

The Company does not actually know of either superior prior rights or infringing uses that could materially affect your use of the Principal Marks in the state in which the franchised business is to be located.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents:

The Company does not own any patents that are material to the franchise.

Copyrights:

The Company claims common law copyright protection in the Company's advertising material (the "Copyrights"). The Company has not filed for registration of any of these Copyrights with the United States Library of Congress. There are no material determinations of the Library of Congress or any court regarding these Copyrights. There are no agreements currently in effect which limit the use of these Copyrights. The Company has no obligations to you to protect the Copyrights.

The Company is not obligated to take action when notified of an infringement of the Copyrights. The Company is not required to participate in defending you or indemnifying you for expenses or damages in a proceeding involving the Copyrights. The Company has the right to control litigation involving the Copyrights.

The Franchise Agreement imposes no requirements upon you to modify or discontinue use of the subject matter covered by the Copyright.

The Company does not know of an infringement that could materially effect you regarding the Copyrights.

Confidential Information.

The Company claims that certain of its methods, procedures and techniques are trade secrets and confidential information including the formulations of all H & H Products. Upon termination of the Franchise Agreement, you must cease to use in advertising or in any other manner any methods, procedures or techniques in which the Company has proprietary rights.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

The Franchise Agreement requires that you or a Manager/Employee employed by you and approved by us to be personally involved with the operation of the Franchised Business. We will not approve your Manager/Employee unless he or she executes a confidentiality agreement in a form we approve.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

During the term of your Franchise Agreement, you may not, without the Company's prior written approval, offer or sell through the franchised business or otherwise, any products which compete directly or indirectly with H & H Products offered to you by the Company. An H & H Product is any product the Company designates as an H & H Product and makes available for your purchase. Current H & H Products are FRUITFULL[®] fruit bars, Happy Indulgence[®] Decedent Dips[™] dessert bars, Be Happy & Healthy[®] snacks and breads. At least 2/3 of all products contained in Franchisee's freezers must, at all times, be H & H Products.

The Franchise Agreement imposes no other obligations on you to sell only goods or services approved by the Company.

The Franchise Agreement imposes no obligations on you to sell all goods and services required by the Company.

The Franchise Agreement gives the Company the right to designate H & H Products and imposes no restrictions on the Company's right to designate or change H & H Products.

The franchise is solely for the purpose of opening and servicing new accounts for H & H Products. Thus, you may not solicit sales from any account which is an existing account of another authorized seller of H & H Products fruit bars or an account that another authorized seller of H & H Products fruit bars is actively pursuing, provided that authorized seller is following the guidelines for actively pursuing accounts as stipulated in the Company's Operation Manual. If you are a Retail Franchisee, you may not solicit sales from any wholesale account without the Company's consent, which will be conditioned on your executing an agreement to be bound by all terms and conditions of Standard Wholesale Franchisees, as they may exist at the time the request is made. Finally, you may not sell H & H Products to any other distributor of frozen desserts or snack products without the Company's prior written approval, which may be withheld for any reason.

You may sell H & H Products within your assigned MSA and within a reasonable distance from the assigned MSA, provided: (i) the Company only will ship to a single cold storage facility; and (ii) you may not sell H & H Products in an MSA not assigned to you if the Company has granted the maximum allowable number of franchises for that MSA. The