

FRANCHISE DISCLOSURE DOCUMENT



Hear Again Franchising, LLC
A Florida limited liability company
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Deerfield Beach, FL
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franchising@hearagainamerica.com
www.hearagainamerica.com

Hear Again Franchising offers franchisees the opportunity to own and operate a hearing aid business using the Hear Again America name and associated trademarks. The franchisee will sell the complete range of hearing aids manufactured for Hear Again America together with certain related products and services from its authorized hearing aid centers.

The total investment necessary to begin operation of a Hear Again America franchise is from \$187,100 to \$318,450. This includes from \$52,500 to \$55,000 that must be paid to us or an affiliate.

The total investment necessary to begin operating under an area development agreement depends on the number of centers we grant you the right to open, which will be a minimum of two. As an example, the total investment necessary to begin operations under an area development agreement for the right to open three (3) ranges from \$257,100 to \$388,450. This includes \$122,500 to \$125,000 that must be paid to us or our affiliates upon execution of the development agreement and the franchise agreement for your first Hear Again America center.

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 government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Mary Catherine McDonald at 269 S Federal Highway, Deerfield Beach, FL 33441; by email at franchising@hearagainamerica.com; or by phone at (561) 367-1623.

The terms of your contract will govern your franchise relationship. Do not rely on this Disclosure Document alone to understand your contract. Read all of 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, DC 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 be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 27, 2025

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EXHIBITS

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DATES RECEIPTS

Digital Marketing

We may, in our sole discretion, establish and operate websites, social media accounts (such as Facebook, Twitter, Instagram, Pinterest, etc.), applications, keyword or ad-word purchasing programs, accounts with websites featuring gift certificates or discounted coupons (such as Groupon, Living Social, etc.), mobile applications, or other means of digital advertising on the Internet or any electronic communications network (collectively, “Digital Marketing”) that are intended to promote the Marks, your Franchised Business, and the entire network of Franchised Businesses. We will have the sole right to control all aspects of any Digital Marketing, including those related to your Center.

Unless we consent otherwise in writing, you and your employees may not, directly or indirectly, conduct or be involved in any Digital Marketing that use the Marks or that relate to the Franchised Business or the network. If we do permit you or your employees to conduct any Digital Marketing, you or your employees must comply with any policies, standards, guidelines, or content requirements that we establish periodically and must immediately modify or delete any Digital Marketing that we determine, in our sole discretion, is not compliant with such policies, standards, guidelines, or requirements. If we permit you or your employees to conduct Digital Marketing, we will have the right to retain full control over all websites, social media accounts, mobile applications, or other means of digital advertising that we have permitted you to use. We may withdraw our approval for any Digital Marketing or suspend or terminate your use of any Digital Marketing platforms at any time.

You are not authorized to have a website for your Franchised Business or to have a webpage related to your Franchised Business in any third-party website, including, without limitation, social networking sites. As part of our Digital Marketing, we or one of our designees will operate and maintain the Hear Again America website, which will include basic information related to the Center, the ability for customers to request information and solicit services at your Center, and access to the Center’s reservation system.

Promotional Programs

You must participate in all in-Center promotional programs that we offer to franchisees. You will follow our guidelines concerning the acceptance and reimbursement of gift certificates, gift cards, coupons, corporate discounts, and other promotional programs as we set forth from time to time in the Manuals or otherwise in writing. You will not allow use of gift certificates, gift cards, or coupons (including Groupons and similar discounts) unless approved or offered by us.

Advertising Cooperatives

We currently do not have any advertising cooperatives [or advertising funds](#) and have no plans to form such cooperatives [or funds](#) in the immediate future. However, you must join and actively participate in any organizations or associations of franchisees or advertising cooperatives that we establish or that are established at our direction for the purpose of promoting, coordinating, and purchasing advertising in local, regional, or national areas where there are multiple Franchised Businesses, and you must abide by the bylaws, rules, and regulations duly required by such advertising cooperative, which we have the right to mandate or approve if and when we form such cooperative. If we form an advertising cooperative, we will have the right to determine how membership will be defined, whether company-owned or affiliate-owned Franchised Businesses will participate in the cooperative, and whether we, an affiliate, a franchisee, or a third party will administer the cooperative. If you join an advertising cooperative, we or the advertising cooperative may require you to spend additional funds on marketing programs conducted by the advertising cooperative, which may be in addition to your Brand Fund Contribution or the Marketing Spending Requirement. You shall not be required to contribute more than 6% of Net Sales to the cooperative. If we form an advertising cooperative, we will make any governing documents available to you for your review.

**ITEM 17.
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE**

RESOLUTION THE FRANCHISE RELATIONSHIP

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

A. Franchise Agreement

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	Section 2.1	Term is 10 years.
b.	Renewal or extension of the term	Section 2.2	If you (and your affiliates) are in good standing, you can renew the Franchise Agreement for additional terms of 10 years.
c.	Requirements for you to renew or extend	Section 2.2	Provide advance notice to and obtain approval by us to renew or extend, be in compliance with current Franchise Agreement, pay all amounts due to us, remodel, sign new agreement, attend refresher training, and execute a general release. You may be asked to sign a contract with materially different terms and conditions than your original contract, but you will not be asked to sign anything that is materially different from our then-current version of our Franchise Agreement.
d.	Termination by you	Section 16.1	If you are complying with the Franchise Agreement, and we fail to cure a material default within 60 days after written notice.
e.	Termination by us without cause	Not Applicable	Not Applicable
f.	Termination by us <u>with cause</u>	Sections 16.2, 16.3, <u>16.4, 16.5, 16.6, and 16.7</u>	We can terminate if you (or your affiliate) defaults <u>under the Franchise Agreement or any other agreement between you (or your affiliate) and Hear Again America. If we terminate your Development Agreement, we may terminate your Franchise Agreement if it is independently a cause for termination under the Franchise Agreement.</u>

with cause 16.4, 16.5, 16.6, and 16.7 under the Franchise Agreement or any other agreement between you (or your affiliate) and Hear Again America. If we terminate your Development Agreement, we may terminate your Franchise Agreement if it is independently a cause for termination under the Franchise Agreement.

Table 2: Aggregated Sales and Certain Expenses for Part-Time Company-Owned Outlets¹

Part-Time Company-Owned Outlets	
	FY 2023⁴
Net Sales ⁵	\$2,244,657
COGS ⁶	\$410,373
Gross Profit ⁷	\$1,834,284
Operating Expenses	
Rent	\$275,308
Payroll	\$715,445
Advertising and Marketing	\$468,623
Other Operating Expenses	\$117,118
Franchise Fee Adjustments	
Royalty Fee – 5% Net Sales	\$112,233
Technology Fee	\$66,000
EBITDA (if franchised)⁸	\$79,557
Adjusted Margin⁹	4%

Table 3: Average Net Sales

	16 Full-Time Outlets	11 Part-Time Outlets
High	\$1,576,326 <u>\$1,113,194</u>	\$333,022
Low	\$176,970 <u>\$259,463</u>	\$66,254
Median	\$481,992 <u>\$460,337</u>	\$243,822
Average	\$629,344 <u>\$533,395</u>	\$204,060
Centers at or above Average	7 (44%)	7 (64%)

Notes for Tables Above:

- The reported locations are open 5 days per week and are operated day-to-day by a manager, not the owners. We recommend, but do not require, you to operate your Hear Again America Center as an owner-operator. If you operate your own Center, you should expect your Payroll to be lower than our affiliates'. The part-time Company-Owned Outlets operate up to 3 days per week and are operated day-to-day by a manager, not the owners.
- In FY 2024, our affiliates operated 16 full-time and 11 part-time locations for the entire Measuring Period. We have not included 1 location that closed and 1 location that opened during the FY2024 Measuring Period as neither operated for the entire Measuring Period.
- “Net Sales” means the total revenues and receipts from the sale of all products and services, less returns, allowances, discounts, cancellations, and sales tax.
- “Cost of Goods Sold” or “COGS” includes the purchase of supplies used in the sales of goods and performance of services to customers. COGS does not include labor costs attributable to the product

ITEM 21.
FINANCIAL STATEMENTS

Attached as Exhibit A to this Disclosure Document is our audited financial statements as of December 31, 2024, as of December 31, 2023, **and** our unaudited opening balance sheet as of January 16, 2023, [our unaudited Profit and Loss Statement from January 1, 2025 through June 20, 2025, and our unaudited balance sheet as of June 20, 2025.](#) As we did not begin operating until January 2023, we have not been in business for three years or more and cannot include all financial statements required by the FTC Rule for our last three fiscal years. Our fiscal year ends on December 31.

ITEM 22.
CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Document/Contract	Location in FDD
Franchise Agreement (FA)	Exhibit E
Franchisee Compliance Questionnaire	Attachment C to the FA
Area Development Agreement	Exhibit F
Forms of General Release	Exhibit G
Form of Nondisclosure and Noncompete	Exhibit H
State-Required Franchise Agreement Riders	Exhibit I
Electronic Funds Transfer Authorization Form	Exhibit J
Lease Rider	Exhibit K

ITEM 23.
RECEIPT
S

The last two pages of this Disclosure Document are duplicate Receipts to be signed by you. Keep one for your records and return the other to us.

9:26 AM

06/24/25

Accrual Basis

Hear Again Franchising, LLC
Profit & Loss by %
 January 1, 2024 through June 20, 2025

Ordinary Income/Expense	Jan 1, '24 - Jun 20, 25	% of Income
Income		
FLAMEL AI Organic Facebook	1,200.00	0.2%
Franchise Fee	685,000.00	86.1%
Revenue		
Sales - Hearing Aids	6,979.00	0.8%
Total Revenue	6,979.00	0.8%
ROYALTY		
Sales Royalty	43,017.05	5.4%
Unit Royalty	20,247.50	2.5%
Total ROYALTY	63,264.55	7.9%
Sales Discounts	-200.00	-0.0%
TECH FEE	39,566.00	5.0%
Uncategorized Income		
Cycle Operational Software	842.45	0.1%
Uncategorized Income - Other	380.90	0.0%
Total Uncategorized Income	1,223.35	0.2%
Total Income	706,021.90	100.0%
Cost of Goods Sold		
COGS		
COGS - Hearing Aids	6,938.00	0.9%
Total COGS	6,938.00	0.9%
Total COGS	6,938.00	0.9%
EXPENSES	749,769.00	99.1%
Expense		
Continuing Education	225.00	0.0%
General & Admin Expense		
Accountant		
Automobile Expense	2,000.00	0.3%
Bank Service Charges	289.54	0.0%
Business Licenses and Permits	683.21	0.1%
Computer and Internet Expense	20,665.56	2.6%
Consultant Commission	12.58	0.0%
Dues and Subscriptions	342,538.44	43.0%
	4,583.35	0.6%

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Accrual Basis

Hear Again Franchising, LLC
Profit & Loss by %
January 1, 2024 through June 20, 2025

	Jan 1, '24 - Jun 20, 25	% of Income
Insurance Expense		
Dental Ins (Employee Paid)	169.20	0.0%
Employee Benefit Health	24,092.82	3.0%
EYE MED Insurance (Employee Pd)	105.30	0.0%
Franchise Perils	4,082.94	0.5%
General Liability Insurance	4,104.88	0.5%
Total Insurance Expense	32,556.24	4.1%
Legal Services	7,740.00	1.0%
Life Insurance	49.92	0.0%
Office Improvements	1,696.00	0.2%
Office Supplies	3,028.51	0.4%
Operational Software (Cycle)	991.45	0.1%
Postage and Delivery	664.38	0.1%
Telephone Expense	1,366.27	0.2%
Travel and Entertainment	54,804.47	6.9%
Web Site	1,000.00	0.1%
Total General & Admin Expense	474,891.91	59.7%
Marketing Expense		
Call Center	1,267.18	0.2%
Demographic Mapping	3,801.25	1.2%
Direct Mailings	1,375.28	0.2%
Directory	2,006.36	0.3%
Media Marketing	154.00	0.0%
Office Marketing	20,640.20	2.6%
Online	28,801.60	3.6%
Total Marketing Expense	33,835.04	8.0%
Office Supplies	1,182.41	0.2%
Payroll Expenses		
Commission - Dispensers	2,721.67	0.3%
Payroll Taxes	15,481.25	1.9%
Wages - Admin	188,769.04	23.7%
Payroll Expenses - Other	8,427.03	1.1%
Total Payroll Expenses	216,378.99	27.1%
Total Expense	756,528.06	94.9%
Net Ordinary Income	33,662.84	4.2%
Net Income	33,552.94	4.2%

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06/24/25

Hear Again Franchising, LLC
Balance Sheet
As of June 20, 2025

Accrual Basis

	Jun 20, 25
ASSETS	
Current Assets	
Checking/Savings	
Amerant Bank Checking 5406	9,076.00
Bank of America Bus Cking 4978	130,218.36
Total Checking/Savings	139,294.36
Accounts Receivable	
Accounts Receivable	5,071.68
Total Accounts Receivable	5,071.68
Total Current Assets	144,366.04
TOTAL ASSETS	144,366.04
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Cap One 7771/8918/9023	5,806.80
Chase Ink 8022/8034	5,650.00
Total Credit Cards	11,456.80
Other Current Liabilities	
Accrued Payroll	7,898.34
Loan from Hear Again, LLC	106,180.01
Payroll Liabilities	
FL Unemployment Tax	-607.62
Payroll Liabilities - Other	7,303.34
Total Payroll Liabilities	6,606.72
Total Other Current Liabilities	120,764.07
Total Current Liabilities	132,212.96
Total Liabilities	132,212.96
Equity	
Equity	50,000.00
Retained Earnings	-112,747.34
Net Income	74,800.40
Total Equity	12,153.08
TOTAL LIABILITIES & EQUITY	144,366.04



FRANCHISE AGREEMENT

between

**HEAR AGAIN FRANCHISING,
LLC d/b/a HEAR AGAIN AMERICA**

and

FRANCHISEE

4. FEES

4.1 Initial Franchise Fee. You shall pay to us, on execution of this Agreement, the initial franchise fee set forth in Attachment 1 (the “Initial Franchise Fee”). Upon receipt, the entire Initial Franchise Fee is fully earned and non-refundable.

The California Department of Financial Protection and Innovation has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations, and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

Based upon the franchisor’s financial condition, Illinois Office of the Attorney General and the Maryland Securities Commissioner have 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. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens. The Illinois Attorney General’s Office imposed this deferral requirement due to Franchisor’s financial condition.

Based upon the franchisor’s financial condition, the Virginia Division of Securities and Retail Franchising and the Minnesota Department of Commerce have 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. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

4.2 Royalty Fee. Subject to adjustment as provided below, you shall pay us five percent (5%) of monthly Net Sales, as defined in Section 12.3 (collectively, “Royalty Fee”). We will bill you for the Royalty on the hearing aid invoice and you will pay the Royalty on the same terms applicable for payment for the hearing aids.

4.3 Brand Fund Contribution. We have not set up a Brand Fund, but if we do, you shall make monthly contributions for national advertising and brand promotion and initiatives as specified in Section 12.2 hereof.

4.4 Technology Fees. Beginning 8 weeks prior to your scheduled opening date, you shall pay us a monthly fee, currently five hundred dollars (\$500), (the “Technology Fee”) for our managing a central internet, the reservation system, and any other technology we develop. We reserve the right to increase the Technology Fee upon 30 days’ notice to you.

4.5 Transfer Fees. In connection with the transfer of this Agreement, any direct or indirect interest in you, or in all or substantially all of the assets of the Franchised Business or any Center, you shall pay us a transfer fee as applicable pursuant to Section 15.

4.6 Payments. All payments to us required by this Agreement, including, without limitation, Sections 4 and 12 hereof shall be paid within thirty (30) calendar days of your receipt of our invoice. We reserve the right to require that all such payments be made by electronic fund transfer or direct deposit with at least thirty (30) days’ advanced written notice. Any payment not actually received by us on or before the 30th calendar day after your receipt of our invoice will be deemed overdue. If any payment is overdue by thirty

(30) days or more: (a) you shall pay us the overdue amount as well as interest on such amount from the date it was due until the date it is received by us, and (b) we, in our sole discretion, may place you on “Cash With Order” status until you are in compliance with payment requirements. If we elect to place

5.3 terms will not be unreasonably withheld and will be subject to your compliance with the terms and conditions of this Section 5.3. If we do not provide a rejection of the proposed Lease terms within fourteen (14) days, the proposed Lease terms will be deemed approved.

5.3.1 The Lease must contain certain provisions we require for our own purposes, including the following: (a) that the initial term of the lease, or the initial term together with renewal terms, shall be for not less than five (5) years; (b) that the lessor consents to your use of such Proprietary Marks and initial signage as we may require for each Center; (c) that the lessor and you agree to include in any lease for the Premises (as it may be modified, renewed, extended, or replaced) our standard Lease Addendum; (d) that the use of the Premises be restricted solely to the operation of the Center; (e) that you be prohibited from subleasing or assigning all or any part of your occupancy rights or extending the term of, renewing, replacing, or modifying the lease without our prior written consent; (f) that the lessor provide to us copies of any and all notices of default given to you under the Lease; (g) that we have the right to enter the Premises to make modifications necessary to protect the Proprietary Marks or the System or to cure any default under this Agreement or under the lease; and (h) that we have the option, upon default, expiration, or termination of this Agreement, and upon notice to the lessor, to assume all of your rights under the lease terms, including the right to assign or sublease.

5.3.2 You acknowledge and agree that any of our involvement in lease negotiations and our review and approval of the Lease are for our sole benefit and the benefit of the System. You agree that you are not relying on our lease negotiations, lease review or approval, or site approval for your benefit. You further acknowledge that you have been advised to obtain the advice of your own professional advisors before you sign a lease.

5.3.3 You shall comply with all the terms of your lease or sublease, if any exists, and all other agreements affecting the operation of each Center; shall promptly furnish us a copy of your lease, upon request.

5.4 Construction. You shall develop, maintain, renovate, or construct, and equip, each Center at your own expense and as necessary to satisfy the then-current System Standards pursuant to the terms of this Agreement. You shall comply with any and all specifications that we provide for a Center, including requirements for image, equipment, signs, and other procedures. Before commencing any construction, you must prepare drawings and specifications of the Premises of each Center (other than satellite locations) in accordance with our standard specifications for a Center. Such drawings and specifications shall be submitted to us for our prior approval, which will not be unreasonably withheld. Our approval of plans and specifications you submit to us for review will be limited to their conformance with our specifications and will not relate to your obligations with respect to any federal, state, or local laws, codes, or regulations regarding the construction, design, and operation of each Center, including the ADA, all of which will be your sole responsibility. The drawings and specifications shall not thereafter be changed or modified without our prior written approval. You or your contractor, at your or your contractor's expense, shall obtain such insurance, as described in Section 14, prior to beginning construction. We, at our cost and expense, have the right to oversee any construction and to visit each site at any time to ensure compliance with the approved specifications. We also have the right to require you to submit periodic progress reports in such form and at such times as we determine.

5.5 Licensing. You shall be responsible, at your own expense, for obtaining all zoning classifications, permits, certifications, and clearances required for the lawful construction and operation of each Center, including, but not limited to, certificates of occupancy and business licenses, which may be required by federal, state, or local laws, ordinances, or regulations, or which may be necessary or advisable owing to any restrictive covenants relating to the Premises or required by the lessor.

5.6 Commencement Criteria. You agree not to commence operation of any Center until:

5.6.2 You have obtained all business licenses, provider licenses, permits, and approvals required to lawfully operate the Center, and we have been furnished with evidence thereof as we may reasonably request;

5.6.3

5.6.4 You have hired, or arranged coverage by, the number of licensed dispensers sufficient to qualify the Center as a Part-Time or Full-Time center as required by the Development Schedule;

5.6.5 We have been furnished with copies of all insurance policies required by this Agreement, or such other evidence of insurance coverage and payment of premiums as we request; and

5.6.6 We have been furnished with such evidence as we reasonably request that you possess such necessary equipment as we require for you to operate the Center in accordance with the System Standards.

5.6.2 You have obtained all business licenses, provider licenses, permits, and approvals required to lawfully operate the Center, and we have been furnished with evidence thereof as we may reasonably request;

5.6.3 You have hired, or arranged coverage by, the number of licensed dispensers sufficient to qualify the Center as a Part-Time or Full-Time center as required by the Development Schedule;

5.6.4 We have been furnished with copies of all insurance policies required by this Agreement, or such other evidence of insurance coverage and payment of premiums as we request; and

5.6.5 We have been furnished with such evidence as we reasonably request that you possess such necessary equipment as we require for you to operate the Center in accordance with the System Standards.

6. TRAINING

6.1 **Initial Training Program.** If this Agreement is the first franchise agreement that you and any of your owners or affiliates are signing with us, you are considered a “New Franchisee,” and we will provide a mandatory initial training program to you at a mutually agreeable time at our home office or at any other place reasonably designated by us (the “Initial Training Program”). At least thirty (30) days prior to commencing operation of your Center, you (or, if you are a corporation, partnership, or limited liability company, your managing shareholder, partner, or member), and at least one (1) employee that you select shall attend and successfully complete the Initial Training Program to our satisfaction. At your option, you may select up to two (2) additional owners, managers, or employees to enroll in the Initial Training Program, for a total of three (3) individuals. We shall have the right to approve those persons who attend the Initial Training Program and to require fewer or additional persons to attend the Initial Training Program as we determine in our sole discretion. In the event you (or your managing shareholder, partner, or member) or your employee attend but fail to successfully complete the Initial Training Program to our reasonable satisfaction, you (and your employee and/or a new person) shall have the right to take the Initial Training Program again, and an additional sixty (60) days in which to do so. If you or your employee fail to successfully complete the Initial Training Program to our reasonable satisfaction within that period, we have the right to terminate this Agreement pursuant to Section 16 hereof. If you are not a New Franchisee, you may elect to enroll in the Initial Training Program at your option.

6.2 Subsequent Owners and Managers. At our option, any new owners and any individual newly responsible for managing the day-to-day operations of one or more Centers (each, a “Key Manager”) shall, within ninety (90) days of assuming such role, also attend and complete to our satisfaction the Initial Training Program and pay the then-current training fee. Any non-management employees may be trained by you.

Additional Programs. We shall also make available from time to time refresher courses related to 6.2
Subsequent Owners and Managers. At our option, any new owners and any individual
newly
responsible for managing the day-to-day operations of one or more Centers (each, a “Key Manager”)
shall, within ninety (90) days of assuming such role, also attend and complete to our satisfaction
the Initial Training Program and pay the then-current training fee. Any non-management employees may
be trained by you.

6.3 **Additional Programs. We shall also make available from time to time refresher courses related to**
6.3the System. We may conduct technical training classes, sales training classes, license preparation courses, and advanced fitting and other educational forums deemed appropriate by us. You (or your managing shareholder, partner, or member) and your employees who are designated from time to time shall attend such additional courses, seminars, and other training programs as we may reasonably require from time to time. We reserve the right to require you (or your managing shareholder, partner, or member) and certain of your management-level employees to attend an annual national or regional meeting, seminar, or convention for franchisees for training or business purposes. You and your management-level employees shall also attend such refresher courses, seminars, dealer shows, and meetings, and other programs as we may from time to time require; provided, however, that such required courses shall not exceed seven (7) calendar days per manager per year.

credentials as are common among top-quality professionals in the field.6.5

6.46.4 **License and Registrations/Training Programs.** All employees involved in testing hearing or fitting hearing aids must be appropriately licensed or registered pursuant to applicable laws for the Center. You or your then-serving General Manager must be appropriately licensed or registered in states requiring such status for hearing aid dispensing and shall have or acquire such other professional qualifications or

6.6 Training Fee and Expenses. All training programs required by this Agreement shall be at such times and places as may be designated by us. We shall furnish the Initial Training Program to you (or your managing shareholder, partner, or member) and up to three (3) additional employees at no additional fee or other charge. All additional programs and additional attendees may be subject to the then-current charge designated from time to time by us. In addition, you shall be responsible for any and all expenses incurred by you or your employees in connection with attending the Initial Training Program and all other training, refresher courses, seminars, dealer shows, and meetings, or other programs, including, without limitation, the costs of transportation, lodging, meals, any wages, and other out-of-pocket costs of your attendees.

7. OPERATION OF THE CENTER

7.1 Operating Standards. You understand and acknowledge that every detail of the System and the Franchised Business is important to you, us, and other Centers in order to develop and maintain high operating standards, to increase the demand for the products and services sold by all Hear Again America Centers operating under the System, to protect and enhance our reputation and goodwill, to promote and protect the value of the Proprietary Marks, and other reasons. To ensure that the highest degree of quality and service is maintained, you shall operate the Franchised Business and each Center in strict conformity with this Agreement and such methods, standards, and specifications as we may from time to time prescribe in this Agreement, the Operations Manual (as revised in accordance with Section 10.4).

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7.2 Fixtures, Furnishings, and Office Equipment. You shall purchase and install all fixtures, furnishings, supplies, office equipment, testing equipment, décor, and signs as we may reasonably direct from time to time; and shall refrain from installing or permitting to be installed on or about the Premises, without our prior consent, any fixtures, furnishings, equipment, décor, signs, or other items not previously approved as meeting our standards and specifications.

7.3 Required Products. You agree to actively promote and market all Hearing Aids, and the full line of required Products and Services set forth in the Operations Manual, within the Territory and in conformity with the System Standards. You agree to sell only approved Products and Services, and to sell such items only to retail consumers (and not for resale). You may not offer any unapproved products or services. If you desire to offer a product or service not currently included as an approved Product or Service, you must follow our then current approval process to request such approval. We will not unreasonably withhold approval of additional products or services.

7.4 Required Services. You agree to service Products and provide Services in conformity with the standards and procedures prescribed herein and in the Operations Manual in order to maintain and enhance the reputation and image of Products for reliability and serviceability. Without limiting the generality of the foregoing, you agree to provide warranty service at no charge and out-of-warranty service (at a reasonable charge) to all consumer-owners of Products regardless of where or from whom such consumers purchased such Products, so long as it is an authorized Product. You further agree to perform warranty service at no charge and out-of-warranty service (at a reasonable charge) for all authorized Accessories in accordance with the standards required by the manufacturers or vendors of such products. Notwithstanding anything in this Section 7.4 to the contrary, you shall not be required to provide warranty services at no charge if the consumer seeking services did not purchase the Product from a Hear Again America Center or another Hear Again America authorized channel.

~~from advertising the sale or availability of Used Aids; (f) each Used Aid is refurbished by a vendor that we have approved in writing, provided that such approval shall not be unreasonably withheld; (g) the consumer~~ **7.6**

7.5 Limitation on Used Products. You shall refrain from selling used hearing aids (“Used Aids”) to consumers, unless (a) any such Used Aids are less than six (6) years old; (b) the annual unit sales of Used

from advertising the sale or availability of Used Aids; (f) each Used Aid is refurbished by a vendor that we have approved in writing, provided that such approval shall not be unreasonably withheld; (g) the consumer is clearly made aware in writing that the Used Aids is a refurbished aid; and (h) you provide at no additional charge a minimum warranty of at least one (1) year in connection with each unit. For the avoidance of doubt, nothing in this paragraph shall prevent us from establishing additional guidelines regarding the sale of Used Aids in the Operations Manual or if required by law.

7.6 Limitation on Demonstration Products. If you elect to participate in our voluntary demonstration hearing aid program (“Demo Program”), you agree to abide by the then-current terms and conditions of the Demo Program, which includes, but shall not be limited to, a restriction on the right to sell or give away demo program products.

7.7 Sources of Products and Services Sold to Consumers. You must purchase all Products and/or Services that you offer to consumers from us (at then current prices and subject to the then current terms and conditions) or from other designated or approved supplier(s) we specify, and you must use the ordering system that we designate to order and purchase such Products and Services. For the avoidance of doubt, nothing in this paragraph shall limit our right to require you to purchase Products or Services from multiple suppliers in designated proportions. For Products and Services (other than Hearing Aids) that you offer to consumers, if you desire to purchase such products or service from a supplier other than an approved supplier, you shall submit to us a written request to approve the proposed product or service and the proposed supplier, together with such other information regarding the proposed supplier as we may reasonably require. We will attempt, within thirty (30) days after our receipt of the requested information and completion of such evaluation and testing we deem appropriate, to notify you of our approval or disapproval of the proposed supplier. You may not sell or offer for sale any products or services of the proposed supplier until you have received our approval.

7.8 Sources of Other Products and Services. All other products and services offered or sold at or through the Centers and other products, materials, supplies, fixtures, furnishings, and equipment used in the operation of the Centers, shall meet our then-current standards and specifications, as we establish from time to time. You shall purchase all such products and services for which we have established standards or specifications solely from suppliers that we approve or designate (which may be us and our affiliates). If we designate a mandatory supplier for specified products or equipment, you must use that supplier for the specified product or equipment. If we have not designated a mandatory supplier for certain products or equipment, and you desire to purchase products or equipment from a party other than an approved supplier, you shall submit to us a written request to approve the proposed supplier, together with such evidence of conformity with our specifications as we may reasonably require. We will attempt, within thirty (30) days after our receipt of your request and completion of such evaluation and testing we deem appropriate, to notify you of our approval or disapproval of the proposed supplier. You may not sell or offer for sale any products of the proposed supplier until you have received our approval. We may from time to time revoke our approval of particular products, services, or suppliers when we determine, in our discretion, that such products, services, or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you shall cease to sell any disapproved products and cease to purchase from any disapproved supplier. You agree that you will use products and services purchased from approved suppliers solely for the purpose of operating the Centers and not for any other purpose, including resale. Notwithstanding anything herein to the contrary, this Section 7.8 shall not apply to non-proprietary items, including but not limited to paper goods, office supplies, and computers (other than meeting certain specifications).

~~seeking services did not purchase the Product from a Center or another Hear Again America authorized channel. You shall take such steps as are necessary to ensure that your employees preserve good customer~~7.11

7.9 Customer Service Standards. In order to maximize customer satisfaction and maintain and enhance our and the Centers’ reputation for quality and service, you agree (a) to advise and assist all Hear Again America customers in accordance with the Operations Manual in the use and care of Products; (b) to distribute to customers use and care instructions, warnings, and warranty Hear Again America

seeking services did not purchase the Product from a Center or another Hear Again America authorized channel. You shall take such steps as are necessary to ensure that your employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; and meet such minimum standards, including, without limitation, such attire as we may reasonably require, as we may establish from time to time in the Operations Manual. You agree to abide by all customer service standards that may be established by us for the System from time to time and to promptly resolve all customer complaints. You and your employees shall handle all customer complaints, refunds, returns, and other adjustments in a manner that will not detract from our name and goodwill.

7.10 Customer Satisfaction Ratings. We reserve the right to establish reasonable customer satisfaction standards and a scoring system for customer satisfaction ratings as prescribed from time to time in the Operations Manual, based on customer surveys conducted by us or our designee. You shall continuously maintain acceptable customer satisfaction ratings (as described in the Operations Manual) throughout the term hereof. You acknowledge and agree that your maintenance of such acceptable customer satisfaction ratings throughout the term hereof is a material obligation hereunder.

7.11 Responsibility for Employees. Notwithstanding any other provision of this Agreement, you acknowledge and agree that you have the sole authority, and that it is your sole obligation under this Agreement, to make all personnel and employment decisions for the Centers, including without limitation, decisions related to hiring, training, firing, discharging, and disciplining employees and to supervising your employees—setting their wages, hours of employment, record-keeping, and any benefits—and that we shall have no direct or indirect authority or control over any employment-related matters for your employees. You shall require each of your employees to acknowledge in writing that you (and not we) are the employer of such employee.

7.12 Credit Cards. You may participate in any credit card program which we currently offer.

7.13 Customer Records. You agree to provide us with the complete name and address of each customer, as well as any other information which we may request, at the time the hearing aid is ordered. With respect to behind-the-ear models of hearing aids, you agree to provide to us in a timely manner all customer information we request relating to Products sold to you, in accordance with procedures we prescribe. In order to address the legal issues surrounding the disclosure of such customer information, Franchisee agrees to execute and abide by the terms and conditions of the Business Associate Agreement attached hereto as Exhibit G.

7.14 Minimum Performance Requirement. You agree to actively promote and market Products and Services within the Territory. In addition, you agree to make annual minimum wholesale unit purchases of hearing aids from us, per Center, to achieve a minimum penetration of customers sold per target population in the Territory (the “Minimum Performance Requirement”) at the levels specified in the Operation Manual for Full-Time and Part-Time Centers. Provided, however, that you shall be entitled to request an individual reduction in the Minimum Performance Requirement target applicable to any Center based on local factors by following the appeals process set forth in the Operations Manual, and that such reductions shall be granted in our reasonable discretion. If any Center in the Territory that has been open at least thirty-six (36) months fails to achieve the Minimum Performance Requirement (based on a rolling twelve (12)-month average), you shall be notified of such failure, we shall review the Center’s performance, and recommend that you take certain actions and meet certain quarterly unit sales improvements targets as determined by us (the “Performance Improvement Plan”). Your failure to achieve the Minimum Performance Requirement and failure to comply with an applicable Performance Improvement Plan shall constitute an act of default.

7.15 Restrictions on Prices. Unless prohibited by applicable law, we reserve the right to require you to comply with reasonable limitations on pricing by requiring your participation in mandatory discounts or promotions for specific products offered in connection with the Centers, as directed by us in writing from time to time. Such reasonable limitations may include maximum and minimum prices on specified products, provided that we will not run more than twelve (12) weeks of promotional campaigns Hear Again America

month period; and further provided that for each such Promotional Pricing Campaign, we will discount the wholesale price (the cost charged to you) of the promoted products as described below:

7.18

7.15.1 For purposes of this Section 7.15, the “Average Selling Price” means the average selling price at which the applicable product model was sold by all Centers over the prior 12 months (based on a rolling 12-month average excluding other promotional time periods); the “Wholesale Price” means the wholesale price currently offered to franchisees for the applicable product model; and the “Promotional Price” means the promotional retail price we require for the Promotional Pricing Campaign applicable product model.

7.15.2 The percentage discount to be provided to franchisees shall be calculated as (Average Selling Price – Promotional Price)/Average Selling Price.

7.15.3 If the product is new, less than twelve (12) months of sales to franchisees by us (or our affiliates or suppliers), and is being offered as part of a Promotional Pricing Campaign, the Average Selling Price shall be the greater of (i) the average sale price at which it was sold by all Centers over the prior number of months on the market, and (ii) the Average Sale Price of the product that it is replacing or most compatible to in terms of a similar product.

7.15.4 To facilitate your compliance with our promotional pricing and restrictions, we agree to establish a promotional calendar for regional and national promotions that provides you with at least three (3) months’ notice of any planned promotion in which your participation is required. Notwithstanding our approval of advertising for general use subject to Section 12 below, you acknowledge and agree that the use of advertising that is inconsistent with such regional and national promotions will create customer confusion and agree to cease your use of inconsistent advertising during such scheduled regional or national promotions as to each specific hearing aid model that is the subject of the regional or national promotion.

7.16 Inspections. We may conduct, as we deem advisable in our sole discretion, inspections of any Centers and your operation of the Franchised Business at any time during your regular business hours and with or without notice to you. You shall permit us and our agents to enter upon the Premises of any Center during regular business hours, for the purpose of conducting inspections. In connection with such inspections, we shall have the right to speak with you, any of your employees, or customers; take photographs (as permitted by law); and conduct such other activities as we deem appropriate in our sole discretion, provided that we shall use reasonable efforts to avoid unnecessary disruptions to the business operations of the Center. You shall cooperate with our representatives in such inspections by rendering such assistance as they may reasonably request, and, upon notice from us or our agents, and without limiting our other rights under this Agreement, shall take such steps as may be necessary to correct promptly any deficiencies detected during any such inspection. If any deficiencies are detected, we will provide you with written notice detailing the deficiencies and provide you reasonable time to address the deficiencies. Should you fail to correct any deficiencies within the reasonable time provided in the deficiency notice, or fail to provide us with evidence that you have promptly corrected such deficiencies to our satisfaction, you shall be responsible for the costs and expenses of any re- inspection necessitated by such failure, and we shall have the right, but not the obligation, to correct any deficiencies which may be susceptible to correction by us and to charge you a reasonable fee for our expenses in so acting, payable to us upon demand. The foregoing shall be in addition to such other remedies we may have.

7.17 Supervision. During operating hours, each Center shall be under the supervision of at least one (1) certified hearing care professional.

7.18 Maintenance of Premises. You shall maintain the Premises (including any adjacent public areas and storage facility) in a clean, orderly condition and in excellent repair; and, in connection therewith, you shall, at your own expense, make such additions, alterations, repairs, and replacements thereto (but no others without our prior written consent) as may be required for that purpose, including, without

reasonably direct.

7.22

7.19 Refurbishment. We reserve the right to require you to refurbish, once during the Term of your Agreement, the Premises and other equipment at each Center, at your expense, to conform to the building design, trade dress, color schemes, and presentation of the System and Proprietary Marks in a manner consistent with the then-current image for new Centers. Such refurbishment may include, without limitation, installation of new equipment, remodeling, redecoration, and modifications to existing improvements.

7.20 Experience Enhancement. In addition to the refurbishment required by Section 7.19 above, we reserve the right to require you to make minor updates to each Center no more than once every two (2) years, which may require the installation of new equipment or technology.

7.21 Health and Safety Standards. You shall meet and maintain the highest health and safety standards and ratings applicable to the operation of the Centers. You shall furnish to us immediately upon the receipt thereof, a copy of all health inspection reports and any violation or citation which indicates your failure to maintain federal, state, or local health or safety standards in the operation of any Center. Your failure to cure such violations within thirty (30) days, or such shorter time period required by law or citation, whichever is earlier, shall constitute grounds for immediate termination pursuant to Section 16.3 hereof. We shall also have the right, but not the obligation, to enter the Premises, without notice for emergency matters, at any time during regular business hours to cure any health or safety violation at any Center and, so long as we have provided you with prior notice of our entry, to require you to reimburse us for all out-of-pocket costs and expenses incurred by us to affect such cure.

7.22 Notice of Violations. You shall furnish to us within two (2) business days after receipt thereof, a copy of any violation or citation which indicates your violation of any local law, regulation, or ordinance in the operation of any Center or of any Lease.

7.23 Good Business Practices and Non-Disparagement. You agree to adhere to good business practices and observing high standards of honesty, integrity, fair dealing, and ethical business conduct in all dealings with customers, suppliers, and us and to refrain from disparaging us, the Products, the System, or other franchisees in public forums. Likewise, we also will adhere to good business practices and observing high standards of honesty, integrity, fair dealing, and ethical business conduct in all dealings with customers, suppliers, and you, and refrain from disparaging you in public forums. For the avoidance of doubt, statements made in legal filings and proceedings shall not constitute disparagement.

7.24 Changes to the System. You shall not implement any change, amendment, or improvement to the System without our express prior written consent. You shall notify us in writing of any change, amendment, or improvement in the System which you propose to make, and shall provide to us such information as we request regarding the proposed change, amendment, or improvement. You acknowledge and agree that we shall have the right to incorporate the proposed change, amendment, or improvement into the System and shall thereupon obtain all right, title, and interest therein without compensation to you.

7.25 Crisis Situations. In the interest of protecting the Hear Again America brand, Marks, and System, we have the sole and absolute right to determine a System response, including what steps will be taken and what communications will be made, in instances of a Crisis, and you agree to comply with and implement our directions in response to a Crisis. "Crisis" means a national, regional or global event or development that negatively impacts the Hear Again America brand in such a way that we determine may cause substantial harm or injury to the Marks, System, reputation or image.

8. PROPRIETARY MARKS AND TECHNOLOGY

8.1 Our Representations Regarding the Proprietary Marks. We represent with respect to the Hear Again America

[8.1.1](#) **8.1.1** We have the unlimited right to use, and to license others to use, the Proprietary Marks; and

8.1.2

[8.1.2](#) **8.1.3** We have taken and will take all steps reasonably necessary to preserve and protect the ownership and validity of the Proprietary Marks.

[8.2](#) **8.2** Your Use of the Proprietary Marks. With respect to your use of the Proprietary Marks, you agree that:

[8.2.1](#) **8.2.1** You shall use only the Proprietary Marks designated by us, and shall use them only in the manner that we authorize and permit;

[8.2.2](#) **8.2.2** You shall use the Proprietary Marks only for the operation of the Centers and only at the Approved Locations, or in advertising or promotional materials for the Center;

[8.2.3](#) **8.2.3** Unless otherwise authorized or required by us, you shall operate and advertise the Centers only under the name “Hear Again America” and shall use all Proprietary Marks without prefix or suffix. You shall not use the Proprietary Marks as part of your corporate or other legal name or as part of an Internet domain name or Internet e-mail address, unless otherwise authorized by us. You may use the Proprietary Marks as your fictitious name (d/b/a) and may register such as a fictitious name as necessary for each Center;

[8.2.4](#) **8.2.4** During the term of this Agreement, and any renewal or extension hereof, you shall identify yourself as the owner of each Center (in the manner required by us) in conjunction with any use of the Proprietary Marks, including, but not limited to, on invoices, order forms, receipts, business stationery, and contracts with all third parties or entities, as well as the display of such notices in such content and form and at such conspicuous locations as we may designate in writing;

[8.2.5](#) **8.2.5** Your right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of our rights and will entitle us to exercise all of our rights under this Agreement in addition to all rights available at law or in equity;

[8.2.6](#) **8.2.6** You shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of us;

[8.2.7](#) **8.2.7** You shall execute any documents deemed necessary by us to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability;

[8.2.8](#) **8.2.8** You shall promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. You acknowledge that we have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. We shall defend you against any third-party claim, suit, or demand arising out of your use of the Proprietary Marks. If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with this Agreement and such was the sole cause of any such action, the cost of such defense, including the cost of any judgment or settlement, shall be borne by us. If we, in our sole discretion, determine that you have not used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by you. In the event of any litigation relating to your use of the Proprietary Marks, you shall execute any and all documents and do such acts as may, in our opinion, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Proprietary Marks in a manner

that is not in accordance with the terms of this Agreement, we agree to reimburse you for your out-of-pocket costs in doing such acts; and

[8.2.9](#) **8.2.9**

[8.2.10](#) **8.2.10** You shall not attempt to register or otherwise obtain any interest in any Internet domain name or URL containing any of the Proprietary Marks, or any portion thereof, or any other word, name, symbol, or device which is likely to cause confusion with any of the Proprietary Marks.

8.3 **8.3** Acknowledgments. You expressly understand and acknowledge that:

[8.3.1](#) **8.3.1** We are the owner of all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them, and we have the right to use, and license others to use, the Proprietary Marks;

[8.3.2](#) **8.3.2** The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

[8.3.3](#) **8.3.3** During the term of this Agreement and after its expiration or termination, you shall not directly or indirectly contest the validity of our ownership of, or our right to use and to license others to use, the Proprietary Marks;

[8.3.4](#) **8.3.4** Your use of the Proprietary Marks does not give you any ownership interest or other interest in or to the Proprietary Marks;

[8.3.5](#) **8.3.5** Any and all goodwill arising from your use of the Proprietary Marks shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the license granted herein, no monetary amount shall be assigned to you or any of your principals, affiliates, subsidiaries, successors, licensees, or assigns as attributable to any goodwill associated with your use of the Proprietary Marks;

[8.3.6](#) **8.3.6** Except as specified in Section 1.5 hereof, the license of the Proprietary Marks granted hereunder to you is non-exclusive and, subject to the terms of this Agreement, we have and retain the rights, among others: (a) to use the Proprietary Marks ourselves in connection with selling products, merchandise, and services; (b) to grant other licenses for the Proprietary Marks; (c) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks; and (d) to grant licenses thereto without providing any rights therein to you.

[8.3.7](#) **8.3.7** We reserve the right, in our sole discretion, to modify, add to, or discontinue use of the Proprietary Marks, or to substitute different proprietary marks, for use in identifying the System and the Businesses operating thereunder. You agree promptly to comply with such changes, revisions, and/or substitutions and, so long as the change was not caused by an infringement issue, to bear all the costs of modifying your signs, advertising materials, interior graphics, and any other items which bear the Proprietary Marks to conform therewith. Your use of any such modified or substituted proprietary marks shall be governed by the terms of this Agreement to the same extent as the Proprietary Marks.

9. SOFTWARE AND TECHNOLOGY

9.1 Software. We will provide you with software (the “Software”) and may designate other software, applications, or vendors which must be used in the operation of the Franchised Business. You agree to purchase or lease any and all computer hardware and technology which we prescribe for use with the Software. Franchisee also agrees to purchase or lease any other software, and contract with any vendors, that we specify for use in the operation of the Franchised Business.

~~information stored in your computer system and that, through us, such information may be shared with~~ **9.1.2**

9.1.1 You agree to obtain, at your expense, all future updates, supplements, and modifications to the computer system used in the Franchised Business, and to satisfy any training requirements for

information stored in your computer system and that, through us, such information may be shared with other Hear Again America franchisees in order to facilitate marketing efforts and improve communication and cooperation within the System. Franchisee agrees to comply with the terms and conditions of all license terms applicable to any software made available to Franchisee.

9.2 Protection of Information and Networks. You shall use your best efforts to protect customers and networks and the System against a cyber-event, identity theft, or theft of personal information. You must at all times be in compliance with (a) the Payment Card Industry Data Security Standards (as they may be modified from time to time or as successor standards are adopted); (b) the Fair and Accurate Credit Transactions Act; (c) regional, national, and local laws and regulations relating to data and personal privacy, data security (including but not limited to the use, storage, transmission, and disposal of data regardless of media type), security breaches, and electronic payments; (d) the operating rules and regulations of all credit card, debit card and/or ACH processors and networks that are utilized in the Franchised Business; and (e) our security policies and guidelines, all as may be amended from time to time. You shall notify us immediately, and within not more than twenty-four (24) hours after you become aware of or are notified about, any cyber-event, identity theft, or theft of personal information related to any customer or employee of any Center or that relates to any Center, and agree, upon our request, to immediately provide notice to all customers, employees, and any other individuals of such event in such form we may direct.

9.3 Consumer Data and Privacy Consents. We may, from time to time, specify in the Operations Manual (or otherwise in writing) policies regarding your collection, management, and use of consumer data. Such policies may require you to, without limitation, (a) provide us with customer data; (b) obtain opt-in consent from each of your customers for the collection, sharing, and use of customer information by Franchisor and its designees; (c) notify us at once if any such consent is withdrawn or modified; and (d) review and update existing customer databases. You shall abide by our instructions, and all applicable laws pertaining to the privacy of consumer, employee, and transactional data, including the Controlling the Assault of Non-Solicited Pornography and Marketing Act (“CAN-SPAM Act”), Health Insurance Portability and Accountability Act (“HIPAA”), the Telephone Consumer Protection Act (“TCPA”), and other federal and state laws regulating phone calls, text messages, spamming, faxing, solicitation, and data security and privacy. We may require that you utilize a specific e-mail account or communications system, and refrain from using other methods of communication, in connection with the Center.

~~9.5 Business that (a) does not comply with Hear Again America’s then current social media use guidelines~~

9.4 Internet Presence and Emerging Technology. Except as otherwise provided herein, we may, upon thirty (30) days’ prior written notice, require you, at your expense, to participate in Internet, social media, and other emerging technology initiatives. We will, in our discretion, determine the content and use of the Internet, social media, and emerging technology for the System and will establish the rules under which you may, or will, participate in such initiatives, use the Internet in conjunction with the Franchised Business, and use other technology platforms in connection with the Franchised Business. We may maintain one or more websites that may include, without limitation, any account, page, or other presence on a social and business networking media site (such as Facebook, Twitter, LinkedIn, Instagram) and online blogs and forums, in order to promote the Proprietary Marks, or any or all of the locations within the System (collectively the “Hear Again Websites”). We shall have the sole right to control all aspects of the Hear Again Websites, including without limitation their design, content, functionality, links to other websites, legal notices, and policies and terms of usage. We agree not to favor Centers operated by us, our subsidiaries or our affiliates’ over those Centers operated by franchisees. We retain all rights relating to Hear Again Websites and may alter or terminate websites in our sole discretion without notice to you. You shall not attempt to register or otherwise obtain any interest in any Internet domain name or URL containing any of the Proprietary Marks or any other word, name, symbol, or device which is likely to cause confusion with any of the Proprietary Marks or the Hear Again Websites. Your general conduct on the Internet and in social media or on other technology platforms in connection with the Franchised Business, and specifically your use of the Proprietary Marks on the Internet or other Hear Again America

Business that (a) does not comply with Hear Again America's then-current social media use guidelines described in the Operations Manuals or otherwise in writing from time to time; (b) is derogatory, disparaging, or critical of Hear Again America, the System, or the Proprietary Marks; (c) is offensive, inflammatory, or indecent; or (d) harms the goodwill and/or public image of the System and/or the Proprietary Marks. You acknowledge that certain information obtained through your participation in the Hear Again website and other technology platforms may be considered confidential information, including but not limited to, customer data, access codes, and identification codes. Your right to participate in Hear Again Websites, technology initiatives, or to otherwise use the Proprietary Marks or System on the Internet in connection with the Franchised Business will terminate when this Agreement expires or terminates.

9.5 Extranet. We may, but will not be obligated to, establish a closed Internet platform that will allow users inside and outside of our headquarters to access certain parts of our computer network via the Internet (an "Extranet"). If we establish an Extranet, then you shall comply with our requirements with respect to connecting to the Extranet and utilizing the Extranet in connection with the operation of the Franchised Business. The Extranet may include the Operations Manual, training, and other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct). You shall comply with our requirements with respect to establishing and maintaining telecommunications connections between your Computer System and our Extranet and/or such other computer systems as we may reasonably require.

9.6 No Outsourcing without Prior Approval. You may not share any password or credentials used to access our Software or the Hear Again America system under any circumstances. You shall not hire or permit any third-party or outside vendors to access or perform any service requiring or involving access to Software or the Hear Again America system without our prior approval. Our consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third-party or outside vendor's entry into a confidentiality agreement with us and you in a form that is provided by us. The provisions of this Section 9.6 are in addition to and not instead of any other provision of this Agreement.

9.7 Changes to Technology. Changes to technology are dynamic and not predictable within the Term. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, we have the right to establish reasonable new standards for the implementation of technology in the System; and you agree that you shall abide by those reasonable new standards we establish from time to time as if this Agreement were periodically revised for that purpose.

10. CONFIDENTIAL OPERATIONS MANUAL

10.1 Standards of Operation. In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you shall operate the Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Operations Manual (as revised in accordance with 10.4). We will provide you with electronic access to the Operations Manual for your use during the term of this Agreement only.

10.2 Confidentiality. You shall treat the Operations Manual, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential pursuant to Section 11 below. Except as permitted by Section 11 below, you shall not download, copy, duplicate, record, or otherwise reproduce any portion of the foregoing materials, or otherwise make the same available to any unauthorized person.

10.3 Exclusive Property. Upon your written request, we may permit you to create one (1) copy of the Operations Manual for the Premises of each Center. If we authorize the creation of one or more paper copies, each paper copy of the Operations Manual shall remain the sole property of us and shall be kept in a secure place on the Premises. You must strictly comply with our instructions regarding the creation of, maintenance of, access to, and destruction of any paper copies. If any paper copy of the Operations

10.4 Revisions to Manuals. You shall regularly access the Operations Manual and ensure that any approved hard copies of the Operations Manual are kept current at all times. In the event of any dispute as to the contents of the Operations Manual, the terms of the master electronic copy maintained by us at our home office or on our designated server shall be controlling. We may from time to time revise the contents of the Operations Manual, and you expressly agree to comply with each new or changed standard.

11. CONFIDENTIAL INFORMATION

11.1 **Confidential Information.** You shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, limited liability company, or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the business franchised hereunder, including, without limitation: (a) the Operations Manual;

(b) knowledge of specifications for and suppliers of certain goods, services, equipment, materials, and supplies, product costs, accounting methods, including both paper and electronic spreadsheets; (c) knowledge of the operating results and financial performance of other Hear Again America Centers; (d) your customer lists, files, and information, whether developed by us, you independently, or with our assistance, management tools; or (e) advertising which may be communicated to you or of which you may be apprised by virtue of your operation under the terms of this Agreement (“Confidential Information”). You shall divulge such Confidential Information only to such of your employees as must have access to it in order to operate the Centers. Any and all information, knowledge, know-how, techniques, and other data which we designate as confidential shall be deemed Confidential Information for purposes of this Agreement.

11.2 **Confidentiality Agreements.** You shall require your manager, assistant manager, other such personnel having access to any of our Confidential Information, and any sales representative or installer acting as an independent contractor to execute non-competition covenants and covenants that they will maintain the confidentiality of information they receive in connection with their employment by, affiliation with, or independent contractor relationship with you at the Centers.

11.3 **Irreparable Injury.** You acknowledge that any failure to comply with the requirements of this Section 11 will cause us irreparable injury, and you agree to pay all court costs and reasonable attorneys’ fees incurred by us in the event we obtain court ordered specific performance of, or an injunction against violation of, the requirements of this Section 11, or such other relief sought by us.

12. ADVERTISING AND PROMOTION

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

12.1 **Advertising Services.** We administer advertising programs (the “Advertising Programs”) for Products, Services, and Hear Again America Centers on a national and regional basis. We will direct the Advertising Programs, with sole discretion over (a) the creative concepts, materials, endorsements, and media (including Internet and social media) used therein; (b) the composition of all geographic territories and market areas for the development and implementation of such programs; and (c) the placement and allocation thereof, and we may reimburse ourselves for direct administrative expenses related thereto. You understand and acknowledge that (i) such advertising is intended to maximize general image, recognition, and patronage of Products, Services and Hear Again America Centers for the benefit of us and all Hear Again America franchisees in general, and (ii) we have no obligation (fiduciary or otherwise) to develop, implement, or administer advertising or public relations programs in such a way as to insure that expenditures are proportionate or equivalent to sales from Hear Again America franchisees in any proportionate area.

~~on behalf of the System. If we establish a Brand Fund, you must contribute to the Brand Fund as detailed~~12.3

12.2 Brand Fund. We have not established a brand marketing fund (“Brand Fund”), but we reserve the right to establish a Brand Fund, which shall be administered by us for purposes of funding marketing efforts

on behalf of the System. If we establish a Brand Fund, you must contribute to the Brand Fund as detailed below.

12.2.1 You shall pay the Brand Fund contribution we set, which shall not be more than three percent (3%) of your monthly Net Sales. The Brand Fund contribution will be payable in the same manner as the Royalty Fee.

12.2.2 Hear Again America Centers owned and/or operated by us, our subsidiaries or our affiliates may not contribute to the Brand Fund.

12.2.3 We shall direct all advertising, marketing, and promotional programs and have sole discretion over all aspects of such programs, including but not limited to concepts, materials, and media used in such programs, and the placement and allocation thereof. You agree and acknowledge that the Brand Fund is intended to maximize general public recognition, acceptance, and use of the System; and that we are not obligated, in administering the Brand Fund, to make expenditures for you which are equivalent or proportionate to your contribution, to make expenditures in your geographical area, or to ensure that you benefit directly or on a pro rata basis from expenditures or activities of the Brand Fund.

12.2.4 The Brand Fund, all contributions thereto, and any earnings thereon, shall be used exclusively to meet any and all costs of maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations, and/or promotional programs and materials and any other activities which we believe will enhance the image of the System, including, but not limited to the costs of (a) preparing and conducting radio, television, print, and Internet-based advertising campaigns and answering associated inbound calls; (b) developing, maintaining, and updating a website for the Hear Again America brand and System; (c) creating and/or using direct mail advertising, marketing research, customer surveys, employing advertising, and/or public relations agencies to assist therein; (d) purchasing—point-of-purchase materials—and providing promotional and other marketing materials and services to the businesses operating under the System; and (e) developing technology services to facilitate national marketing efforts. The Brand Fund may also be used to provide incentives, rebates, or reimbursements to franchisees for participation in pilot programs, or for local expenditures on products, services, or improvements approved by us in advance, so long as such expenditures support improvements to the system or will promote regional or national public awareness of and favorable support for the System. In providing incentives, rebates, or reimbursements, we agree not to favor the Centers operated by us, our subsidiaries or our affiliates over those Centers operated by franchisees. The Brand Fund may furnish you with samples of advertising, marketing formats, promotional formats, and other materials at no additional cost to you when we, in our sole discretion, deem appropriate. Multiple copies of such materials will be furnished to you at our direct cost of producing them plus any related shipping handling and storage charges.

12.2.5 The Brand Fund will not be used to defray any of our, or our affiliates' and subsidiaries', general operating expenses, except we retain the right to obtain reimbursement from the Brand Fund for our out-of-pocket costs and expenses incurred in administering the Brand Fund, and for up to ten percent (10%) of the monies contributed to the Brand Fund to reimburse us for administrative costs and overhead incurred by us or our affiliates' and subsidiaries' (so long as not already reimbursed from the Brand Fund), in any activities related to the administration of the Brand Fund and its programs (including a pro rata portion of the salaries of personnel who spend time on Brand Fund-related matters). The Brand Fund and any earnings thereon shall not inure to our benefit. We may spend, on behalf of the Brand Fund, in any fiscal year, an amount that is greater or less than the aggregate contribution of all Centers to the Brand Fund in that year and the Brand Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Brand Fund will be used to pay advertising costs before other assets of the Brand Fund are expended. We will prepare an annual statement of monies collected and costs incurred by the Brand Fund and furnish the statement to you upon written request. We have the right to cause the

12.3.5 the Brand Fund.

12.3.6

12.2.6 You acknowledge that the Brand Fund is not a trust or one of our assets and that we are not a fiduciary to you with respect to, or a trustee of, the Brand Fund or the monies therein.

12.2.7 The Brand Fund is intended to be of perpetual duration. However, we maintain the right to terminate the Brand Fund. The Brand Fund may not be terminated, however, until all monies in the Brand Fund have been expended for advertising and/or promotional purposes or returned to its contributors on the basis of their respective contributions during the preceding six (6) month period.

12.2.8 We will make available to franchisees an unaudited accounting of the Brand Fund on an annual basis.

12.3 Local Marketing, Advertising, and Promotion. You agree to spend at least twelve percent (12%) of the Center's Net Sales, as defined in this section, on approved advertising and promotion in the Territory. All advertising must be approved in writing by us prior to its use. Brand Fund contributions paid to us pursuant to Section 12.2 above, and cooperative contributions pursuant to Section 12.4 below, shall qualify as approved advertising expenditures under this Section 12.3. In addition to the Local Marketing spend, you will spend a minimum of \$20,000 promoting your business for a period running 90 days from your grand opening. We will assist you in creating the marketing plan you execute. On or before January 31 and July 31 of each year, you will provide us with an accounting of the monies that you have spent for approved local advertising for the preceding six (6) months (January through June or July through December). If you have failed to spend at least twelve percent (12%) of your Net Sales for the applicable six-month period for approved advertising, you shall be required to pay to us the difference between what you should have spent for advertising during the applicable six-month period and what you actually spent for advertising during such six-month period, and this amount shall be spent by us for any type of advertising or promotion that we deem appropriate for the Franchised Business. For purposes of this Agreement, the term "Net Sales" shall include the total revenues and receipts from the sale of all products and services by the Centers, less returns and allowances, and excluding sales taxes collected by you and remitted to the appropriate taxing authorities.

12.4 Advertising Cooperative. We reserve the right, in our discretion, to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"), and to determine whether a Cooperative is applicable to the Franchised Business. If a Cooperative has been established in your area prior to opening the Franchised Business, you shall become a member of the Cooperative no later than thirty (30) days after opening the applicable Center. If a Cooperative is established subsequent to your opening of the applicable Center, you shall become a member of the Cooperative no later than thirty (30) days after the date on which the Cooperative commences operation. If your Center is within the territory of more than one Cooperative, you shall not be required to be a member of more than one Cooperative within that territory, and you may determine which Cooperative to join.

12.4.1 All Centers operated by us, our subsidiaries or our affiliates in a Cooperative's designated geographical shall participate in and contribute to the Cooperative on an equal basis with the other Cooperative members and shall collectively (no matter the number of Centers) only have the voting rights and obligations of only one (1) member. None of our, our subsidiaries' or our affiliates' representatives shall serve as leadership for the Cooperative, unless otherwise agreed by a majority of the franchisee Cooperative members.

12.4.2 Each Cooperative shall be organized and governed in a form and manner, shall commence operation on a date, and shall operate pursuant to written governing documents, all of which must be approved in advance by us in writing.

~~by a Cooperative or furnished to its members without our prior approval. All such plans and~~

~~materials~~ 12.5.4

12.4.3 Each Cooperative shall be organized for the exclusive purpose of administering regional advertising programs and developing, subject to our approval, standardized advertising materials for use by the members in local advertising. No promotional or advertising plans or materials may be used

by a Cooperative or furnished to its members without our prior approval. All such plans and materials shall be submitted to us in accordance with the procedures set forth in Section 12.7 hereof.

12.4.4 Each Cooperative shall have the right to require its members to make contributions to the Cooperative in such amounts as determined by the Cooperative; provided, however, that you shall not be required to contribute to any Cooperative in excess of six (6%) of your Net Sales during any calendar year. Your payments made under this Section 12.5 shall be credited toward the monthly expenditure required to be made under Section 12.4 hereof, and shall be in addition to the requirements of Section 12.2 hereof.

12.4.5 A duly elected representative of the Cooperative shall notify us of the required contribution amount for each member, and any changes thereto. We shall issue an invoice on a monthly basis showing the Cooperative contribution you must submit to us for the prior month, the payment of which is due in accordance with the credit and other terms and conditions established by us from time to time. We shall act as the agent of the Cooperative with full authority to collect all monies due to the Cooperative, to pay all vendors and bills of the Cooperative from such monies on behalf of the Cooperative, and to otherwise expend such monies as directed by the duly elected representative of the Cooperative. You acknowledge and agree that your failure to pay any amounts due to the Cooperative, shall be a material breach of this Agreement.

12.4.6 We shall have the power to require the Cooperative to be formed, changed, dissolved, or merged.

12.4.7 We shall have the ability to enforce the payment terms of the Cooperative.

12.5 Advertising Materials. All advertising and promotion under your direction or control shall be in such media and of such type and format as we may approve, shall be conducted in a dignified manner, shall comply with federal and local laws and regulations, including without limitation the Lanham Act, FDA Regulations, the TCPA, the CAN-SPAM Act, and such other advertising laws as are applicable to the Franchised Business, and shall also conform to such standards and requirements as we may specify. You shall not use any advertising or promotional plans or materials unless and until you have received written approval from us as described in Section 12.6.

12.6 Approval of Advertising Materials. Using the process set forth in the Operations Manual, you agree to submit to us samples of all advertising and promotional plans and materials for any print, broadcast, cable, electronic, computer, or other media that you desire to use and that have not been prepared by us or previously approved by us within the preceding twelve (12) months. If written notice of disapproval is not received by you from us within thirty (30) days of the date of receipt by us of such samples or materials (or within fifteen (15) days if such samples and materials are subject to the expedited review described in Section 12.7) we shall be deemed to have approved them. Approval shall be valid, unless otherwise directed by us, for twelve (12) months immediately following the effective date of approval. For the avoidance of doubt, our review and approval on any advertisement is not a legal review, rather it is to ensure the proposed advertisement is consistent with Brand Guidelines (as defined below). You agree you will be solely responsible for ensuring that your promotional activity complies with applicable laws pertaining to communications by telephone, including federal and state anti-solicitation laws regulating phone calls, text messages, spamming, and faxing.

12.7 Expedited Review. We shall establish and maintain formal brand guidelines which may include pre-approved advertising templates (“Brand Guidelines”), and shall establish an expedited approval process for advertising that will provide expedited review of not more than fifteen (15) days for proposed advertising or promotional materials that comply with then-current Brand Guidelines or use certain designated templates without modification.

~~Lines”). Calls that are placed to Designated Phone Lines may be recorded and callers to these numbers Hear Again America~~

~~will~~ 12.9

12.8 Designated Telephone Lines. We may contract with third-party providers to establish designated telephone lines for Franchisee in conjunction with marketing initiatives and otherwise (“Designated Phone

Lines”). Calls that are placed to Designated Phone Lines may be recorded and callers to these numbers will be automatically advised that each call is subject to recording and monitoring prior to the connection. You shall establish the necessary procedures to obtain all necessary consents or approvals from your employees, agents, and independent contractors that may be answering such calls as required by applicable law.

13. ACCOUNTING AND RECORDS

13.1 Reporting. You shall record all sales and expenses by your Center. You agree to establish, maintain, and utilize at your own expense a bookkeeping, accounting, or recordkeeping system designated by us in the Operations Manual or otherwise in writing from time to time. You shall record sales and expenses for your Center by completing a standard chart of accounts in the manner we specify. We shall have the right to access any business information or data collected and generated on the recordkeeping system(s) related to or used in the operations of all Centers and the System.

13.2 Other Reports. You shall, at your expense, submit to us in the form we prescribe, the following reports, financial statements, and other data:

13.2.1 Upon request, copies of all signed sales tax returns and signed withholding tax returns for the Franchised Business and, as soon as you have received them, copies of the canceled checks for the required sales taxes and withholding taxes;

13.2.2 Within forty-five (45) days after the end of each fiscal quarter, unaudited profit and loss, balance sheet, and cash flow statements for the Franchised Business, and unaudited profit and loss statements for each Center in the Territory for the immediately preceding fiscal quarter and a year-to-date unaudited balance sheet as of the end of such fiscal quarter;

13.2.3 Within ninety (90) days after the end of the Franchised Business' fiscal year, unaudited annual profit and loss, balance sheet, cash flow statements for the Franchised Business, and annual profit and loss statements for each Center in Territory, as of the end of such fiscal year, and signed by you or your principal operating officer or operating partner; and

13.2.4 Upon request, and within ten (10) days after our request, exact, signed original copies of federal and state income tax returns of the Franchised Business or, if you are a disregarded entity, at your option, the K-1's or other portions of the owners' personal tax returns as accurately reflect the Franchised Business' tax records; provided, however, that you may at your option submit audited financial statements for the Franchised Business for the applicable period in lieu of tax returns. We shall maintain such information and documents at all times as strictly confidential, except as otherwise required by law.

13.2.5 Such other forms, reports, records, information, and data as we may reasonably designate from time to time.

13.2.6 Any financial information provided to us pursuant to this Section 13.2 shall not be shared by us except in a de-identified and aggregated format and only pursuant to Section 3.9 of this Agreement. For the avoidance of doubt, we may use de-identified financial information provided by you to make a financial performance representation, or equivalent disclosure.

13.2.7 If the foregoing are not provided within the designated time periods and in the form compliant with this Section 13.2 and after ten (10) days' written notice to cure, we may, at our option, require you, at your expense, to retain and work with an independent bookkeeping service approved by us, or exercise our audit rights pursuant to Section 13.4, below.

~~payroll journals and schedules; (c) general ledgers; (d) monthly bank statements, daily deposit slips, and~~ 13.4

payroll journals and schedules; (c) general ledgers; (d) monthly bank statements, daily deposit slips, and cancelled checks; (e) all Business tax returns; (f) suppliers' invoices (paid and unpaid); (g) monthly fiscal period balance sheets and fiscal period profit and loss statements; and (h) such other records as we may from time to time require.

13.4 Audit. We, along with our designated agents, shall have the right at any time during regular business hours to examine, copy, and/or personally review at our expense your books, records, accounts, and tax returns. At our request, you agree to make and/or provide us with copies of such books, records, accounts, and tax returns within a reasonable time period. Upon at least ten (10) days' prior written notice, we shall also have the right to have an independent audit made of your books and records. If we are exercising the rights in this Section 13.4 because you have failed to provide reports within designated time periods under Section 13.2 above, or if an inspection or audit should reveal that any income or sales have not been reported or have been understated by two percent (2%) or more in any report to us, then you shall immediately pay to us the amount underpaid upon demand, in addition to interest from the date such amount was due until paid, at the rate of ten percent (10%) per annum, or the maximum rate permitted by law, whichever is less, plus all of our costs and expenses in connection with the audit, including, without limitation, travel costs, lodging, and wage expenses, and reasonable accounting and legal fees and costs. The foregoing remedies shall be in addition to any other remedies we may have under this Agreement or otherwise at law or in equity.

14. INSURANCE

14.1 Minimum Insurance Requirements. You shall procure, prior to the commencement of any activities or operations under this Agreement, and shall maintain in full force and effect at all times during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the term of this Agreement), at your expense, an insurance policy or policies protecting you, us, and the parties' respective officers, directors, partners, agents, and employees against any demand or claim with respect to personal injury, death or property damage, business interruption, or any loss, liability, or expense whatsoever arising or occurring upon or in connection with the Franchised Business, including, but not limited to, commercial general liability insurance (including products/completed operations), property insurance (including, but not limited to, fire, vandalism, and malicious mischief insurance for the replacement value of each Center and its contents), cyber coverage (including, but not limited to, third-party liability, social engineering, breach response, hacking, business interruption, regulatory investigation response), casualty insurance, business interruption insurance, statutory workers' compensation and employer's liability insurance, and automobile insurance coverage for all vehicles used in connection with the operation of the Franchised Business. All policies shall provide at least the types and minimum amounts of coverage specified in the Operations Manual, and shall be written by a responsible carrier or carriers acceptable to us. All policies shall name us and our subsidiaries and affiliates as additional insureds, specifically including additional insured rights within the completed operations coverage grant, and shall provide us with thirty (30) days' notice of a material modification, cancellation, or expiration of the policy, and shall cover your contractual obligations to us. We shall have the right, from time to time, to make such changes in minimum policy limits and endorsements in the Operations Manual or otherwise in writing as we may determine in our reasonable discretion.

14.2 Non-waiver. Your obligation to obtain and maintain the policy or policies in the amounts specified in the Operations Manual shall not be limited in any way by reason of any insurance that may be maintained by us, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Section 21 of this Agreement.

14.3 Franchisor Entitled to Recover. All public liability and property damage policies shall contain a provision that we, although named as an insured, shall nevertheless be entitled to recover under such policies on any loss occasioned to us or our servants, agents, or employees by reason of the negligence of you or your servants, agents, or employees.

~~by this Agreement, we will have the right and authority (but not the obligation), after at least ten (10) days'~~14.5

14.4 Our Right to Procure Insurance. In addition to any other remedies we may have under this Agreement or at law or in equity, if, for any reason, you fail to procure or maintain the insurance required

by this Agreement, we will have the right and authority (but not the obligation), after at least ten (10) days' written notice to you to cure, to procure and maintain such insurance in your name and to charge same to you, which charges, together with our reasonable expenses in so acting, shall be payable by you immediately upon notice. The foregoing remedies shall be in addition to any other remedies we may have under this Agreement or at law or in equity.

15. TRANSFER OF INTEREST

15.1 Our Right to Transfer. We shall have the right to transfer or assign this Agreement and all or any part of your rights or obligations herein to any person or legal entity, and any of our designated assignee(s) shall become solely responsible for all of our obligations under this Agreement from the date of assignment. You shall execute such documents of attornment or other documents as we may request to facilitate such assignment. We agree to give you at least thirty (30) days' written notice of any and all assignments.

15.2 Your Conditional Right to Transfer. You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted you this Franchised Business in reliance on your (or, if you are a corporation, partnership, or limited liability company, your principals') business skill, financial capacity, and personal character. Accordingly, neither you nor any immediate or remote successor to any part of your interest in this Agreement, nor any individual, partnership, limited liability company, corporation or other legal entity which directly or indirectly owns any interest in you or in the Franchised Business shall sell, assign, transfer, convey, pledge, encumber, merge or give away (collectively, "transfer") this Agreement, any direct or indirect interest in you, or in all or substantially all of the assets of the Franchised Business or any Center without our prior written consent. Any purported assignment or transfer not having our written consent required by this Section 15.2 shall be null and void and shall constitute a material breach of this Agreement, for which we may immediately terminate without opportunity to cure pursuant to Section 16 of this Agreement. The foregoing remedies shall be in addition to any other remedies we may have under this Agreement or at law or in equity.

15.3 Conditions of Transfer. You shall notify us in writing of any proposed transfer of this Agreement, any direct or indirect interest in you, or in all or substantially all of the assets of the Franchised Business or any Center, at least forty-five (45) days before such transfer is proposed to take place. We shall not unreasonably withhold or delay our consent to any transfer, and such consent shall be granted or denied within fifteen (15) business days after receipt of all documentation set forth in the Operations Manual. We may, in our sole discretion, require any or all of the following as conditions of our approval:

15.3.1 That all of your accrued monetary obligations and all other outstanding obligations to us and our affiliates have been satisfied;

15.3.2 That you are not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between you and us or our affiliates, or that any such defaults shall be cured as a condition of transfer;

15.3.3 That the consideration or payment of terms offered by a proposed transferee are not excessive or unreasonable, based on the Net Sales of your Center or the Net Sales of other Centers, in our reasonable business judgment;

15.3.4 That the transferor and any guarantors shall have executed a general release, in a form prescribed by us, of any and all claims against us and our affiliates, and their respective officers, directors, agents, shareholders, and employees for all claims arising from or relating to the operation of the Centers under this Agreement;

15.3.5 That the transferor and transferee have executed an indemnification agreement, jointly

15.3.6 That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as we may request) enter into a written assignment, in a form satisfactory to us, assuming and agreeing to discharge all of your obligations under this Agreement; and that the transferee guarantee the performance of all such obligations in writing in a form satisfactory to us;

15.3.7 That the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as we may request) demonstrate to our satisfaction that transferee meets our educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to operate the Franchised Business; has adequate financial resources and capital to operate the Franchised Business; will not operate a business in competition with us; is not subject to any non-competition agreement that would bar its operation of the Franchised Business or any Center and that, if the proposed transferee or one or more of its owners is an existing franchisee, we have determined, in our sole discretion, that such sale or transfer would not lead to an impermissible concentration of Centers with a particular franchisee or owner that may, in our business judgment, be detrimental to the System;

15.3.8 That the transferee execute our then-current form of franchise agreement and other ancillary agreements as we may require for the Franchised Business, which agreements shall supersede this Agreement in all respects, and the terms of which may differ materially from the terms of this Agreement including, without limitation, a higher royalty fee, national marketing fund contribution, other additional fees, and a modified Development Schedule pursuant to the Area Development Agreement (if you signed), except that the transferee shall not be required to pay any initial franchise fee, and any territorial changes shall be by mutual agreement between us and transferee;

15.3.9 That you remain liable for all of the obligations to us in connection with the Franchised Business which arose prior to the effective date of the transfer and execute any and all instruments reasonably requested by us to evidence such liability;

15.3.10 That the transferee (or, if the transferee is a corporation, partnership, or limited liability company, a principal of the transferee acceptable to us), at the transferee's expense, have successfully completed any training programs then in effect upon such terms and conditions as we may reasonably require and pay us the then-current training fee;

15.3.11 That we approve the terms and conditions of the transfer agreement between you and transferee;

15.3.12 That transferee does not finance more than fifty percent (50%) of the total purchase price, and that transferee expressly, in writing, subordinates all third-party interests in the Franchised Business to the interests of us;

15.3.13 That you pay a transfer fee of five thousand dollars (\$5,000) for all transfers of a majority or controlling interest, or two thousand dollars (\$2,000) for transfers of a minority and non-controlling interest; however, in the case of an entity or partnership formed by you for the convenience of ownership (as determined by us in our sole discretion), no such transfer fee shall be required.

15.4 No Security Interest. You shall not grant a security interest in the Franchised Business or in any of the assets of the Franchised Business or any Center without our express written consent. If we consent to such security interest, such consent shall be conditioned on, among other things, the secured party's agreement that in the event of any default by you under any documents related to the security interest, we shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any of default by you, and, in the event we exercise such option, any acceleration of indebtedness due to your default shall be void. In the event we cure any such default by

15.5 Our Right of First Refusal. If, during the term of this Agreement you desire to accept any *bona fide* offer from a third party to transfer (a) this Agreement; (b) a fifty percent (50%) or greater interest in you (including through a series of transfers that we determine, in our sole discretion, collectively constitute a fifty percent (50%) or greater interest in you); or (c) all or substantially all of the assets any Center, we shall have the right and option, exercisable within thirty (30) days after receipt of your notification as provided in Section 15.3 hereof along with such information and documentation relating to the offer as we may require, to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by the third party. If we elect to purchase the seller's interest, closing on such purchase shall occur within thirty (30) days from the date of notice to the seller of our election to purchase or the closing date under the proposed bona fide offer, if mutually agreed by us and you. If we elect not to purchase the seller's interest, any material change thereafter in the terms of the offer from a third party shall constitute a new offer subject to the same rights of first refusal by us as in the case of the third party's initial offer. Our failure to exercise the option afforded by this Section 15.5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 15, with respect to a proposed transfer. In the event the consideration, terms and/or conditions offered by a third party are such that we may not reasonably be required to furnish the same consideration, terms and/or conditions, then we may substitute cash for any form of payment contained in the offer and may also designate a credit-worthy substitute purchaser; provided, however, that we will use commercially reasonable efforts to minimize any adverse tax impact to you as a result of substituting cash as consideration. If the parties cannot agree within fifteen (15) days on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, an independent appraiser shall be designated by us at our expense, and the appraiser's determination shall be binding. For the avoidance of doubt, this Section 15.5 shall not apply to transfers among existing owners, or transfers to immediate family (parents, spouses, domestic partners, siblings, or children) of existing owners of you, or to any transfer, or any series of transfers that we determine, in our sole discretion, collectively constitute less than a fifty percent (50%) interest in you

15.6 Death or Mental Incapacity. Upon the death, physical, or mental incapacity of any person with an interest in this Agreement, in you, or in all or substantially all of the assets of any Center, the executor, administrator, or personal representative of such person shall transfer such interest to an existing owner or to a third party approved by us within six (6) months after such death or mental incapacity. Such transfers, including, without limitation transfers by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer, except that no transfer fee will be charged. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this Section

15 hereof, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by us within a reasonable time, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within a reasonable time, we may terminate this Agreement, pursuant to Section 16 hereof.

15.7 Non-waiver. Our consent to a transfer of any interest in this Agreement, in you, or in all or substantially all of the assets of the Center shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

16. DEFAULT AND TERMINATION

16.1 By Franchisee on Hear Again America Default. You may terminate this Agreement upon our material breach of a material obligation to you if we fail to cure such breach within sixty (60) days after our receipt of a written notice from you identifying such breach and demanding that it be cured; provided, however, that you must be in substantial compliance with this Agreement at the time of giving such notice of termination.

~~for the benefit of creditors, or if a petition of bankruptcy is filed by you, or such a petition is filed~~
Hear Again America

against 16.3

16.2 Automatic for Bankruptcy or Insolvency of Franchisee. Except if and to the extent otherwise provided by applicable law, you shall be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to you, if you shall become insolvent, or make a general assignment

for the benefit of creditors, or if a petition of bankruptcy is filed by you, or such a petition is filed against you, or if you are adjudicated as bankrupt or insolvent, or if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for the your business or assets is filed and consented to by you, or if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; you are dissolved; execution is levied against your business or property; suit to foreclose any lien or mortgage against the Premises of any Center or equipment is instituted against you and not dismissed within thirty (30) days; or the real or personal property of any Center is sold after levy thereupon by any sheriff, marshal, or constable.

16.3 Immediate Termination by Hear Again America. You shall be in default, and we may, at our option, reduce the Territory and require closure of certain Centers, or terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon receipt of notice by you, upon the occurrence of any of the following events:

16.3.1 If you fail to locate an approved site or to construct and open the first Center in the Territory within the time limits provided in Section 5.1.

16.3.2 If you, without our prior written consent, abandon or otherwise cease to do business at any Center for ten (10) consecutive days, or lose the right to possession of the Premises of any Center, or otherwise forfeit the right to do or transact business in the jurisdiction where any Center is located. But if any such loss of possession results from the governmental exercise of the power of the eminent domain, or if, through no fault of yours, the Premises are damaged or destroyed by a disaster such that they cannot, in our judgment, reasonably be restored, or if, through no fault of yours, the lessor of Premises in which Center is located refuses to renew your lease thereon, then this Agreement shall not be terminated for that reason for ninety (90) days thereafter, provided that you apply within that time for approval to relocate within your area of exclusivity to other premises. We shall not unreasonably withhold our approval.

16.3.3 If you are convicted of (or pleads guilty or no contest to) a felony, a crime involving moral turpitude, consumer fraud, or any other crime or offense that is reasonably likely, in our sole opinion, to adversely affect the System, the Proprietary Marks, the goodwill associated therewith, or our interest therein; or if you or any of your owners, officers, or directors commit any acts or engage in any behavior that we believe is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or our interest therein, including conduct that is fraudulent, unfair, unethical, or deceptive, and such person has not relinquished his/her ownership interest after thirty (30) days' written notice from us.

16.3.4 If a threat or danger to public health or safety results from the maintenance, or operation of any Center and is not cured within thirty (30) days after written notice from us, or within the time permitted by Section 7.21, whichever is shorter.

16.3.5 If you purport to transfer any rights or obligations under this Agreement to any person or entity without our prior written consent contrary to the terms of Section 15 of this Agreement.

16.3.6 If you misuse or make any material, unauthorized use of the Proprietary Marks, or any other identifying characteristics of the System, or otherwise impair the goodwill associated therewith or our rights therein.

16.3.7 If you knowingly make any material misstatement in connection with reports required under Section 13 of this Agreement.

16.3.8 If we have provided five days' advance notice (including email) of our visit, or if we have not provided notice because we have credible allegations or evidence that there may be material violations at a Center, and you refuse to permit us to conduct an inspection or compliance review during your regular business hours as permitted by Section 7.16.

16.3.9 If you fail to comply with the covenants in Section 18.2 (in-term covenants).

16.3.10 If you or your owners disclose or divulge the contents of the Operations Manual or other Confidential Information contrary to the terms of Sections 10 or 11.

16.3.11 If the contents of the Operations Manual are disclosed or divulged by your employees, affiliates, or agents, contrary to the terms of Sections 10 or 11, for the third time.

16.3.12 If you underreport sales or income by five percent (5%) or more in three (3) or more separate reports to us in any eighteen (18) month period and so long as we have provided prior notice of the two (2) prior incidents.

16.3.13 If you, or any of your affiliates:

16.3.13.1 are in default under any other agreement with us in connection with the Centers and such default is uncurable, or remains uncured after the later of (a) any applicable cure period under such other agreement or (b) ten (10) days after receipt of written notice from us; or

16.3.13.2 are in default under any other franchise agreement between you (or any of your Owners or affiliates) and us or our affiliates, if such default is comparable to defaults under Sections

16.2 (bankruptcy/insolvency), 16.3.3 (felony/fraud), 16.3.6 (misuse of marks), 16.3.7 (material financial misreporting), 16.3.15 (deleterious conduct), 16.4 (a) (sale of unapproved products), 16.4

(b) (failure to pay), or 16.4 (c) (violation of law) of this Agreement, and such default is uncurable or remains uncured after the expiration of any applicable cure period under such other agreement.

16.3.14 If you are in default under this Section 16 for the third time within any fifteen (15) month period for failure substantially to comply with any of the requirements imposed by this Agreement, whether or not cured after notice.

16.3.15 If you engage in conduct which is deleterious to or reflects unfavorably on you or the System by (a) exhibiting a reckless or intentional disregard for the physical and/or mental well-being of employees, customers, our representatives, or the public at large including, but not limited to, battery, assault, sexual harassment, or other forms of threatening, outrageous, willfully discriminatory, unprofessional, aggressive, or other unacceptable behavior or disparagement of our brand or management, or (b) engaging in fraudulent or materially misleading conduct. An act of default under this Section 16.3.15 does not require any criminal action to be brought against you. If this act of default shall occur, we shall have the right to terminate this Agreement, such termination to be effective upon notice to you and with no opportunity to cure:

16.3.16 If you sell demonstration hearing aids other than as provided by Section 7.6.

16.3.17 If you sell used hearing aids other than as provided by Section 7.5.

16.3.18 If you sell unapproved Hearing Aids.

16.3.19 If you commit a default that by its nature is not curable.

16.4 Upon Notice by Hear Again America with Ten (10)-day Opportunity to Cure. If you (a) sell unapproved Products other than Hearing Aids; (b) fail to pay any amounts owed to us or our affiliates; or

~~hereunder, immediately upon notice to you if you fail to cure such default prior to the expiration of the cure~~ (d)

hereunder, immediately upon notice to you if you fail to cure such default prior to the expiration of the cure period.

16.5 Upon Notice by Hear Again America with Thirty (30)-day Opportunity to Cure. Except as otherwise provided in this Section 16, if you fail to comply with any other requirement imposed by this Agreement, you shall have thirty (30) days (or such longer period as applicable law may require) after your receipt of written notice from us specifying the nature of such default within which to remedy any such default hereunder, and to provide evidence thereof to us. If any such default is not cured within that time (or such longer period as applicable law may require), this Agreement shall, at our option (a) terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period (or such longer period as applicable law may require) or such longer period as may be required by us to process any claim of cure by you as provided by Section 16.8; or (b) terminate upon written notice of termination.

16.6 By Hear Again America for Franchisee's Failure to Achieve the Minimum Performance Requirement. If your Center failed to achieve the Minimum Performance Requirement during the same time period and have been provided with, and failed to comply with, the applicable Performance Improvement Plan for two full consecutive quarters after being provided the Performance Improvement Plan, and you are not utilizing the appeals process set forth in Section 7.14, we have the right in our sole discretion to terminate your right to operate your underperforming Center and reduce or modify the geographic area of the Territory. If we terminate such rights, we will advise you of the termination in writing with a minimum of thirty (30) days to effect such closure and will work with you to effect an orderly closure.

16.7 Failure to Achieve Relocation and Development Schedules. If you fail to open or relocate a Center in the applicable Required Location by the applicable Required Opening Date (including as such date may have been modified by mutual written agreement in accordance with Section 25) or fail to operate any Full- Time or Part-Time location in compliance with the operating hour and licensed provider requirements for each Full-Time and Part-Time location set forth in the Operations Manual, we shall have the absolute right, at our option, to:

16.7.1 Reasonably reduce or eliminate the Territory in our sole discretion and, at our option, to establish and operate, or license others to establish and operate, Centers within any area which was removed from the Territory; provided, however, that you will retain a protected Territory around any existing Center(s) which shall be designated by us, and shall consist of the Center Footprint or a comparable area, around such Center(s);

16.7.2 Modify the Relocation Schedule and/or Development Schedule, including modifying Required Opening Dates and Required Locations; and/or

16.7.3 Withhold evaluation or acceptance of additional sites and refuse to approve the opening of additional Centers in the Territory.

For the avoidance of doubt, nothing in this Section 16.7 shall permit us to terminate or close your operating Centers. In addition, you have the right to request an extension of any Required Opening Date, and we may grant such extension requests in our sole discretion. Moreover, if you fail to meet the operating hour and licensed provider requirements for any Center due to the loss of a provider, and you are diligently seeking to fill the position, you have the right to request a grace period in which to comply with the applicable operating hour and licensed provider requirements, and we will not unreasonably withhold our consent to such grace period.

16.8 Establishment of Franchisee Cure. You shall submit to us, in writing, any claim of cure, and evidence in support thereof, which must be received prior to the expiration of the cure period (if applicable) allowed hereunder. Your claim of cure shall be accepted or rejected and communicated to you in writing by an officer of Hear Again America no later than ten (10) business days following receipt Hear Again America

acknowledgment or rejection of a claim of cure by you under this Agreement.

16.10

16.9 Applicable Law. To the extent that any provision of this Agreement with respect to termination provides for periods of notice and cure less than those required by applicable law, or provides for termination, cancellation, non-renewal or the like other than in accordance with applicable law, such provision shall, to the extent not in accordance with such law, be superseded by such law, and we shall comply with applicable law in connection with such matters.

16.10 Limitation of Services or Benefits. If you receive a notice of default issued pursuant to and fail to cure such default within the time period permitted in such notice, we shall have the right, in our sole discretion, to temporarily or permanently limit, curtail, or remove certain services or benefits provided or required to be provided to you hereunder in lieu of exercising our right to terminate this Agreement pursuant to its terms, including, without limitation:

16.10.1 To restrict you or any of your staff's attendance at or participation in any initial training, continuing training, meetings, workshops, contest, programs, or conventions;

16.10.2 To refuse or permit our affiliate to sell or furnish to you any supplies, products, or advertising and promotional materials, including, but not limited to, withholding shipment of additional products used in the Franchised Business;

16.10.3 To refuse to provide you with ongoing advice about the operation of the Franchised Business;

16.10.4 To refuse any request by you to approve a new product, service, or supplier; and

16.10.5 To refuse any request by you to approve the use of any advertising or promotional materials.

You agree to hold us harmless with respect to any action taken by us pursuant to this Section 16.10; and you further agree that we shall not be liable for any loss, expense, or damage incurred by you or the Centers because of any action we take pursuant to this Section 16.10. Nothing in this Section 16.10 constitutes a waiver of any of our rights or remedies under this Agreement or any other agreement between the parties; including, without limitation, the right to terminate this Agreement under Section 16 hereof. You acknowledge and agree that our exercise of our rights pursuant to this Section 16.10 shall not be deemed a constructive termination of this Agreement or of any other agreement between the parties, and shall not be deemed a breach of any provision of this Agreement by us. Any services or benefits removed, curtailed, or limited pursuant to this Section 16.10 may be reinstated at any time by us in our sole discretion, and you hereby agree to accept immediately any such reinstatement of services or benefits so removed, curtailed, or limited. You acknowledge and agree that, if we limit any services or benefits under this Section 16.10, you shall continue to pay timely all fees and payments required under this Agreement and any other agreement between you and us, including, without limitation, any fees associated with services or benefits limited by us. You shall have no right to a refund of any fees paid in advance for such services or benefits.

17. OBLIGATIONS UPON TERMINATION OR EXPIRATION

17.1 Obligations of Hear Again America. Expiration, termination, or non-renewal (the date upon which it could have renewed) of this Agreement shall operate as a cancellation of all unfilled orders. Following the expiration, termination, or non-renewal of this Agreement, we shall honor your orders where you can show that the products are needed to fulfill commitments made by you prior to the expiration, termination or non-renewal. We will also give fair consideration to orders placed following expiration, termination, or non-renewal that are, in our sole judgment, required by you to maintain your business during a period of transition to a business other than the business franchised herein. Credit terms with respect to orders placed after notice of intent to terminate or not-renew shall be such as are Hear Again America

17.2 Obligations of Franchisee. Upon expiration of the initial or any renewal term of this Agreement or any earlier termination, this Agreement and all rights granted to you shall terminate, and

17.2.1 You shall immediately cease to operate the Centers as Hear Again America businesses, cease selling and servicing Products, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a current or former franchisee of Hear Again America.

17.2.2 You shall immediately cease use of all confidential information, procedures, and techniques associated with the System, as well as all signs, equipment, advertising materials, Internet presence, telephone listings, stationery, forms, and any other articles which display the Proprietary Marks associated with the System.

17.2.3 You shall execute all such documents and perform all such acts as may be required to promptly assign to us the telephone numbers used in the operation of the Center. We shall reimburse you for reasonable out-of-pocket costs incurred by you in effectuating such assignment.

17.2.4 You shall not publicly disparage us, our products, or our employees following the termination or expiration of this Agreement; provided that this limitation will not apply to any statements or information required to be disclosed pursuant to any statutes, laws, regulations, or orders of any governmental body; and further provided that explaining that you are no longer affiliated with Hear Again America in response to *bona fide* inquiries shall not be considered disparagement.

17.2.5 If we elect to assume the Lease in accordance with Section 5.3.1, you shall cooperate with our personnel to complete such assignment, and shall execute all such documents, and perform all such acts as may be required to promptly assign the Lease.

17.2.6 If we do not elect to assume the Lease, you shall, promptly upon our notification to you that we do not wish to assume the Lease, de-identify the Premises, and remove all signage bearing the Proprietary Marks.

17.2.7 If you continue to operate or subsequently begin to operate any other business, you agree not to use any reproduction or colorable imitation of the Proprietary Marks which is likely to cause confusion, mistake, or deception, or which is likely to dilute our exclusive rights in the Proprietary Marks, and further agree not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with Hear Again America. Subject to our rights to assume the lease and occupancy of any Center premises pursuant to Section 5.3.1, you agree to make such modifications or alterations to each Center premises immediately upon termination or expiration of this Agreement as may be reasonably necessary to prevent consumers from erroneously believing that the business continues to be associated with Hear Again America or the Proprietary Marks and shall make such specific additional changes thereto as we may reasonably require for that purpose. We also reserve the right to enter the Premises and remove all signage and materials that contain the Proprietary Marks, in addition to any other available remedies, and you shall reimburse us for our costs in connection therewith if such has not been cured after thirty (30) days' written notice from us to you as to any deficiencies.

17.2.8 You shall immediately pay all sums owing to us or our affiliates, including outstanding invoices for inventory and all damages, costs, and expenses (including reasonable attorneys' fees and expenses) incurred by us as a result of any default or otherwise. Such sums shall also include charges billed after termination for exiting any applicable third-party retailer locations relating to your Centers.

~~at our expense (unless prohibited by law, in which case you must, upon request, submit to us an opinion~~ 17.3.10

at our expense (unless prohibited by law, in which case you must, upon request, submit to us an opinion of a qualified attorney in a form acceptable to us that explains the prohibition); and (c) all computer systems, other equipment, software, or personal property which is our property but which was previously delivered to you for any purpose.

17.2.10 You shall comply with our instructions to return, uninstall, or destroy any software or other technology licensed to you as part of the System.

17.2.11 We shall have the option, to be exercised by notice of intent to do so, delivered within thirty

(30) days of expiration, termination, or non-renewal, to repurchase any and all Products as are then in your possession that are new, unused, and unencumbered and which were purchased by you within ninety (90) days prior to the date of termination or which are in our then-current catalogue, for the price we originally charged for the products less any credits issued.

17.2.12 We shall have the option, to be exercised by notice of intent to do so, delivered within thirty

(30) days of expiration, termination, or non-renewal, to repurchase any or all Products as are then in your possession that are new, unused and unencumbered, but were purchased more than (90) days prior to the date of termination (and are not in our then-current catalogue) for the then-published franchisee price or price actually paid by you whichever is lower, less fifty (50%).

17.2.13 We shall have the option, to be exercised by notice of intent to do so, delivered within thirty

(30) days of expiration, termination, or non-renewal, to repurchase any or all Products as are then in your possession that are other than are new, unused and unencumbered, for a price to be negotiated. For any Products that are encumbered, you shall promptly take whatever steps are necessary to remove such encumbrance prior to purchase by us.

17.2.14 We shall have the option, to be exercised by notice of intent to do so, delivered within thirty

(30) days after expiration, termination, or non-renewal, to purchase any and all accessory products, equipment, supplies, signs, advertising materials, and all items bearing the Proprietary Marks. We shall pay you the lower of your purchase price for such goods or the then-fair market value for such goods. If the parties cannot agree on fair market value within a reasonable time, an independent appraiser shall be designated by us, at our cost, and its determination shall be binding on both parties.

17.2.15 With respect to any purchases as provided for in Sections 17.2.11, 17.2.12, and 17.2.13 above, we shall have the right to set off all amounts due from you, if any, against any payment, therefore. We shall provide shipping from the Center location for any repurchased products.

17.2.16 You and your guarantors shall comply with the applicable provisions of this Agreement which by their terms or their nature are intended to survive the transfer, expiration, termination, or non-renewal of the franchise, including but not limited to the covenants contained in Sections 11 and 18 (confidentiality and non-compete) of this Agreement.

17.3 Additional Requirements for Non-Renewals. If you elect not to renew this Agreement, in addition to the obligations set forth in Section 17.2 above, you agree to cooperate with us regarding the orderly and transparent cessation of your operation of a Hear Again America retail business, including, without limitation, refraining from misleading communications to your existing customers and prospective customers regarding your intent to leave the System, and their options for warranty and other services related to the Products.

18. COVENANTS

20.4 Compliance with Anti-Terrorism Laws. You acknowledge that under applicable U.S. law, including, without limitation, Executive Order 13224, signed on September 23, 2001 (the “Executive Order”), we are prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism, as defined in the Executive Order. Accordingly, you represent and warrant to us that as of the date of this Agreement, neither you nor any person holding any ownership interest in you, controlled by you, or under common control with you, are designated under the Executive Order as a person with whom business may not be transacted by us, and that you (a) do not, and hereafter shall not, engage in any terrorist activity; (b) are not affiliated with and do not support any individual or entity engaged in, contemplating, or supporting terrorist activity; and (c) are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

20.5 Notification of Adverse Action. You shall immediately notify us in writing of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business or any Center.

21. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

21.1 Independent Contractor. The parties agree that this Agreement does not create a fiduciary relationship between them for any purpose, and acknowledge that you shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, joint employer, partner, employee, or servant of the other for any purpose whatsoever. During the term of this Agreement, you shall hold yourself out to the public as an independent contractor operating the Centers pursuant to a franchise agreement with us. You agree to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place at the Premises, the content of which we reserve the right to specify or approve. You acknowledge and agree that our usual business is the offering and selling rights to operate Centers using the Proprietary Marks and System, developing enhancements to the System, and providing assistance to Hear Again America franchisees, and, accordingly, our usual business is different from your usual business of operating a Center. Notwithstanding any other provision of this Agreement, you and we acknowledge and agree that you are solely responsible for all personnel and employment decisions relating to the Centers.

21.2 No Authority to Contract. Nothing in this Agreement authorizes you to make any contract, agreement, warranty, or representation on our behalf, or to incur any debt or other obligation in our name; and we shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall we be liable by reason of any act or omission by you in your operation of the business franchised hereunder or for any claim or judgment arising therefrom against you or us.

~~Franchisor Indemnified Parties’ negligence or willful misconduct according to a final, unappealable ruling~~21.4

21.3 Your Indemnification. You agree that you shall, at all times, indemnify, exculpate, defend, and hold harmless, to the fullest extent permitted by law, us, our successor, assigns, and affiliates, and the respective officers, directors, shareholders, agents, representatives, independent contractors, servants, and employees of each of them (the “Franchisor Indemnified Parties”) from all losses and expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation, or inquiry (formal or informal), or any settlement thereof (each, a “Claim”), which arises out of or is based upon any of the following by you, your principals, affiliates, or representatives: (a) the infringement, alleged infringement, or any other violation of any patent, mark, copyright, or other proprietary right owned or controlled of third parties due to your unauthorized use of all or any portion of the Proprietary Marks and/or System; (b) the violation, breach, or asserted violation or breach of any federal, state, or local law, regulation, ruling, or industry standard; (c) libel, slander, or any other form of defamation; (d) the Hear Again America

Franchisor Indemnified Parties' negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. As used herein, "Privacy Claims" are those Claims arising from the use, disclosure, transfer, or improper disposal of personally identifiable information, payment card information, or health care information. For purposes of this indemnification, "losses and expenses" include all obligations, damages, and costs incurred in connection with any Claim against any of the Franchisor Indemnified Parties, including, without limitation, reasonable accountant, arbitrator, attorney, and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration, or alternative dispute resolution, and travel and living expenses. We have the right to defend any Claims against us at your expense with counsel we select. This indemnity shall survive the transfer, termination, expiration, or nonrenewal of this Agreement. Nothing herein shall preclude us from choosing our own legal counsel to represent us in any Claim.

21.4 Our Indemnification. We agree that we shall indemnify and defend you, your successor, assigns, and affiliates, and your and their respective officers, directors, shareholders, members, partners, agents, representatives, independent contractors, servants, and employees of each of them (the "Franchisee Indemnified Parties") from any Privacy Claim to the extent that such claim is determined to be caused solely by any of the Franchisor Indemnified Parties' negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. As a condition of such defense and indemnification, you must provide us with prompt notice of the Privacy Claim and afford us the opportunity to defend said claim with your full cooperation. Prior to a determination of negligence or willful misconduct, we may, in our sole discretion:

21.4.1 assume, control, and pay for the defense and settlement of such Privacy Claim; or

21.4.2 control the selection of counsel to defend you against such Privacy Claims and pay the cost of such defense, including any settlement of such claims (if approved by Hear Again America) or the cost of any final judgment.

22. APPROVALS AND WAIVERS

22.1 Approval and Consent. Whenever this Agreement requires our prior approval or consent, you shall make a timely written request (which can be by email unless otherwise noted) to us therefor, and such approval or consent must be obtained in writing from an officer or director of Hear Again America, or such other subject-matter expert set forth in the Operations Manual for such requests.

22.2 No Warranties or Guarantees. Except as expressly provided in this Agreement, we make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you, by providing any waiver, approval, consent, or suggestion to you in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

22.3 No Waiver. No failure by a party hereto to exercise any power reserved to a party by this Agreement, or to insist upon strict compliance with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of a right to demand exact compliance with any of the terms hereof. A waiver of any particular default by a party shall not affect or impair a party's rights with respect to any subsequent default of the same, similar, or different nature; nor shall any delay, force, or omission by a party to exercise any power or right arising out of any breach of default by a party of any of the terms, provisions, or covenants hereof, affect or impair our right to exercise the same, nor shall such constitute a waiver by a party of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance of any payments due to a party hereunder shall not be deemed to be a waiver by that party of any preceding breach by the other of any terms, covenants, or conditions of this Agreement.

~~shall be deemed to be approved and waived by you and shall in no event be deemed to be a breach of this~~22.5

shall be deemed to be approved and waived by you and shall in no event be deemed to be a breach of this Agreement by us or form the basis for any other legal claim by you against us, with all such other claims also being waived by you unless the foregoing written notice requirement is complied with.

22.5 Obligation to Act in Good Faith. Except as expressly provided by this agreement, the parties intend and agree that their respective rights, duties, powers, liabilities, and obligations shall be performed, carried out, discharged, and exercised in good faith.

23. GRANT OF SECURITY INTEREST

As security for the payment of (a) all amounts from time to time owing by you to us under this Agreement, (b) all amounts from time to time owing by you to us under all other agreements between the parties related to the operation of the Centers, and (c) performance of all obligations to be performed by you, you hereby grant to us a security interest in all of your assets related to each Center, including, without limitation, all equipment, products, inventory, furniture, fixtures, and building and road signs as well as all proceeds of the foregoing (the "Collateral"). You warrant and represent that the security interest granted hereby is prior to all other security interests held by financial institutions, if any. You agree not to remove the Collateral, or any portion thereof, from the Premises without our prior written consent. Upon the occurrence of any event entitling us to terminate this Agreement, or any other agreement between the parties, we shall have all the rights and remedies of a secured party under the Uniform Commercial Code of the state in which the Center is located, including, without limitation, the right to take possession of the Collateral. You agree to execute and deliver to us financing statements or such other documents as we reasonably deem necessary to perfect our interest in the Collateral within ten (10) days of receipt by you of such documents from us. Any notices delivered or mailed in accordance with Section 24 hereof at least fifteen (15) days prior to disposition of the Collateral, or any portion thereof, and, in reference to a private sale, need state only that you intend to negotiate such a sale. We have no obligation to subordinate our security interest to facilitate third- party financing for the Centers. However, you have the right to request subordination, and we will consider such requests in our sole discretion.

24. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which affords the sender evidence of delivery or rejected delivery (including, without limitation, private delivery or courier service but which shall not include electronic communication, such as e-mail) to the respective parties at the addresses designated in Attachment A, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery or rejected delivery shall be deemed to have been given and received at the date and time of receipt or rejected delivery.

25. ENTIRE AGREEMENT

This Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement between the parties concerning the subject matter hereof, and supersede any prior agreements, no other representations having induced you to execute this Agreement. Except for those permitted to be made unilaterally by us hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in this Agreement or in any related agreement between you and us is intended to disclaim the representations in our Franchise Disclosure Document or any exhibits or attachments thereto.

26. SEVERABILITY AND CONSTRUCTION

~~unappealed final decision to which we are a party, such unreasonable or unenforceable provisions shall be~~
26.2

unappealed final decision to which we are a party, such unreasonable or unenforceable provisions shall be deemed not to be a part of this Agreement, and you expressly agree to be bound by any lesser obligation subsumed within the terms of such provision that imposes the maximum obligation permitted by law, as if the resulting provision were separately stated in and made a part of this Agreement. The remainder of this Agreement shall remain in full force and effect according to the terms of the remaining provisions or part of provisions hereof.

26.2 Bluelining. Notwithstanding anything to the contrary herein, to the extent that any restrictive covenant or non-compete obligation, is held invalid, unreasonable, or unenforceable by a court or tribunal having jurisdiction, the parties expressly authorize such court or tribunal to modify, amend or otherwise revise such covenant or provision to make it enforceable (“Bluelined Provision”), and to enforce such Bluelined Provision.

26.3 Survival. Any provision or covenant in this Agreement which expressly or by its nature imposes obligations beyond the expiration, termination, or assignment of this Agreement (regardless of cause for termination), shall survive such expiration, termination, or assignment including, but not limited to, Sections 10, 11, and 18.

26.4 No Rights or Remedies Conferred. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors, shareholders, agents, and employees, and such of our successors and assigns as may be contemplated by Section 15.1 hereof, any rights or remedies under or by reason of this Agreement.

26.5 Captions and Headings. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

26.6 Construction. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable, and all acknowledgments, promises, covenants, agreements, and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all the parties hereto on your behalf.

26.7 Definition of Franchisee. As between the parties hereto, unless otherwise specified, the term “Franchisee” and “you” as used in this Agreement shall include, collectively or individually, (a) all officers, directors, and holders of a beneficial interest of five percent (5%) or more of the securities of Franchisee, and of any affiliate of Franchisee, if Franchisee is a corporation, with “affiliate” being defined as any corporation or other business entity that controls, is controlled by, or is under common control with Franchisee; and (b) all partners, if Franchisee is a partnership. For the avoidance of doubt, there are no third- party beneficiaries to this provision.

26.8 Counterparts. This Agreement may be executed in counterparts each of which will be deemed an original and all of which together shall constitute one instrument. Delivery of an executed copy of this Agreement by facsimile, pdf, e-mail, electronic signature, or other electronic means will be deemed to be delivery of an original of this Agreement and as effective as delivery of a manually executed counterpart.

27. APPLICABLE LAW AND DISPUTE RESOLUTION

27.1 Applicable Law. This Agreement and all controversies arising hereunder or out of the relationship between the parties shall be construed under, governed by, and interpreted in accordance with the laws of the State of Florida (except as otherwise dictated by franchise statutes applicable in the Territory); provided, however, you waive, to the fullest extent permitted by law, the rights and protections that may be provided through the franchise or business opportunity laws of any state other than the state in which the Territory or Center(s) is located. This Agreement shall be deemed to be amended from time to time as may be necessary to bring any of its provisions into conformity with valid applicable franchise laws.

~~27.3~~ or relating to this Agreement, the breach hereof, the rights and obligations of the parties hereto, or the

27.2 Arbitration. Except as otherwise provided herein, any dispute, claim, or controversy arising out of

or relating to this Agreement, the breach hereof, the rights and obligations of the parties hereto, or the entering into, making, interpretation, or performance of either party under this Agreement, other than claims by us or you related solely to nonpayment by the other of amounts due the other, or their affiliates, or for injunctive relief pursuant to Section 27.4, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. Such arbitration shall take place before a sole arbitrator in Deerfield Beach, Florida, and you agree not to file an objection to such locale. Further, if the designated arbitrator is a practitioner of the federal bar and has a solid working knowledge of the Federal Rules of Evidence and Federal Rules of Civil Procedure, then upon the prior written consent of each of the parties to the arbitration and the appointed arbitration, and such written notice has been tendered to the AAA not less than (10) days prior to any schedule arbitration, such arbitration shall, as directed in the written notice, incorporate, the Federal Rules of Evidence and the Federal Rules of Civil Procedure. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between you and us. This agreement to arbitrate shall survive any termination or expiration of this Agreement.

27.3 Waiver of Joint and Class Actions. No arbitration, action, or proceeding under this Agreement shall add as a party (by consolidation, joinder, or in any other manner) any person or party other than us and you and any person in privity with, or claiming through, in the right of, or on behalf of, us and you, unless both parties consent in writing. We have the absolute right to refuse such consent. To the fullest extent permitted by law, all such proceedings for which consent is not granted shall be conducted on an individual, not a class-wide, basis.

27.4 Equitable Relief. You acknowledge that any failure to comply with the requirements of Sections 7.3, 10, 11, 12.6, 12.7, 17, and 18 may cause us irreparable injury, and you hereby accordingly consent to us to seek an entry without bond or security of an order by any court of competent jurisdiction for specific performance of, or for an injunction against violation of, the requirements of such provisions. Furthermore, you acknowledge and agree that our irreparable injury caused by your failure to comply with Sections 17.2.3, and 17.2.7 will be difficult to determine; however, as an estimate of the injury, you agree to pay to us \$1,000 per day for each day that you fail to comply with either of these Sections 17.2.3, and 17.2.7 (\$2,000 per day for failure to comply with both Sections), such payment to be as liquidated damages and not as a penalty; provided, however, that any such payments received by us shall be offset against any monetary judgment which may be finally awarded to us and directly attributable to such non-compliance by you. Notwithstanding Section 27.2 of this Agreement, either party shall have the right to request injunctive relief (without any requirement to post a bond) from any court of competent jurisdiction, including, without limitation, application for judicial relief to protect against trademark infringement, unauthorized use of trademark, loss of possession of real or personal property, violations of non-competition or confidentiality obligations, termination of this Agreement, or to maintain the efficacy of an ongoing arbitration, and that such request shall not constitute a waiver of the moving party's right to demand arbitration of any dispute pursuant to Section 27.2.

27.5 Jurisdiction and Venue. Any action that is not otherwise subject to arbitration under Section 27.2 (including all appeals from or relating to arbitration hereunder), whether or not arising out of, or relating to, this Agreement, brought by you (or any of your owners) against us or us against you (or any of your owners) shall be brought in the Federal District Court for the Southern District of Florida or, if such court does not have competent jurisdiction, in Broward County District Court, Deerfield Beach, Florida. Both parties and each person executing the Personal Guaranty and Assumption of Franchisee's Obligations attached hereto as Attachment B irrevocably admit to, and consent to, the jurisdiction of said courts, and hereto waive all objections to personal jurisdiction or venue for purposes of this Section 27.5 and agree that nothing in this Section 27.5 shall be deemed to prevent us from removing an action from state court to federal court.

~~each party shall be limited to the recovery of actual damages sustained by it. Except that we shall be free~~
~~at~~27.8

each party shall be limited to the recovery of actual damages sustained by it. Except that we shall be free at any time hereunder, if applicable, to bring an action for willful trademark infringement and, if successful, to receive an award of multiple damages as provided by law.

27.7 Waiver of Trial by Jury. We and you (and our respective owners and guarantors, if applicable) agree to waive, to the fullest extent permitted by law, any and all rights to a trial by jury in connection with the enforcement or interpretation of any provision of this Agreement, and in connection with allegations of state or federal statutory violations, fraud, misrepresentation, or similar causes of action, or any legal action initiated for the recovery of damages for breach of this Agreement.

27.8 Non-Exclusive Rights. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

27.9 Costs and Expenses. In any legal proceeding before a court related to or arising under this Agreement, an arbitrator or other tribunal, the prevailing party shall be entitled to recover, in addition to any judgment, its reasonable legal fees, witness fees, accounting fees, and other expenses reasonably incurred in the prosecution and/or defense of such proceeding and in the collection or enforcement of such judgment. This Section shall survive termination or non-renewal of this Agreement under any circumstances.

28. FORCE MAJEURE

28.1 Non-Performance or Delay. Neither party shall be responsible to the other for non-performance or delay in performance occasioned by causes beyond its control (a "Force Majeure"), including without limiting the generality of the foregoing: (a) acts of God; (b) acts of war, terrorism, or insurrection; (c) strikes, lockouts, labor actions, governmental recommended or mandated closures, boycotts, floods, fires, hurricanes, tornadoes, pandemics, and/or other casualties; and/or (d) our failure or inability and/or the failure or inability of our affiliates or suppliers to manufacture, purchase, and/or cause timely delivery of any products used in the operation of the Franchised Business, so long as the party provides advance notice of its reliance on this provision upon learning of any Force Majeure condition. The inability of either party to obtain and/or remit funds shall be considered within control of such party for the purpose of this Section.

28.2 Delay in Making Payments. If any such delay occurs, any applicable time period shall be automatically extended for a period equal to the time lost; provided, however, that the party affected makes reasonable efforts to correct the reason for such delay and gives to the other party prompt notice of any such delay; and further provided, however, that we and you shall remain obligated to promptly pay all fees due and owing to us hereunder, without any such delay or extension.

28.3 Obligations Upon Force Majeure. Notwithstanding the above, in the event of any Force Majeure contingency affecting the delivery of Products, we shall give seasonable notice thereof to you as defined by UCC-1-205. We shall render the delayed performance in the manner provided in the applicable section of this Agreement as soon as practicable after such event of Force Majeure has ceased or otherwise abated sufficiently in order to permit it to do so without incurring any material additional expense which we would not have had in the absence of such event of Force Majeure. Any other provision of this Agreement or of applicable law to the contrary notwithstanding, in the event of a shortage of Products which makes it impossible or impracticable for us to fill all orders from all of our customers in the quantities and within the time periods originally agreed upon, we may allocate its available Products in any manner we deem reasonable. So long as such allocation results in allotting any portion of the available Products to you, we and you agree that such allocation shall be conclusively deemed to be fair and reasonable.

MARYLAND FRANCHISEES:

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to Hear Again America



BUSINESS ASSOCIATE AGREEMENT

between

**HEAR AGAIN FRANCHISING,
LLC d/b/a HEAR AGAIN AMERICA**

and

FRANCHISEE

e. Individual shall have the same meaning as the term “individual” in 45 CFR 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).

f. Designated Record Set shall have the same meaning as the term “designated record set” in 45 CFR 164.501.

g. g.Privacy Rule shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.

h. h.Protected Health Information (PHI) shall have the same meaning as the term “protected health information” in 45 CFR 160.103, limited to the information created or received by Hear Again America from or on behalf of Franchisee.

i. i.Required by Law shall have the same meaning as the term “required by law” in 45 CFR 164.103.

j. j.Secretary shall mean the Secretary of the Department of Health and Human Services or his designee.

k. k.Security Incident shall mean the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

l. l.Security Rule shall mean the Security Standards at 45 CFR Parts 160, 162 and 164.

m. m.Breach means the unauthorized access to, or acquisition, use, or disclosure of PHI in any form that violates the Privacy Rule and poses a significant risk of financial, reputation, or other harm to the affected individual as determined by the Business Associate and/or the Covered Entity utilizing the harm threshold guidelines provided by HHS. The term “breach” does not include:

(i) Inadvertent disclosure by an authorized person authorized to access PHI to another of Business Associate’s workforce members who is authorized to access PHI, if the PHI received as a result of such disclosure is not further used or disclosed in a manner not permitted by the Privacy Rule;

(ii) Good faith unintentional access to, acquisition, or use of PHI by Business Associate’s employees, agents, or subcontractors in the course of such person’s performance of services authorized by the service agreement between the parties, provided that such PHI is not further accessed, acquired, used, or disclosed by any person; or

(iii) A disclosure of PHI when Business Associate has a good faith belief that the person or entity to whom the disclosure was made would not reasonably have been able to retain the disclosed PHI.

SECTION 2. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

2.1 General. Business Associate agrees to not Use or Disclose Protected Health Information other than as permitted or required by this BAA or as Required by Law.

2.2 Regulatory Compliance. Business Associate agrees that it shall comply with the provisions of the HIPAA Rules to the extent such regulations apply directly to Business Associate.

2.3 Safeguards. Business Associate agrees to use appropriate administrative, physical, and technical safeguards to prevent Use or Disclosure of Protected Health Information other than as provided for by



AREA DEVELOPMENT AGREEMENT

between

**HEAR AGAIN FRANCHISING,
LLC d/b/a HEAR AGAIN AMERICA**

and

DEVELOPER

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Attachments

- A. Franchisee-Specific Terms
- B. Personal Guaranty for Owner/Shareholder

HEAR AGAIN FRANCHISING, LLC

AREA DEVELOPMENT

AGREEMENT

THIS AGREEMENT (“Agreement”) is made and entered into as of the date set forth on Attachment A to this Agreement (the “Effective Date”) (Attachment A and all appendices and/or schedules attached to this Agreement are hereby incorporated by this reference) between Hear Again Franchising, LLC, a Florida limited liability company doing business as Hear Again America (“Franchisor,” “we,” “us,” or “our”) and the person or entity identified in Attachment A as the franchisee (“Franchisee” or “you”) with its principal place of business as set forth in Attachment A.

RECITALS

A. We and you have entered into a certain Franchise Agreement dated the same date as this Agreement (the “Initial Franchise Agreement”), in which we have granted you the right to establish and operate one Hear Again America franchised business within the protected territory set forth in the Initial Franchise Agreement (a “Business”).

B. We desire to grant to you the exclusive right to establish and operate a specified number of Businesses within a specified geographical area in accordance with a development schedule.

C. If you are a corporation, limited liability company, partnership, or other entity (collectively, an “Entity”), all owners of a legal and/or beneficial interest in the Entity (the “Owners”) are listed in Attachment A to this Agreement.

D. You desire to establish and operate additional Businesses upon the terms and conditions contained in our then-current standard franchise agreements (a “Franchise Agreement”).

NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Grant of Development Rights and Development Area

Subject to the terms and conditions of this Agreement, we grant to you the right, and you undertake the obligation, to establish and operate in the area designated in Attachment A to this Agreement (the “Development Area”) the number of Businesses specified in the development schedule in Attachment A (the “Development Schedule”). This Agreement does not grant you any right to use the Marks (as defined in your Initial Franchise Agreement) or the System (as defined in your Initial Franchise Agreement). Rights to use the Marks and the System are granted only by the Franchise Agreements.

2. Fees

Subject to the terms and conditions of this Agreement, we grant to you the right, and you undertake the obligation, to establish and operate in the area designated in Attachment A to this Agreement (the “Development Area”) the number of Businesses specified in the development schedule in Attachment A (the “Development Schedule”). This Agreement does not grant you any right to use the Marks (as defined in your Initial Franchise Agreement) or the System (as defined in your Initial Franchise Agreement). Rights to use the Marks and the System are granted only by the Franchise Agreements.

2. Fees

Upon execution of this Agreement, you must pay us a development fee in the amount specified Hear Again America **FDD Exhibit I**
[2025 Area Development Agreement](#)

obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

Based upon the franchisor's financial condition, the Illinois Office of the Attorney General and the Maryland Securities Commissioner have 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. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

Based upon the franchisor's financial condition, the Virginia Division of Securities and Retail Franchising and the Minnesota Department of Commerce have 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. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

3. Development Schedule and Deadlines

3.1 Development Schedule. You must enter into Franchise Agreements, and open and operate Businesses in accordance with the deadlines set forth in the Development Schedule. By each "Opening Deadline" specified in the Development Schedule, you must have the specified number of Businesses open and operating. Prior to opening additional Businesses in your Development Area, you must: (i) possess sufficient financial and organizational capacity to develop, open, operate, and manage each additional Business in our reasonable judgment; (ii) be in full compliance with all brand requirements at any existing Businesses you operate; and (iii) be in compliance with any Franchise Agreement or any other agreement entered into with us.

3.2 Damaged Operating Assets. If the location, tools, equipment, and vehicles ("Operating Assets") used in the operation of any Business in your Development Schedule are destroyed or damaged by any cause beyond your control such that they may no longer continue to be utilized for the operation of a particular Business, you must immediately give us notice of such destruction or damage ("Destruction Event"). You must diligently work to repair and restore the Operating Assets as soon as possible to resume operation of your Business. If a Business is closed due to a Destruction Event, the Business will continue to be deemed "in operation" for the purpose of this Agreement for up to 30 days after the Destruction Event occurs. If a Business (i) is closed in a manner other than those described in this Section 3.2 or as otherwise agreed by us in writing or (ii) fails to reopen within 30 days after a Destruction Event, then we may exercise our rights under Section 6.2 (Our Remedies). In the event the Operating Assets are completely destroyed or otherwise incapable of being repaired following a Destruction Event, we will not exercise the remedies set forth under Section 6.2 provided, that (a) within the 30 days after the Destruction Event you have made arrangements with us or our designated supplier to obtain new Operating Assets for use in your Business; and (b) you are open and operating your Business in the protected territory within ninety (90) days of the Destruction Event.

4. Development Area

4.1 Development Area. Except as provided in this Section 4.1, while this Agreement is in effect, provided that you open and operate the Businesses in accordance with the Development Schedule and the minimum number of Businesses that you have open and operating in the Development Area at any given time is not less than the minimum required pursuant to the Development Schedule, we will not operate, or license any person other than you to operate, a Business under the Marks (as defined in your Initial Franchise Agreement) and the System (as defined in your Initial Franchise Agreement) within the Development Area. Each Business you open will be granted a protected

Hear Again America **FDD Exhibit I**
[2025 Area Development Agreement](#)

4.1 individual Franchise Agreement for that Business. This Agreement does not give you the right open or operate in any portions of the Development Area until you have signed a new Franchise Agreement which includes that portion of the Development Area as your protected territory.

4.2 No Other Restriction On Us. Except as expressly provided in Section 4.1 or any other agreement between the parties, we and our affiliates retain the right, in our sole discretion, to conduct any business activities, under any name, in any geographic area, and at any location, regardless of the proximity to or effect on your Business. For example, we and our affiliates have the right to:

(a) Establish or license franchises and/or company-owned outlets or other facilities or businesses offering similar or identical products, services, and classes and using the System or elements of the System

(i) under the Marks anywhere outside of the Development Area or (ii) under names, symbols, or marks other than the Marks anywhere, including inside and outside of the Development Area;

(b) Sell or offer, or license others to sell or offer, any products or services using the Marks or other marks through any alternative distribution channels, including, without limitation, through e-commerce, in retail stores, via recorded media, via online videos, or via broadcast media, anywhere, including inside and outside of the Development Area;

(c) Advertise, or authorize others to advertise anywhere, using the Marks;

(d) Acquire, be acquired by, or merge with other companies with existing similar businesses, and/or Hear Again America Businesses anywhere (including inside or outside of the Development Area) and, even if such businesses are located in the Development Area, (i) convert the other businesses to the Hear Again America name, (ii) permit the other businesses to continue to operate under another name, and/or (iii) permit the businesses to operate under another name and convert existing Businesses to such other name; and

(e) Engage in any other activity, action or undertaking that we are not expressly prohibited from taking under this Agreement.

5. Term

This Agreement expires at midnight on the last Opening Deadline date listed on the Development Schedule unless this Agreement is terminated sooner as provided in other sections of this Agreement.

6. Termination

6.1 Events of Default. Any one or more of the following constitutes an “Event of Default” under this Agreement:

(a) You fail to have open and operating the minimum number of Businesses specified in the Development Schedule by any Opening Deadline specified in the Development Schedule;

(b) An Event of Default occurs under any Franchise Agreement, resulting in the termination of such Franchise Agreement; or

(c) You breach or otherwise fail to comply fully with any other provision contained in this Agreement.

6.2 Our Remedies. If any Event of Default occurs under Section 6.1, we may, at our sole election: (i) declare this Agreement and any and all other rights granted to you under this Agreement to be immediately terminated and of no further force or effect; (ii) terminate any exclusive or territorial rights that you may have within the Development Area or otherwise under this Agreement; and/or (iii) exercise any other remedy we may have in law or equity as a result of an Event of Default hereunder.

6.3

6.2 obligations, or liabilities which have accrued prior to such termination. All rights and remedies of the parties hereto shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement. The rights and remedies of the parties hereto shall be continuing and shall not be exhausted by any one or more uses thereof and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. Notwithstanding anything to the contrary herein, a termination of this Agreement resulting from your failure to open and thereafter operate Businesses in accordance with the Development Schedule will not in itself constitute cause for us to terminate any previously executed Franchise Agreement in effect at the time of such termination.

7. Assignment; Our Right of First Refusal

7.1 Rights Personal to You. This Agreement and the rights granted to you under this Agreement are personal to you and neither this Agreement, nor any of the rights granted to you hereunder nor any controlling equity interest in you may be voluntarily or involuntarily, directly, or indirectly, by operation of law or otherwise, assigned or otherwise transferred, given away, or encumbered by you without our prior written approval, which we may grant or withhold for any or no reason.

7.2 Our Right of First Refusal.

(a) If you receive, and desire to accept, from a third party a bona fide offer to transfer any of your rights in this Agreement, you shall promptly notify us in writing and send us an executed copy of the contract of transfer. We shall have the right and option, exercisable within thirty (30) days after actual receipt of such notification or of the executed contract of transfer which shall describe the terms of the offer, to send written notice to you that we intend to purchase your interest on the same terms and conditions offered by the third party.

(b) Closing on the purchase must occur within sixty (60) days from the date of notice by us to you of our election to purchase. If we elect not to accept the offer within the thirty (30) day period, you shall have a period not to exceed sixty (60) days to complete the transfer subject to our approval of the third-party transferee of your rights, which may be withheld in our sole discretion. Any material change(s) in the terms of any offer before closing shall constitute a new offer subject to the same rights of first refusal by us as in the case of an initial offer.

(c) Our failure or refusal to exercise the option afforded by this Section 7 shall not constitute a waiver of any other provision of this Agreement.

(d) If the offer from a third-party provides for payment of consideration other than cash or involves certain intangible benefits, we may elect to purchase the interest proposed to be sold for the reasonable cash equivalent, or any publicly traded securities, including its own, or intangible benefits similar to those being offered. If the parties cannot agree within a reasonable time on the reasonable cash equivalent of the non-cash part of the offer, then such amount shall be determined by an independent appraiser designated by us, and such appraiser's determination shall be binding.

7.3 Our Rights to Assign Unrestricted. We may assign this Agreement or any ownership interests in us without restriction.

8. Incorporation of Other Terms

All Articles of the Initial Franchise Agreement are incorporated by reference in this Agreement and will govern all aspects of our relationship and the construction of this Agreement as if fully restated within the text of this Agreement.

MINNESOTA

Notwithstanding anything to the contrary set forth in the Disclosure Document, the Franchise Agreement, or the Area Development Agreement, the following provisions will supersede and apply:

1. We will protect your right to use the trademarks, service marks, trade names, logotypes, or other commercial symbols and/or indemnify you from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the same.

2. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement(s) 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.

3. No release language set forth in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.

4. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement or Area Development Agreement.

5. Under the terms of the Franchise Agreement and Area Development Agreement, as modified by the Minnesota Addendum to the Franchise Agreement, you agree that if you engage in any non-compliance with the terms of the Franchise Agreement or unauthorized or improper use of the System Marks, or Proprietary Materials during or after the period of the Agreements, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you consent to the seeking of these temporary and permanent injunctions.

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

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

7. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

8. Item 5 shall be amended to include: Based upon the franchisor's financial condition, the Minnesota Department of Commerce 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. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

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

VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Hear Again Franchising, LLC, for use in the Commonwealth of Virginia shall be amended as follows:

Item 5 shall be amended to include: Based upon the franchisor's financial condition, the Virginia Division of Securities and Retail Franchising 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. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

Additional Disclosure: The following statements are added to Item 17:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute "reasonable cause" as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

EXHIBIT L

STATE EFFECTIVE DATES

The following states 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 or registered as of the Effective Date stated below:

State	Effective Date
California	Not Registered
Hawaii	Not Registered
Illinois	Application Pending
Indiana	May 2, 2025
Maryland	Application Pending <u>May 23, 2025</u>
Michigan	Not Registered
Minnesota	Application Pending
New York	Application Pending
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Application Pending
Washington	Not Registered
Wisconsin	May 2, 2025

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.