Less: current portion	72,741	95,714
Deferred franchise costs, long-term portion	\$ 119,326	\$ 131,909

Deferred Franchise Revenue:

	2023	2022
Deferred revenue - beginning	\$ 265,844	\$ 1,180,115
Change in accounting estimate (see Note 1)	-	(955,349)
Franchise fees	59,500	471,000
Franchise fees amortized	(136,109)	(429,922)
Deferred revenue - ending	\$ 189,235	\$ 265,844
Less: current portion	82,769	95,714
Deferred franchise revenue, long-term portion	\$ 106,466	\$ 170,130

Disaggregation of Revenues – Disaggregated revenues based on the satisfaction of performance obligations in the Company’s contracts with franchisees for the years ended December 31 is as follows:

	2023	2022
<i>Disaggregation of Revenues</i>		
Obligations satisfied at a point in time	\$ 4,091,801	\$ 2,463,853
Obligations satisfied through passage of time	189,234	429,922
Total revenues	\$ 4,281,036	\$ 2,893,775

P3 Cost Analysts Franchise, LLC
Notes to the Financial Statements
December 31, 2023 and 2022

4. RELATED PARTY TRANSACTIONS

The Parent pays some of the expenses of the Company which can result in amounts payable to the Parent. The amounts paid for, but not yet repaid, are recorded as a liability on the balance sheet. The Company had balances due to Parent of \$0 and \$118,973 for the years ended December 31, 2023 and 2022 respectively.

5. COMMITMENTS AND CONTINGENCIES

The Company has an agreement in place with a related party for that related party to provide to the Company certain management and sales assistance as well as numerous other types of assistance including management of the Company's operations while we begin executing our business plan and prepare for the rapid future growth that management expects. The agreement provides for certain fees to be paid to the related party in exchange for its time and expertise. The agreement can be cancelled by either party with ninety (90) days written notice.

6. SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 9, 2024, which is the date the financial statements were available to be issued. No significant events or transactions were identified that would require adjustment to the financial statements or disclosure.

P3 COST ANALYSTS FRANCHISE, LLC

FINANCIAL REPORT

AS OF DECEMBER 31, 2021



P3 COST ANALYSTS FRANCHISE, LLC

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Independent Auditor's Report

To the Member
P3 Cost Analysts Franchise, LLC
Springdale, Arkansas

Report on the Financial Statements

We have audited the accompanying balance sheets of P3 Cost Analysts Franchise, LLC as of December 31, 2021 and 2020 and the related statements of operations, member's equity and cash flows for the years ended December 31, 2021, 2020 and 2019 and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of P3 Cost Analysts Franchise, LLC as of December 31, 2021 and 2020 and the results of their operations and their cash flows for the years ended December 31, 2021, 2020 and 2019 in accordance with accounting principles generally accepted in the United States of America.

Reese CPA LLC

Thornton, Colorado
April 14, 2022

P3 COST ANALYSTS FRANCHISE, LLC
BALANCE SHEETS
AT DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS:		
CURRENT ASSETS		
Cash and equivalents	\$ 613,262	\$ 737,050
Accounts receivable, net of allowance for doubtful accounts of \$31,493 and \$31,493	280,239	200,635
Deferred franchise acquisition costs, current portion	117,638	184,917
TOTAL CURRENT ASSETS	1,011,139	1,122,602
NON-CURRENT ASSETS		
Deferred franchise acquisition costs, non-current portion	912,361	580,831
TOTAL ASSETS	\$ 1,923,500	\$ 1,703,433
LIABILITIES AND MEMBER'S EQUITY:		
CURRENT LIABILITIES		
Accounts payable	\$ 7,458	\$ 37,385
Accrued liabilities	82,322	69,835
Due to parent	159,507	78,654
Deferred franchise revenue, current portion	134,893	217,001
TOTAL CURRENT LIABILITIES	384,180	402,875
NON-CURRENT LIABILITIES		
Deferred franchise revenue, non-current portion	1,045,222	695,859
TOTAL LIABILITIES	1,429,402	1,098,734
MEMBER'S EQUITY	494,098	604,699
TOTAL LIABILITIES AND MEMBER'S EQUITY	\$ 1,923,500	\$ 1,703,433

The accompanying notes are an integral part of these financial statements.

P3 COST ANALYSTS FRANCHISE, LLC
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>
REVENUES			
Franchise revenues	\$ 227,745	\$ 153,961	\$ 11,577
Audit fees	1,444,196	1,136,515	689,059
Other revenues	42,562	20,805	8,315
	<u>1,714,503</u>	<u>1,311,281</u>	<u>708,951</u>
OPERATING EXPENSES			
Franchise-related costs	317,843	146,429	11,577
Payroll	1,179,605	550,789	344,433
Advertising and promotion	69,169	83,215	49,365
General and administrative	174,174	164,606	71,050
Professional fees	88,861	28,998	30,822
	<u>1,829,652</u>	<u>974,037</u>	<u>507,247</u>
OPERATING (LOSS) INCOME	(115,149)	337,244	201,704
OTHER INCOME			
Interest income	638	3,586	1,314
Other income	3,910	10,873	-
	<u>4,548</u>	<u>14,459</u>	<u>1,314</u>
NET (LOSS) INCOME	<u>\$ (110,601)</u>	<u>\$ 351,703</u>	<u>\$ 203,018</u>

The accompanying notes are an integral part of these financial statements.

P3 COST ANALYSTS FRANCHISE, LLC
STATEMENTS OF CHANGES IN MEMBER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019

	<u>Member Contributions</u>	<u>Accumulated Earnings</u>	<u>Total Member's Equity</u>
BALANCE, DECEMBER 31, 2018	\$ 50,000	\$ (22)	\$ 49,978
Net income	-	203,018	203,018
BALANCE, DECEMBER 31, 2019	50,000	202,996	252,996
Net income	-	351,703	351,703
BALANCE, DECEMBER 31, 2020	50,000	554,699	604,699
Net loss	-	(110,601)	(110,601)
BALANCE, DECEMBER 31, 2021	<u>\$ 50,000</u>	<u>\$ 444,098</u>	<u>\$ 494,098</u>

The accompanying notes are an integral part of these financial statements.

P3 COST ANALYSTS FRANCHISE, LLC
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020, AND 2019

	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) income	\$ (110,601)	\$ 351,703	\$ 203,018
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for bad debt	-	27,722	3,771
Recognition of deferred franchise costs	205,843	146,429	11,577
Recognition of deferred franchise revenue	(227,745)	(153,961)	(11,577)
Change in assets and liabilities			
Accounts receivable	(79,604)	(81,287)	(150,841)
Deferred franchise costs	(470,094)	(814,729)	(109,025)
Accounts payable	(29,927)	23,659	13,726
Accrued expenses	12,487	(19,229)	89,064
Due to parent	80,853	(21,598)	100,252
Deferred franchise revenue	495,000	964,273	114,125
Net cash (used in) provided by operating activities	(123,788)	422,982	264,090
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash provided by investing activities	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by financing activities	-	-	-
NET INCREASE (DECREASE) IN CASH	(123,788)	422,982	264,090
CASH, beginning of period	737,050	314,068	49,978
CASH, end of year	\$ 613,262	\$ 737,050	\$ 314,068
SUPPLEMENTAL DISCLOSURES			
Cash paid for interest	\$ -	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

P3 COST ANALYSTS FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P3 Cost Analysts Franchise, LLC (“Company”) was formed on September 9, 2018, (Inception) in the State of Arkansas as a limited liability company. The Company grants franchises to qualified persons wishing to operate their own cost reduction consulting business. The franchised business will operate under the trade name and service mark P3 Cost Analysts™ and other trade names as designated by the Company. The franchised business will operate in a prescribed area.

The Company’s parent is Old Arkana, Inc. (“Parent”) is an Arkansas corporation. The Parent owns and operates one business similar to the franchised business. Parent has granted the Company the unrestricted right to license the Proprietary Marks to the Company’s franchisees.

The following table summarizes the number of executed franchise agreements for the years ended December 31, 2021, 2020 and 2019:

	2021	2020	2019
Agreements, beginning	22	6	1
Agreements signed	15	16	5
Agreements terminated	(2)	-	-
Agreements, ending	<u>35</u>	<u>22</u>	<u>6</u>
Franchise agreements	34	21	5
Affiliate owned locations	1	1	1

A summary of significant accounting policies follows:

Use of Estimates

Preparation of the Company’s financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents. The Company had no cash equivalents as of December 31, 2021 and 2020.

P3 COST ANALYSTS FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable arise in the normal course of business through franchise sales and royalties earned. Timing of revenue recognition may be different from the timing of invoicing to customers. The Company records an accounts receivable when revenue is recognized prior to invoicing, or unearned revenue when revenue is recognized after invoicing. Management evaluates individual customer's receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off if deemed uncollectible and recoveries of accounts receivable previously written off are recorded as income when received. The Company had bad debt expense of \$40,811, \$33,204, and \$5,687 for the years ended December 31, 2021, 2020 and 2019. The Company had an allowance for doubtful accounts as of December 31, 2021 and 2020 of \$31,493 and \$31,493 respectfully.

Property, Plant & Equipment

The Company has adopted ASC 360 – Property, Plant and Equipment. Property and equipment are stated at historical cost. Depreciation is provided using straight-line method based on the estimated useful lives of the related assets (generally three to seven years). The Company did not have property, plant & equipment at December 31, 2021 and 2020.

Intangible Assets

The Company has adopted ASC 350, Intangibles – Goodwill and Other that requires that goodwill and intangible assets with indefinite lives (such as franchise development cost) no longer be amortized to earnings but be tested for impairment at least annually. Intangible assets with finite lives are amortized over their estimated useful lives. The useful life of an intangible asset is the period over which it is expected to contribute directly or indirectly to future cash flows. Intangible assets with finite lives are reviewed for impairment if events or changes in circumstances indicate that the carrying value might not be recoverable. The Company did not have intangible assets as of December 31, 2021 and 2020.

Income Taxes

The member of the Company has elected to be taxed as a Disregarded Entity under the provisions of the Internal Revenue Code. Under those provisions, taxable income and losses of the Company are reported on the income tax returns of its member and no provisions for federal or state franchise taxes have been recorded on the accompanying balance sheet.

The Company adopted ASC 740-10-25-6 “Accounting for Uncertainty in Income Taxes”, that requires the Company to disclose uncertain tax positions. Under the standard an entity may only recognize or continue to recognize tax positions that meet a “more likely than not” threshold upon examination by taxing authorities. Based on its evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in its financial statements or that would affect the Company's member. The Company's evaluation was performed for the years ended December 31, 2021, 2020 and 2019 for U.S. Federal Income Tax and the State of Arkansas Income Tax.

P3 COST ANALYSTS FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Franchise Fee and Audit Fee Revenue Recognition

Each franchise agreement is comprised of several performance obligations. The Company identifies those performance obligations, determines the contract price for each obligation, allocates the transaction price to each performance obligation and recognizes revenue when the Company has satisfied the performance obligation by transferring control of the good or service to the franchisee. The remainder of performance obligations represent a single performance obligation and are recognized over the term of the respective franchise agreement from the date the agreement is executed. Unearned initial fee revenues from franchisee acquisition and acceptance will be recorded as deferred revenue and recognized as revenue over the term of the contract which is currently 10 years.

Audit fee revenue consists of a service fee (generally 25-27.5%) and an administration fee (generally 5%), collectively the audit revenue, of gross savings on each audit performed. Using the centralized billing system, the Company invoices the client and records the fees as audit revenue. The remaining amount is recorded as a payable and is paid the following month.

Advertising Costs

The Company expenses advertising costs as incurred. Advertising expense the years ended December 31, 2021, 2020 and 2019 was \$41,249, \$57,242, and \$6,831, respectively.

Fair Value of Financial Instruments

For the Company's financial instruments which consist of cash and cash equivalents the carrying amounts approximate fair value due to their short maturities.

Recently issued accounting pronouncements

The Company has adopted all recently issued Accounting Standards Updates ("ASU"). The adoption of the recently issued ASUs, including those not yet effective, is not anticipated to have a material effect on the financial position or results of operations of the Company.

P3 COST ANALYSTS FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – CONTRACT BALANCES

The Company recorded an asset for unrecognized expenses and a liability for unearned revenue associated with the performance obligation of the Company’s franchise agreements. The account balances and activity are as follows:

	2021	2020
Deferred Franchise Costs:		
Balance at beginning of year	\$ 765,748	\$ 97,448
Deferral of franchise acquisition costs	470,094	814,729
Recognition of franchise-related costs	(205,843)	(146,429)
Balance at end of year	\$ 1,029,999	\$ 765,748
Less: Current portion	117,638	184,917
Deferred franchise costs, long term portion	\$ 912,361	\$ 580,831
Deferred Franchise Revenue:		
Balance at beginning of year	\$ 912,860	\$ 102,548
Deferral of franchise revenue	495,000	964,273
Recognition of franchise revenue	(227,745)	(153,961)
Balance at end of year	\$ 1,180,115	\$ 912,860
Less: Current portion	134,893	217,001
Deferred franchise revenue, long term portion	\$ 1,045,222	\$ 695,859

Estimated Recognition of Deferred Franchise Costs and Revenues

Estimated expenses and revenues to be recognized in future periods related to deferred franchise costs and revenues as reported at December 31, 2021 is as follows:

	Costs	Revenues
Year ending December 31:		
2022	\$ 117,638	\$ 134,893
2023	117,638	134,893
2024	117,638	134,893
2025	117,638	134,893
2026	117,638	134,893
Thereafter	441,809	505,650
	\$ 1,029,999	\$ 1,180,115

P3 COST ANALYSTS FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – CONTRACT BALANCES (CONTINUED)

Disaggregation of Revenues

Disaggregated revenues based on the satisfaction of performance obligations in the Company's contracts with franchisees for the years ended December 31 is as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Obligations satisfied at a point in time	\$ 1,486,758	\$ 1,157,230	\$ 697,374
Obligations satisfied through the passage of time	227,745	153,961	11,577
Total revenues	<u>\$ 1,714,503</u>	<u>\$ 1,311,281</u>	<u>\$ 708,951</u>

NOTE 3 – RELATED PARTY TRANSACTIONS

The Parent pays some of the expenses of the Company which can result in amounts payable to the Parent. The amounts paid for, but not yet repaid, are recorded as a liability on the balance sheet. The Company had balances due to Parent of \$159,507 and \$78,654 for the years ended December 31, 2021 and 2020, respectively.

During the years ended December 31, 2021, 2020 and 2019, respectively, the Parent paid expenses of \$1,310,555, \$694,486 and \$309,924 on behalf of the Company

NOTE 4 – COMMITMENTS AND CONTINGENCIES

Litigation

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

NOTE 5 - SUBSEQUENT EVENTS

Date of Management's Evaluation

Management has evaluated subsequent events through April 14, 2022, the date on which the financial statements were available to be issued.

EXHIBIT G

GENERAL RELEASE

GENERAL RELEASE

This General Release (“General Release”) is made and entered into by _____ (the “Franchisee”) on this ____ day of _____, 20__.

A. Franchisee had previously been established as a franchisee under the P3 Cost Analysts® franchise system pursuant to a Franchise Agreement executed by Franchisee and P3 Cost Analysts® Franchise, LLC (the “Franchisor”) dated as of _____ (the “Original Franchise Agreement”).

B. The Franchisee currently proposes to renew its franchise relationship with the Franchisor under a new Franchise Agreement.

C. As required under the Original Franchise Agreement, Franchisee is obligated to enter into this Release in connection with a renewal thereof.

D. The Franchisee acknowledges that it understands the effect of this Release to disallow any claims by it for actions taken by the Franchisor in connection with the Original Franchise Agreement and further acknowledges and agrees that the Franchisor already has paid, or provided the Franchisee with, all of the obligations and benefits that the Franchisee was owed under the Original Franchise Agreement.

1. **Release.** In accordance with the Original Franchise Agreement and to induce execution by the Franchisor of the new Franchise Agreement and acceptance of the terms set forth therein, the Franchisee with the intent of binding itself and its successors, affiliates, heirs, assigns, attorneys, and principal owners, hereby releases and forever discharges the Franchisor and its parents, affiliates, subsidiaries, divisions, successors and assigns, and other related companies and each of their officers, directors, shareholders, affiliated Franchisees, agents, and representatives of any kind (collectively, “Released Parties”) from and against any and all liabilities, claims, grievances, demands, charges, actions and causes of action whatsoever which first arose prior to and through the date on which this Release becomes effective, including but not limited to, any and all claims arising under or pursuant to any constitution, common law, statute, regulation, executive order or ordinance (and specifically from and against any and all liabilities, claims, grievances, demands, charges, actions and causes of action whatsoever related to the Original Franchise Agreement). In addition, the Franchisee expressly waives the benefit of any statute or rule of law that, if applied to this Release, would otherwise exclude from its binding effect any claims not known by the Franchisee to exist. The Franchisee also agrees that the Franchisee will not institute any claims for damages or for other relief by charge or otherwise, nor will the Franchisee authorize, encourage, or induce any other person or entity, governmental or otherwise, to enter into any claim for damages or for other relief via administrative or legal proceedings against the Released Parties for any such claims.

2. **Consideration Period.** The Franchisee acknowledges that the Franchisee has been given the opportunity to consider this Release for at least 14 days before its execution.

3. **Knowing and Voluntary Waiver.** The Franchisee agrees and acknowledges that: (a) no promise or inducement for this Release has been made to the Franchisee except as set forth herein; (b) this Release is executed by the Franchisee freely and voluntarily and without reliance upon any statement or

representation by the Franchisor or anyone acting on its behalf other than as set forth herein; (c) the Franchisee has read and fully understands this Release and the meaning of its provisions; (d) the Franchisee is legally competent to enter into this Release and understands the meaning of Franchisee's responsibility therefore; (e) Franchisee has been given sufficient time to consider this Release and its terms; and (f) Franchisee has been advised to consult with an attorney prior to entering into this Release.

IN WITNESS WHEREOF, the Franchisee hereby executes this Release.

FRANCHISEE

By _____

Date _____

EXHIBIT H

ASSIGNMENT AND ASSUMPTION OF FRANCHISE AGREEMENT

ASSIGNMENT AND ASSUMPTION OF FRANCHISE AGREEMENT

This ASSIGNMENT AND ASSUMPTION OF FRANCHISE AGREEMENT (this “Assignment”) is executed and delivered as of _____, 20____, by and between Franchisee, _____ individually, and/or _____, (“Assignor”), and _____, individually, and/or _____, Corporation (“Assignee”).

WHEREAS, Assignor and P3 Cost Analysts Franchise, LLC (“Franchisor”) entered into that certain Franchise Agreement (the “Franchise Agreement”), dated as of _____, pursuant to which Franchisor granted Assignor the right and license to operate a franchise in accordance with the terms and conditions stated therein;

WHEREAS, the Franchise Agreement permits Assignor to assign the Franchise Agreement provided that Franchisor consents to such transfer and certain specified conditions are satisfied.

NOW, THEREFORE, in consideration of the promises, undertakings and commitments set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows.

1. Recitals. The Recitals set forth above are true and correct and are incorporated herein as if set forth herein.

2. Assignment of Franchise Agreement. Assignor does hereby sell, assign, transfer, convey, set over and confirm, to Assignee, its successors and assigns, to have and to hold forever, all of Assignor’s right, title and interest of every kind and character whatsoever in, to or with respect to the Franchise Agreement, and Assignee hereby accepts the assignment of the Franchise Agreement.

3. Assumption of Franchise Agreement. Assignee does hereby assume the Franchise Agreement and agrees to perform all of the duties and obligations, and abide by all of the covenants, terms and conditions, applicable to Assignor under the Franchise Agreement. Notwithstanding the foregoing, Assignor shall (a) remain liable for all direct and indirect obligations owed to Franchisor in connection with the Franchise Agreement prior to the effective date of this Assignment; and (b) continue to comply with the nondisclosure, noncompetition and indemnification provisions set forth in the Franchise Agreement.

4. Consent to the Assignment. Franchisor by its execution below, hereby acknowledges and consents to the assignment of all of Assignor’s rights and interests under the Franchise Agreement to Assignee and the assumption by Assignee of the liabilities of the Assignor under the Franchise Agreement as set forth above; provided, however, that the foregoing consent to the assignment and assumption of the Franchise Agreement by Franchisor shall not release Assignor from any continuing liability under the Franchise Agreement.

5. Further Actions. Assignor and Assignee agree that they shall execute and deliver or cause to be executed and delivered from time to time such instruments, documents, agreements, and assurances and take such other action as any other party may reasonably require to more effectively assign and transfer to and vest in Assignee, its successors and assigns, all right, title and interest of Assignor in and to the Franchise Agreement.

6. **Miscellaneous.**

(a) **Governing Law.** This Assignment is governed by Arkansas law. The parties reconfirm and submit to venue and jurisdiction in Washington County, Arkansas.

(b) **Counterparts.** This Assignment may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document.

(c) **Binding Nature.** This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Assignment, however, may not be assigned by any party without the prior written consent of the other parties.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, this Assignment is executed as of this __ day of _____, 20__.

“Assignor”

Individually

Corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

“Assignee”

Individually

Corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

The undersigned hereby consents to the foregoing assignment:

P3 Cost Analysts Franchise, LLC, an Arkansas limited liability company,

By: _____
Name: _____
Title: _____

EXHIBIT I

P3 COST ANALYSTS ACKNOWLEDGMENT STATEMENT

P3 COST ANALYSTS ACKNOWLEDGEMENT STATEMENT

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement (or Multi-Unit Development Agreement). Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee (or developer) in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

1. Franchisee (or Developer) has conducted an independent investigation of all aspects relating to the financial, operational, and other aspects of the business of operating the Franchised Business. Franchisee (or Developer) further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee (or Developer) by Franchisor and Franchisee (or Developer) and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee (or Developer) may experience as a franchisee (or developer) under this Agreement.

Initial

2. Franchisee (or Developer) has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee (or Developer) and its efforts as an independent business operation.

Initial

3. Franchisee (or Developer) agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement (or Multi-Unit Development Agreement) and that it/she/he understands all the terms and conditions of the Franchise Agreement (or Multi-Unit Development Agreement). Franchisee (or Developer) further acknowledges that the Franchise Agreement (or Multi-Unit Development Agreement) contains all oral and written agreements, representations, and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

Initial

4. Franchisee (or Developer) has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement (or Multi-Unit Development Agreement) that are contrary to the terms of the Franchise Agreement (or Multi-Unit Development Agreement) or the documents incorporated herein. Franchisee (or Developer) acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement (or Multi-Unit

Development Agreement). Franchisee (or Developer) represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement (or Multi-Unit Development Agreement).

Initial

5. Franchisor expressly disclaims the making of, and Franchisee (or Developer) acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement (or Multi-Unit Development Agreement).

Initial

6. Franchisee (or Developer) acknowledges that Franchisor's approval or acceptance of Franchisee's (or Developer's) Business location does not constitute a warranty, recommendation, or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

Initial

7. Franchisee (or Developer) acknowledges that it has received the P3 Cost Analysts Franchise, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement (and Multi-Unit Development Agreement) and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement (or Multi-Unit Development Agreement) was executed. Franchisee (or Developer) further acknowledges that Franchisee (or Developer) has read such Franchise Disclosure Document and understands its contents.

Initial

8. Franchisee (or Developer) acknowledges that it has had ample opportunity to consult with its own attorneys, accountants, and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee (or Developer) with respect to the Franchise Agreement (or Multi-Unit Development Agreement) or the relationship thereby created.

Initial

9. Franchisee (or Developer), together with Franchisee's (or Developer's) advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement (or Multi-Unit Development Agreement).

Initial

10. Franchisee (or Developer) is aware of the fact that other present or future franchisees (or developers) of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's

obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

Initial

- 11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee’s (or Developer’s) Territory by others who may have purchased such products from Franchisor.

Initial

- 12. BY EXECUTING THE FRANCHISE AGREEMENT (OR MULTI-UNIT DEVELOPMENT AGREEMENT), FRANCHISEE (OR DEVELOPER) AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE’S (OR DEVELOPER’S) AND SUCH PRINCIPAL’S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE P3 COST ANALYSTS FRANCHISE, LLC, OLD ARKANA, INC., AND ANY OF THE ABOVE’S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES’ DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT (OR MULTI-UNIT DEVELOPMENT AGREEMENT), INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR’S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE (OR DEVELOPER).

Initial

FRANCHISEE:

PRINCIPAL:

By: _____

(Print Name)

(Print Name, Title)

Date: _____

Date: _____

PRINCIPAL:

(Print Name)

Date: _____

EXHIBIT J

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	<i>Pending</i>
Illinois	<i>Pending</i>
Indiana	<i>Pending</i>
Maryland	<i>Pending</i>
Michigan	May 17, 2023
Minnesota	<i>Pending</i>
New York	<i>Pending</i>
North Dakota	<i>Pending</i>
Rhode Island	<i>Pending</i>
South Dakota	<i>Pending</i>
Virginia	<i>Pending</i>
Wisconsin	April 29, 2023

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT K

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If P3 Cost Analysts Franchise, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If P3 Cost Analysts Franchise, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (as listed in Exhibit “A” to this Disclosure Document).

The franchisor is P3 Cost Analysts Franchise, LLC with its principal place of business at 3589 North Shiloh Drive, Suite 3, Box 44, Fayetteville, AR 72703.

Issuance Date: April 11, 2024

The name, principal business address, and telephone number of the franchise sellers offering the franchise are:

Name	Principal Business Address	Telephone Number
Aaron Stahl, Colby Ezell, Michael Nicholas	3589 N. Shiloh Drive, Suite 3, Box 44, Fayetteville, AR 72703	(877) 843-7579
Amie Hawk, Brent Seebohm, Jesse Hudson	14301 First National Parkway, Ste 312, Omaha, NE 68154	(531) 333 - 3278

I received a Disclosure Document dated April 11, 2024. The Disclosure Document included the following Exhibits:

- A State Agencies and Administrators/Agents for Service of Process
- B Form of Franchise Agreement (and Attachments)
- C Operating Manual Table of Contents
- D State Addenda to Disclosure Document
- E Roster of Current and Former Franchisees
- F Financial Statements
- G General Release
- H Assignment and Assumption of Franchise Agreement
- I Franchisee Disclosure Questionnaire
- J State Effective Dates
- K Receipts

KEEP THIS COPY FOR YOUR RECORDS.

Signature _____

Date _____

Print Name: _____



RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If P3 Cost Analysts Franchise, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

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- | | |
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| E Roster of Current and Former Franchisees | J State Effective Dates |
| | K Receipts |

Signature

Date

Print Name: _____

RETURN THIS RECEIPT TO US AT:

P3 Cost Analysts Franchise, LLC, 3589 North Shiloh Drive, Suite 3, Box 44, Fayetteville, Arkansas 72703