

The Company has not in the past and does not currently sell, assign or discount its franchisees' notes, contracts or other instruments, but the Company reserves the right to do so in the future in the Company's sole discretion.

Item 11

FRANCHISOR'S OBLIGATIONS

Except as listed below, the Company need not provide any assistance to you.

Pre-Opening Obligations.

The Company will make available to Standard Wholesale, Grand Wholesale Franchisees and Super Grand Wholesale Franchisees the services of an independent marketing consultant who will provide the franchisees with training in the operation of an H & H Products franchised business in your Metropolitan Statistical Area ("MSA") and any surrounding areas agreed to by the Company.

For the Standard Wholesale Franchisee, the consultant will assist you in establishing contracts with 15-20 accounts in your MSA and any surrounding areas agreed to by the Company. The accounts will be a combination of freezer accounts and "conventional" (non-freezer) accounts. The amount of each type of account is determined by the Franchisee for a total of 15-20 accounts.

For the Grand Wholesale and Super Grand Wholesale Franchisee, the consultant will assist you in establishing contracts with 30-40 accounts in your MSA and any surrounding areas agreed to by the Company. The accounts will be a combination of freezer accounts and "conventional" (non-freezer) accounts. The amount of each type of account is determined by the Franchisee for a total of 30-40 accounts.

Super Grand Wholesale, Grand Wholesale and Standard Wholesale Franchisees will receive from the Company a limited supply of advertising and sales materials for use in promoting H & H Products. The Company may charge a fee for quantities which exceed its current standard allotment for Franchisees (Franchise Agreement, Section 7.a). Super Grand Wholesale, Grand Wholesale and Standard Wholesale Franchisees will also receive a form freezer location agreement for use in placing freezers on third party premises.

The Company will provide a Standard Wholesale Franchisee with 10 freezers for use in selling H & H Products, Grand Wholesale Franchisees will receive 20 and Super Grand Wholesale Franchisees will receive 30. The Company has multiple sources of freezers which are all similar in utility value but may have minor differences in dimensions, features and colors. The freezers do not include locks or baskets, although manufacturers and the Company may occasionally add those features at no charge. The freezers are intended to be placed in retail locations in or near your MSA which you anticipate will generate a high sales volume. If the purchase price of these freezers as well as the initial franchise fee and initial inventory charge is paid within 15 business days of the date you receive this Offering Circular, the Company will pay the cost of shipping the freezers to you.

The Company will sell Grand Wholesale and Standard Wholesale Franchisees 2 pallets of frozen H & H Products, shipped to a frozen storage facility in or near the Franchisee's MSA or to any other area agreed to by the Company (1 pallet for Retail Franchisees and 3 pallets for Super Grand Wholesale Franchisees). Grand Wholesale and Standard Wholesale Franchisees must pay \$8,086 to the Company at the time the Franchise Agreement is executed for the initial product inventory (\$12,129 for Super Grand Wholesale Franchisees). Retail Franchisees must pay \$4,081 for one pallet. These prices include the prepayment discount. The Company will pay freight charges for shipments of inventory made in the normal course of business to locations in the contiguous 48 United States.

Obligations of the Company During the Operation of the Franchised Business.

During the term of the Franchise Agreement, the Company is obligated by the Franchise Agreement to provide you with the following on the same basis as will be made available to similarly situated franchisees:

A source of supply of H & H Products which will be sold to you for the operation of your Franchised Business (Franchise Agreement, Section 2); and

Telephonic assistance concerning H & H Products or the freezers (Franchise Agreement, Section 7.c).

The Company will also provide you with an explanation of the Company's dedicated marketing plan and ideas for promoting H & H Products at retail events. The Company's assistance may include, without limitation or obligation, pricing recommendations, suggestions of point of purchase promotional materials, signage for dedicated freezers, suggestions for sales presentations to retailers and food service company managers, and the opportunity to exchange ideas and experiences with other H & H Franchisees. Your success as a business person will depend primarily on your ability to obtain and service profitable accounts. No two accounts are the same. You must agree that you alone are responsible for developing and implementing your own marketing and sales programs in your MSA, and that the Company has no obligation to you other than those expressly required by the Franchise Agreement (Franchise Agreement, Section 6).

The Company's Advertising Program for Your Product or Services.

The Company will institute, maintain and administer an advertising fund (the "Advertising Fund") for the sole and exclusive purpose of supporting and paying for marketing programs the Company deems necessary, desirable or appropriate to promote the good will and public image of all the Company franchises.

The Company intends for all franchisees to contribute to the fund at the same rate; except, new franchises will not be required to contribute to the fund for the first 6 months of operation.

The Company will direct all marketing programs financed by the Advertising Fund, and will have sole discretion over the creative concepts, materials and endorsements used and the geographic, market and media placement and allocation of the programs. The

Advertising Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; administering local, regional, multi-regional and national advertising programs including purchasing direct mail and other media advertising; employing advertising, public relations and media buying agencies to assist in these activities; and supporting public relations, market research and other advertising and marketing activities. The Advertising Fund may elect to furnish you with marketing, advertising and promotional formats and sample materials without additional charge, or provide you with multiple copies of marketing, advertising and promotional materials at the direct cost of producing them.

The Advertising Fund will be accounted for separately from the Company's other funds, and will not be used to defray any of the Company's general operating expenses, except for costs, salaries, travel expenses, administrative costs and overhead the Company may incur in activities reasonably related to the administration of the Advertising Fund and its marketing programs (including conducting market research, preparing advertising and marketing materials, general production costs and collecting and accounting for contributions to the Advertising Fund). The Company may spend in any fiscal year an amount greater or less than the total contributions of all Franchised Locations to the Advertising Fund in that year and the Company may cause the Advertising Fund to invest any surplus for future use by the Advertising Fund. You authorize the Company to collect for remitting to the Advertising Fund any advertising or promotional monies or credits offered by any supplier because of your purchases. All interest earned on monies contributed to the Advertising Fund will be used to pay advertising costs of the Advertising Fund before other assets of the Advertising Fund are expended. The Company will prepare an annual statement of monies collected and costs incurred by the Advertising Fund and will furnish it to you upon written request. The Advertising Fund will not be audited.

The Advertising Fund will be intended to maximize recognition of the Marks and all the Franchisees. Although the Company will endeavor to utilize the Advertising Fund to develop advertising and marketing materials and programs, and to place advertising, that will benefit all Franchisees, the Company undertakes no obligation to ensure that expenditures by the Advertising Fund in or affecting any geographic area will be proportionate or equivalent to the contributions to the Advertising Fund by Franchisees operating in that geographic area or that any Franchised Location will benefit directly or in proportion to its contribution to the Advertising Fund from the development of advertising and marketing materials or the placement of advertising. While the Company intends the Advertising Fund to be of unlimited duration, the Company will have the right to terminate and, if terminated, to reinstate, the Advertising Fund at any time after all amounts in the fund have been expended.

Except as described above, the Company assumes no direct or indirect liability or obligation to you regarding the maintenance, direction or administration of the Advertising Fund.

During the Company's last fiscal year (ending December 31, 2006), 0% of the Advertising Fund was spent on magazine advertising placement and 0% was spent on administrative costs (bank charges).

The Company and its affiliates will not receive payments for providing goods or services to the Advertising Fund except as discussed above. The Advertising Fund is not required to spend any amount on advertising in the area or territory where you are located.

Excess Advertising Fund Contributions collected in any year will be used for Advertising Fund purposes in the next year. Additionally, Advertising Fund Contributions collected in any year may be used to repay deficits incurred in a prior year. The Company will not use Advertising Fund Contributions for advertising that is principally a solicitation for the sale of franchises.

For additional information concerning advertising, see Items 6, 8 and 9.

Your Own Advertising Material.

The Company permits franchisees to use their own advertising material. If the advertising material uses the Licensed Marks, you must obtain the Company's written permission on a use-by-use basis. (Franchise Agreement, § 16.f.)

Advertising Council/Advertising Cooperatives.

The Company does not maintain a franchisee advertising council to advise the Company on advertising policies. You are not required to participate in local or regional advertising cooperatives.

Required Electronic Cash Register or Computer Systems.

We require that, within 3 months after you start your business, and at all time thereafter during the term of the Franchise Agreement, you have a computer or some other electronic device, along with internet access through an internet access provider, which will enable you to communicate via e-mail with the Company from your place of business. We do not require that you buy or use any type of electronic equipment or software. Our only requirement is that you have the capability of sending and receiving e-mail messages from your place of business. There are a number of computers and other types of electric devices on the market that will give you this capability. Neither we, nor our affiliates, provide any such electronic equipment or provide any support or maintenance for such equipment. We do not require that you upgrade or update any electronic equipment.

You are not required to buy or use any electronic cash registers.

Operations Manual.

The Company requires that you comply with an operations manual (the "Operations Manual"). A copy of the Operations Manual's Table of Contents is attached to this Offering Circular as Exhibit G.

Selection of the Location for Your Business.

The Company expects you to initially operate your business out of your home and grants you the right to operate your business in a MSA which will be designated in the Franchise Agreement. You will not select a site for your business. 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 Company may, in its sole discretion, determine whether the location of your cold storage facility is unreasonable or whether sales accounts outside your MSA are unreasonably remote from the MSA.

Unless the Company agrees otherwise in writing, the Company will only ship to a single cold storage facility on your behalf, which must be located in your MSA or in surrounding areas. The Company will arrange to drop ship products in quantities of at least one pallet to your wholesale customers.

Time Period for Opening.

The typical length of time between signing the Franchise Agreement or the first payment of consideration for the franchise and the opening of your business is 30 days. Factors which can effect this time period are scheduling assistance with independent marketing consultants and shipping schedules for freezers, cart kits and H & H Products.

Training Program.

The Company does not have a classroom training program. If you purchase a Retail Franchise, you will not receive on-the-job assistance unless you independently contract with a marketing consultant for assistance. If you purchase a Standard Wholesale, Grand Wholesale Franchise or Super Grand Wholesale Franchise, the Company will make available to you the services of an independent marketing consultant who will provide you with on-the-job assistance in the operation of your business in your MSA.

For the Standard Wholesale Franchisee, the consultant will assist you establishing contracts with 15-20 accounts in your MSA and any surrounding areas agreed to by the Company. The accounts will be a combination of freezer accounts and "conventional" (non-freezer) accounts. The amount of each type of account is determined by the Franchisee for a total of 15-20 accounts.

For the Grand Wholesale and Super Grand Wholesale Franchisee, the consultant will assist you in establishing contracts with 30-40 accounts in your MSA and any surrounding areas agreed to by the Company. The accounts will be a combination of freezer accounts and "conventional" (non-freezer) accounts. The amount of each type of account is determined by the Franchisee for a total of 30-40 accounts.

The following is a representative sample of assistance provided by the independent marketing consultant updated as of December 31, 2006. The topics and number of hours spent on each topic will vary with each individual franchisee, depending upon their previous sales and marketing experience and the emphasis they place on the various aspects of their H & H Products business and their interests in retail or wholesale selling, freezer accounts or conventional accounts. This estimate does not include hours of telephone assistance prior to on-the-job assistance.