# FRANCHISE DISCLOSURE DOCUMENT

**Hear Again Franchising, LLC**
A Florida limited liability company
269 S Federal Highway
Deerfield Beach, FL 33441
Tel: (561)-367-1623
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 $190,600 to $333,950. 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 30, 2026

## How to Use This Franchise Disclosure Document

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

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

## What You Need To Know About Franchising *Generally*

**Continuing responsibility to pay fees**. You may have to pay royalties and other fees even if you are losing money.

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

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

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

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

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

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

## Some States Require Registration

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

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

## Special Risks to Consider About *This* Franchise

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

**1.** **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.

**2.** **Sales Performance Required**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

**3.** **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

**4.** **Short Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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

**6.** **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

**7.** **Unregistered Trademark.** The primary logo that you will use in your business is not federally registered. If the Franchisor's ability to use this trademark in your area is challenged, you may have to identify your business and its products/services by a different name. This change can be expensive and may reduce brand recognition of the products and services you offer.

**8.** **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments regardless of your sales levels. Your inability to make payments may result in termination of your franchise and loss of your investment.

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

## NOTICE REQUIRED BY THE STATE OF MICHIGAN

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

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

a) A prohibition of the right of a franchisee to join an association of franchisees.

b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provisions of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market values at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from

exercising a right of refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan Office of the Attorney General
CONSUMER PROTECTION DIVISION
Attention: Antitrust and Franchise Unit 525 West Ottawa
670 Law Building
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

**THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

## DISCLOSURES REQUIRED BY CONNECTICUT LAW

**The State of Connecticut does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.**

1. Pursuant to Section 36b-63(c)(23) of the Connecticut Business Opportunity Investment Act:

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

2. Pursuant to Section 36b-63(c)(21) of the Connecticut Business Opportunity Investment Act, regarding historical information relating to sales or earning claims:

"**Caution: Some business opportunities have earned this amount. There is no assurance you will do as well. If you rely upon our figures, you must accept the risk of not doing as well."**

3. Pursuant to Section 36b-63(c)(20) of the Connecticut Business Opportunity Investment Act regarding the Seller's Sales or Earnings Estimates and Projections:

**"Caution: These figures are only estimates of what we think you may earn. There is no assurance you will do as well. If you rely upon our figures, you must accept the risk of not doing as well."**

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## EXHIBITS


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## ITEM 1.
## THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "Hear Again America," "us," or "we" means Hear Again Franchising, LLC, the franchisor. "You" or "franchisee" means the person that is granted the franchise. If the franchisee is a corporation, partnership, limited liability company or other entity, "you" may also refer to its owners.

### Franchisor

Hear Again Franchising, LLC is a Florida limited liability company organized on August 9, 2022. Our principal place of business is 269 S Federal Highway, Deerfield Beach, FL 33441. We do business under our corporate name and under the trade name "Hear Again America." We began offering Hear Again America Franchised Businesses in January 2023. We neither offer franchises nor conduct business in any other industry.

The principal business addresses of our agents for service of process are 851 Broken Sound Parkway NW, Suite #120, Boca Raton, FL 33487, and the state agency addresses shown on Exhibit B.

### Parents, Predecessors, and Affiliates

We have no parents or predecessors.

Our affiliate, Hear Again, LLC, a Florida limited liability company organized on September 20, 2013, with a principal business address of 851 Broken Sound Parkway, Suite #120, Boca Raton, FL 33487, operates 30 hearing aid businesses in and around Florida, South Carolina, and Georgia like the Franchised Businesses we offer in this Disclosure Document since 2013. Our affiliate has not, does not, and will not offer franchises in this or any line of business. Our affiliate locations in the Boca Raton, Florida area will serve as the model for training and operations for franchise locations. Our affiliate will also be an Approved Supplier of hearing aids and accessories for franchise locations.

Our affiliate, SouthEast Hearing Partners LLC, a Florida limited liability company organized on August 17, 2018, with a principal business address of 851 Broken Sound Parkway, Suite #120, Boca Raton, FL 33487, operates 3 hearing aid businesses in and around Maryland and Tampa, FL like the Franchised Businesses we offer in this Disclosure Document. Our affiliate has not, does not, and will not offer franchises in this or any line of business.

Other than as disclosed above, none of our affiliates conduct any other business in any industry and do not offer franchises for sale.

### Our Prior Business Experience

Our affiliates have been operating hearing aid businesses since 2013, although Hear Again, LLC has purchased and operates some locations that have been in operation since 1978. We were formed in August 2022 and have been franchising since January 2023.

### The Franchise Offered

Hear Again Franchising offers franchisees the opportunity to own and operate a hearing aid retail store using the Hear Again America name and associated trademarks. The franchisee will sell the complete range of prescription and over the counter hearing aids manufactured for Hear Again America together with certain related products and services from its authorized hearing aid centers, in compliance with FDA and applicable state law.

Hear Again America has developed a comprehensive marketing and advertising program, a business strategy for getting and keeping customers, and a distribution method for hearing aid products, accessories, and services as part of its operating system (the "System") which you will receive the right to use. Hear Again America uses and licenses certain service marks and trademarks, logos, trade dress and other commercial symbols, including the service mark "HearAgainAmerica" (collectively, the "Trademarks"). Hear Again America may, in the future, modify or enhance the Trademarks as well as add new trademarks, service marks, logos, trade dress and other commercial symbols. The distinguishing characteristics of the System (the "System Standards") include such things as Trademarks, interior and exterior store design, décor, and layout; management, operational, and advertising methods, techniques, and materials; and training and assistance to franchisees in promoting, marketing, selling, and servicing approved hearing aids, accessories, and ear care products (collectively, the "Products").

You may purchase a Franchised Business which grants you the right to develop and operate one Franchised Business at a mutually agreed upon site ("Site") within an area ("Site Selection Area") that we will specify in the Franchise Agreement that we and you will execute (the "Franchise Agreement"). Our current form of Franchise Agreement is included as Exhibit E to this Disclosure Document. You will have no obligation, nor any right, to open any additional Franchised Businesses. Under the Franchise Agreement, you have no right to use the Marks or the System at any location other than the Site or to use the Marks or the System in any wholesale, e-commerce, or other channel of distribution other than the operation of the Franchised Business within the Territory. See Item 12 for more details about your Territory and certain rights that we retain. The Center may be designated as a full-time or part-time location based on the operating hours that you and we determine and designate in Attachment A of the Franchise Agreement.

As a franchisee, you will be required to sell Products exclusively, and to furnish required presale and post-sale services ("Services") to consumer-users of Products, in compliance with the System Standards. You will be required to achieve a minimum level of market penetration for each Center as measured by an annual minimum performance requirement ("Minimum Performance Requirement").

In the future, we may offer qualified parties the opportunity to operate as an area representative ("Area Representative"). Area Representatives will recruit individuals interested in purchasing Franchised Businesses and assist us in providing certain support and services to franchisees located in a designated area. Area Representatives will also be required to operate at least one Franchised Business under a Franchise Agreement. We do not currently offer the opportunity to become an Area Representative under this Disclosure Document or any other Disclosure Document.

If we have appointed, or appoint in the future, an Area Representative to operate in the area in which your Franchised Business is located, such Area Representative may provide training, support, marketing, and other services to you on our behalf and will have the authority to exercise many of our rights and perform many of our obligations under the Franchise Agreement. We may, without your consent, appoint an Area Representative or a substitute for the Area Representative at any time.

**Development Program**

In addition, for qualified franchisees who desire the right to develop multiple Centers within a designated territory (the "Development Area") and meet certain conditions, we also offer the opportunity to enter into an Area Development Agreement with us (the "Development Agreement") to develop a mutually agreed upon number of Centers in accordance with a development schedule specified in the Development Agreement (the "Development Schedule"). Our current form of Development Agreement is included as Exhibit F to this Disclosure Document. You will sign the Franchise Agreement for your first location when you sign the Development Agreement.

As each Center is opened, you will sign our then-current form of Franchise Agreement for each Center, which may include terms that are materially different from the form of Franchise Agreement included as Exhibit E to this Disclosure Document. If you fail to open and continue to operate the required number of Centers in accordance with the mutually agreed upon Development Schedule, we will have the right to

terminate the Development Agreement. If the Development Agreement is terminated, you will lose all of your rights to develop the Development Area and the initial fees paid for any Centers for which Franchise Agreements have not been signed. However, the Franchise Agreement for each Center which has been opened will not be terminated solely by reason of the termination of the Development Agreement.

Unless you sign a Development Agreement, you have no obligation, nor any right, to open any additional Centers.

**The Market and Competition**

The hearing aid industry is highly competitive. You will compete with many other hearing aid retailers and manufacturers, some of which will have agreements with our affiliate, Hear Again, LLC. These competitors include manufacturer-owned and privately-operated dealers and distributors, large non-hearing aid sales based retailors, hearing healthcare provider/physician owned private practices, and audiology clinics within and related to hospitals and/or universities. Over-the-counter hearing aids, which have specifications defined by the FDA, and which must not be professionally fit or prescribed will be available for sale in a variety of stores and on-line locations. Competitors may inherently have greater financial resources than you and may also have a significant, established customer base.

**Industry Specific Regulations**

You must comply with all laws, rules and regulations governing the operation of the Center and obtain all permits and licenses necessary to operate the Center. In addition to laws and regulations that apply to businesses generally, you must comply with all FDA regulations concerning the sale, labeling, and advertising of prescription hearing aids. These regulations outline the conditions under which a hearing aid retailer may sell hearing aids to a consumer without a physician's written referral. The FDA regulations specify the information that must be contained in the product labeling and reviewed with the consumer prior to fitting them with a hearing aid. Finally, the FDA also regulates hearing aid advertising claims.

Hear Again America's advertising and promotional materials are subject to restrictions stated in a 1976 FTC Consent Order (the "1976 Consent Decree") which hearing aid manufacturers agreed to, as well as restrictions stated in a 1995 FTC Consent Decree. These decrees, copies of which Hear Again America may be required to provide, generally prohibit Hear Again America from disseminating or causing others to disseminate any false, misleading, or unsubstantiated statements in advertising and promotional materials for its products.

Separately, most states require hearing aid retailers to register or obtain a license or certification before offering or selling prescription hearing aid products. These state regulations address minimum qualifications, license procedures and standards of professional practice. If your state requires it, your Center manager, and each of your consultants, is advised to obtain certification from the National Board for Certification in Hearing Instrument Sciences (NBC-HIS) or have an advanced degree in audiology from an accredited U.S. university. Certain states also regulate the sale of hearing aid products, including minimum warranty and refund obligations and telemarketing and email practices (telemarketing and email practices are also subject to federal regulation). Your Center will also be subject to various federal, state, and local government regulations, including those relating to site location.

You may be required to comply with certain provisions of the Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH), under which, healthcare providers, including hearing aid dispensers, must implement patient privacy and information security rules if they are or will be filing insurance claims electronically for third-party pay customers. You may also be required to comply with certain state and federal regulations requiring the protection of personally identifiable information (PII), which includes patient information.

## ITEM 2.
## BUSINESS EXPERIENCE

**Asaf Peled – Co-Founder**

Mr. Peled has served as our Co-Founder since our formation in August 2022. Mr. Peled also serves as the CEO of our affiliates, Hear Again, LLC since May 2013, and SouthEast Hearing Partners, LLC since August 2018. Mr. Peled serves in all his capacities from our headquarters in Boca Raton, Florida.

**Dr. Robert Morrison – Co-Founder**

Dr. Morrison has served our Co-Founder since our formation in August 2022. Since May 2016, Dr. Morrison has also served as President of our affiliates, Hear Again, LLC, and SouthEast Hearing Partners, LLC since August 2018. Dr. Morrison serves in all his capacities from our headquarters in Boca Raton, Florida.

## ITEM 3.
## LITIGATION

No litigation is required to be disclosed in this Item.

## ITEM 4.
## BANKRUPTCY

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

## ITEM 5.
## INITIAL FEES

**Initial Franchise Fee**

We require a non-refundable initial franchise fee (the "Franchise Fee") of $50,000 for the operation of a single Hear Again America Center.

Conversion Discount. If you are converting your existing (operating at least 12 months) hearing aid center to a Hear Again America® Center, your Franchise Fee shall be reduced to $30,000.

Veteran Discount. If you are an honorably discharged US veteran, you may qualify for a ten percent (10%) discount off your Initial Franchise Fee. If you purchase multiple Centers, only the amount attributed to your first Center will be discounted.

The Franchise Fee will be deemed fully earned on execution and is not refundable under any circumstances. Except as described above, the Franchise Fee is uniform for all franchisees and must be paid in a lump sum on execution of the Franchise Agreement.

**Development Fee**

If we determine that you are financially and operationally qualified to develop multiple Centers, we may offer you the opportunity to enter into an Area Development Agreement, in which you will commit to develop a certain number of Centers that you and we determine to be appropriate, but in all cases will be a minimum of two. If you enter into an Area Development Agreement, you must pay us a development fee equal to the sum of the Franchise Fees due for each Center you agree to develop (the "Development Fee"). The Development Fee will be credited towards the initial Franchise Fee for each Center developed under the Area Development Agreement. You will be required to sign our then-current franchise agreement for each Center in your Development Schedule, but you will not be required to pay any additional initial

franchise fee at the time you execute each additional franchise agreement. Your Development Fee will depend on the number of Centers we grant you the right to open within the Development Area, and is calculated as set forth in the table below:

| Number of Additional Centers We Grant You the Right to Develop | Additional Fee Due For Center | Cumulative Development Fee |
|---|---|---|
| 2 | $40,000 | $90,000 |
| 3 | $30,000 | $120,000 |
| 4 | $30,000 | $150,000 |
| 5 | $30,000 | $180,000 |
| 6 | $30,000 | $210,000 |
| 7 | $30,000 | $240,000 |
| 8 | $30,000 | $270,000 |
| 9 | $30,000 | $300,000 |
| 10+ | $30,000 | $310,000+ |

If we permit you to open more than ten (10) Centers under an Area Development Agreement, your Development Fee will be equal to (i) $310,000, plus (ii) $30,000 for each additional Center we grant you the right to develop.

The Development Fee will be deemed fully earned on execution and is not refundable under any circumstances. Except as described above, the Development Fee is uniform for all franchisees and must be paid in a lump sum on execution of the Area Development Agreement.

**Initial Inventory**

You must purchase from us or our affiliate an initial supply of hearing aid products and accessories. The amount of the initial inventory will vary, depending on the amount of inventory you choose to carry, which will be at least the minimum we require and will set forth in our operations manual. Your cost for initial inventory may range from $2,500 to $5,000 per Center.

Other than as disclosed above in this Item, all fees are non-refundable and there are no other fees or payments for services or goods required to be paid to us or an affiliate before your Center opens.

**Training Fee**

If we host the Initial Training at our headquarters in Boca Raton, FL or an Affiliate-Owned Center at our choosing, there is no additional fee for training. If you elect to host the Initial Training at your own Center, you must pay us a Training Fee of $1,500 and will be responsible for any travel and living expenses, wages, and other expenses incurred by our trainers during Initial Training.

**Pre-Opening Technology Fee Payments**

You must pay us an ongoing, monthly Technology Fee, as detailed in Item 6 below. We may begin assessing this fee two months prior to your opening. The pre-opening Technology Fee would help to offset the initial set up costs for the technology services we manage during the term of your Franchise Agreement. Our current monthly Technology Fee is $500 per month. You may pay between $0 - $1,000 depending on whether we assess the fee prior to opening.

**ITEM 6.**
**OTHER FEES**

| Type of Fee[1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Royalty Fee | 5% of Net Sales[2] | Monthly | We collect your Royalty Fee monthly based on your reported Net Sales, however, due to industry-mandated return policies, we perform quarterly reconciling of your reports to determine if any amount of Royalty has been over or underpaid. If we determine you have overpaid your Royalty Fee, you will be credited for future Royalty Fee payments. |
| Brand Fund Contribution | Currently not assessed; if we develop a Fund, we may require up to 3% of Net Sales | Monthly with Royalty | This payment will only be made if we develop a Hear Again America Brand Fund. |
| Local Advertising Expenditures | At least 12% of Net Sales | Monthly, as incurred | During the first year, we expect you will spend 15% of your Net Sales on marketing your Center in your Territory. The second-year expectation is to spend 14% of Net Sales and the third-year expectation is to spend no less than 12% of Net Sales. If we institute a Brand Fund, this amount would be in addition to the Brand Fund Contribution. |
| Technology Fee | Currently, $500 per month but subject to change at any time upon 30 days' written notice to you, not to increase by more than 25% annually. | Monthly, with Royalty | The Technology Fee currently includes fees related to your access to and usage of our reservation system, our intranet, any mobile applications we develop, and the System Website. We may add, delete, or otherwise modify the products and services that are included in the Technology Fee. There is no cap on the amount the Technology Fee may be increased. The first month will be assessed pro rata from the date on which you begin receiving services. |
| Access Fee for Software | $150 per month per full-time location, subject to increase, not to exceed $250 per month<br><br>$50 per month per part-time location | 10 days after the end of each calendar month | Payable as a pass thru charge on behalf of the third-party vendor. Any increase, in addition to those based on CPI, will be based upon an amount equal to cost increases that we incur from the third-party vendor. |

| Type of Fee[1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Regional Cooperative Advertising | Not currently established; you contribute at the rate established by us or the cooperative which shall not exceed 6% of monthly Net Sales | Us or regional advertising council will determine the date | If we establish a cooperative, you will be expected to participate and contribute to the cooperative in the manner and amount as established by us or the cooperative. |
| Transfer Fee | $10,000 for transfers of a majority or controlling interest; $2,000 for transfers of a minority and non-controlling interest | Half of the applicable amount as a deposit and half when the transfer occurs | Generally, we require you to pay half of the Transfer Fee at the time you submit your request for a transfer of the Franchise Agreement, a substantial portion of assets of any Center, or a controlling interest in the Franchisee, and the other half is due upon transfer. |
| Maintenance, Refurbishment and Renovation Expenses[3] | Actual Costs | When incurred | Payable to third party providers or to Franchisor. |
| Insurance Premiums and Reimbursement[4] | Actual Costs | When incurred; when Hear Again America requests reimbursement if paid by Hear Again America | Payable to third party providers or to Hear Again America if you fail to pay insurance premium and Hear Again America pays it for you. |
| National and Regional Account Fees[5] | Varies between 1%-10% of Gross Revenue for the account | As invoiced | When we handle billing or invoicing on national account clients, we charge this fee to cover our costs for administering the work and billing and invoicing the client. We determine the fee for each job based on the size of the load and our arrangement with the national account. |
| Late Charges[6] | Lesser of 18% per annum or maximum rate permitted by law | When due | Payable if obligations to Hear Again America are not timely paid. |
| Renewal Fee | $10,000 | Upon providing notice you will renew | Subject to applicable state law. |
| Late Renewal Notice Fee | Not to exceed $5,000 per week | When due | This fee is only payable in the event that you fail to provide timely notice to us of your renewal, after a reminder. |

| Type of Fee[1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Satellite Office Fee | $10,000 | When due | If you choose to operate a satellite office within your territory, we will charge you a Satellite Office Fee and your satellite office business will be considered in calculating Operating Fees owed to us. |
| Relocation Fee | Up to $2,500, our administrative and legal costs in evaluating the relocation | Upon demand | Payable if you relocate your Franchised Business from the Site to a new location. |
| Initial Training Fee for Additional or Replacement Trainees | Currently, $0 per trainee for up to 3 trainees who attend a scheduled training class at our headquarters (we reserve the right to assess a fee up to $1,500 per person per session). $500 per day for additional on-site training at your Site (plus the cost of our travel and living expenses). | Within 10 days of receipt of an invoice | We will provide Initial Training in the System for up to three trainees at no charge. We reserve the right to charge a reasonable fee for training (i) more than three trainees, even if they attend the same training session, (ii) persons who are repeating the course or replacing a person who did not pass, and (iii) subsequent Operating Principals, Key Managers, or employees who attend the course. |
| Additional Training Programs | Actual Costs | Within 10 days of receipt of an invoice | We may charge you a reasonable fee for optional or required training programs that we may provide. |
| Online Consulting Services | Hourly fee between $75 - $200 per hour | Within 10 days of receipt of an invoice | Payable if we provide requested consulting services to you in an online format. We may change this fee without limitation from time to time upon written notice to you. |
| In-Person Consulting Services | $500 - $1,000 per employee per day, plus their travel and living expenses depending on consultation requested | Within 10 days of receipt of an invoice | Payable if we provide requested consulting or educational support services in person at a place other than our offices. We may change this fee without limitation from time to time upon written notice to you. |
| Product, Service, Supplier, and Service Provider Review | Our actual costs and expenses, including personnel and travel costs | Upon demand | Payable if you wish to offer products or use any supplies, equipment, or services that we have not approved or wish to purchase from a supplier or service provider that we have not approved, whether or not we approve the item, service, supplier, or service provider. |

| Type of Fee[1] | Amount | Due Date | Remarks |
|---|---|---|---|
| Audit | Our actual costs and expenses | Within 10 days of demand | Payable if audit or review shows an understatement of Net Sales for the audited or reviewed period of 2% or more. You will be required to reimburse us for our actual costs and expenses including costs for an independent accountant, attorneys' fees and related travel and living expenses |
| Inspection | Our expenses including travel and living expenses, wages, and other expenses for our employees | Upon demand | Payable if inspection is necessitated by your repeated or continuing failure to comply with any provision of the Franchise Agreement. |
| Remedial Expenses | Our expenses incurred in correcting your operational deficiencies | Upon demand | Payable if we correct deficiencies that we have identified during a Site inspection and that you failed to correct within a reasonable time after notice from us. |
| Enforcement Expenses | Our cost to de-identify your Franchised Business | Upon demand | Payable if your Franchise Agreement expires or is terminated, you fail to de-identify your Franchised Business and we take steps to do so. |
| Liquidated Damages – Default and Termination of Franchise | the greater of $100,000 or up to 24 months of rolling 12-month average of Royalty Fees and Brand Fund Contributions | Upon termination of the Franchise Agreement due to your default, in a lump sum | If your Franchise Agreement is terminated due to your default, you must pay us greater of $100,000 or the average monthly Royalty Fee and Brand Fund Contribution payable by you for the 12 months prior to your default multiplied by the lesser of 24 months or the number of months remaining in the term of your Franchise Agreement. |

**Notes:**

1. General. Except where otherwise noted, all fees are payable to Hear Again America, are non-refundable and are subject to annual adjustments. These fees are uniformly imposed, except as described above. As of the date of this Disclosure Document, we require payment by Automated Clearing House (ACH), or electronic funds transfer (EFT), and you must designate an account at a commercial bank of your choice and furnish the bank with authorizations at the time of signing your franchise agreement to permit us to make withdrawals from that account.

2. Net Sales. "Net Sales" means the total revenues and receipts you receive from the sale of all products and services at or through your Hear Again America Center, less returns, allowances, discounts, cancellations, and sales tax.

3. Refurbishment. You must periodically upgrade and/or remodel your physical premises as we deem necessary upon inspection, or otherwise require. However, with the exception of signage, we will not require substantial remodeling more often than once during the Term of your initial franchise agreement. We will advise you six months prior to requiring any substantial remodeling. If the general state of repair, appearance or cleanliness of you franchise, or its fixtures, equipment, furniture, or signs does not meet our standards and if, after notice, you fail or refuse to initiate or maintain a program to complete the required maintenance, we have the right to enter the franchise location and do the maintenance on your behalf and

at your expense.

4. Insurance Premiums and Reimbursement. You must maintain insurance of the types and minimum amounts (naming us as additional insured) that we specify in your franchise agreement, the Manual, or in supplementary notices. You may obtain additional insurance as you desire. Insurance policies may not be subject to amendment or cancellation without at least 30 days prior written notice to us. You must provide certificates of insurance evidencing coverage on an ongoing basis.

5. National and Regional Account Fees. We may manage or provide support services to national and/or regional accounts that require centralized overview and support, and for purposes of responding to requests and referrals for services through our franchise system, managing those relationships, answering calls placed to our toll-free number or a national account on-line access system. In that case, we may charge you a fee between one and ten percent (1%-10%) of Gross Revenues generated by the account. The purpose of this fee is to defray the cost of providing national/regional account management services to the franchise system. We do not plan to charge a fee for simple referrals where we do not directly manage the relationship with the customer, but we reserve the right to do so.

6. Late Charges. Interest begins from the due date.

## ITEM 7.
## ESTIMATED INITIAL INVESTMENT

**A. Your Estimated Initial Investment – Single Unit under Franchise Agreement**

| Type of Expenditure[1] | Low Estimate | High Estimate | Method of Payment | When Due | To Whom Payment Is To Be Made |
|---|---|---|---|---|---|
| Initial Franchise Fee[2] | $50,000 | $50,000 | Lump Sum | When you sign the Franchise Agreement | Us |
| Travel Expenses for Initial Training[3] | $2,000 | $5,000 | As incurred | Prior to attending initial training | Airlines, hotels, and restaurants |
| Leasehold Improvements[4] | $25,000 | $90,000 | As incurred | Prior to opening your Business | Third-party contractors and architects |
| Flooring | $6,500 | $10,000 | As incurred | Prior to opening your Business | Third-Party suppliers and contractors |
| Construction Liaison | $2,250 | $2,250 | Lump Sum | Prior to opening your Business | Us |
| Furniture and Fixtures[5] | $27,500 | $35,000 | As incurred | Prior to opening your Business | Approved and Third-Party Suppliers |
| Design Fee | $2,500 | $2,500 | Lump Sum | Prior to opening your Business | Third-party contractors |
| Signage[6] | $3,500 | $10,000 | As incurred | Prior to opening your Business | Suppliers |
| Equipment[7] | $7,500 | $20,000 | As incurred | Prior to opening your Business | Suppliers |
| Computer System and Licenses[8] | $2,000 | $3,500 | As incurred | Prior to opening your Business | Suppliers |
| 3 Months' Rent and Security Deposit[9] | $6,000 | $15,000 | As incurred | Prior to opening your Business | Landlord |

| Type of Expenditure[1] | Low Estimate | High Estimate | Method of Payment | When Due | To Whom Payment Is To Be Made |
|---|---|---|---|---|---|
| Opening Inventory and Supplies[10] | $2,500 | $5,000 | As incurred | Prior to opening your Business | Us or our affiliate |
| Initial Marketing Spend[11] | $20,000 | $28,000 | As incurred | As incurred | Suppliers |
| Uniforms[12] | $100 | $250 | As incurred | Prior to opening your Business | Third-party vendors |
| Insurance[13] | $1,250 | $2,250 | As incurred | Prior to opening your Business | Insurance provider |
| Business Licenses[14] | $0 | $200 | As incurred | As required by the government | Government agencies |
| Professional Fees[15] | $2,000 | $5,000 | As incurred | Prior to opening your Business | Accountants, lawyers, and advisers |
| Pre-Opening Technology Fee | $0 | $1,000 | Lump Sum | Monthly, as invoiced | Us |
| Additional Funds - 3 months[16] | $30,000 | $50,000 | As incurred | Before opening and as incurred | Employees, tax agencies, local vendors, and suppliers |
| **TOTAL ESTIMATED INITIAL INVESTMENT[17]** | **$190,600** | **$333,950** | | | |

**Notes:**

1. General. The amounts provided in this Item 7 include costs you will incur to start your Franchised Business. These estimates are based upon our affiliate's experience developing and operating the Affiliate-Owned Outlets and based upon industry data, and the experience of our management team in operating similar businesses. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. The estimates provided in this Item 7 assume that you will rent the premises in which your Center will be located from a third-party landlord. It does not include costs associated with the acquisition of real estate if you decide to operate from a building you purchase. The costs for rent, fixtures, and improvements will vary and may be significantly higher than projected in this table, based on the square footage, location, economic climate, market conditions, prevailing interest rates, other financing costs, the conditions of the property, and other physical characteristics of your Hear Again America Center.

2. Initial Franchise Fee. The initial Franchise Fee is $50,000. We will not refund the Franchise Fee, or any other fees paid to us or our affiliates under any circumstances. Neither we nor our affiliates offer any other financing. We describe the Franchise Fee in Item 5.

3. Travel Expenses for Initial Training. There is no tuition or fee for initial training for up to three (3) of your representatives. You are, however, responsible for making arrangements and paying the expenses for any persons attending the training program including, without limitation, transportation, lodging, meals, and wages. The amount expended will depend, in part, on the distance you must travel and the type of accommodations you choose. The estimate provided contemplates costs associated with the training of three (3) people for our one-week training program in Boca Raton, Florida.

4. Leasehold Improvements. The numbers provided cover the interior build out of a location and are based on our collective experience in the hearing aid business and our experience evaluating the real estate required for a Center. These estimates are based on the build out of one location. If you purchase multiple

franchises at one time, you will incur additional expenses for each location purchased. Your location will typically be leased, although some franchisees may own their locations. These costs are the same regardless of whether you buy a building or lease space. The costs will vary widely and may be significantly higher than projected in this table depending on such factors as property location, population density, economic climate, prevailing interest rates and other financing costs, conditions of the property and extent of alterations required for the property. You should investigate all of these costs in the area where you wish to establish a Center.

If you are able to negotiate a tenant improvement allowance from your landlord, the landlord typically may require you to provide proof that you have paid for the leasehold improvements before reimbursing you the money. Some landlords may require you to receive the tenant improvement allowance in the form of reduced rent over the life of your lease, rather than in the form of a lump sum reimbursement. As a result, your actual out-of-pocket costs, and the cost of any construction financing that you may need to obtain may be significantly higher than the net leasehold improvement costs presented in this table.

Your actual costs will depend on, among other factors, your Center location, the size of your Center, the condition of the premises being remodeled, national and local economic factors, the local costs of materials and labor, and the amount of tenant improvement allowances that you are able to obtain, if any.

5. Furniture and Fixtures. This estimate includes your costs for furniture and fixtures used in your Center. The type and number of pieces of furniture and fixtures you acquire will be based on the size of the Premises you select. We will provide you with a list of specifications for the furniture and fixtures you must purchase but it will include chairs, desks, lights, cabinets, and standard office furniture.

6. Signage. This estimate includes the cost of outdoor identification and displays and signage through the Center.

7. Equipment. For your Center, you must purchase and maintain a minimum amount of equipment to perform the Services we require. We will provide specifications for the equipment in our Manuals, but your Center should have at least one audiometer, REM verification system, video otoscope, handheld otoscope, infection control supplies, earmold impression materials, custom shell grinders, and buffers.

8. Computer System and Licenses. You will be required to purchase and license computer equipment and software for the operation of your Center. While we do not require any specific vendors for computer, Internet, and communications equipment, we require that you meet certain minimum standards established periodically in the Manual. See Item 11 for more information on the Computer System requirements.

9. 3 Months' Rent and Security Deposit (if estimable). If you do not own or currently have the right to use an appropriate space, you must lease a space for your Center. Generally, your pre-opening lease expenses will include prepayment of your first month's rent and a security deposit equal to one month's rent payment. Typical Centers are located in office buildings, medical buildings, commercial centers, strip centers or buildings on commercial streets with heavy traffic. Generally, our centers are approximately 800 to 1,200 square feet. We base our estimates for rent on a prototypical store of approximately 1,000 square feet. This estimate does not include rent that will be paid prior to store opening and assumes you will have negotiated Tenant Improvement allowance and rent abatement until the Opening Date. The terms and conditions of all agreements relating to the purchase, lease, and alteration of the property will be negotiated solely by you. We require you to include certain lease provisions as forth in the Lease Rider attached to the Franchise Agreement. Legal fees are included in our estimates for leasing the premises but not for the purchase of real estate. The purchase of real estate may have additional legal expenses.

Your rent will depend on the site's size, condition, visibility, accessibility, and location, local market conditions, and demand for the premises among prospective lessees.

10. Opening Inventory and Supplies. You must purchase your supply of hearing aids for sale from us or our affiliate. This estimate is for your initial purchase of hearing aid products and accessories for sale in your Center.

11. Initial Marketing Spend. You must spend the estimated amount over the first 90 days of operation towards local advertising. You must work with corporate marketing for approval on the local advertising mediums to be used. Advertising is to run starting with the Grand Opening and continue for 90 days planned in advance.

12. Uniforms. You may elect to purchase shirts and/or lab coats for you or your employees.

13. Insurance. You must purchase and maintain insurance in the types and amounts described in the Franchise Agreement or Manual. This estimate covers three months' premiums for workers' compensation and commercial liability insurance. Your cost of insurance may vary depending on the insurer, the location of your Franchised Business, your claims history, and other factors. You must provide certificates of insurance evidencing coverage to us on an ongoing basis.

14. Business Licenses. This estimates the costs of business licenses for you to begin operations of the Franchised Business. This estimate is based on our experiences with business licenses in Boca Raton, Florida, and may vary depending on your state and local requirements. The low end reflects counties and cities where you do not need to apply for a business license to open and operate your business.

15. Professional Fees. This estimates the costs of professional advisors (like an attorney and an accountant).

16. Additional Funds – 3 Months. This category estimates your pre-operational expenses that are not listed in other categories, as well as additional funds necessary for the first three (3) months of your operations including expenses for things such as employee salaries and wages, utilities, payroll taxes (including payroll to cover the grand opening promotional period and the pre-opening training period for your staff), additional advertising, health and workers' compensation insurance, bank charges, miscellaneous supplies and equipment, staff recruiting expenses, state tax and license fees, deposits, and prepaid expenses. The ranges and categories listed in the table above are based on our own experience in operating our more than thirty Hear Again America Centers.

17. Total. Except as expressly indicated otherwise, these estimates cover your initial cash investment up to the opening of your Center. They do not provide for your cash needs to cover any financing incurred by you or your other expenses.

Refundability/Financing. None of the estimated expenditures listed in the table are refundable, except (i) utility deposits are usually refundable, and (ii) lease security deposits may be refundable. We do not offer, directly or indirectly, financing for any of the above expenditures, see Item 10. The availability and terms of financing will depend on many factors, including the availability of financing generally, your creditworthiness, other security that you may have, and policies of lending institutions concerning the type of business being operated by you.

*[Remainder of page intentionally left blank.]*

**B. Your Estimated Initial Investment – 3 Units Under Area Development Agreement**

| Type of Expenditure[1] | Low Estimate | High Estimate | Method of Payment | When Due | To Whom Payment Is to be Made |
|---|---|---|---|---|---|
| Development Fee[2] | $120,000 | $120,000 | Lump Sum | Upon signing Development Agreement | Franchisor |
| Initial Investment to Open Initial Center (minus initial Franchise Fee)[3] | $137,100 | $268,450 | | | |
| **TOTAL[4]** | **$257,100** | **$388,450** | | | |

**Notes:**

1. General. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. This Chart details the estimated initial investment associated with executing a Development Agreement for the right to own and operate three (3) Centers, as well as the initial investment to open your first Center under your Development Schedule. The Chart does NOT include estimates for the purchase of additional equipment and/or other operating assets for any Center other than the initial Center in your Development Schedule.

2. Development Fee. The Development Fee is non-refundable. The Development Fee is described in greater detail in Item 5 of this Disclosure Document, and the Development Fee provided as an example in this Chart is for the right to open and operate a total of three (3) Centers (provided you comply with your development obligations under the Development Agreement).

3. Estimated Initial Investment to Open One (1) Center. This figure represents the total estimated initial investment required to open the initial Center you agree to open and operate under the Development Agreement. You will be required to enter into our then-current form of franchise agreement for the initial Center at the same time you execute your Development Agreement. The range includes all the items outlined in Chart 7(A) of this Item, except for the initial Franchise Fee (because you are not required to pay any initial Franchise Fee for those Centers you open under the Development Agreement).

4. Total. This is the Development Fee plus the estimated initial investment to open and commence operating your initial Center within your Development Area. This range does not include any of the costs you will incur in opening any additional Centers that you are granted the right to open and operate under your Development Agreement.

## ITEM 8.
## RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

**Authorized Products and Services**

We have the right to require that furniture, fixtures, signs and equipment (the "Operating Assets") and products, supplies, and services that you purchase for resale or purchase or lease for use in your Franchised Business: (i) meet specifications that we establish from time to time; (ii) be a specific brand, kind, or model; (iii) be purchased or leased only from suppliers or service providers that we have expressly approved; and/or (iv) be purchased or leased only from a single source that we designate (which may include us or our affiliates or a buying cooperative organized by us or our affiliates)(collectively with (iii), "Approved Suppliers").

You must offer to customers only the products and services we approve in writing. In addition, you must offer the specific products and services that we require in the Manuals or otherwise in writing. We may change these specifications periodically, and we may designate specific products or services as optional or mandatory. You must offer all products or services that we designate as mandatory. You may sell products and services only in the varieties, forms, and packages that we have approved in accordance with our System Standards. You must maintain a sufficient supply of required products to meet the inventory standards we prescribe in the Manuals (or to meet reasonably anticipated customer demand if we have not prescribed specific standards).

We may require you to purchase merchant processing services from us, our affiliates, or an approved vendor we select. You must (i) require your customers to pay all services and other fees through the Computer System; or (ii) enter all other payments received from customers into the Computer System upon receipt. When you begin collecting revenue in your Franchised Business, the payment processor may process all credit card payments related to your Franchised Business, and remit payment to you of all monies owed, after withholding any Technology Fees, Royalty Fees, or Marketing Fees payable to us and any payment processing fees payable to such processor.

You must offer products and services in accordance with the System. You must offer at the Franchised Business any products or services that we deem to be mandatory. Any products, services, methods, or procedures that you or your employees develop must be consistent with the System Standards that we specify from time to time. If we disapprove of any product or service that you offer, you must immediately discontinue offering the product or service in accordance with our instructions.

**Items You Must Purchase from Us or our Affiliates**

Hearing Aids and Accessories. You must purchase all hearing aids and related accessories from us or our affiliate for general public/hearing aid dispensing services as we require.

Other than as disclosed above, we are not an Approved Supplier for any products or services you must purchase for your Center. We reserve the right to designate ourselves or our affiliates as Approved Suppliers for any products of services at any time.

**Items You Must Purchase from Designated or Approved Third Parties**

Practice Management System. You must use our required supplier for practice management. We may centrally manage your account, but you will be billed directly by the supplier. Currently, a full-time location shall pay $150 per month, while a part-time location shall pay $50 per month. The amount may increase at any time, only as much as our Approved Supplier requires.

NOAH License. You must purchase the license for NOAH to integrate with our designated Practice Management System. We will provide you with the specifications in the Manuals

Merchant Services. You must purchase a terminal from the merchant service provider we require. We have negotiated rates for our franchisees. We will provide you with the specifications in the Manuals.

POS System. You must purchase and subscribe to a point-of-sale (POS) system software and hardware from the Approved Supplier we designate. We will provide you with the specifications in the Manuals.

Audio Branding Software. You must purchase and subscribe to the audio branding system software from the Approved Supplier we designate. We will provide you with the specifications and suppliers in the Manuals.

Furniture and Fixtures. You must purchase the furniture and fixtures from the Approved Supplier we designate. We will provide you with the specifications and suppliers in the Manuals.

**Items That Must Meet Our Specifications**

Real Estate and Construction. We require you to comply with our then-current approved design, specifications, and standards in constructing and equipping your Center. If you have an existing retail location, you must modify the Center premises to comply with Hear Again America's then-current approved design, specifications, and standards. In either case, it is your responsibility to ensure your Center complies with the Americans with Disabilities Act and all other legal requirements.

Equipment. We will provide you with a list of the required equipment to open and begin operating a Center. At a minimum, the list will include the following equipment: an audiometer- can be stand alone or PC-based with all transducers needed to complete minimal required tests for hearing instrument evaluation/dispensing; REM verification system; video otoscope; handheld otoscope, infection control supplies; hearing aid lab tools and hearing aid maintenance/cleaning items.

Furniture and Fixtures. We will provide you with a list of the minimum required furniture and fixtures to open and begin operating a Center. The list will include traditional office and medical office furniture, such as chairs, desks, lights, and shelving units.

Computers. In addition to the required CRM and POS System software and hardware, you must purchase a dedicated VOIP system, a minimum of 2 computers, and a printer. While we do not require a specific computer brand, it must be able to run the required software. Each must meet our specifications, as we require, and as we will provide for you in the Manuals.

Signage. Any signage we require you to purchase must meet our specifications, which we will provide in the Manuals.

Insurance. You must purchase and maintain at your expense certain types and amounts of insurance as Hear Again America designates from time to time including:

- commercial general liability insurance (including products/completed operations) in the amounts of $1,000,000 per occurrence/$2,000,000 aggregate;
- property insurance (including, but not limited to, fire, vandalism, and malicious mischief insurance for the replacement value of each Center and its contents);
- professional liability insurance;
- business interruption insurance;
- statutory workers' compensation, employer's liability, and professional liability insurance in the amounts as required by your local, state, or federal government, or your professional licensing authority;
- automobile insurance coverage for all vehicles used in connection with the operation of your Center for $1,000,000; and
- glass coverage (recommended but not required), as well as such other types of insurance or coverage required by applicable law or rule of the state in which your Center or Centers are located and operated.

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 Hear Again America. All policies shall name Hear Again America and its 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.

**Approval Process**

If you would like to offer products or use any supplies, Operating Assets, or services that we have not approved or to purchase or lease from a supplier or service provider that we have not approved, you must submit a written request for approval and provide us with any information that we request. Upon receiving your written request, we will provide you with a list of specifications that must be met for approval of the supplier. We have the right to inspect the proposed supplier's facilities and test samples of the proposed products and to evaluate the proposed service provider and the proposed service offerings. Proposed suppliers may be required to come to our offices in order for us to make an evaluation. You agree to pay us an amount not to exceed the cost of the inspection and our actual cost of testing the proposed product or evaluating the proposed service or service provider, including personnel and travel costs, whether or not the item, service, supplier, or service provider is approved. We have the right to grant, deny, or revoke approval of products, services, suppliers, or service providers based solely on our judgment. We will notify you in writing of our decision as soon as practicable following our evaluation. If you do not receive our approval within 90 days after submitting all of the information that we request, our failure to respond will be deemed a disapproval of the request. The products and services that we approve for you to offer in your Franchised Business may differ from those that we permit or require to be offered in other Franchised Businesses.

We reserve the right to re-inspect the facilities and products of any approved supplier and to reevaluate the services provided by any service provider at and to revoke approval of the item, service, supplier, or service provider if any fail to meet any of our then-current criteria. If we revoke approval of a previously approved product that you have been selling to customers or service that you have been offering to customers, you must immediately discontinue offering the service and may continue to sell the product only from your existing inventory for up to 30 days following our disapproval. We have the right to shorten this period if, in our opinion, the continued sale of the product would prove detrimental to our reputation. After the 30-day period, or such shorter period that we may designate, you must dispose of your remaining formerly approved inventory as we direct.

**Issuance of Specifications and Standards**

To the extent that we establish specifications, require approval of suppliers or service providers, or designate specific suppliers or service providers for particular items or services, we will publish our requirements in the Manuals. We may, at any time, in our discretion, change, delete, or add to any of our specifications or quality standards. Such modifications, however, will generally be uniform for all franchisees. We will notify you of any changes to our Manuals, specifications, or standards in writing, which we may transmit to you electronically.

**Proportion of Purchases Subject to Specifications**

We estimate that the cost to purchase and lease all equipment, inventory and other items and services that we require you to obtain from us or our affiliates, from designated suppliers, or in accordance with our specifications ranges from 75% to 85% of the total cost to purchase and lease equipment, inventory, and other items necessary to establish a Franchised Business and 75% to 85% of the total cost to purchase and lease equipment, inventory, and other items to operate a Franchised Business.

**Revenue from Purchases**

We or our affiliates may receive revenues or profits or other material consideration from the purchases you make from us, our affiliates, or from other approved suppliers. We or our affiliates intend to earn revenue from your purchase of items that we may specify from time to time. We or our affiliates may retain any rebates or other payments we receive from suppliers.

As of the issuance date of this Disclosure Document, we have established a pricing arrangement with our hearing aid manufacturer to sell franchisees hearing aids at a discounted rate and provide us a rebate equal to $47.50 per hearing aid sold. We reserve the right to establish other arrangements in the future. During the 2025 fiscal year we earned $54,514, from required purchases leases by our franchisees. The amount we earned represented 16% of our total revenue. Our affiliates did not earn any revenue from required franchisee purchases or leases.

**Cooperatives and Purchase Arrangements**

We are not involved in any purchasing or distribution cooperatives. We may, but are not obligated to, negotiate purchase arrangements with suppliers for the benefit of franchisees. Currently we have a negotiated purchase arrangement with our approved supplier for hearing aids and merchant services. We reserve the right to enter additional purchase agreements or cooperatives.

**Material Benefits**

We do not provide any material benefits to franchisees (for example, renewal or granting additional franchises) based upon their purchase of particular products or services or use of particular suppliers.

## ITEM 9.
## FRANCHISEES OBLIGATIONS

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

| | Obligation | Section in Agreement | Item in Disclosure Document |
|---|---|---|---|
| a. | Site selection and acquisition/lease | Franchise Agreement (FA) Sections 1.2, 1.3, 5.1, 5.2, 5.3, and 5.4; Development Agreement (DA) Section 4 | Item 11 |
| b. | Pre-opening purchases/lease | FA Sections 5.1, 5.2, 5.3, 5.4, 7.2, 7.3, 7.7, 7.8 | Items 5, 7 and 8 |
| c. | Site development and other pre-opening requirements | FA Sections 1.3 and 5; DA Section 4 | Items 5, 7, and 11 |
| d. | Initial and ongoing training | FA Section 6 | Item 11 |
| e. | Opening | FA Section 5.2; DA Sections 3.1 and 4 | Item 11 |
| f. | Fees | FA Sections 4, 6.6, 9.1, 12.2, 12.5, 12.9, and 15.3.13 DA Section 2 | Items 5, 6 and 7 |
| g. | Compliance with standards and policies/Operations Manuals | FA Sections 3.3, 7.9, 10 | Items 11 and 16 |
| h. | Trademarks and proprietary information | FA Sections 8 and 9; DA Section 8 | Items 13 and 14 |
| i. | Restrictions on products/services offered | FA Sections 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, and 7.15 | Items 8, 11 and 16 |
| j. | Warranty and customer service requirements | FA Sections 3.2, 7.9, and 7.10 | Not Applicable |
| k. | Territorial development and sales quotas | FA Sections 5 and 7.14; DA Sections 3 and 4 | Item 12 |

| | Obligation | Section in Agreement | Item in Disclosure Document |
|---|---|---|---|
| l. | Ongoing product/service purchases | FA Sections 7.3, 7.4, 7.7, and 7.8 | Items 8 and 11 |
| m. | Maintenance, appearance, and remodeling requirements | FA Section 7.18, 7.19, and 12.B(4) | Item 11 |
| n. | Insurance | FA Section 14 | Items 6 and 8 |
| o. | Advertising | FA Sections 3.7 and 12 | Items 6, 7 and 11 |
| p. | Indemnification | FA Sections 19.4, 21.3, and 21.4;<br>DA Section 8 | Not Applicable |
| q. | Owner's participation/ management/staffing | FA Sections 3.5 and 6 | Items 11 and 15 |
| r. | Records/reports | FA Sections 7.13 and 13 | Not Applicable |
| s. | Inspections/audits | FA Sections 7.16 and 13.4 | Not Applicable |
| t. | Transfer | FA Section 15;<br>DA Section 7 | Items 6 and 17 |
| u. | Renewal | FA Section 2.2 | Items 6 and 17 |
| v. | Post-termination obligations | FA Sections 17 and 18.3;<br>DA Section 8 | Item 17 |
| w. | Non-competition covenants | FA Sections 18.2 and 18.3;<br>DA Section 8 | Item 17 |
| x. | Dispute resolution | FA Section 27;<br>DA Section 8 | Item 17 |
| y. | Other: Guarantee of franchisee obligations | FA Attachment B<br>DA Attachment B | Not applicable |

## ITEM 10.
## FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

## ITEM 11.
## FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

**Pre-opening Assistance**

Before you open your Center, we will:

1. Designate Areas. We will designate your Site Selection Area. (Franchise Agreement - Section 1.1).

2. Real Estate Site Selection and Lease Approval

a. Site Selection. We will review each site that you identify and determine whether to approve it using our site selection assistance criteria. We will conduct such on-site evaluation as we consider necessary and appropriate as part of our evaluation. We are not required to complete our review within a certain period of time. In addition to certain demographic characteristics, we also consider the following factors in approving a Franchised Business location: site visibility, zoning, parking, competition, neighboring tenants, accessibility, population density, and adjusted gross income. (Franchise Agreement – Section 4.2)

While we will provide assistance and guidance, it is solely your responsibility to select a suitable site for the Franchised Business.

We do not typically own the premises that you will lease. You must secure a site that we have approved by signing a site lease or purchase agreement within 90 days after the effective date of your Franchise Agreement (the "Site Acquisition Deadline"). We may extend this Site Acquisition Deadline by up to 90 days in our sole discretion, and we may require you to execute a general release as a condition of us agreeing to grant such extension. If we have approved a site for your Franchised Business and you are unable or unwilling to acquire such site or an alternative site that we approve by the Site Acquisition Deadline or you are unable to identify a site for your Franchised Business that we approve by the Site Acquisition Deadline, we may terminate the Franchise Agreement. (Franchise Agreement - Sections 4.1, 4.2, and 4.4)

b. Approval of Site Lease. Before you make a binding commitment to purchase, lease, or sublease a site, we must approve in writing the proposed lease or purchase agreement or any letter of intent between you and the third-party seller or lessor. If you lease the site, unless we waive the requirement in writing, you must arrange for the execution of the Lease Rider in the form that is attached as Appendix D to the Franchise Agreement. We may require you to engage an attorney to review your lease or purchase agreement for the Site that we have approved and to supply us with reasonable documentation in connection with such review, including a lease abstract and confirmation that the terms in the agreement reflect the terms in any letter of intent between you and the third-party seller or lessor. We will not provide you with any legal advice with respect to your lease or purchase of the site. Our review of the lease is for our benefit and is not intended to supplement or replace any review by a real estate attorney engaged on your behalf. You are strongly encouraged to engage competent legal counsel to assist in the review and negotiation of your site lease. (Franchise Agreement - Section 4.4).

3. Approval of Contractors. You must provide us with written notice identifying your general contractor, and you must ensure that the contractor is duly licensed in your jurisdiction and adequately insured. You may not begin construction until we have given you written approval of the plans and we or the Project Manager has approved in writing your choice of general contractor. We may require you to use only general contractors that we have pre-approved, provided that one is available in your Site Selection Area. (Franchise Agreement - Sections 4.5(c)).

2. Site Design. We will provide you with a set of standard plans and specifications (not construction drawings) for the exterior and interior design and layout, and the fixtures for your Center. (Franchise Agreement – Sections 6.1 and 6.3). You are responsible for developing, maintaining, renovating, or constructing, and equipping each Center in compliance with these plans and specifications, at your own expense (including all equipment, signs, fixtures, opening inventory, and supplies). We will review the drawings and specifications that you prepare for the Premises of your Center (Franchise Agreement – Section 5.4).

3. Initial Training. We will provide Initial Training in the System and our policies and procedures to your Required Trainees. See "Training", below in this Item (Franchise Agreement – Section 3.4).

4. Manuals. We will provide you electronic access to Hear Again America's confidential Manuals. You must keep the Manuals confidential. When your franchise agreements expire or terminates your access will be revoked and any printed copies must be destroyed. (Franchise Agreement – Section 3.3).

5. Advice. We will advise you as to local marketing and networking efforts. We will provide you with templates for services agreements for use in your Franchised Business, which you must adapt to comply with applicable laws and regulations. We must approve any modified forms of such agreements or waivers. (Franchise Agreement – Sections 5.2 and 6.11)

6. Opening Approval. We will approve your Franchised Business opening, provided that you have met all of our requirements for opening, including completion of Initial Training. You must open the Franchised Business no later than 365 days after the effective date of the Franchise Agreement. We may extend this deadline, in our sole discretion, which we may condition on you agreeing to pay an extension fee of $2,500 for each month (or portion of a month) for which the deadline is extended and you executing a general release. (Franchise Agreement – Section 4.6)

**Development Time**

The typical length of time between acceptance of a location and the opening of a Center is around nine (9) months. The period may be longer or shorter depending on the time of year, availability of financing, local construction delays, proper submission of a set of completed block plans, approval of exterior and interior designs, completion of initial training and/or other factors. You are required to open your Center within nine (9) months of executing your Franchise Agreement, but we may agree in writing to provide you with an additional three (3) months to open your Center if you (a) have already secured an approved premises for your Center, and (b) are otherwise making diligent and continuous efforts to buildout and otherwise prepare your Franchised Business for opening throughout the nine (9) month period following the execution of your Franchise Agreement. If you do not open your Center within the time period set forth in the Franchise Agreement, we will have the option to terminate your Franchise Agreement.

**Ongoing Assistance**

During the operation of your Center, we will:

1. Review Advertising. We will review any advertising or promotional programs or materials that you develop. (Franchise Agreement - Section 12)

2. Brand Fund Management. If we develop it, we will manage the Hear Again America Brand Fund as described below in this Item. We will prepare an unaudited statement of contributions and expenditures for the Marketing Fund and make it available within 60 days after the close of our fiscal year to franchisees who make a written request for a copy. (Franchise Agreement - Section 12)

3. Requested Consulting Services. We will provide to you additional consulting and educational support services with respect to the operation of the Franchised Business upon your reasonable request and subject to the availability of our personnel at a mutually convenient time. We will make available to you information about new developments, techniques, and improvements in the areas of advertising, management, operations, and Franchised Business design. We may provide such additional consulting services through the distribution of printed or filmed material, an Intranet or other electronic forum, meetings or seminars, teleconferences, webinars, or in person. If such services are rendered in person other than at our offices, you must pay us a fee and our expenses. (Franchise Agreement - Section 6)

4. Relocation Review. We will evaluate sites to which you propose to relocate your Franchised Business in accordance with our then-current System Standards for Site locations. (Franchise Agreement - Section 16)

5. Pricing. If we determine that we may lawfully require you to charge certain prices for goods or services, certain minimum prices for goods or services, or certain maximum prices for goods or services, you must adhere to our pricing policies as set forth in the Manuals or otherwise in writing from time to time. We currently require you to charge rates equal to or in excess of a minimum pricing schedule, which we will provide and may revise from time to time. Otherwise, you are solely responsible for determining the prices that you charge customers and must provide us with your current price list upon our request. (Franchise Agreement – Section 7)

**Operations Manual**

As of the date of this Disclosure Document, the Manuals are still under development and have not been completed. The current Table of Contents of the Manuals is attached as Exhibit D to this Disclosure Document. The Manuals currently consist of 246 pages. We may amend, modify, or supplement the Manuals at any time, so long as such amendments, modifications, or supplements will, in our good faith opinion, benefit us and our existing and future franchisees or will otherwise improve the System. You must comply with revised standards and procedures within 30 days after we transmit the updates.

**Marketing Program**

Our Marketing

We may from time to time formulate, develop, produce, and conduct, at our sole discretion, advertising or promotional programs in such form and media as we determine to be most effective. We may make available for you to purchase approved advertising and promotional materials, including signs, posters, collaterals, etc. that we have prepared.

We conduct advertising for the Hear Again America concept. We use direct mail, print, radio, Internet, or television, which may be local, regional, or national in scope. We may produce the marketing materials in-house or employ a local, regional, or national advertising agency. We are not obligated to conduct any advertising or marketing programs within your market.

Local Area Marketing

You must use your best efforts to promote the use of the Mark in your market area. You must spend at least 12% of Net Sales per month on local marketing activities (the "Marketing Spending Requirement"), although we recommend you spend in the range of 15% of Net Sales on local marketing activities. If we develop a Hear Again America Brand Fund, it would be in addition to your Marketing Spending Requirement. We have the right to designate in the Manuals the types of expenditures that will or will not count toward the Marketing Spending Requirement. At our request, you must submit appropriate documentation to verify compliance with the Marketing Spending Requirement, which we will reconcile each quarter. If you fail to spend (or prove that you spent) the Marketing Spending Requirement in any month, then we may, in addition to and without limiting our other rights and remedies, require you to pay us the shortfall as an additional Marketing Fee or to pay us the shortfall for us to spend on local marketing for your Franchised Business.

You must participate in such advertising, promotional, and community outreach programs that we may specify from time to time, at your own expense. Any media advertising or direct mail marketing that you conduct must be predominantly focused within your Territory, unless we and franchisees in neighboring territories agree otherwise. You must ensure that all of your advertising, marketing, promotional, customer relationship management, public relations and other brand related programs and materials that you or your agents or representatives develop or implement relating to the Franchised Business is completely clear, factual, and not misleading, complies with all applicable laws and regulations, and conforms to the highest ethical standards and the advertising and marketing policies that we periodically specify. Moreover, you must conduct all advertising in a dignified manner and in conformance with the standards and requirements we specify in the Manuals.

You must submit to us in writing for our prior approval all sales promotion materials and advertising that have not been prepared by or previously approved by us. If our written approval is not received within 14 days from the date we received the material, the material is deemed disapproved. We will have the final decision on all creative development of advertising and promotional messages. We reserve the right to require you to discontinue the use of any advertising or marketing materials.

Initial Marketing

In connection with the opening of the Franchised Business, you must spend with your various marketing suppliers between $20,000 - $28,000 total, for marketing supplies to implement a grand opening marketing plan. Beginning 3 months before the scheduled opening of the Franchised Business you will work with us to create a marketing plan which you will execute during the first 3 months of opening your Center for business. We have the right to modify your grand opening plan, in our sole discretion. You must provide us with supporting documentation evidencing these expenditures upon request.

Brand Fund

We have not established a Hear Again America Brand Fund, but we reserve the right to do so at any time. The fund will be a segregated or independent fund into which all Brand Fund Contributions will be paid (the "Brand Fund"). Currently, we do not collect a Brand Fund Contribution but if we establish a Brand Fund, we may collect a Brand Fund Contribution of up to 3% of your Net Sales for the Brand Fund. We may use monies in the Brand Fund and any earnings on the Brand Fund account for any costs associated with advertising (media and production), branding, marketing, public relations and/or promotional programs and materials, and any other activities we believe would benefit the Hear Again America brand or Franchised Businesses generally, including advertising campaigns in various media; creation, maintenance, and optimization of the System Website or other websites; keyword or ad-word purchasing programs; conducting and managing social media activities; direct mail advertising; market research, including, without limitation, secret shoppers and customer satisfaction surveys; branding studies; employing advertising and/or public relations agencies; purchasing promotional items; conducting and administering promotions, contests, giveaways, public relations events, and community involvement activities; and providing promotional and other marketing materials and services to our franchisees. We have the right to direct all marketing programs, with the final decision over creative concepts, materials, and media used in the programs and their placement. We do not guarantee that you will benefit from the Brand Fund in proportion to your contributions to the Brand Fund.

We will make any sales and other materials produced with Brand Fund monies available to you without charge or at a reasonable cost, and we will deposit the proceeds of such sales into the Brand Fund.

We will not use the Brand Fund for anything whose sole purpose is the marketing of franchises; however, the Hear Again America website, public relations activities, community involvement activities, and other activities supported by the Brand Fund may contain information about franchising opportunities.

We will not use any contributions to the Brand Fund to defray our general operating expenses, except for reasonable administrative costs and overhead we incur in activities reasonably related to the administration of the Brand Fund or the management of Brand Fund-supported programs (including the pro-rata amount of salaries of our personnel who devote time to Brand Fund activities and retainers and fees for outside agencies). We may use monies in the Brand Fund to pay for an independent audit of the Brand Fund, if we elect to have it audited.

In no event will we be deemed a fiduciary with respect to any Brand Fund Contributions we receive or administer. We are not required to have an independent audit of the Brand Fund completed. We will prepare an unaudited statement of contributions and expenditures for the Brand Fund and make it available within 60 days after the close of our fiscal year to franchisees who make a written request for a copy.

Affiliate-Owned Outlets will not contribute to the Brand Fund. In the 2025 fiscal year, we did not collect any Brand Fund Contributions.

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.

Advertising Councils

We currently do not have an advertising council composed of franchisees to advise us on our advertising policies. We may decide to implement an advertising council in the future, at which point we will set policies related to such council. If we form an advertising council, we may appoint members, allow franchisees to elect members, or have a mix of appointed and elected positions. The advertising council may consist of both franchisees and our representatives. Any advertising council will be advisory and will not have any decision-making authority. We will have the right to modify or dissolve any advertising council that we create.

**Computer System**

You must obtain, maintain, and use the Computer System that we specify periodically in the Manuals to (i) enter and track purchase orders and receipts, and customer information, (ii) update inventory, (iii) enter and manage your customer's contact information, (iv) generate sales reports and analysis relating to the Franchised Business, and (iv) provide other services relating to the operation of the Franchised Business.

Specifications for the brand, operating capabilities, and functionality of these hardware components will be set forth in the Manuals and is subject to change. At a minimum, the components of the Computer System must be connected to the Internet via a high-speed Internet connection and must be able to run our designated software programs and general business software such as email, word processing, and similar programs.

The Computer System will use third-party software from Sycle.net ($100 or $50 per month), NOAH ($1,200 per location), and other vendors for CRM and POS functions, and email marketing. For any third-party software that we require you to use, you must be responsible for the fees associated with any software license agreements or any related software maintenance agreements the licensor of the software requires.

You must obtain and use in the Business a computer system containing the hardware and software we specify (the "Computer System"). The Computer System currently includes a VOIP system, a minimum of two (2) Windows-based computers (one for testing and one for back-office work), a printer, a phone, the internet, one credit card processor, and the required CRM and POS and related hardware and software from our designated vendors and we estimate it will have an initial cost between $2,000 and $3,500.

You must maintain the Computer System at your expense and must purchase any hardware or software maintenance or technical support programs that we require. You must replace, upgrade, or update the Computer System as we may require from time to time. We will establish reasonable deadlines for implementation of any changes to our Computer System requirements, but there are no contractual limitations on our right to require changes to the Computer System.

We currently do not require you to enter into, or expect that you will need to enter into, any maintenance, updating, upgrading, or support contracts related to the Computer System. We, our affiliates, and third-party vendors are not obligated to provide you with any ongoing maintenance, repairs, upgrades, or updates. Vendors may be able to offer optional maintenance, updating, upgrading, or support contracts to you, which we estimate may cost between $100 to $500 per year.

You, at all times, must give us unrestricted and independent electronic access (including users IDs and passwords, if necessary) to the Computer System for the purposes of obtaining the information relating to the Franchised Business. You must permit us to download and transfer data via a high-speed Internet connection or such other connection that we specify on a real-time basis. There are no contractual limitations on our right to access data stored in the Computer System. We may be limited in access by HIPAA provisions.

You must dedicate your computer system for use as the Computer System only and use the Computer System in accordance with our policies and operational procedures. Your employees must complete any and all training programs we reasonably require for the proper operation and use of the Computer System. You may not use any other cash registers or computer systems in your Franchised Business.

**Training**

We will arrange for your initial franchise-training program ("Initial Training"), which must be completed at least 30 days prior to commencing operations of your first Hear Again America Center. This program is subject to change at any time. Initial Training usually occurs over a one-week session conducted by Hear Again America executive staff and designated trainers we appoint, who will have at least 6 months' experience in their industry. We are currently conducting all or part of the initial training program in a combination of online and in person formats, at a location designated by us, which may include our headquarters in Boca Raton, Florida, one of our 31 Affiliate-Owned Outlets, or your Center. We utilize learning management tools, reading materials, and our Manual as the primary training materials and guides. We will conduct Initial Training at least six times per year but may conduct training sessions more frequently in our discretion. We reserve the right to modify the length, location, and timing of Initial Training. We may waive a portion of Initial Training or alter the training schedule if we determine that your trainees have sufficient prior experience or training. Initial Training will be provided as soon as practicable after you sign your franchise agreement. Our training program is run by our President, Rob Morrison, and CEO, Asaf Peled, each of whom has developed the system and has a minimum of 7 years' experience with the topics they will teach. Any other trainers we appoint will have a minimum of 6 months of experience in our system or their subject matter.

We will provide instructors, facilities, and materials for Initial Training for up to three of your representatives provided that all of your trainees are trained during the same training session. If space is available, you may bring more than three representatives to Initial Training. We reserve the right to charge a training fee of $500, which we may increase upon 60 days' written notice to you, for (i) each person in excess of three trainees, (ii) each person who is repeating the course or replacing a person who did not pass, and (iii) each subsequent Operating Principal, Key Manager, or employee who attend the course. You are responsible for any travel and living expenses, wages, and other expenses incurred by your trainees during Initial Training or any other training programs. If you elect to have initial training conducted at your Center, you will be responsible for any travel, living, and other expenses incurred by our trainers during Initial Training.

Depending on the state in which you are located, you may be required to have a licensed employee before opening your store. If you are in one of these states and do not have a licensed employee, we will require you or a designated employee to participate in a fee-based educational service and training for non-licensed employees. Most states have specific time, education, and clinical hour requirements for licensing. To train these employees, we follow the guidelines established by the state/governing body in which they intend to practice.

The below chart is a sample of the types of categories and hours provided in connection with the Initial Training program:

**TRAINING PROGRAM**

| Subject | Hours of Classroom Training | Hours of "On-the-Job" Training | Location |
|---|---|---|---|
| Orientation, Franchise Administration & Operations | 3 | 0 | Our headquarters or another location we designate, and/or your office |
| Human Resources | 3 | 0 | Our headquarters or another location we designate, |

| Subject | Hours of Classroom Training | Hours of "On-the-Job" Training | Location |
|---|---|---|---|
| | | | and/or your office |
| Store Planning | 2 | 0 | Our headquarters or another location we designate, and/or your office |
| Customer Care | 2 | 0 | Our headquarters or another location we designate, and/or your office |
| Manufacturing & Production | 1 | 0 | Our headquarters or another location we designate, and/or your office |
| Managed Care | 2 | 0 | Our headquarters or another location we designate, and/or your office |
| Information Management | 4 | 0 | Our headquarters or another location we designate, and/or your office |
| Business Planning | 2 | 0 | Our headquarters or another location we designate, and/or your office |
| Business Analysis and Financial Management | 4 | 0 | Our headquarters or another location we designate, and/or your office |
| Marketing | 8 | 0 | Our headquarters or another location we designate, and/or your office |
| Sales Strategies | 4 | 0 | Our headquarters or another location we designate, and/or your office |
| **Total Hours** | **35** | **0** | |

Additional Training - Mandatory

We may periodically conduct mandatory training programs for your management personnel and/or your employees at our office or another location that we designate. There will be no charge for training programs that we require you or your employees to attend but you will be responsible for your trainees' travel and living expenses. We may provide additional training in person or via recorded media, teleconference, videoconference, the Internet, webinar, or any other means, as we determine. We may require your management personnel or employees to satisfactorily complete any additional training programs that we specify. We may require your management personnel to participate in refresher or advanced training each year.

Additional Training – Optional

If, in our sole judgment, you fail to maintain the quality and service standards set forth in the Manuals, we may, in addition to all of our other rights and remedies, assign trainers to the Center to retrain Center employees and restore service levels and/or require you or your employees to repeat Initial Training or attend additional training programs at a location that we designate. We may charge a reasonable fee for each trainer assigned to your Franchised Business and any remedial training, including our reasonable travel, and living expenses related to providing remedial training.

If your Key Manager ceases to be employed by you at the Center and you are unable to immediately appoint and train a new manager, we may, in our sole discretion and for a reasonable fee, provide a Key Manager to work at your Center temporarily until a new Key Manager is appointed and trained.

Training by You

You and/or your Operating Principal and your Key Managers are responsible for training all of your other employees (and subsequent Key Managers) in accordance with our standards and training programs. If, in our sole judgment, you fail to properly train your employees in accordance with our standards, we may prohibit you from training additional employees and either require them to attend training at our headquarters or pay for our costs and expenses to send one of our representatives to train them at your Center.

Delegation

We may delegate the performance of any or all of our obligations under the Franchise Agreement to an Area Representative, affiliate, agent, independent contractor, or other third party. As described in Item 1, if we appoint an Area Representative in the area that includes your Franchised Business, the Area Representative will provide training, support, marketing, and other services to you on our behalf and will have the authority to exercise many of our rights and perform many of our obligations under the Franchise Agreement.

## ITEM 12.
## TERRITORY

**Franchise Program**

Site

Your franchise is for the specific Site that we approve. You must select a site that we have accepted within the non-exclusive Site Selection Area that we specify. The site will be added to the Franchise Agreement once we accept it and you secure it, usually within 30 days after signing the Franchise Agreement. Your Site Selection Area is not exclusive and is only intended to give you a general indication of the area within which you may locate the Site for the Center.

Relocation

If you would like to relocate your Center, you must receive our written consent. Our approval will not be unreasonably withheld, provided (i) the new location for the Center is satisfactory to us and within your Site Selection Area, (ii) your lease, if any, for the new location complies with our then-current requirements, (iii) you comply with our then-current requirements for constructing and furnishing the new location, (iv) the new location will not, as determined in our sole discretion, materially and adversely affect the Gross Sales of any other Center, (v) you have fully performed and complied with each provision of the Franchise Agreement within the last three years prior to, and as of, the date we consent to such relocation (the "Relocation Request Date"), (vi) you are not in default, and no event exists which with the giving of notice and/or passage of time would constitute a default, exists as of the Relocation Request Date, and (vii) you have met all of our then-current training requirements. If you lose your lease, you must secure our approval of another site and enter into a lease for the new approved site within 90 days after you lose your site lease. You must pay us a relocation fee as specified in Item 6.

Territory

Once you have secured the Site, we will provide you an area in which you will have protected rights (the "Territory"). Your Territory will typically be a three-mile radius around your Center unless your Center is located in a major metropolitan downtown area or similarly situated/populated central business district (a

"Central Business District"). If your Center is located in a Central Business District, your Territory may be limited to a geographic area comprised of anywhere from a radius of two blocks to three miles around your Center, as we deem appropriate in our discretion. The size of your Territory may vary from the territory granted to other franchisees based on the location and demographics surrounding your Center.

The boundaries of your Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map. The sources we use to determine the population within your Territory will be publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources).

Because we retain certain "reserved rights" (described below) within your Territory, the Territory is a protected territory, not an exclusive territory. During the term of your Franchise Agreement, we will neither operate, nor award to another person a franchise to operate, another Franchised Business in your Territory, nor will we service, or authorize others to service, customers in your Territory, provided you are not in default under the Franchise Agreement.

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

Satellite Office

We may allow you to open additional satellite offices to service customers in your Territory. If you choose to develop a satellite office, you must pay us a $10,000 Satellite Office Fee. Your satellite office will be treated on the same terms as your primary Center under the Franchise Agreement.

Reserved Rights

Although we currently have no plans to do so, we and our affiliates have the right to (a) establish or license franchises and/or company-owned Centers, or other businesses offering similar or identical products, services, and programs and using the System or elements of the System (i) under the Marks anywhere outside of the Territory or (ii) under names, symbols, or marks other than the Marks anywhere, including inside and outside of the Territory; (b) sell or offer, or license others to sell or offer, any products, services, or classes 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 Territory; (c) advertise, or authorize others to advertise, using the Marks anywhere, including inside and outside of the Territory; and (d) acquire, be acquired by, or merge with other companies with existing facilities or businesses anywhere (including inside or outside of the Territory) and, even if such businesses are located in the Territory: (x) convert the other businesses to the Hear Again America name, (y) permit the other businesses to continue to operate under another name, and/or (z) permit the businesses to operate under another name and convert existing Franchised Businesses to such other name.

We will not compensate you for any of our activities in your Territory, even if they have an impact on your Franchised Business.

Restriction on Rights

You do not have the right to open additional Franchised Businesses, nor do you have any rights of first refusal or options on any other location. You do not have the right to use the Marks or the System at any location other than the Territory or in any wholesale, e-commerce, or other channel of distribution besides the retail operation of the Franchised Business within the Territory without our prior written consent. Any media advertising or direct mail marketing that you conduct must be predominantly focused within your Territory unless we agree otherwise.

We reserve the right to establish 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, including policies related to the allocation of monies when a gift certificate is purchased at one Franchised Business and redeemed at another Franchised Business. We do not have these policies or procedures in place, however, as of the date of this Disclosure Document.

**Development Program**

Development Area

If you enter into a Development Agreement, you will have the right to develop a mutually agreed upon number of Centers in the Development Area in accordance with the Development Schedule. The total number of Centers to be opened in your Development Area, as well as the size of the Development Area, will be dependent upon a number of factors such as (i) the number of Centers we grant you the right to open and operate, which will be a minimum of two (2); and (ii) the location and demographics of the general area where we mutually agree you will be opening these locations. The boundaries of your Development Area may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to the Development Agreement.

You must execute our then-current Franchise Agreement for each Center that you develop under a Development Agreement. You must select a site, and obtain our acceptance of such site, as described above in this Item, at which point we will designate a Territory for the Center. We will use our then-current standards for accepting sites and designating Territories.

The Development Area is an exclusive territory. This means that while the Development Agreement is in effect, provided that you open and operate the Centers in accordance with the Development Schedule and the minimum number of Centers that you have open and operating in the Development Area at any given time is not less than the minimum required under the Development Schedule, we will not operate, or license any person other than you to operate, a Center under the Marks and the System within the Development Area.

You must comply with your development obligations under the Development Agreement, including your Development Schedule, in order to maintain your exclusive right to develop Centers within the Development Area. If you do not comply with your Development Schedule, we may terminate your Development Agreement and any further development rights you have under that agreement. Otherwise, we will not modify the size of your Development Area except by mutual written agreement signed by both parties.

If a Center is destroyed or damaged by any cause beyond your control such that it may no longer continue to be open for the operation of business ("Destruction Event"), you must diligently work to repair and restore the Center to our approved plans and specifications as soon as possible at the same location or at a substitute site accepted by us within the Development Area. Under such circumstances, the Center will continue to be deemed a "Center-in-operation" for the purpose of the development agreement for up to 180 days after the occurrence. If a Center (i) is closed in a manner other than those described in the Development Agreement or as otherwise agreed by us in writing or (ii) fails to reopen within 180 days after a Destruction Event, then we may terminate the Development Agreement and all of your exclusive territorial rights, if any, will be eliminated.

The Development Agreement and your exclusive right to develop Centers in the Development Area will expire on the last development deadline in the Development Schedule unless the Development Agreement is terminated sooner. Upon the expiration or termination of the Development Agreement, your right to develop Centers within the Development Area will be terminated. However, Centers that you have opened will continue to operate under the terms of the applicable Franchise Agreements.

Reserved Rights

Among other things, we reserve the right to: (a) establish or license franchises and/or company-owned Centers or other businesses offering similar or identical products, services, classes, and programs 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, services, or classes 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 hearing aid facilities or 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 Centers to such other name; and (e) engage in any other activity, action or undertaking that we are not expressly prohibited from taking under the Development Agreement. We will not compensate you for any actions we take in your Development Area.

**Additional Disclosures**

We have not established other franchises or company-owned outlets or another distribution channel offering or selling similar products or services under a different trademark. Neither we nor our affiliates have established, or presently intend to establish, other franchised or company-owned businesses that offer hearing aid Centers or similar products or services under a different trade name or trademark, but we reserve the right to do so in the future without your consent.

**National, Regional, and Key Accounts**

We may from time to time enter into agreements to provide services to customers as part of a national, regional, or key account program at locations within the Territory. You must accept and perform the terms of such agreements (including, without limitation, special pricing, payment terms, timing of services, and central invoicing) with respect of locations within the Territory. If you refuse to perform the required services or we determine that your Business is not qualified, interested, able or available to perform the services, you are required to allow either our employee(s) or another franchisee to enter the Territory to perform the required services. In the case of an agreement under which the customer will pay a fixed amount for services at all locations listed in the agreement, we may allocate the fixed amount among the businesses performing the services.

**Minimum Performance Requirements**

By signing the franchise agreement, you agree to make annual minimum wholesale unit purchases of hearing aids from us or our suppliers, for each Center (the "Minimum Performance Requirement") at the levels specified in the Manual for full-time and part-time Centers. 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 will be notified, and we will review the Center's performance and make recommendations that you take certain actions and meet certain quarterly unit sales improvements targets as determined by us (the "Performance Improvement Plan"). You can request an individual reduction in the Minimum Performance Requirement target applicable to one or more of your Centers based on local factors by following the appeals process set forth in the Manual, and we have the discretion to grant those reductions. However, if you fail to achieve the Minimum Performance Requirement, and subsequently failure to comply with an applicable Performance Improvement Plan for two consecutive quarters, we have the right to terminate your Franchise Agreement(s) for the underperforming Center(s) and modify and reduce the Territory. There are no other circumstances in which we would unilaterally modify your Territory.

## ITEM 13.
## TRADEMARKS

Pursuant to the Franchise Agreement, you are granted a license to operate a Center using the marks, Hear Again America (logo) and other marks in connection with the business (the "Marks"). The Marks listed below are the subjects of U.S. Patent and Trademark Office registration applications shown below.

In addition to the Marks in the chart below, franchisees may also use other marks, registered or unregistered, that we own or have the right to use through a license agreement between Hear Again, LLC, and Hear Again Franchising, LLC (the "License Agreement") and that we designate as part of the Marks. The License Agreement does not contain any significant limitations on our right to use or license the Marks to you and is perpetual in duration and may be terminated unilaterally by either party only upon a material breach of the License Agreement.

Hear Again, LLC has registered the following trademarks with the Principal Register of the USPTO and has not been required to but intends to file all required affidavits with respect to each of the Marks:

| Trademark | U.S. Registration Number | Registration Date |
|---|---|---|
| HearAgainAmerica | 7175876 | September 26, 2023 |

Hear Again, LLC has applied for the following trademarks with the Principal Register of the USPTO and has filed all required affidavits with respect to each of the Marks:

| Trademark | U.S. Application Serial Number | Application Filing Date |
|---|---|---|
| | 99320722 | August 05, 2025 |

At this time, we do not have a registration for the above trademarks. Therefore, these trademarks does not have many of the legal benefits and rights as a federally registered trademark. If your right to use these trademarks is challenged, you may have to change to an alternative trademark which will increase your expenses.

We also claim common law rights to our designs, logos, and trade dress items, including color schemes and appearance, as well as copyright where applicable, but there have not been judicial determinations of the existence, validity, or extent of our rights. We claim and intend to rely on common law and/or statutory trade secret and unfair competition protection for the proprietary materials and information you are awarded a license to use under the Franchise Agreement.

There are presently no final effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any trademark administrator of any state or any court proceedings which limit or restrict our right to use the above-described Marks or are relevant to your use of the Marks for your Hear Again America business.

We have the right to control any administrative proceeding or litigation involving a trademark licensed by

or to you. If you learn of any claim, suit, or demand against you by a third party for any alleged infringement, unfair competition, or similar matter due to your use of the Marks, in accordance with the terms of the Franchise Agreement, you must promptly notify us of the claim, suit, or demand. We will then take whatever action we, in our sole discretion, consider necessary or appropriate. We intend to take reasonable steps to preserve and protect our ownership of the Marks and their validity. We are not obligated to protect any rights awarded to you to use the Marks or protect you against claims of infringement or unfair competition regarding the Marks. You may not settle or compromise any claim by a third party without our prior written consent. We may defend, compromise, or settle any claim at our cost, using attorneys that we choose, and you must cooperate fully with us in defending the claim. If you learn of any infringing use, you must promptly notify us. We will decide in our discretion whether or not to prosecute any purported infringement of the Marks and our decisions will be final.

We are the lawful and sole owner of the domain name(s) www.hearagainamerica.com. You cannot register any of the Marks owned by us or any abbreviation, acronym, or variation of the Marks, or any other name that could be deemed confusingly similar, as internet domain names. We retain the sole right to advertise the System on the internet and to create, operate, maintain, and modify, or discontinue using, a website using the Marks. You may access our website. Except as we may authorize in writing in advance, however, you cannot: (i) link or frame our website; (ii) conduct any business or offer to sell or advertise any products or services on the worldwide web; or (iii) create or register any internet domain name in connection with your franchise.

You may use only the Marks which we designate, and you may use them only in the manner we authorize and permit. Any goodwill associated with Marks, including any goodwill which might be deemed to have arisen through your activities, inures directly and exclusively to our benefit. You may use the Marks only for the operation of the business and only in your Territory, on the Franchised Business, or in advertising for the business. You will use all Marks without prefix or suffix and in conjunction with the symbols "SM," "TM," "S" or "®," as applicable, to the extent they have been validly registered in the USPTO. You may not use the Marks in connection with the offer or sale of any services or products which we have not authorized for use in connection with the franchise System. You may not use the Marks as part of your corporate or other legal name. We must approve your corporate name and all fictitious names under which you propose to do business in writing before use. You must use your corporate or limited liability company name either alone or followed by the initials "D/B/A" and the business name "Hear Again America." You must promptly register at the office of the county in which your Franchised Business is located, or such other public office as provided for by the laws of the state in which your business is located, as doing business under such assumed business name.

All of your advertising must prominently display the Marks and must comply with our standards for using the Marks. All such advertising is subject to our prior written approval, which we will not unreasonably withhold. We reserve the right to approve all signs, stationery, business cards, forms, and other materials and supplies bearing the Marks. You may use the Marks including, without limitation, trade dress, color combinations, designs, symbols, and slogans, only in the manner and to the extent specifically permitted by the Franchise Agreement or by our prior written consent. You must submit to us, and we must approve, all advertising, publicity, signs, decorations, furnishings, equipment, or other materials employing the Marks, or related marks, before first publication or use. You must identify yourself as the owner of the Franchised Business (in the manner we prescribe) in conjunction with any use of the Marks including, without limitation, on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations as we may designate in writing on your business location.

If it becomes advisable at any time in our sole discretion for us or you to modify or discontinue use of the Marks or use one or more additional or substitute trade or service marks, you must comply with our directions to modify or discontinue the use of the Marks within the time frame specified by us. We may add to, delete, or modify our Marks. You must accept, use, or cease using, as may be applicable, the Marks, including modified or additional Marks in accordance with our prescribed procedures, policies, rules, and regulations whether contained in the Manuals, in the Franchise Agreement, or otherwise. You will not be compensated as a result of any discontinuation or modification of the Marks.

## ITEM 14.
## PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We own no rights in, or licenses to, any patents or patent applications.

Except as provided below, we own no rights in, or licenses to, any copyrights. We have not registered any copyrights with the United States Copyright Office. However, we claim copyrights with respect to our advertising materials and Manual, as well as other materials we may periodically develop. There are no determinations of the Copyright Office or any court regarding any of our copyrights. There are no agreements limiting the use of any copyrights by us.

Any copyrights used by you in the Franchised Business belong solely to us or our affiliates. You agree to notify us in writing of any suspected infringement of our or our affiliates' copyrights. We and our affiliates have exclusive rights to bring an action for infringement and retain any amounts recovered with respect to such action, and to control any infringement proceeding whether brought by or against us or you. We have no obligation to defend or otherwise protect you against any claims involving any copyright, including without limitation any copyright infringement claim, or to indemnify you for any losses you may incur as a result of our copyrights infringing the rights of any other copyright owner. If so requested by us, you will discontinue the use of the subject matter covered by any copyright used in connection with the Franchised Business.

During the term of your Franchise Agreement, we or our affiliates may disclose in confidence to you, either orally or in writing, certain trade secrets, know-how, and other confidential information relating to the System, our business, our vendor relationships, our classes, or the construction, management, operation, or promotion of the Franchised Business (collectively, "Proprietary Information"). You may not, nor may you permit any person or Entity to, use, or disclose any Proprietary Information (including any portion of the Operations Manual) to any other person, except to the extent necessary for your employees to perform their functions in the operation of your Franchised Business. You must take reasonable precautions necessary to protect Proprietary Information from unauthorized use or disclosure, including conducting orientation and training programs for your employees to inform them of your obligation to protect Proprietary Information and their related responsibilities and obligations. If we or our affiliates so request, you must obtain from your officers, directors, Owners, Key Managers, and employees confidentiality agreements in a form satisfactory to us or our affiliates. You will be responsible for any unauthorized disclosure of Proprietary Information by any person to whom you have disclosed Proprietary Information.

## ITEM 15.
## OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

At all times that your Franchised Business is open for business, it must be under the personal supervision of either you, your Operating Principal, your Key Manager, or a trained attendant. Your Key Manager or another trained manager must be available at all times the Franchised Business is open for business. You or your Operating Principal and your Key Manager must successfully complete our training program and any other training programs that we may require. You may not permit your Franchised Business to be operated, managed, directed, or controlled by any other person without our prior written consent.

Your Operating Principal must have at least a 10% ownership interest in your Entity and must have authority over all business decisions related to your Franchised Business and must have the power to bind you in all dealings with us. In addition, you must appoint a Key Manager to manage the day-to-day business of your Franchised Business, who may also be the Operating Principal. The Key Manager is not required to have an ownership interest in your Entity. You must provide us with written notice of your Operating Principal and Key Manager at least 60 days prior to opening and may not change your Operating Principal and Key Manager without our prior approval.

We may also require you to obtain from your officers, directors, Key Managers, instructors, your Owner's spouses, and other individuals that we may designate executed agreements containing nondisclosure and noncompete covenants in a form acceptable to us, which specifically identify us as having the independent right to enforce them.

Each Owner and their spouse, including the Operating Principal, must sign the Payment and Performance Guarantee (the "Guarantee") attached to the Franchise Agreement, assuming and agreeing to discharge all obligations of the franchisee under the Franchise Agreement and agreeing to comply with the confidentiality, indemnification, covenant not to compete, and assignment provisions of the Franchise Agreement. If you are a party to a Development Agreement, each individual with a direct or indirect ownership interest in your Entity must sign the Guarantee attached to the Development Agreement.

## ITEM 16.
## RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer for sale in the Franchised Business only the products and services that we have approved in writing. In addition, you must offer the specific products and services that we require in the Manuals or otherwise in writing. We may designate specific products or services as optional or mandatory. You must offer all products or services that we designate as mandatory. You may sell products only in the varieties, forms, and packages that we have approved. You must maintain a sufficient supply of required products to meet the reasonably anticipated customer demand if we have not prescribed specific standards.

We may, without limitation, change the types, amounts, or specifications of the goods or services that you may offer. We may, without limitation and in our sole discretion, revoke approval of a previously approved product or service that you have been selling, in which case, you must immediately discontinue offering the service and may continue to sell the product only from your existing inventory for up to 30 days following our disapproval. We have the right to shorten this period if, in our opinion, the continued sale of the product would prove detrimental to our reputation. After the 30-day period, or such shorter period that we may designate, you must dispose of your remaining formerly approved inventory as we direct.

We impose no restriction on the retail customers that you may serve at your Franchised Business, but you may not make any sales of products or services outside of the Franchised Business or use vendor relationships that you establish through your association with us or the Hear Again America brand for any other purpose besides the operation of the Franchised Business, unless we consent in writing. You agree to purchase products solely for resale to retail customers, and not for resale or redistribution to any other party, including other System franchisees.

Subject to our rights under Section 7.15 of the Franchise Agreement, 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.

You must ensure that all services you provide are accounted for through the Computer System, make payments through the Computer System, and sign contracts for services on a form that we prescribe or approve.

You may not offer products or services in connection with the Marks on any website on the Internet or any other electronic communication network unless we consent in writing. Any media advertising or direct mail marketing that you conduct must be predominantly focused within your Territory unless we agree otherwise.

## 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 written 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 with cause | Sections 16.2, 16.3, 16.4, 16.5, 16.6, and 16.7 | We can terminate if you (or your affiliate) defaults 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. |
| g. | "Cause" defined – curable defaults | Sections 16.4, 16.5, 16.6, and 16.7 | You have 10 days to cure any defaults resulting from: (a) your sale of unapproved products other than hearing aids; (b) your failure to pay any amounts owed to us; or (c) your violation of any federal, state, local, or municipal law pertaining to the operation of any Center. You have 30 days to cure any further defaults not listed in h. below, and 90 days to cure an MPR default.<br><br>If we terminate your Development Agreement, we may terminate your Franchise Agreement if it is independently a cause for termination under the Franchise Agreement. |

| | Provision | Section in Franchise Agreement | Summary |
|---|---|---|---|
| h. | "Cause" defined – non-curable defaults | Sections 16.2 and 16.3 | We can terminate for the following non-curable defaults:<br>(a) if you become insolvent or make a general assignment for the benefit of creditors; (b) if a petition of bankruptcy is filed by or against you; (c) if you are adjudicated as bankrupt or insolvent; (d) you are dissolved; (e) if a suit to foreclose any lien or mortgage against any Center or assets of the Center is instituted against you and not dismissed within 30 days; (f) if you fail to locate an approved site or to construct and open the first Center within the time lists in the Franchise Agreement; (g) if you abandon or cease to do business at any Center without our prior written consent for 10 consecutive days; (h) if you are convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably likely to adversely affect the System; (i) if a threat or danger to public health or safety results from the maintenance or operation of any Center and is not cured within 30 days; (j) if you purport to transfer any rights or obligations under the Franchise Agreement without our prior written consent; (k) if you misuse or make any material, unauthorized use of the Proprietary Marks; (l) if you knowingly make any material misstatement in connection with reports required under the Franchise Agreement; (m) if you refuse to permit us to inspect any Center during regular business hours; (n) if you fail to comply with the covenants in the Franchise Agreement; (o) if you divulge the contents of the Operations Manual or other confidential information; (p) if you underreport Gross Sales by 5% or more in three or more separate reports; (q) if you or your affiliates are in default under any other agreement with us that is incurable, or remains uncured for the periods provided in such agreement or for 10 days after written notice from us; (r) if you are in default under any other franchise agreement and such default is one of the specified defaults listed in the Franchise Agreement; (s) if you are in default under the Franchise Agreement three times within any 15 month period; (t) if you engage in conduct which is deleterious to or reflects unfavorably upon you or the System; (u) if you sell demonstration hearing aids in violation of the Franchise Agreement; (v) if you sell used hearing aids in violation of the Franchise Agreement; (w) if you sell unbranded or unapproved hearing aids; or (x) if you commit a default that is not curable by its nature. If we terminate your Development Agreement, we may terminate your Franchise Agreement if it is independently a cause for termination under the Franchise Agreement. |

| | Provision | Section in Franchise Agreement | Summary |
|---|---|---|---|
| i. | Your Obligations on termination/non-renewal | Sections 17.2 and 18.3 | Under Franchise Agreement: You must stop operating your business as a Hear Again America Center; cease holding yourself out as a Hear Again America franchisee; cease use of all Proprietary Information; redecorate your business premises and remove franchise signs – subject to our right to assume premises; pay all amounts due to us; return Manuals, a copy of all customer files (at your expense) and other materials to Hear Again America; resell Hear Again America Products to us if requested; resell other Trademark materials to us if requested; and assign telephone number of your business to us. You must comply with non-competition covenants. |
| j. | Assignment of contract by us | Section 15.1 | No restrictions on our right to assign. Assignee must fulfill our Franchise Agreement obligations. |
| k. | "Transfer" by you – defined | Section 15.2 | Any transfer of an ownership interest in a corporate, limited liability company or partnership franchisee, the Franchised Business, any portion of a Territory or the Franchise Agreement, including any transfer to a corporation or other entity which you own. |
| l. | Our approval of transfer by franchisee | Section 15.3 | We reserve the right to approve all transfers but will not unreasonably withhold approval. |
| m. | Conditions for our approval of transfer | Sections 15.3 | Transfer to a corporation or entity you own: entity is newly organized to operate the Franchised Business, you are principal executive officer of the entity and retain same ownership or member certificate, and organizational documents furnished to Hear Again America interest, place legend on stock. Other transfers (subject to right of first refusal): you must pay all amounts owed to us you must not be in default of any provision of the Franchise Agreement, the consideration or payment of terms offered by a proposed transferee must not be excessive or unreasonable based on the net sales of the Franchised Business, new franchisee assumes your obligations under Franchise Agreement, new franchisee must meet our then-current qualifications, new franchisee executes then-current franchise agreement, new franchisee must execute an indemnification agreement, you must pay transfer fee, you must sign a general release (excluding any matter then the subject of active litigation) and you must execute a non-compete agreement (also see r. below). |

| | Provision | Section in Franchise Agreement | Summary |
|---|---|---|---|
| n. | Our right of first refusal to acquire your business | Section 15.5 | If during the term of the Franchise Agreement, a bona fide offer to sell, transfer, purchase or acquire the assets of, or ownership interests in, the Franchised Business is made by or to any third party other than an immediate family member and, in the case of such offer made by such third party, you desire to accept such offer, you must give us a copy of the offer along with all documents expected to be signed by you and the offeror; we can match any such bona fide offer. |
| o. | Our option to purchase your business | Sections 17.2.11. 17.2.12, 17.2.13, and 17.2.14 | We may repurchase Hear Again America Products and certain other Center assets when the Franchise Agreement terminates or as described in n. above. |
| p. | Your death or disability | Section 15.6 | Your representative must, within 6 months, transfer your interest in the business to a third party that we approve. Subject to applicable state law. |
| q. | Non-competition covenants during the term of the franchise | Section 18.2 | No direct or indirect involvement in business which sells or dispenses hearing aids other than Hear Again America Products, and no solicitation or attempted solicitation of any prospective business of a Hear Again America Center or employees of a Hear Again America Center. The non-competition provisions are subject to applicable state law. |
| r. | Non-competition covenants after the franchise is terminated or expires | Sections 18.2 and 18.3 | If you transfer your Franchised Business, you cannot have or assist a competing business in the Territory, or within 25 miles of the Territory or HAA Center in operation for a period of 2 years. Similar restrictions apply for the if you are terminated for cause prior to the expiration of that term. Certain legacy franchisees that have signed the Non-Compete Amendment will not have to comply with non-compete obligations if they choose not to renew. The non-competition provisions are subject to state law. |
| s. | Modification of the agreement | Sections 8.3.7, 10.4, 16.6, 16.7, 22, and 26 | No modifications generally, but the Manuals, Trademarks and Hear Again America Products are subject to change; we may unilaterally reduce the size of your Territory if you fail meet relocation or development obligations, or to satisfy your Minimum Performance Requirement. |
| t. | Integration/ merger clause | Section 25 | Only the terms of the Franchise Agreement are binding (subject to FTC rule or applicable state law). Any other promises may not be enforceable, provided that nothing in the Franchise Agreement or is intended to disclaim the representations we made in this document. |
| u. | Dispute resolution by arbitration or mediation | Section 27 | Any dispute arising under the Franchise Agreement will be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, unless the dispute relates solely to nonpayment, or involves equitable relief. Such arbitration will take place in |

| | Provision | Section in Franchise Agreement | Summary |
|---|---|---|---|
| | | | Deerfield Beach, Florida. These provisions are subject to applicable state law. |
| v. | Choice of forum | Section 27 | All claims not subject to litigation will be in Southern District of Florida or Broward County District Court, (unless prohibited by applicable law). |
| w. | Choice of law | Section 27.1 | Florida law applies, subject to applicable state law. |

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

**B. Development Agreement**

| | Provision | Section in Development Agreement | Summary |
|---|---|---|---|
| a. | Length of the franchise term | Section 5 | The term expires upon the deadline to develop the Businesses specified in the Development Schedule or upon the development of all Businesses. |
| b. | Renewal or extension of the term | Not Applicable | Not Applicable |
| c. | Requirements for franchisee to renew or extend | Not Applicable | Not Applicable |
| d. | Termination by franchisee | Not Applicable | Not Applicable |
| e. | Termination by us without cause | Not Applicable | Not Applicable |
| f. | Termination by us with cause | Section 6.1 | We can terminate only if you default (see (g.) and (h.) below). If we terminate your Development Agreement, we may terminate your Franchise Agreement if it is independently a cause for termination under the Franchise Agreement. |
| g. | "Cause" defined – curable defaults | Not Applicable | Not Applicable |
| h. | "Cause" defined – non-curable defaults | Section 6.1 | You fail to have open and operating, the minimum number of Franchised Businesses specified in the Development Schedule by any Opening Deadline specified in the Development Schedule; any Franchise Agreement is terminated a result of default; or you breach or otherwise fail to comply fully with any other provision of the Development Agreement. If we terminate your Development Agreement, we may terminate your Franchise Agreement if it is independently a cause for termination under the Franchise Agreement. |
| i. | Franchisee's obligations on termination/non-renewal | Section 6.2 | You will lose the right to continue to develop Hear Again America businesses in your Development Area. |
| j. | Assignment of | Section 7 | Fully assignable and transferrable by us. |

| | Provision | Section in Development Agreement | Summary |
|---|---|---|---|
| | contract by us | | |
| k. | "Transfer" by franchisee – definition | Section 7 | Includes transfer of the Development Agreement, any interest in the Development Agreement, or, if you are a business entity, any interest in the entity. |
| l. | Our approval of transfer by franchisee | Section 7 | We have the right to approve or not approve all transfers in our sole discretion. |
| m. | Conditions for our approval of transfer | Section 7 | We have sole discretion in setting conditions for our approval of a transfer. |
| n. | Our right of first refusal to acquire franchisee's business | Section 7 | We have the first right of refusal on all transfer, exercisable withing 30 days of receiving an executed copy of the contract of transfer. |
| o. | Our option to purchase your business | Not Applicable | Not Applicable |
| p. | Death or disability of franchisee | Not Applicable | We have the right approve or disapprove any transfer in our sole discretion. |
| q. | Non-competition covenants during the term | Section 8 | The non-competition covenants in your Franchise Agreement shall apply to your Development Agreement |
| r. | Non-competition covenants after the Franchise Agreement is terminated or expires | Section 8 | The non-competition covenants in your Franchise Agreement shall apply to your Development Agreement. |
| s. | Modification of the agreement | Section 9 | No modifications to the Development Agreement unless you and we agree in writing. We may amend the Manual at any time. |
| t. | Integration/merger clause | Section 9 | Only the terms of the Development Agreement and any Franchise Agreements are binding (subject to state law). Any promises outside the Development Agreement, the Franchise Agreements, and this FDD may not be enforceable. However, nothing in the Franchise Agreement will have the effect of disclaiming any of the representations made in this FDD. |
| u. | Dispute resolution by arbitration or mediation | Section 8 | The dispute resolution provisions of the Franchise Agreement apply to any disputes under the Development Agreement (subject to applicable state law). |
| v. | Choice of forum | Section 8 | The choice of forum provision of the Franchise Agreement applies to the Development Agreement (subject to applicable state law). |
| w. | Choice of law | Section 8 | The choice of law provision of the Franchise Agreement applies to the Development Agreement (subject to applicable state law). |

## ITEM 18.
## PUBLIC FIGURES

We do not use any public figure to promote the sale of franchises.

## ITEM 19.
## FINANCIAL PERFORMANCE REPRESENTATION

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

This financial performance representation is based upon the historical financial representations for certain "Affiliate-Owned Outlets" operated by our affiliates and franchised outlets for the "Measuring Period(s)," which cover the period from January 2025 to December 2025 ("FY 2025"). We obtained these historical financial results from the profit and loss reports submitted by the reporting locations. Our affiliate, SouthEast Hearing Partners, operate 3 locations that do not operate under the Hear Again America® brand therefore, we do not disclose their performance in this Item 19. We had 2 franchised outlets that operated at some point during the FY 2025 Measuring Period but not the entire Measuring Period, therefore we did not disclose them here. As of our fiscal year end, we had 10 franchised outlets in operation. The full-time operation of an outlet during the entire Measuring Period is the only criteria for inclusion in this Item 19.

In FY 2025, our affiliates operated 16 full-time and 11 part-time locations for the entire Measuring Period. We only disclose herein the 16 Affiliate-Owned Outlets that operated in a full-time capacity because that is the opportunity we offer in this Disclosure Document. All disclosed Affiliate-Owned Outlets operate in a materially similar manner to how our franchisees will operate their Franchised Businesses.

**Table 1: Aggregated Sales and Certain Expenses for Full-Time Affiliate-Owned Outlets[1]**

| Full-Time Affiliate-Owned Outlets | | | |
|---|---|---|---|
| | **16 Affiliate-Owned Outlets** | **Individual Unit High End** | **Individual Unit Low End** |
| Net Sales[2] | $7,497,867 | $1,040,942 | $227,094 |
| COGS[3] | $1,567,056 | $197,756 | $43,230 |
| | | | |
| Gross Profit[4] | $5,930,812 | $843,186 | $183,864 |
| **Operating Expenses** | | | |
| Rent | $566,542 | $53,190 | $13,900 |
| Payroll | $2,125,750 | $252,836 | $97,903 |
| Advertising and Marketing | $815,827 | $181,123 | $13,840 |
| Other Operating Expenses | $709,025 | $38,571 | $13,466 |
| **Franchise Fee Adjustments[5]** | | | |
| Royalty Fee | $374,893 | $52,047 | $11,355 |
| Technology Fee | $8,000 | $8,000 | $8,000 |
| Local Advertising Spend | $83,917 | $0 | $13,411 |
| | | | |
| **EBITDA (if franchised)[6]** | **$1,246,857** | **$257,419** | **$11,989** |
| **Adjusted Margin[7]** | **17%** | **25%** | **5%** |

**Table 2: Franchisee Reporting Outlet Gross Profit**

| Outlet | Brick | Port St. Lucie | Columbus | Asheville | Richmond | Cary | Little Rock |
|---|---|---|---|---|---|---|---|
| **Date Opened** | Mar. 2024 | Apr. 2024 | Aug. 2024 | Oct. 2024 | Oct. 2024 | Sept. 2025 | Dec. 2024 |
| **Net Sales[2]** | $1,126,155 | $474,352 | $135,576 | $364,672 | $263,237 | $76,879 | $184,265 |
| **COGS[3]** | $206,092 | $126,674 | $38,863 | $66,716 | $51,977 | $34,376 | $59,131 |
| **Gross Profit[4]** | $920,062 | $347,678 | $96,713 | $297,956 | $211,260 | $42,502 | $125,135 |

**Table 3: Average Net Sales**

| | 16 Affiliate-Owned Outlets | 7 Franchised Outlets |
|---|---|---|
| **High** | $1,040,942 | $1,126,155 |
| **Low** | $227,094 | $76,879 |
| **Median** | $409,526 | $263,237 |
| **Average** | $468,617 | $375,019 |
| **Centers at or above Average** | 6 (37.5%) | 2 (28.5%) |

**Notes for Tables Above:**

1. 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 you own Center, you can expect your Payroll to be lower than our affiliates'. Franchised Outlet Payroll may include owner compensation.

2. "Net Sales" means the total revenues and receipts from the sale of all products and services, less returns, allowances, discounts, cancellations, and sales tax.

3. "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 or service sales, which are included in payroll expenses.

4. "Gross Profit" equals Net Sales minus COGS.

5. Franchise Fee Adjustments. Although our Affiliate-Owned Outlets do not pay Royalty Fees or Technology Fees, we have disclosed them here to show what a franchised outlet may experience. Under Local Advertising Spend, the State of Washington's franchise examiners have required that since the aggregated local marketing spend doesn't add up to 12%, we include the difference to show how a franchised outlet's location may be affected. This additional disclosure ignores that the amount in the part time locations may be lower because of economies of scale with nearby and part-time locations.

6. "EBITDA" means Net Sales minus COGS, Operating Expenses, Franchise Fee Adjustments, and Technology Fees. "EBITDA" does not include interest paid on debt, taxes, depreciation, or amortization expenses.

7. "Adjusted Margin" is calculated as EBITDA divided by Net Sales in each classification.

**Notes Regarding this Item 19 Generally:**

Written substantiation to support the information appearing in this financial performance representation is available to you upon reasonable request.

**Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

Other than as disclosed above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting 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 Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20.
## OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1**
**Systemwide Outlet Summary**
**For Years 2023 to 2025**

| Outlet Type | Year | Outlets at Start of the Year | Outlets at End of the Year | Net |
|---|---|---|---|---|
| **Franchised** | 2023 | 0 | 0 | 0 |
| | 2024 | 0 | 4 | +4 |
| | 2025 | 4 | 10 | +6 |
| **Company Owned** | 2023 | 34 | 33 | -1 |
| | 2024 | 33 | 33 | 0 |
| | 2025 | 33 | 31 | -2 |
| **Total Outlets** | **2023** | **34** | **33** | **-1** |
| | **2024** | **33** | **37** | **+4** |
| | **2025** | **37** | **41** | **+4** |

**Table No. 2**
**Transfer from Franchisees to New Owners (Other than the Franchisor)**
**For Years 2023 to 2025**

| STATE | YEAR | NUMBER OF TRANSFERS |
|---|---|---|
| **Total Outlets** | **2023** | **0** |
| | **2024** | **0** |
| | **2025** | **0** |

**Table No. 3**
**Status of Franchised Outlets**
**For Years 2023 to 2025**

| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-renewals | Reacquired by Franchisor | Ceased Operations | Outlets at End of Year |
|---|---|---|---|---|---|---|---|---|
| AR | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| NC | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2025 | 2 | 2 | 0 | 0 | 0 | 0 | 4 |
| TX | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2025 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| NJ | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2025 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| FL | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2025 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| IN | 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2025 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| **Total** | **2023** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| | **2024** | **0** | **4** | **0** | **0** | **0** | **0** | **4** |
| | **2025** | **4** | **6** | **0** | **0** | **0** | **0** | **10** |

**Table No. 4**
**Status of Company Owned Outlets**
**For Years 2023 to 2025**

| State | Year | Outlets at Start of Year | Outlets Opened | Reacquired by Franchisor | Outlet Closed | Outlets Sold to Franchisees | Outlets at End of Year |
|---|---|---|---|---|---|---|---|
| Florida | 2023 | 26 | 1 | 0 | 1 | 0 | 26 |
| | 2024 | 26 | 1 | 0 | 1 | 0 | 26 |
| | 2025 | 26 | 0 | 0 | 0 | 0 | 26 |
| Georgia | 2023 | 3 | 0 | 0 | 1 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2025 | 2 | 0 | 0 | 0 | 0 | 2 |
| South Carolina | 2023 | 3 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 0 | 0 | 0 | 0 | 3 |
| | 2025 | 3 | 0 | 0 | 0 | 0 | 3 |
| Maryland | 2023 | 2 | 2 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2025 | 2 | 0 | 0 | 0 | 0 | 2 |
| **Totals** | **2023** | **34** | **1** | **0** | **2** | **0** | **33** |
| | **2024** | **33** | **1** | **0** | **1** | **0** | **33** |
| | **2025** | **33** | **0** | **0** | **2** | **0** | **31** |

**Table No. 5**
**Projected Openings as of December 31, 2025**

| State | Franchise Agreements Signed but not Opened | Projected New Franchised Outlets to be Open in the Next Fiscal Year | Projected New Company Owned Outlets to be Opened in the Next Fiscal Year |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Arizona | 1 | 1 | 0 |
| Colorado | 2 | 1 | 0 |
| Connecticut | 0 | 1 | 0 |
| Florida | 0 | 0 | 0 |
| Georgia | 0 | 0 | 0 |
| Illinois | 0 | 2 | 0 |
| Indiana | 0 | 0 | 0 |
| Iowa | 2 | 0 | 0 |
| Nebraska | 1 | 0 | 0 |
| North Carolina | 3 | 1 | 0 |
| New Jersey | 5 | 3 | 0 |
| Ohio | 1 | 1 | 0 |
| Pennsylvania | 4 | 2 | 0 |
| South Carolina | 2 | 1 | 0 |
| Texas | 10 | 5 | 0 |
| Virginia | 0 | 1 | 0 |
| Wisconsin | 2 | 0 | 0 |
| **Totals** | **33** | **19** | **0** |

**Current and Former Franchisees**

Set forth on Exhibit C are the (i) names of all current franchisees and the address and telephone number of each of their Franchised Businesses, and (ii) names, city and state, and the current business telephone number, or, if unknown, the last known home telephone number of every franchisee who had a Franchised Business terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under any Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of this Disclosure Document's issuance date.

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

**Confidentiality Agreements**

We have not signed any confidentiality clauses with current or former franchisees. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Hear Again America system. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

**Trademark–Specific Franchisee Organizations**

As of the date of this Disclosure Document, there are no trademark-specific franchisee organizations associated with our franchise system.

## ITEM 21.
## FINANCIAL STATEMENTS

Included in Exhibit A to this disclosure document is our audited financial statements as of December 31, 2025, December 31, 2024, and December 31, 2023. 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.
## RECEIPTS

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.

**EXHIBIT A**

**FINANCIAL STATEMENTS**

# HEAR AGAIN FRANCHISING, LLC

## FINANCIAL STATEMENTS

## FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

**HEAR AGAIN FRANCHISING, LLC**
**FINANCIAL STATEMENTS**
**FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

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PARTNERS
Certified Public Accountants

15800 Pines Blvd. Suite 3002
Pembroke Pines, FL 33027
Telephone: 954-362-5195
Fax: 954-430-8776

# Independent Auditors' Report

To the Board of Directors and Members
Hear Again Franchising, LLC

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the accompanying financial statements of Hear Again Franchising, LLC., which comprise the balance sheets as of December 31, 2025, 2024 and 2023, and the related statements of operation and stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Hear Again Franchising, LLC as of December 31, 2025, 2024 and 2023, and the results of its operations and its cashflow for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hear Again Franchising, LLC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hear Again Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

PARTNERS
Certified Public Accountants

15800 Pines Blvd. Suite 3002
Pembroke Pines, FL 33027
Telephone: 954-362-5195
Fax: 954-430-8776

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hear Again Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt Hear Again Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

BAS Partners LLC

Pembroke Pines, Florida
April 27, 2026

# HEAR AGAIN FRANCHISING, LLC
# BALANCE SHEETS
# DECEMBER 31, 2025, 2024 AND 2023

| | 2025 | 2024 | 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Cash and Cash Equivalents | $ 187,163 | $ 65,416 | $ 171,590 |
| Accounts Receivable | 9,003 | 13,626 | - |
| Other receivable | 2,928 | - | - |
| **Total Current Assets** | 199,094 | 79,042 | 171,590 |
| **Total Assets** | **$ 199,094** | **$ 79,042** | **$ 171,590** |
| **LIABILITIES AND MEMBER'S EQUITY** | | | |
| **LIABILITIES** | | | |
| Accounts Payable and Accruals | $ 18,674 | $ 5,433 | $ 2,322 |
| Deferred revenue - current portion | 103,350 | 58,100 | 198,900 |
| Due to related parties | 3,633 | 134,276 | 190,668 |
| Other liabilities | 14,645 | - | - |
| Total Current Liabilities | 140,302 | 197,809 | 391,890 |
| Operating lease liabilities - long term | - | - | - |
| Deferred revenue - long term | 1,585,850 | 442,700 | - |
| Total Liabilities | **1,726,152** | **640,509** | **391,890** |
| **Stockholder's Equity** | (1,527,058) | (561,467) | (220,300) |
| | (1,527,058) | (561,467) | (220,300) |
| **Total Liabilities and Stockholder's Equity** | **$ 199,094** | **$ 79,042** | **$ 171,590** |

The accompanying notes are an integral part of these financial statements.

# HEAR AGAIN FRANCHISING, LLC
# STATEMENT OF OPERATIONS AND MEMBER'S EQUITY
# FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

| | 2025 | 2024 | 2023 |
|---|---|---|---|
| **REVENUE** | | | |
| Royalties | $ 120,390 | $ 19,796 | $ - |
| Franchise Fees | 161,450 | 22,100 | 22,100 |
| Other income | 54,514 | 22,688 | - |
| Total Revenue | 336,354 | 64,584 | 22,100 |
| **EXPENSES** | | | |
| Operating Expenses | 1,165,014 | 434,813 | 210,279 |
| Total Expenses | 1,165,014 | 434,813 | 210,279 |
| **NET LOSS** | (828,660) | (370,229) | (188,179) |
| Member's Equity - Beginning of Year | (561,467) | (220,300) | (82,121) |
| Contributions | - | 29,062 | - |
| Distributions | (136,931) | - | (50,000) |
| **Member's Equity - End of Year** | **$ (1,527,058)** | **$ (561,467)** | **$ (320,300)** |

The accompanying notes are an integral part of these financial statements.

**HEAR AGAIN FRANCHISING, LLC**
**STATEMENT OF CASH FLOWS**
**FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023**

| | 2025 | 2024 | 2023 |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net Income | $ (828,660) | $ (370,229) | $ (188,179) |
| Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| (Increase) Decrease in Assets | - | | |
| Account Receivable | 4,623 | (13,626) | - |
| Other receivable | (2,928) | - | - |
| Due from Related Party | - | - | - |
| Increase (Decrease) in Liabilities | | - | |
| Accounts Payables and Accrued Liabilities | 13,241 | 3,111 | 2,322 |
| Due to related party | (130,643) | | |
| Deferred Revenues | 1,203,045 | 301,900 | 198,900 |
| **Net Cash Provided by (Used in) Operating Activities** | 258,678 | (78,844) | 13,043 |
| **CASH FLOWS USED IN FINANCING ACTIVITIES** | | | |
| Loan from related parties | - | (56,392) | 82,121 |
| Member Contributions | - | 29,062 | - |
| Member Distributions | (136,931) | - | (50,000) |
| Net Cash (Used in) Provided by Financing Activities | (136,931) | (27,330) | 158,547 |
| **CHANGE IN CASH AND CASH EQUIVALENTS** | 121,747 | (106,174) | 171,590 |
| Cash and Cash Equivalents - Beginning of Year | 65,416 | 171,590 | - |
| **CASH AND CASH EQUIVALENTS - END OF YEAR** | **$ 187,163** | **$ 65,416** | **$ 171,590** |

The accompanying notes are an integral part of these financial statements

## Note 1 - Summary of Significant Accounting Policies

*Nature of Operations*

Hear Again Franchising, LLC (the Company) is a Limited Liability Corporation, an audiologist hearing healthcare company. The Company provides improved quality of life to patients through better hearing. The Company provides services throughout Florida, Georgia, South Carolina and Maryland.

*Basis of Accounting*

The Company's financial statements presented are prepared in accordance with the accounting principles generally accepted in the United States of America.

*Cash and Cash Equivalents*

For purposes of the financial statements, The Company considers all assets with a maturity of three months or less to be cash equivalents.

*Use of Estimates*

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) which requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Depreciation*

Property and equipment are stated at cost. Depreciation is computed using the accelerated cost recovery and modified cost recovery methods allowable under the Internal Revenue Code. The recovery periods being used are 5 and 7 years for furniture, fixtures and equipment and 39 years for non-residential real estate.

*Income Taxes*

The Company has been elected to be treated as a Limited Liability Corporation (LLC) for the purposes of reporting income taxes. Accordingly, no provision for federal income tax has been recorded in the accompanying financial statements since the Company’s members are required to report the results of the Company’s operations on their personal income tax returns.
The Company believes that is has support for any tax position taken, and as such, do not have any uncertain tax positions that are material to the financial statements.

With few exceptions, the Company is no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2025.

## Note 1 - Summary of Significant Accounting Policies (Continued)

*Revenue recognition and deferred revenue*

The company recognizes revenues in accordance with Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers ("Topic 606") and all subsequent amendments. This guidance establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services.

In January 2021 the FASB issued ASU 2021-02 Franchisors-Revenue from Contracts with Customers (Subtopic 952-606). This guidance introduces a new practical expedient that permits franchisors that are not public business entities to account for pre-opening services provided to a franchisee as distinct from the franchise license if the services are consistent with those included in the predefined list within the guidance.

The Company has elected to use the practical expedient in ASU 2021-02 and recognize the pre-opening activities as a single performance obligation for the year ended December 31, 2025.

Royalty income is a percentage of the franchisee's gross sales and is recognized by the Company upon the recognition of the sales revenue of the respective franchisee.

*Advertising*

Advertising costs are expensed as incurred. The amount expensed to advertising for the years ended December 31, 2025, 2024 and 2023, was $59,982, $34,686 and $0.

## Note 2 – Fair Value Measurements

The Company reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

**Note 2 – Fair Value Measurements (Continued)**

The three levels of inputs used to measure fair value are as follows:

- Level 1. Quoted prices for identical assets or liabilities in active markets to which the Company has access at measurement date.

- Level 2. Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

I. quoted prices for similar assets or liabilities in active markets;

II. quoted prices for identical or similar assets in markets that are not active;

III. observable inputs other than quoted prices for asset or liability (for example, interest rates and yield curves); and

IV. inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3. Unobservable inputs for asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available. When available the Company measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. The primary use of fair value measures in the Company's financial statements is the initial measurement of cash and cash equivalents.

**Note 3 – Business and credit concentration**

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of accounts receivable and cash. The well-being of the Company is directly affected by the well-being of the healthcare industry, and the Company's ability to sell and open additional franchises.

The Company normally maintains sufficient cash to meet its anticipated working capital needs. The balance, at times, may exceed the Federal deposit Insurance Corporation (FDIC) limit of $250,000.

**Note 4 - Subsequent Events**

The Company did not have any other subsequent events through April 27, 2026, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the period ended December 31, 2025.

## EXHIBIT B

## AGENCIES/AGENTS FOR SERVICE OF PROCESS

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

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

| State | State Agency | Agent for Service of Process |
|---|---|---|
| NEW YORK | NYS Department of Law<br>Investor Protection Bureau<br>28 Liberty Street, 21st Floor<br>New York, NY 10005<br>(212) 416-8222 Phone | Attention: New York Secretary of State<br>New York Department of State<br>One Commerce Plaza<br>99 Washington Avenue, 6th Floor<br>Albany, NY 11231-0001<br>(518) 473-2492 |
| NORTH DAKOTA | North Dakota Securities Department<br>600 East Boulevard Avenue, Dept. 401<br>Bismarck, North Dakota 58505<br>(701) 328-2910 | North Dakota Securities Commissioner |
| OREGON | Department of Consumer and Business Services<br>Division of Finance and Corporate Labor and Industries Building<br>Salem, Oregon 97310<br>(503) 378-4387 | Director of the Department of Consumer and Business Services |
| RHODE ISLAND | Department of Business Regulation<br>Division of Securities<br>1511 Pontiac Avenue, Building 69-1<br>Cranston, RI 02920<br>(401) 462-9585 | Director of Rhode Island Department of Business Regulation |
| SOUTH DAKOTA | Division of Insurance<br>Securities Regulation<br>124 South Euclid, Suite 104<br>Pierre, SD 57501<br>(605) 773-3563 | Director of Insurance-Securities Regulation |
| VIRGINIA | State Corporation Commission<br>Division of Securities and Retail Franchising<br>1300 East Main Street, 9th Floor<br>Richmond, VA 23219<br>(804) 371-9051 | Clerk of State Corporation Commission<br>1300 East Main Street, 1st Floor<br>Richmond, VA 23219<br>(804) 371-9733 |
| WASHINGTON | Department of Financial Institutions<br>Securities Division<br>P.O. Box 41200<br>Olympia, WA 98504-1200<br>(360) 902-8760 | Director of Washington Financial Institutions<br>Securities Division<br>150 Israel Road, SW<br>Tumwater, WA 98501 |
| WISCONSIN | Wisconsin Securities Commissioner<br>Securities and Franchise Registration<br>345 W. Washington Avenue<br>Madison, WI 53703<br>(608) 266-8559 | Commissioner of Securities of Wisconsin |

**EXHIBIT C**

**LIST OF CURRENT AND FORMER FRANCHISEES**

**CURRENT FRANCHISEES**

**Open and Operating as of December 31, 2025:**

| Contact Name | Business Address (City, State if no Business Address) | Phone Number | Development Agreement |
|---|---|---|---|
| HAA Little Rock, AR<br>Matthew Douglas | 11525 Cantrell Rd., #407<br>Little Rock, AR 72212 | 501-339-4048 | N |
| HAA Asheville, NC<br>Sarah Banks | 60 N. Merrimon Ave., Unit 109<br>Asheville, NC 28804 | 828-775-1192 | N |
| HAA Burnsville, NC<br>Sarah Banks | 390 E. Main Street<br>Burnsville, NC 28714 | 828-775-1192 | N |
| HAA Sugarland, TX<br>Sandeep & Chavikalani Bang | 7623 W. Grand Parkway S.<br>Richmond, TX 77047 | 715-559-7556 | N |
| HAA Port St. Lucie, FL<br>Elizabeth and Brian James | 3205 SW Port St. Lucie Blvd.<br>Port St. Lucie, FL 34953 | 772-210-4335 | N |
| HAA Stuart, FL<br>Elizabeth and Brian James | 5941 SE Federal Hwy<br>Stuart, FL 34997 | 772-210-4335 | N |
| HAA Brick, NJ<br>Alexander Guttman | 990 Cedarbridge Ave STE B8<br>Brick, NJ 08723 | 723-393-8238 | Y |
| HAA Columbus, IN<br>Annie & Patrick Main | 3130 North National Road<br>Columbus, IN 47201 | 513-477-6129 | N |
| HAA Cary, NC<br>Thomas Stone | 1256 NW Maynard Rd<br>Cary, NC 27513 | 919-649-3623 | N |
| HAA Statesville, NC<br>Marjorie Kennedy Wadge | 1030 Crossroads Drive, #6,<br>Statesville, NC 28625 | 704-380-2615 | Y |

**Open and Operating as of the Issuance Date of this document:**

| Contact Name | Business Address (City, State if no Business Address) | Phone Number | Development Agreement |
|---|---|---|---|
| HAA Frisco, TX<br>Krithika Jeyaraman | 400 Stonebrook Parkway Unit 102<br>Frisco TX 75036 | 469-649-8779 | N |
| HAA Centennial, CO<br>Olga Feldman | 7475 East Arapahoe Road, Suite#5<br>Centennial, CO 80112 | 720-201-7614 | N |
| HAA Sheboygan Falls, WI<br>Richard Klemme | Deertrace Kohler- Plaza<br>4091 State Highway 28<br>Sheboygan Falls, WI 53085 | 920-458-2052 | N |
| HAA Urbandale, IA<br>Clinton & Hilary Ellis | 14111 Douglas Pkwy Suite 102<br>Urbandale, IA 50323 | 515-398-9616 | Y |

**Franchisees that have signed Franchise Agreements but not open as of the Issuance Date of this document:**

| Contact Name | Business Address (City, State if no Business Address) | Phone Number | Development Agreement |
|---|---|---|---|
| HAA Carmel, IN Christopher & Beth Scherer | 168 W. Carmel Drive Carmel, IN 46032 | 317-654-6282 | N |
| HAA Lakewood, NJ Alexander Guttman | Lakewood, NJ | 723-393-8238 | Y |
| HAA Mesa, AZ Samuel Weech | 2910 N Power Rd #10-102 Mesa, AZ 85215 | 928-241-4886 | N |
| HAA Greenville, SC (1) Andreas Penninger | Verdae Village 101 Verdae Blvd Shop 130 Greenville, SC 29607 | 864-561-5687 | Y |
| HAA Greenville, SC (2) Andreas Penninger | PenPot Ventures Corp 5052 Old Buncombe Road Suite H Greenville, SC 29617 | 864-561-5687 | Y |
| HAA Katy, TX Shawn Sorokoski | 3750 S Mason Rd Suite #700 Katy, TX 77450 | 346-387-6400 | Y |
| HAA Cypress TX Shawn Sorokoski | Cypress, TX | 281-900-8985 | Y |
| HAA North Katy, TX Shawn Sorokoski | North Katy, TX | 281-900-8985 | Y |
| HAA Euless, TX Laron Cheek | 2921 Rio Grande Blvd STE 200 Euless, TX 76039 | 817-585-4644 | N |
| HAA North Charlotte, NC Marjorie Kennedy Wadge | North Charlotte, NC | 704-832-5348 | Y |
| HAA Cincinnati, OH Heather Robbins | 2916 S US Highway 22 Suite 310, Maineville, OH 45039 | 513-476-9330 | N |
| HAA Wisconsin Richard and Nikki Klemme | Milwaukee, Wisconsin | 262-853-5913 | N |
| HAA Belle Mead, NJ Brandon Abbs | 2162 Route 206 STE 3 Belle Mead, NJ 08502-4021 | 301-233-2937 | N |
| HAA Chapel Hill, NC Karin & Arnaud Jacquin | 79 Falls Springs Dive Chapel Hill, NC 27516 | 919-240-4926 | N |
| HAA West Orange, NJ Sascha & Shawgy Frimpong | 621-623 Eagle Rock Avenue, West Orange, New Jersey 07052 | 973-650-0682 | Y |
| HAA Morristown, NJ Sascha & Shawgy Frimpong | Morristown, NJ | 973-650-0682 | Y |
| HAA Austin, TX Ed Greenberger & Stephanie Webb | Austin, TX | 703-894-7933 | Y |
| HAA Sun City, TX Ed Greenberger & Stephanie Webb | Sun City, TX | 703-894-7933 | Y |
| HAA Des Moines, IA | Des Moines, IA | 515-779-9981 | Y |

| | | | |
|---|---|---|---|
| Clinton & Hilary Ellis | | | |
| HAA Omaha, NE<br>Clinton & Hilary Ellis | Omaha, NE | 515-779-9981 | Y |
| HAA Dallas, TX<br>Sanjeev Nagaraddi | 5345 N. Garland Ave., Suite 380, Garland, Texas 75040 | 913-484-5208 | Y |
| HAA Dallas, TX<br>Sanjeev Nagaraddi | Dallas, TX | 913-484-5208 | Y |
| HAA Southampton, PA<br>Bert & Iris Alleyne | 502 2nd Street Pike<br>Southampton, PA 18966 | 267-229-3988 | Y |
| HAA Newtown, PA<br>Bert & Iris Alleyne | Newtown, PA | 267-229-3988 | Y |
| HAA Central, NJ<br>Bert & Iris Alleyne | Central, NJ | 267-229-3988 | Y |
| HAA Harleysville, PA<br>Daria Lynne Cardillo & Jim James Douglas Hall | 2840 Shelly Rd, Harleysville, PA 19438 | 260-602-7291 | Y |
| HAA Quakertown, PA<br>Daria Lynne Cardillo & Jim James Douglas Hall | Quakertown, PA | 260-602-7291 | Y |
| HAA Mount Laurel, NJ<br>John & Caitlin Silvestri | 4317B Dearborn Circle,<br>Mount Laurel, New Jersey 08054 | 856-571-4437 | N |
| HAA Wheat Ridge, CO<br>Matthew & Angie Brand | 4980 Kipling Street suite A5,<br>Wheat Ridge, CO 80033 | 720-500-8205 | Y |
| HAA Jefferson County, CO<br>Matthew & Angie Brand | Jefferson County, Colorado | 402-598-4205 | Y |
| HAA The Woodlands, TX<br>Brittian Bell | The Woodlands, TX | 832-515-9521 | Y |
| HAA Conroe, TX<br>Brittian Bell | Conroe, TX | 832-515-9521 | Y |
| HAA Avon, CT<br>Ramesh Kandipilli | Avon, CT | 309-532-9986 | Y |
| HAA East Hartford, CT<br>Ramesh Kandipilli | East Hartford, CT | 309-532-9986 | Y |
| HAA Oak Brook, IL<br>Justin Johnson & Sara Rizk | Oak Brook, IL | 585-746-8135 | N |
| HAA Jacksonville, FL<br>Denise S. Starcher and Roger M. Hansen | Jacksonville, FL | 404-216-6223 | Y |
| HAA Ponte Vedra, FL<br>Denise S. Starcher and Roger M. Hansen | Ponte Vedra, FL | 404-216-6223 | Y |
| HAA St. Augustine, FL<br>Denise S. Starcher and Roger M. Hansen | St. Augustine, FL | 404-216-6223 | Y |
| HAA Franklin, TN<br>Denise S. Starcher and Roger M. Hansen | Franklin, TN | 404-216-6223 | Y |
| HAA Nashville, TN<br>Denise S. Starcher and Roger M. Hansen | Nashville, TN | 404-216-6223 | Y |
| HAA Lake Forest, IL | Lake Forest, IL | 719-360-7135 | Y |

| | | | |
|---|---|---|---|
| Sahithi Kotta and Kiran Adimulam | | | |
| HAA Naperville, IL<br>Sahithi Kotta and Kiran Adimulam | Naperville, IL | 719-360-7135 | Y |
| HAA Aldie, VA<br>Benjamin Moses | Aldie, VA | 301-535-1154 | N |

**FORMER FRANCHISEES**

**NONE.**

**EXHIBIT D**

**OPERATIONS MANUAL TABLE OF CONTENTS**

The Operations Manual is still under development; therefore, these numbers are estimates based on what has currently been developed and are subject to change.

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| Start-Up | 34 |
| Accounting & Administration | 21 |
| Human Resources | 60 |
| Marketing & Social Media | 15 |
| Daily Business Operations | 92 |
| **Total** | 246 |

**EXHIBIT E**

**FRANCHISE AGREEMENT**
**WITH ATTACHMENTS**

# FRANCHISE AGREEMENT

**between**

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

**and**

_____

**FRANCHISEE**

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| B | PERSONAL GUARANTY OF OWNER |
| C | FRANCHISEE COMPLIANCE QUESTIONNAIRE |
| D | BUSINESS ASSOCIATE AGREEMENT |
| E | ACH AUTHORIZATION FORM |

# FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made as of the Effective Date, as signed below, between Hear Again Franchising, LLC, a Florida limited liability company with its principal place of business at 269 S Federal Highway, Deerfield Beach, FL 33441 ("we," "us," "our," or "Hear Again America"), and the individual or entity identified in Attachment 1 as the franchisee ("you," "your," or "Franchisee").

## RECITALS

A. We have developed a business method and concept (the "System") for the operation of retail hearing aid stores under the "Hear Again America" trademark ("Hear Again America Centers"), which promote, market, sell, and service a broad line of hearing aids ("Hearing Aids"), batteries, and other hearing aid accessories (collectively, "Accessories"), and ear care products ("Ear Care Products"). The distinguishing characteristics of the System (the "System Standards") include such things as the "Hear Again America" trademark and certain related trade names, service marks, trademarks, trade dress, logos, emblems, and indicia of origin as we designate, in writing, from time to time (collectively, the "Proprietary Marks"); interior and exterior store design, décor, and layout; management, operational, and advertising methods, techniques, and materials; and training and assistance to franchisees in promoting, marketing, selling, and servicing approved Hearing Aids, Accessories, and Ear Care Products (collectively, the "Products"), all of which may be changed and further developed by us from time to time;

B. We award Hear Again America franchises to qualified individuals or entities to develop and operate Hear Again America Centers within a protected territory, to sell Products exclusively, and to furnish required presale and post-sale services ("Services") to consumer-users of Products, in compliance with the System Standards;

C. The Products and Services offered through the System include products and services using the "Hear Again America" trademark and related trade names, trademarks, and indicia of origin associated with Hear Again America;

D. You desire to develop and operate a Hear Again America Center (a "Franchised Business") within a designated area set forth in Attachment 1 ("Territory") in accordance with the System Standards, to enter into this Agreement with us for that purpose, and to receive the training and other assistance we provide in connection therewith; and

E. You understand and acknowledge the importance of our high standards of quality and service and the necessity of operating the business franchised hereunder in conformity with our System Standards and specifications.

**IN CONSIDERATION** of the covenants herein contained and other valuable consideration, receipt, and sufficiency of which are acknowledged, you and we agree as follows:

## 1. GRANT

1.1 Grant of Franchise. We grant to you the right, and you undertake the obligation, upon the express terms and conditions set forth in this Agreement, to establish and operate a Hear Again America Center under the Proprietary Marks and System (the "Center") at approved locations in the Territory, and to use the Proprietary Marks and the System solely in connection therewith, as they may be changed and improved from time to time in our sole discretion. You acknowledge and agree that we are granting these rights to you in reliance upon your ability to achieve a minimum level of market penetration for each Center as measured by an annual minimum performance requirement ("Minimum Performance Requirement") further described in Section 7.14, and your commitment to maintain the existing Centers described in the Territory.

1.2 Approved Location. You shall operate the Center only in the Territory and at a location approved by us (an "Approved Location"). You shall not close or relocate any Center without our prior written approval. We shall have the right, in our discretion, to withhold approval of any proposed closure or relocation.

1.3 Development of Centers. Each Center shall be designated as full-time ("Full-Time"), part-time ("Part-Time"), or Satellite center ("Satellite Center"). The operating hours and licensed provider requirements for each Full-Time and Part-Time location shall be set forth in the Operations Manual. For the term of this Agreement, you agree to maintain your Center in operation. If we grant you the right, and you enter into a Development Agreement, you shall enter into a Franchise Agreement for each, and develop the number of Centers you agree to develop in accordance with the schedule agreed upon in your Development Agreement. Satellite Centers may be established in your discretion at locations that we approve and will not require a Franchise Agreement but may increase fees for services we provide you.

1.4 Alternate Channels of Distribution. You shall offer and sell products only from the Centers and only in accordance with the requirements of this Agreement. You shall only offer or sell products to retail customers for their use and not for resale. You may not sell or offer to sell Products or Services by any method other than a Hear Again America Center including, but not limited to, retail locations (other than Centers); supermarkets, or convenience stores; catalogs or mail order; the Internet or other electronic means (an "Alternate Channel of Distribution"). For the avoidance of doubt, this restriction shall not prevent you from advertising your Centers, Products, and Services, in compliance with Section 12 hereof; nor shall this restriction prevent you from exhibiting at health fairs, participating in community events, or making home visits, so long as each such visit or activity is within your Territory and occurs on an irregular or infrequent basis during the year.

1.5 Supplementing the System. You acknowledge that we may, in our sole discretion, subject to the terms of this Agreement, (a) supplement, improve, change, and otherwise modify the System from time to time, and (b) supplement, improve, change, remove, and otherwise modify the Products and Services from time to time.

1.5.1 Territorial Protection and Reserved Rights. Except as otherwise provided in this Agreement, during the term of this Agreement, and so long as you are in compliance with this Agreement, we shall not establish or operate, nor license or allow any other person or entity to establish or operate a Hear Again America Center using the Proprietary Marks at any location within the Territory. Notwithstanding this protection, we retain, without limitation, the following rights:

1.5.1.1 Operation of Hear Again America Centers Outside the Territory. To establish and operate, and license others to establish and operate, a Hear Again America Center under the System and the Proprietary Marks at any location outside your Territory, notwithstanding the proximity to your Territory, any Center, or any Approved Location.

1.5.1.2 Distribution and Sale of Ear Care Products and Accessories. To offer, sell, distribute, or otherwise provide, directly or indirectly, or license to others to sell or distribute, directly or indirectly, through any commercial channel inside and outside the Territory, other than a Hear Again America Center, including Alternate Channels of Distribution, Ear Care Products, and to include Hear Again America branded promotional materials in the packaging of such products, so long as we agree to deposit in the Brand Fund (as defined in Section 12.2) the net proceeds (i.e., gross receipts less all expenses, including taxes) received by Hear Again America from the sales of such products; in addition, we retain the right to offer, sell, distribute, or otherwise provide Accessories on the same terms as Ear Care Products, provided, however, that any categories of Accessories to be offered, sold, distributed or otherwise provided shall be set forth in the Operations Manual.

1.5.1.3 Distribution and Sale of Over The Counter (OTC) Hearing Aid Products Anywhere After Franchisee Approval. To offer, sell, distribute, or otherwise provide, directly or indirectly, or license to others to sell or distribute, directly or indirectly, OTC Hearing Aids through any commercial channel inside and outside the Territory, including any Alternate Channel of Distribution, provided that any such sales of OTC Hearing Aids within the Territory, and use of the proceeds from such sales, must be approved in advance by the Franchisee.

1.5.1.4 Distribution and Sale of Products Anywhere. Except as otherwise set forth in this Section 1.5, and not otherwise prohibited in this Agreement, to manufacture, distribute, or sell products and services that are the same as or similar to Products and Services under names and symbols other than the Proprietary Marks and that these products may be sold by us or others in competition with you in the Territory, provided, however, that if you are in compliance with this Agreement, we will not directly own or operate an establishment engaged in the dispensing of Products within the Territory, and will not sell Products to retail hearing aid establishments operated by others within the Territory, except (a) where our rights to sell, market, or otherwise distribute the Products are acquired from a third party (through license, merger, purchase of the third party or its assets, or otherwise), and we determine, based on the advice of legal counsel, that we have a contractual or other legal obligation to sell or continue selling Products to any person or entity within the Territory; or (b) where we have, by written notice, offered you the opportunity to promote and distribute Products, on such terms and conditions as we may in good faith propose to you ("Offer"), and (i) you have declined or failed to accept such offer within thirty (30) days of having received notice of an offer, or (ii) after having accepted such offer, you are unable or fail to satisfy the terms and conditions pursuant to which the offer was made. Should we, after the notice to you, not fulfill the opportunity or stop doing so, we shall be prohibited from doing so, unless we make you the Offer again and we and you comply with the terms above.

1.5.1.5 National Accounts. To enter into contracts with companies or organizations, including insurance companies, that offer insurance or other hearing care plans (each, a "National Account") to provide Products and Services to the constituents of such National Account located within and outside the Territory at prices and in the manner specifically negotiated by us and each National Account. Each contract, or group of contracts may be designated by us in our sole discretion as a "National Account Program." You will have the option to participate each such National Account Program if: (a) such National Account Program allows franchisee participation, (b) you meet the then-current requirements of the National Account Program, (c) you agree to abide by all of the terms and conditions of the contracts between such National Accounts in such National Account Program and us, (d) you execute any then-current documents associated with the National Account Program and each National Account included therein, and (e) enough franchisees elect to participate in the National Account Program to provide the minimum coverage required by such National Account. For the avoidance of doubt, if you elect to participate in a National Account Program, you must participate in all contracts that are part of that National Account Program.

## 2. TERM AND RENEWAL

2.1 Term. This Agreement shall be in effect upon our acceptance and execution and, except as otherwise provided herein, the term of this Agreement shall be ten (10) years from the Effective Date, unless this Agreement is sooner terminated pursuant to its terms.

2.2 Renewal. Upon the expiration of the term of this Agreement, you may, subject to the following conditions, renew this Agreement for additional terms of ten (10) years. We may require, in our sole discretion, that any or all of the following conditions be met prior to such renewal:

2.2.1 You shall give us written notice of your intention to renew this Agreement no more than three hundred sixty-five (365) days before the end of the term nor fewer than one hundred eighty (180) days before the end of the term. If you fail to provide timely notice to us of your renewal, we will remind you in writing (e.g. by email), and if you fail to provide your notice of renewal in response to

our written reminder within thirty (30) days of such reminder, you will be deemed to have elected non-renewal. If you change your renewal or non-renewal election after the deadline, you will incur a late notice fee for each week between the deadline and the date you provide a corrected notice equal to your average weekly purchases of Products over the twelve (12) month period ending one hundred eighty (180) days prior to the end of your term, but not to exceed $5,000 per week.

2.2.2 You shall pay us the "Renewal Fee" of $10,000 upon providing notice of your intention to renew the Agreement.

2.2.3 You shall make or provide for, in a manner satisfactory to us, such renovation and modernization of the premises of each existing Center (the "Premises") as we may reasonably require in accordance with Sections 7.18, 7.19, 7.20, including, without limitation, purchase of additional or replacement equipment and renovation of signs to reflect the then- current System Standards;

2.2.4 You shall have cured any defaults for which you have been provided written notice, related to any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between you or any of your affiliates and us or our subsidiaries or affiliates, provided, however, that if the applicable cure period for any default extends beyond the expiration date of this Agreement, you and we shall extend the term of this Agreement to provide the full cure period;

2.2.5 You shall have, in our reasonable judgment, substantially complied with all the terms and conditions of this Agreement during the term hereof;

2.2.6 You shall have satisfied all monetary obligations due and owed by you to us and our subsidiaries and affiliates, and to the Brand Fund, and shall have satisfied those obligations in a substantially timely manner throughout the term of this Agreement;

2.2.7 You shall provide us with current leases and executed lease addenda for each Full-Time and Part-Time Center in the Territory;

2.2.8 You shall, at our option, execute our then-current form of franchise agreement and other ancillary agreements, which shall supersede this Agreement in all respects, and the terms of which may differ materially from the terms of this Agreement, including, without limitation, increasing your required royalty fees, Brand Fund contributions, and other fees; except that you shall not be required to pay an initial franchise fee;

2.2.9 You shall execute a general release, in a form prescribed by us, of any and all claims, known or unknown, that you might have against us or our subsidiaries or affiliates, and our and their respective officers, directors, agents, or employees arising from or related to this Agreement;

2.2.10 You shall comply with our then-current training requirements as a condition to franchise renewals generally; and

2.2.11 You shall be current with respect to your obligations to lessor, suppliers, and any others with whom you do business, unless such obligations are the subject of a *bona fide* dispute.

## 3. OUR DUTIES

3.1 Sale of Products. We agree to offer to you Products on the delivery, credit, and other terms and conditions offered to other similarly situated franchisees and established by Hear Again America from time to time. Franchisee agrees to execute any and all documents reasonably requested by Hear Again America in connection with such offers. Should we grant you a line of credit, such documents may include, but are not limited to, letters of credit, security agreements, and financing statements, to insure payment of the amounts due to us for purchases of Products. We will issue, and periodically revise, price lists for Products offered by Hear Again America. Orders shipped by us prior to the effective date of any price increase will

be at the old prices. We agree to give you at least thirty (30) days' notice of any price increases.

3.2 Product Warranties. We shall periodically issue consumer warranties for Products as we deem appropriate. You agree to furnish consumers with current copies of such warranty and other literature designated by us prior to making any sale of a Product to that consumer.

3.3 Manuals. We shall provide you with electronic access to our confidential operations manuals (the "Operations Manual"), as more fully described in Section 10 hereof.

3.4 Training. We shall provide the training as set forth in Section 6 hereof.

3.5 Ongoing Advice. We shall make available appropriate staff to assist you from time to time (subject to availability and mutually convenient scheduling) regarding business management and operational consultations. We will provide you with further consultation and advisory assistance on a continuing basis as we deem necessary, including visits to the Centers by our personnel. Subject to the availability of personnel and mutually convenient scheduling, we may also provide such other on-site consultation and assistance as you may reasonably request. During the term of this Agreement, we will advise you from time to time regarding operating issues concerning any Center disclosed by reports you submit to us or on-site inspections we make. Such guidance will, in our sole discretion, be furnished via written or electronic communication to all franchisees. In addition, we will furnish guidance to you from time to time, as we deem appropriate in our sole discretion, on the following matters concerning the System: standards, specifications, and operating procedures and methods to be utilized; purchasing required and recommended goods, equipment, materials, supplies, and services; advertising and marketing programs; employee training; and administrative bookkeeping and accounting procedures.

3.6 Computer System. We shall provide you with the list of required computer software described in Section 9.1 hereof, and shall designate third-party software or vendors, which must be used in the operation of the Franchised Business.

3.7 Advertising and Promotion Services. We may make available to you advertising and promotional materials at your expense as provided in Section 12 hereof. We may administer the Brand Fund (as defined in Section 12.2) and contribute thereto in the manner set forth in Section 12.2 hereof.

3.8 Specifications. We may furnish you with design drawings and specifications (not construction drawings) for interior design and layout of Hear Again America Centers, including requirements for image, equipment, signs, and other procedures. You acknowledge that such specifications shall not contain the requirements of any federal, state, or local law, code, or regulation (including without limitation those concerning the Americans with Disabilities Act or similar rules governing public accommodations or commercial facilities for persons with disabilities).

3.9 Fulfilling Our Obligations. In fulfilling our obligations pursuant to this Agreement, and in conducting any activities or exercising any rights pursuant to this Agreement, we (and our subsidiaries and affiliates) shall have the right: (a) to take into account, as we see fit, the effect on, and the interests of, other franchised businesses and systems in which we have an interest and on our own activities and the activities of our subsidiaries and affiliates; (b) to share market and product research, and other proprietary and non-proprietary business information basis with our subsidiaries or affiliates, with other franchised businesses and systems in which we, or our subsidiaries or affiliates, have an interest provided, however, that we will not share disaggregated customer and franchisee information with our affiliates for purposes of promoting our affiliates' or other third parties' products and services to such customers; (c) to introduce proprietary and non- proprietary items or operational equipment used by the System into other franchised systems in which we have an interest; and/or (d) to allocate resources and new developments between and among systems, and/or our subsidiaries or affiliates, as we see fit.

3.10 Performance by Designee. You acknowledge and agree that any duty or obligation imposed on us by this Agreement may be performed by any designee, employee, or agent of us, as we may direct.

## 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. The Technology Fee will not increase by more than 25% annually.

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 you on

"Cash With Order" status, we shall advise you in writing (e.g. by email or other electronic communication) of such status at least two (2) weekdays (excluding any federal holidays) in advance. Any interest due under this Section shall be calculated as the lesser of eighteen percent (18%) per annum, or the maximum rate permitted by applicable law. Entitlement to such interest shall be in addition to any other remedies we may have. You shall not be entitled to set off any payments required to be made under this Agreement against any monetary claim you may have against us. However, you acknowledge and agree that we have the right to set off any amounts that we may be required to pay to you under this Agreement against amounts that you or your owners owe to us.

4.7 Satellite Center Fee. If you choose to operate a Satellite Center in your Territory, you will pay us a non-refundable fee of ten thousand dollars ($10,000.00). Your Satellite Center will be included in the calculations for your obligations under this Franchise Agreement.

## 5. DEVELOPMENT OF CENTERS

5.1 First Approved Location. If, as of the Effective Date, you do not have any existing Centers in the Territory, you will submit your proposed site for the first such Center to us within thirty (30) days from the Effective Date and must obtain our approval of a proposed site within forty-five (45) days from the Effective Date. You must sign a lease or otherwise acquire a site for the first Center within sixty (60) days from the Effective Date, and you shall commence operation of the first Center not later than nine (9) months after the Effective Date of this Agreement. The parties agree that time is of the essence in the opening of such Center and that your failure to open the Center within the time periods described in this Section 5.1 shall be considered a material breach and default under this Agreement and will entitle us to terminate this Agreement pursuant to Section 16 hereof. However, you have the right to request extensions of such deadlines, and we may grant such extension requests in our sole discretion.

5.2 Development and Opening Requirements. If you sign a Development Agreement, you must secure the real estate or premises for each Center, through purchase or binding lease (which shall be in compliance with Section 5.3 hereof) for each "Required Location" as described in the Relocation and Development Schedules and must open each new or relocated Center by its "Required Opening Date," as set forth in the Relocation and Development Schedules, unless otherwise amended by the Parties pursuant to Section 25. All Center sites must be approved by us. Each Center must be constructed and equipped to our then-current System Standards. We will provide such site selection guidelines and consultation as we deem advisable in our discretion. In connection with our approval of each site, you shall provide us with a copy of the lease or purchase agreement for such site, and if requested, with the acquisition, development, and construction costs, and such other information as may be reasonably requested, so that we can evaluate the proposal. For the avoidance of doubt, our approval process may take up to two (2) weeks after your submission of all required materials, and you are solely responsible for proposing sites early enough to allow us to complete the review process prior to your applicable deadline. No proposed site shall be deemed approved unless it has been expressly approved in writing by us. In addition to reviewing the information provided by you, we will have the right to conduct such on-site evaluations as we deem necessary in our discretion. You acknowledge and agree that, if we recommend or give you information regarding a site for such Center, it is not a representation or warranty of any kind, express or implied, of the site's suitability for a Center or any other purpose. Our recommendation indicates only that we believe that the site meets our then- acceptable criteria, which have been established for our own purposes and are not intended to be relied on by you as an indicator of likely success. Applying criteria that have appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and demographic and other factors included in or excluded from our criteria could change, even after our approval of the site or your development of the Centers, altering the potential of a site and premises. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site and premises we recommend or approve fail to meet your expectations. You acknowledge and agree that your acceptance of the franchise and selection of the Approved Location are based on your own independent investigation of the site's suitability for each Center.

5.3 Requirements Applicable for All Leases. You may not enter into a lease or any other contract for the premises of any Center without our prior written consent. We have the right to approve the terms of any

lease or sublease for any Approved Location (the "Lease") before you sign it. The term "Lease" specifically includes any extensions, renewals, or replacements of leases for any Center. Our approval of any Lease 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:

5.6.1 All amounts then due to us or our affiliates have been paid;

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.

6.3 Additional Programs. We shall also make available from time to time refresher courses related to the 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.

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

6.5 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 if the Initial Training is hosted at our headquarters in Boca Raton, Florida or an Affiliate-Owned Center. If you elect to host the Initial Training at your own Center, you must pay us a Training Fee of One Thousand Five Hundred Dollars ($1,500) and will be responsible for any travel and living expenses, wages, and other expenses incurred by our trainers during Initial Training. 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).

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.

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 Aids by the Franchisee constitute less than eight percent (8%) of the total units sold by the Franchised Business; (c) you sell such Used Aids at a discount from the Franchise's average selling price (based on a rolling twelve (12)-month average) for new units of the same technology tier, using the minimum percentage discount specified in the Operations Manual, which shall be no greater than 20%; (d) you pay to the Brand Fund a fee equal to twenty-five dollars ($25) for each Used Aid that you sell; (e) you refrain 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).

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 materials provided by or designated by us for use with Products; and (c) to comply with all service, customer, and warranty policies and programs described herein and in the Operations Manual with respect to authorized Products purchased by all consumers regardless of where or from whom the consumers purchased such Products. For the avoidance of doubt, you shall not be required to provide warranty services at no charge if the consumer 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 with a pricing component that reduces your gross margin (a "Promotional Pricing Campaign") during any twelve (12) 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:

7.15.1 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 limitation, such periodic repainting or replacement of obsolete signs, furnishings, equipment, and décor as we may reasonably direct.

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 Proprietary Marks:

8.1.1 We have the unlimited right to use, and to license others to use, the Proprietary Marks; and

8.1.2 We have taken and will take all steps reasonably necessary to preserve and protect the ownership and validity of the Proprietary Marks.

8.2 Your Use of the Proprietary Marks. With respect to your use of the Proprietary Marks, you agree that:

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 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 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 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 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 You shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of us;

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 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 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 Acknowledgments. You expressly understand and acknowledge that:

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 The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

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 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 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 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 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.

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 use of the system that we may establish from time to time in accordance with Section 6.4 of this Agreement. Any Software we provide you shall remain confidential property of ours and will be returned to us upon the expiration or termination of this Agreement. Franchisee acknowledges that we will have access to 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.

9.4 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 technology platforms related to the Franchised Business (including the domain name and any other Proprietary Marks Hear Again America may develop as a result of participation in the website or other technology platforms), will be subject to the provisions of this Agreement and the Operations Manual. You may not post any information to a website or other media platform relating to Hear Again America, the Proprietary Marks, the Centers, or the Franchised 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 Manual is lost, destroyed, or significantly damaged, you agree to notify us immediately.

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.

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 Brand Fund to be incorporated or operated through a separate entity at such time as we deem appropriate and such successor entity will have all of the rights and duties specified herein. We shall maintain separate bookkeeping accounts for the Brand Fund.

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.

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.

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.

13.3 Recordkeeping. You shall prepare, and shall preserve for at least three (3) years from the dates of their preparation complete and accurate books, records, and accounts for each Center in the form and manner prescribed by us, including but not limited to: (a) cash receipts journals; (b) cash disbursements and weekly 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.

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 and severally indemnifying us for any claims arising from or based on matters between the transferor and transferee.

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 ten thousand dollars ($10,000) 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 you, you shall reimburse us all amounts paid by us to cure the default, plus all costs and expenses incurred by us to cure such default, and you shall be deemed in default of this Agreement.

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.

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 (c) violate any federal, state, local or municipal law, ordinance, rule, or regulation pertaining to the operation of any Center, including any and all rules and regulations of the Federal Trade Commission or the Food and Drug Administration; you shall have ten (10) days after your receipt of notice from us (or such longer period as applicable law may require) within which to remedy any such default. We will have the right to reduce the Territory and require closure of certain Centers, or terminate this Agreement and all rights granted 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 the 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 of the claim, and if we do not respond, the cure is deemed accepted. No other communication from any officer, employee, or agent of Hear Again America, whether oral or in writing, shall constitute a valid acknowledgment or rejection of a claim of cure by you under this Agreement.

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 established by us. The acceptance of any order or delivery of goods following expiration, termination, or non-renewal of this Agreement shall not be construed as a renewal or extension of this Agreement or a waiver of the notice of intent to terminate.

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.

17.2.9 You shall cooperate with our personnel to return to us as we direct: (a) all manuals, instructions, and brochures, and any and all other materials provided to you by us relating to the operation of the Center in your possession, and all copies thereof (all of which are acknowledged to be our property); (b) a copy of all customer lists, files, and information for the Center, such copies to be 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 In the event this Agreement is terminated due to your default, pay us a lump sum payment (as liquidated damages and not as a penalty) in an amount equal to (a) the average monthly Royalty Fee and Brand Fund Contribution payable by you over the twelve (12) month period immediately prior to the date of default (or such shorter time period if the Franchised Business has been open less than twelve (12) months); multiplied by the lesser of (i) twenty-four (24) or (ii) the number of months then remaining in the then-current term of this Agreement OR (b) One Hundred Thousand Dollars ($100,000), whichever is greater. Franchisee acknowledges that a precise calculation of the full extent of the lost Royalties and Brand Fund Contributions Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light thereof. The liquidated damages payable by Franchisee pursuant to this Section 17.2.15 shall be in addition to all other amounts payable under this Agreement and shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies pursuant to any other provision of this Agreement

17.2.16 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.

17.2.17 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

18.1 Full-Time. You covenant that, during the term of this Agreement, except as otherwise approved in writing by us, you (or, if you are a corporation, partnership, or limited liability company, one of your principals, general partners, or members), or a Key Manager designated and supervised by you, shall devote full time, energy, and diligent efforts to the management and operation of the Centers.

18.2 In-Term Covenants. You specifically acknowledge that, pursuant to this Agreement, you will receive valuable, specialized training and confidential information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques used by us and the System. You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or legal entity:

18.2.1 Shall not divert or solicit or attempt to divert or solicit any present or prospective business or customer of any Center to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System;

18.2.2 Shall not employ or seek to employ any person who is at that time employed by us, our affiliates, or otherwise directly or indirectly solicit or induce such person to leave his or her employment; or

18.2.3 Shall not own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any retail business which offers to sell or sells or dispenses hearing aids and/or accessories, and/or provides hearing care services, or any other services, equipment, products or items which are the same as, or substantially similar to, any of the primary services, equipment, products, or other items offered by a Center.

18.3 Post-Term Covenants. You further covenant that, except as otherwise approved in writing by us, for a continuous, uninterrupted period of two (2) years commencing upon the date of (a) a transfer permitted under Section 15 of this Agreement, (b) expiration of this Agreement, (c) nonrenewal of this Agreement; (d) termination of this Agreement (regardless of the cause for termination); or (e) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Section 18.3 (the dates of each of the foregoing subsections (a) through (d) are referred to as the "Trigger Date"), you, either directly or indirectly, for yourself and your owners, or through, on behalf of, or in conjunction with any person or legal entity:

18.3.1 Shall not own, maintain, operate, conduct, engage in, be employed by, provide assistance to, or have any interest in (as owner or otherwise) any retail business that (a) is substantially similar to a Hear Again America Center (as such business has been conducted during the six months prior to the Trigger Date); or (b) derives 15% or more of its revenues from the sale of hearing aids, hearing aid accessories, or hearing care services, that are the same as or similar to the Products and Services offered or sold by a Center under the System during the six months prior to the Trigger Date, if such retail business is located within your Territory, or within Twenty-five (25) miles of the outer bounds of your Protected Territory; or

18.3.2 Shall not directly or indirectly solicit, divert or attempt to solicit or divert any clients, customers, or prospective customers of the Centers formerly operated by you to any competitor.

18.4 Independent Covenants. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 18 is held unreasonable or unenforceable by a court, arbitrator, such provision shall be construed or modified to cover only that duration, scope, or activity, that is determined to be valid and enforceable, and you expressly agree to be bound by any lesser covenant as modified, as if the resulting covenant were separately stated in and made a part of this Section 18. You further understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant set forth in Sections 18.2 and 18.3, or any portion thereof, without your consent, effective immediately upon receipt by you of written notice thereof; and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

18.5 No Application to Hear Again America Franchises. The prohibitions of Sections 18.2 and 18.3 shall not apply to your or your affiliates' interests in or activities performed in connection with the operation of a Center under a written franchise agreement with us.

18.6 No Application to Equity Securities. Sections 18.2 and 18.3 shall not apply to ownership by you of a less than five percent (5%) beneficial interest in the outstanding equity securities of any corporation which has securities registered under the Securities Exchange Act of 1934.

18.7 No Defense. You expressly agree that the existence of any claims you may have against us, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by us of the covenants in this Sections 18.2 and 18.3, unless you have terminated this Agreement due to our material breach in accordance with Section 16.1.

## 19. CORPORATE, PARTNERSHIP, OR LIMITED LIABILITY COMPANY FRANCHISEE

19.1 Franchisee Corporation. If you are a corporation, you shall comply with the following requirements:

19.1.1 Unless you are an existing franchisee, you shall be newly organized, and your charter shall at all times provide that your activities are confined exclusively to operating the Franchised Business.

19.1.2 Copies of your Articles of Incorporation, Bylaws and other governing documents, and any amendments thereto, including the resolution of the Board of Directors authorizing entry into this Agreement, shall be promptly furnished to us.

19.1.3 You shall maintain stop-transfer instructions against the transfer on your records of any equity securities; and shall issue no certificates for voting securities upon the face of which the following printed legend does not legibly and conspicuously appear:

The transfer of this stock is subject to the terms and conditions of a Franchise Agreement with Hear Again Franchising, LLC dated MM/DD/YYYY. Reference is made to the provisions of the said Franchise Agreement and to the Articles and Bylaws of this Corporation.

Notwithstanding the above, the requirements of this Section 19.1.3 shall not apply to a "publicly held corporation." A "publicly held corporation" for purposes of this Agreement shall mean a corporation registered pursuant to the Securities and Exchange Act of 1934; and

19.1.4 You shall maintain a current list of all owners of record and all beneficial owners of any class of voting securities or securities convertible into voting securities of you and shall furnish the list to us upon request.

19.2 Franchisee Partnership. If you or any of your successors or assignees are a partnership, you shall comply with the following requirements:

19.2.1 Unless you are an existing franchisee, you shall be newly organized and shall furnish us with a copy of your partnership agreement as well as such other documents as we may reasonably request, and any amendments thereto;

19.2.2 The partnership agreement shall at all times note conspicuously that partnership rights are held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by the Franchise Agreement; and

19.2.3 You shall prepare and furnish to us, upon request, a list of all your general and limited partners.

19.3 Franchisee Limited Liability Company. If you or any of your successors or assignees are a limited liability company, you shall comply with the following requirements:

19.3.1 Unless you are an existing franchisee, you must be newly organized, and the articles of incorporation must at all times provide that your activities are confined exclusively to operating the Franchised Business;

19.3.2 You shall furnish us with a copy of the articles of organization and operating agreement, if any, as well as such other governing documents as we may reasonably request, and any amendments thereto;

19.3.3 The articles of organization or operating agreement shall at all times note conspicuously that membership rights are held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by the Franchise Agreement; and

19.3.4 You shall prepare and furnish to us, upon request, a list of your members or parties that hold any ownership interest in you.

19.4 Guaranty and Indemnification. If you are a corporation, partnership, or limited liability corporation, or if any of your successors or assignees are a partnership or limited liability corporation, then all of the owners thereto that hold a beneficial ownership interest of five percent (5%) or more, shall execute a Personal Guaranty and Assumption of Franchisee's Obligations in the form attached hereto as Attachment B..

19.5 Disclosure. If you are a corporation, partnership, or limited liability corporation, you must complete the Disclosure of Franchisee Owners included in Attachment A. You acknowledge that a change in the identity or ownership percentage of any your owners shall constitute a Transfer and is governed by Section 15 of this Agreement.

## 20. TAXES, PERMITS, AND OTHER LAWS

20.1 Payment of Taxes. You shall promptly pay when due all taxes levied or assessed, including, without

limitation, employer's portion of employment-related taxes (FICA, Medicare, and unemployment taxes) and sales taxes, and all accounts and other indebtedness of every kind incurred by you in the operation of the Franchised Business.

20.2 Contesting Taxes. In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but in no event shall you permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the Premises, or any improvements thereon.

20.3 Compliance with Laws and Codes of Conduct. You shall maintain any and all permits, certificates, or licenses necessary for the full and proper conduct of each Center, including, without limitation, licenses to do business, fictitious name registrations, occupancy licenses, sales tax permits, construction permits, health permits, building permits, handicap permits, and fire clearances. You shall comply with all federal, state, and local laws, rules, and regulations, including without limitation, those regulations relating to brokers and salesperson, occupational hazards, health, workers' compensation and unemployment insurance, and the applicable provisions of the ADA regarding the construction, design, and operation of each Center, and you shall comply with any codes of ethics, standards of conduct, and anti-corruption policies, that may be established by us and provided to you in the Operations Manual. You shall also comply with such other codes, standards, and policies that are provided otherwise in writing, to the extent that such codes, standards, and policies are reasonably necessary to comply with law applicable to us, our affiliates, or our franchisees.

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.

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 violation or breach of any warranty, representation, agreement, or obligation of this Agreement or in any other agreement between you and us or our affiliates; or (e) acts, errors, omissions in connection with the establishment and operation of each Center, including Privacy Claims (as defined below) unless such Privacy Claim is determined to be caused solely by the 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 non-renewal 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.

22.4 Implied Waiver by Franchisee. If you fail to give written notice to us of an alleged breach or violation of this Agreement within two (2) years after the date on which you became aware of any act or omission by us which you then or thereafter claim to be a breach by us of this Agreement, the alleged breach 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

26.1 Severability. The parties agree that each of the provisions of this Agreement shall be construed as independent of any other provision of this Agreement. If all or any portion of any provision of this Agreement is held invalid, unreasonable, or unenforceable by a court or tribunal having jurisdiction in an 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.

27.2 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.

27.6 Waiver of Exemplary Damages. We and you (and our respective owners and guarantors, if applicable) agree to waive, to the fullest extent permitted by law, the right to or claim for any special, consequential, or exemplary damages against the other and agree that in the event of a dispute between us, 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 any liability under the Maryland Franchise Registration and Disclosure Law.

This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

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

All representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

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

*[SIGNATURE PAGE FOLLOWS]*

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date signed by Franchisor below.

**FRANCHISEE:**
[FRANCHISEE]

**By:**

**Name:**

**Title:**

**Date:**

**FRANCHISOR:**
HEAR AGAIN FRANCHISING, LLC

**By:**

**Name:**

**Title:**

**EFFECTIVE DATE:**

**ATTACHMENT A**

**FRANCHISEE SPECIFIC TERMS**

**Effective Date:**

**Franchise Fee:**

**Franchisee Name:**

**Ownership of Franchise:**

| Owner Name | Ownership Percentage |
|---|---|
| | % |
| | % |
| | % |

**Franchisee Address:**

**Franchisee Phone:**

**Franchisee Email:**

**Principal Executive:**

**Designated Representative:**

**Protected Territory:**
*[Attach map or list of distinguishing territory features such as list of zip codes]*

**FRANCHISEE:**
[FRANCHISEE]

**By:**

**Name:**

**Title:**

**Date:**

**FRANCHISOR:**
HEAR AGAIN FRANCHISING, LLC

**By:**

**Name:**

**Title:**

**Date:**

**SCHEDULE 1 TO ATTACHMENT A**

**LOCATION ACCEPTANCE LETTER**
*(to be completed after site selection and acceptance)*

**Date:**

1. **Preservation of Agreement.** Except as specifically set forth in this letter, the Franchise Agreement shall remain in full force and effect in accordance with its terms and conditions. This letter is attached to and upon execution becomes an integral part of the Franchise Agreement.

2. **Authorized Location**. The Authorized Location shall be the following:

---

3. **Protected Territory.** Pursuant to the Franchise Agreement, Franchisee's Protected Territory will be defined as follows (if identified on a map, please attach map and reference attachment below):

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**FRANCHISOR:**

HEAR AGAIN FRANCHISING, LLC

**Signature:**

**Name:**

**Title:**

**ATTACHMENT B**

**PERSONAL GUARANTY OF OWNER/SHAREHOLDER**

This Personal Guaranty and Assumption of Obligations (this "Guaranty") is given by the undersigned individuals identified as the owners of Franchisee in Attachment A.

In consideration of, and as an inducement to, the execution of that certain franchise agreement of even date herewith ("Franchise Agreement") by the parties listed as Franchisor and Franchisee in the Franchise Agreement, the undersigned hereby personally and unconditionally, jointly and severally: guaranties to Franchisor and its successors and assigns, for the Term of the Franchise Agreement and, including any renewal thereof, as provided in the Franchise Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant stated in the Agreement and any documents, agreements, and instruments signed with or in connection with the Franchise Agreement (collectively, the "Franchise Documents"); and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Documents applicable to the owners of Franchisee.

The undersigned waives:

- acceptance and notice of acceptance by Franchisor of the foregoing undertakings;
- notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
- protest and notice of default to any party with respect to the indebtedness of non-performance of any obligations hereby guaranteed;
- any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
- any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

The undersigned consents and agrees that:

- the undersigned's direct and immediate liability under this Guaranty shall be joint and several with all signatories to this and similar guaranties of Franchisee's obligations;
- the undersigned shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so;
- this Guaranty shall apply to any claims Franchisor may have due to return of any payments or property Franchisor may have received from Franchisee as a preference, fraudulent transfer or conveyance or the like in any legal proceeding;
- such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and
- such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which in any way modify or amend this Guaranty, which shall be continuing and irrevocable during and after the terms of the Franchise Documents,

as the same may be amended or renewed, until Franchisee's duties and obligations to Franchisor are fully discharged and satisfied.

All capitalized terms when used shall have the meanings ascribed to them in the Franchise Agreement.

This Guaranty shall be governed, construed, and interpreted in accordance with the substantive laws of the state where Franchisor has its principal place of business at the time a dispute arises, without giving effect to its conflicts of law principles.

**IN WITNESS WHEREOF**, each of the undersigned has affixed his signature as dated below.

**GUARANTOR(S):**
*(add signature lines as necessary)*

**Signature:**

**Name:**

**Date:**

**ATTACHMENT C**

**FRANCHISEE COMPLIANCE QUESTIONNAIRE**

## FRANCHISEE QUESTIONNAIRE/COMPLIANCE CERTIFICATION

**DO NOT SIGN THIS QUESTIONNAIRE/COMPLIANCE CERTIFICATION IF YOU ARE A RESIDENT OF OR INTEND TO OPERATE THE FRANCHISED BUSINESS IN ANY OF THE FOLLOWING STATES: CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI (EACH IS A REGULATED STATE).**

FOR PROSPECTIVE FRANCHISEES THAT RESIDE IN OR ARE SEEKING TO OPERATE THE FRANCHISED BUSINESS IN ANY REGULATED STATE, SUCH PROSPECTIVE FRANCHISEE IS NOT REQUIRED TO COMPLETE THIS QUESTIONNAIRE OR TO RESPOND TO ANY OF THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE.

As you know, Hear Again Franchising, LLC ("we", "us"), and you are preparing to enter into a franchise agreement for the right to operate a Hear Again America franchise (each, a "Business"). The purpose of this questionnaire is to: (i) determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading; (ii) be certain that you have been properly represented in this transaction; and (iii) be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and pay us the appropriate franchisee fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer on the back of this sheet.

Y/N_____ 1. Have you received and personally reviewed the Franchise Agreement, as well as each exhibit or schedule attached to these agreements that you intend to enter into with us?

Y/N_____ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?

Y/N_____ 3. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Y/N_____ 4. Do you understand all the information contained in the Disclosure Document and the Franchise Agreement you intend to enter into with us?

Y/N_____ 5. Have you reviewed the Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor and discussed the benefits and risks of operating the Business(es) with these professional advisor(s)?

Y/N_____ 6. Do you understand we have only granted you certain, limited territorial rights under the Franchise Agreement, and that we have reserved certain rights under the Franchise Agreement?

Y/N_____ 7. Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the providing of services under the System mark or any other mark at any location outside your Territory under the Franchise Agreement, without regard to the proximity of these activities to the premises of your Business(es)?

Y/N_____ 8. Do you understand all disputes or claims you may have, arising from, or relating to the Franchise Agreement must be mediated and/or arbitrated, at our option, at our then-current headquarters?

Y/N_____ 9. Do you understand the Franchise Agreement provides that you can only collect

compensatory damages on any claim under or relating to the Franchise Agreement and are not entitled to any punitive, consequential, or other special damages?

Y/N_____ 10. Do you understand the sole entity or person against whom you may bring a claim under the Franchise Agreement is us?

Y/N_____ 11. Do you understand that the Franchisee (or one of its principals if Franchisee is an organization), as well as any Principal Executive(s) (as defined in the Franchise Agreement), must successfully complete the appropriate initial training program(s) before we will allow the Business to open or consent to a transfer of that Business?

Y/N_____ 12. Do you understand that we require you to successfully complete certain initial training program(s) and if you do not successfully complete the applicable training program(s) to our satisfaction, we may terminate your Franchise Agreement?

Y/N_____ 13. Do you understand that we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises (other than those that you timely fulfill your development obligations and have contracted to open under the Area Development Agreement, provided you have not materially breached that agreement and failed to timely cure that breach)?

Y/N_____ 14. Do you understand that we will send written notices, as required by your Franchise Agreement, to either your Business or home address until you designate a different address by sending written notice to us?

Y/N_____ 15. Do you understand that we will not approve your purchase of a franchise, or we may immediately terminate your Franchise Agreement, if we are prohibited from doing business with you under any anti-terrorism law enacted by the United States Government?

Y/N_____ 16. Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Business that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Y/N_____ 17. Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise regarding the actual, average, or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Business will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Y/N_____ 18. Is it true that no broker, employee, or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and/or Development Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?

Y/N_____ 19. Is it true that no broker, employee, or other person providing services to you on our behalf has solicited or accepted any loan, gratuity, bribe, gift or any other payment in money, property, or services from you in connection with a Business purchase with exception of those payments or loans provided in the Disclosure Document?

**GIVE A COMPLETE EXPLANATION OF ANY NEGATIVE RESPONSES ON BACK OF THIS**

**PAGE (REFER TO QUESTION NUMBER)**

**YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.**

**FRANCHISEE APPLICANT(S):**
*(add signature lines as necessary)*

**By:**

**Name:**

**Date:**

**ATTACHMENT D**

**BUSINESS ASSOCIATE AGREEMENT**

**BUSINESS ASSOCIATE AGREEMENT**

**between**

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

**and**

_____

**FRANCHISEE**

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## BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (this "Agreement") is entered into to be effective as of the date listed on the signature page ("Effective Date") by and between the person or entity identified as Franchisee on the signature page ("Franchisee"), and Hear Again Franchising, LLC. ("Hear Again America").

## RECITALS

A. Franchisee is a franchisee of Hear Again America and, as part of the Franchise Agreement entered into between them, Hear Again America and Franchisee use software systems that provide Hear Again America access to certain business information of Franchisee, including, without limitation, the access to and disclosure of customer files and Protected Health Information.

B. Hear Again America also provides an extended warranty on products sold by Hear Again America to Franchisee which requires Hear Again America to have access to, use, and disclose Protected Health Information on behalf of Franchisee.

C. The parties intend that this Business Associate Agreement ("BAA") comply with the business associate agreement requirements set forth in the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Parts 160-164 ("HIPAA Privacy Rule") as amended by the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"). The parties also intend that the BAA comply with the relevant provisions of applicable health care information privacy laws.

D. The parties desire to enter into this Agreement to reflect their understandings and obligations with regard to Protected Health Information and their compliance with the HIPAA Rules as well as the requirements of applicable state health care information privacy laws.

## AGREEMENT

In consideration of the mutual covenants and promises made by and between the parties, the receipt and adequacy of which is acknowledged, the parties agree as follows:

### SECTION 1.
### DEFINITIONS

1.1. Catch-All Definition. Terms used, but not otherwise defined, in this BAA shall have the same meaning as those terms in the HIPAA Rules, including the following terms: Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Minimum Necessary, Notice of Privacy Practices, Required by Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

1.2 Specific Definitions.

a. Business Associate shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean Hear Again America.

b. Covered Entity shall have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean Franchisee.

c. Electronic Protected Health Information or "ePHI" shall mean protected health information that is transmitted by or maintained in electronic media.

d. HIPAA Rules shall mean the Privacy, Security, Breach Notification, and Enforcement Rules set forth at 45 CFR Part 160 and 164.

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

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

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

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 this BAA, and to comply with the applicable provisions of 45 CFR Part 164, Subpart C with respect to Electronic Protected Health Information.

2.4 Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this BAA, including any Breach.

2.5 Agents and Subcontractors. Business Associate agrees to ensure that any agent, including a subcontractor, that creates, receives, maintains, or transmits Covered Entity's Protected Health Information on behalf of Business Associate agrees to the same restrictions and conditions that apply to Business Associate with respect to such information, including, without limitation, restrictions, conditions, and requirements regarding implementation of reasonable and appropriate safeguards to protect Electronic Protected Health Information, and to notify Business Associate of Breaches and other improper uses or disclosures of Protected Health Information.

2.6 Access to Protected Health Information. If Business Associate maintains Protected Health Information in a Designated Record Set, Business Associate agrees to provide access to Protected Health Information in a Designated Record Set Covered Entity within ten (10) business days of Covered Entity's request, in the manner determined by Covered Entity, or as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR 164.524. If an Individual makes a request for access directly to Business Associate, Business Associate shall notify Covered Entity of such request within three (3) business days of receipt of the request.

2.7 Amendment to Protected Health Information. In the event Business Associate maintains Protected Health Information in a Designated Record Set, Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR 164.526, at the request of Covered Entity or an Individual, within twenty (20) business days of Covered Entity's request for such an amendment. In the event a request for an amendment is made directly to Business Associate by an Individual, Business Associate will notify Covered Entity of such request within three (3) business days of receipt of the request.

2.8 Access and Inspection. Business Associate agrees to make internal practices, books, and records, including policies and procedures relating to the Use and Disclosure of Protected Health Information received from, or created, or received by Business Associate on behalf of Covered Entity available to Covered Entity, or to the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the HIPAA Rules.

2.9 Accounting of Disclosures. Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528. Business Associate agrees to provide to Covered Entity, within twenty (20) business days of Covered Entity's request, the information collected to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528.

2.10 Reporting Disclosures and Breaches. Business Associate agrees to report to Covered Entity:

a. Any improper Use or Disclosure of Protected Health Information within ten (10) business days of Business Associates discovery of such improper Use or Disclosure, even if such improper Use or Disclosure is not a Breach.

b. Any Security Incident of which it becomes aware, within five (5) business days of discovery.

c. Any Breach, within two (2) business days of becoming aware of the Breach. Business Associate may make the initial report orally, but shall provide a full written report to Covered Entity within five (5) days or providing oral notice. Each report (written or oral) shall include, to the extent available at the time of the report, a description of the Breach, the Protected Health Information disclosed (including

names and contact information), and a description of any remedial action(s) taken by Business Associate.

d. Any Use or Disclosure of Protected Health Information or any Security Incident not provided for by this BAA of which it becomes aware.

2.11 Cooperation with Investigation. Business Associate will, at its own expense, cooperate with Covered Entity in its investigation of, and response to any Breach, as well as all costs related to the investigation, notification, and services to be provided to affected individuals and other third parties. Covered Entity will determine (a) the content of any notice provided in connection with a Security Incident and/or Breach, regardless of whether the notice is to be sent to affected individuals, federal or state government agencies or the media and (b) the service if any to be offered to affected individuals. Business Associate will take, at its own expense, measures reasonably necessary to mitigate any known, harmful effect of a Security Breach.

2.12 Ownership Rights. Business Associate acknowledges that it has no ownership rights with respect to any Protected Health Information received from or created by Business Associate on Covered Entity's behalf.

2.13 Performance of Covered Entity Obligations. To the extent Business Associate is carrying out Covered Entity's obligations under Subpart E of 45 CFR Part 164, Business Associate shall comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligation(s).

## SECTION 3.
## PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

3.1 General Use and Disclosure. Except as otherwise limited in this BAA, Business Associate may Use or Disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Agreement, provided that such Use or Disclosure would not violate the Privacy Rule if done by Covered Entity except as permitted by this Section 3.

3.2 Use for Business Purposes. Except as otherwise limited in this BAA, Business Associate may use Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

3.3 Disclosure for Business Purposes. Except as otherwise limited in this BAA, Business Associate may Disclose Protected Health Information for the proper management and administration of Business Associate, provided that Disclosures are (a) Required By Law; or (b) Business Associate obtains reasonable assurances, prior to disclosure, from the person to whom the information will be disclosed that it will remain confidential and be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

3.4 Minimum Necessary. Business Associate shall Use and Disclose Protected Health Information, as well as requests for Protected Health Information, in accordance with Covered Entity's minimum necessary policies and procedures.

3.5 Data Aggregation. Except as otherwise limited in this BAA, Business Associate may Use Protected Health Information to provide Data Aggregation services related to the health care operations of Covered Entity as permitted by 45 CFR 164.504(e)(2)(i)(B) if so requested by Covered Entity.

3.6 De-Identification. Business Associate may de-identify any and all Protected Health Information, provided that such de-identification is performed in accordance with 45 CFR 164.514(b), and provided that Business Associate not maintain or disclose any code or other means of record identification that would allow de-identified information to be re-identified.

**SECTION 4.**
**OBLIGATIONS OF COVERD PARTY**

4.1 Notification to Business Associate. Covered Entity shall notify Business Associate of:

a. Any limitation(s) in its notice of privacy practices in accordance with 45 CFR 164.520, to the extent that such limitation may affect Business Associate's Use or Disclosure of Protected Health Information; and

b. Any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's Use or Disclosure of Protected Health Information; and

c. Any restriction to the Use or Disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's Use or Disclosure of Protected Health Information.

4.2 Requests. Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by Covered Entity."

**SECTION 5.**
**TERM AND TERMINATION**

5.1 Term. The Term of this BAA shall be effective as of the Effective Date, and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Section 5.

5.2 Termination for Cause. Upon Covered Entity's knowledge of a violation of a material term of this BAA or the Agreement by Business Associate, Covered Entity shall either:

a. Provide an opportunity for Business Associate to cure the violation and if Business Associate does not cure the violation or end the violation within the time specified by Covered Entity terminate the Agreement and this BAA; or

b. Immediately terminate the Agreement and this BAA if Business Associate has violated a material term of the Agreement or this BAA and cure is not possible.

If neither termination nor cure are feasible, Covered Entity shall report the violation to the Secretary.

5.3 Effect of Termination.

a. Except as provided in Paragraph b. of this section, upon termination of the BAA, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity that Business Associate maintains in any form. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.

b. In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon the mutual agreement of the parties that return or destruction of Protected Health Information is infeasible, Business Associate shall extend the

protections of this BAA to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

**SECTION 6.**
**MISCELLANEOUS**

6.1 Indemnification. Business Associate agrees to indemnify, defend, and hold harmless Covered Entity, its parent and subsidiary corporations, officers, directors, employees, and agents from and against any and all claims, inquires, investigations, reasonable attorney fees, costs, monetary penalties, and damages incurred as a result of any negligence, intentional misconduct, or other breach of this BAA, including but not limited to a Breach caused by the negligent acts or omissions of Business Associate, its agents, or subcontractors. Such indemnification shall include the reasonable attorney fees and other expenses (including the cost of any investigation, notice to affected individuals, and any services offered to affected individuals in the security breach notification) incurred by Covered Entity in connection with the provision of notice of a Breach to affected individuals.

6.2 Regulatory References. A reference in this BAA to a section in the Privacy Rule or Security Rule means the section as in effect or as amended.

6.3 Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule, Security Rule, and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

6.4 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.

6.5 Interpretation and/or Inconsistency. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the HIPAA Rules. In the event of an inconsistency between the provisions of this Agreement and the mandatory terms of the HIPAA Rules, as may be expressly amended from time to time by the HHS or as a result of interpretations by HHS, a court, or another regulatory agency with authority over the parties, the interpretation of HHS, such court, or regulatory agency shall prevail. In the event of a conflict among the interpretations of these entities, the conflict shall be resolved in accordance with rules of precedence. Where there are provisions in this BAA additional to those mandated by the HIPAA Rules, but which are not prohibited by the HIPAA Rules, the provisions of this Agreement will apply.

*[SIGNATURE PAGE FOLLOWS]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in the manner appropriate to each.

**COVERED ENTITY:**
[FRANCHISEE]

**Signature:**

**Name:**

**Title:**

**BUSINESS ASSOCIATE:**
HEAR AGAIN FRANCHISING, LLC

**Signature:**

**Name:**

**Title:**

**EFFECTIVE DATE:**

**ATTACHMENT E**

**ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM**

**Bank Name:**

**ABA Number:**

**Account Number:**

**Account Name:**

Effective as of the date of the signature below, _____ (the "Franchisee") hereby authorizes Hear Again Franchising, LLC (the "Franchisor") or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Franchisor or its affiliates under the franchise agreement dated _____ (the "Franchise Agreement") for the business operating at the location identified on Attachment A of the Franchise Agreement (the "Franchised Business"): (i) all Royalty Fees; (ii) Fund Contributions; (iii) any amounts due and owing the Franchisor or its affiliates in connection with marketing materials or other supplies or inventory that is provided by Franchisor or its affiliates; and (iv) all other fees and amounts due and owing to Franchisor or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Franchisor (or its designee) as set forth in the Franchise Agreement.

The parties further agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement.

Such withdrawals shall occur on a weekly basis, or on such other schedule as Franchisor shall specify in writing. This authorization shall remain in full force and effect until terminated in writing by Franchisor. **PLEASE ATTACH A VOIDED BLANK CHECK, FOR PURPOSES OF SETTING UP BANK AND TRANSIT NUMBERS.**

AGREED ON _____:

**FRANCHISEE:**
[FRANCHISEE]

**By:**

**Name:**

**Title:**

**FRANCHISOR:**
**Hear Again Franchising, LLC**

**By:**

**Name:**

**Title:**

**EXHIBIT F**

**AREA DEVELOPMENT AGREEMENT**
**WITH ATTACHMENTS**

# 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

Upon execution of this Agreement, you must pay us a development fee in the amount specified in Attachment A (the "Development Fee"), which is based on the initial franchise fee you must pay for each Business that you develop (the "Franchise Fee", which is also specified in Attachment A). The Development Fee will be credited towards 100% of the Franchise Fee due under the Franchise Agreement for each Business that you develop pursuant to this Agreement, including the Initial Franchise Agreement. The Development Fee is fully earned by us when we and you sign this Agreement and is non-refundable, even if you do not comply with the Development Schedule.

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, 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 territory as set forth in the

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. Upon termination of this Agreement for any other reason whatsoever, we will retain the Development Fee and you will not be relieved of any of your obligations, debts, or liabilities hereunder, including without limitation any debts,

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.

## 9. Miscellaneous

Capitalized terms used and not otherwise defined in this Agreement shall have the meanings set forth in the Initial Franchise Agreement. This Agreement, together with the Initial Franchise Agreement, supersedes all prior agreements and understandings, oral and written, among the parties relating to its subject matter, and there are no oral or other written understandings, representations, or agreements among the parties relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representations that we made in the most recent Franchise Disclosure Document that we delivered to you or your representatives. This Agreement shall not be binding on either party until it is executed by both parties. This Agreement may be signed in multiple counterparts, but all such counterparts together shall be considered one and the same instrument. The provisions of this Agreement may be amended or modified only by written agreement signed by the party to be bound.

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

This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

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

All representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

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

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement under seal as of the Effective Date.

SIGNATURE PAGE FOLLOWS:

**FRANCHISEE:**
[FRANCHISEE]

**Signature:**

**Name:**

**Title:**

**FRANCHISOR:**
HEAR AGAIN FRANCHISING, LLC

**Signature:**

**Name:**

**Title:**

**EFFECTIVE DATE:**

**ATTACHMENT A**

**DEVELOPER SPECIFIC TERMS**

**Effective Date:**

**Development Fee:**

**Franchisee Developer Name:**

**Ownership of Franchisee Developer:**

| Owner Name | Ownership Percentage |
|---|---|
| | % |
| | % |
| | % |

**Franchisee Developer Address:**

**Franchisee Developer Phone:**

**Franchisee Developer Email:**

**Principal Executive:**

**Designated Representative:**

**Development Area:**
*[Attach map or list of distinguishing territory features such as list of zip codes]*

**Development Schedule:** You agree to establish and operate a total of _____ Franchised Businesses within the Development Area during the term of this Agreement. The Franchised Businesses must be open and operating in accordance with the following Development Schedule:

| Franchised Businesses Agreed to Open | Date By Which Franchised Business Must Be Open and Operating |
|---|---|
| 1 | |
| 2 | |
| 3 | |
| 4 | |
| 5 | |

**Other Terms:**

**DEVELOPER:**
[FRANCHISEE]

**Signature:**

**Name:**

**Title:**

**Date:**

**FRANCHISOR:**
HEAR AGAIN FRANCHISING, LLC

**Signature:**

**Name:**

**Title:**

**Date:**

**ATTACHMENT B**

**PERSONAL GUARANTY OF OWNER/SHAREHOLDER**

This Personal Guaranty and Assumption of Obligations (this "Guaranty") is given by the undersigned individuals identified as the owners of Franchisee Developer in Attachment A.

In consideration of, and as an inducement to, the execution of that certain area development agreement of even date herewith ("Development Agreement") by the parties listed as Franchisor and Developer in the Development Agreement, the undersigned hereby personally and unconditionally, jointly and severally: guaranties to Franchisor and its successors and assigns, for the Term of the Development Agreement and, including any renewal thereof, as provided in the Development Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant stated in the Development Agreement and any documents, agreements, and instruments signed with or in connection with the Development Agreement (collectively, the "Franchise Documents"); and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Documents applicable to the owners of Franchisee.

The undersigned waives:

1. acceptance and notice of acceptance by Franchisor of the foregoing undertakings;

2. notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;

3. protest and notice of default to any party with respect to the indebtedness of non-performance of any obligations hereby guaranteed;

4. any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; and

5. any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

The undersigned consents and agrees that:

1. the undersigned's direct and immediate liability under this Guaranty shall be joint and several with all signatories to this and similar guaranties of Developer's obligations;

2. the undersigned shall render any payment or performance required under the Development Agreement upon demand if Developer fails or refuses punctually to do so;

3. this Guaranty shall apply to any claims Franchisor may have due to return of any payments or property Franchisor may have received from Developer as a preference, fraudulent transfer or conveyance or the like in any legal proceeding;

4. such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person; and

5. such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Developer or any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which in any way modify or amend this Guaranty, which shall be continuing and irrevocable during and after the terms of the Franchise Documents, as the same may be

amended or renewed, until Franchisee's duties and obligations to Franchisor are fully discharged and satisfied.

All capitalized terms when used shall have the meanings ascribed to them in the Development Agreement.

This Guaranty shall be governed, construed, and interpreted in accordance with the substantive laws of the state where Franchisor has its principal place of business at the time a dispute arises, without giving effect to its conflicts of law principles.

**IN WITNESS WHEREOF**, each of the undersigned has affixed his signature as dated below.

**GUARANTOR(S):**
*(add signature lines as necessary)*

**Signature:**

**Name:**

**Date:**

**EXHIBIT G**

**FORM OF GENERAL RELEASE**

# GENERAL RELEASE OF CLAIMS

[*This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.*]

This General Release of Claims ("Release") is made as of the date signed below, by the individual or entity listed below as franchisee ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of Hear Again Franchising, LLC ("Franchisor," and together with Releasor, the "Parties").

**WHEREAS**, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a Hear Again America business;

**WHEREAS**, [Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement] OR [the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release], and Franchisor has consented to such; and

**WHEREAS**, as a condition to Franchisor's consent, Releasor has agreed to execute this Release upon the terms and conditions stated below.

**NOW, THEREFORE**, in consideration of Franchisor's consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

**1. Representations and Warranties**. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

**2. Release**. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third party claim.

**3. Nondisparagement**. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

**4. Confidentiality**. Releasor agrees to hold in strictest confidence and not disclose, publish, or use

the existence of, or any details relating to, this Agreement to any third party without Franchisor's express written consent, except as required by law.

**5. Miscellaneous**.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the state where the Franchised Business is located.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

*[Signature Page follows]*

## Signature Page to General Release Form

**IN WITNESS WHEREOF**, Releasor has executed this Release as of the date signed below.

**FRANCHISEE:**

[FRANCHISEE]

**By:**

**Name:**

**Title:**

**Date:**

**FRANCHISEE'S OWNERS:**
*(add more lines signature lines as necessary)*

**Signature:**

**Name:**

**Date:**

**Signature:**

**Name:**

**Date:**

**EXHIBIT H**

**FORM OF NONDISCLOSURE AND NONCOMPETE AGREEMENT**

**[THIS EXHIBIT IS FOR REFERENCE PURPOSES ONLY AS A SAMPLE FORM CONFIDENTIALITY AGREEMENT THAT FRANCHISOR MAY APPROVE FOR USE BY FRANCHISEE – BEFORE USING WITH AN EMPLOYEE OR CONTRACTOR FRANCHISEE SHOULD HAVE THIS AGREEMENT REVIEWED AND APPROVED BY AN INDEPENDENT LOCAL ATTORNEY HIRED BY FRANCHISEE.]**

# CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

*[Sample ONLY]*

This Agreement (the "Agreement") is entered into by the undersigned ("you") in favor of:

[On the Line Below, Insert Name of Franchisee that Owns and Operates the Hear Again America Franchised Business]

_____ (hereinafter referred to as "us", "our" or "we")

## Recitals and Representations

**WHEREAS**, we are the owners of a licensed Hear Again America franchised business (hereinafter referred to as the "Hear Again America Business") that we independently own and operate as a franchisee;

**WHEREAS**, you are or are about to be an employee, independent contractor, officer and/or director of a Hear Again America Business that is independently owned and operated by us;

**WHEREAS**, in the course of your employment, independent contractor relationship and/or association with us, you may gain access to Confidential Information (defined below in this Agreement) and you understand that it is necessary to protect the Confidential Information and for the Confidential Information to remain confidential;

**WHEREAS**, our franchisor, Hear Again Franchising, LLC, is not a party to this agreement and does not own or manage the Hear Again America Business but is an intended third-party beneficiary of this Agreement; and

**WHEREAS**, this Agreement is not an employment agreement and is only a confidentiality agreement in connection with information, materials and access that may be provided to you in connection with the Hear Again America Business.

**NOW THEREFORE**, you acknowledge and agree as follows:

**1. Recitals and Representations**. You agree that the foregoing Recitals and Representations are true and accurate and shall constitute a part of this Agreement and are hereby incorporated into the main body of this Agreement.

**2. Definitions**. For purposes of this Agreement, the following terms have the meanings given to them below:

*"Business Management System"* refers to and means the software and/or internet or cloud-based system and/or systems, point of sale system or systems and customer relationship management system or systems as used in connection with the operations of the Hear Again America Business.

*"Business Management System Data"* refers to and means the forms, data, tools, customer information, inventory and sales information, and other information that is entered into and/or maintained on the Business Management System of the Hear Again America Business.

*"Confidential Information"* refers to and means: (a) non-public methods, specifications, standards, policies,

procedures, information, concepts, programs and systems relating to the development, establishment, marketing, promotion and operation of the Hear Again America Business; (b) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of the Hear Again America Business; (c) customer lists and information related to the Hear Again America Business; (d) Business Management System Data; I current and future information contained in the Hear Again America Operations Manual made available to the Hear Again America Business by Hear Again Franchising, LLC; and (f) production and service procedures that are not disclosed to the public but used by the Hear Again America Business.

"*Digital Media*" refers to and means any interactive or static electronic document, application or media including, but not limited to, our website, social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, Snapchat, YouTube, and world wide web and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to the Hear Again America Business or other Hear Again America Businesses.

*"Licensed Marks"* refers to and means the word marks, trademarks, service marks, and logos now or hereafter utilized in the operation of a Hear Again America Business, including, but not limited to, the "Hear Again America" word mark, associated logos, and any other trademarks, service marks or trade names that we designate for use in a Hear Again America Business.

*"Operations Manual"* refers to and means the confidential operations manual made available to the Hear Again America Business by our franchisor or as otherwise designated by us. The Operations Manual may consist of one of more volumes, handbooks, manuals, written materials, video, electronic media files, cloud/internet-based list-service, intra-net, internet based and accessed databases, computer media, webinars and other materials as may be modified, added to, replaced, or supplemented.

*"Trade Dress"* refers to and means the Hear Again America designs, images, marketing materials, packaging, branding and/or branding images used in connection with the operation of the Hear Again America Business.

**3. Your Access to Confidential Information**. In addition to the representations and acknowledgments contained in the Recitals and Representations, above, you acknowledge and represent that in your capacity as an employee, independent contractor, officer and/or director of the Hear Again America Business that you will be gaining access to, among other things, the Confidential Information. You acknowledge that the terms of this Agreement are fair and reasonable.

**4. Protection of the Confidential Information**. You agree that: (i) you will not use the Confidential Information in any business or capacity other than the Hear Again America Business; (ii) you will maintain the confidentiality of the Confidential Information at all times; (iii) you will not make unauthorized copies of documents containing the Confidential Information; (iv) you will take such reasonable steps as the we may ask of you from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (v) you will stop using the Confidential Information immediately at our request or demand. You will not use the Confidential Information for any purpose other than for the performance of your duties on behalf of us and in accordance with the scope of your work with us.

**5. Reasonableness of Covenants and Restrictions**. You agree that: (i) the terms of this Agreement are reasonable and fair and that you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **You hereby waive any right to challenge the terms of this Agreement as being overly broad, unreasonable, or otherwise unenforceable.**

**6. Breach**. You agree that failure to comply with the terms of this Agreement will cause irreparable harm to us and to our franchisor, Hear Again Franchising, LLC, and other Hear Again America franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants

will entitle us or our franchisor, Hear Again Franchising, LLC, to injunctive relief. You agree that we and/or our franchisor, Hear Again Franchising, LLC, may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, you agree that the amount of the bond shall not exceed one thousand dollars ($1,000.00). None of the remedies available to us under this Article are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages.

## 7. Miscellaneous.

(a) If we hire an attorney or files suit against you because you have breached this Agreement and if we prevail in such lawsuit, you agree to pay the reasonable attorney fees and costs that we incur.

(b) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

**YOU ACKNOWLEDGE THAT THIS IS NOT AN EMPLOYMENT AGREEMENT.**

**YOU ACKNOWLEDGE AND AGREE THAT OUR FRANCHISOR, HEAR AGAIN FRANCHISING, LLC, IS NOT A PARTY TO THIS AGREEMENT BUT IS AN INTENDED THIRD-PARTY BENEFICIARY OF THIS AGREEMENT.**

**IN WITNESS WHEREOF**, each of the undersigned has executed this Agreement as of the date or dates set forth below.

**RESTRICTED PARTY**

Signature:

Name:

Date:

**EXHIBIT I**

## STATE SPECIFIC ADDENDA AND AGREEMENT RIDERS

The following modifications are made to this Disclosure Document, given to you and may supersede, to the extent then-required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated as of the Effective Date set forth in your Franchise Agreement. When the term "Franchisor's Choice of Law State" is used, it means the laws of the state of Florida, subject to any modifications as set forth in the addenda below. When the term "Supplemental Agreements" is used, it means Area Development Agreement.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. These State Specific Addenda ("Addenda") modify the agreements to comply with the state's laws. The terms of these Addenda will only apply if you meet the requirements of the applicable state, independent of your signing the appropriate Addenda. The terms of the Addenda will override any inconsistent provision in the FDD, Franchise Agreement, or any Supplemental Documents. These Addenda are only applicable to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign the signature page to the Addenda along with the Franchise Agreement and any Supplemental Agreements.

## CALIFORNIA

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the Franchise Agreement, and the Area Development Agreement, the following provisions shall supersede and apply to all franchises offered and sold in the State of California:

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT dfpi.ca.gov.

### ITEM 3 – LITIGATION

Neither the Franchisor, nor any person identified in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange

### ITEM 5 – INITIAL FEES

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.

### ITEM 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

2. The Franchise Agreement provides for termination upon bankruptcy, this provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq).

3. The Franchise Agreement and the Development Agreement contain provisions requiring application of the laws of Florida. This provision may not be enforceable under California law.

4. The Franchise Agreement and the Development Agreement require venue to be limited to Florida. This provision may not be enforceable under California law.

5. The Franchise Agreement contains a covenant not to compete which extends beyond the termination or non-renewal of the franchise. This provision may not be enforceable under California law.

6. THE FRANCHISE AGREEMENT MAY REQUIRE THE FRANCHISEE TO EXECUTE A GENERAL RELEASE OF CLAIMS UPON EXECUTION OF THE FRANCHISE AGREEMENT. CALIFORNIA CORPORATIONS CODE SECTION 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE SECTIONS 31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE SECTION 20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE SECTIONS 20000 THROUGH 20043).

7. California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Corporations before we ask you to consider a material modification of your Franchise Agreement or the Development Agreement.

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

9. The Franchise Agreement and any Area Development Agreement require binding arbitration. The arbitration will occur in Florida. If we are the substantially prevailing party, we will be entitled to recover reasonable attorneys' fees and litigations costs and expenses in connection with the arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

10. 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.

## DISCLOSURES REQUIRED BY CONNECTICUT LAW

**The State of Connecticut does not approve, recommend, endorse, or sponsor any business opportunity. The information contained in this disclosure has not been verified by the state. If you have any questions about this investment, see an attorney before you sign a contract or agreement.**

4. Pursuant to Section 36b-63(c)(23) of the Connecticut Business Opportunity Investment Act:

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

5. Pursuant to Section 36b-63(c)(21) of the Connecticut Business Opportunity Investment Act, regarding historical information relating to sales or earning claims:

> "**Caution: Some business opportunities have earned this amount. There is no assurance you will do as well. If you rely upon our figures, you must accept the risk of not doing as well."**

6. Pursuant to Section 36b-63(c)(20) of the Connecticut Business Opportunity Investment Act regarding the Seller's Sales or Earnings Estimates and Projections:

> **"Caution: These figures are only estimates of what we think you may earn. There is no assurance you will do as well. If you rely upon our figures, you must accept the risk of not doing as well."**

## HAWAII

The following paragraphs are added in the state cover pages:

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

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

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

The name and address of the Franchisor's agent in this state authorized to receive service of process is: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the Franchise Disclosure Document for Hear Again Franchising, LLC in connection with the offer and sale of franchises for use in the State of Hawaii shall be amended to include the following:

> This proposed registration is effective/exempt from registration or will shortly be on file in California, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington, and Wisconsin. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises. The proposed registration of these franchises has not been involuntarily withdrawn in any state.

**Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., are met independently without reference to this Addendum to the disclosure document.**

## ILLINOIS

Illinois law governs the Disclosure Document and Franchise Agreement(s).

Item 5 shall be amended to include: Based upon the franchisor's financial condition, the Illinois Office of the Attorney General 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. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

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

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

Franchisor reserves the right to enter into agreements to provide services to "National Accounts" within your territory. In its sole discretion, Franchisor or another franchisee may provide products and services to a "National Account" with no compensation paid to you.

## INDIANA

Notwithstanding anything to the contrary set forth in the Franchise Agreement or Area Development Agreement, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana:

1. The Franchise Agreement and Area Development Agreement will be governed by Indiana law. Venue for litigation will not be limited to a venue outside of the State of Indiana, as specified in the Franchise Agreement and Area Development Agreement.

2. The prohibition by Indiana Code 23-2-2.7-1 (7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement, shall supersede any conflicting provisions of the Franchise Agreement and the Area Development Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

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 Indiana.

4. The post-termination non-competition covenants set forth in the Franchise Agreement and Area Development Agreement shall be limited in time to a maximum of three (3) years and in geographic scope to the designated territory granted by the Agreement.

5. Nothing 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 Indiana, and the laws of the State of Indiana supersede any conflicting choice of law provisions set forth herein if such provision is in conflict with Indiana law.

6. You will not be required to indemnify us and the other Indemnities for any liability caused by your proper reliance on or use of procedures or materials provided by us or caused by our negligence.

7. If we receive any payments related to purchases from you that we do not pass on in full to the supplier, we will promptly account for the amount of the payment that we retained and we will transmit the retained amount to you.

**IOWA**

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Hear Again Franchising, LLC; 269 S Federal Highway, Deerfield Beach, FL 33441, not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

FRANCHISEE

Signed:

Name:

Date:

## MARYLAND

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document, Franchise Agreement or Area Development Agreement and will apply to all franchises offered and sold under the laws of the State of Maryland:

### Item 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

2. A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the franchise.

3. The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Item 5 shall be amended to include: Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

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

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

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provisions of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value, at the time of expiration, of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchised business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years; and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, marketing, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.[1]

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) the failure of the proposed franchisee to meet the franchisor's then-current reasonable qualifications or standards;

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

(iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations; and

[1]NOTE: Notwithstanding paragraph (f) above, we intend to fully enforce the provisions of the arbitration section of our agreements. We believe that paragraph (f) is preempted by the Federal Arbitration Act and that paragraph (f) is therefore unconstitutional.

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

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

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

*****

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

*****

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor must, at the request of the franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

*****

The name and address of the franchisor's agent in this state authorized to receive service of process is: Michigan Department of Commerce, Corporation and Securities Bureau, 6546 Mercantile Way, P.O. Box 30222, Lansing, MI 48910.

Any questions regarding this notice should be directed to:

Department of the Attorney General's Office
Corporate Oversight Division
Attn: Franchise
670 G. Mennen Williams Building
Lansing, MI 48913

## 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.

## NEW YORK

## NOTICE TO PROSPECTIVE FRANCHISEES IN THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT B OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED** IN **THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

a. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

b. No such party has pending actions, other than routine litigation. incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the· franchise system or its business operations.

c. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

d. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust; trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" section of Item 17(c), titled **"Requirements for franchisee to renew or extend,"** and Item 17(m), entitled **"Conditions for franchisor approval of transfer"**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Section 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**":

You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" section of Item 17(v), titled **"Choice of forum",** and Item 17(w), titled **"Choice of Law"**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

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

7. Receipts. Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

## NORTH DAKOTA

In North Dakota, the Disclosure Document is amended as follows to conform to North Dakota law:

Item 5 "Initial Fees," is supplemented by the addition of the following:

> Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

Item 6 "Other Fees," is supplemented by the addition of the following:

> No consent to termination or liquidated damages shall be required from franchisees in the State of North Dakota.

Item 17 "Renewal, Termination, Transfer and Dispute Resolution," is supplemented by the addition of the following:

> Any provision requiring a franchisee to sign a general release upon renewal of the franchise agreement has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
>
> Any provision requiring a franchisee to consent to termination or liquidation damages has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
>
> Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, and inequitable. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.
>
> Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation must be agreeable to all parties and may not be remote from the franchisee's place of business.
>
> Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.
>
> Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.
>
> Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment

Law.

Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

## OHIO

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials: _____ Date: _____

## NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Hear Again Franchising, LLC; 269 S Federal Highway, Deerfield Beach, FL 33441 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

FRANCHISEE

Signed:

Name:

Date:

## RHODE ISLAND

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Rhode Island.

### ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

§19-28.1.-14 of the Rhode Island Franchise Investment Act provides that "A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

## 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:**

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.

The following statements are added to Item 17 and are effective for all agreements signed on or after July 1, 2026:

Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale

# ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF WASHINGTON

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

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

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

# AMENDMENT TO THE
# HEAR AGAIN FRANCHISING, LLC
# FRANCHISE AGREEMENT REQUIRED BY THE STATE OF WASHINGTON

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

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

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the

franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

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

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

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise

agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

**18.** **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The parties hereto have duly executed this Washington Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:
Hear Again Franchising, LLC

By:_____

_____,_____
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

PRINCIPAL:

_____

_____
(Print Name)

PRINCIPAL:

_____

_____
(Print Name)

## WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

**SIGNATURE PAGE FOR APPLICABLE ADDENDA AND STATE RIDER**

If any one of the preceding Addenda for specific states is checked as an "Applicable Addenda" below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement, and any Supplemental Agreements entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement, or Supplemental Agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

| | | |
|---|---|---|
| ☐ California | ☐ Michigan | ☐ Rhode Island |
| ☐ Hawaii | ☐ Minnesota | ☐ South Dakota |
| ☐ Illinois | ☐ New York | ☐ Virginia |
| ☐ Iowa | ☐ North Dakota | ☐ Washington |
| ☐ Indiana | ☐ Ohio | ☐ Wisconsin |
| ☐ Maryland | | |

Date:_____

**FRANCHISOR:**
HEAR AGAIN FRANCHISING, LLC

Name:

Title:

**FRANCHISEE:**
FRANCHISEE

Name:

Title:

**EXHIBIT J**

**ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM**

**Bank Name:**

**ABA Number:**

**Account Number:**

**Account Name:**

Effective as of the date of the signature below, _____ (the "Franchisee") hereby authorizes Hear Again Franchising, LLC (the "Franchisor") or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Franchisor or its affiliates under the franchise agreement dated _____ (the "Franchise Agreement") for the business operating at the location identified on Attachment A of the Franchise Agreement (the "Franchised Business"): (i) all Royalty Fees; (ii) Fund Contributions; (iii) any amounts due and owing the Franchisor or its affiliates in connection with marketing materials or other supplies or inventory that is provided by Franchisor or its affiliates; and (iv) all other fees and amounts due and owing to Franchisor or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Franchisor (or its designee) as set forth in the Franchise Agreement.

The parties further agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement.

Such withdrawals shall occur on a weekly basis, or on such other schedule as Franchisor shall specify in writing. This authorization shall remain in full force and effect until terminated in writing by Franchisor. **PLEASE ATTACH A VOIDED BLANK CHECK, FOR PURPOSES OF SETTING UP BANK AND TRANSIT NUMBERS.**

AGREED ON _____:

**FRANCHISEE:**
[FRANCHISEE]

**By:**

**Name:**

**Title:**

**FRANCHISOR:**
**Hear Again Franchising, LLC**

**By:**

**Name:**

**Title:**

**EXHIBIT K**

**LEASE RIDER**

THIS LEASE RIDER is entered into between the undersigned parties.

WHEREAS, Company and Franchisee are parties to a Franchise Agreement dated _____, (the "Franchise Agreement"); and

WHEREAS, the Franchise Agreement provides that Franchisee will operate a Hear Again America ("Business") at a location that Franchisee selects and Company accepts; and

WHEREAS, Franchisee and Landlord propose to enter into the lease to which this Rider is attached (the "Lease"), pursuant to which Franchisee will occupy premises located at the address listed on the signature page below (the "Premises") for the purpose of constructing and operating the Business in accordance with the Franchise Agreement; and

WHEREAS, the Franchise Agreement provides that, as a condition to Company's authorizing Franchisee to enter into the Lease, the parties must execute this Lease Rider;

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth in this Rider and in the Franchise Agreement, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. During the term of the Franchise Agreement, Franchisee will be permitted to use the Premises for the operation of the Business and for no other purpose.

2. Subject to applicable zoning laws and deed restrictions and to prevailing community standards of decency, Landlord consents to Franchisee's installation and use of such trademarks, service marks, signs, decor items, color schemes, and related components of the Hear Again America system as Company may from time to time prescribe for the Business.

3. Landlord agrees to furnish Company with copies of all letters and notices it sends to Franchisee pertaining to the Lease and the Premises, at the same time it sends such letters and notices to Franchisee. Notice shall be sent to Company by the method(s) as stated in the lease to:

Hear Again Franchising, LLC
c/o Asaf Peled
269 S Federal Highway
Deerfield Beach, FL 33441
franchising@hearagainamerica.com

4. Company will have the right, without being guilty of trespass or any other crime or tort, to enter the Premises at any time or from time to time (i) to make any modification or alteration it considers necessary to protect the Hear Again America system and marks, (ii) to cure any default under the Franchise Agreement or under the Lease, or (iii) to remove the distinctive elements of the Hear Again America trade dress upon the Franchise Agreement's expiration or termination. Neither Company nor Landlord will be responsible to Franchisee for any damages Franchisee might sustain as a result of action Company takes in accordance with this provision. Company will repair or reimburse Landlord for the cost of any damage to the Premises' walls, floor or ceiling that result from Company's removal of trade dress items and other property from the Premises.

5. Franchisee will be permitted to assign the Lease to Company or its designee upon the expiration or termination of the Franchise Agreement. Landlord consents to such an assignment and agrees not to impose

any assignment fee or similar change, or to increase or accelerate rent under the Lease, in connection with such an assignment.

6. If Franchisee assigns the Lease to Company or its designee in accordance with the preceding paragraph, the assignee must assume all obligations of Franchisee under the Lease from and after the date of assignment, but will have no obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed prior to the date of the assignment.

7. Franchisee may not assign the Lease or sublet the Premises without Company's prior written consent, and Landlord will not consent to an assignment or subletting by Franchisee without first verifying that Company has given its written consent to Franchisee's proposed assignment or subletting.

8. Landlord and Franchisee will not amend or modify the Lease in any manner that could materially affect any of the provisions or requirements of this Lease Rider without Company's prior written consent.

9. The provisions of this Lease Rider will supersede and control any conflicting provisions of the Lease.

10. Landlord acknowledges that Company is not a party to the Lease and will have no liability or responsibility under the Lease unless and until the Lease is assigned to, and assumed by, Company.

IN WITNESS WHEREOF, the parties have executed this Lease Rider on the date signed below:

**COMPANY:**
**Hear Again Franchising, LLC**

**By:**

**Name:**

**Title:**

**FRANCHISEE:**
[FRANCHISEE]

**By:**

**Name:**

**Title:**

**LANDLORD:**
[LANDLORD]

**By:**

**Name:**

**Title:**

**Effective Date of this Lease Rider:**

**Premises Address:**

**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 | Pending |
| Hawaii | Pending |
| Illinois | Pending |
| Indiana | Pending |
| Maryland | Pending |
| Michigan | Pending |
| Minnesota | Pending |
| New York | Pending |
| North Dakota | Pending |
| Rhode Island | Pending |
| South Dakota | Pending |
| Virginia | Pending |
| Washington | Pending |
| Wisconsin | Pending |

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

## RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Hear Again Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Hear Again Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and any applicable state agency.

This franchise is being offered by the following seller(s) at the principal business address and phone number listed below (check all that have been involved in the sales process):

Asaf Peled - 269 S. Federal Highway, Deerfield Beach, FL 33441 – (561) 367-1623
Dr. Robert Morrison - 269 S. Federal Highway, Deerfield Beach, FL 33441 – (561) 367-1623

Franchise Brokers, Consultants, or Franchise Development Company Representatives (if any):

Name:
Address:
Phone:

Issuance Date: April 30, 2026

I received a Disclosure Document that included the following Exhibits:

A. Financial Statements
B. List of State Administrators and Agents for Service of Process
C. List of Current and Former Franchisees
D. Operations Manual Table of Contents
E. Franchise Agreement with Attachments
F. Area Development Agreement with Attachments
G. Form of General Release
H. Form of Confidentiality and Noncompete Agreement
I. State Specific Addenda
J. State Effective Dates
K. Electronic Funds Transfer
L. Lease Rider
Receipts

Signature:

Print Name:

Date Received:

**PLEASE SIGN AND KEEP THIS COPY FOR YOUR RECORDS.**

## RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Hear Again Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

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H. Form of Confidentiality and Noncompete Agreement
I. State Specific Addenda
J. State Effective Dates
K. Electronic Funds Transfer
L. Lease Rider
Receipts

Signature:

Print Name:

Date Received:

**RETURN THIS COPY TO US:** Hear Again Franchising, LLC
c/o Rob Morrison
269 S Federal Highway, Deerfield Beach, FL 33441
franchising@hearagainamerica.com