FRANCHISE DISCLOSURE DOCUMENT

Happy & Healthy Products, Inc.
A Florida Corporation
1600 South Dixie Highway, Suite 100
Boca Raton, Florida 33432
(561) 367-0739
franchiseinfo@happyandhealthy.com
www.happyandhealthy.com

Happy & Healthy Products, Inc. offers individual unit franchises for the distribution and sale of FRUITFULL® frozen fruit bars, confection bars, snacks and other products through dedicated freezers placed in retail outlets, through a retailer's own freezers and through other approved methods and services.

The total investment necessary to begin operation of a Happy & Healthy Products franchise is $74,999 to $114,241, which includes $62,499 to $79,291 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying 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. **Note, however, that no governmental agency has verified the information contained in this document.**

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all your contract carefully. 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 "A Consumer's Guide to Buying a Franchise," 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 20, 2022

2022 Happy and Healthy Products, Inc.

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 outlet 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 or Exhibits D and E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. 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 C 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 Happy & Healthy 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 Happy & Healthy franchisee?	Item 20 or Exhibits D and E lists current and 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 you are 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 Florida. 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 Florida than in your own state.

2. **Inventory Control**. You must make inventory and supply purchases of at least 4 pallets (200 cases) each year, even if you do not need that much. Your inability to make these purchases or to maintain inventory levels at all times may result in termination of your franchise and loss of your investment.

3. **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.

4. **Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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.

ADDENDUM TO THE DISCLOSURE DOCUMENT
PURSUANT TO THE MICHIGAN FRANCHISE INVESTMENT LAW

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.

(A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTION PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS.

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO 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 BE MORE THAN 30 DAYS, TO CURE SUCH FAILURE.

(D) 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 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 FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) 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.

(F) A PROVISION REQUIRING IN THAT ARBITRATION OR LITIGATION 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.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OR 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:

(i) THE FAILURE OF THE PROPOSED TRANSFEREE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) 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 REACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) 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.

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 DEPARTMENT OF ATTORNEY GENERAL
Consumer Protection Division
Antitrust and Franchise Unit
670 Law Building
Lansing, Michigan 48913

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Item 1
The Franchisor and any Parents, Predecessors, and Affiliates

The franchisor is Happy & Healthy Products, Inc. This Disclosure Document refers to the franchisor as the Company. To simplify the language in this Disclosure Document, "you" means the entity, person or persons who buy the franchise. If the franchisee will operate through a corporation or partnership, "you" also includes the franchisee's owners or partners.

The Company does business and intends to do business under the name Happy & Healthy Products, Inc. The Company's principal business address is 1600 South Dixie Highway, Suite 100, Boca Raton, Florida 33432. The Company's agent for service of process, if any, in your state is listed on the Receipt, the last page of this Disclosure Document. The Company is a corporation organized under the laws of the State of Florida on February 25, 1991, and started selling product on or about March 17, 1993.

The Company has no predecessors or affiliates that currently offer franchises in any line of business or that provide products and services to franchisees. The Company has no corporate parent. The Company does not own or operate any similar businesses. The Company also engages in the business of selling freezers, its proprietary brand of frozen yogurt bars and frozen dessert bars sold under the registered design trademark FRUITFULL® (collectively referred to as "FRUITFULL® fruit bars" or "FRUITFULL® Products") and other H&H Products to its franchisees. In November 2021, Todd Peterson acquired 100% of our ownership interests from Linda Kamm, but this did not impact our corporate structure.

The franchised business ("Franchised Business") will be authorized to sell a variety of H&H Products, and other approved products, through approved services using designated equipment. As used in this FDD, an "H&H Product" or "Product" is any product that is designated as such by H&H and which H&H makes available for purchase by the franchised business, either through H&H or a supplier designated by H&H. H &H Products may include, but are not limited to, non-private labeled snack items, such as popcorn, protein bars, and other items. Currently, the H&H Products include, but are not limited to, FRUITFULL® fruit bars, Happy Indulgence® Decadent Dips™ dessert bars, Be Happy & Healthy® dessert bars, Be Happy & Healthy® snacks and baked goods, beef sticks and other snacks and items not identified by the Licensed Marks. The Company is currently considering adding ice cream as an H&H Product and authorizing the use of vending machines as approved services and equipment. You are also required to stock frozen Products in freezers and promotional coolers that meet our then-current standards and specifications and that are approved by us (each, a "H&H Freezer" or "Freezer"). Freezers can stock only H&H Products.

You will typically be able to operate your business from an office in your home and keep your inventory in a local commercial cold storage facility.

The market for H&H Product sales locations is retailers such as hospitals, universities, food stores, delicatessens, cafeterias, drug stores and the like, where individual frozen fruit bars and other frozen fruit confections, desserts and snacks are for sale to individuals for immediate consumption on or off the premises are sold. You will compete with other sellers of frozen fruit confections, desserts, ice cream and snacks.

Demand for H&H Products continues throughout the year, though sales peak in spring and summer.

Subject to the limitations set forth in Item 12, the Company's other franchisees generally will be allowed to sell in your Metropolitan Statistical Area ("MSA"), so you may compete against other H&H franchisees in your MSA. Franchisees will also compete with other national, regional, and local sellers of dessert and snack products which customarily sell through the same type of retail outlets. Additionally,

Franchisees will compete with ice cream shops, street vendors, route sales trucks, restaurants, and supermarkets.

You should note that state, county, city, municipal or local governments may have licensing laws that apply to the operation of your business, and that zoning laws may prevent operation of your business at your home. You should investigate these laws and consult your counsel to determine what licenses or zoning approvals are necessary for operation of your franchise and may apply to your operation. Also, Freezers placed on retail premises must meet certain minimum standards required by applicable laws. You are responsible for assuring that your Freezers meet these standards. All Freezers sold by or through the Company meet National Sanitation Foundation standards when they are sold.

The Company has offered H&H franchises since August 1, 1993. The Company currently operates one company-owned H&H business, like the business described in this Disclosure Document, in an MSA in South Florida. The Company has not offered franchises for any other businesses which are the same type of business that you will operate, or for any other type of business.

The Company's affiliate, Happy & Healthy Guaranty, LLC, absolutely and unconditionally guarantees the performance of our obligations under our franchise registrations that become effective on or after March 20, 2010, in states requiring the registration of the offer and sale of our franchises. See Item 21 of this Disclosure Document for additional discussion on this guarantee.

Item 2
Business Experience

President and Executive Chairman: Todd Peterson

Mr. Peterson has been the President and Executive Chairman of the Company since November 2021. He is based in Minneapolis, Minnesota. Since April 1998 he has been Chairman of Spring House Capital, LLC in Minneapolis, Minnesota. Mr. Peterson has also served on the Boards of King Juice Company, Inc. in Milwaukee, Wisconsin since August 2017 and Pan O Gold Baking Company in St. Cloud, Minnesota since December 2014.

Founder: Linda Kerr Kamm

Ms. Kamm is the Founder of the Company and has served as an independent contractor for the Company since November 2021. Ms. Kamm previously served as the President of the Company from its inception in 1991 until November 2021.

General Manager: Rona Doyle

Ms. Doyle has been General Manager of the Company since December 2012. She was Accounting Administrator of the Company from February 2009 to December 2012 and Customer Service Manager of the Company from October 2007 to February 2009.

Compliance Director and Franchise Coordinator: Leslie Frazer

Ms. Frazer has been Compliance Director of the Company since January 2017. She is also our Franchise Coordinator and has been since October 2015. Ms. Frazer was the Sales & Marketing Manager of the Company from June 2013 until December 2016, and the Regional Operations Manager at Pepperidge Farm, Inc. from July 1982 until July 2013.

Sales and Marketing Manager and National Sales Director: Stacey Gendal

Ms. Gendal has been the Company's National Sales Director since May 2018, and the Company's Sales and Marketing Manager since March 2018. Previously, she was an advertising salesperson for the South Florida Sun Sentinel in Deerfield Beach, Florida from August 2012 until March 2018.

Item 3
Litigation

H&H Initiated Litigation

Happy & Healthy Products, Inc. v. Cunningham, (American Arbitration Association ("AAA") Case No.: 01-19-0003-1490; filed Oct. 4, 2019). We brought this action against our former franchisee for breaching their agreements. In our complaint, we alleged that Regis and Kimberly Cunningham (the "Cunninghams"): (1) breached the franchise agreements they entered into with us by purchasing and selling unapproved and competing products; purchasing and selling products directly from suppliers instead of from Happy & Healthy Products, Inc. ("H&H"); transferring freezers to a non-franchisee without removing all H&H products, licensed marks, and decals associated with the H&H franchise; and violating the post-term covenant against engaging in a competing business; (2) infringed on H&H's trademarks by misappropriating H&H's registered trademarks and goodwill, intending to confuse customers and making them believe that the competing products that they were selling were endorsed by H&H; and (3) intentionally violated the Florida Deceptive and Unfair Trade Practices Act by misappropriating H&H's registered trademarks, making false claims about their intentions to "downsize" their snack business, and other false claims to customers and the public about H&H and its business, among other claims. We sought injunctive relief, monetary damages, attorneys' fees and costs, and interest. On November 12, 2019, the Cunninghams filed an answer, raised affirmative defenses and alleged certain counterclaims. The Cunninghams' counterclaims included breach of contract, breach of contract-implied-in-fact, and unjust enrichment. For instance, the Cunninghams alleged that H&H breached the franchise agreement by failing to pay monies owed to them, not delivering products within a certain timeframe, and misappropriating advertising fund monies. The Cunninghams sought monetary damages, costs, and interest. We engaged in mediation with the Cunninghams in February 2020 and, through that mediation, the parties entered into a settlement agreement. In the settlement agreement, the Cunninghams agreed to pay us $325,000 and drop all counterclaims. We agreed to waive the covenant against competition in the Cunninghams' franchise agreement, and drop all claims. The parties agreed to enter into a release of claims. As of the date of this Disclosure Document, H&H has collected 100% of the settlement amount.

Other than the matter described above, no litigation information is required to be disclosed in this Item.

Item 4
Bankruptcy

No bankruptcy information is required to be disclosed in this Item.

Item 5
Initial Fees

The following are the fee payments you may make to the Company before opening your business.

Franchise Fee.

The Franchise Fee is $25,000 for a single unit (the "Franchise Fee"). A non-refundable deposit of $7,500 must be paid on or before the date that you sign the Franchise Agreement. (We refer to this date as

the "Franchisee's Signing Date"). The balance of the Franchise Fee, net of your deposit, is due within six months after Franchisee's Signing Date.

H&H participates in the International Franchise Association's VetFran program as an affiliate member, and offers qualified veterans a 5% discount off of the Franchise Fee. H&H may offer other promotional discounts for certain tradeshows and web events subject to qualifying terms and conditions of each promotion. In 2021, we collected Franchise Fees ranging from $23,750 to $25,000, with the one discount being granted under the VetFran program.

Except as described above, the Franchise Fee is the same for all Franchisees and is not negotiable.

Inventory Purchases and Freezers.

As of the Issuance Date of this Disclosure Document, the Company charges Franchisee 70¢ per dairy-free FRUITFULL® bar and 74¢ dairy FRUITFULL® bar, and $1.35 per Happy Indulgence® Decadent Dips™ dessert bar. You are currently entitled to a 2% discount for prepaid orders. These prices are subject to change at any time. Prices for H&H Products other than frozen fruit bars vary. The Company sells frozen H&H Products in "bulk packs" consisting of 24 bars per box. There are 288 boxes to a "bulk pack" pallet.

You must purchase from the Company at least 12 Freezers for a sum of $11,988, and 2 pallets (100 cases) of frozen H&H Products plus additional non-frozen H&H Products for the sum of $15,511 (with prepayment discount). We estimate that franchisees will purchase between 12 – 20 Freezers. It currently costs a sum of $18,780 to purchase a total of 20 Freezers.

The prices for H&H Products are as of the Issuance Date of this Disclosure Document. These prices are subject to change and the pallet price for H&H Products will change accordingly.

Shipping Costs.

The estimated cost of shipping 2 pallets of H&H Products is $2,000. The estimated cost to ship 12 to 20 Freezers is $2,100 to $3,000. We may waive these initial shipping costs if you submit the deposit and execute the Franchise Agreement within approximately 15 business days (roughly 21 calendar days) after your receipt of this disclosure document, or such other date as we may specify on the Summary Pages of the Franchise Agreement.

Training Fees.

You are required to complete our one-week Basic Training program which we conduct in your territory. The Basic Training Fee is $10,000. At your option you may schedule a second consecutive week of Supplemental Sales Training. The Supplemental Sales Training Fee is an additional $5,000. See Item 11 for more details about the training programs.

Costs of Freezers and H&H Products are net of any applicable sales taxes, which you must pay.

Except for standard price changes, the costs of purchasing Freezers, initial inventory and training purchases are uniform for all franchisees currently purchasing and are not negotiable.

The purchases of initial Freezers and inventory, shipping and training are payable within 6 months after the Franchisee's Signing Date and must be paid in a lump sum. All payments are non-refundable.

Item 6
Other Fees [1/]

Name of Fee	Amount or Formula	Due Date	Remarks
Advertising Fee	Greater of: (a) $600 per year; or (b) 1.5% of all purchases made during the prior calendar year	Paid in one-third increments on: February 1 May 1 August 1	You are not required to pay the Advertising Fee for the first six (6) months of operation. We may increase the $600 minimum requirement upon 60 days' notice to you, but the minimum shall not exceed $1,800 per year, which may be adjusted for inflation.
Additional Sales Assistance	$6,500 [2/]	30 days prior to the start of us providing assistance	At your option, during your term, you may obtain additional sales assistance provided by the Company
Transfer	$8,500 and up to $25,000 if the Company obtains the lead	Before transfer	Assessed on assignment of the Franchise Agreement or transfer of controlling interest in the Franchise.
Area Transfer	$3,000	Before changing to another MSA	Assessed if you elect to move to another MSA and Company consents to the move.
Renewal	Not to exceed $5,000	Before renewal	Set by Company.
Interest on Late Payments	Lesser of 18% per annum or highest rate permitted by law, per day	As assessed	Assessable on fees or other amounts due under the Franchise Agreement

Name of Fee	Amount or Formula	Due Date	Remarks
Insurance Procurement	Our costs and expenses plus an administrative fee up to 10% of the cost of the premium	As assessed	If you fail to maintain insurance and we choose to procure it on your behalf, you must pay us the cost of the premium and we may charge you an administrative fee up to 10% of the cost of the premium
Convention Unattendance Fee	$2,000	As assessed	If you fail to attend at least 1 Convention every 3 years thereafter. Failure to comply with this requirement will result in either termination or an administrative charge of $2,000 at the discretion of H&H.

Notes

1/ Fees listed in this Item 6 are uniformly imposed, except for the Renewal Fee. All such fees are non-refundable.

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Item 7
Estimated Initial Investment

YOUR ESTIMATED INITIAL INVESTMENT [1/]

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
FRANCHISE FEE	$25,000 [2/]	Lump Sum or two installments [3/]	Deposit due upon signing of Franchise Agreement and remainder due within 6 months	Company
FREEZERS	$11,988 – 18,780 [4/]	Lump sum	Within 6 months of signing Franchise Agreement	Company
CHEST FREEZER [5/]	$700 - $1,500	As Supplier Requires	As Supplier Requires	Supplier
OPENING INVENTORY	$15,511 [6/]	Lump sum	Within 6 months of signing Franchise Agreement	Company
TRAINING [7/]	$10,000 to $15,000	Lump sum	Within 6 months of signing Franchise Agreement	Company
OFFICE RENTAL	$0 - $1,500[8/]	As Landlord Requires	As Landlord Requires	Landlord
COLD STORAGE RENTAL	$0 - $1,200[9/]	As Required	As Required	Cold Storage
VEHICLE RENT/LEASE	$0 - $3,000 [10/]	As Dealer Requires	As Dealer Requires	Car Dealer
OFFICE EQUIPMENT	$0 - $3,250 [11/]	As Supplier Requires	As Supplier Requires	Suppliers
SHIPPING COSTS	$0 - $5,000[12/]	Lump Sum	As Arranged	Company
INSURANCE [13/]	$300 - $1,500	As Incurred	As Incurred	Insurance Provider

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
WORKING CAPITAL[14/]	$10,000 - $20,000	As incurred	As incurred	Various third parties
ADDITIONAL FUNDS [15/]	$1,500 - $3,000	As incurred	As incurred	Suppliers, state and local governments, others
TOTAL: $74,999 - $114,241				

The Company does not offer, either directly or indirectly, financing to you for any items.

Notes:

1/ The investment and expenditures that you may actually make may vary considerably from the projections shown above, depending upon many factors, including inflation, geographical area and the capabilities of any particular management and sales team. Unless otherwise noted, none of these fees are refundable.

2/ This fee is neither financeable nor refundable. The $7,500 deposit must be paid on or before the Franchisee's Signing Date; the balance is due within six months of the Franchisee's Signing Date. If you fail to begin the operation of your Franchise Business within 6 months after the Effective Date, the Company has the right to terminate the Franchise Agreement and you will forfeit this fee. You will be deemed to have "begun" operation of your Franchise Business on the date that you enter into your first Freezer location agreement with an account.

3/ All amounts payable to the Company now and in the future, must be made by ACH (Automated Clearing House), unless the Company agrees otherwise in writing in advance.

4/ All Freezers, except chest freezers, are supplied by the Company. You may purchase additional Freezers from the Company or from third parties. You must purchase at least 12 Freezers prior to commencing operations. The low estimate reflects the cost to purchase 12 Freezers, and the high estimate reflects the cost to purchase 20 Freezers.

5/ You will need to have a chest freezer for storage of products at your place of business.

6/ These prices include a 2% discount for prepayment if payment is received before the date the inventory is shipped. Prices for H&H Products are subject to change.

7/ Training is conducted in your MSA so no extraordinary costs for lodging or food should be required. The low estimate reflects the Training Fee for 1 week of training, and the high estimate reflects the Training Fee is you elect to have a second week of Supplemental Sales Training. See Item 11 for more information on our Basic Training Program.

8/ The Company assumes that you will (at least initially) operate the franchised business from your home. If this assumption is inaccurate, you should independently investigate the cost of obtaining an office for operating your franchised business. The high estimate is three months' payment of rent for office space, plus deposit.

9/ The Company assumes that you will (at least initially) operate the franchised business from your home and product will be stored in your home Freezer. If this assumption is inaccurate, you should independently

investigate the cost of space at a cold-storage facility to store your product. The high estimate is three months' payment of rent for cold-storage space. Deposits are usually not required.

10/ The Company assumes that you will (at least initially) operate the franchised business using an automobile which you already own. If assumption is inaccurate, you should independently investigate the cost of obtaining a vehicle for operating your franchised business. A pickup truck or van is preferable. If you do not own one, a trailer can be used to move Freezers. A trailer kit (assembly required) may be purchased online, starting at $500.

11/ The Company assumes that you will (at least initially) operate the franchised business using office equipment which you already own. If assumption is inaccurate, you should independently investigate the cost of obtaining items such as a desk, chairs, phone, computer, laptop computer or tablet computer, smartphone, printer, file cabinets, etc. for operating your franchised business.

12/ We may, but are not required to, waive some or all of the initial shipping costs if you submit the deposit and sign the Franchise Agreement within a timeframe that we designate.

13/ You should consult with an insurance agent about the appropriate types and costs of insurance policies which would be needed to protect you against potential claims for vehicles used to conduct your franchised business, and otherwise. You are required to purchase auto and business liability insurance, as described more fully in Item 8.

14/ This estimate reflects an estimated amount that you will need in working capital during your first three months of operations. Based upon our negotiated agreements, certain National Accounts are not required to pay for 70 to 90 days after being invoiced. As such, if you agree to service National Accounts, then you must have sufficient working capital to cover any delay in cash flows.

15/ This estimates your additional start-up expenses for the first 3 months. You may incur additional miscellaneous expenses such as printing of business cards and forms, use of a telephone (the line is not required to be dedicated to your business) and point of sales materials. You will also need a small cooler (six-pack size) and a larger cooler to carry samples to prospective accounts.

Small license fees may be required by state or local governments. As all of these types of payments are made to third parties, the Company has no way of precisely estimating their total amount or whether any of these payments is refundable. The figures stated represent the Company's best estimate; actual expenditures may be substantially different.

Item 8
Restrictions on Sources of Products and Services

Pursuant to the Franchise Agreement, you are required to purchase H&H Products from the Company. Currently, the H&H Products include, but are not limited to, FRUITFULL® fruit bars, Happy Indulgence® Decadent Dips™ dessert bars, Be Happy & Healthy® dessert bars, popcorn, Be Happy & Healthy® snacks, beef sticks, and baked goods, and other snacks and items not identified by the Licensed Marks. The Company is currently considering adding ice cream as an H&H Product. You may also purchase certain non-H&H Products from one or more authorized suppliers designated by the Company, if desired. You may also make emergency purchases of H&H Products, to fill an unexpected shortage of certain products, from another Franchisee. If the Company selects additional H&H Products, the Company will enter into agreements with the manufacturer. Your right to purchase these products from any person or entity other than the Company or an authorized supplier designated by the Company will be governed by the terms of the agreements with the manufacturer.

You are also required to display frozen Products in powered freezers or insulated promotional coolers that meet our then-current standards and specifications and that are approved by us (each, a "H&H Freezer" or "Freezer"). Your initial purchase of Freezers must be from the Company. After your initial purchase, the purchase of Freezers may be made either from the Company or sources approved by the Company. The Company recommends that you use only N.S.F. (National Sanitation Foundation) approved freezers. However, the Company and its affiliates reserve the right to be the sole supplier of Freezers for additional purchases in the future.

The Company may prepare certain advertising and promotional marketing and point of sales materials that are only available from the Company. If you desire to purchase these items, you must do so from the Company.

Frozen H&H Products are manufactured under a license from the Company under the Company's formulas and specifications.

There are no other approved suppliers in which any of our officers owns an interest.

For the fiscal year ended December 31, 2021, the Company's total revenues from required product, equipment, and training purchases by franchisees were $1,134,468.16 or 87% of the Company's total revenue of $1,234,844.20.

You or a supplier may request that a new product be approved as an H&H Product. To do so, you must submit to the Company a written request along with the samples the Company may request. The Company may require the proposed supplier to supply samples or to conduct a market test under the Company's control and/or supervision as a condition of the Company's approval. The Company does not issue standards and specifications to franchisees or approved suppliers. The Company does not make criteria for approved suppliers available to franchisees. The Company will evaluate the products and supplier's quality and reputation, as well as the supplier's willingness and ability to supply Franchisees before granting any approvals you request for approved suppliers. The Company is not restricted in the time in which it may or may not grant approval or disapproval but estimates that approval or disapproval will be given within 6 months. The Company does not charge a fee for seeking approval of new products or suppliers. If we revoke approval of any supplier, we will give you written notice.

You must purchase and maintain in force automobile and business liability insurance for the Franchise Business in amounts adequate to protect you and us against claims of up to $1,000,000. All insurance policies must: (1) be issued only by an insurance carrier(s) and through an agent meeting our then-current minimum standards; (2) name the Company and its affiliates and their respective officers, directors and employees as an additional insured following such format and using such endorsements as we periodically may direct; (3) contain a waiver of the insurance company's right of subrogation against us; (4) provide that we will receive thirty (30) days' prior written notice of a material change in or termination, expiration or cancellation of any policy (or such shorter period as required by the insurance carrier and approved by us); and (5) as applicable, include primary and non-contributory endorsement or language in form and content as we periodically require. To the extent you obtain a single policy for two (2) or more Happy & Healthy franchise businesses, or if you participate in our National Accounts Program (as described more fully in Item 12), we periodically will determine the levels of insurance coverage that you must obtain and other requirements that you must satisfy, which may exceed the requirements described herein and/or exceed the insurance requirements that are required of other Happy & Healthy franchisees. We may, with prior written notice to you, increase the minimum liability protection requirements, modify policy, endorsement or other requirements, and require different or additional kinds of insurance to reflect inflation or changes in standards of liability. If you fail at any time to obtain or maintain in effect any insurance coverage we require, or fail to provide satisfactory evidence thereof, we may obtain insurance coverage for you and you will be required to reimburse us for our out of pocket costs and expenses in connection

therewith, and we may also charge you an administrative fee of up to 10% of the cost of the premium to cover our associated administrative costs.

You must provide us with copies of the certificate of insurance, insurance policy endorsements and other evidence of compliance with these requirements as we periodically require, within sixty (60) days of the Effective Date of this Agreement, and upon all renewals and extensions of the policy. You should consult with its your insurance agents, brokers, attorneys, and other insurance advisors to determine the level of insurance protection it needs and desires, in addition to the coverage and limits that we require.

The Company estimates that your required purchases described above will constitute 80% of your total purchases of inventory to establish the franchised business and 70% of operating expenses.

No designated or approved suppliers make payments to the Company because of transactions with franchisees, but the Company reserves the right to receive such payments in the future.

Except for agreements with manufacturers of H&H Products, the Company does not negotiate purchase arrangements with suppliers for the benefit of franchisees. The Company does not provide material benefits to franchisees based on a franchisee's use of designated or approved sources. There are no purchasing or distribution cooperatives.

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 the other items of this disclosure document.

		Section in Franchise Agreement	Item in Disclosure Document
a.	Site selection and acquisition/lease	N/A	N/A
b.	Pre-opening purchases/leases	Summary Pages, Schedule 1, Equipment Purchase Order	Items 6, 7, 8, 11
c.	Site development and other pre- opening requirements	N/A	N/A
d.	Initial and ongoing training	Section 5	Item 11
e.	Opening	N/A	N/A
f.	Fees	Section 4	Items 5, 6, 7
g.	Compliance with standards and policies/operating manual	Sections 7.e, 7.f, 9.k	Items 11, 15, 16
h.	Trademarks and proprietary information	Section 2.a, 7.f, 9.l, 11.c, 11.h, 12.c, 12.f, 16.f	Items 13, 14
i.	Warranty and customer service requirements	Sections 8, 16.a	N/A

		Section in Franchise Agreement	Item in Disclosure Document
j.	Restrictions on products/services offered	Sections 2.c, 2.d, 9.b	Items 8, 16
k.	Territorial development/sales quotas	Sections 2.a, 2.b, 5, 6.a-c, 11.m	Items 12, 16, 17
l.	Ongoing product/service purchases	Sections 2.c, 3.b, 9.b, 9.c, 11.m, 16.a, 16.d	Items 6, 8
m.	Maintenance, appearance and remodeling requirements	N/A	N/A
n.	Insurance	Section 9.g	Item 7
o.	Advertising	Section 4.b, 6.d, 7.a	Items 6, 8, 11
p.	Indemnification	N/A	N/A
q.	Owner participation/management staffing	Section 16.m	Item 15
r.	Records/reports	Section 9.h	N/A
s.	Inspections/audits	N/A	N/A
t.	Transfer	Section 10	Item 17
u.	Renewal	Sections 3.b, 3.c	Item 17
v.	Post-termination obligations	Section 12	Item 17
w.	Non-competition covenants	Sections 9.b, 12.g, 12.h, 12.i	Item 16, 17
x.	Dispute resolution	Section 14	Item 17
y.	Other: Best efforts	Section 9.a	Item 16
z.	Use of name and likeness	Section 9.f	N/A

Item 10
Financing

We may extend you credit terms to you for H&H Products purchased from the Company. Other than this open account financing, the Company does not offer direct or indirect financing. The following table summarizes the financing that we may offer to you for the purchase of products from the Company:

Source of Financing	Us. We do not provide you with any other lenders.

Amount Financed	Equal to the amount of H&H Products purchased from the Company
Down Payment	None
Terms	Payment terms may vary depending on the products purchased but for most products you get a 2% discount on payments made within 14 days, with full payment due in 37 days (2% 14, net 37). Changing to standard (2% 10, net 30) in 2023.
Rate of Interest	If payment is not received when due, you will incur interest at the lesser of 18% per annum or highest rate permitted by law.
Prepayment Penalty	None
Guaranty	None
Security Required	The Company will require you to sign a Security Agreement at the time you sign the Franchise Agreement to secure the open account financing. Under the Security Agreement, certain equipment used in your Franchised Business will be used as Collateral. A copy of the Security Agreement is attached to the Disclosure Document as Exhibit H.
Liability upon Default	Liquidation of Collateral; termination of Franchise Agreement; all amount dues will be accelerated; you will be required to pay attorneys' fees and other collection costs.
Cross Default Liability	None
Waiver of Defenses	None

The Company does not guarantee your note, lease or obligation.

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 Assistance, Advertising, Computer Systems And Training

Except as listed below, the Company is not required to provide you with any assistance.

Pre-Opening Obligations.

The Company, in exchange for a Basic Training Fee, will make available to franchisees the services of an marketing consultant for one week who will provide the franchisees with training in the operation of an H&H Products franchised business in your MSA and any surrounding areas agreed to by the Company. (Franchise Agreement, Section 5).

Since you are not required to operate from a specific site, the Company's pre-opening obligations do not include (a) conforming the premises to local ordinances and building codes or obtaining any required

permits; (b) constructing, remodeling, or decorating the premises; (c) hiring and training employees; or (d) delivering/installing items.

The consultant will assist you in obtaining placements for your initial order of Freezers (up to 12) in your MSA and any surrounding areas that we agreed to. (Franchise Agreement, Section 5).

The Company will sell you 2 pallets (100 cases) of frozen H&H Products, shipped to a frozen storage facility in or near your MSA or to any other area agreed to by the Company. You must pay $15,511 to the Company at the time the Franchise Agreement is executed for the initial frozen and non-frozen product inventory. 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 non-exclusive right to use Licensed Marks in the operation of an H&H Franchised Business in your MSA (Franchise Agreement, Section 2); and

A limited supply of advertising and sales materials for use in promoting the Products (Franchise Agreement, Section 7.a).

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

The Company will from time to time provide Freezer location agreement form(s) and you must use such form(s) when placing Freezers on the premises of third parties. You must submit all completed forms to the Company at the time and manner designated by the Company.

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 businessperson 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 and products and services 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 obligations during the operation of the Franchised Business do not include hiring and training your employees. The Company provides a Quick Books template, along with instructions, for establishing and using administrative, bookkeeping, accounting, and inventory control procedures.

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

H&H will institute, maintain, and administer an advertising fund (the "Advertising Fund") for the sole and exclusive purpose of supporting and paying for marketing programs H&H deems necessary, desirable or appropriate to promote the good will and public image of all H&H franchises (Franchise Agreement, Section 4.b).

H&H 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.

H&H will administer and 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 administered by H&H and accounted for separately from H&H's other funds, and will not be used to defray any of H&H's general operating expenses, except for costs, salaries, travel expenses, administrative costs and overhead H&H 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). H&H 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 H&H may cause the Advertising Fund to invest any surplus for future use by the Advertising Fund. You authorize H&H 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. H&H will prepare an unaudited statement of monies collected and costs incurred by the Advertising Fund and will be published frequently online. The Advertising Fund will not be audited.

The Advertising Fund will be intended to maximize recognition of the Licensed Marks and all H&H Franchisees. Although H&H will endeavor to utilize the Advertising Fund to develop advertising and marketing materials and programs, and to place advertising, that will benefit all H&H Franchisees, H&H 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 H&H intends the Advertising Fund to be of unlimited duration, H&H 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, H&H 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, 2021), 2.15% was spent towards Jumpstarts, 0.59% was spent on a membership for advertising to be visible to National Account buyers, 0.43% was spent on membership to a program for adverting to all buyers, 0.43% was spent on press releases/advertisements/radio spots. Nothing was spent on administrative costs or bank charges. The remaining amount of the Advertising Fund was not spent. 0% of the Advertising Fund was used for advertising that is principally for the sale of franchises.

H&H 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. H&H has no Franchisor/affiliate owned outlets which contribute to the Advertising Fund.

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. H&H will not use Advertising Fund Contributions for advertising that is principally a solicitation for the sale of franchises.

You are not required to participate in any other advertising fund.

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

Your Own Advertising Material / Websites.

We will provide you with a limited supply of advertising and sales materials for use in promoting the Products. We may charge a fee for quantities which exceed its current standard allotment for franchisees.

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)

Any website will be deemed "advertising" and must comply with our then-current policies and procedures. For purposes of this disclosure document, the term "website" means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including but not limited to the Internet, World Wide Web, social media and social networking sites (including but not limited to Facebook, Twitter, LinkedIn, Instagram etc.), blogs, vlogs, and other applications, etc. that you operate or authorize others to operate and that refer to the Franchise Business, the Licensed Marks, H&H, and/or the business system.

In addition, we may from time to time establish specific policies regarding social media accounts or activity related to or connected with the Franchise Business and which use or refer to, directly or indirectly, H&H or the Licensed Marks, that H&H determines appropriate. The policies may include completion of training regarding social media. In order to protect and control the H&H brand and the Licensed Marks, we shall, at our option, be granted administrator rights over all social media accounts you establish and use in connection with the Franchise Business and which use or refer to, directly or indirectly, H&H or the Licensed Marks, and we may, at our option assume administration and control of such accounts.

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 Systems or Cash Register

We require that, prior to you starting your business, and at all times thereafter during the term of the Franchise Agreement, you have a computer or other electronic device, along with internet access through an internet access provider, which will enable you to check your email each day and to communicate via e-mail with H&H. The cost of computers varies but a computer costing less than $1,000 should be sufficient. You may also wish to use a tablet computer, and a suitable tablet computer can cost up to $750. 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. 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 or system. We will not have independent access to information generated or stored on your computer systems. There are no contractual limitations on our right to access information.

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

Operations Manual.

The Company requires that you comply with the most up-to-date operations manual (the "Operations Manual"). A copy of the Operations Manual's Table of Contents is attached to this Disclosure Document 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 an MSA which will be designated in the Franchise Agreement. If you do not work from home, you will not need the Company's approval for the site that you select. The Company 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 unreasonably remote from your location or whether sales accounts outside your MSA are unreasonably remote from the MSA. If you and the Company cannot agree upon the location of your cold storage facility within 30 days after you sign the Franchise Agreement, the Company may terminate the Franchise Agreement.

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 may at its discretion arrange to drop ship products in quantities of at least one (1) pallet (50 cases) to your wholesale customers, but you must obtain our prior approval.

The factors that the Company will consider in approving your MSA are (i) where you currently live, and (ii) whether the Company has granted the maximum allowable number of franchises for the MSA in question. Your MSA must be agreed upon prior to your signing the Franchise Agreement. If you and the Company are unable to agree upon an MSA within 30 days, the Company will not enter into a Franchise Agreement with you.

Time Period for Opening.

The typical length of time between (the later of either) signing the Franchise Agreement (the Franchisee's Signing Date) or the first payment in consideration for the franchise and the opening of your business is roughly 6 months. Factors which can affect this time period are scheduling assistance with marketing consultants and shipping schedules for Freezers and H&H Products.

Training Program.

You are required to complete our Basic Training Program, as well as our 2-day Jumpstart Training Program. For training, the Company will make available to you the services of a marketing consultant who will provide you with on-the-job assistance in the operation of your business in your MSA.

For your week of Basic Training, the consultant will assist you with locating and establishing placements for your first 12 Freezers.

At your option you may schedule a second consecutive week with your marketing consultant to provide Supplemental Sales Training which will assist you with locating and establishing placement of at least 8 more Freezers. While this supplemental week may include selling conventional non-freezer accounts you will need to purchase at least 8 more freezers in your initial order and additional Products to fulfill your supplemental sales.

The following is a representative sample of assistance provided by the marketing consultant as a part of the Basic Training Program, updated as of the issuance date of this disclosure document. 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, and whether they elect to have one or two weeks of training. This estimate does not include hours of telephone assistance prior to on-the-job assistance.

TRAINING PROGRAM

Subjects Covered	**Hours of Classroom Training**	**Hours of On-the-Job Training**		**Location**
		One Week of Basic Training	**Additional Week of Supplemental Sales Training**	
Retail selling	None	3-4	6-8	Your MSA
Account analysis	None	4-7	8-14	Your MSA
Products	None	4-7	8-14	Your MSA
Procedures	None	4-8	8-16	Your MSA
Assistance with placement of point of sale advertising materials	None	3-6	6-12	Your MSA
Assistance with securing freezer accounts	None	14-18	24-36	Your MSA
Assistance with securing conventional accounts	None	8-10	16-20	Your MSA
Total:	None	40-60	80-120	

You will receive access to the online Operations Manual and point of purchase advertising materials.

The consultant will also offer you:

- help in negotiating agreements with retailers to place the Freezer at their establishments;

- training in negotiating to have the retailers' Freezers stocked with H&H Products when placement of a dedicated Freezer is either unauthorized or impractical;
- training in the use of point-of-sale advertising materials;
- training concerning working with neighboring franchisees;
- the Company's internal policies and procedures;
- assistance in developing strong, diverse account bases;
- assistance in developing efficient, cost-saving routing systems;
- assistance in incorporating and marketing new product lines;
- assistance in dealing with industry competitors as well as competitive products;
- assistance in various aspects of selling process from prospecting to handling objections and closing;
- assistance in other business matters;
- assistance in doing a sampling for a prospective customer; and
- assistance in delivering and stocking a Freezer and a conventional account.

The Company will attempt to schedule your Basic Training Program to begin 6 to 8 weeks after (the later of either) the "Effective Date" of the Franchise Agreement (which is the date on which the Franchise Agreement is signed by the Company's president) or the date on which you have paid all initial fees in full, depending on your schedule and the schedule of the marketing consultant. You are required to attend and complete the Basic Training Program to the Company's satisfaction unless otherwise agreed to by the Company. You will be operating your Franchised Business at the start of the Basic Training Program.

Jumpstart Training Program

The Company also provides a 2-day Jumpstart training program. The following is a representative sample of assistance provided by the marketing consultant as a part of the Jumpstart Training Program, updated as of December 31, 2021. 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.

Subjects Covered	Hours of Classroom Training	Hours of On-the-Job Training	Location
Retail selling	None	2 – 3	Your MSA
Account analysis	None	1	Your MSA

Subjects Covered	Hours of Classroom Training	Hours of On-the-Job Training	Location
Products	None	2	Your MSA
Procedures	None	1	Your MSA
Assistance with placement of point-of-sale advertising materials	None	1	Your MSA
Assistance with securing Freezer accounts	None	8 – 10	Your MSA
Assistance with securing conventional accounts	None	1-2	Your MSA
Total:	None	16-20	

You will receive access to the on-line Operations Manual and point of purchase advertising materials.

The consultant will also offer you:

- help in negotiating agreements with retailers to place the Freezer at their establishments;
- training in negotiating to have the retailers' Freezers stocked with H&H Products when placement of a dedicated Freezer is either unauthorized or impractical;
- training in the use of point-of-sale advertising materials;
- training concerning working with neighboring franchisees;
- the Company's internal policies and procedures;
- assistance in developing strong, diverse account bases;
- assistance in developing efficient, cost-saving routing systems;
- assistance in incorporating and marketing new product lines;
- assistance in dealing with industry competitors as well as competitive products;
- assistance in various aspects of selling process from prospecting to handling objections and closing;
- assistance in other business matters;
- assistance in doing a sampling for a prospective customer; and

- assistance in delivering and stocking a Freezer and a conventional account.

The Company will attempt to schedule your assistance between 6 to 9 months after you have completed the Basic Training Program. The Company will attempt to make a marketing consultant available at a mutually convenient 2-day period during this time. You are required to attend and complete the Basic Training Program to the Company's satisfaction unless otherwise agreed to by the Company. If you do not participate in the Jumpstart program within 1 year after you have completed the Basic Training Program, you will forfeit this training without any refund.

You may also have the option to purchase additional Jumpstart training programs throughout the term of the Franchise Agreement.

The following is our head marketing consultant and her experience:

Stacey Gendal has 20 years of relevant marketing and training experience. She has been our National Sales Director since May 2018 and our Head Sales and Marketing Consultant since March 2018. She was employed by the Sun Sentinel from August 2007 to March 2018, where she worked in sales advertising & digital marketing. She worked for Ring Power Lift Trucks from 2002 to 2006 in sales and training, and was employed as a Sales and Operations Manager at Cynthia's Wallpaper stores from 1989 to 1999.

The Company may, from time to time, utilize other marketing consultants who will be supervised by Mrs. Gendal. The Company requires that these marketing consultants have a minimum of 2 years' experience as a marketing consultant, or other relevant experience.

You and one other individual may attend the Basic Training Program. The Training Fee is $10,000 for the Basic Training Program, and an additional $5,000 (for a total of $15,000) for the Supplemental Sales Training. You must also pay your expenses and the expenses of your personnel attending, like travel, living expenses, compensation, etc. Since the training will be conducted in your MSA, these expenses should be minimal.

In addition to the training described above, the Company sponsors a periodic "Convention" (which may be our convention or another conference or meeting we designate). The main purpose of the Company's Convention is to help you learn new and better ways to operate your Franchised Business. During the term of your Franchise Agreement, you will be required to attend the Convention within 2 years after commencing operation of your Franchised Business and (ii) attend at least 1 Convention every 3 years thereafter. Failure to comply with this requirement will result in either termination or an administrative charge of $2,000 at the discretion of H&H. All shipments will be withheld until such fine has been paid. There is no Convention fee, but you will be required to pay your expenses and the expenses of your personnel attending, like travel, living expenses, compensation, etc.

Other than the Conventions and Quarterly online meetings, the Company does not require additional training programs and/or refresher training programs.

Item 12
Territory

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.

You are granted the right to operate a franchise within an MSA designated by Company. Your MSA will be described in Schedule 1 of the Franchise Agreement. The Company has the right to require

that your franchise be relocated from the cold storage facility in your metropolitan statistical area ("MSA") from which it is then currently operated if in the Company's sole opinion such location in your MSA is unreasonable, such as when the location does not permit timely service to important accounts in your MSA. Other than that right, the Company does not approve the operation of your franchise from any particular cold storage facility.

The Company will not grant more than 1 franchise unit for every one hundred thousand (100,000) residents or increment of that amount in your MSA, provided that you are in compliance with the terms of your Franchise Agreement. If you live outside an MSA, the Company will treat you as a resident of the closest MSA or describe an area on Schedule 1 of your Franchise Agreement that will give you the same competitive benefits as an MSA.

The Company may establish a company-owned outlet or other channel of distribution using the Licensed Marks.

You may not sell H&H Products to any other distributor of frozen desserts or snack products without our prior written approval, which may be withheld for any reason. You may sell H&H Products within your assigned MSA. You may also sell H&H Products in an adjoining MSA (one that physically touches your own) 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 H&H 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. The Company has the right to require that all Franchisees in an MSA utilize the same cold storage. For accounts outside your MSA, a reasonable distance is typically defined as a two hour radius (one hour in each direction) from your home but Company may, in its sole discretion, determine that a farther distance may be reasonable under the circumstances. In the event that the Company obtains a prospective franchisee in an area outside of your MSA that you were servicing, you will have the option to either relinquish your accounts to that franchisee or purchase an additional franchise under the Company's then-current terms and conditions. If you purchased the additional franchise you would be entitled to another cold storage delivery option if you so desired. You may sell H&H Products using your freezers which can be moved from location to location to take advantage of sales opportunities at special events within your assigned MSA and within a reasonable distance from the assigned MSA, provided you may not sell H&H Products in an MSA not assigned to you if H&H has granted the maximum allowable number of franchises for that MSA.

The Company may arrange to drop ship Products in quantities of at least 1 pallet (50 cases) to your wholesale customers, if you obtain our prior approval.

The Company may establish, administer, and require you to participate in programs for the sale of products and services to retailers, distributors, or other third parties, having 2 or more locations on a national or regional basis ("**National Accounts**"). You, your affiliates, other franchisees, and other parties the Company designates may sell products and services to such National Accounts at locations that are situated within your MSA or the MSA of any other franchisee. The Company may promulgate and enforce the terms and conditions under which you and any other franchisee must or may participate in any given National Account program, and may impose additional requirements in exchange for your participation in the National Account program including, but not limited to, increased insurance requirements. You may be required to execute contracts governing such programs as a condition of your participation. Both the Company and the National Account customer will have the right to refuse your participation in the program. In the event your participation is refused or terminated for any reason, or in the event you choose not to participate in any given National Account program, the Company may grant others (including, but not limited to, H&H, H&H's affiliates, and other franchisees) the right to sell products and services with respect

to that particular National Account in your MSA. The Company may charge you lead referral and/or administrative fees in return for National Account referrals.

The Company may consider granting you the right to establish additional franchises under further Franchise Agreements (which will require additional franchise fees) if you are in compliance with the Franchise Agreement and you propose to establish a franchise in an additional MSA which the Company approves, but the Company has no obligation to do so. The Company may consider granting you the right to relocate your franchise to a different MSA if you are in compliance with the Franchise Agreement and you propose to establish a franchise in an additional MSA for which the Company has not granted the maximum allowable number of franchises, but the Company has no obligation to do so. The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises within your MSA or contiguous territories.

As noted in Item 1, the Company currently operates one company-owned H&H business, like the business described in this Disclosure Document, in an MSA in South Florida.

The Company or its affiliates have not established but may establish other franchisees or company-owned outlets or another channels of distribution selling or leasing similar products or services under a different trademark, but have no present plans to do so. Although the Company and its affiliates have not done so, the Company and its affiliates may sell products, other than FRUITFULL® bulk packs consisting of 24 bars per box, under the Licensed Marks within or outside of your MSA through any other method of distribution including, sales through such channels of distribution as the Internet, catalog sales, telemarketing or other direct marketing sales (together, "alternative distribution channels"). You may not use alternative distribution channels to make sales outside or inside your MSA and you will receive no compensation for the Company's or its affiliates' sales through alternative distribution channels. As an example, you may not sell H&H Products online without our prior permission.

The Company and its affiliates can use alternative channels of distribution to make sales within your MSA of products or services under different trademarks than the Licensed Marks but the Company and its affiliates have not yet made any sales of this type.

The Company prohibits its franchisees from soliciting sales from existing H&H accounts of another H&H franchisee. The Company also prohibits its franchisees from soliciting any actively pursued accounts of another H&H Franchisee provided that such Franchisee is following the guidelines for actively pursuing accounts as stipulated in the Company's Operation Manual. You also must not establish a separate "vendor number" with any company with whom H&H has previously established a "vendor number."

You must comply with the "Minimum Annual Purchase Requirement" which means you must purchase at least $24,000 of H&H Products in the first full calendar year of business and that each calendar year in the Term thereafter your Purchases from H&H must be equal to at least the prior year's Purchases. "Purchases" as used in the Agreement shall mean the total dollar amount of all purchases of Products by Franchisee for resale.

If you are in default of your Franchise Agreement and fail to cure such default within the prescribed cure period (if any), then we have the right to: (i) assign an unlimited number of Happy & Healthy franchisees in Franchisee's MSA; (ii) withhold from you benefits, plans, promotions or products that might be available to other Happy & Healthy franchisees (including any discounts that H&H may offer), and/or we may not authorize you to participate in certain meetings or events; (iii) require you to provide us with a detailed business plan in such form and containing such content as we may specify; and/or (iv) terminate your Franchise Agreement.

Item 13
Trademarks

Under the Franchise Agreement, the Company grants you the right to operate a business under the Licensed Marks which may be identified as an authorized Franchisee or distributor of FRUITFULL® brand products. FRUITFULL® and HAPPY AND HEALTHY™ are the Company's "Principal Marks."

The FRUITFULL® design logo is a registered trademark (Registration No. 1,859,221, Registration Date October 18, 1994) on the principal register of the United States Patent and Trademark Office ("USPTO") with the Company as registrant.

The mark FRUITFULL® is a registered trademark (Registration No. 2,044,857, Registration Date March 11, 1997) on the principal register of the USPTO with the Company as registrant.

The Company will timely file all Section 8 and 15 Affidavits for these Principal Marks.

We do not have a federal registration for HAPPY AND HEALTHY™. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

HAPPY AND HEALTHY™ is a trademark of the Company and has been in continuous and consistent use for over 25 years on frozen novelties such as frozen fruit bars, frozen yogurt, and ice cream. This is a trademark that the Company has common law and federal trademark rights to pursuant to the United States trademark laws.

There are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving the Principal Marks; nor are there any pending infringement, opposition or cancellation actions or pending material litigation involving the Principal Marks.

There are no agreements currently in effect which significantly limit the Company's rights to use or license the use of the Licensed Marks in a manner material to the franchise.

The Company need not protect your right to use the Licensed Marks and need not protect you against claims of infringement or unfair competition arising out of your use of the Principal Marks.

The Franchise Agreement does not require the Company to take any action against infringements or users. As owner of the Licensed Marks, the Company has the exclusive right to control administrative proceedings or litigation concerning the Licensed Marks.

The Franchise Agreement does not require the Company to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by the Company to you, and the proceeding is resolved unfavorably to you.

You may not, without the Company's prior written approval, transfer any Freezer to anyone that is not an H&H franchisee until you have removed all Licensed Marks, decals and other marks associated with the Company from the Freezer. If you fail to do so, you will need to pay the Company $3,000 for each violation, plus attorneys' fees.

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 or pending 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. Your obligation to notify H&H of any infringement claims is discretionary.

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 any infringement that could materially affect 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. All individuals and entities that are owners of the Franchised Business, and their respective spouses, must sign a personal guaranty attached to the Franchise Agreement as Schedule 4.

Each Manager/Employee employed by you will be required to sign a confidentiality and non-compete agreement. The confidentiality and non-compete agreement is binding upon each person that signs it and their spouses, adult children, heirs, executors, successors and assigns. However, we will not approve your Manager/Employee unless he or she executes a confidentiality agreement in a form we approve. A copy of the Confidentiality Agreement is attached to the Disclosure Document as Exhibit I. Other than signing the confidentiality agreement, we place no limitation on whom you can hire as a Manager/Employee. Your Manager/Employee does not need to have an equity interest in your franchise. The Company will require you to sign a Security Agreement at the time you sign the Franchise Agreement to secure open account financing. The Security Agreement grants to us a security interest in any Freezers that you have purchased from us. A copy of the Security Agreement is attached to the Disclosure Document as Exhibit H.

Item 16
Restrictions on What the Franchisee May Sell

The Franchisee may only offer and sell H&H Products and those services that we have approved. As described in Item 1, an H&H Product is any product that is designated as such by H&H and which H&H makes available for purchase by the franchised business, either through H&H or a supplier designated by H&H. While we require you to sell only H&H Products, you are not required to sell all H&H Products.

We may add new products or services that you must offer at your business. Our right to modify the approved list of goods and services to be offered at H&H businesses is not limited. You will immediately cease selling products, and offering or performing services, we no longer approve, and you agree to begin offering any required new or modified products and services within the time period(s) we describe in the Operations Manual.

The franchise is solely for the purpose of opening and servicing new accounts for Products. Thus, you may not solicit sales from any account which is an existing account of another authorized seller Products fruit bars or an account that another authorized seller of Products fruit bars is actively pursuing, provided that authorized seller is following the guidelines for actively pursuing accounts as stipulated in the Company's Operations Manual. Finally, you may not sell Products to any other distributor of frozen desserts, ice cream or snack products without the Company's prior written approval, which may be withheld for any reason.

Item 17
Renewal, Termination, Transfer and 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. Term of the agreement	3.a	Five years from date your Franchise Agreement is executed by the Company.
b. Renewal or extension of the term	3.b	Two five-year renewal terms.
c. Requirements for franchisee to renew or extend	3.a, 3.b	If you comply with the Franchise Agreement, have purchased the Minimum Annual Purchase Requirement during the two years before expiration, provide sufficient notice, sign a new agreement at least 30 days before expiration, sign general release and pay renewal fee. You may be asked to sign a contract with materially different terms and conditions than your original agreement, but your MSA will remain the same, unless the MSA definition has been updated by the U.S. Government.
d. Termination by	None	Rights as provided by law.

Provision	Section in Franchise Agreement	Summary
franchisee		
e. Termination by Company without "cause"	None	Not applicable.
f. Termination by Company with "cause"	11	The Company can terminate on notice and without cure for certain reasons.
g. "Cause" defined --curable defaults	11	Fail to pay financial obligations or comply with insurance obligations and cure within five days, breach the Franchise Agreement and cure within thirty days.
h. "Cause" defined –defaults which cannot be cured	11	Unapproved use of marks; attempt to sell business within ninety days of Company sales show or sales promotion in the MSA without Company's approval; bankruptcy, insolvency, dissolution or termination of Franchisee; sales of more than 50% of assets; 3 defaults in a 24-month period; failure to transfer within 6 months after death or disability; abandonment or failure to operate business; subfranchising, subdistributing or subdividing your rights without Company's approval; sell products to former franchisees of the Company; other activities detrimental to the Company or the Licensed Marks; failure to purchase the Minimum Annual Purchase Requirement; attempt to directly contact any of the Company's freight companies, vendors or National Accounts; sell or attempt to sell to another Franchisee's accounts; failure to attend (i) the Convention within 2 years after starting your franchise and (ii) at least 1 Convention every 3 years after that; failure to begin the operation of the Franchise Business within 6 months after the Franchisee's Signing Date; or if Franchisee offers or sells through the Franchised Business any products that compete directly or indirectly with H&H Products.
i. Franchisee's obligations on termination/non-renewal	12	Cease to operate and represent connection; pay sums due and damages incurred; return any confidential materials and trade secrets; provide list of customers and employees; terminate, transfer or assign telephone numbers, yellow pages listings, name registrations and business licenses; return all materials bearing the Licensed Marks; cease use of all indicia of origin.
j. Assignment of contract by	10.a	The Company may sell or assign.

Provision	Section in Franchise Agreement	Summary
the Company		
k. "Transfer" by franchisees defined	10.b	Sale, assignment or transfer of your interest in the Franchise Agreement, in you or in the franchised business.
l. Company approval of transfer by franchisee	10.b	Company can withhold approval for good business reasons. Such reasons include, the failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards, the fact that the proposed transferee is a competitor of the Company, the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations, the failure of you or proposed transferee to pay any sums owing to the Company to cure any default in the franchise agreement existing at the time of the proposed transfer.
m. Conditions for Company approval of transfer	10.c, 10.d	a. You must give the Company notice of transfer with complete description of all terms and fees of the proposed transfer or assignment, including the proposed transferee's name, address, financial qualifications and previous five (5) years' business experience. b. The transferee must pay the Company a transfer fee (but no franchise fee) and upon the transferee's executing a general release for the benefit of the Company and its employees, agents and representatives. c. The transferee must sign the Company's then current form of Franchise Agreement. d. You must pay the Company a transfer fee and training fee which will be between $8,500 and $25,000 if the Company obtained the lead for such transfer. e. The transferee's owners and their spouses sign a personal guaranty.
n. The Company's right of first refusal to acquire franchisee's business	10.d	Exercisable within thirty days after notice.
o. Company's option to purchase franchisee's business	None	Not applicable.
p. Death or disability of franchisee	10.h	The franchised business must be transferred to an approved person in 6 months.

Provision	Section in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	9.c	No involvement with any business that offers or sells frozen fruit bars, confection bars, snacks, baked goods, or any other products that are the same as, or substantially similar to, any of the Products offered and sold by the Franchise Business, through the same or similar methods of distribution as the Franchise Business (a "Competing Business").
r. Non-competition covenants after the franchise is terminated or expires	12.g	No involvement with a Competing Business for two years after termination or expiration within your MSA, within ten (10) miles of your MSA, or within two (2) miles of any location where the you sold H&H Products during the twelve (12) month period immediately preceding the date of termination or expiration.
s. Modification of the Agreement	None	Not applicable.
t. Integration/Merger Clause	16.e	The Franchise Agreement, and its schedules and exhibits, is the entire agreement of the parties. Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in the Franchise Agreement is intended to disclaim the express representations made in this disclosure document or its attachments or addenda.
u. Dispute resolution by arbitration or mediation	14	Except for certain claims, all disputes must be arbitrated in Palm Beach County, Florida, subject to state law.
v. Choice of forum	None	Subject to applicable state law providing to the contrary, this provision is not applicable.
w. Choice of law	15	Subject to applicable state law providing to the contrary, Florida law shall govern.

Item 18
Public Figures

The Company does not use any public figure to promote its 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.

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 Todd Peterson, at 1600 S. Dixie Highway, Ste. 100, Boca Raton, FL 33432, (561) 367-0739, the Federal Trade Commission, and the appropriate state regulatory agencies.

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Item 20
Outlets and Franchisee Information

TABLE NO. 1

Systemwide Outlet Summary
For Years 2019 to 2021

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2019	45	38	(7)
	2020	38	32	(6)
	2021	32	29	(3)
Company-Owned	2019	0	0	0
	2020	0	1	1
	2021	1	1	0
Total Outlets	2019	45	38	(7)
	2020	38	33	(5)
	2021	33	30	(3)

TABLE NO. 2

Transfers of Outlets From Franchisees to New Owners
(Other than the Franchisor)
For Years 2019 to 2021

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Illinois	2019	0
	2020	0
	2021	1
Texas	2019	1
	2020	0
	2021	0
Total	2019	1
	2020	0
	2021	1

TABLE NO. 3

Status of Franchised Outlets
For Years 2019 to 2021

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations-Other Reasons	Column 9 Outlets at End of the Year
Alabama	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Arizona	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	1	1
	2021	1	0	0	0	0	0	1
California	2019	5	1	1	0	0	1	4
	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
Colorado	2019	3	0	1	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Connecticut	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
Delaware	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Florida	2019	3	0	0	0	0	1	2
	2020	2	0	0	0	0	1	1
	2021	1	0	0	0	0	1	0
Georgia	2019	0	2	0	0	0	0	2
	2020	2	0	0	0	0	1	1
	2021	1	0	0	0	0	1	0
Idaho	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Illinois	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Indiana	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Iowa	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Kentucky	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations-Other Reasons	Column 9 Outlets at End of the Year
	2021	0	0	0	0	0	0	0
Maryland	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	1	1
	2021	1	0	0	0	0	0	1
Massachusetts	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Michigan	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
Minnesota	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Missouri (1)	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Nebraska	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Nevada	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
New Jersey	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
New Mexico	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
New York	2019	2	0	0	0	0	0	2
	2020	2	0	0	1	0	0	1
	2021	1	0	0	0	0	1	0
North Carolina	2019	1	0	0	0	0	1	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Ohio (2)	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	1	2
	2021	2	0	0	0	0	0	2
Oklahoma	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Pennsylvania	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations-Other Reasons	Column 9 Outlets at End of the Year
Rhode Island	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Tennessee	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Texas	2019	5	0	1	0	0	0	4
	2020	4	1	0	0	0	0	5
	2021	5	0	0	0	0	1	4
Utah	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
Virginia	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	1	1
	2021	1	0	0	0	0	0	1
Washington	2019	1	0	0	0	0	1	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Total	2019	45	4	3	0	0	8	38
	2020	38	5	0	1	0	9	32
	2021	32	2	0	0	0	5	29

(1) A franchisee who was previously located at 1103 Pine Wood, Waterloo, IL 62298 relocated to 51 Boschert Drive, St. Peters, MO 63376. Although this franchisee did not cease operations, the franchisee is reflected in the column 8 figures above.

(2) Our Columbus, Ohio franchisee was tragically killed in a motorcycle accident in March 2021. Before he died, he put in place for his family to be involved with his franchise business, which they were. The franchise passed seamlessly to his family and they remain extremely active franchisees to this day.

TABLE NO. 4

Status of Company-Owned Outlets
For Years 2019 to 2021

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Florida	2019	0	0	0	0	0	0
	2020	0	1	0	0	0	1

	2021	1	0	0	0	0	1
Total	2019	0	0	0	0	0	0
	2020	0	1	0	0	0	1
	2020	1	0	0	0	0	1

TABLE NO. 5

Projected Openings as of December 31, 2021

Column 1 State	**Column 2 Franchise Agreements Signed But Outlet Not Opened**	**Column 3 Projected New Franchised Outlet in the Next Fiscal Year**	**Column 4 Projected New Company-Owned Outlet in the Next Fiscal Year**
Alabama			
Alaska			
Arizona			
Arkansas			
California			
Colorado		1	
Connecticut			
Delaware			
District of Columbia			
Florida		1	
Georgia			
Hawaii			
Idaho			
Illinois			
Indiana		1	
Iowa			
Kansas			
Kentucky			
Louisiana			
Maine			
Maryland			
Massachusetts			
Michigan			
Mississippi			
Missouri			
Minnesota			
Nebraska			
Nevada			
New Hampshire			
New Jersey			
New Mexico			
New York		1	
North Carolina			
North Dakota			
Ohio			
Oklahoma			

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlet in the Next Fiscal Year
Oregon			
Pennsylvania			
Rhode Island			
South Carolina		1	
South Dakota			
Tennessee			
Texas			
Utah		1	
Vermont			
Virginia			
Washington			
West Virginia			
Wisconsin			
Wyoming			
US Virgin Islands			
TOTAL:	0	6	0

The charts above are as of December 31, 2021. Attached as Exhibit D is a list of the names of all franchisees and their addresses and telephone number of all their units as of December 31, 2021.

Attached as Exhibit E is a list of the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who, in the Company's most recent full fiscal year end: (1) had a unit terminated by the Company; (2) had a unit not renewed by the Company; (3) otherwise voluntary or involuntarily ceased to do business under the Franchise Agreement; or (4) has not communicated with the Company within 10 weeks of the issuance date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, the Company has not signed confidentiality clauses with any current or former franchisees.

There are no trademark-specific franchisee organizations associated with the franchise system being offered which the Company has created, sponsored or endorsed.

Item 21
Financial Statements

Happy & Healthy Guaranty, LLC absolutely and unconditionally guarantees the performance of our obligations under our franchise registrations that became effective on or after March 20, 2010, or will become effective in the future, in states requiring the registration of the offer and sale of our franchises. The audited Financial Statements and Independent Auditors' Report of our affiliate Happy & Healthy Guaranty, LLC, (1) as of and for the Year Ended December 31, 2021 and (2) as of and for the Years Ended December 31, 2020 and 2019, are included in this Disclosure Document at Exhibit C. The instrument of guaranty is included in Exhibit C.

Item 22
Contracts

The following Agreements are attached to this Disclosure Document.

Exhibit	Agreement
B	Franchise Agreement and Riders
F	Freezer Agreement
H	Security Agreement

Item 23
Receipts

You will find copies of a detachable receipt in Exhibit L at the very end of this disclosure document.

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EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	Office of the New York State Attorney General Investor Protection Bureau, Franchise Section	28 Liberty Street, 21st Floor New York, NY 10005 212-416-8236 Phone 212-416-6042 Fax
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

EXHIBIT B

FRANCHISE AGREEMENT AND RIDERS

HAPPY & HEALTHY PRODUCTS, INC.
FRANCHISE AGREEMENT

Copyright© 2022
Happy & Healthy Products, Inc.

HAPPY & HEALTHY PRODUCTS, INC
Franchise Agreement

Franchisee's Signing Date: _____

Effective Date: _____

Summary Pages

These pages summarize the attached AGREEMENT, the details of which shall control in the event of any conflict.

1. Franchisee Name(s):_____

   Address:_____

   Telephone: (___)_____-_____ E-Mail Address: _____

2. Name of Franchisee's MSA: Set forth in Schedule 1

3. Franchise Fee: $25,000.

4. Amount Due Upon Franchisee's Signing Date: $7,500.

5. Franchisee shall purchase _____ Freezers, _____ pallets (_____ cases) of H&H Products (initial inventory).

6. Franchisee shall contract for: ___Basic Training Program Only for 1 week of Training (12 Freezer placements)
   or
   ___Basic Training plus Supplemental Sales Training for 2 weeks of Training (20 Freezer placements)

7. Date Balance of $_____ (Initial Franchise Fee less $7,500 plus payments for Freezers, initial inventory and training) is due: _____, 20___.

8. Date deposit of $7,500 is due to avoid freight charges on Freezers _____.

9. Expiration Date of Franchise Agreement: _____.

10. Franchisee's Agent to Receive Service of Process:

    Name:_____

    Address:_____

    _____

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Schedule 1 — Franchisee's Metropolitan Statistical Area ("MSA")
Schedule 2 — Equipment Purchase Order
Schedule 3 — Personal Release
Schedule 4 — Personal Guaranty
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HAPPY & HEALTHY PRODUCTS, INC.
FRANCHISE AGREEMENT

This Agreement ("Agreement") is entered into as of _____, 20_____, by and between Happy & Healthy Products, Inc., a Florida corporation ("H&H") and _____ _____ (the "Franchisee").

1. RECITALS

a. Franchisee has investigated several business opportunities and has decided to acquire a franchise from H&H for the purpose of engaging in the business of distributing frozen fruit bars, confection bars, snacks, baked goods and other products, through approved services using designated equipment. As used in this Agreement, an "H&H Product" or "Product" is any product that is designated as such by H&H and which H&H makes available for purchase by Franchisee, either directly through H&H or indirectly through a supplier designated by H&H. H &H Products may include, but are not limited to, non-private labeled snack items, such as popcorn, protein bars, and other items. You are also required to display certain Products in powered freezers or insulated promotional coolers that meet our then-current standards and specifications and that are approved by us (each, a "H&H Freezer" or "Freezer"). H&H reserves the right to periodically update and modify the approved methods and equipment in which Franchisee may or shall offer and sell Products.

b. H&H is willing, on the terms described below, to provide Franchisees with the opportunity to participate in its marketing programs and its distribution network.

2. GRANT OF FRANCHISE

a. Subject to all the terms and conditions herein, H&H grants to Franchisee the non-exclusive right to use (i) the trademark Happy & Healthy™, (ii) the registered trademark Fruitfull® ("Fruitfull®"), (iii) the registered trademark Be Happy & Healthy®, (iv) the registered trademark Happy Indulgence®, and (v) such other marks as H&H may hereafter make available for Franchisee's use (collectively "Licensed Marks"), and all the other benefits of this Agreement as set forth herein, in the operation of a H&H Franchise Business in the Metropolitan Statistical Area ("MSA") designated on Schedule 1 (hereafter "Franchisee's MSA"), together the "Franchise Business." For so long as Franchisee is in full compliance with this Agreement, H&H agrees to grant only one (1) franchise for every one-hundred thousand (100,000) residents in Franchisee's MSA. Franchisee's rights to the MSA are contingent upon Franchisee's compliance with this Agreement including, but not limited to, the following terms and conditions:

b. Franchisee must comply with the "Minimum Annual Purchase Requirement." As used in this Agreement, "Minimum Annual Purchase Requirement" means that Franchisee must purchase at least $24,000 of H&H Products in their first full calendar year of business and that each calendar year in the Term thereafter Franchisee's Purchases from H&H must be equal to at least the prior year's Purchases. "Purchases" as used in this Agreement shall mean the total dollar amount of all purchases of Products by Franchisee for resale.

c. H&H only will ship to a single cold storage facility for the Franchisee and may determine whether the location of Franchisee's cold storage facility is unreasonable.

d. H&H may at any time and in its sole discretion, require that all Franchisees in an MSA utilize the same cold storage.

e. H&H may arrange to drop ship Products in quantities of at least one (1) pallet (50 cases) to Franchisee's Wholesale customers, if Franchisee obtains prior approval from H&H.

f. Franchisee must not establish a separate "vendor number" with any company with whom H&H has previously established a "vendor number."

g. H&H may establish, administer, and require Franchisee to participate in programs for the sale of products and services to retailers, distributors, or other third parties, having two (2) or more locations on a national or regional basis ("**National Accounts**"). Franchisee, its affiliates, other franchisees, and other parties H&H designates may sell products and services to such National Accounts at locations that are situated within Franchisee's MSA or the MSA of any other franchisee. H&H may promulgate and enforce the terms and conditions under which Franchisee and any other franchisee must or may participate in any given National Account program and may impose additional requirements in exchange for Franchisee's participation in the National Account program including, but not limited to, increased insurance requirements. Franchisee may be required to execute contracts governing such programs as a condition of its participation. Both H&H and the National Account customer will have the right to refuse Franchisee's participation in the program at H&H's option. In the event Franchisee's participation is refused or terminated for any reason, or in the event Franchisee chooses not to participate in any given National Account program, H&H may grant others (including, but not limited to, H&H, H&H's affiliates, and other franchisees) the right to sell products and services with respect to those National Accounts in Franchisee's MSA. H&H may charge Franchisee lead referral and/or administrative fees in return for National Account referrals.

h. Franchisee may sell H&H Products within Franchisee's assigned MSA and within a reasonable distance from the assigned MSA, provided

1. Franchisee must not sell H&H Products in an MSA not assigned to Franchisee if H&H has granted the maximum allowable number of franchises for that MSA.

2. Franchisee must not sell H&H Products in an MSA other than its own or other than an immediately physically adjoining MSA, or a distance outside of the assigned MSA determined to be unreasonable by H&H, in its sole discretion.

3. H&H may, in its sole discretion, determine whether sales accounts outside Franchisee's MSA are unreasonably remote from the MSA; and

4. In the event that a prospective franchisee desires to obtain a franchise in an MSA that Franchisee is servicing (other than Franchisee's own or physically adjoining), Franchisee will have the option to either relinquish the accounts in that MSA or purchase a franchise for that MSA under H&H's then-current terms and conditions.

3. TERM OF FRANCHISE

a. The term of this Agreement shall expire on the fifth anniversary of its Effective Date (the "Expiration Date").

b. Franchisee will have the right to enter into a successor agreement for the Franchise Business for two (2) additional renewal terms of five (5) years each, provided that Franchisee satisfies the following conditions respecting each renewal term:

1. Franchisee has given H&H written notice at least sixty (60) days but no more than one hundred eighty (180) days before the end of the term of this Agreement of Franchisee's intention to enter into a successor franchise agreement;

2. Franchisee signs H&H's then-current standard form of Franchise Agreement which may differ materially from the provisions of this Agreement;

3. Franchisee has complied with this current Agreement throughout its term, and Franchisee has met its Minimum Annual Purchase Requirement during the two (2) years preceding the Expiration Date;

4. Upon signing the successor Franchise Agreement Franchisee pays a renewal fee in an amount determined by H&H that will not exceed Five Thousand Dollars ($5,000);

5. Franchisee and each of its owners sign a general release, in form acceptable to H&H, of all claims against H&H and its affiliates, officers, directors, employees, and agents.

4. FEES

a. As a condition of becoming a Franchisee, Franchisee has agreed to pay H&H the nonrefundable initial franchise fee specified on the Summary Pages. If the amount specified in Section 7 of the Summary Pages, as well as all fees due to H&H for Freezers and Products is not received by H&H within six (6) months after Franchisee's Signing Date, H&H may, at its option, terminate this Agreement without waiving its right to the initial franchise fee and other amounts already paid. If Franchisee fails to begin the operation of its Franchise Business within six (6) months after the Effective Date, H&H may terminate the Franchise Agreement and Franchisee will forfeit all amounts paid to H&H. Franchisee will be deemed to have "begun" operation of the Franchise Business on the date that Franchisee enters into its first Freezer location agreement with an account.

b. H&H shall institute, maintain and administer an Advertising Fund (the "Advertising Fund") for the sole and exclusive purpose of supporting and paying for marketing programs H&H deems necessary, desirable or appropriate to promote the good will and public image of the Licensed Marks and all H&H franchises. Franchisee shall be required to contribute to the Advertising Fund an amount of Six Hundred Dollars ($600) per year or 1.5% of all Purchases Franchisee made during the prior calendar year whichever is greater (the "Advertising Fund Contributions"); provided, however, Franchisee shall not be required to make any Advertising Fund Contributions for the first six (6) months that Franchisee operates its Franchise Business. Franchisee shall be required to make 1/3 of the Advertising Fund Contributions for a particular year on each of February 1, May 1, and August 1. H&H shall have the right to increase the Franchisee's $600 minimum Advertising Fund Contribution upon sixty (60) days prior written notice, but in no event will the minimum amount of the Advertising Fund Contribution exceed One Thousand Eight Hundred Dollars ($1,800) per year, which may be adjusted for inflation.

5. LOCATION ASSISTANCE

a. Franchisee must attend and successfully complete H&H's initial training program (the "Basic Training Program"). For the Basic Training Program, H&H will make available to Franchisee the services of a marketing consultant, in consideration of the Training Fee specified on the Summary Pages. The marketing consultant shall provide Franchisee with on-the-job training in the operation of an H&H Franchise Business in Franchisee's MSA, and any surrounding areas agreed to by H&H. The consultant will assist Franchisee in contracting placements for Franchisee's initial order of Freezers in Franchisee's

MSA and any surrounding areas agreed to by H&H. H&H guarantees that it or the consultant will assist you with locating and establishing contracts for your first 12 Freezers as a part of the Basic Training Program. Franchisee will also have the option to schedule a second consecutive week with its marketing consultant ("Supplemental Sales Training") which will assist you with locating and establishing placement of at least 8 more Freezers. The Supplemental Sales Training may include selling conventional non-freezer accounts, Franchisee will need to purchase at least 8 more Freezers in its initial order and additional Products to fulfill its supplemental sales.

b. Franchisee must also attend H&H's Jumpstart program within 1 year after Franchisee has completed the initial training program, otherwise Franchisee will forfeit such training without any refund.

c. Once the initial accounts have been established, Franchisee alone shall be responsible for servicing the accounts, relocating Freezers whenever business so warrants, and establishing new accounts. In addition, Franchisee shall take such action as may be required by H&H, or by Franchisee's freezer location agreement(s) with the account(s) serviced by Franchisee, to remove or relocate Freezers or other assets of the Franchise Business from such account's retail establishment upon notice by H&H or such account, at Franchisee's sole cost and expense.

d. Upon Franchisee's request, and subject to H&H's availability, H&H may provide additional sales assistance to Franchisee for H&H's then-current fee. Franchisee must pay H&H the then-current fee at least 30 days prior to H&H providing such additional assistance to Franchisee.

e. This Agreement in no way precludes Franchisee from hiring or retaining sales personnel or independent contractors, so long as such relationships are undertaken at no expense to H&H.

6. SALES AND MARKETING

a. Franchisee understands that H&H will provide Franchisee with an explanation of its H&H Freezer marketing plan and ideas for promoting H&H Products at retail events. Moreover, H&H will provide Franchisee with the location and marketing assistance prescribed in Section 5, above. H&H's assistance may include, without limitation or obligation, pricing recommendations, suggestions for point-of-sale promotional materials, signage for H&H 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. As an independent business owner, Franchisee's success as a businessperson will depend primarily on Franchisee's ability to obtain and service profitable accounts. No two accounts are the same. Franchisee agrees that the Franchisee alone is responsible for developing and implementing his or her own marketing and sales programs in the Franchisee's MSA, and that H&H has no obligation to Franchisee other than those expressly prescribed by this Agreement.

b. H&H has granted Franchisee this Franchise solely for the purpose of opening and servicing new accounts for H&H Products. Thus, Franchisee may not solicit sales from any account which is an existing account of another authorized seller of H&H Products or an account that another authorized seller of H&H Products is actively pursuing, provided that authorized seller is following the guidelines for actively pursuing accounts as stipulated in H&H's Manual. Finally, Franchisee may not sell H&H Products to any other distributor of frozen desserts or snack products without H&H's prior written approval, which may be withheld for any reason.

c. Except as is otherwise expressly set forth in this Agreement, H&H does not restrict Franchisee or any other H&H Franchisee in the accounts upon which they may call. Franchisee is an

independent business owner and subject to the terms of this Agreement shall have complete control over the operations of Franchisee's business.

d. H&H 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, without limitation, 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 Franchisee with marketing, advertising and promotional formats and sample materials without additional charge, or provide Franchisee 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 H&H's other funds, and will not be used to defray any of H&H's general operating expenses, except for costs, salaries, travel expenses, administrative costs and overhead H&H may incur in activities reasonably related to the administration of the Advertising Fund and its marketing programs (including, without limitation, conducting market research, preparing advertising and marketing materials, general production costs and collecting and accounting for contributions to the Advertising Fund). H&H 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 H&H may cause the Advertising Fund to invest any surplus for future use by the Advertising Fund. Franchisee authorizes H&H to collect for remission to the Advertising Fund any advertising or promotional monies or credits offered by any supplier based upon Franchisee's 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. H&H will prepare an annual statement of monies collected and costs incurred by the Advertising Fund and will furnish it to Franchisee upon written request.

Franchisee agrees that the Advertising Fund will be intended to maximize recognition of the Licensed Marks and all H&H franchisees. Although H&H will endeavor to utilize the Advertising Fund to develop advertising and marketing materials and programs, and to place advertising that will benefit all H&H franchisees, H&H 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. Although H&H intends the Advertising Fund to be of unlimited duration, H&H 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.

e. Except as expressly provided in this Section 6, H&H assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the Advertising Fund.

7. SUPPLIES AND INFORMATION

a. H&H will provide Franchisee a limited supply of advertising and sales materials for use in promoting the Products. H&H may charge a fee for quantities which exceed its current standard allotment for Franchisees.

b. H&H will from time to time provide Freezer location agreement form(s) and Franchisee must use such form(s) when placing Freezers on the premises of third parties. Franchisee must submit all completed forms to H&H at the time and manner designated by H&H.

c. H&H may provide telephonic or digital assistance to the Franchisee on matters relating to H&H Products or H&H Freezers.

d. H&H shall permit Franchisee access to its confidential Operations Manual (the "Manual"), which is online, and Franchisee shall comply with all provisions of such Manual. From time to time during the term of this Agreement, H&H may communicate to the Franchisee mandatory and suggested standards, methods, procedures and specifications applicable to the System and information relative to other obligations of Franchisee hereunder and to the operation of the Franchise Business. Such communications may be made through such Confidential Manual, as and when available, or through H&H Communications. All intellectual-property rights to the Manual shall at all times remain the exclusive property of H&H and Franchisee shall have no rights to it (including access rights), in any event, upon termination or expiration of this Agreement for any reason whatsoever. Franchisee shall not at any time download, copy, duplicate, record or otherwise reproduce or transcribe the Manual or any part of this Agreement or any of the forms supplied by H&H hereunder without H&H's prior written consent. H&H shall have the right to add to, modify, withdraw from or otherwise revise the provisions of the Manual from time to time. The provisions of the Manual (as revised from time to time) and the mandatory standards, methods, procedures and specifications applicable to the System and such revisions made from time to time by H&H shall constitute provisions of this Agreement and Franchisee shall comply with same as if fully set forth herein.

e. Franchisee acknowledges that certain information relating to the operation of the Franchise Business including, without limitation, the standards, methods, procedures and specifications of the System, and the contents of the Manual, is derived from information disclosed to Franchisee by H&H and that all such information is of a proprietary and confidential nature and is a trade secret of H&H. Franchisee shall maintain the absolute confidentiality of all such information during the term of this Agreement and after the termination or expiration of this Agreement for any reason whatsoever and shall not disclose any such information for any reason whatsoever, disclosing the same to Franchisee's employees only to the extent necessary for the operation of the Franchise Business in accordance with this Agreement. Franchisee further agrees not to use any such information, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by H&H during the term of this Agreement or afterwards. Franchisee may not at any time copy, duplicate, record or otherwise reproduce any part of the Manual. Employees or other helpers of the Franchisee who have access to information or materials that H&H deems confidential shall sign a confidentiality and non-compete agreement in the form that H&H designates from time to time.

f. Notwithstanding anything in this Agreement to the contrary, Franchisee and Franchisee's owners, may, in accordance with any applicable law including the federal Defend Trade Secrets Act, disclose confidential information, including H&H's trade secrets, (a) in confidence, to federal, state, or local government officials, or to an attorney of Franchisee, for the sole purpose of reporting or investigating a suspected violation of law; or (b) in a document filed in a lawsuit or other legal proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with any applicable law or create liability for disclosures expressly allowed by law.

8. WARRANTIES

H&H is an authorized wholesaler of Freezers and components for one or more suppliers. As a wholesale distributor, H&H neither manufactures the Freezers nor manufactures the Products sold by its Franchisees. All warranties on Freezers and Products shall be manufacturers' warranties. No warranty, either express or implied on the Freezers or Products is offered by H&H. However, H&H agrees to pass through to Franchisee all warranties of manufacturers with whom H&H and Franchisee deal.

9. FRANCHISEE'S OBLIGATIONS

a. Franchisee agrees to use his/her best efforts to sell H&H Products.

b. All owners (and their respective spouses) of a Franchisee which is a corporation, partnership or other business entity, will sign the Guaranty and Assumption Agreement in the form attached to this Agreement as Schedule 4 (the "Guaranty Agreement"). Any person or entity that at any time after the Effective Date of this Agreement becomes an owner of Franchisee in accordance with this Agreement or otherwise will (along with their spouse), as a condition of becoming an owner, sign the Guaranty Agreement. Franchisee must furnish to H&H at any time upon reasonable request a certified copy of the Articles of Incorporation or Articles of Organization and a list, in a form H&H reasonably requires, of all shareholders or members of record and all persons having a beneficial interest in any corporation or other entity that is or becomes a Franchisee.

c. Franchisee (and each direct and indirect owner of Franchisee if Franchisee is an entity) will not, during the term of this Agreement, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or business: (i) divert or attempt to divert any business or customers of the Franchise Business to any Competing Business (as defined below in this paragraph) or perform any act that would damage the goodwill associated with the Marks or the System; or (ii) own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in, or assist any person or entity engaged in any Competing Business (including any e-commerce or Internet-based business), except: (1) with our prior written consent; (2) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities; or (3) under a separate agreement between you and us. For purposes of this Agreement, a "Competing Business" means any business that offers or sells frozen fruit bars, confection bars, snacks, baked goods, or any other products that are the same as, or substantially similar to, any of the Products offered and sold by the Franchise Business, through the same or similar methods of distribution as the Franchise Business.

d. During the term of this Agreement, Franchisee agrees that he/she shall not purchase from any source other than H&H, or an authorized supplier designated by H&H, any of the Products unless H&H notifies Franchisee that he or she may purchase directly from such source.

e. Franchisee agrees to purchase all its display freezers (including additional H&H Freezers purchased during the term) from H&H or sources designated or approved by H&H.

f. Franchisee shall secure, at its sole expense, appropriate cold storage facilities necessary for the operation of its Franchise Business. Franchisee shall designate a single cold storage facility for receiving shipments from H&H. H&H will ship only to such a designated cold storage facility, approved by H&H in writing, which is located in Franchisee's MSA or in a surrounding area. H&H may withhold its approval of a cold storage facility at its option, including, without limitation, if H&H determines that transportation of Products to the facility is difficult or impractical, or if H&H at its option designates a single cold storage facility to be used by all franchisees in the Franchisee's MSA

g. Franchisee agrees not to engage in any activities which reflect unfavorably H&H, the Licensed Marks, or upon the manufacturers of the Products acquired pursuant to this Agreement including, but not limited, on the Internet.

h. Franchisee agrees to allow H&H to use Franchisee's likeness, company name or individual name in future H&H promotional materials, as well as to identify Franchisee as an H&H Franchisee.

i. Franchisee shall within thirty (30) days after the Effective Date of this Agreement provide H&H with a quality photograph of Franchisee. Franchisee and all individuals in the photograph shall execute a Personal Release, in the form set forth in Schedule 3, attached hereto, so that H&H may use such photograph.

j. Franchisee shall purchase and maintain in force automobile and business liability insurance for the Franchise Business in amounts adequate to protect Franchisee and H&H against claims of up to One Million Dollars ($1,000,000). All insurance policies must: (1) be issued only by an insurance carrier(s) and through an agent meeting H&H's then-current minimum standards; (2) name H&H and its affiliates and their respective officers, directors and employees as an additional insured following such format and using such endorsements as H&H periodically may direct; (3) contain a waiver of the insurance company's right of subrogation against H&H; (4) provide that H&H will receive thirty (30) days' prior written notice of a material change in or termination, expiration or cancellation of any policy (or such shorter period as required by the insurance carrier and approved by H&H); and (5) as applicable, include primary and non-contributory endorsement or language in form and content as H&H periodically requires. To the extent Franchisee obtains a single policy for two (2) or more Happy & Healthy franchise businesses, or if Franchisee participates in H&H's National Accounts Program, H&H periodically will determine the levels of insurance coverage that Franchisee must obtain and other requirements that Franchisee must satisfy, which may exceed the requirements described herein and/or exceed the insurance requirements that are required of other Happy & Healthy franchisees. H&H periodically may, with prior written notice to Franchisee, modify policy, endorsement or other requirements, increase the minimum liability protection requirements, and require different or additional kinds of insurance to reflect inflation or changes in standards of liability. If Franchisee at any time fails to obtain or maintain in effect any insurance coverage required by H&H, or to furnish satisfactory evidence thereof, H&H, at its option, may obtain insurance coverage for Franchisee, and Franchisee must reimburse H&H for its costs and expenses in connection therewith and may also require Franchisee to pay H&H an administrative surcharge of up to ten percent (10%) of the cost of the premium to cover H&H's associated administrative costs. Franchisee agrees to promptly sign any applications or other forms or instruments required to obtain any insurance and pay to H&H, on demand, any costs and premiums incurred by H&H. Franchisee will provide H&H with copies of the certificate of insurance, insurance policy endorsements and other evidence of compliance with these requirements as H&H periodically requires, within sixty (60) days of the Effective Date of this Agreement, and upon all renewal dates of the policy. In addition, Franchisee will provide to H&H with a copy of the certificate of or other evidence of the renewal or extension of each insurance policy. Franchisee's obligation to obtain and maintain these insurance policies in the amounts specified shall not be limited in any way by reason of any insurance that H&H may maintain, nor does Franchisee's procurement of required insurance relieve Franchisee of liability under the indemnity obligations described hereunder. Franchisee's insurance procurement obligations under this Section are separate and independent of Franchisee's indemnity obligations. H&H does not represent or warrant that any insurance that Franchisee is required to purchase will provide adequate coverage for Franchisee. The requirements of insurance specified in this Agreement are for H&H's protection. Franchisee should consult with its own insurance agents, brokers, attorneys and other insurance advisors to determine the level of insurance protection it needs and desires, in addition to the coverage and limits required by H&H.

k. Franchisee shall maintain all accounting reports, lists of active accounts, lists of accounts which Franchisee is actively pursuing and other informational reports as H&H may require. Franchisee shall also respond in a reasonable amount of time to questionnaires and provide other information as H&H may require. In the event that Franchisee has not responded to any such requests from H&H within two (2) weeks after the requested due date, H&H may, in its sole discretion, refrain from shipping any additional H&H Products or other items to Franchisee until such requested information is provided.

l. Franchisee shall only stock Freezers with H&H Products.

m. Franchisee agrees to conduct its business at all times in a manner using sales, marketing, advertising, and operational policies and procedures which have been prescribed and/or approved by H&H in either its Manual (if any) or other communications to its franchisees.

n. Franchisee specifically acknowledges and agrees that any Website (as defined below) will be deemed "advertising" under this Agreement and must comply with the policies and procedures that H&H establishes from time to time. (As used in this Agreement, the term "**Website**" means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including but not limited to the Internet, World Wide Web, social media and social networking sites (including but not limited to Facebook, Twitter, LinkedIn, Instagram etc.), blogs, vlogs, and other applications, etc. that Franchisee operates or authorizes others to operate and that refer to the Franchise Business, the Licensed Marks, H&H, and/or the business system.) In addition, H&H may from time to time establish specific policies regarding social media accounts or activity related to or connected with the Franchise Business and which use or refer to, directly or indirectly, H&H or the Licensed Marks, that H&H determines appropriate. The policies may include completion of training regarding social media. H&H may modify these policies as H&H determines is appropriate, including as available technologies and advertising methods change. Without limiting the foregoing, in order to protect and control the H&H brand and the Licensed Marks, Franchisee hereby agrees that H&H shall, at its option, be granted administrator rights over all social media accounts used by Franchisee in connection with the Franchise Business and which use or refer to, directly or indirectly, H&H or the Licensed Marks, and H&H may, at its option without notice or limitation, assume administration and control of such accounts.

o. Franchisee agrees that it will not, without H&H's prior written approval, sell, assign or transfer any Freezer to a person or entity that is not an H&H franchisee until Franchisee has removed all H&H Products, the Licensed Marks, decals and other marks associated with the Franchise from the Freezer. Franchisee acknowledges that it would be difficult to determine the amount of damages suffered by H&H if Franchisee fails to comply with this subsection, so Franchisee agrees that Franchisee shall pay H&H Three Thousand Dollars ($3,000) in addition to all attorneys' fees H&H incurs in enforcing this provision, as liquidated damages and not as a penalty, for each individual violation of this subsection. The requirements of this Section 9.o apply even when H&H and Franchisee are not renewing the Franchise Agreement.

p. Franchisee agrees that, during the term of this Agreement, he/she shall attend and participate in H&H's convention, or such other conference or meeting as may be designated by H&H (the "Convention"), within two (2) years after commencing operation of the Franchise Business and (ii) at least one (1) Convention every three (3)-year period thereafter. Failure to comply with this requirement will result in either termination or an administrative charge of $2,000 at the discretion of H&H. All shipments will be withheld until such amount has been paid. Franchisee shall solely be responsible for the costs associated with attending such Conventions, including airfare, lodging and meals.

q. Franchisee agrees that, prior to Franchisee commencing operation of the Franchise Business and at all times thereafter during the term of this Agreement, Franchisee shall have a computer or some other electronic device that meets H&H's standards and specifications, as set forth in the Manual or otherwise in writing, along with access to the internet through an Internet access provider, which will enable Franchisee to communicate via e-mail with H&H from Franchisee's place of business. Franchisee agrees that it will review its e-mail messages at least once every Business Day, unless otherwise agreed upon by H&H in advance. A "Business Day" as used in this Agreement is a day when banks are open for regular commercial business in the United States.

r. Franchisee agrees that Franchisee shall execute a Security Agreement (in a form satisfactory to H&H) in the event that H&H extends credit to Franchisee in connection with the purchase of H&H Products.

s. To preserve and protect the brand and Marks, Franchisee must take such steps as are necessary to ensure that Franchisee's employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; and meet any minimum operational standards that H&H may establish from time to time in the Manual. To the extent that H&H may provide suggested or mandatory standards, H&H will provide such guidance through the Manual or other written materials, telephone conversations and/or virtual or in-person meetings. Any such operating standards are designed solely to meet the anticipated volume of business, preserve excellent customer relations, and protect and promote brand and System. By offering such advice or assistance, it does not mean that H&H is Franchisee's employer, or the employer of Franchisee's employees, and it is the intention of the parties to this Agreement that H&H shall not be deemed a joint employer with Franchisee for any reason. Further, it is the intention of the parties to this Agreement that H&H shall not be deemed a joint employer with Franchisee for any reason. If H&H incurs ay any claims, damages, judgments, liabilities, or losses as a result of any actions or omissions of Franchisee or Franchisee's employees, including any that relate to any party making a finding of any joint employer status, Franchisee will fully indemnify H&H for such loss.

t. Franchisee will, at all times, maintain a sufficient amount of working capital to meet customer demands and to fulfill its obligations under this Agreement. H&H reserves the right to set forth in its Manual a minimum required amount of working capital that Franchisee must maintain.

10. TRANSFER

a. H&H may sell or assign any or all of its rights or interests in this Agreement at any time.

b. Franchisee may sell, assign or transfer his/her interest in this Agreement, in Franchisee, or in the Franchise Business only with H&H's prior written approval, which may be withheld for good business reasons, which include, but are not limited to the failure of the Franchisee, transferee or terms of the transfer to satisfy the terms and standards H&H generally applies to transfers and transferees at the time Franchisee proposes to make a transfer. The standards need not be in writing.

c. Franchisee must notify H&H of any bona fide proposed transfer or sale of any rights or interests in Franchisee, the Franchise Agreement, or the Franchise Business, and set forth a complete description of all terms and fees of the proposed transfer or assignment, including the proposed transferee's name, address, financial qualifications and previous five (5) years business experience.

d. H&H or its assignee may, within thirty (30) days after receipt of such notice, purchase the interest offered on the same economic terms as those offered, less any brokerage fees or commissions.

e. If H&H fails to exercise its option to purchase the interest which is the subject of the transfer or assignment within thirty (30) days of H&H's receipt of the notice described above, H&H shall notify Franchisee of its approval or disapproval of the proposed transfer and its terms. If H&H approves the transfer, it only may be accomplished on terms which are no more favorable to the transferee than were the terms offered to H&H.

f. H&H may condition a transfer upon the transferee's paying H&H a transfer fee and training fee (but no initial franchise fee) and upon the transferee's executing a general release for the benefit of H&H, its employees, agents and representatives, and upon the transferee's signing H&H's then current form of Franchise Agreement. The transfer fee and training fee will be the amounts set forth in H&H's then-current Manual.

g. If transferee is a business entity, transferee's owners and their spouses must enter into a personal guaranty in the form attached hereto as Schedule 4.

h. Franchisee may transfer to another MSA, only with H&H's prior written approval, which may be withheld in H&H's sole discretion. Such transfer will be conditioned upon Franchisee's payment of Three Thousand Dollars ($3,000) and Franchisee's entering into H&H's then current Franchise Agreement.

i. Upon Franchisee's death or disability (or, if Franchisee is a corporation, partnership or other entity, the death or disability of a principal owner), Franchisee's (or such principal owner's) executor, administrator, conservator, guardian or other personal representative shall transfer Franchisee's interest in this Agreement (or the principal owner's interest) in Franchisee to a third party provided the transfer is made to the spouse, adult child, heirs or legal representative of the deceased or disabled person and such person has been approved by H&H in advance, which approval may be withheld for good business reasons. Such disposition of this Agreement or the interest in Franchisee (including, without limitation, transfer by bequest or inheritance) must be completed within a reasonable time, not to exceed six (6) months from the date of death or disability and will be subject to all of the terms and conditions applicable to transfers contained in this Section. A failure to transfer Franchisee's interest in this Agreement or a principal owner's interest in Franchisee to an approved party within this period constitutes a breach of this Agreement. For purposes hereof, the term "disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent Franchisee or the principal owner from managing and operating the Franchise Business. Any transfer made pursuant to this Section 10.i shall not be subject to the provisions of Section 10.d, 10.e, or 10.f

11. TERMINATION

H&H may terminate the Franchise Agreement, without prejudice to the enforcement of any legal or equitable remedy, immediately upon giving Franchisee written notice of such termination and the reason or cause for the termination, without providing Franchisee with an opportunity to cure the default, except as otherwise provided herein. The following shall constitute sufficient basis for H&H to terminate the Franchise Agreement:

a. If the Franchisee fails to pay any financial obligation to H&H or to a supplier of products or equipment approved by H&H within five (5) days after H&H gives Franchisee a written notice of default;

b. If the Franchisee fails to perform or breaches any covenant or obligation owing under the Franchise Agreement (not otherwise described in this Section 11) and fails to cure such non-compliance within thirty (30) days after H&H gives Franchisee written notice of default;

c. If Franchisee uses the Licensed Marks in any way which has not been previously approved by H&H;

d. If Franchisee attempts to sell its Franchise or any interest in Franchisee or its Franchise Business in any MSA within ninety (90) days of the day(s) H&H is scheduled to participate in a franchise or business opportunity show, conducting an in-house workshop or conducting an advertising campaign to select new franchisees without H&H's prior written approval;

e. If Franchisee attempts to subfranchise or subdivide its Franchise rights without H&H's prior written approval;

f. If Franchisee sells or attempts to sell any H&H Product to another wholesaler, distributor or former H&H franchisee without H&H's prior written approval;

g. If Franchisee engages in any other activities which, in H&H's reasonable opinion, brings discredit upon the Licensed Marks or the reputation and goodwill of H&H or its Franchisees;

h. If Franchisee files, or if Franchisee has filed against it, a voluntary or involuntary petition in bankruptcy or is adjudicated as bankrupt or insolvent; if Franchisee files any petition or answer seeking or acquiescing in any reorganization, arrangement, liquidation, dissolution, receivership, appointment of trustee, liquidator or examiner; if a receiver, trustee or liquidator is appointed for all or any part of Franchisee's assets; or upon the dissolution or termination of existence of Franchisee;

i. If Franchisee sells more than fifty percent (50%) of the assets relating to its Franchise Business;

j. If Franchisee has received from H&H, during any consecutive 24-month period, 3 or more notices of default (whether or not the notices relate to the same or to different defaults and whether or not the defaults were timely cured by Franchisee);

k. If Franchisee abandons or fails or refuses to actively operate the Franchise Business for any period such that H&H may reasonably conclude that Franchisee does not intend to continue operating the Franchise Business;

l. If Franchisee fails to meet its Minimum Annual Purchase Requirement;

m. If Franchisee attempts to directly contact any of H&H's freight companies, vendors or national accounts;

n. If Franchisee sells or attempts to sell to another Franchisee's account;

o. If Franchisee fails to attend and participate in the Convention as required under Section 9.p. of this Agreement;

p. If Franchisee fails to begin the operation of its Franchise Business within six (6) months after the Effective Date; or

q. If, during the term of the Franchise Agreement, Franchisee violates the restrictive covenants described in Section 9.c of this Agreement.

12. OBLIGATIONS FOLLOWING TERMINATION OR NONRENEWAL

Upon the expiration or termination of the Franchise Agreement, Franchisee shall immediately:

a. Cease to be a Franchisee of H&H and cease to operate the former Franchise Business. Franchisee shall not thereafter, directly or indirectly, represent to the public that the former Franchise Business is or was operated or in any way connected with H&H Products, or hold itself out as a present or former Franchisee of H&H;

b. Pay all sums owing to H&H. Upon termination for any default by Franchisee, such sums shall include actual damages, costs and expenses incurred by H&H as a result of the default;

c. Return to H&H any and all trade secrets and confidential materials owned by H&H, and all copies thereof which may be in Franchisee's possession. Franchisee shall retain no copy or record of any of the foregoing other than its copy of the Franchise Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable provision of law;

d. Provide H&H a complete list of Franchisee's employees, customers, their respective addresses, all mailing lists, and any outstanding obligations Franchisee may have to any third parties, including outstanding customer orders. H&H shall have the right, but not the obligation, to fill any such outstanding customer orders generated by Franchisee, and in such event, Franchisee shall immediately reimburse H&H for any costs or expenses incurred by H&H in doing so. In addition, H&H shall have the right to cancel any orders placed by Franchisee for which delivery has not been made;

e. Take such action as may be required by H&H to terminate, transfer or assign to H&H or its designee all telephone numbers, white and yellow page telephone and internet references and advertisements, and all trade and similar name registrations and business licenses, and to cancel any interest which Franchisee may have in the same;

f. Take such action as may be required by H&H, or by Franchisee's Freezer location agreement(s) with the account(s) serviced by Franchisee, to remove Freezers or other assets of the Franchise Business from such account's retail establishment, at Franchisee's sole cost and expense. Franchisee hereby agrees that H&H may take possession of any such Freezer or other asset that Franchisee fails to remove from a retail establishment within a reasonable amount of time after termination or expiration of this Agreement;

g. Cease to use in advertising or in any manner whatsoever, any methods, procedures, or techniques in which H&H has a proprietary right, title or interest, the Licensed Marks, and other marks and indicia of origin associated with the Franchise, and remove or change all trade dress, including photographs of Products, decals, posters and other indications of association with the Franchise from any vehicles, buildings, Freezers, uniforms, clothing and other effects at the Franchisee's expense and in a manner satisfactory to H&H. Unless otherwise approved in writing by H&H, Franchisee must return to H&H all copies of materials bearing the Licensed Marks as specified by H&H.

In addition:

h. Franchisee (and each direct and indirect owner of Franchisee if Franchisee is an entity) will not, for a period of two (2) years after this Agreement expires or is terminated or the date on which Franchisee ceases to operate the Franchise Business, whichever is later, directly or as an employee, agent, consultant, partner, officer, director or shareholder of any other person, firm, entity, partnership or

corporation: (1) divert or attempt to divert any business or customers of the Franchise Business to any Competing Business or perform any act that would damage the goodwill associated with the Marks or the System; (2) own, operate, lease, franchise, conduct, engage in, be connected with, having any interest in, or assist any person or entity engaged in any Competing Business which is located within (i) Franchisee's MSA, (ii) within ten (10) miles of Franchisee's MSA, or (iii) within two (2) miles of any location where the Franchisee sold Products during the twelve (12) month period immediately preceding the date of termination or expiration; provided, however, that this Section 12(h) will not apply to: (i) other H&H businesses that Franchisee operates under separate franchise agreements with H&H; or (ii) the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent (1%) or less of that class of securities Franchisee agrees that the length of time in this Section 12(h) will be tolled for any period during which Franchisee is in breach of the covenants set forth in this Section 12(h) or any other period during which H &H seeks to enforce this Agreement.

i. Franchisee understands and acknowledges that H&H shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in the Franchise Agreement or any portions thereof, without the Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply immediately with any covenant as so modified.

j. If all or any portion of a covenant described above is held unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which H&H is a party, Franchisee expressly agrees to be bound by any lesser covenant imposing the maximum duty permitted by law that is subsumed within the terms of such covenant, as if the resulting covenant were separately stated in and made a part of the covenants described above. Franchisee further expressly agrees that the existence of any claim it may have against H&H, whether or not arising from the Franchise Agreement, shall not constitute a defense to the enforcement by H&H of the above covenants.

k. **Franchisee acknowledges that Franchisee's violation of the terms of Section 12(h) would result in irreparable injury to H&H for which no adequate remedy at law may be available, and Franchisee accordingly consents to the issuance of an injunction prohibiting any conduct by Franchisee in violation of the terms of Section 12(h).**

13. ALTERNATIVES TO TERMINATION

H&H has the right to undertake any one or more of the following actions in addition to terminating this Agreement:

a. H&H may assign an unlimited number of Happy & Healthy franchisees in Franchisee's MSA;

b. H&H may withhold from Franchisee benefits, plans, promotions or products that might be available to other Happy & Healthy franchisees (including any discounts that H&H may offer), and/or H&H may not authorize Franchisee to participate in certain meetings or events, unless and until Franchisee cure Franchisee's default(s) and operates in compliance with this Agreement and H&H's rules, policies, and standards; and/or

c. H&H may require Franchisee to provide H&H with a detailed business plan in such form and containing such content as H&H may specify.

If any of such rights, options, arrangements, or areas are terminated or modified in accordance with Section 13, such action shall be without prejudice to H&H's right to terminate this Agreement, and/or to terminate any other rights, options or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement.

14. DISCLAIMERS

a. Except as is expressly set forth elsewhere in this Agreement, H&H will not refund Franchisee's initial investment in whole or in part, unless the H&H Freezers or Products sold to Franchisee by H&H are defective, and the manufacturer does not promptly replace the defective Freezers or Products.

b. H&H makes no representations whatsoever as to the actual or potential sales, income or profits a Franchisee may achieve as a result of this Agreement. Franchisee acknowledges that the success or failure of the Franchisee's Business depends substantially upon Franchisee himself or herself.

15. INDEMNIFICATION

Franchisee hereby agrees to indemnify and hold H&H and its subsidiaries, affiliates, stockholders, members, directors, officers, employees and agents harmless against, and to reimburse them for, any loss, liability or damages arising out of or relating to Franchisee's ownership or operation of the Franchise Business, the relationship between the parties, this Agreement, and all reasonable costs of defending any claim brought against any of them or any action in which any of them is named as a party (including reasonable attorneys' fees and interest) unless the loss, liability, damage or cost is solely due to H&H's breach of this Agreement, gross negligence or willful misconduct.

16. REMEDIES

a. Franchisee may only bring any claims he or she may have against H&H in arbitration pursuant to the rules of the American Arbitration Association in Palm Beach County, Florida.

b. H&H may bring any claim it may have against Franchisee in arbitration pursuant to the rules of the American Arbitration Association in Palm Beach County, Florida. H&H also may bring an action in any court of competent jurisdiction to enjoin any violation of this Agreement or to obtain specific performance hereof. Franchisee shall be liable to H&H for H&H's costs and attorneys' fees arising from pursuing or defending against any claims against Franchisee in arbitration or in litigation, regardless of the forum. Additionally, Franchisee agrees to reimburse H&H for any fees or expenses H&H incurs in collecting any amounts due under this Agreement.

16. GOVERNING LAW

Subject to H&H's rights under federal trademark laws and the parties' rights under the Federal Arbitration Act respecting Section 19 above, this Agreement will be governed by and construed under the laws of the State of Florida, without regard to any conflict of laws principles of such state. Franchisee waives, to the fullest extent permitted by law, the rights and protections that might be provided through any state franchise or business opportunity laws, other than those of the state in which the Franchise Business is located.

17. NOTICES

All written notices and reports permitted or required to be delivered by the provisions of this Agreement will be delivered by hand, sent by a recognized overnight delivery service or by registered U.S.

Mail, or by other means which provides the sender with evidence of delivery, or of rejected delivery, and addressed to the party to be notified at the address stated herein or at such other address as may have been designated in writing to the other party. Any notice by a means which provides the sender with evidence of delivery, or rejected delivery, will be deemed to have been given at the date and time of receipt or rejected delivery.

18. RELATIONSHIP BETWEEN THE PARTIES

H&H and Franchisee are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venture or employee of the other. Neither party will independently obligate the other to any third parties or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. Franchisee must conspicuously identify itself at the premises of the Franchise Business and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of the Franchise Business under a franchise agreement from H&H, and must place other notices of independent ownership on signs, forms, stationery, advertising and other materials as H&H requires.

19. ACKNOWLEDGMENTS

a. Franchisee understands and acknowledges that H&H is not the manufacturer of the H&H Freezers which H&H sells to Franchisee and that H&H makes no representations or warranties about the Freezers. H&H may source multiple Freezers with similar utility value but minor differences in dimensions, features and colors. The H&H Freezers do not include locks or baskets, although manufacturers and H&H may occasionally add those features at no charge. Franchisee's only contractual obligation is to H&H, and this Agreement creates no contractual obligation between Franchisee and any manufacturer or other suppliers of Products or equipment.

b. H&H agrees to arrange shipment of all H&H Freezers purchased within approximately thirty (30) Business Days from the Effective Date, if so approved by Franchisee. In the event of strikes, riots, insurrections, circumstances beyond H&H's control or Acts of God, this period may be extended, but under no circumstances to exceed one hundred eighty (180) Business Days. If H&H fails to effect shipment within such time period, Franchisee, upon request, shall have payment for said order refunded immediately.

c. Franchisee shall be responsible for Franchisee's own federal, state and local taxes, and or compliance with all applicable laws, as well as any sales taxes due on equipment or Products purchased from H&H. Franchisee shall act as an independent contractor and shall be solely liable for determining the nature and applicability of all local laws which may apply to the operation of the Franchise Business in Franchisee's MSA, or where else the Franchisee conducts business.

d. All Franchisee's purchases of H&H Products shall be made solely from H&H or an authorized supplier designated by H&H, other than emergency purchases to fill an unexpected shortage of certain products, which purchases may be made from another Franchisee. All purchases of H&H Products, H&H Freezers and other items from H&H must be made via ACH (Automated Clearing House), unless H&H agrees otherwise in writing in advance.

e. Franchisee and H&H agree that this Agreement contains their entire understanding relative to its subject matter, and there is no reliance upon any verbal or other written representation whatsoever. H&H has not guaranteed minimum or maximum earnings; any estimate thereof is only in the nature of possibilities; earnings are primarily dependent upon the type of service and promotion rendered by the Franchisee and sales volume, which factors are beyond the control of H&H. This Agreement may be amended only in writing and signed by all parties hereto. Franchisee acknowledges that nothing in this

Agreement or in any related agreement is intended to disclaim the representations H&H made in the franchise disclosure document.

f. Franchisee agrees not to use the Licensed Marks or any trademarks, service marks, names or indicia which are or maybe confusingly similar to the Licensed Marks in Franchisee's name or identity. Franchisee must obtain written permission to use any of the Licensed Marks from H&H on a per use basis if such use has not previously been authorized in writing.

g. Franchisee acknowledges that H&H or its agent has provided Franchisee with a Franchise Disclosure Document not later sixteen (16) days before Franchisee's Signing Date, or sixteen (16) days before any payment of any consideration connected to the purchase of this Franchise. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

h. Franchisee acknowledges that H&H has provided Franchisee with a copy of this Agreement and all related documents, fully completed, at least nine (9) days prior to Franchisee's Signing Date.

i. Franchisee acknowledges that H&H has advised it to consult with its own attorneys, accountants, or other advisors, that Franchisee has had ample opportunity to do so, and that the attorneys for H&H have not advised or represented Franchisee with respect to this Agreement or the relationship hereby created.

j. Franchisee acknowledges and recognizes that different terms and conditions, including different fee structure and investment requirements may pertain to different H&H Franchises offered in the past, contemporaneously herewith, or in the future, and that H&H does not represent that all Franchise Agreements are or will be identical.

k. Franchisee acknowledges that, except as is specifically set forth in this Agreement, it is not nor is it intended to be a third-party beneficiary of this Agreement or any other agreement or contractual relationship to which H&H is a party.

l. This Agreement only shall become effective upon its execution by H&H's president.

m. Franchisee agrees that the Franchise Business shall only be operated by the Franchisee or by a Manager/Employee employed by Franchisee who has previously been approved by H&H. H&H's approval of Franchisee's Manager/Employee shall be predicated upon the Manager's execution of a confidentiality agreement in a form approved by H&H.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the parties intending to be legally bound hereby, have duly executed, sealed and delivered this Agreement.

Happy & Healthy Products, Inc.

By: _____
Todd Peterson
President and Executive Chairman

Date: _____
(the "Effective Date")

Franchisee

_____

By: _____

Date: _____
(the "Franchisee's Signing Date")

By: _____

Date: _____

Schedule 1

Franchisee's Metropolitan Statistical Area ("MSA")

H&H awards Franchisee the right to operate an H&H Franchise Business pursuant to the attached Franchise Agreement in the Metropolitan Statistical Area known as: _____

_____

_____

_____

A map depicting the boundaries is attached hereto with initials of an authorized H&H representative and Franchisee to express their agreement to its boundaries.

Schedule 2

Happy & Healthy Products, Inc.

Equipment Purchase Order

Name

Company

Address

City State Zip

E-Mail Address Preferred Delivery Date

( ) ( )
Home Phone Cell Phone

TO: Happy & Healthy Products, Inc.
1600 S. Dixie Highway
Suite 100
Boca Raton, FL 33432

PAYMENT: $_____
All funds to be by ACH (Automated Clearing House), now and in the future.

PLEASE SHIP THE FOLLOWING ITEMS:
(Initial Custom Display H&H Freezers will also include initial Point of Sale material and other materials)

QUANTITY	PRICE	TOTAL
_____ CUSTOM DISPLAY H&H FREEZER(S)	@ $_____	$_____
_____ CASES OF H&H PRODUCTS	@ $_____	$_____
ADDITIONAL EQUIPMENT		$_____
ADDITIONAL PRODUCTS INVENTORY		$_____
TRAINING FEE		$_____
FRANCHISE FEE TOTAL		$_____
LESS VETERAN DISCOUNT		$_____
SALES TAX* (FLORIDA PURCHASERS ONLY)		$_____
GRAND TOTAL		**$_____**

*Florida purchasers are required to pay 6% Florida Sales Tax on equipment plus the county discretionary tax for the county in which they live.

Address where Equipment is to be shipped: _____

_____

_____

_____

NOTE: All shipments will be freight collect, F.O.B. point of shipment, unless Purchaser remits a $7,500 deposit or payment in full within fifteen (15) Business Days of receipt of the Franchise Disclosure Document, or such other deadline designated by Happy & Healthy Products, Inc. in the Summary Pages. If Purchaser makes full payment in given timeframe, Purchaser will not be required to pay freight on initial shipment of equipment or product. If not approved within five (5) Business Days by H&H or Purchaser, refund payment immediately to Purchaser.

APPROVED BY H&H

	_____	_____
	Representative of H&H	DATE
_____	_____	_____
Todd Peterson President and Executive Chairman	Purchaser	DATE
_____	_____	_____
DATE	Purchaser	DATE

Schedule 3

HAPPY & HEALTHY PRODUCTS, INC.
PERSONAL RELEASE

In consideration of, and as an inducement to, the execution of the Franchise Agreement (the "Franchise Agreement") dated _____, 20__, by Happy and Healthy Products, Inc. ("H&H"), a Florida Corporation with its principal place of business at 1600 South Dixie Highway, Suite 100, Boca Raton, Florida 33432 and _____ ("Franchisee"), Franchisee and H&H agree as follows:

1. Franchisee hereby grants to H&H, its agents, successors, licensees and assigns, the right to use the photograph(s) of Franchisee (and Franchisee's family as the case may be), which was provided to H&H pursuant to the Franchise Agreement ("the Photos"), along with any additional photos given to or acquired by H&H**.**

2. Franchisee agrees and consents that H&H may exhibit, distribute, transmit and/or otherwise exploit the Photos as H&H may see fit, in any and all media now and hereafter known, and in advertising and/or publicity in connection therewith and the right to use Franchisee's name in any connection with any of the foregoing.

3. Franchisee agrees that the rights granted to H&H hereunder are granted for the entire world and shall inure in perpetuity and no further compensation shall be payable to Franchisee at any time in connection therewith.

IN WITNESS WHEREOF, the parties intending to be legally bound hereby, have duly executed, sealed and delivered this Agreement.

HAPPY & HEALTHY PRODUCTS, INC.

By:_____
Todd Peterson
President and Executive Chairman

Date:_____

FRANCHISEE

By:_____

Date: _____

By:_____

Date: _____

Schedule 4

Personal Guaranty
GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of Happy & Healthy Products, Inc.'s (the "H&H's") execution of that certain Franchise Agreement of even date (the "Agreement") with _____ (the "Franchisee"), each of the undersigned (a "Guarantor") jointly and severally agree as follows:

A. Guarantors personally and unconditionally guarantee to H&H and its successors and assigns that: (i) Franchisee will timely pay H&H and its affiliates all monies Franchisee owes to H&H and its affiliated and related entities, including all monies payable by Franchisee under the Agreement; (ii) Franchisee will timely perform all other undertakings, agreements and covenants stated in the Agreement; and (iii) agree to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (collectively, "Franchise Agreement Obligations").

B. Each of the Guarantors waives: (1) acceptance and notice of acceptance by H&H of the foregoing undertaking; (2) notice of demand for payment of any indebtedness; (3) protest and notice of default to any party respecting the indebtedness; (4) any right he/she may have to require that an action be brought against Franchisee or any other person as a condition of liability.

C. Each Guarantor consents and agrees that:

(1) Guarantor's liability under this undertaking will be direct and independent of the liability of, and will be joint and several with, Franchisee and the other Guarantors of Franchisee;

(2) Guarantor will make any payment or perform any Franchise Agreement obligation upon demand if Franchisee fails to do so;

(3) Guarantor's liability hereunder will not be diminished or relieved by bankruptcy, insolvency or reorganization of Franchisee or any assignee or successor;

(4) Guarantor's liability will not be diminished, relieved or otherwise affected by any extension of time or credit which H&H may grant to Franchisee, including the acceptance of any partial payment or performance, or the compromise or release of any claims;

(5) H&H may proceed against Guarantor and Franchisee jointly and severally, or H&H may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee or any other Guarantor; and

(6) Guarantors will indemnify, defend and hold harmless H&H and its affiliates, and their respective shareholders, directors, employees, and agents, against and from all losses, damages, costs, and expenses, which H&H or its affiliates may sustain, incur, or become liable for as a result of:

a. Franchisee's or Guarantor's failure to pay or perform any of the Franchise Agreement Obligations; or

b. any action by H&H to obtain performance by Franchisee of any act, matter, or thing required by the Agreement.

(7) Guarantor will pay all reasonable attorneys' fees and all costs and other expenses H&H incurs in enforcing this Guaranty against Guarantor or any negotiations relative to the obligations hereby guaranteed.

This Guaranty will terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the Guarantors which arose from events which occurred on or before the effective date of such termination will remain in full force and effect until satisfied or discharged by the Franchisee or the Guarantors, and all covenants which by their terms continue in force after the expiration or termination of the Agreement will remain in force according to their terms. Upon the death of an individual Guarantor, the estate of such Guarantor will be bound by this Guaranty, but only for defaults and obligations hereunder existing at the time of death; and the obligations of any other Guarantors will continue in full force and effect.

The provisions of Sections 19 and 20 of the Agreement will apply as to any interpretation or enforcement of this Guaranty, and the provisions of Section 21 of the Agreement will apply to any notice to either party, except that notice to Guarantors will be provided at the following alternative address (if applicable): _____. If no address is provided, any notice to Guarantors will be sent to the address designated in Section 21 of the Agreement.

Each of the undersigned has signed this Guaranty as of the same day and year as the Agreement was executed.

GUARANTOR(S)	PERCENTAGE OWNERSHIP IN FRANCHISEE (OR SPOUSE OF OWNER)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Schedule 5

State Addenda

CALIFORNIA

THIS ADDENDUM to the Franchise Agreement (the "Agreement") by and between **Happy & Healthy Products, Inc.**, a Florida Corporation and _____ (hereinafter referred to as "Franchisee") is made and entered into this __ day of _____, 20___.

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).
>
> The Franchise Agreement requires application of the laws of Florida. This provision may not be enforceable under California law.
>
> Section 9(o) of the Franchise Agreement contains a liquidated damages clause. Under California Civil Code §1671, certain liquidated damages clauses are unenforceable.
>
> California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If the Franchise Agreement is inconsistent with the law, the law will control.
>
> The Franchise Agreement requires binding arbitration. The arbitration will occur in Florida with the cost being borne by the parties as determined by the arbitrator. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as 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 a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the date first written above.

HAPPY & HEALTHY PRODUCTS, INC.

By:_____
Its:_____

FRANCHISEE

By:_____
Its:_____

GEORGIA

In recognition of the requirements of the Georgia Sale of Business Opportunities and Multilevel Distribution Companies Law (the "Law"), H&H hereby agrees to supplement the Franchise Agreement as follows:

1. H&H hereby irrevocably appoints the Secretary of State of the State of Georgia as its agent for service of process in Georgia for any violation of the Law.

2. H&H's principal business address is:

1600 S. Dixie Highway
Suite 100
Boca Raton, Florida 33432

3. H&H will deliver all products, equipment, supplies and services that H&H promises to deliver to the Franchisee, necessary to commence the Franchisee's business, within 45 days after the Franchisee orders such items from H&H.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the date first written above.

HAPPY & HEALTHY PRODUCTS, INC.

By:_____
Its:_____

FRANCHISEE

By:_____
Its:_____

ILLINOIS

THIS ADDENDUM is made and entered into by and between by and between **Happy & Healthy Products, Inc.** ("H&H"), a Florida Corporation and _____ ("Franchisee") as of the _____ day of _____, 20___.

1. BACKGROUND. H&H and Franchisee are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement"). This Addendum is annexed to and forms part of the Franchise Agreement. This Addendum is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Illinois and the business that Franchisee will operate under the Franchise Agreement will be located in Illinois, and/or (b) Franchisee is domiciled in Illinois.

2. AMENDMENTS. The parties agree that the Franchise Agreement is amended to add or acknowledge, as the case may be, the following:

a. Illinois law governs the agreements between the parties to this Franchise.

b. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

c. Section 41 of the Illinois Franchise Disclosure Act provides that 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.

d. Franchisee's right upon termination and non-renewal of a franchise agreement are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of the date first written above.

HAPPY & HEALTHY PRODUCTS, INC.

By:_____
Its:_____

FRANCHISEE

By:_____
Its:_____

INDIANA

THIS ADDENDUM to the Franchise Agreement (the "Agreement") by and between **Happy & Healthy Products, Inc.**, a Florida Corporation and _____ (hereinafter referred to as "Franchisee") is made and entered into this __ day of _____, 20___.

The parties agree to amend the Agreement as follows:

1. Sections 3.b and 10.f of the Agreement are modified to add the following:

"The general release mentioned above shall not in any way act as a release or waiver of any liability incurred under the Indiana Deceptive Practices Act."

2. Section 4.b is deleted and replaced with the following:

"Although H&H charges no royalty or advertising fees, H&H reserves the right in the future to require Franchisee to pay for costs associated with local, regional and/or national advertising of up to one hundred fifty dollars ($150) per month, which may be adjusted for inflation by an amount equal to the rate of inflation measured by the Consumer Price Index. In no event, however, shall the advertising fee be increased by more than fifty dollars ($50) in any one year. Any fees so collected shall be spent by H&H in its sole discretion for the promotion and marketing of H&H Products. H&H shall not be required to spend such funds in a way which provides a pro rata benefit to Franchisee for the funds Franchisee contributes."

3. Section 9.o of the Agreement is modified to delete the following language,

", so Franchisee agrees that Franchisee shall pay H&H $3,000 in addition to all attorneys' fees H&H incurs in enforcing this provision, as liquidated damages and not as a penalty, for each individual violation of this subsection."

4. Sections 14 and 15 of the Agreement are deleted.

5. Section 2 of the Agreement is amended to add the following:

"During the term of this Agreement, H&H shall not compete unfairly with Franchisee within a reasonable area."

6. Section 16 of the Agreement is amended to add the following:

"Notwithstanding anything to the contrary in this provision, the franchisee does not waive any right under the Indiana statutes with regard to prior representations made in the Indiana Franchise Disclosure Document."

7. Section 19 of the Agreement is amended to add the following:

"H&H shall not obtain money, goods, services or any other benefit from any other person with whom Franchisee does business, on account of, or in relation to, the transaction between Franchisee and the other person, other than

compensation for services rendered by H&H, unless the benefit accounted for, and transmitted to Franchisee."

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the date first written above.

HAPPY & HEALTHY PRODUCTS, INC.

By:_____
Its:_____

FRANCHISEE

By:_____
Its:_____

MARYLAND

This Addendum to the Franchise Agreement by and between Happy & Healthy Products, Inc. and _____ ("Franchisee") dated _____, _____ (the "Agreement") is made and entered into on _____, _____.

Notwithstanding anything to the contrary set forth in the Agreement, the following provision shall supersede and apply to all franchises the offer and sale of which are governed by the Maryland Franchise Registration and Disclosure Law, Md Code Ann., Bus. Reg. §§ 14-201 to 14-233:

All fees paid to H&H and/or its affiliates, including the nonrefundable deposit and payments for goods and services received from H&H and/or its affiliates before the business opens, are not due or payable until H&H fulfills all of its material preopening obligations to Franchisee.

Any provision in the Agreement which operates to waive Franchisee's right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction in the State of Maryland is void and Franchisee therefore may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Pursuant to COMAR 02.02.08.16L no person may require that Franchisee provide a release from liability under the provisions of the Maryland Franchise Registration and Disclosure Law as part of a franchise agreement or as a condition of the sale, renewal, or assignment of a franchise. Accordingly, all such representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Any limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3 year statute of limitations afforded to a franchisee for bringing a claim 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 the franchise.

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

The acknowledgments or representations of the Franchisee which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum under seal on the date first written above:

HAPPY & HEALTHY, INC.

By: _____

Date: _____

Title: _____

FRANCHISEE: _____

By: _____

Date: _____

Home Address: _____

Home Phone Number: _____

Business Address: _____

Business Phone Number: _____

MINNESOTA

This Addendum to the Franchise Agreement by and between **Happy & Healthy Products, Inc.** ("H&H") and _____, ("Franchisee"), dated _____, 20___(the "Agreement") is made and entered into on _____, 20___.

In consideration of the mutual promises herein stated and for other good and valuable consideration, the parties agree as follows:

1. Section 11 of the Agreement is amended to add the following:

   "With respect to franchises governed by Minnesota law, H&H will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 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."

2. Sections 14 and 15 of the Agreement are amended to add the following:

   "Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit H&H from requiring litigation to be conducted outside Minnesota. In addition, nothing in this Agreement can abrogate or reduce any of 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."

3. Section 15 of the Franchise Agreement is amended to add the following:

   "H&H agrees to indemnify Franchisee against liability from your authorized use of the Licensed Marks if you have promptly notified H&H of any such claim of proceeding, as long as Franchisee is in compliance with this Agreement when the claim arose. Franchisee acknowledges that H&H has the exclusive right to control administrative proceedings or litigation concerning the Licensed Marks."

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal on the date first written above:

HAPPY & HEALTHY PRODUCTS, INC.

By:_____
Its:_____

FRANCHISEE

By:_____
Its:_____

Home Address:_____
_____

Home Phone Number:_____

Facility Address:_____
_____

Facility Phone Number: _____

Title:_____

Attest:_____

Title:_____
(Affix Corporate Seal)

NEW YORK

The Franchise Agreement is amended to add the following provision in Section 11:

"n. Franchisee may terminate this Agreement upon grounds available by law."

HAPPY & HEALTHY PRODUCTS, INC.

By: _____
Todd Peterson
President and Executive Chairman

Date: _____

FRANCHISEE

By:_____

Date: _____

By:_____

Date: _____

WASHINGTON ADDENDUM TO THE
FRANCHISE AGREEMENT AND ANY RELATED AGREEMENTS

THIS ADDENDUM to the Franchise Agreement (the "Agreement") by and between **Happy & Healthy Products, Inc.**, a Florida Corporation and _____ (hereinafter referred to as "Franchisee") is made and entered into this ___ day of _____, 20_.

The parties agree to amend the Agreement as follows:

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions shall supersede and apply to all franchises the offer and sale of which are governed by the Washington Franchise Investment Protection Act, RCW §§ 19.100.010 to 19.100.940 (the "Act"):

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. RCW 19.100.180 may supersede the franchise agreement in your relationship with H&H 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 H&H including the areas of termination and renewal of your franchise.

3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

5. Transfer fees are collectable to the extent that they reflect H&H's reasonable estimated or actual costs in effecting a transfer.

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

7. RCW 49.62.060 prohibits a H&H from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same H&H or (ii) soliciting or hiring any

employee of the H&H. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the date first written above.

HAPPY & HEALTHY PRODUCTS, INC.

By:_____
Its:_____

FRANCHISEE

By:_____
Its:_____

EXHIBIT C

FINANCIAL STATEMENTS

HAPPY & HEALTHY GUARANTY, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

HAPPY & HEALTHY GUARANTY, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

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MARSOCCI APPLEBY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

3815 W. Humphrey St.
Suite 101
Tampa, Florida 33614

(813) 932-2116
(813) 930-0489 Fax

DEPENDENT AUDITORS' REPORT

To the Member
Happy and Healthy Guaranty, LLC

Opinion

We have audited the accompanying financial statements of Happy and Healthy Guaranty, LLC, which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of earnings and Member's Equity and cash flows 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 Happy and Healthy Guaranty, LLC as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 Happy and Healthy Guaranty, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Happy and Healthy Guaranty, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- 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 audit in order to design audit procedures that area appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Happy and Healthy Guaranty, LLC'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 Happy and Healthy Guaranty, LLC'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 audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Marsocci, Appleby & Company P.A

Marsocci, Appleby and Company, P. A.
Tampa, Florida
February 28, 2022

HAPPY & HEALTHY GUARANTY, LLC
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

ASSETS	2021	2020
CURRENT ASSETS:		
Cash and cash equivalents	$ 103,189	$ 102,415
Total current assets	103,189	102,415
TOTAL ASSETS	$ 103,189	$ 102,415
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ -	$ -
MEMBER'S EQUITY	103,189	102,415
TOTAL LIABILITIES AND MEMBER'S EQUITY	$ 103,189	$ 102,415

See independent auditors' report and notes to the financial statements.

HAPPY & HEALTHY GUARANTY, LLC
STATEMENTS OF EARNINGS AND MEMBER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
REVENUE:		
Guarantee fees	$ 1,000	$ 1,000
Investment income	6,830	-
Interest income	2	13
Total revenues	7,832	1,013
EXPENSES	1,000	1,000
NET EARNINGS	6,832	13
MEMBER'S EQUITY, beginning of year	102,415	102,402
Distributions	6,058	-
MEMBER'S EQUITY, end of year	$ 103,189	$ 102,415

See independent auditors' report and notes to the financial statements.

HAPPY & HEALTHY GUARANTY, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 6,832	$ 13
Adjustments to reconcile net earnings to net cash provided by operating activities	-	-
Net cash provided by operating activities	6,832	13
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions	(6,058)	-
Net cash used by financing activities	(6,058)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	774	13
CASH AND CASH EQUIVALENTS, beginning of year	102,415	102,402
CASH AND EQUIVALENTS, end of year	$ 103,189	$ 102,415

See independent auditors' report and notes to the financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Company's Activities and Operating Cycle

The Limited Liability Company was formed in Florida on January 6, 2010. The Company was formed in order to guarantee and assume the duties and obligations of Happy & Healthy Products, Inc. under Happy & Healthy Products Inc.'s franchise registration in each state where the franchise is registered and under its Franchise Agreement identified in its Franchise Disclosure Document.

Basis of Accounting

The accompanying financial statements are prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Income Taxes

The Company is a single member Limited Liability Company and is a disregarded entity for income tax purposes. Taxable income and loss is reported on the individual income tax return of the Company's Member.

NOTE B - RELATED PARTY:

The sole Member of Happy & Healthy Guaranty, LLC is related to two other entities.

Happy & Healthy Products, Inc. sells and distributes products to the franchises that Happy & Healthy Guaranty, LLC provides a guarantee for. The sole Member of the Guaranty is the sole Stockholder of Happy & Healthy Products, Inc. During 2021 and 2020, Guaranty invoiced Products for a Guarantee fee of $1,000.

NOTE C - FASB ASC 606 NEW ACCOUNTING GUIDANCE ADOPTION:

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, Revenue from Contracts with Customers, In the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The new guidance also added Subtopic 340-40, Other Assets and Deferred Costs-Contracts with Customers, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Collectively, we refer to the new Topic 606 and Subtopic 340-40 as the "new guidance." We adopted the requirements of the new guidance as of January 1, 2019.

NOTE D - CONCENTRATION OF CREDIT RISK:

The Company maintains its deposits in a financial institution that at times may exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Company believes that there is no significant risk with respect to these deposits. The Company has not experienced any losses on its deposits with financial institutions.

NOTE E - SUBSEQUENT EVENTS:

Management has assessed subsequent events through February 28, 2022, the date on which the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. There were no material subsequent events that require recognition or additional disclosure.

HAPPY & HEALTHY GUARANTY, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

HAPPY & HEALTHY GUARANTY, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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MARSOCCI APPLEBY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

3815 W. Humphrey St.
Suite 101
Tampa, Florida 33614

(813) 932-2116
(813) 930-0489 Fax

INDEPENDENT AUDITORS' REPORT

To the Member
Happy and Healthy Guaranty, LLC

We have audited the accompanying financial statements of Happy and Healthy Guaranty, LLC, which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of earnings and Member's equity, and cash flows for the years then ended and the related notes to the 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.

Auditors' 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 audits 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 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 Happy and Healthy Guaranty, LLC as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Marsocci, Appleby & Company, P.A.
Tampa, Florida
January 25, 2021

HAPPY & HEALTHY GUARANTY, LLC
BALANCE SHEETS
DECEMBER 31, 2020 AND 2019

ASSETS	2020	2019
CURRENT ASSETS:		
Cash	$ 102,415	$ 102,402
Total current assets	102,415	102,402
TOTAL ASSETS	$ 102,415	$ 102,402
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ -	$ -
MEMBER'S EQUITY	102,415	102,402
TOTAL LIABILITIES AND MEMBER'S EQUITY	$ 102,415	$ 102,402

See independent auditors' report and notes to the financial statements.

HAPPY & HEALTHY GUARANTY, LLC
STATEMENTS OF EARNINGS AND MEMBER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
REVENUE	$ 1,013	$ 1,020
EXPENSES	1,000	1,000
NET EARNINGS	13	20
MEMBER'S EQUITY, beginning of year	102,402	102,382
MEMBER'S EQUITY, end of year	$ 102,415	$ 102,402

See independent auditors' report and notes to the financial statements.

HAPPY & HEALTHY GUARANTY, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 13	$ 20
Adjustments to reconcile net earnings to net cash provided by operating activities	-	-
Net cash provided by operating activities	13	20
NET INCREASE IN CASH	13	20
CASH, beginning of year	102,402	102,382
CASH, end of year	$ 102,415	$ 102,402

See independent auditors' report and notes to the financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Company's Activities and Operating Cycle

The Limited Liability Company was formed in Florida on January 6, 2010. The Company was formed in order to guarantee and assume the duties and obligations of Happy & Healthy Products, Inc. under Happy & Healthy Products Inc.'s franchise registration in each state where the franchise is registered and under its Franchise Agreement identified in its Franchise Disclosure Document.

Basis of Accounting

The accompanying financial statements are prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Income Taxes

The Company is a single member Limited Liability Company and is a disregarded entity for income tax purposes. Taxable income and loss is reported on the individual income tax return of the Company's Member.

NOTE B - RELATED PARTY:

The sole Member of Happy & Healthy Guaranty, LLC is related to two other entities.

Happy & Healthy Products, Inc. sells and distributes products to the franchises that Happy & Healthy Guaranty, LLC provides a guarantee for. The sole Member of the Guaranty is the sole Stockholder of Happy & Healthy Products, Inc. During 2020 and 2019, Guaranty invoiced Products for a Guarantee fee of $1,000.

NOTE C - CONCENTRATION OF CREDIT RISK:

The Company maintains its deposits in a financial institution that at times may exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Company believes that there is no significant risk with respect to these deposits. The Company has not experienced any losses on its deposits with financial institutions.

NOTE D - SUBSEQUENT EVENTS:

Management has assessed subsequent events through January 25, 2021, the date on which the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. There were no material subsequent events that require recognition or additional disclosure.

GUARANTEE OF PERFORMANCE

For value received, Happy & Healthy Guaranty, LLC, a Florida limited liability company (the "Guarantor"), located at 1600 South Dixie Highway, Suite 100, Boca Raton, Florida 33432, absolutely and unconditionally guarantees to assume the duties and obligations of Happy & Healthy Products, Inc., located at 1600 South Dixie Highway, Suite 100, Boca Raton, Florida 33432 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2022 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Boca Raton, Florida on April 20, 2022.

HAPPY & HEALTHY GUARANTY, LLC

By: _____

Name: Todd Peterson

Title: President and Executive Chairman

EXHIBIT D

LIST OF FRANCHISEES

EXHIBIT D – Happy & Healthy Products, Inc.

LIST OF FRANCHISEES CURRENTLY IN OPERATION as of December 31, 2021

FRANCHISE NAME	OWNERS	STREET ADDRESS	CITY	STATE	ZIP	PHONE
Pure N Simple, LLC	Bob & Jill Gray	1480 Overlook Drive	Trussville	AL	35173	(256) 453-4716 Pure.n.simple.llc@gmail.com
Arizona Fun Foods	Rebecca & Chris Scherle	9718 N. 184th Lane	Waddell	AZ	85355	(805) 693-0123 (Rebecca) azfunfoods@gmail.com
Awesome Treats Inc.	Rene Lima	170 W. Pomona Ave.	Monrovia	CA	91016	(626) 297-3345 ralima113@gmail.com
Wise Selection	Henry & Fanny Fong	3635 Cormorant Terrace	Fremont	CA	94555	(510) 742-8396 wiseselect@sbcglobal.net
Natural Fare Distributors	Richard Dyer	3372 Ley Drive	Los Angeles	CA	90027	(323) 661-9877 naturalfare@sbcglobal.net
Capitol Delights, LLC	Marla & Daniel Cordova	9428 Sierra Creek Drive	Elk Grove	CA	95624	(916) 385-1049 capitoldelights@gmail.com
Rocky Mountain Delites LLC	Mary Burger	5247 Solar Ridge Drive	Colorado Springs	CO	80917	(719) 425-9941 rockymountaindelites@hotmail.com
Le Fruits	Tu Le and Binh Truong	4960 S. Lipan Drive	Englewood	CO	80110	(303)557-8804 Tukle82@gmail.com
Happy Foods Delaware	Khary DeWitt	P.O. Box 611	Townsend	DE	19734	(302) 204-0421 khary@happyfoodsde.com
Mr. Paletas, LLC	Moises Wajchman	6741 N. Mozart St.	Chicago	IL	60645	(414) 828-1127 mrpaletaschicago@gmail.com
HPC Enterprises	Henry & Daisy Cua	341 Wilshire Drive, East	Wilmette	IL	60091	(847) 256-0872 hpc_usa@sbcglobal.net
Pure & Wholesome Distributors	Anthony & Tammy Cracolici	P.O. Box 2084	Pittsfield	MA	01202	(413) 499-8704 pwberkshire@gmail.com
Tasteful Distribution, LLC	Dee Wilson	P.O. Box 111	Woodville	MA	01784	(508)735-6666 dwilson3222@gmail.com
Healthy & Natural Snacks	Veronica de la Vega Rodriguez	15517 Grinnell Terrace	Derwood	MD	20855	(301) 502-8695 veerodriguez@hotmail.com

FRANCHISE NAME	OWNERS	STREET ADDRESS	CITY	STATE	ZIP	PHONE
Fruits of the Caribbean	Baher Sultan & Samantha Sattler	51 Boschert Creek Drive	St. Peters	MO	63376	(618) 727-0198 fruitsofcaribbean@hotmail.com
Good 4 You , LLC	Robert Pratt	P.O. Box 473	Norfolk	NE	68702	(402) 750-2181 good4youdist@hotmail.com
Neon Paradise Distributors, LLC	Mike Wasinger	1689 Ottawa Dr.	Las Vegas	NV	89169	(785) 640-9466 neonparadisellc@gmail.com
Love Healthy Treats	Brandy Caszatt	8501 Spotted Fawn Court	Las Vegas	NV	89131	(210) 542-3323 bcaz@lovehealthytreats.com
Good Cravings	Brandon Jarvis	689 Summerford Court	Concord	NC	28027	(239) 248-8531 brandon@goodcravingsnc.com
Snack Wise Ohio, LLC	Lori Bishop & Hannah Storey	1328 Mount Vernon Ave. Suite 9, PMB 60	Marion	OH	43302 -5627	(614) 531-2517 snackwisellc@yahoo.com
Healthy Snacks 2 Go	Shannon Saxon	818 Upton Road	Youngstown	OH	44509	(330) 301-3063 gethealthysnacks@gmail.com
Naturally Sweet	Zari Stahl & Steven Payones	5036 Grundy Way	Doylestown	PA	18902	(215) 272-5215 naturallysweet@comcast.net
Wholesome Frozen Treats & Snacks, Inc.	Brian and Janet Stark	1 Chamberlain Court	N. Smithfield	RI	02896	(508) 954-5078 bwstark@reagan.com
G Family Holdings, Inc.	Donald Goddard	1758 Holston Drive	Bristol	TN	37620	(828) 260-7198 donaldbgoddard@gmail.com
Sweet Life Distribution	Tiffany & Lex Pace	1128 Westwood Drive, #D	Rosenberg	TX	77471	(713) 899-2380 tiffany@sweetlifedist.com
Big D Distributors	David & Kayla Scott	4806 Cresthill Lane	Garland	TX	75043	(972) 365-4801 bigddistributors@gmail.com
TDM Operational Services LLC	Gina & Nim Meishar	14119 Oakstead St.	San Antonio	TX	78231	(210) 884-9146 tdmoperationalservices@gmail.com
Texas Tasty Treats, LLC	Abdul Pasha & Safia Banu	10208 Fossmoor St.	Austin	TX	78717	(916) 996-7772 texastastytreats@gmail.com
Nova's Healthy Treats	Andre Watson-Connell	5587 Websters Way	Manassas	VA	20112	(321) 223-7095 vahealthytreats@outlook.com

EXHIBIT E

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM
From January 1, 2020 Through December 31, 2021

EXHIBIT E

FRANCHISEES WHO HAVE LEFT THE SYSTEM January 1, 2021, to December 31, 2021

FRANCHISE NAME	OWNERS	STREET ADDRESS	CITY	STATE	ZIP	PHONE
Magnolia Freeze, LLC	Edward Cwynar	7956 Saddlewood Drive	Bessemer	AL	35022	(423) 309-5510
Croips, LLC	Arlenne Pantoja & Jeffrey Croy	863 41st St.	Sarasota	FL	34234	(321) 310-2692
Classic Creations	Jeff Robins	1422 Abourndale Court	Wheeling	IL	60090	(847) 394-9213
Mama Mia Healthy Treats	Fiki Ashine	3621 Trail Walker Drive	Plano	TX	75074	(972) 900-5590
Burment, LLC	Julius Burke	1658 Windale Court	Lawrenceville	GA	30044	(678) 687-9584
Savory Essence, Inc.	Michael and Bick Ng	351 Lightner Avenue	Staten Island	NY	10314	(917) 353-5495

FRANCHISEES TERMINATED

None

FRANCHISES WHO WE HAVE NOT COMMUNICATED WITH IN THE PAST 10 WEEKS

None

EXHIBIT F

FREEZER AGREEMENT

Happy & Healthy products Inc.™

Fruitfull®

Happy Indulgence
Decadent Dips

Frozen Fruit Bars

Be Happy & Healthy®
Frozen dessert bars, snacks, baked goods and more!

Customer: _____ Date: _____

Address: _____ Delivery: _____

City: _____ ST ____ Zip _____ Hours: _____

Phone: _____ Serial #: _____

Email: _____

Quantity	Description	Initial Setup Cost

Total $_____

☐ Conventional Account

- I have accepted on loan _____ Fruit*full*® Freezer(s).
- I have accepted on loan _____ Be Happy & Healthy™ Snack racks (specify sizes here_____)
- It is understood that the Unit, all equipment and POS materials supplied with the Unit are the property of the Distributor.
- I agree to purchase all products sold in this unit from above said Distributor.
- Distributor fully guarantees the maintenance and service of the unit.
- Either party may terminate this agreement if the volume of purchases does not justify the operation.
- I agree to keep the freezer plugged into a grounded functioning electrical outlet at all times and do not hold the Distributor responsible for any loss of product by failure to do so.

Name: _____

Signature: _____

Title: _____

_____
Distributor Representative

EXHIBIT G

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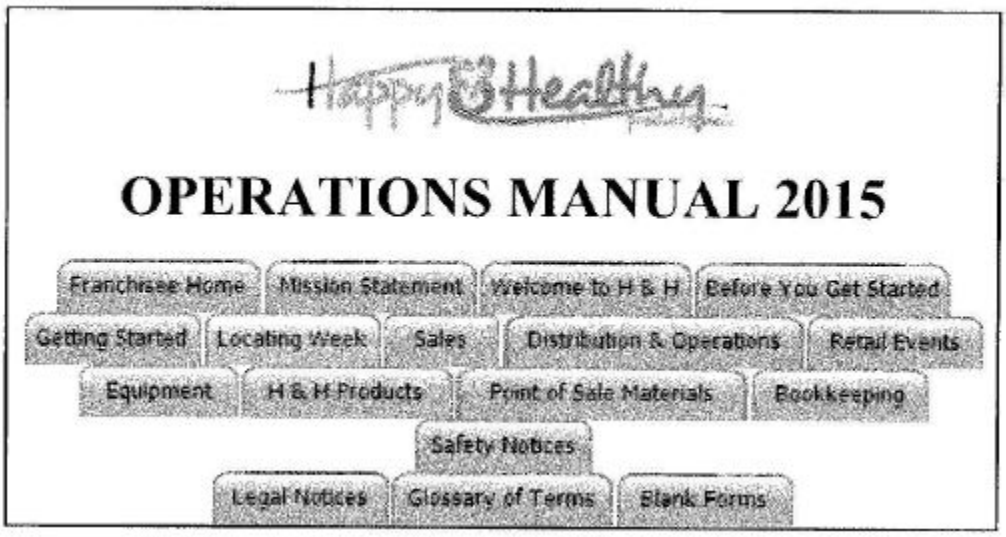
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Blank Forms

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- Retail Event & Daily Summary Form
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Appendix

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Fruitfull® Recipes

GP:4835-2356-9583 v1

EXHIBIT H

SECURITY AGREEMENT

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") is dated as of _____, 20__ and entered into by and between _____ ("Franchisee") and Happy & Healthy Products, Inc., a Florida corporation ("H & H").

W I T N E S S E T H:

WHEREAS, H & H intends to sell, from time to time, certain of H & H's products to Franchisee (the "Products");

WHEREAS, in connection with each sale of the Products to Franchisee, H & H will invoice Franchisee for the cost of the Products (each such invoice, an "Invoice");

WHEREAS, it is a condition to the initial extension of credit subsequent to or contemporaneous with the execution of this Agreement to Franchisee with respect to the sale of the Products to Franchisee and to the extension of credit to Franchisee from time to time with respect to further sales of the Products to Franchisee that Franchisee shall have granted the security interests contemplated by this Agreement, and Franchisee desires to grant such security interests in order to induce H & H to extend credit with respect to the sale of the Products to Franchisee;

NOW, THEREFORE, in consideration of the premises and in order to induce H & H to extend credit with respect to the sale of the Products to Franchisee, Franchisee hereby agrees with H & H, as follows:

1. Definitions

1.1. Certain Defined Terms. The following terms, as used herein, have the meanings set forth below:

"Control" means "control" as defined in the UCC.

"Proceeds" means all "proceeds" (as defined in the UCC) of, and all other profits, rentals or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or realization upon, any Collateral.

"Security Interests" means the security interests granted pursuant to Section 2 hereof, as well as all other security interests created or assigned as additional security for the Secured Obligations (as defined in Section 3) pursuant to the provisions of this Agreement or any Invoice.

"UCC" means the Uniform Commercial Code as in effect on the date hereof in the State of Florida, provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the Security Interests in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect on or after the date hereof in any other jurisdiction, "UCC" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy.

2. Grant of Security Interests

To secure the payment, performance and observance of the Secured Obligations, Franchisee hereby grants to H & H, a first priority security interest in, a right of setoff against, and an assignment to H & H of, all right, title and interest of Franchisee in (all being collectively referred to as the "Collateral"):

(a) All right, title and interest in the equipment set forth in Exhibit A hereto and replacements therefor; and

(b) Proceeds of all or any of the property described in subparts (a) above.

3. Security for Obligations

This Agreement secures the payment and performance of the Invoices and all indebtedness, liabilities and obligations of Franchisee now or hereafter existing under this Agreement and all renewals, extensions, restructurings and refinancings of any of the above, including, without limitation, any additional indebtedness which may be extended to Franchisee pursuant to any restructuring or refinancing of Franchisee's indebtedness under any Invoice, and including any post-petition interest accruing during any bankruptcy reorganization of Franchisee or other similar proceeding (all such indebtedness, liabilities and obligations of Franchisee being collectively called the "Secured Obligations").

4. Representations and Warranties

Franchisee represents and warrants as follows:

4.1. Ownership of Collateral. Franchisee owns the Collateral, and will own all after-acquired Collateral, free and clear of any lien, pledge, encumbrance or security interest (other than those created by this Agreement). No effective financing statement or other form of lien notice covering all or any part of the Collateral is on file in any recording office, except for those in favor of H & H.

4.2. Office Locations. Franchisee's principal place of business and all of the sites where any Collateral is located are specified on Schedule I, which Schedule I shall be amended from time-to-time pursuant to the terms of this Agreement.

5. Further Assurances; Covenants

5.1. Other Documents and Actions. Franchisee will, from time to time, at its expense, promptly execute and deliver all further instruments and documents and take all further action that may be necessary or desirable, or that H & H may request, in order to create, perfect and protect the Security Interests granted or purported to be granted hereby or pursuant to any Invoice or to enable H & H to exercise and enforce its rights and remedies hereunder or under any Invoice with respect to any Collateral.

5.2. Corporate or Name Change. Franchisee will give H & H at least thirty (30) days prior written notice of any change in Franchisee's name, identity, mailing address or corporate structure. With respect to any such change, Franchisee will execute such documents and take such actions as H & H deems necessary or desirable to create, perfect and preserve the Security Interests.

5.3. Business Locations. Franchisee will give H & H at least ten (10) days prior written notice of (i) any change in Franchisee's principal place of business or (ii) of any new location of any of the Collateral. Schedule I hereto shall be amended to reflect any such change in Franchisee's principal place of business or any new location of any of the Collateral. With respect to any new location of any Collateral (which in any event shall be within the continental United States), Franchisee will execute such documents and take such actions as H & H deems necessary or desirable to create, perfect and preserve the Security Interests.

5.4. Protection of Collateral. Franchisee will do nothing to impair the rights of H & H in the Collateral. Franchisee assumes all liability and responsibility in connection with the Collateral acquired by

it, and the liability of Franchisee to pay the Secured Obligations shall in no way be affected or diminished by reason of the fact that such Collateral may be lost, stolen, damaged, or for any reason whatsoever unavailable to Franchisee.

6. H & H Appointed Attorney-in-Fact

Franchisee hereby irrevocably appoints H & H as Franchisee's attorney-in-fact, with full authority in the place and stead of Franchisee and in the name of Franchisee, H & H or otherwise or without the signature of Franchisee where permitted by law, from time to time in H & H's discretion to take any action and to execute any instrument that H & H may deem necessary or advisable to accomplish the purposes of this Agreement. Franchisee hereby ratifies and approves all acts of H & H made or taken pursuant to this Section 6. Neither H & H nor any person designated by H & H shall be liable for any acts or omissions or for any error of judgment or mistake of fact or law, unless it is determined by a judgment of a court of competent jurisdiction, final and not subject to review on appeal, that such action, omission, error or mistake constituted gross negligence or willful misconduct. This power, being coupled with an interest, is irrevocable so long as this Agreement shall remain in force.

7. Event of Default

The occurrence of any of the following shall be deemed an event of default hereunder (an "Event of Default"):

(a) failure by Franchisee to make any payment of principal or interest under any Invoice when it becomes due and payable or to perform any other term, condition, provision or covenant contained herein;

(b) failure by Franchisee to perform any term, condition, provision or covenant contained in any other agreement between H & H and Franchisee, including, without limitation, the Franchise Agreement;

(c) any statement, representation, warranty or covenant made by Franchisee in connection with this Agreement, now or hereafter is found to have been untrue, incomplete or misleading when made or furnished;

(d) an application is made by Franchisee for the appointment of a receiver, trustee or custodian for any of Franchisee's assets; a petition under any section or chapter of the Bankruptcy Code or any similar law or regulation is filed by Franchisee; Franchisee makes an assignment for the benefit of its creditors; any case or proceeding is filed by Franchisee for its dissolution, liquidation, or termination; the collateral securing this indebtedness or Franchisee's other assets are attached, seized, levied upon or subjected to a writ of distress or warrant; Franchisee is enjoined, restrained or in any way prevented by court order from conducting all or any material part of its business affairs; or

(e) an application is made against Franchisee for the appointment of a receiver, trustee or custodian for any of Franchisee's assets and such petition is not dismissed within thirty (30) days; a petition under any section or chapter of the Bankruptcy Code or any similar law or regulation is filed against Franchisee and such petition is not dismissed within thirty (30) days; or any case or proceeding is filed against Franchisee for its dissolution, liquidation, or termination and is not dismissed within thirty (30) days.

8. Remedies

If any Event of Default shall have occurred, H & H may exercise in respect of the Collateral, in

addition to all other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the UCC (whether or not the UCC applies to the affected Collateral) and also may require Franchisee to, and Franchisee hereby agrees that it will, at its expense and upon request of H & H forthwith, assemble all or part of the Collateral as directed by H & H and make it available to H & H at any reasonable place or places designated by H & H. To the extent permitted by law, Franchisee hereby specifically waives all rights of redemption, stay or appraisal which it has or may have under any law now existing or hereafter enacted.

Upon the occurrence of an Event of Default, H & H or its agents or attorneys shall have the right without notice or demand or legal process (unless the same shall be required by applicable law), personally, or by agents or attorneys, to enter upon, occupy and use any premises owned or leased by Franchisee or where the Collateral is located (or is believed to be located) until the Secured Obligations are paid in full without any obligation to pay rent to Franchisee, to remove the Collateral or any part thereof therefrom to the premises of H & H or any agent of H & H for such time as H & H may desire in order to effectively collect or liquidate the Collateral and use in connection with such removal any and all services, supplies and other facilities of Franchisee.

Franchisee acknowledges and agrees that a breach of any of the covenants contained in Sections 4, 5, and 6 hereof will cause irreparable injury to H & H and that H & H has no adequate remedy at law in respect of such breaches and therefore agrees, without limiting the right of H & H to seek and obtain specific performance of other obligations of Franchisee contained in this Agreement, that the covenants of Franchisee contained in the Sections referred to in this Section shall be specifically enforceable against Franchisee.

9. Limitation on Duty of H & H with Respect to Collateral

Beyond the safe custody thereof, H & H shall have no duty with respect to any Collateral in its possession or control (or in the possession or control of any agent or bailee) or the preservation of rights against prior parties or any other rights pertaining thereto. H & H shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords its own property. H & H shall not be liable or responsible for any loss or damage to any of the Collateral, or for any diminution in the value thereof, by reason of the act or omission of any warehouseman, carrier, forwarding agency, consignee or other agent or bailee selected by H & H in good faith.

10. Application of Proceeds

Upon the occurrence and during the continuance of an Event of Default, the proceeds of any sale of, or other realization upon, all or any part of the Collateral shall be applied: first, to all fees, costs and expenses incurred by H & H with respect to the Collateral including, without limitation, those described in Section 11 hereof; second, to accrued and unpaid interest on the Secured Obligations (including any interest which but for the provisions of the Bankruptcy Code, would have accrued on such amounts); and third, to the principal amounts of the Secured Obligations outstanding. Any balance remaining shall be delivered to Franchisee or to whomsoever may be lawfully entitled to receive such balance or as a court of competent jurisdiction may direct.

11. Expenses

Franchisee shall pay all costs, fees and expenses of perfecting, maintaining and enforcing the Security Interests, and any and all excise, property, sales and use taxes imposed by any state, federal or local authority on any of the Collateral.

12. Termination of Security Interests; Release of Collateral

Upon final payment in full of all Secured Obligations and the receipt by H & H of the written confirmation of Franchisee terminating any further credit accommodations by H & H, the Security Interests granted herein shall terminate with respect to all or any portion of the Collateral which has not been paid to H & H pursuant to the terms of this Agreement, if any (the "Remaining Collateral"), and all rights to the Remaining Collateral shall revert to Franchisee. Upon such termination of the Security Interests or release of the Remaining Collateral, H & H will, at the expense of Franchisee, execute and deliver to Franchisee such documents as Franchisee shall reasonably request to evidence the termination of the Security Interests or the release of the Remaining Collateral, as the case may be.

13. Notices

Any notice, approval, request, demand, consent or other communication hereunder including any notice of default or notice of sale, shall be in writing (including facsimile transmission) and shall be sent to the applicable party at its address shown below or at such other address as such party may, by written notice received by the other party, have designated as its address for such purpose. Notices sent by facsimile transmission shall be deemed to have been given when sent; notices sent by mail shall be deemed to have been given three business days after the date when sent by registered or certified mail, postage prepaid; and notices sent by hand delivery or overnight courier service shall be deemed to have been given when received. Notices shall be addressed as follows:

If to H & H:
Happy & Healthy Products, Inc.
1600 South Dixie Highway
Suite 100
Boca Raton, Florida 33432
Attention: Rona Doyle
Facsimile: (561) 368-5267

If to Franchisee:
_____
_____
_____
_____
Attention: _____
Facsimile: (____) _____-_____

14. Successors and Assigns

This Agreement is for the benefit of H & H and its successors and assigns, and in the event of an assignment of all or any of the Secured Obligations, the rights hereunder, to the extent applicable to the Secured Obligations so assigned, may be transferred with such Secured Obligations. This Agreement shall be binding on Franchisee and its successors and assigns; provided that Franchisee may not delegate its obligations under this Agreement without H & H's prior written consent.

15. Amendments, Waivers and Consents

No amendment, modification, termination or waiver of any provision of this Agreement shall be effective unless the same shall be in writing signed by H & H and Franchisee.

16. Survival

All representations and warranties of Franchisee shall survive the execution and delivery of this Agreement.

17. Applicable Law

This agreement is governed by and shall be construed and enforced in accordance with the internal laws of the state of Florida, without regard to conflict of laws principles.

18. Forum Selection and Consent to Jurisdiction

Any litigation based hereon, or arising out of, under, or in connection with this agreement or any other loan document, shall be brought and maintained exclusively in the courts of the state of Florida or in the United States District Court for the Southern District of Florida; provided that any suit seeking enforcement against any collateral or other property may be brought, at H & H's option, in the courts of any jurisdiction where such collateral or other property may be found. Franchisee hereby expressly and irrevocably submits to the jurisdiction of the courts of the state of Florida or in the United States District Court for the Southern District of Florida for the purpose of any such litigation as set forth above. Franchisee further irrevocably consents to the service of process by registered mail, postage prepaid, or by personal service within or without the state of Florida. Franchisee hereby expressly and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any such litigation brought in any such court referred to above and any claim that any such litigation has been brought in an inconvenient forum.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the date first written above.

Happy & Healthy Products, Inc.	Franchisee
By: _____	_____
Todd Peterson President and Executive Chairman	By: _____
Date: _____	Date: _____
	By: _____
	Date: _____

SCHEDULE I

Principal Place of Business, Location of Collateral

1. Principal Place of Business _____

2. Location(s) of Collateral: _____

EXHIBIT A

Description of Collateral

MARYLAND ADDENDUM TO SECURITY AGREEMENT

This Addendum to the Security Agreement by and between Happy & Healthy Products, Inc. and _____ ("Franchisee") dated _____, _____ (the "Agreement") is made and entered into on _____, _____.

Notwithstanding anything to the contrary set forth in the Agreement, the following provision shall supersede and apply to all franchises the offer and sale of which are governed by the Maryland Franchise Registration and Disclosure Law, Md Code Ann., Bus. Reg. §§ 14-201 to 14-233:

Any provision in the Agreement which operates to waive Franchisee's right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction in the State of Maryland is void and Franchisee therefore may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Pursuant to COMAR 02.02.08.16L no person may require that Franchisee provide a release from liability under the provisions of the Maryland Franchise Registration and Disclosure Law as part of a franchise agreement or as a condition of the sale, renewal, or assignment of a franchise. Accordingly, all such representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Agreement or in any related agreement is intended to disclaim the representations H & H made in the franchise disclosure document.

Any limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3 year statute of limitations afforded to a franchisee for bringing a claim 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 the franchise.

Nothing in this Agreement or in any related agreement is intended to disclaim the representations franchisor made in the franchise disclosure document.

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum under seal on the date first written above:

Happy & Healthy Products, Inc.	Franchisee
	_____
By: _____	
Todd Peterson President and Executive Chairman	By: _____
Date: _____	Date: _____
	By: _____
	Date: _____

EXHIBIT I

STATE ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

ADDENDUM TO THE DISCLOSURE DOCUMENT
PURSUANT TO THE CALIFORNIA FRANCHISE INVESTMENT LAW
AND THE CALIFORNIA FRANCHISE RELATIONS ACT

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 DISCLOSURE DOCUMENT.

The following provisions supersede any inconsistent provisions in the Disclosure Document and apply to all franchises the offer and sale of which are governed by the California Franchise Investment Law:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning the 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 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 Florida. This provision may not be enforceable under California law.

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise to be delivered together with the Disclosure Document.

Section 31125 of the Corporations Code requires us to provide you a disclosure document in the form required by the Commissioner of Corporations before we ask you to consider a material modification of an existing franchise agreement.

No person or franchise broker in Item 2 of this Disclosure Document is 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 such association or exchange.

The Franchise Agreement requires you to sign a general release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

The Franchise Agreement requires binding arbitration for any claims you may have against us. The arbitration will occur at Palm Beach County, Florida with the cost being borne by you. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as 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 of the state of California.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS

CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

ADDENDUM TO THE DISCLOSURE DOCUMENT
PURSUANT TO THE GEORGIA BUSINESS OPPORTUNITY LAW

In recognition of the requirements of the Georgia Sale of Business Opportunities and Multilevel Distribution Companies Law (the "Law"), the Company hereby agrees to supplement the Franchise Disclosure Document as follows:

1. Item 5 of this Franchise Disclosure Document is amended to add the following:

"The company selling a business opportunity or the seller shall collect no more than 15 percent of the purchase price. The balance of the purchase price shall be paid into an escrow account, established with a bank or an attorney, which is agreed upon by both parties. The balance in escrow shall be paid to the company 60 days after the purchaser commences operation of the business or upon complete compliance with the terms of the contract, whichever occurs first."

ADDENDUM TO THE DISCLOSURE DOCUMENT
PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE LAW

The Cover Page of this Disclosure Document is amended to add the following Risk Factors:

"ILLINOIS LAW GOVERNS THE AGREEMENTS BETWEEN THE PARTIES TO THIS FRANCHISE."

"YOUR RIGHTS UPON TERMINATION AND/OR NON-RENEWAL OF A FRANCHISE AGREEMENT ARE SET FORTH IN SECTIONS 19 AND 20 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT."

Item 17 of the FDD is amended to include the following statements:

1. Consistent with Section 4 of the Illinois Franchise Disclosure Act of 1987, any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside Illinois is void with respect to any action which is otherwise enforceable in Illinois, except that the Franchise Agreement may provide for arbitration outside Illinois.

2. Additionally, consistent with Section 41 of the Illinois Franchise Disclosure Act of 1987, 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 of 1987 or any other law of Illinois is void.

ADDENDUM TO THE DISCLOSURE DOCUMENT
PURSUANT TO THE INDIANA FRANCHISE ACT

This Disclosure Document is amended to delete paragraphs 1 and 2 of the "Risk Factors" on the Disclosure Document Cover Page.

Item 17(c) of this Disclosure Document is amended to add the following:

"The general release mentioned above shall not in any way act as a release or waiver of any liability incurred under the Indiana Deceptive Practices Act."

Item 17(u) of this Disclosure Document is amended to state as follows:

"Dispute resolution by None n/a"

arbitration or mediation

Item 17(w) of this Disclosure Document is amended to state as follows:

"Choice of law None n/a"

Item 17 of this Disclosure Document is amended to add the following:

"During the term of the Franchise Agreement, the Company will not unfairly compete with the Franchisee within a reasonable area."

Item 17(t) is amended to add the following:

"Notwithstanding anything to the contrary in this provision, the franchisee does not waive any right under the Indiana statutes with regard to prior representations made in the Indiana Franchise Disclosure Document."

Item 8 is amended to add the following:

"H&H shall not obtain money, goods, services, or any other benefit from any other person with whom H&H does business, on account of, or in relation to, the transaction between Franchisee and the other person, other than compensation for services rendered by H&H, unless the benefit is promptly accounted for, and transmitted to Franchisee."

ADDENDUM TO THE DISCLOSURE DOCUMENT
PURSUANT TO THE MINNESOTA FRANCHISE INVESTMENT LAW

The following provisions supersede any inconsistent provision in the Disclosure Document and apply to all franchises the offer and sale of which are covered by the Minnesota Franchise Investment Law:

Item 17 of this Disclosure Document is amended to add the following:

"Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

"With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C. 14, subds. 3, 4, and 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."

Item 13 of this Disclosure Document is amended as follows:

"The Franchise Agreement requires H&H to indemnify you against liability from your authorized use of the Licensed Marks if you have promptly notified H&H of any such claim or proceeding, and as long as you are in compliance with the Franchise Agreement when the claim arose. As owner of the Licensed Marks, H&H has the exclusive right to control administrative proceedings or litigation concerning the Licensed Marks."

DISCLOSURE REQUIRED BY NEW HAMPSHIRE ADDENDUM

THE NEW HAMPSHIRE DISTRIBUTORSHIP ACT MAKES IT UNLAWFUL TO SELL ANY DISTRIBUTORSHIP IN THIS STATE WHICH IS SUBJECT TO THAT ACT WITHOUT FIRST PROVIDING TO THE PROSPECTIVE DISTRIBUTOR AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY SUCH DISTRIBUTOR OF ANY BINDING DISTRIBUTORSHIP AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST, A COPY OF THIS DISCLOSURE STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE DISTRIBUTORSHIP. IF THESE DOCUMENTS HAVE NOT BEEN PRESENTED TO YOU IN ACCORDANCE WITH THESE REQUIREMENTS, YOU MAY VOID THE AGREEMENT WITHIN 90 DAYS BY SENDING NOTICE OF YOUR INTENTION TO THE GRANTOR BY UNITED STATES MAIL, RETURN RECEIPT REQUESTED. UPON RECEIPT OF THE NOTICE, THE GRANTOR MUST REFUND ALL MONIES YOU HAVE PAID FOR THE DISTRIBUTORSHIP PLUS INTEREST. THIS DISCLOSURE STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE DISTRIBUTORSHIP AGREEMENT. THE AGREEMENT SHOULD BE CAREFULLY READ FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH GRANTOR AND DISTRIBUTOR.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW

The following provisions supersede any inconsistent provisions in the Disclosure Document, and apply to all franchises the offer and sale of which are governed by the Maryland Franchise Registration and Disclosure Law:

1. Item 5 of the Disclosure Document is amended to provide that, based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement.

2. The "Summary" columns of Item 17.c of the Disclosure Document, pertaining to "Requirements for franchisee to renew or extend," and Item 17.m of the Disclosure Document, pertaining to "Conditions of our approval of transfer," are both supplemented to state that pursuant to COMAR 02.02.08.16L, any general release required as a condition of renewal, sale, and/or assignment/transfer of the Franchise Agreement is void and any such void provision shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. The "Summary" column of Item 17.h of the Disclosure Document, pertaining to "Cause defined – defaults that cannot be cured," is supplemented to state that any provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law.

4. Section 14-227(e) of the Maryland Franchise Registration and Disclosure Law requires that any claims arising under that Law be brought within 3 years after the grant of the franchise.

5. Any provision in the Franchise Agreement or related agreements which operates to waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction in the State of Maryland is void and you therefore may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. Any acknowledgments or representations by you which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

7. Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations franchisor made in the Franchise Disclosure Document.

ADDENDUM TO THE DISCLOSURE DOCUMENT
PURSUANT TO THE NEW YORK FRANCHISES LAW

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, 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 civil or misdemeanor 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 other 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 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.

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

THE STATE OF NORTH CAROLINA HAS NOT REVIEWED AND DOES NOT APPROVE, RECOMMEND, ENDORSE OR SPONSOR ANY BUSINESS OPPORTUNITY. THE INFORMATION CONTAINED IN THIS DISCLOSURE HAS NOT BEEN VERIFIED BY THE STATE. IF YOU HAVE ANY QUESTIONS ABOUT THIS INVESTMENT, SEE AN ATTORNEY BEFORE YOU SIGN A CONTRACT OR AGREEMENT.

IF THE FRANCHISOR FAILS TO DELIVER THE PRODUCT(S), EQUIPMENT OR SUPPLIES NECESSARY TO BEGIN SUBSTANTIAL OPERATION OF THE BUSINESS WITHIN 45 DAYS OF THE DELIVERY DATED STATED IN YOUR CONTRACT, THE FRANCHISEE MAY NOTIFY THE FRANCHISOR IN WRITING AND DEMAND THAT THE CONTRACT BE CANCELLED.

FRANCHISE OFFERING
CIRCULAR FOR PROSPECTIVE FRANCHISEES
REQUIRED BY THE STATE OF NORTH CAROLINA

HAPPY & HEALTHY PRODUCTS, INC.
1600 DIXIE HIGHWAY
SUITE 100
BOCA RATON, FLORIDA 33432
(561) 367-0739

DISCLOSURES REQUIRED BY SOUTH CAROLINA

THE STATE OF SOUTH CAROLINA HAS NOT REVIEWED AND DOES NOT APPROVE, RECOMMEND, ENDORSE OR SPONSOR ANY BUSINESS OPPORTUNITY. THE INFORMATION CONTAINED IN THIS DISCLOSURE HAS NOT BEEN VERIFIED BY THE STATE. IF YOU HAVE ANY QUESTIONS ABOUT THIS INVESTMENT, SEE AN ATTORNEY BEFORE YOU SIGN A CONTRACT OR AGREEMENT.

In recognition of the requirements of the South Carolina Business Opportunity Sales Act, H&H hereby agrees to supplement the Disclosure Document as follows:

1. Item 11 of this Disclosure Document is amended to add the following:

"If the seller fails to deliver the product, equipment or supplies necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled."

2. The name and address of the person to serve as state agent for service of process in the State of South Carolina is as follows:

Bob Gutterman
1023 Seabridge Court
Surfside Beach, South Carolina 29575
(843) 238-2916

SALESPERSON INFORMATION

Name	Address	Title
Todd Peterson	6708 Rosemary Lane Edina, MN 55439	President and Executive Chairman
Linda Kerr Kamm	1600 South Dixie Highway, Suite 100 Boca Raton, FL 33432	Founder
Leslie Frazer	1600 South Dixie Highway, Suite 100 Boca Raton, FL 33432	Compliance Director
Stacey Gendal	1600 South Dixie Highway, Suite 100 Boca Raton, FL 33432	National Sales Manager and Sales & Marketing Consultant

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
PURSUANT TO THE WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT

The following provision supersede any inconsistent provisions in the Disclosure Document, and apply to all franchises the offer and sale of which are governed by the Washington Franchise Investment Protection Act:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. RCW 19.100.180 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.

3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

EXHIBIT J

AGREEMENT OF MUTUAL RELEASE

AGREEMENT OF MUTUAL RELEASE

THIS AGREEMENT is made and entered into this date _____(Month, Day, Year) between Happy & Healthy Products, Inc., a corporation (hereinafter for, itself, its successors and assigns referred to as "Franchisor"), having its principal place of business at 1600 S. Dixie Highway, Suite 100, Boca Raton, FL 33432 and _____, d/b/a _____ with its principal place of business at _____ (hereinafter referred to as "Franchisees").

WHEREAS, Franchisees executed a Franchise Agreement dated_____ (FA_signed by Linda Kamm, Month, Day, Year) between Franchisees and Franchisor for the operation of a Fruit*full*® franchise at _____ MSA (the "Franchise Agreement"); and

WHEREAS, the Franchisees have dissolved its business, its rights, title, and interest in the Franchise Agreement pursuant to the Franchise Agreement; and

WHEREAS, Franchisor has granted its approval to the dissolution of the Franchise interests.

NOW THEREFORE, in consideration of the mutual covenants contained herein and other valuable considerations which the parties hereto acknowledge, each of the parties for themselves and anyone claiming through or under them, hereby remise, release and forever discharge Franchisor and all Franchisor's officers, directors, agents and representatives from any and all manner of claims, accounts, debts, demands, damages, losses, causes of action, actions, liabilities or suits, whether in law or in equity, whether present or future, whether accrued or which may hereafter accrue, and whether known or hereafter discovered, which Franchisees or any one claiming through or under them have or may have against Franchisor, its officers, directors, agents and representatives, to and including the date of this release, arising out of in any way connected either directly or indirectly with the Franchise Agreement or the Franchise relationship, including, without limitation, any such claims growing out of or arising or existing in connection with the execution of the Franchise Agreement or any of the terms or provisions thereof, or by reason of breach or alleged breach or conduct or activity resulting in the breach or alleged breach of, any of the terms and provisions of the Franchise Agreement including, without limitation, any liability for money paid or to be paid by either party to the other in connection therewith.

Furthermore, Franchisor for itself and anyone claiming through or under it, hereby remise, release and forever discharge Franchisees and all Franchisees officers, directors, agents and representatives from any and all manner of claims, accounts, debts, demands, damages, losses, causes of action, actions, liabilities or suits, whether in law or in equity, whether present or future, whether accrued or which may hereafter accrue, and whether known or hereafter discovered, which Franchisor or any one claiming through or under it have or may have against Franchisees, their officers, directors, agents and representatives, to and including the date of this release, arising out of in any way connected either directly or indirectly with the Franchise Agreement or the Franchise relationship, including, without limitation, any such claims growing out of or arising or existing in connection with the execution of the Franchise Agreement or any of the terms or provisions thereof, or by reason of breach or alleged breach or conduct or activity

SAMPLE

resulting in the breach or alleged breach of, any of the terms and provisions of the Franchise Agreement including, without limitation, any liability for money paid or to be paid by either party to the other in connection therewith.

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Agreement the date and year set forth above.

FRANCHISOR: By: _____
Linda Kamm

Title: __President_____

Date: _____

FRANCHISEE: By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

SAMPLE

EXHIBIT K

CONFIDENTIALITY AGREEMENT AND NON-COMPETE AGREEMENT

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality and Non-Competition Agreement ("**Confidentiality Agreement**") is entered into as of _____, 20_____ and is by and between _____ _____ ("**Franchisee**") and _____ ("**Employee**") residing at _____. Franchisee and the Employee may sometimes be referred to in the singular as a "Party" or jointly as the "Parties."

RECITALS

WHEREAS, Franchisee has entered into a Franchise Agreement (the "**Franchise Agreement**") with Happy & Healthy Products, Inc., a Florida corporation ("**Franchisor**"), and as such, is the beneficiary of certain confidential and proprietary procedures, methods of operation, systems, techniques, pricing, accounting systems and procedures, specifications, products manuals, Manuals, business plans, customer lists and data that relate to Franchisee's business, suppliers, marketing plans, and the like, developed and owned by Franchisor and made available to Franchisee (the "**Proprietary Information**");

WHEREAS, the Franchisee has been granted the right to operate a Happy and Healthy™ franchised business in _____ (the "**Designated Territory**").

WHEREAS, for the purposes of this Confidentiality Agreement, the term "Employee" shall also include the immediate family members (which consists of any spouse and adult children) of Employee;

WHEREAS, Employee, in the course of his or her employment with Franchisee, will have access to such Proprietary Information;

WHEREAS, all capitalized terms not otherwise defined in this Confidentiality Agreement shall have the meaning set forth in the Franchise Agreement;

NOW, THEREFORE, in consideration of the employment of the Employee by Franchisee, and for other good and valuable consideration, the adequacy of which is admitted by all Parties, it is agreed as follows:

COVENANTS

1. The Recitals are incorporated herein by this reference.

2. Employee acknowledges that, during the course of his or her employment with Franchisee, he or she has obtained or may obtain knowledge of the Proprietary Information, all of which is necessary and essential to the operation of the business of Franchisee and without which said information Franchisee could not efficiently, effectively, and profitably operate its Business. Employee further acknowledges that such Proprietary Information was not known to him prior to his employment.

3. Except as may be required in the performance of duties for Franchisee, Employee will not, during the course of his or her employment and thereafter, directly or indirectly, use or disclose to any third party, or authorize any third party to use, any Proprietary Information relating to the business or interest of Franchisee or Franchisor.

4. If Employee is a manager or is in a management position with Franchisee, Employee will not, during the course of his or her employment and for two (2) years thereafter, directly or indirectly, as an owner, officer, director, shareholder, partner, associate, employee, agent, representative, consultant or in some other similar capacity, without Franchisee's prior written consent, engage in, plan or organize, or have any financial interest in any Competing Business which is located within (i) Franchisee's MSA, (ii) within ten (10) miles of Franchisee's MSA, or (iii) within two (2) miles of any location where the Franchisee sold Products during the twelve (12) month period immediately preceding the date of termination of employment. For purposes of this Agreement, the term "Competing Business" means any business that offers or sells frozen fruit bars, confection bars, snacks, baked goods, or any other products that are the same as, or substantially similar to, any of the Products offered and sold by the Franchise Business, through the same or similar methods of distribution as the Franchise Business.

5. Notwithstanding the foregoing, the ownership of not more than one percent (1%) of the voting stock of a publicly-held corporation engaged in a Competing Business shall not be considered a violation of the foregoing provision.

6. Employee, regardless of his or her position with Franchisee, will not, during the course of his or her employment and for two (2) years thereafter, directly or indirectly contact any customer of Franchisee for the purpose of soliciting from any such customer any business that is the same as, or substantially similar to, the business conducted between Franchisee and the customer.

7. At the termination of his or her employment, Employee agrees to deliver to Franchisee (and will not keep in his possession or deliver to anyone else) all Proprietary Information, including all Manuals and other Confidential Information, records, data, designs, photographs, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, other documents or property, or reproductions of any such items belonging to Franchisee, its successors or assigns, which relate in any way to the operation of Franchisee's business, and shall not keep any copies of any such documents or information.

8. Employee hereby acknowledges and agrees that any breach by him or her of this Confidentiality Agreement will cause irreparable damage to Franchisee, Franchisor and the Franchisor's entire Business System. Accordingly, in addition to any other relief to which Franchisee or Franchisor may be entitled, either Franchisee or Franchisor shall be entitled to temporary, preliminary, or permanent injunctive relief for any breach or threatened breach of this Agreement by Employee without proof of actual damages that have been or may be caused.

9. If any portion of this Confidentiality Agreement shall be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement shall be considered valid and operative, and effect shall be given to the intent manifested by the portion held invalid or inoperative. Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural and conversely.

10. This Agreement shall bind the successors and assigns of Franchisee and the heirs, personal representative, successors, and assigns of Employee.

11. All covenants made in this Agreement by Employee shall survive the termination of this Confidentiality Agreement.

12. This Confidentiality Agreement may be amended in whole or in part only by an agreement in writing signed by the Parties.

13. This Confidentiality Agreement contains the entire understanding of the Parties in reference to the subject matter found herein. Any prior understanding or agreement, whether oral or written, shall be merged herein.

14. Any notice, request, demand, or other communication given pursuant to the terms of this Confidentiality Agreement shall be deemed given upon delivery, if hand-delivered, or three (3) days after deposit in the U.S. mail, postage prepaid, and sent Certified or Registered Mail, Return Receipt Requested, addressed to the addresses of the parties indicated below or at such other address as such Party shall have advised the other Party in writing.

15. EMPLOYEE ACKNOWLEDGES AND AGREES THAT FRANCHISOR IS AN INTENDED THIRD-PARTY BENEFICIARY OF THIS AGREEMENT WITH THE RIGHT TO ENFORCE IT, INDEPENDENTLY OR JOINTLY WITH THE FRANCHISEE. ACCORDINGLY, FRANCHISOR SHALL HAVE THE RIGHT TO ENFORCE ITS RIGHTS UNDER THIS AGREEMENT DIRECTLY AGAINST EMPLOYEE IN THE EVENT OF EMPLOYEE'S BREACH OF THIS AGREEMENT.

EMPLOYEE ACKNOWLEDGES THAT HE/SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

EXECUTED AND AGREED AS OF THE DATE AND YEAR FIRST ABOVE WRITTEN.

FRANCHISEE

Company: _____
Signer's Name: _____
Signature: _____
Title: _____

EMPLOYEE

Signature: _____
Name: _____
Address: _____
_____
_____

MARYLAND ADDENDUM TO
CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Addendum to the Confidentiality and Non-Compete Agreement by and between Happy & Healthy Products, Inc. and _____ ("Franchisee") dated _____, _____ (the "Agreement") is made and entered into on _____, _____.

Notwithstanding anything to the contrary set forth in the Agreement, the following provision shall supersede and apply to all franchises the offer and sale of which are governed by the Maryland Franchise Registration and Disclosure Law, Md Code Ann., Bus. Reg. §§ 14-201 to 14-233:

Any provision in the Agreement which operates to waive Franchisee's right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction in the State of Maryland is void and Franchisee therefore may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Pursuant to COMAR 02.02.08.16L no person may require that Franchisee provide a release from liability under the provisions of the Maryland Franchise Registration and Disclosure Law as part of a franchise agreement or as a condition of the sale, renewal, or assignment of a franchise. Accordingly, all such representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Agreement or in any related agreement is intended to disclaim the representations H & H made in the franchise disclosure document.

Any limitation on the period of time arbitration and/or litigation claims must be brought shall not act to reduce the 3 year statute of limitations afforded to a franchisee for bringing a claim 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 the franchise.

Nothing in this Agreement or in any related agreement is intended to disclaim the representations franchisor made in the franchise disclosure document.

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum under seal on the date first written above:

HAPPY & HEALTHY, INC.

By: _____

Date: _____

Title: _____

FRANCHISEE:

By: _____

Date: _____

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	Pending
Florida	Pending
Georgia	Pending
Illinois	Pending
Indiana	Pending
Michigan	Pending
Minnesota	Pending
New Hampshire	Pending
New York	Pending
North Carolina	Pending
Rhode Island	Pending
South Carolina	Pending
Utah	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

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 L

RECEIPTS

RECEIPT
For Franchisee

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 Happy & Healthy Products, Inc. offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale. New York and Iowa require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (14 calendar days for Iowa) before the execution of the franchise or other agreements or payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If Happy & Healthy Products, Inc. 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 the state agency listed on Exhibit A.

The franchise sellers are: ☐ Todd Peterson, President and Executive Chairman; ☐ Linda Kerr Kamm, Founder; ☐ Leslie Frazer, Compliance Director; ☐ Stacey Gendal, National Sales Manager and Sales & Marketing Consultant; ☐ Rona Doyle, General Manager.

Any additional individual franchise sellers involved in offering franchises are: _____

_____

_____

Happy and Healthy authorizes the respective state agencies identified on Exhibit A to receive service of process for it in the particular state.

I have received a Disclosure Document issued April 20, 2022, that included the following Exhibits:

A. List of State Administrators
B. Franchise Agreement and State Addenda
C. Financial Statements of Happy & Healthy Guaranty, LLC
   Guarantee of Performance of Happy & Healthy Guaranty, LLC
D. List of Franchisees
E. List of Former Franchisees
F. Freezer Contract
G. Operations Manual - Table of Contents
H. Security Agreement
I. State Addenda to Franchise Disclosure Document
J. Agreement of Mutual Release
K. Confidentiality Agreement and Compete Agreement
L. Receipts
   State Effective Dates

Prospective Franchisee

_____

By: _____
(Signature)

_____
(Print name of signatory)

Date: _____

The address of the Prospective Franchisee is:

_____

_____
(Please Print)

RECEIPT
For Franchisor

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 Happy & Healthy Products, Inc. offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale. New York and Iowa require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (14 calendar days for Iowa) before the execution of the franchise or other agreements or payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

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L. Receipts
   State Effective Dates

Prospective Franchisee

_____

By: _____
(Signature)

_____
(Print name of signatory)

Date: _____

The address of the Prospective Franchisee is:

_____

_____
(Please Print)

Return to: **Happy and Healthy Products, Inc.**
1600 S. Dixie Highway, Suite 100
Boca Raton, FL 33432

2022 Happy and Healthy Products, Inc.