FRANCHISE DISCLOSURE DOCUMENT

MUZAK LLC
A Delaware Limited Liability Company
2100 S. IH-35
Frontage Rd., Suite 201
Austin, Texas 78704
800-345-5000
https://us.moodmedia.com

We offer franchises for the operation of businesses offering music and voice communication services, digital signage services, and drive-thru equipment sales, leasing, and maintenance services under the Mood Media® trademarks ("Mood Businesses"). Because this offering is limited to existing franchisees entering into a successor Mood License Agreement, the total initial investment necessary to continue to operate an existing Mood Business ranges from $0 to $15,000. None of the initial investment must be paid to us.

This disclosure document summarizes certain provisions of the License 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, us or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this disclosure 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 Michele Popelka, Senior Vice President, Channel Development at (800) 345-5000 or AffSvcAdmin@moodmedia.com.

The terms of your contract will govern your franchise relationship. Don't rely on the 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, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

The issuance date of this Franchise Disclosure Document is August 29, 2023

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Mood 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 Mood Business franchisee?	Item 20 or Exhibit F 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 E.

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 License Agreement requires you to resolve disputes with the franchisor by mediation and then, if necessary, arbitration only in metropolitan Austin, Texas or wherever our principal office is then located. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in Texas or another state than in your own state.

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.

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

This Disclosure Document describes Mood Business franchises. We are not currently offering Mood Business franchises to new franchisees. This franchise offering is only to existing franchisees that are eligible to enter into a successor License Agreement pursuant to the terms and conditions of their existing License Agreements.

In this Disclosure Document, "we," "us," "our" mean Muzak LLC, the franchisor, and "you" or "your" means the purchaser of the franchise. If the purchaser of a franchise is a partnership, corporation, limited liability company, or any other type of entity (collectively, an "Entity"), "you" means both the purchaser and its partners, shareholders, members, or other owners of a legal and/or beneficial interest in the Entity (collectively, "Owners"). "Affiliated Entity" means a person or business entity that controls, or is controlled by, or is under common control with a party.

<u>The Franchisor</u>

Muzak LLC is a Delaware limited liability company formed on August 28, 1998. We also conduct business under the trade names MOOD and MOOD MEDIA. Our principal place of business is located at 2100 S. IH-35, Frontage Rd., Suite 201, Austin, Texas 78704. Our agents for service of process are listed in Exhibit E. Since 1947, we and our predecessors have offered to third-party franchisees ("Independent Affiliates," "Licensees" or "Mood Licensees") the right to operate licensed Mood Businesses. We have never offered any other franchises in any other line of business. As of December 31, 2022, there were 70 licensed Mood Businesses in operation in the United States.

We refer to Mood Businesses owned by us, our parent, Mood Media LLC ("MML"), and our Affiliated Entities as "Owned Affiliates." We refer to our Owned Affiliates and Independent Affiliates collectively as "Affiliates."

<u>Our Parent, Affiliates and Predecessors</u>

Our parent, Muzak Holdings LLC ("Muzak Holdings"), is a Delaware limited liability company formed on August 28, 1998. MML, a Delaware limited liability company formed in June 28, 2017, ultimately controls Muzak Holdings and us through investment vehicles that own a controlling interest in Muzak Holdings. Muzak Holdings and MML share our principal business address.

Our affiliate, Mood Media Netherlands BV, a Dutch private limited company formed in the Netherlands on August 28, 1973 owns the Proprietary Marks (as defined later in this Item 1) and has granted a license to us to sublicense the Proprietary Marks to our Licensees for use in their Mood Businesses. Mood Media Netherlands BV has a principal business address of Transistorstraat 22, 1322 CE Almere, The Netherlands. Mood Media Netherlands BV has not offered franchises in any line of business.

Our affiliate, DMX, LLC ("DMX"), is a Texas limited liability company formed on April 24, 2005 that provides licensing, branding and client support services to our Licensees. DMX shares our principal business address. DMX has been operating businesses similar to Mood Businesses under the name and mark DMX since 1971. DMX has not offered franchises in any line of business.

Our affiliate, PlayNetwork, Inc. ("PlayNetwork"), is a Washington corporation formed on November 15, 1994 that provides licensing, branding and client support services to our Licensees. PlayNetwork shares our principal business address. PlayNetwork has been operating businesses similar to

Mood Businesses under the name and mark PlayNetwork since 1996. PlayNetwork has not offered franchises in any line of business.

Our affiliate, Vibenomics, Inc. ("Vibenomics") is a Delaware corporation formed on March 2, 2017 that provides music services and audio advertising services to customers, and Licensees have the opportunity to purchase the Vibenomics Acquired Accounts. Our parent, MML, acquired Vibenomics in March 2023, and Vibenomics shares our principal business address. Vibenomics has been operating businesses similar to Mood Businesses under the name and mark Vibenomics since October 2017. Vibenomics has not offered franchises in any line of business..

We do not have any other affiliates that offer franchises in any line of business or that offer products or services to our franchisees. We do not have any predecessors that must be disclosed in this Disclosure Document for the prior ten year period; however, we and our predecessors have operated Mood Businesses, which are substantially similar to the businesses being offered under this Disclosure Document, since 1934.

Licensed Mood Businesses

The System

We are offering the right for our existing Licensees to enter into a successor License Agreement to continue to operate a Mood Business in their designated territories.

Mood Businesses market, sell, and provide products and services to non-residential customers ("Subscribers") under our proprietary system ("System"). The System is developed and owned by us for the production and delivery of services including Music Services, Voice Services, Drive-Thru Maintenance Services, Digital Signage Services and Scent Services and all future improvements, upgrades, enhancements, versions and generations of or changes to these services or services substantially the same as, or similar to, these services or as otherwise agreed upon you and us (each as defined below and collectively, the "Licensed Services") and related equipment.

The characteristics of the System include, without limitation, (1) subscription background music services including the sale, lease, installation and maintenance of sound systems related to the provision of such subscription background music services (the "Music Services"); (2) distinctive services relating to the recording and delivery of audio messages for telephone applications and/or indoor and outdoor applications (the "Voice Services,"); (3) drive-thru equipment sales leasing and other maintenance services (the "Drive-Thru Maintenance Services"); (4) products and services related to individual or multiple video displays installed inside commercial establishments, intended to display programming, graphics, advertisements or other messages ("Digital Signage Services"); and (5) Mood-branded or proprietary on-site scent solutions owned by us or our Affiliated Entities ("Scent Services").

Licensees may sell and service any audio-visual equipment ("E&L") if they meet the requirements set forth in the Operations Manual (as defined below) including the use of Oracle Field Service Cloud (or similar software required by us); the ability to purchase and service any equipment specified on the job other than "Mood Proprietary Equipment" (which are products, models, supplies and equipment manufactured by or on behalf of us in accordance with specifications prescribed by us which are not generally available to other entities or persons besides us or our designees from a source other than us); having proper qualifications to install and service the equipment pursuant to the requirements of the Operations Manual; and where the contract price is greater than $15,000 the Licensee or an Affiliated Entity of the Licensee that is a Mood Licensee must employ at least one person across any of their Territories (if more than one) who has met CTS-1 Certification.

We identify the System and the Licensed Services by means of certain tradenames, service marks, trademarks, logos, emblems, and indicia of origin including, but not limited to, the mark MOOD® and such other trade names, service marks and trademarks listed in Item 13 of this Disclosure Document (the "Proprietary Marks"). We may designate other trade names, service marks, and trademarks as Proprietary Marks and may add, delete, or change any of the Proprietary Marks periodically.

As a Licensee, you may operate one Mood Business within a territory (the "Territory") that we will specify under a Mood License Agreement (the "License Agreement"). Our current form of License Agreement is contained in Exhibit A to this Disclosure Document. Under the License Agreement, you will offer and provide Licensed Services to Subscribers who enter into agreements providing for the receipt of the Licensed Services at certain locations (the "Subscriber Premises") in the Territory. You will not have the right to sublicense to third parties any of the rights that we grant to you, unless we otherwise agree in writing. Under the Vibenomics Addendum to Mood License Agreement ("Vibenomics Addendum") (see Appendix E to the License Agreement), you will have the option to purchase the Vibenomics Acquired Accounts in the Territory. If you exercise your option to purchase the Vibenomics Acquired Accounts and execute the Vibenomics Addendum, we will pay you 25% of the sum of the Net Advertising Revenue derived from individual locations within the Territory during the term of the License Agreement on a quarterly basis.

You must operate your Mood Business in accordance with our confidential operations manual (the "Operations Manual"), which includes commercially reasonable Operational Standards and other commercially reasonable business performance requirements, operational, service delivery, security compliance and certification, and installation standards, reporting templates, service level agreements, form agreements and contracts with Subscribers for the provision of Licensed Services ("Contracts"), and other operational requirements reasonably required of all Affiliates by us, including the forms of reporting. "Operational Standards" means commercially reasonable minimum operational standards for the delivery of Licensed Services by all Affiliates, which shall be published in the Operations Manual and may include minimum marketing expenditure requirements, minimum customer service scores, minimum response times to Subscriber inquiries or requests for service, and/or minimum numbers of administrative, technical, and sales personnel.

We are contractually obligated to consult with, and at times seek the approval of, the International Planned Music Association ("IPMA"), which is an independent association of Mood Licensees that has been formed to represent its members' collective interests, on a number of issues. We and the IPMA have formed a Tier I Sales Committee (the "Committee") that consists of six members, three of whom are owners or senior management employees of a Licensee appointed by the IPMA, and three of whom are senior management employees appointed annually by us. The Committee has the authority to make a number of decisions related to Mood Businesses, including decisions specifically related to our Tier I Accounts Program, which is described in detail in Section 3.3 of the License Agreement.

Accounts and Contracts.

In the operation of your Mood Business, we refer to three main types of Subscriber relationships ("Accounts") and Contracts.

Tier II Accounts

A "Tier II Account" is an Account that is not a Tier I Account and a "Tier II Contract" is a Contract with a Tier II Account. Tier II Accounts will be billed by you unless there is an operational reason that requires us to handle the billing as provided in our Licensee Cross Territorial Approval Form published in the Operations Manual, or unless otherwise agreed by you and another Affiliate. A "Chain Account" (which is a national chain, brand or franchised or licensed system which (1) specifically requires that we be the sole and exclusive or the only approved provider of Licensed Services for all of its locations, (2) does not execute a Tier I Contract, and (3) is designated by the Committee as a Chain Account) will be treated as a Tier II Account for purposes of contracting, billing, and payments owed, except that you must comply with any rebate obligations, reporting requirements, or billing procedures required by us or the franchisor or licensor of the chain. You must complete any job installations or service calls related to a Chain Account in the Territory as if it were a "Required Installation" (which is a job installation in the Territory that must be completed related to a Tier I Contract that has been approved by the Committee).

Multi-Territory Accounts

A "Multi-Territory Account" is an Account not designated as a Tier I Account but which includes Subscriber Premises located in the territories of more than one Affiliate. You may enter into a Contract with, and sell Licensed Services to, a Subscriber of a Multi-Territory Account (a "Multi-Territory Contract") only if such Subscriber is headquartered in your Territory. If an Affiliate negotiates a Multi-Territory Contract, the Affiliate must give prior notice to the Affiliate that owns the rights to the Territory in which one or more Subscriber Premises that would be subject to such Multi-Territory Contract is located and offer such Affiliate the opportunity to provide the Licensed Services under such Multi-Territory Contract in their territory. Such Affiliate may accept or decline the offer to provide such Licensed Services in writing. You may not unreasonably decline such offers to provide Licensed Services under such Multi-Territory Contract for a Subscriber Premises in your Territory.

Tier I Account Program

"Tier I Accounts" means those Accounts which involve (1) a single client signature for all Subscriber Premises, or (2) all locations are billed by the Managing Affiliate, or (3) there are 50 or more Subscriber Premises located in the territories of four or more Affiliates or Metropolitan Statistical Areas (as defined by the United States Office of Management and Budget or any successor agency or report). If an Account has 50 to 250 Subscriber Premises located in the territories of at least four Affiliates and is operated under a Multi-Territory Contract, the Account may be designated as a Tier I Account only if the Affiliate that entered into the Multi-Territory Contract requests the designation and the Committee approves such Account as a Tier I Account. With the exception of Grandfathered Accounts (as described in Section 3.3(e) of the License Agreement), an Account that has more than 250 Subscriber Premises located in the territories of at least four Affiliates will automatically be designated a Tier I Account, without any action by the Committee, regardless of whether the Subscriber is already a party to a Multi-Territory Contract.

Tier I Accounts are provided Licensed Services and related equipment and other services pursuant to the terms of a contract (the "Tier I Contract") that has been approved by the Committee or that is automatically deemed approved by the Committee without a vote because it meets certain pre-approved criteria, such as, without limitation, pricing guidelines and minimum returns on investment, adopted by the Committee from time to time. Unless otherwise authorized in writing by the Committee, all Tier I Contracts for the sale of the Licensed Services and related equipment and other services shall be substantially in the then-current form of the Tier I Account Form, which is included in the Operations Manual and which the Committee may change from time to time, or, if required by a Subscriber to be on a different form of agreement, shall incorporate the material provisions of the approved Tier I Account Form and be approved by our legal counsel. You will be bound by the terms of the approved Tier I Account Form and shall have no right independently to amend or otherwise materially alter any such terms without the Committee's approval.

In some circumstances, as identified in Section 3.3(g) of the License Agreement, a Tier I Contract may supersede the terms of Tier II Contracts. The Committee may require, on a case-by-case basis, Affiliates that provide Licensed Services to a Tier I Account to contribute on a pro rata basis to a hardship pool of monies to be distributed to any Affiliate that suffers a hardship due to a Tier I Contract superseding a Tier II Contract. Except for certain Tier I Contracts that are designated as elective installations, you must complete any job installations in your Territory related to an approved Tier I Contract and must provide the Licensed Services to Tier I Account Subscribers in accordance with minimum performance standards established by the Committee and published in the Operations Manual.

Generally, a Tier I Account Subscriber must employ centralized decision-making with respect to all Subscriber Premises related to the Tier I Account. Unless the Licensee in whose territory the Tier I Account is headquartered presents the Tier I Account for approval of the Committee and requests to serve as the Managing Affiliate and the Committee approves the appointment, we will be the Managing Affiliate for each Tier I Account. Tier I Accounts must be managed in accordance with minimum procedural requirements specified by the Committee and published in the Operations Manual (the "Tier I Account Program Procedures").

The "Managing Affiliate" is the entity that performs all of the following: (i) sells Licensed Services to a Tier I Account or Multi-Territory Account; (ii) manages the centralized service, billing and collection of revenues of such Tier I Account or Multi-Territory Account; (iii) issues payment of the Net Revenue Share to Affiliates, as applicable, and (iv) manages the overall customer relationship of such Tier I Account or Multi-Territory Account. "Net Revenue Share" is the Licensee's share of the revenues expected from Tier I and Tier II Accounts.

Industry-Specific Laws

We are not aware of any laws or regulations that are specific to the operation of Mood Businesses. Some localities, however, regulate the installation of satellite dishes for delivery of the Licensed Services to Subscribers and have licensing requirements for contractors who install equipment for delivery of the Licensed Services. In addition, you will have to comply with various copyright statutes. You will have to comply with laws and regulations that are applicable to business generally (such as workers' compensation, OSHA, and Americans with Disabilities Act requirements). Federal, state, and local governmental laws, ordinances and regulations periodically change. It will be your responsibility to ascertain and comply with all federal, state, and local governmental requirements. We do not assume any responsibility for advising you on these regulatory matters. You should consult with your attorney about laws and regulations that may affect your Mood Business.

Market and Competition

The market for the Licensed Services is well-established and competitive, but is also rapidly changing due to technological advances. You will compete with national, regional, and local providers of Services, including, sound contractors, other background music suppliers, radio stations, providers of in-store advertising products, business video services, satellite-delivered video suppliers, music and information services, other providers of business data and information services, and drive-thru equipment dealers and contractors.

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer and Manager: Malcom McRoberts

Mr. McRoberts has served as our Chief Executive Officer and Manager since January 2021. From January 2020 to January 2021, he served as Operating Partner/Executive for Vector Capital Management, L.P. in

San Francisco, California. From February 2011 to December 2019, Mr. McRoberts served as President, Small Business Services for Deluxe Corporation in Atlanta, Georgia.

Chief Operating Officer: Jennifer Mitchell

Mrs. Mitchell has served as our Chief Operating Officer and Manager since January 2021. From January 2020 to June 2021, she served as a Consultant to Paradise Capital, LLC in Minneapolis, Minnesota. From November 2015 to January 2020, Mrs. Mitchell served as Vice President and General Manager for Deluxe Brand Marketing at Deluxe Corporation in Minneapolis, Minnesota.

Chief Revenue Officer: Craig Hubbell

Mr. Hubbell has served as our Chief Revenue Officer and Manager since May 2021. From September 2018 through May 2021, he served as Chief Executive Officer of Tectonic Audio Labs, Inc. in Woodinville, Washington. From February 2003 to August 2018, Mr. Hubbell served as Chief Executive Officer of PlayNetwork, Inc. in Redmond, Washington.

Chief Financial Officer: Jason Carlson

Mr. Carlson has served as our Chief Financial Officer and Manager since April 2022. From January 2020 through March 2022, he served as our Senior Vice President of Global Finance and Investor Relations. From February 2017 through December 2019, Mr. Carlson served as our Chief Financial Officer of North America.

Sr. Vice President, Channel Development: Michele Popelka

Ms. Popelka has served as our Sr. Vice President, Channel Development since March 2022. From January 2010 to February 2022, she served as Vice President of Safeguard Business Systems in Carrollton, Texas.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

In re Mood Media Corporation, et al, Case No. 20-33768 (Bankruptcy Ct., SDTX). On July 30, 2020, we and our affiliates (including Mood Media Corporation; Convergence, LLC; DMX Holdings, LLC; DMX Residential Holdings, LLC; DMX Residential, LLC; DMX, LLC; Mood Media Borrower, LLC; Mood Media Co-Issuer, Inc.; Mood Media Holdings, LLC; Mood Media North America Holdings Corp.; Mood Media North America, LLC; Mood US Acquisition, LLC; Muzak Capital LLC; Muzak Holdings LLC; ServiceNET Exp, LLC; Technomedia NY, LLC; and Technomedia Solutions, LLC) filed a voluntary Chapter 11 bankruptcy petition in the US Bankruptcy Court for the Southern District of Texas seeking to restructure and reorganize. On July 31, 2020 the court confirmed the debtors' Joint Prepackaged Plan of Reorganization.

Other than this one bankruptcy action, no bankruptcies are required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Because this franchise offering is only being made to existing Mood Licensees, there are no initial fees that you must pay to us to enter into the License Agreement.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Market Fee	Varies according to your Territory Category	Monthly, must be paid or disputed within 30 days of receipt of a bill from us	The Market Fee is based on the number of businesses in the Territory as determined by the U.S. Business Pattern Report. Territory Categories are described in Note 2.
Music Service Royalties	28.5% of Gross Billings for Music Services provided to Tier I Accounts; 20% of Gross Billings for Music Services provided to Tier II Accounts receiving On-Premises Delivery; and 11.5% of Gross Billings for Music Services provided to Tier II Accounts receiving Off-Premises Delivery	Monthly, must be paid or disputed within 30 days of receipt of a bill from us	You will not be responsible for payment of Music Service Royalties if we haves issued a credit to a Subscriber. See Note 3. Gross Billings is defined in Note 4.
Product Fees	Varies by product at rates set forth in the Operations Manual. Our current Product Fees are listed in Exhibit G.	Monthly or upon demand	"Product Fees" are paid fees related to products, services, methods and technologies used in connection with the delivery of Licensed Services. See Note 5.
Sourcing Fees	Varies	Upon demand	We (or an Affiliate) may charge you for sourcing or administrative fees charged to us (or an Affiliate) by a Subscriber which apply to Tier I Accounts or Multi-Territory Accounts if the fees are approved in advance by the Committee as part of the overall transaction. The amount charged will not include any markup, margin or premium.
Operating Costs	Varies	Upon demand	In the event of a material increase in our costs of supporting the System which are directly related to the Licensed Services, including, music licensing costs not addressed in Section 7.6 or elsewhere in the

Type of Fee	Amount	Due Date	Remarks
			License Agreement and technology and distribution platform costs that are not addressed elsewhere in the License Agreement, we have the right, with the IPMA's approval, to pass such costs through to you and our Licensees on a pro-rata basis or as otherwise approved by the IPMA.
Tier I Sales Commission	As reflected in the Commission Plan (as defined in Note 6) Currently, calculated as Gross Billings times number of months of Contract term times the following percentage: 8% for Music Services and Voice Services; 6% for Digital Signage Services; 5% for Scent Services and Drive Thru Maintenance Services	Within 30 days after first invoice is provided to the Subscriber and you	Designated by the Committee from time to time. Payable to the Managing Affiliate for a Tier I Account for the installation of equipment at a Subscriber Premises in the Territory. See Note 7 regarding refundability.
Alternative Sales Channel Commission	None have been established as of the date of this Disclosure Document.	Within 30 days after first invoice is provided to the Subscriber and you	Payable for each Account that is sold in the Territory through the marketing, offering or sale of Licensed Services and related equipment through an alternative sales channel outside the scope of any of our traditional or existing channels, including value added resellers, retail stores, retail and other businesses-to-business outlets, and e-commerce channels inside and outside the Territory ("Alternative Sales Channel"). See Note 7 regarding refundability.
Multi- Territory Account Commission and Tier II Account Commission	As reflected in the Commission Plan Currently, calculated as Gross Billings times number of months of Contract term times the following percentage: 8% for Music Services and Voice Services; 6% for Digital Signage Services;	Within 30 days after first invoice is provided to the Subscriber and you	Payable to an Affiliate if you accept an offer from another Affiliate to provide Licensed Services to a Subscriber Premises in your Territory under the terms of a Multi-Territory Contract or Tier II Contract sold by the other Affiliate. See Note 7 regarding refundability.

Type of Fee	Amount	Due Date	Remarks
	5% for Scent Services and Drive Thru Maintenance Services		
Re-Contract Commission	As reflected in the Commission Plan Currently, calculated as Gross Billings X number of months of Contract term X 3% of Gross Billings	Due upon the Subscriber's extension of a Tier I Contract or Multi-Territory Contract	Payable by you to us any of our Affiliated Entities or the selling Affiliate, as applicable, for any Tier I Account, Alternative Sales Channel Account, or Multi-Territory Account with Subscriber Premises in your Territory that are serviced by you that extend the term of service of the Contract for any such Account with respect to Subscriber Premises within your Territory. In determining the Re-Contract Commission, only that portion (if any) of the Recurring Gross Billings (as defined in Note 8) for Music Services that exceeds the Recurring Gross Billings payable to you under any pre-existing Tier I Contract or Tier II Contract with Subscribers shall be considered. See Note 7 regarding refundability.
E&L Commission	As reflected in the Commission Plan Currently: Equipment Margin: Below 20% revenue margin: 0%; 20 – 29.99% revenue margin: 3%; 30 – 39.99% revenue margin: 6%; 40% and above revenue margin: 8% Installation: $84.99 per hour and below: 0%; $85.00 to $94.99 per hour + jobs: 5%; $95.00 and above per hour: 10%	Within 90 days of receipt of the final invoice provided to the Subscriber and you	Paid by you to us or the selling Affiliate, as applicable, for any E&L contract sold in your Territory. See Note 7 regarding refundability.
Invoice Fee	$2.00 per month per Subscriber Premises	monthly	Payable by you to us or the billing Affiliate, as applicable, if you are unable or unwilling to bill a Subscriber which you would otherwise be required to bill.
Reproduction and	Your proportionate share of	Upon demand	Payable to us if we pay

Type of Fee	Amount	Due Date	Remarks
Performance Royalties	copyright fees incurred as a result of our providing Licensed Services		reproduction, distribution, and performance royalties on your behalf to copyright owners of musical works or sound recordings, their authorized agents, or entities statutorily or contractually authorized to act on their behalf (collectively, "Copyright Holders") for sound recordings (and the musical works embodied therein) used in or delivered in connection with the Licensed Services.
Marketing Assistance	A mutually agreed upon charge	Upon demand	Payable to us if you request technical and marketing assistance from us and we are able to provide it.
Training	Your pro rata share of reasonable third-party licensing costs (such as online training seat licenses) that we incur in providing training programs	As incurred	Payable to us if we incur third-party licensing costs related to training programs. You are also responsible for any and all other expenses incurred by you or your employees in connection with training programs, including without limitation the costs of transportation, lodging, meals, and any wages.
Research and Development Costs	Varies by product or service	Upon demand	We may require you to contribute your pro rata share of our research and development costs for certain improvements through lump sum payments, recurring fees, or product surcharges, provided that the IPMA, after consultation with us, approves the method and amount of such reimbursement. If the IPMA withholds approval of such reimbursement, we will not be obligated to offer such improvements to you.
Data Format Translation Costs	Our commercially reasonable costs	Upon demand	Payable to us if (i) you fail to obtain the computer system software and network connections specified in writing by us from time to time in the Operations Manual ("Computer System") and fail to convert data into a format that is compatible with our computer systems and (ii) we manually translate the data into a format that

Type of Fee	Amount	Due Date	Remarks
			is compatible with our computer systems.
Acquisition Fee	Your *pro rata* share of (i) the purchase price paid by us or our Affiliated Entity to a third party for the acquisition of all Acquired Accounts (including the purchaser's out-of-pocket legal costs payable to third parties, but excluding our (or our Affiliated Entity's) internal costs related to the acquisition); plus (ii) your pro rata share of any and all transition or direct integration services costs and expenses reasonably incurred by us (or our Affiliated Entity); and (iii) an amount equal to the opportunity cost of lost synergies attributable to the Acquired Accounts, which shall reasonably be determined by MML or its financial advisor, after consultation with IPMA.	In a lump sum within 30 days of receipt by you and the IPMA of the Acquired Accounts Disclosure Package or by using the Deferred Option as described in Item 10	Payable if we, MML or an Affiliated Entity acquires that provide Competing Services ("Acquired Accounts") in your Territory and the IPMA endorses the acquisition (in which case you must accept and service the Acquired Accounts) or you elect to accept and service the Acquired Accounts. See Note 9.
Termination Fee (Retention of Tier I Accounts)	Product of the Annual Recurring Revenue, multiplied by the Prevailing Multiple of the Tier I Accounts at the Subscriber Premises in the Territory. See Note 10.	Within 18 equal monthly installments beginning on the 1st business day of the month after parties reach agreement on Termination Fee	Payable to you after termination or expiration of the License Agreement unless (i) the Subscriber is headquartered in your Territory and has more than 25% of its total Subscriber Premises in your Territory and other territories licensed to you; (ii) you are the Managing Affiliate for the Tier I Account, and (iii) after receiving notice the Subscriber does not express a desire to remain a Subscriber of ours, then if you elect to retain the Tier I Account we are not required to pay you the Termination Fee with respect to such Tier I Account. If you meet the foregoing conditions and elect to retain the Tier I Account, you must pay us and other licensees (as applicable) a Termination Fee with

Type of Fee	Amount	Due Date	Remarks
			respect to such Subscriber Premises in our territories and/or the other licensees' territories.
Transfer Fee	$5,000 for a Mood Business having average Gross Billings over the previous 12 months of $20,000 per month or less or $7,500 for a Mood Business having average Gross Billings over the previous 12 months in excess of $20,000 per month $1,000 for any transfer to an existing Affiliate or to an immediate family member of the transferor (or any entity owned or controlled by or having common ownership with an existing Affiliate or an immediate family member of the transferor)	Prior to a transfer	Payable to us if you engage in a "Transfer" meaning you sell, assign, give away, transfer, pledge, mortgage, or encumber, either voluntarily or be operation of law (such as through divorce or bankruptcy proceedings), any interest in (i) the License Agreement, (ii) the Mood Business, (iii) the ownership of your entity, or (iv) a portion of the assets of the Mood Business which collectively amount to 10% or more of the total assets of the Mood Business.
Renewal Fee	Amount equal to two times the monthly Market Fee payable by you	Upon signing the Successor Agreement (see Item 17)	Payable if you renew the License Agreement for the Successor Term (see Item 17)
Training Costs – New Services or New Products	Your pro rata share of reasonable third-party licensing costs (such as online training seat licenses) that we incur in providing such training programs	Upon demand	We will provide instructors and training materials at no charge to you; however, you must reimburse us for your pro rata share of third party licensing costs that we may incur in providing training.
Indemnity	Any costs or damages that we incur with respect to a claim against us.	As incurred	You must defend us, indemnify us, and hold us harmless if the License Agreement is terminated or expires, we acquire Tier I Accounts, Chain Accounts and Existing Accounts from you, and we incur damages or claims arising directly or indirectly from your activities in relation to such Account.

Type of Fee	Amount	Due Date	Remarks
Interest	The lesser of (i) 0.75% per month (9% per annum) on the amounts past due during the first 90 days after the due date and 1.25% per month (15% per annum) on the amounts due for all payments that are 90 or more days past due, or (ii) the highest rate of interest permitted by law in your state	Upon demand	Payable to us on any payment that is not actually received by us by the due date. Rates increase to the lesser of 1.5% per month (18% per annum) or the highest rate of interest permitted by law in your state if you have repeatedly failed to make timely payments or have repeatedly underreported Gross Billings.
Audit Costs	Reasonable cost of an audit, including reasonable charges of any independent accountant and the reasonable cost of travel and living expenses and wages for such accountant and employees or other agents of us	Upon demand	Payable if (i) you receive two notices of default from us for refusing to permit an examination or audit of your book and records or refusing to provide an auditor with requested information or (ii) it is determined as a result of an audit that there has been an underpayment of 10% or more of the amounts due to us for any given calendar year.
Non- performance Fee	$25 per day per location	Upon demand	Payable if a subcommittee consisting of two Licensees appointed by the IPMA and two of our representatives determines that you have failed to comply with minimum performance standards for providing Services to Tier I Accounts.
Performance of Your Obligations Expenses	All costs and expenses that we incur in performing any obligation or duty plus interest	Upon demand	Payable to us if we, after written notice to you, undertake or perform on your behalf any obligation or duty that you are required to, but fail to, perform under the License Agreement.

NOTES TO CHART:

(1) The table above describes fees and payments that are payable to us relating to the operation of your Business. Unless otherwise noted, the fees in the table below are non-refundable and are uniformly imposed. If you owe us any undisputed amounts that are past due, we may withhold payment of any amount owed by us to you and may apply any such withheld amount as a setoff against any overdue amount that you owe us. You may not withhold fees or setoff fees that we owe to you.

(2) Your "Territory Category" is determined by the number of businesses in your Territory, as determined by the information then available in the most recent report entitled County Business Patterns, as published by the U.S. Census Bureau or any other successor publication (the "U.S. Business Pattern

Report") The Territory Categories and Market Fee payable for each Territory Category are set forth in the following chart:

Territory Category	Number of Businesses Located Within Territory	Market Fee
A	70,000 or more businesses	$2,215
B	60,000 through 69,999 businesses	$2,100
C	50,000 through 59,999 businesses	$1,980
D	40,000 through 49,999 businesses	$1,795
E	30,000 through 39,999 businesses	$1,610
F	20,000 through 29,999 businesses	$1,420
G	10,000 through 19,999 businesses	$1,235
H	5,000 through 9,999 businesses	$900
I	4,999 or fewer businesses	$700

Each year, we may elect to evaluate and re-categorize all of our Affiliates into a Territory Category as determined by information then available in the most recent U.S. Business Pattern Report. Your Territory Category as of the Effective Date shall be specified in Appendix A to the License Agreement. If we determine, based upon the information then available in the U.S. Business Pattern Report, that the number of businesses within your Territory has changed so as to require the re-categorization of your Mood Business to a larger or smaller category, we will notify you of your new Territory Category. Any adjustment in the Market Fee resulting from such re-categorization shall become effective for the calendar month immediately following the month in which such Notice is given. During the Initial Term of your License Agreement, your Territory Category will not adjust by more than two categories, even if the number of businesses within the Territory would otherwise require the re-categorization of the Mood Business by three or more Territory Categories.

(3) Music Service Royalties include all fees to be paid on Music Services, including Product Fees, central bill and central service fees, mechanical licensing royalties based on the following rates: SESAC at $0.19 per Subscriber Premises and GMR at $0.12 per Subscriber Premises. Music Service Royalties may only be modified to the extent we are charged rate changes as demonstrated to the IPMA.

"On Premises Delivery" means a delivery method where content is downloaded (using an internet connection or local storage device such as an SD card or CD) and stored on a Delivery Device for playback locally.

"Off Premises Delivery" means a delivery method where content is streamed using satellite, IP streaming or similar technology such that the content is not or stored on any physical device that is used to deliver content ("Delivery Device") for playback locally.

(4) "Gross Billings" means all amounts billed or otherwise charged to a Subscriber by you in connection with (1) the provision of any Music Service and (2) the lease or rental (but not the sale) of all equipment used to receive or distribute the Licensed Services including equipment owned by Subscribers ("Service Delivery Equipment") and other equipment, including sound systems (e.g. speakers and amplifiers), used to receive and distribute such Music Service, including any maintenance provided as part of such lease or rental even if separately stated on the Contract, but excluding equipment that is not used primarily in the provision or reception of such Music Service and maintenance on such excluded equipment.

"Gross Billings" also includes the fees paid to you by Commercial Subscribers within the Territory. Commercial Subscribers are retail, business, office, or commercial locations to whom sales are made by Echostar Corporation (or its successor) or its authorized dealers of DISH Network services.

"Gross Billings" does not include:

a. income to you from the sale or lease of any video equipment (except for the lease of combined audio/video reception equipment) to Commercial Subscribers;
b. any amounts billed to Subscribers as (and separately stated on the billings or otherwise separately determinable as) sales or similar excise taxes;
c. one-time installation charges billed not later than 90 days following completion of such installation;
d. charges for service of Subscriber-owned equipment, provided that such charges are separately determinable;
e. ad hoc (i.e. extraordinary) charges for service actually performed on Subscriber-leased or Subscriber-owned equipment; and
f. late-payment fees or interest charges imposed by you, provided that such fees and charges do not exceed standard industry practice.

The following will be deducted from Gross Billings: (i) the amount of any billings that were previously reported to us as part of your Gross Billings but which, in the month of the deduction, were written off by you as uncollectible in accordance with federal income tax standards of uncollectability, or otherwise written off or credited to a Subscriber in accordance with Section 7.3(e) of the License Agreement; and (ii) and any copyright fees paid by you with respect to the Music Services, including any fees paid to us pursuant to Section 7.6 of the License Agreement (Payment of Reproduction and Performance Royalties) for such purpose.

(5) You will not be responsible for payment of Product Fees (excluding Product Fees paid in connection with Music Service Royalties) if we have issued a credit to a Subscriber receiving Licensed Services. In consultation with the IPMA, we may designate new Products Fees for New Services or new products, services, methods, or technologies used in connection with the delivery of the Licensed Services. We may not increase Product Fees during the initial term of the License Agreement except where we can demonstrate a direct increase in our outside costs to the IPMA. "New Services" means new services or products developed or acquired by us, which we intend to market or sell through the same or similar categories of Subscribers who typically purchase one or more Licensed Services.

(6) The "Commission Plan" means the rates of commission approved by the Committee for Tier I Sales Commissions, Alternatives Sales Channel Commissions, Multi Territory Account Commissions, Tier II Account Commissions, and Re-Contract Commissions. The initial rates of commissions shown on Appendix C to the License Agreement shall be periodically reviewed by the Committee, but not less frequently than once every 24 months.

(7) We or you (if you are acting as the Managing Affiliate or the selling Affiliate, as applicable) shall refund a pro rata amount of a lump sum commission applicable to a Contract that is terminated by a Subscriber prior to the greater of 12 months or one-half of the Contract's term applicable to Subscriber Premises within your Territory. All lump sum commissions shall be fully earned and nonrefundable as of the greater of 12 months or one-half of the Contract's term applicable to Subscriber Premises within your Territory. If the renewal of the Contract requires you to make a capital investment in receiving equipment, then no commission shall be payable during the renewal term of such renewal Contract.

(8) "Recurring Gross Billings" means the average recurring monthly billings to a Subscriber for Music Services and related equipment net of sales taxes plus the average recurring monthly Billings to a Subscriber for Voice Services and related equipment net of sales taxes and fees paid to us.

(9) The Acquisition Fee shall also include other out-of-pocket costs payable to third parties, such as, the purchaser's accounting and consulting expenses, if (i) the acquisition relates to the purchase of the stock or assets of an entity which is a national service provider or distributor that offers products or services that directly or indirectly compete with the Licensed Services; or (ii) if IPMA agrees to permit such expenses to be included in the Acquisition Fee, provided that IPMA shall not unreasonably withhold, condition or delay its agreement.

"Competing Service" means any service that is substantially the same as, similar to, or directly competitive with any Licensed Service.

The Acquired Accounts Disclosure Package includes: (i) a complete and unredacted copy of the executed agreement for the purchase of the Acquired Accounts including all exhibits, attachments, purchase price allocations, appendices and schedules, (ii) current Subscriber Contracts and all other information concerning those contracts in our possession, (iii) all termination notices or service complaints with respect to such Acquired Accounts, and (iv) any other information related to the Acquired Accounts reasonably requested by you or the IPMA.

(10) "Annual Recurring Revenue" or "ARR" means, for purposes of calculating the Termination Fee, the sum of the last three months of recurring monthly revenue of Tier I Accounts sold by Licensor and Existing Accounts in the Territory, multiplied by four. "Prevailing Multiple" means the average multiple used for the three most recent Material Transactions completed by an Affiliate. "Material Transaction" means a transaction for the purchase by an Affiliate providing services similar to the Services of subscription-based accounts with an ARR greater than $1,000,000 (excluding E&L sales).

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Nature of Expenditure	Amount Low Estimate[1]	Amount High Estimate[1]	Payment Method[1]	When Due	Payment To
Inventory and Equipment Licensed Services (2)	$3,000	$5,000	Lump sum	At signing of License Agreement	Us
Total	$3,000	$5,000			

NOTES

(1) Because this franchise offering is being made only to existing Mood Licensees, we do not anticipate that there will be any additional investment necessary in conjunction with the execution of the License Agreement or within the first six months after the execution of the License Agreement other than the possible investments outlined in this chart. This chart does not include the expenses that you ordinarily incur operating and investing in your Mood Business.

(2) If you do not already offer certain Licensed Services, including Drive-Thru Maintenance Services or Digital Signage Services, we estimate that you may incur within the first six months after executing the License Agreement costs related to adding tools, equipment, and inventory necessary to properly provide these Licensed Services. We estimate that for each you will need to purchase $3,00 to $5,000 in equipment for each of your technicians that is trained to provide these new Licensed Services. Such expense may include the purchase of a smartphone, tablet, laptop computer or other technology or equipment for each technician to use in the field. The number of technicians that you will need to purchase equipment for and the amount of inventory that you will need to purchase varies based on the size of your market, the size of your current inventory, and the demand for the new Licensed Services. If you already offer all of the Licensed Services, you will not incur costs related to these services.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as set forth below, you are not required to purchase or lease goods, services, supplies, fixtures, equipment, inventory, computer hardware or software, real estate, or comparable items related to establishing or operating your Mood Business from us, our designees, or suppliers we approve, or under our specifications.

Products and Services. You must use, offer, and support the Licensed Services that we supply. You, at your expense, must obtain and maintain all Service Delivery Equipment (including receivers and associated equipment, antennae, satellites, or network access points (collectively, the "Receivers")) to enable you to distribute and, as applicable, receive the Licensed Services and shall obtain and make available to the Subscribers equipment to enable the Subscribers to receive the Licensed Services. All Service Delivery Equipment, except Subscriber-owned equipment that is not sold to the Subscriber by you, shall conform to our then-current standards and specifications as set forth in the Operations Manual in effect on the date you install such Service Delivery Equipment at the Subscriber Premises.

We may specify from time to time the exact Service Delivery Equipment and/or other equipment that you must offer to individual Tier I Accounts. You must offer to individual Multi-Territory Accounts and Chain Accounts the Service Delivery Equipment and equipment that is specified in the applicable Contract for such Subscriber, if any equipment is specified. If we specify Service Delivery Equipment that is unavailable to you or is only available to you at a price higher than the price that is available to us as set forth in the applicable return on investment calculation that has been provided to the Committee, we shall sell such Service Delivery Equipment to you at the price specified in the return on investment calculation approved by the Committee. Prior to the commencement of delivery of the Licensed Services to a Subscriber, you must make commercially reasonable efforts to confirm that the appropriate Service Delivery Equipment has been installed at such Subscriber Premises in the Territory where such Services are to be received.

Source of Products. We may require you to purchase from designated suppliers (which may include us or our Affiliated Entities) certain approved products, equipment, or services that must be used in the servicing of Tier I Accounts and Multi-Territory Accounts (if such products, equipment, or services are specifically required by a particular Tier I Contract or Multi-Territory Contract) and may be used by you in other aspects of the Mood Business. You must purchase Mood Proprietary Equipment from us or our designee and may only use the Mood Proprietary Equipment in accordance with the Operations Manual in conjunction with the provision of the Licensed Services. We may require you to use certain Mood Proprietary Equipment when providing certain Licensed Services to an Account. Unless otherwise specified, you may purchase other products, supplies, and equipment that are not Mood Proprietary Equipment from any source, provided that the items conform to specifications designated by us from time to time. We do not review or approve alternative suppliers proposed by our Licensees.

We may reasonably change specifications and requirements related to products, equipment, and services and suppliers from time to time in the Operations Manual or otherwise in writing after consultation with the IPMA. If we modify the standards and specifications to end the life of a particular product, equipment, media, or Service Delivery Equipment platform or in a manner that has the effect of rendering the Receivers then in use by you or Subscribers in your Territory incapable of receiving the Services, we will provide you with (i) at least two years' prior notice of such changes or (ii) as much advance notice as is commercially reasonable under the circumstances if such modifications are necessitated in less than two years (x) by law, (y) due to a third party's termination or non-renewal of a contract with us related to supporting or providing a certain platform or item, or (z) due to our termination of a contract with a third party related to supporting or providing a certain platform or item, provided that we are terminating such contract because such third party is in default under such agreement or because we reasonably determine that the termination of such contract will be for the betterment of the System and the community of Mood Businesses as a whole, including our Licensees.

Currently, we and our affiliates are the only approved suppliers for the delivery of music, messaging and digital signage services using the Mood Harmony platform and its approved devices. We reserve the right to require you to purchase additional items from us or our affiliates in the future. None of our officers owns any interest in any supplier (other than us) with whom you are required or recommended to do business.

Scope of Requirements. We estimate that 5 - 10% of your purchases and leases in renewing your License Agreement and approximately 35-50% of your total purchases and leases in operating your Mood Business will be subject to the restrictions described above.

Revenue from Purchases

We will sell Mood Proprietary Equipment to you at our Landed Cost (i) plus 15% of our Landed Cost for handling and fulfillment where configuration is required by us, or 8% of our Landed Cost where no such configuration is required; plus (iii) outbound freight at actual cost to us without premium or markup. "Landed Costs" means our actual cost paid to third party manufacturers, vendors and/or suppliers of Mood Proprietary Equipment, including inbound freight, both without any premium or markup.

We and our Affiliated Entities may sell or resell approved products, equipment, and services and/or Mood Proprietary Equipment to you at a profit, provided that, if an alternative supplier sells items to the general public that are identical in all material respects to such products, equipment, and services, Licensor (and its Affiliated Entities) may not resell to you such products, equipment, and services at prices that are higher than the alternate supplier's published standard prices that are available to you.

We, MML and our Affiliated Entities may derive fees, commissions, rebates, and allowances or other forms of payment or consideration ("Rebates") from Affiliate purchases from designated suppliers or purchasing arrangements. In the event we or an Affiliated Entity receives payment of any Rebates from vendors or suppliers that are based solely upon the volume purchases in the U.S. being made by us, our Affiliated Entities and Licensees, we will (i) provide a detailed report of the receipt of such Rebates to the IPMA on a quarterly basis, and (ii) annually remit payment of a pro rata share of such Rebates to you based on the volume generated by your purchases, which you shall report to us no later than January 31st of each year during the term of the License Agreement. We will make such payment within 90 days after receiving such report from you. Upon request, we will provide you and the IPMA with a reasonable level of detail relating to the appropriate agreements and business records reflecting such costs and Rebates.

As of the date of this Disclosure Document, we and our affiliates have not received any Rebates or other payments from suppliers as a result of required purchases by our Licensees, but we may do so in the future.

In our fiscal year ending December 31, 2022, we derived $13,837,556 in revenue from required purchases and leases of products and services by our Licensees, which is equal to 9.3% of our total revenue of $149,171,621 and includes revenue received from Licensees related to required purchases of Music Services, Voice Services, equipment, and media fees related to the provision of Music Services, Digital Signage Services, and Drive Thru Maintenance Services.

Purchasing Arrangements. We are not currently involved in any purchasing or distribution cooperatives. We may, in our sole discretion, negotiate purchasing agreements with suppliers on behalf of our Affiliates. In connection with our efforts to obtain favorable pricing terms for the benefit of you and other Affiliates, if you wish to participate in the purchasing program and take advantage of any discounted pricing, you must provide us with reasonable forecasts of your anticipated equipment needs and/or purchase commitments on pre-established intervals as established periodically by us.

No Material Benefits. We do not provide any material benefits to our Licensees (for example, renewal or granting additional franchises) based upon their purchase of particular products or services or use of particular suppliers.

Insurance. To facilitate the marketing of Licensed Services to Tier I Accounts, you must maintain in full force and effect such workmen's compensation coverage, liability insurance coverage, and such other insurance coverage as is reasonably required from time to time by the Committee, and shall provide evidence of such coverage to the Committee from time to time as requested. We will include the minimum insurance requirements set forth by the Committee and/or us in the Operations Manual. Currently, you must maintain the following minimum insurance coverage:

Type of Coverage	Amount of Coverage
Insurance for employees including, but not limited to, workers' compensation, employers' liability, disability, unemployment insurance and any other insurance required by law, covering your operations in all locations at which services will be performed by you under the License Agreement	Employers' Liability coverage must include limits of not less than $1,000,000 for each accident for bodily injury by accident and $1,000,000 for each employee for bodily injury by disease, subject to a policy limit of $1,000,000 for bodily injury by disease.
Comprehensive General Liability insurance, including blanket contractual, completed operations, product liability, and bodily injury and property damage coverage	Minimum coverage must be at least $5,000,000 for each occurrence and $5,000,000 aggregate, which may be achieved through a combination of primary and excess policies. The policy's aggregate shall apply on a "Per Project" basis if available.
Errors and Omissions Insurance, which covers professional errors and omissions for you and your employees or contractors	Limits to include an amount not less than $5,000,000 per occurrence with a $5,000,000 annual aggregate. If coverage is written on a "Claims-Made" Form, it must be so identified, and proof of coverage must be provided to Mood Media for a minimum of three years after completion of the work identified in this contract.

Type of Coverage	Amount of Coverage
Automobile Liability coverage for all owned, hired and non-owned vehicles	Limits provided must be in an amount not less than $3,000,000 Bodily Injury and Property Damage combined. The limit requirement set forth may be achieved through a combination of primary and excess policies.
Crime Coverage on a blanket basis covering you and your employees who have access to or are responsible for handling Mood Media funds or equipment; the coverage shall also extend to include any Computer Funds Fraud and Transfer	Limits of not less than $1,000,000 for each occurrence
Cyber Liability insurance to cover damages and losses caused by data breach, intrusion, cyber theft and all similar cyber risks	$5,000,000

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in License Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Not applicable	Not applicable
b.	Pre-opening purchases/leases	Sections 2.2, 2.4, and 6.7	Items 7, 8, and 11
c.	Site development and other pre-opening requirements	Sections 6.1(e) and 6.6	Item 11
d.	Initial and ongoing training	Sections 2.1(e)(ii) and 6.6	Item 11
e.	Opening	Not applicable	Not applicable
f.	Fees	Sections 2.5(b), 3.2, 3.3(i), 3.3(n), 3.4(c), 3.4(d), 3.5, 3.6(b), 3.6(f),3.7(d), 4.5, 6.1(h), 6.4(d), 7, 8.2(f), 8.3(c), 8.3(d), and 12(f)	Items 5 and 6
g.	Compliance with standards and policies/Operations Manual	Sections 2.2, 2.4, 2.6, 3.3(i), 3.3(j) and 6	Items 8, 11, 13, 14, 15, and 16
h.	Trademarks and proprietary information	Sections 6.8, 11.2, 13, and 15.5	Items 13, 14, and 17
i.	Restrictions on products/services offered	Sections 2.1, 2.2, and 2.4	Items 8 and 16
j.	Warranty and customer service requirements	Section 3.3(j), 6.1(e), and 6.4	Items 8 and 16

	Obligation	Section in License Agreement	Disclosure Document Item
k.	Territorial development and sales quotas	Sections 1, 2, 6.1, 6.2, and 6.4	Items 11 and 12
l.	Ongoing product/service purchases	Sections 2.1, 2.2, 2.4, 6.1, and 6.7	Items 8 and 16
m.	Maintenance, appearance and remodeling requirements	Sections 2.4 and 6.1(b)	Items 8 and 11
n.	Insurance	Section 3.3(c)	Items 8
o.	Advertising	Section 9	Item 11
p.	Indemnification	Sections 3.3(i), 11.5(c) and 15.5	Item 6
q.	Owner's participation/ management/staffing	Section 6.1(e)	Items 11 and 15
r.	Records and reports	Sections 8.1 and 8.2	Items 6 and 17
s.	Inspections and audits	Section 8	Items 6 and 17
t.	Transfer	Section 12	Items 6 and 17
u.	Renewal	Section 4.2	Item 17
v.	Post-termination obligations	Section 6.8 and 11	Item 17
w.	Non-competition covenants	Sections 5 and 11.5(d)	Item 17
x.	Dispute resolution	Section 7.5(f) and 14	Item 17

ITEM 10
FINANCING

You may pay the Acquisition Fee (i) in a lump sum in a single payment within 30 days following the receipt by you and the IPMA of the Acquired Accounts Disclosure Package (the "Lump Sum Option"), or (ii) using a "Deferred Option" whereby we will continue to collect for our own account all revenue generated by the Acquired Accounts until the amount collected by us from the Acquired Accounts equals after the acquisition occurs equals the Acquisition Fee attributable to your Acquired Accounts, plus fees and royalties that we would otherwise have collected from you if you had taken the Lump Sum Option and collected all of the revenue from the Acquired Accounts, plus any licensing fees and taxes we pays related to such Acquired Accounts, but not including any interest on the unpaid portion of the Deferred Option.

Other than the Deferred Option for the Acquisition Fee as described above, we do not offer direct or indirect financing to our Licensees. We will not guarantee your promissory note, lease, or other obligation.

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

Except as listed below, Muzak LLC is not required to provide you with any assistance.

Our Pre-Opening Obligations. Because this franchise offering is offered only to existing Mood Licensees, we do not have any pre-opening obligations to you.

Ongoing Assistance. We will complete the following obligations during the operation of your Mood Business:

(1) **Provision of Services**. We will supply you with the Licensed Services throughout the term of the License Agreement. (License Agreement, Section 2.1(a))

(2) **New Services.** If we (or our affiliated entity) develops a New Service, we may, in good faith after consultation with the IPMA, (i) elect to designate the New Service as a Non-licensed Service, which will not be offered to you, or (ii) seek the approval of a majority of our Licensees (with one vote allocated to each territory owned by a Licensee) to designate the New Service as a Licensed Service in which event you will have six months after receipt of notice from us to begin distributing the New Service in your Territory and we will provide any necessary training to you. "Non-licensed Service" means services and related equipment that are not licensed to you to market and sell, because (i) such service is neither a Licensed Service nor a Competing Service; or (ii) such service is offered only to residential subscribers. We may, after consultation with the IPMA, designate new Product Fees, Operational Standards, and initial Required Growth Rates (as defined in Paragraph 13 below) for the New Services. See Item 16 for additional information regarding New Services. (License Agreement, Section 2.1(e))

(3) **Transmission Failure**. In the event that we have a failure in the transmission of the Licensed Services, we shall use reasonable commercial efforts promptly to restore such transmissions or to establish a commercially reasonable alternative means of delivering the Licensed Services. (License Agreement, Section 2.2(f))

(4) **Alternative Sales Channel Accounts**. If a new Subscriber purchases a Licensed Service for a Subscriber Premises in the Territory through an Alternative Sales Channel, we will provide you with written notice and will allocate such Account to you, for which you must then pay us the Alternative Sales Channel Commission. To the extent feasible, you will own all rights to such Account in the Territory and will service the Account as a Tier II Account but in any event, as between us and you, such Account shall be owned by you within the Territory. (License Agreement, Section 2.5)

(5) **Operations Manual**. We will furnish you with one copy of, or electronic access to, the Operations Manual, on loan for as long as the License Agreement or a successor license agreement remains in effect. The Operations Manual will remain our property and must be returned to us or destroyed upon the expiration or termination of the License Agreement. We may amend, modify, or supplement the Operations Manual at any time, so long as such amendments, modifications, or supplements are commercially reasonable and will, in our good faith opinion, benefit our existing and future Affiliates or will otherwise improve the System and will be adhered to by Owned Affiliates to the extent that they are reasonably applicable to Owned Affiliates. Prior to implementing or modifying material provisions of the Operations Manual, except with respect to provisions relating to the ownership, maintenance, and use of any intellectual property, we will consult in advance with the IPMA. A copy of the current Table of Contents to the Operations Manual, which contains 40 pages as of the issuance date of this Disclosure Document, is attached as Exhibit D to this Disclosure Document. (License Agreement, Section 2.6)

(6) **Tier I Contracts**. We will, acting on behalf of and as an agent for you and other Affiliates, execute Tier I Contracts. We or the Affiliate, as the case may be, that sells Licensed Services to the Tier I Account must submit to the Committee a copy of the proposed Tier I Contract and/or such other information about the Tier I Account that the Committee reasonably requires for its review of the proposed Tier I Account and may not arrange for the execution of the Tier I Contract until the Committee approves the Tier I Contract, unless the Tier I Contract meets the Committee's pre-approved criteria and is on the Tier I Account form included in the Operations Manual or another form that has been approved by the Committee for such Tier I Accounts. (License Agreement, Section 3.3(f))

(7) **Serve as Managing Affiliate**. We will serve as the Managing Affiliate for each Tier I Account sold by us, even if the Subscriber of such Tier I Account is headquartered in a Licensee's Territory. (License Agreement §3.3(i)(ii)) As between you and us or another Managing Affiliate, you shall own all ownership interests in the Tier I Accounts and Tier I Contracts with respect to the Subscriber Premises within your Territory that you have not declined or failed to install, and we or the Managing Affiliate shall whenever practicable execute such Tier I Contracts as an agent for Affiliates (including you) in whose territories individual Subscriber Premises are located. (License Agreement, Section 3.3(n))

(8) **Offer of Multi-Territory Account to Other Affiliates.** If we negotiate a Multi-Territory Contract and you own the rights to the Territory in which one or more Subscriber Premises that would be subject to such Multi-Territory Contract is located and offer you the opportunity to provide the Licensed Services under such Multi-Territory Contract in your Territory. (License Agreement, Section 3.4(b))

(9) **Acquired Accounts**. If we (or our Affiliated Entity) acquire any Acquired Accounts, we will seek the written endorsement of the IPMA Board of Directors for such acquisition prior to completing the transaction or as soon thereafter as is commercially reasonable. If the IPMA Board of Directors does not endorse the acquisition, we will offer you the option to purchase the Acquired Accounts that have Subscriber Premises located in your Territory within 30 days after receiving information concerning the Acquired Accounts from us. If the IPMA Board of Directors does not endorse acquisition of the Acquired Accounts and you don't exercise your acquisition rights, then we (or our Affiliated Entity) (i) will continue to own such Acquired Accounts, (ii) shall receive all of the financial benefits from such Acquired Accounts, (iii) may service, or designate a third party to service, the Acquired Accounts in your Territory or may pay you on a time and materials basis to service the Acquired Accounts in your Territory, and (iv) may, in our sole discretion, continue to service the Acquired Accounts under the acquired brand and/or using any acquired services or operate the Acquired Accounts under the Proprietary Marks and using the Licensed Services (License Agreement, Section 3.6)

(10) **Existing Accounts**. We will maintain the relationship with Existing Accounts and be responsible for (i) managing the billing of the Existing Accounts and paying you 70% of the Net Existing Service Billings ("Existing Account Fee") in accordance with the terms of the License Agreement, (ii) attempting to sell new services to all Tier I Accounts and Multi-Territory Accounts within the Existing Accounts, and (iii) paying all licensing fees and taxes related to providing the Existing Services to the Existing Accounts. We will deduct the Existing Account Fee from the revenue that we collect directly from the Existing Accounts and we will pay the remaining balance of the Net Existing Service Billings to you. With respect to Existing Accounts, you will not pay us any other fees or commissions, including the Music Service Royalties, Product Fees, commissions, and Reproduction and Performance Royalties. (License Agreement, Section 3.7)

"Existing Accounts" means any means any Accounts offering sound systems marketed using the DMX trademark "DMX Services" ("DMX Accounts") in the Territory owned by MML or its predecessor as of January 1, 2013 ("DMX Date") and any Accounts serviced by Trusonic ("Trusonic Accounts") in the Territory owned by MML or its predecessor as of as of May 6, 2011 ("Trusonic Date"). An Existing

Account shall be considered owned by us as of the effective date of the License Agreement, if we have full control and billing authority over the Account. Existing Accounts shall not include (i) Accounts owned by licensed DMX Dealers and Trusonic VARS in existence as of the Transition Date or licensed PlayNetwork Dealers in existence as of October 1, 2021 ("Existing Dealers") or dealers not offering DMX Services in the Territory as of the effective date of the License Agreement ("New Dealers") or (ii) Accounts sold by you after the applicable DMX Date or the Trusonic Date, as applicable (the "Transition Date").

"Net Existing Service Billings" means the Existing Service Billings less the licensing fees, including performance rights fees and copyright fees, and taxes actually incurred by us, MML or our Affiliated Entities related to providing the Existing Services to the Existing Accounts.

"Existing Services" means recurring services provided to Existing Accounts as of Transition Date.

"Existing Service Billings" means all amounts billed or other charged to all Existing Accounts by us for Existing Services at Subscriber Premises receiving Existing Services as of the Transition Date, as applicable, including any late-payment fees or interest charges imposed by us. "Existing Service Billings" do not include (i) any amounts billed to Subscribers as (and separately stated on the billings or otherwise separately determinable as) sales or similar excise taxes and (ii) amounts billed or otherwise charged to an Existing Account arising from a New Service or a new Subscriber Premises added to an Existing Account after the Transition Date ("Expanded Services").

If an Existing Account adds a New Service, the New Service shall be treated as a new Account and shall not be subject to the Existing Account Fee.

(11) **Operational Standards**. For each calendar year, we will, in our reasonable discretion, review and update minimum operational standards for Licensed Services ("Operational Standards") for Affiliates. We will set the Operational Standards based on an evaluation of the operations and performance of Affiliates and of all Affiliates' efforts to sell and promote each Licensed Service, taking into consideration such factors as Subscriber requirements, economic and market conditions affecting the community of Mood Businesses as a whole. We have the burden of establishing the reasonableness of the Operational Standards, which shall be prima facie reasonable if met by 75% of our Licensees. If the foregoing threshold is not met, we and the IPMA shall discuss and agree upon appropriate actions to be considered. Your performance and staffing for each calendar year must equal or exceed the Operational Standards. If you fail to meet or exceed the Operational Standards for a given year, you must use your best efforts to fully implement a business plan that is reasonably approved by us to specifically address the deficiencies during the next calendar year. (License Agreement, Section 6.4(b))

(12) **Required Growth Rates**. We and IPMA will mutually develop programs and initiatives by which we will support, train, assist and guide our Licensees with the growth of their Mood Businesses. You must provide quarterly sales activity reports to us encompassing, at a minimum, an overview of sales activity and new sales bookings. As a component of the Operational Standards, you must comply with the "Required Growth Rate", which means the annual amount by which you, except in cases of a force majeure event, must increase Licensee Billings cumulatively for all Licensed Services in the aggregate of the Territory and all of your (or your Affiliated Entity) additional Mood Business territories. The Required Growth Rate shall include only those amounts billed to Tier II Accounts in your Territories, and growth will not be measured by product type or by individual Territory (in cases where you (or your Affiliated Entity) has multiple Territories). (License Agreement, Section 6.4(c).)

"Licensee Billings" means all amounts billed or otherwise charged to a Subscriber by you in connection with the sale and provision of a Licensed Service to an Account, including amounts billed to Subscribers of Alternate Sales Channel Accounts and 30% of the amounts billed or otherwise charged to Existing

Accounts, but excluding (i) amounts you are billing or otherwise charging (on behalf of another Affiliate) to a Subscriber of an Account sold by such other Affiliate, and (ii) Invoice Fees collected by you from an Affiliate in connection with the foregoing subsection. "Invoice Fee" means a reasonable billing fee equal to $2.00 per month per Subscriber Premises payable by you if you are unable or unwilling to bill a Subscriber which you would otherwise be required to bill.

(13) **Training**. Commencing no later than January 1, 2024, we will complete, make available to you and implement over the following 12 months training programs and sales growth initiatives by which we will support, train, assist and guide all Affiliates with the growth of their Mood Businesses. These programs and initiatives will be reviewed, updated, and improved on an annual basis. We shall periodically make available to you and your employees training and certification programs as determined during the foregoing review periods designed to maintain and improve your sales, delivery, and maintenance of the Licensed Services. For any New Services or new products, we will offer additional training, which you must have your employees complete to our reasonable satisfaction prior to offering such New Services or new products. (License Agreement, Section 6.6)

(14) **Product Specifications**. We will provide a list of designated suppliers for certain approved products, equipment, or services that must be used in the servicing of Tier I Accounts and Multi-Territory Accounts (if such products, equipment, or services are specifically required by a particular Tier I Contract or Multi-Territory Contract) and may be used by you in other aspects of your Mood Business. We may reasonably designate or change specifications and requirements related to products, equipment, and services and suppliers from time to time in the Operations Manual or otherwise in writing after consultation with the IPMA. (License Agreement, Section 6.7(a))

(15) **Purchasing Arrangements**. We may negotiate purchasing agreements with suppliers on behalf of our Affiliates. (License Agreement, Section 6.7(b))

(16) **Research and Development**. We will conduct research and development to maintain and improve the quality of the Licensed Services and the methods used to distribute them. We may require you to contribute your pro rata share of our research and development costs for certain improvements through lump sum payments, recurring fees, or product surcharges, provided that the IPMA, after consultation with us, approves the method and amount of such reimbursement. The IPMA may not unreasonably withhold, condition, or delay approval of any such proposal to reimburse us for its research and development expenses. If the IPMA withholds approval of such reimbursement, we will not be obligated to offer such improvements to you and our Licensees. (License Agreement, Section 6.9)

(17) **Compliance with Laws**. We will perform our obligations under the License Agreement in full compliance with all applicable federal, state, and local laws, rules, regulations and ordinances and will timely obtain all permits, certificates, and licenses necessary for the proper conduct of our business. (License Agreement, Section 6.10)

(18) **Our Billing Obligations**. We will pay you the Net Revenue Share (excluding any revenue paid for recurring services) twice per month on the 1st and the 15th. We will remit to you payment of all monies received from Subscribers for Licensed Services, deposits, and E&L within 45 days of receipt from the Subscriber. We shall provide, or make available (i.e., via Oracle APEX reporting or other electronic format or platform) corresponding reports within two business days from the date of payment which validate the accuracy of such payments being made to you. We shall make all commercially reasonable efforts to reduce the foregoing payment due date from 45 to 30 days by December 31, 2023. We will use commercially reasonable efforts to require deposits from Subscribers on any United States-based E&L sales where the total contract price per Subscriber Premises exceeds $25,000 or more; provided, however, this requirement may be waived or increased from time to time in cases where the Subscriber or general contractor of the

Subscriber managing the E&L project will not agree to a $25,000 deposit requirement. You shall not be required to commence any on-site installation work on an E&L project unless and until the agreed upon deposit, if any, has been paid by the Subscriber to us. We will use commercially reasonable efforts to timely bill all amounts no later than seven business days following the receipt of project completion documentation via electronic method as prescribed by us and shall use commercially reasonable efforts to collect all accounts receivable. We have seven business days to review, respond and/or question project completion documentation and resolve any issues or disputes. (License Agreement, Section 7.5(b))

(19) **Reproduction and Performance Royalties.** For certain sound recordings reproduced, produced, and/or distributed by us and used as part of the Music Services, we will be responsible for paying Copyright Holders for certain fees and royalties as described in Section 7.6 of the License Agreement. In some circumstances, we will pay Copyright Holders on your behalf, and you must reimburse us for your pro rata share of such payments without premium or mark-up. (License Agreement, Section 7.6)

(20) **Advertisements and Marketing Assistance**. We will endeavor to give you advance notice of national advertising and promotional campaigns that we conduct related to the Licensed Services. Our representatives will meet with the IPMA or a subcommittee designated by the IPMA annually to discuss upcoming marketing plans, programs, and concepts. Within the limits of our available personnel, we, when so requested by you, will make available technical and marketing assistance to you for a mutually agreed upon charge. (License Agreement, Section 9)

(21) **Offer Most Favored Terms**. Except in certain circumstances described in Section 15.17 (Most Favorable Terms) of the License Agreement, if we offer to another Licensee financial terms related to Music Service Royalties, Market Fees, Product Fees, and/or other fees related to the Licensed Services (other than temporary or transient adjustments and accommodations) that are more favorable than the terms in the License Agreement, we must offer such more favorable terms to you in conjunction with any other terms offered to the Licensee and notify the then-current President of the IPMA of such offer. (License Agreement §15.17)

Site Selection

You may select the location for your Mood Business within your Territory. We do not provide any site selection assistance. If you have an office in an adjacent territory that can adequately serve Subscribers in both that territory and your Territory, you do not need to maintain an office in the Territory. (License Agreement, Section §6.1(e)).

Marketing and Promotion.

We are not obligated to conduct any advertising or promotional campaigns. If we do conduct advertising or marketing campaigns, we will endeavor to give you advance notice of national advertising and promotional campaigns that we conduct related to the Licensed Services. You shall cooperate with any advertising or promotional campaigns conducted by us in accordance with sound business practices. (License Agreement, Section 9.1) You must promptly discontinue any advertising or promotion that we inform you is, in our judgment, inimical to our reputation or is inconsistent with our brand image and/or market positioning.

You must submit to us, for our approval, which we shall not unreasonably withhold, samples of all advertising and promotional plans and materials that you propose to use, including, without limitation, any materials used on your website or otherwise on the Internet. If our written approval is not received within ten days from the date we receive the material, the material is deemed approved. You shall amend any such plans and materials as requested by us upon receipt of notice from us that such plans or materials fail to comply with the requirements of Section 9.1 of the License Agreement or that such materials are not approved by us. In the event that we notify you to amend any advertising or promotional plans previously approved by us, you will have up to 30 days after the date of such notice to make such amendments. We may establish in the Operations Manual commercially reasonable specifications and/or restrictions regarding advertising on the Internet or use of websites. (License Agreement, Section 9.1)

You must comply with any commercially reasonable branding requirements established by us from time to time, including, without limitation, requirements mandating the use of certain Proprietary Marks on offices, vehicles, signage, uniforms, websites, social media platforms, or marketing materials and promotional products and prohibiting the use of the Proprietary Marks in an unauthorized manner. If we mandate any aesthetic changes to the branding or aesthetic use of the Proprietary Marks, we, after consulting with the IPMA, will designate a reasonable period of time for you to comply with such changes, which you shall bear the cost of, provided that the time period to comply is at least 12 months. (License Agreement, Section 9.2)

Our representatives will meet with the IPMA or a subcommittee designated by the IPMA annually to discuss upcoming marketing plans, programs, and concepts. However, we do not have an advertising council composed of franchisees that is dedicated to advising us on advertising policies.

Currently, there are no local or regional advertising cooperatives within the Mood Business community. In addition, we do not have an advertising fund. If an advertising cooperative or advertising fund were formed in the future, you will be expected to cooperate and participate in accordance with sound business practices.

Computer Systems

You must either (i) obtain the Computer System we specify, or (ii) arrange with a third-party central data repository, as specified from time to time by us, to convert data into a format that is compatible with our computer systems, accounting programs, and other software as specified in writing by us ("Data Format") and to submit required data in the Data Format to us at the times and in the manner reasonably specified in the Operations Manual after consultation with the IPMA. In the event such data is submitted by you through a third-party contractor at your expense, submissions shall be required no more often than monthly. (License Agreement, Section 6.1(h)).

We currently do not have any specific computer and network requirements, except that you must own a personal computer with broadband access to the Internet and must meet then-current industry security standards. If you do not already own a personal computer, we estimate that it may cost you up to $3,000 to purchase the necessary hardware. Neither we nor our affiliates act as vendors or suppliers of any hardware components.

If you obtain the Computer System, you must maintain your Computer System at your expense and must replace, upgrade, or update the Computer System as we may require periodically. We do not require you to enter into any maintenance, updating, upgrading, or support contracts for your Computer System, and we do not anticipate that you will need to do so. The vendor or supplier of the hardware components would typically provide such ongoing maintenance, updating, upgrading, or support services, the cost of which varies by vendor.

We will consult with the IPMA prior to adopting a Computer System and prior to implementing any material changes to the Computer System. If we specify changes to the Computer System or the Data Format that have the effect of making your systems incompatible with the Data Format that we are using, you must update your Computer System or arrange for a third party contractor to convert data into the Data

Format within a reasonable time after receiving our notice of the updated Computer System. We will consult with the IPMA to determine what constitutes a reasonable time to implement such an update, with the understanding that in the event of a disagreement between us and the IPMA, one year will be deemed a reasonable time to implement any required changes. (License Agreement, Section 6.2(h)(i)).

We will not have independent access to your Computer System. We will only be permitted to receive through the Computer System or a third party data repository information that is required to be reported under the License Agreement, including, information to be used by us to ensure proper reporting of overall sales, market penetration, growth, Tier I Account service activity (including call scheduling and fulfillment), royalty reporting, calculation, and payments, and any other commercially reasonable performance metrics and/or data as specified by us, as set forth from time to time in the Operations Manual. If you are a Managing Affiliate for a Tier I Account, we may require you to obtain the Computer System that we designate in order to follow the minimum procedural requirements necessary for managing a Tier I Account, established by the Committee in Consultation with IPMA and published in the Operations Manual, rather than using a third party data repository. (License Agreement, Section 6.2(h)(ii)).

Training.

As this franchise offering is only offered to existing Licensees, we do not have an initial training program.

Commencing no later than January 1, 2024, we will complete, make available to you and implement over the following 12 months training programs and sales growth initiatives by which we will support, train, assist and guide all Affiliates with the growth of their Mood Businesses. These programs and initiatives will be reviewed, updated, and improved on an annual basis. We will periodically make available to you and your employees training and certification programs as determined during the foregoing review periods designed to maintain and improve your sales, delivery, and maintenance of the Licensed Services.

You must cause each of your employees to periodically complete to our reasonable satisfaction the applicable training or certification for each of the Licensed Services, but only to the extent reasonably required by the duties performed by such employee. We may require you to cause specified employees to periodically attend additional training or retraining.

For any New Services or new products, we will offer additional training, which you must have your employees complete to our reasonable satisfaction prior to offering such New Services or new products. We may make such programs available in-person at any location that we specify or via webinar, any physical media in analog or digital form, written materials, electronically, or by any other means. For all such programs, we will provide instructors and training materials at no charge to you, except we may require you to reimburse us for your pro rata share of reasonable third-party licensing costs (such as online training seat licenses) that we incur in providing such training programs. You or your employees will be responsible for any and all other expenses incurred by you or your employees in connection with such training programs, including without limitation the costs of transportation, lodging, meals, and any wages. (License Agreement, Section 6.6)

ITEM 12
TERRITORY

Subject to the limitations described below, we will grant you a Territory within which you may offer and provide the Licensed Services. We typically delineate territories by counties. Your Territory will match the Territory that you have under your existing License Agreement.

We may market, offer, and sell the Licensed Services and use the Proprietary Marks anywhere and under any circumstances outside of your Territory. We currently do not operate or franchise, or intend to operate or franchise, a business under a different trademark in your Territory that will sell goods or services similar to the Licensed Services.

You may not provide the Licensed Services to Subscriber Premises located outside the Territory except (i) as specifically authorized by us or, (ii) in connection with the Tier I Accounts Program by the Committee, (iii) as specifically authorized by us in adjacent territories in certain circumstances, or (iv) as specifically permitted in relation to a Multi-Territory Account.

You will not receive an exclusive territory. You may face competition from other Licensees, from Owned Affiliates, or from other channels of distribution or competitive brands that we control. However, during the term of your License Agreement, except as otherwise provided in the License Agreement, including in Section 1.3 (Limitation on MML and its Dealers and VARS), Section 1.4 (Rights Retained), Section 2.1(c) (Exception for Existing Third-Party Contracts), Section 2.1(e) (New Services), Section 3.3(k) (Serving Tier I Accounts), Section 3.5 (Chain Accounts), Section 3.6(c) (If Licensee Does Not Accept Acquired Accounts), Section 3.7 (Existing DMX and Trusonic Accounts) and Section 6.4(d) (Failure to Achieve Required Growth Rate), provided that you are not in uncured default of any of the terms and conditions of the License Agreement and continue to meet our business performance requirements and operational standards, we shall not, and shall not authorize anyone other than you to:

(1) operate a Mood Business in the Territory;

(2) provide Licensed Services in the Territory; and

(3) provide E&L in the Territory if you meet our E&L requirements as set forth in Section 2.1(d) of the License agreement (however, you will not have any such exclusive rights for (i) more complex E&L sales where you fail to demonstrate your ability to install and service such equipment pursuant to the commercially reasonable requirements of the Operations Manual, and (ii), where you do not have the proper license, certification or skill to successfully install the type of specialized system being sold (i.e., churches, courtroom systems, theaters, nurse call systems, certain video displays, etc.); and

You do not have any exclusive rights to offer Drive-Thru Maintenance Services or Scent Services in your Territory.

We reserve all rights that are not expressly granted to you under the License Agreement including, but not limited to, the following rights, which are retained by us and our Affiliated Entities:

1. The right to use, and to license others to use, the System and the Proprietary Marks for the provision of the Licensed Services to Subscriber Premises that are located outside the Territory or to residential subscribers located inside or outside the Territory.

2. The right to market, offer, and sell (or sublicense to third parties the right to market, offer, and sell) Non-licensed Services under the Proprietary Marks or any other mark inside and outside the Territory. However, we and our Affiliated Entities may not market, offer, and sell (or sublicense to third parties the right to market, offer, and sell) in your Territory Non-licensed Services that are the same or substantially similar to, or directly competitive with, any of the Licensed Services. Creative consulting and creative marketing services and related deliverables shall not be considered the same or substantially similar to, or directly competitive with, the Licensed Services. We and our Affiliated Entities may use the Proprietary Marks in conjunction with the Non-licensed Services inside and outside your Territory. We and our

Affiliated Entities may also market and sell Non-licensed Services on any website owned or controlled by Licensor or its Affiliated Entities, including, without limitation, www.moodmedia.com or www.muzak.com.

3. The right to market, offer, and sell Licensed Services and related equipment through Alternative Sales Channels inside and outside the Territory.

4. The right to provide the Licensed Services, and to use the Proprietary Marks in connection therewith, to transportation common carriers (including, without limitation, operators of automobiles, ships, airplanes, trains, or buses) which sell or provide transportation common carrier services, in whole or in part, within your Territory, it being understood that the reservation of such right shall not be construed as limiting your right to provide the Licensed Services to transportation common carriers located wholly within your Territory.

5. The right to provide the Licensed Services, and to use the Proprietary Marks in connection therewith, to Tier I Accounts inside and outside the Territory.

6. The right to offer and sell Mood Proprietary Equipment inside and outside the Territory in connection with providing the Licensed Services through any distribution channel, provided that such offers and sales are in compliance with the License Agreement and provided that we and our Affiliated Entities may not offer and sell proprietary Service Delivery Equipment to third parties that may compete with you in the Territory (other than Existing Dealers, New Dealers, and our Licensees).

7. The right for us and our Affiliated Entities to acquire Competing Services and Unrelated Entities (which are acquired entities that do not offer any Competing Services), provided that we and our affiliated entities and such entity act in accordance with the terms provided in Section 3.6 (Acquired Accounts) of the License Agreement, but neither we nor any of our Affiliated Entities may operate such acquired Competing Service in your Territory using the Proprietary Marks, or operate such acquired Unrelated Entity in your Territory using the Proprietary Marks if there is any likelihood that an appreciable number of ordinary customers are likely to be misled, or indeed simply confused, as to the source of the goods or services in question.

8. We and our Affiliated Entities may market, offer, and sell Licensed Services and Service Delivery Equipment to prospective Subscribers inside and outside the Territory (but, to the extent feasible, not knowingly targeting existing Subscribers inside the Territory) through an Alternative Sales Channel using the Proprietary Marks, provided that, for any such sales inside the Territory, the Committee has approved pursuant to the procedures set forth in the Operations Manual (i) the Alternative Sales Channel, (ii) the pricing of such Licensed Services offered through each Alternative Sales Channel, and (iii) the form of Contract used in the Alternative Sales Channel. If a new Subscriber purchases a Licensed Service for a Subscriber Premises in the Territory through an Alternative Sales Channel, we will provide written notice to you and will allocate such Account to you, and you must then pay us an Alternative Sales Channel Commission for such Account. To the extent feasible, you shall own all rights to such Account in the Territory and shall service the Account as a Tier II Account, but in any event, as between you and us, such Account shall be owned by you within the Territory.

9. We may provide services, using the Proprietary Marks, and complete installations for Tier I Accounts and Chain Accounts in the Territory (or designate an Affiliated Entity to do so) if you fail to do so, if you reject the job packet for an elective installation, or fail to complete the elective installation by the installation date after the appropriate cure period.

10. During any such period in which you are not marketing, offering, or selling a New Service in the Territory due to a pre-existing third party contract, either we or, at our request, another Licensee designated by us shall have the right to market, offer, and sell such New Service in the Territory using the Proprietary Marks.

11. If the IPMA does not endorse acquisition of Acquired Accounts by us or our Affiliated Entity and you decide not to exercise your acquisition rights or fail to provide us with notice of your intent to do so within the applicable 30 day period, we or our Affiliated Entity (i) will continue to own such Acquired Accounts, (ii) shall receive all of the financial benefits from such Acquired Accounts, (iii) may service, or designate a third party to service, the Acquired Accounts in the Territory or may pay you on a time and materials basis to service the Acquired Accounts in the Territory, and (iv) may, in its sole discretion, continue to service the Acquired Accounts under the acquired brand and/or using any acquired services or operate the Acquired Accounts under the Proprietary Marks and using the Licensed Services.

12. If you fail to perform any obligation that you are required to perform under the License Agreement, we may, upon written notice to you and at your expense, undertake or perform such obligation or duty on your behalf.

Unless otherwise stated, for each of the numbered exceptions above, we may exercise our reserved rights without paying you any additional compensation.

Under the Vibenomics Addendum, we and the IPMA have agreed that Vibenomics provides music services to retail customers, which constitutes a Competing Service within the scope of the License Agreement. You will have the option to purchase the Vibenomics Acquired Accounts in the Territory in accordance with the terms of the License Agreement. In addition, we and the IPMA have agreed that if you exercise your option to purchase the Vibenomics Acquired Accounts and execute the Vibenomics Addendum, you will receive a revenue share of 25% of the sum of the Net Advertising Revenue derived from individual locations within the Territory during the term of the License Agreement on a quarterly basis.

Equipment and Labor

We may grant you the exclusive rights to sell and service E&L in the Territory if you meet the following requirements as more fully set forth in the Operations Manual: (a) you must use, at no cost to you for the first four years from the date of the License Agreement, Oracle Field Service Cloud (or similar software application as reasonably required by us), provided that any fee assessed thereafter shall be based on our out of pocket cost paid thereafter to a third party not affiliated with us, without premium or markup; (b) you must be able to purchase and service any equipment specified on the job other than Mood Proprietary Equipment from a source other than us; (c) you must have proper qualifications to install and service the equipment pursuant to the requirements of the Operations Manual; and (d) where the contract price is greater than $15,000 you or your Affiliated Entity that is a Mood Licensee must employ at least one person across any of your Territories (if more than one) who has met CTS-1 Certification. You will not have any such exclusive rights for (i) more complex equipment and labor sales where you fail to demonstrate your ability to install and service such equipment pursuant to the requirements of the Operations Manual, and (ii), where you do not have the proper license, certification or skill to successfully install the type of system being sold (i.e., churches, courtroom systems, theaters, nurse call systems, certain video displays, etc.).

If you have an E&L sales opportunity for a Subscriber in the territory of an Owned Affiliate, you may provide E&L outside your Territory if: (i) you have exclusivity and meet our E&L qualifications as described above; (i) you promptly offer the opportunity to us and we will have three business days to accept or reject the sales opportunity; and (ii) we determine in good faith that we do not meet the E&L Qualifications. If you meet the E&L Qualifications, you shall not be permitted to proceed with the E&L job outside of your Territory.

Non-exclusive Services

If you do not have the exclusive right to offer a service in the Territory as provided in the License Agreement, because it is a Non-licensed Service or a service provided by an Unrelated Entity, we and our Affiliated Entities may authorize anyone, including Existing Dealers, New Dealers, MML, or other third parties, to offer such non-exclusive services in the Territory under the Proprietary Marks.

Existing Dealers

We and our Affiliated Entities have Existing Dealers that sell services within your Territory that are similar to or identical to the Licensed Services. Unless otherwise agreed by us and the Committee, we and our Affiliated Entities will prohibit Dealers from selling Tier I Accounts. We or such Affiliated Entity may continue to honor the terms of such agreements with Existing Dealers, including renewing the agreements in accordance with their terms. We or such Affiliated Entity may also convert existing Trusonic VARS and PlayNetwork dealers into DMX dealers (in which case, they will continue to be treated as an Existing Dealer), provided that the categories of services that the former Trusonic VARS or PlayNetwork dealers are authorized to offer as a DMX dealer may not be expanded beyond their existing categories of services. However, neither we nor any of our Affiliated Entities will authorize or permit a New Dealer to market, offer, sell, service, and support DMX Services, Trusonic services, or any Licensed Service or any service in your Territory in any service category in which you have the exclusive right to offer Licensed Services. Neither we nor any of our Affiliated Entities may (i) authorize or permit a Competing Service in your Territory using the Proprietary Marks, or (ii) establish a PlayNetwork, DMX or Trusonic dealer in your Territory. If you do not have the exclusive right to offer a service in the Territory, because it is a Non-licensed Service or a service provided by an Unrelated Entity, we and our Affiliated Entities may authorize anyone, including Existing Dealers, New Dealers, MML, or other third parties, to offer such non-exclusive services in your Territory under the Proprietary Marks (License Agreement, Section 1.3).

Loss of Exclusivity

If you fail to achieve the Required Growth Rate for two consecutive Default Years (which is the calendar year in which you do not achieve the Required Growth Rate) plus one (1) Cure Year (which is the calendar year that immediately follows the Default Year), upon providing a written cure notice to you, we may designate the Licensed Services in the Territory as non-exclusive and you shall have no exclusivity with respect to the Licensed Services in the Territory. We may market, offer, sell, service, and support or authorize a third party to market, offer, sell, service, and support, the non-exclusive Licensed Services in the Territory. If you cure the default, you will not have any ownership rights in any Accounts sold in the Territory by us or any authorized third party during the period of non-exclusivity. We will promptly inform the IPMA of such action. You must continue to service and support such non-exclusive Licensed Services for existing Tier I, Tier II and Multi-Territory Accounts in the Territory. You will act as a subcontractor for Subscriber Premises added during the non-exclusive period on such terms as we agree. If during the one year period following the written cure notice, you improve and meet the Required Growth Rate over that same one year period, then we will reinstate the exclusivity of the Licensed Services in the Territory; provided, however, that you will not have any ownership rights in any Accounts sold in the Territory by us or any authorized third party during the period of non-exclusivity.

No Rights of First Refusal

The License Agreement does not provide you with any options, rights of first refusal, or similar rights to acquire additional franchises inside or outside of your Territory. However, in the event of a termination or a nonrenewal of the License Agreement of a Licensee operating in a territory that adjoins your Territory, if we, in our sole discretion, decide to solicit offers for the license rights in the territory from third parties and you are in compliance with the License Agreement, we will provide you and other adjoining Affiliates with notice of our intent to do so at least seven days before soliciting offers from third parties or other, non-adjoining Licensees. If we provide you with such notice, you may submit a written offer to us to purchase the license rights to such territory and the rights held by the departing Licensee related to the Tier I Accounts in such territory, which we may accept or reject in our sole discretion.

Reallocation of Territory

Because some outlying areas of the Territory may at some future date be more efficiently served by an Affiliate who operates in a territory adjoining the Territory, you may at any time request us to reallocate such outlying areas of the Territory to an adjoining Affiliate. Any such reallocation shall be effective upon the written consent of both us and the adjoining Affiliate. Our consent will not be unreasonably withheld, provided that the outlying area is managed in accordance with the terms of the License Agreement and you are in compliance with the terms of the License Agreement.

Office Location

You may select the location or relocation of your Licensed Business within your Territory. You need not obtain our prior consent of the location or relocation, but must provide us with notice of the location of your office.

ITEM 13
TRADEMARKS

The principal trademark that you will use as our Licensee is the MOOD MEDIA® mark and logo. We may also authorize you to use other marks periodically. You may only use in your Mood Business the Proprietary Marks that we designate, and only in compliance with written rules that we prescribe periodically. You may not use the Proprietary Marks in association with the sale or marketing of any goods or services other than the Licensed Services.

Mood Media Netherlands BV owns the following marks on the Principal Register of the United States Patent and Trademark Office (the "USPTO"):

Mark	Registration Date	Registration Number
MOOD MIX	10/05/2016	4879083
MOOD HARMONY, and Design	07/20/2021	6422790
MOOD HARMONY, and Design	02/02/2021	6260910
MOOD MEDIA (Stylized)	04/19/2011	3946991
MOOD: (Stylized)	12/12/2017	5353026
MOOD MEDIA	04/12/2011	3943182

Mood Media Netherlands BV has filed all required affidavits and have renewed the principal trademarks, as required in order to maintain the registration for the principal trademarks. There are no currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving the Proprietary Marks. We know of no pending infringement, opposition, or cancellation proceedings or material litigation involving any of the above-referenced Proprietary Marks. There are no infringing uses or superior previous rights known to us that can materially affect your use of the Proprietary Marks. There are no currently effective agreements that significantly limit our rights to use or license the use of the Proprietary Marks listed in this section in a manner material to your Mood Business.

Under a Trademark License Agreement, Mood Media Netherlands BV granted us, MML, DMX Mood Media, and Mood Media North America, LLC, the right to use and sublicense the use of the Proprietary Marks through May 2038, with automatic renewals every 12 months thereafter unless terminated by either party upon failure to cure material default within 30 days prior written notice, or immediately on the close of any transaction in which we cease to be an affiliate of Mood Media Netherlands BV or its successor, or the dissolution of Mood Media Netherlands BV or us.

Mood Media Netherlands BV is the owner of all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them. Your use of the Proprietary Marks pursuant to the License Agreement does not give you any ownership interest or other interest in or to the Proprietary Marks, except the license granted by the License Agreement. You must comply with our instructions at our cost in filing and maintaining the requisite trade name or fictitious name registrations, and must execute any documents reasonably deemed necessary by us or our counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

We must take all commercially reasonable steps, including the taking of legal action, reasonably necessary to preserve and protect the ownership and validity in and of the Proprietary Marks and your use of the Proprietary Marks in accordance with the License Agreement. You may not directly or indirectly contest the validity of, or our ownership of, the Proprietary Marks. In the event that litigation involving the Proprietary Marks is instituted or threatened against you, you must promptly notify us and must cooperate in the defense or settlement of such litigation, which we will have the right to control at our expense.

You must promptly notify us of any suspected infringement of the Proprietary Marks, and of any challenge to our ownership of, or your right to use, the Proprietary Marks. We will have the sole right to decide whether an administrative or judicial proceeding, or other action, should be undertaken in response to any such suspected infringement or challenge, and, if any such proceeding or action will be undertaken, to initiate and control such proceeding or action at our expense. If we elect to undertake any such proceeding or action, you must cooperate with us in such effort. You have no right to institute any litigation against a third party relating to the Proprietary Marks without our prior written consent.

We will defend, indemnify, and hold you harmless against any and all claims, demands, fines, losses, costs, expenses awarded in a settlement or by a final court or arbitration decision (including, but unlimited to, reasonable attorneys' fees, costs of investigation, settlement costs and interest) ("IP Indemnification Damages") arising from (i) a claim of infringement of a validly issued U.S. patent, U.S. copyright, or U.S. trademark or of any common law intellectual property rights or other intellectual property rights at law or in equity asserted against you by a third party based on your authorized use of the Licensed Services and authorized delivery of the Licensed Services to Subscribers, (ii) your authorized and proper use of the Proprietary Marks, or (iii) your authorized and proper use of the Mood Proprietary Equipment, provided that (x) any such IP Indemnification Damages did not arise directly or indirectly from, as a result of, or in connection with your breach of the License Agreement or any unauthorized or improper actions by you, (y) we shall have received from you prompt notice of such claim (but in any event notice in sufficient time for us to respond without prejudice), and (z) you shall have provided us with all reasonably necessary cooperation and assistance. With respect to any such suit or proceeding, we shall have the exclusive right to (i) choose counsel and (ii) direct and control the investigation, defense, and/or settlement of the matter. Our indemnification obligation does not apply if (i) the Licensed Services are modified by any party other than Licensor or MML, but only to the extent the alleged infringement is caused by such modification; (ii) the Licensed Services are combined with any other non-Mood products or services, but only to the extent the alleged infringement is caused by such combination; or (iii) after we have provided you with modifications to the Licensed Services, which you failed to implement, that would have avoided the alleged infringement.

We reserve the right to add Proprietary Marks and to substitute different Proprietary Marks or discontinue the use of Proprietary Marks, for use in identifying the Licensed Services if (i) our currently owned Proprietary Marks no longer can be used or if we determine that such addition, substitution, or discontinuation will be beneficial to our business and (ii) we provide to you at least 12 months' prior notice of such addition, substitution, or discontinuation, unless such modifications are necessitated in less than 12 months by law (such as by court order or by a settlement with a third party), in which case, we will provide you with as much advance notice as is commercially reasonable under the circumstances. You must bear the cost of complying with any modifications to the Proprietary Marks, unless such modifications are necessitated by (i) loss of federal trademark protection; or (ii) termination of any applicable trademark license agreement(s), in which event we shall bear all such costs. We may develop and use marks other than the Proprietary Marks, which we may elect to not designate as Proprietary Marks under the License Agreement and which you would not have the right to use; but you will always have the right during the term of the License Agreement to use and employ all Proprietary Marks used and employed by all other Affiliates operating a Mood Business and/or offering Licensed Services, including, without limitation, those containing the words Mood, Mood Media or Mood Harmony.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We own the following patents that are material to Mood Businesses. We authorize our Licensees to use the following principal patents in operating their Mood Businesses:

Patent Number	Title	Type	App. Date	Expiration Date
US-9099080-B2	System For Targeting Location -Based Communications	Utility	2013-07-01	2033-07-01
US-9317872-B2	Encoding And Decoding An Audio Watermark Using Key Sequences Comprising Of More Than Two Frequency Components	Utility	2013-07-01	2033-07-01
US-9424594-B2	System For Targeting Location -Based Communications	Utility	2015-09-16	2035-09-16
US-9858596-B2	System For Targeting Location -Based Communications	Utility	2015-09-16	2035-09-16

Other than as described above, neither we nor our affiliates currently have any pending patent applications that we believe are material to the franchise. However, in the future we and our affiliates may file other patent applications, or may determine that currently pending patents relate to or have become material to the franchise, and we may make those patents available to our licensees for the operation of Mood Businesses.

We claim copyrights on certain forms, advertisements, promotional materials, and other written materials. We also claim copyrights and other proprietary rights in the Operations Manual and certain proprietary software and mobile applications that are used in Mood Proprietary Equipment and/or in the delivery of Licensed Services.

There are no agreements currently in effect that significantly limit your right to use any of our copyrights or patents. Also, there are currently no effective determinations of the USPTO, the U.S. Copyright Service (Library of Congress) or any court pertaining to or affecting any of our patents and copyrights discussed above.

As of the date of this Disclosure Document, we are unaware of any infringing uses of or superior previous rights to any of our patents or copyrights that could materially affect your use of them in any state.

You are not obligated to notify us of any unauthorized use of our patents or copyrights of which you have knowledge or of any challenge to the validity of our ownership of or our right to license others to use any of our patents or copyrights. If we learn of any infringement, we will take the action we believe to be appropriate, but we are not obligated to take any action to protect our patents or copyrights.

We will defend, indemnify, and hold you harmless against any and all IP Indemnification Damages arising from (i) a claim of infringement of a validly issued U.S. patent, U.S. copyright, or U.S. trademark or of any common law intellectual property rights or other intellectual property rights at law or in equity asserted against you by a third party based on your authorized use of the Licensed Services and authorized delivery of the Licensed Services to Subscribers, (ii) your authorized and proper use of the Proprietary Marks, or (iii) your authorized and proper use of the Mood Proprietary Equipment, provided that (x) any such IP Indemnification Damages did not arise directly or indirectly from, as a result of, or in connection with your breach of the License Agreement or any unauthorized or improper actions by you, (y) we shall have received from you prompt notice of such claim (but in any event notice in sufficient time for us to respond without prejudice), and (z) you shall have provided us with all reasonably necessary cooperation and assistance. With respect to any such suit or proceeding, we shall have the exclusive right to (i) choose counsel and (ii) direct and control the investigation, defense, and/or settlement of the matter. Our indemnification obligation does not apply if (i) the Licensed Services are modified by any party other than Licensor or MML, but only to the extent the alleged infringement is caused by such modification; (ii) the Licensed Services are combined with any other non-Mood products or services, but only to the extent the alleged infringement is caused by such combination; or (iii) after we have provided you with modifications to the Licensed Services, which you failed to implement, that would have avoided the alleged infringement.

We have the right to modify the Licensed Services or the products, equipment, media, or Service Delivery Equipment used in the Mood Business for any reason, without compensation to you, including, as a result of a copyright or patent infringement claim.

Confidential Information

We may disclose in confidence to you, either orally or in writing, certain trade secrets, know how, customer lists, information regarding Accounts, the terms and provisions of all Contracts, the Operational Standards, the Operations Manual, customer service standards, marketing and business plans, technological information, pricing information, revenue data and all other confidential and proprietary information not in the public domain including, all abstract and summaries of such information (collectively, the "Confidential Information"). Except to the extent necessary for your professional advisors, employees, officers, and directors to perform their functions in the operation of the Mood Business, to monitor compliance with the terms of the License Agreement, and to support the System, you may not permit any person or entity to, use or disclose to any other person or entity (including, without limitation, Subscribers or any person or entity that participates in the distribution, provision, or marketing of a Competing Service or other service that is the same or substantially similar to the Licensed Services or Non-licensed Services) any of Confidential Information (including, without limitation, all or any portion of the Operations Manual) during the term of the License Agreement and for five years after you cease providing Licensed Services to all Accounts.

You will be liable to us for any unauthorized use or disclosure of Confidential Information by any of your employees or any other person to whom you disclose Confidential Information. You must take reasonable precautions to protect the Confidential Information from unauthorized use or disclosure and must implement any systems, procedures, or training programs that we require, including requiring anyone who may have access to the Confidential Information to execute non-disclosure agreements in a form that we approve.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Unless we agree otherwise in writing, the Mood Business must be the primary focus of your overall business or a segregated and identifiable division of your overall business that is operated by a manager devoted full-time to the Mood Business. Your manager (which may be you) must at all times provide direct, on-premises supervision of the Mood Business. If you are an individual, we recommend that you be the manager described above.

We do not have the right to approve your manager, and we do not require your manager to have an equity interest in your business. We impose no limitations as to who you may hire as the manager, except that you must comply with all applicable laws, you must not harm the goodwill associated with the Proprietary Marks and the Licensed Services, and the manager must complete any training we require to our reasonable satisfaction. However, we may require you to have your manager and other employees enter into an agreement not to compete with us and our other Affiliates while employed by you and an agreement not to reveal Confidential Information obtained in the course of their employment with you.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use reasonable commercial efforts to actively promote, market, distribute, support, and service each of the Licensed Services in the Territory.

If we or an Affiliated Entity develops a New Service that is designated as a Licensed Service, within six months of receiving notice from us, you (i) will have the right and the obligation to begin distributing such New Service in the Territory under the terms of the License Agreement and in compliance with the Operations Manual and (ii) must complete any training and/or required certification related to the New Service that we must provide. Within seven days after we provide you notice of our intent to designate a New Service as a Licensed Service, you must provide us with a listing of any contracts or agreements which you, or your Affiliated Entity, is a party related to the provision of services in the Territory that are the same as or substantially similar to, or directly competitive with, a proposed New Service ("Third-Party Contracts"). If you demonstrate to our reasonable satisfaction the existence and terms (including, without limitation, provisions related to exclusivity, term, renewal, and termination) of such pre-existing contractual relationship(s), you will have no right or obligation under to market, offer, or sell such New Service until your are no longer legally required to do business with such third party. You must cease doing business with such third party as soon as you lawfully may do so without causing a breach of such Third-Party Contract. You may not, unless contractually obligated to do so, renew or extend any such Third-Party Contract. During any such period in which you are not marketing, offering, or selling a New Service in the Territory due to a Third Party Contract, either we or, at our request, another Mood Licensee designated by us shall have the right to market, offer, and sell such New Service in the Territory using the Proprietary Marks.

You must give us at least 90 days' prior notice of the date on which you will cease doing business with the third party under the Third-Party Contract. After such date, (i) you must commence marketing, offering, and selling such New Service in accordance with the License Agreement and (ii) we and any Mood Licensees designated by us to offer such New Service shall no longer have the right to market, offer, sell or service such New Service in the Territory except under the terms of a Contract in effect on such date; provided, however, that you may purchase from us or such other Mood Licensee, at our or the other Mood Licensee's option, as the case may be, our or the Mood Licensee's rights, as applicable, under any such Contract, as well as the related equipment, for a price determined in the manner set forth in Section 11.4 of the License Agreement (Termination of Tier I Account Rights).

As described in Item 8, we may require you to use certain Service Delivery Equipment and/or other equipment in Tier I Accounts and for all Service Delivery Equipment to conform to our current standards and specifications. Unless otherwise specified, you may sell products, supplies, and equipment that are not Mood Proprietary Products from any source, provided that the items conform to specifications designated by us from time to time.

We may add a Licensed Service, substitute a different Licensed Service, or discontinue the distribution of a Licensed Service or add, modify, or delete any component of any Licensed Service, if we reasonably determine that such addition, substitution, or discontinuation will be beneficial to our business and the business of our Affiliates in general. We will give you at least six months' prior notice of such addition, substitution, and/or discontinuation, unless such modifications are necessitated in less than six months by law, by the termination of our contractual rights with a third party to support or provide a given Licensed Service, or by other relevant factors, in which case, we will provide you with as much advance notice as is commercially reasonable under the circumstances. Any such addition, substitution, and/or discontinuation will be reflected in the Operations Manual.

You do not have the right to market or sell the Licensed Services to residential subscribers.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

The tables list certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

	Provision	Section in License Agreement	Summary
a.	Length of the franchise license term	Section 4.1	The initial term of the License Agreement will expire on December 31, 2034.
b.	Renewal or extension of the term	Section 4.2	Upon the expiration of the initial term of the License Agreement, you may continue to operate the Licensed Business under a new license agreement form ("Successor Agreement") in the form agreed to by Licensor and IPMA, which shall be at least ten years ("Successor Term"), unless you have failed to comply with the conditions set forth in Item 17.c. below.
c.	Requirements for you to renew or extend	Section 4.2	We will not be required to offer you a Successor Term if any of the following occur: you have not satisfactorily performed and we give you two years notice of our intent not to renew and you will have the opportunity to improve your performance or dispute our assessment; you failed to meet the Required Growth Rate for the three years preceding renewal; you are past due on any undisputed payments due within 90 days preceding renewal for which we provided notice of default and we are not past due on our payments to you; you fail to provide written notice of your desire to renew 6 to 12 months before renewal; you have uncured events of default as of renewal; you fail to pay monies or commissions to us three or more times within any 36-month period; you received three or more written notices of the same default during any 60-month period that are not disputed (excluding nonpayment defaults); or you received three or more written notices of default in the three years before renewal that are not disputed (excluding nonpayment defaults). You must sign the Successor Agreement for the Successor Term and pay the renewal fee. The Successor Agreement may contain terms that are materially different from your expiring License Agreement, such as different fee requirements but will not include an initial license fee. We must also have not given you and the IPMA 24 months' notice of our intent to phase-out franchise operations.
d.	Termination by you	Section 10.4	You may terminate the License Agreement only if you are in not in uncured default with your obligations under the License Agreement and we breach or fail to comply with any of the material terms, obligations, covenants, representations, or warranties under the License Agreement and (i) we fail to cure such breach or failure to your reasonable satisfaction within 30 days (or such longer period as applicable law may require) after written notice of such breach or default is given by you to us or (ii) if such failure cannot be corrected within 30 days after receipt of written notice, we fail to undertake appropriate efforts to correct such failure within such 30-day period and to diligently continue such efforts to completion.
e.	Termination by us without cause	Not applicable	Not applicable
f.	Termination by us with cause	Section 10.1	We can terminate only if you default (see Items 17.g and h. below).

	Provision	Section in License Agreement	Summary
g.	"Cause" defined – curable defaults	Section 10.1	You fail to pay monies or commissions owed to us within 30 days of when the payment is due (15 days to cure or dispute the default); you voluntarily cease to provide or installation or maintenance services to substantially all Subscribers or suspends operation of the Mood Business (five business days or more to cure); you lose the right to transact business in the Territory and fail to restore such rights or surrender these rights to us (30 days to cure, provided you are providing the Licensed Services); you underreport Gross Billings for three or more months by more than 10% (10 days to cure); repeated underreporting default in two years by more than 5% for any period (10 days to cure); repeated underreporting default two years thereafter by more than 5%; you refuse to permit an examination or audit of your books (variable cure periods); you make improper use of the Proprietary Marks (variable cure periods); you fail to meet or exceed the Operational Standards (30 days or more to cure); you, an owner, officer, or director are convicted of a felony, a crime involving moral turpitude, consumer fraud, or other crime that is likely to have a material adverse effect on us, or engages in any activity that will have a material effect on us, our Affiliates, or the Proprietary Marks (7 days to end relationship with actor or 30 days if actor is an owner); you do not comply with the transfer requirements of the License Agreement (10 days to cure); a Copyright Holder terminates a license with you due to your breach (10 business days to cure); you fail to submit Music Royalty Reports for more than three consecutive months (30 days to cure), or fail to submit Annual Growth Reports when due (30 days to cure); or you fail to comply with other material terms under the License Agreement (30 days to cure). See Section 6.4(d) regarding your opportunity to cure Growth Defaults.
h.	"Cause" defined – non-curable defaults	Sections 10.1 and 10.5	You fraudulently underreport Gross Billings, commissions, fees, or other payments; you lose the right to transact business in a jurisdiction, refuse to transfer those rights to us, you disclose Confidential Information intentionally or such disclosure will have a material adverse effect on the Mood business community or System; you file bankruptcy, have an involuntary bankruptcy, or have a foreclosure against your business assets; you violate the noncompetition covenants; you violate territorial restrictions; you fail to submit Music Royalty Reports more than three times in any year; you fail to permit an audit three or more times during the term of the License Agreement; you receive three or more written notices of material defaults within any 18-month period (excluding new Operational Standards issued in prior two years and nonpayment defaults); or you attempt terminate the License Agreement without complying with the terms of the License Agreement.
i.	Your obligations on termination/ non-renewal	Sections 11.1 and 11.2	You may continue to provide Licensed Services to your Tier II Accounts until the earlier of the date which you designate or for up to 180 days after termination or expiration. For all other purposes, you must cease selling and distributing Licensed Services; cease

	Provision	Section in License Agreement	Summary
			representing yourself as our Licensee; discontinue use of the Proprietary Marks; sell to us, upon our request in its sole discretion, at your cost of acquisition, if any, all manuals, instructions, sales literature, and other materials related to the Licensed Services or the Proprietary Marks; return or destroy all copies of the Operations Manual and all other Confidential Information; dismantle (if necessary) and dispose of all Service Delivery Equipment owned by us, Recorded Media, and other equipment provided to you by us; and pay us all sums indisputably owed to us. See Sections 11.4 and 11.5 of the License Agreement with respect to Tier I Contracts or Chain Contracts for Licensed Services delivered in the Territory and Existing Accounts and our obligation to pay a Termination Fee to you in certain instances.
j.	Assignment of contract by us	Section 12.6	We have the right to transfer or assign the License Agreement and any or all rights and duties related to the License Agreement in our sole discretion. We will provide you with notice of any such transfer and our assignee must assume all of our duties and obligations under the License Agreement upon the transfer.
k.	"Transfer" by you – definition	Section 12.1	To sell, assign, give away, transfer, pledge, mortgage, or encumber, either voluntarily or be operation of law (such as through divorce or bankruptcy proceedings), any interest in (i) the License Agreement, (ii) the Mood Business, (iii) the ownership of your entity, or (iv) a portion of the assets of the Mood Business which collectively amount to 10% or more of the total assets of the Mood Business.
l.	Our approval of transfer by you	Section 12.1	We have the right to approve all transfers in writing.
m.	Conditions for our approval of transfer	Sections 12.2, 12.3 and 12.4	For all transfers, the following conditions shall apply: your transferee and its owners agree to noncompete provisions; your transferee has the personal character to conduct the Mood Business and is not in a position to use information obtained in a manner that will be harmful to us. Except in the case of a transfer of a minority interest that does not result in a change in control of you, the following conditions shall also apply: all of your monetary obligations are satisfied; transferee and its owners enter into a written assignment assuming and discharging all your obligations under the License Agreement; transferee has the financial resources to conduct the Mood Business, will devote sufficient resources to maintain the Operations Standards and reach the Required Growth Rates, and personally has the general business experience to conduct the Mood Business or will employ a general manager with those qualifications, and; and pays the Transfer Fee.
n.	Our right of first refusal to acquire franchisee's business	Section 12.1	None. But if you or your owners are soliciting bids from third parties regarding a potential transfer, you must provide us with written notice so that we may have the opportunity to participate in any bidding. We will not, however, have a right to bid on a negotiated sale between you and a third party or another Licensee.

	Provision	Section in License Agreement	Summary
o.	Our option to purchase your business	Sections 3.3(n) and 11.4	If the License Agreement terminates or expires without renewal, we may either (i) allow you to continue to provide Licensed Services to Tier I Accounts and Chain Accounts in your Territory, or (ii) terminate your rights with respect to the Tier I Contracts and Chain Contracts, pay you the Termination Fee which shall include your owned and leased equipment installed at Subscriber Premises. Our right to receive the ownership rights to your Tier I Accounts shall not apply to Tier I Accounts that you are the Managing Affiliate for if 25% of the Subscriber Premises for the Tier I Account are located in your territories and the Subscriber does not express an interest in remaining our Subscriber. In such instance, you will need to pay the Termination Fee to other Affiliates to acquire the rights to such Tier I Accounts in their territories.
p.	Death or disability of you	Section 12.3	If an owner wishes to transfer an interest in your entity to an immediate family member or a business of an immediate family member or a business or trust formed for estate planning purposes, we will approve the transfer, provided the owner/transferor agrees to a noncompete for 5 years after the transfer or for as long as their trust or immediate family member remains an owner; the transferee and its owners enter into a written assignment assuming and discharging all your obligations under the License Agreement; your transferee and its owners agree to the noncompete provisions; and your transferee has the personal character to conduct the Licensed Business and is not in a position to use information obtained in a manner that will be harmful to us.
q.	Non- competition covenants during the term	Section 5.1	You, your Affiliated Entities, and any persons or entities holding (either directly, indirectly, or beneficially) at least a 10% ownership interest in you shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or entity: participate or permit any of their respective employees, officers, directors, partners, consultants, owners, or owners' spouses to participate, either directly or indirectly, in the Territory or outside of the Territory in the distribution, provision, or marketing of any Competing Service; no distributing products or services supplied or offered by a third-party entity, or an affiliate or subsidiary of a third-party entity, that also offers or sells a Competing Service; no diverting Subscribers to a competitor or performing acts injurious to us, the Proprietary Marks, or the Licensed Services; and no display of marks or names related to Competing Services. See Section 5.1 of the License Agreement for certain exceptions for acquiring businesses, existing Third-Party Contracts, Digital Signage Service and Scent Services.
r.	Non- competition covenants after the License Agreement is terminated or expires	Section 11.5(d)	For 36 months after the termination or expiration of the License Agreement, you and your owners may not directly or indirectly (i) solicit or divert business from any Tier I Accounts, Chain Accounts or Existing Accounts that existed within the community of Mood Businesses as of the date of the termination or expiration, (ii) directly

	Provision	Section in License Agreement	Summary
			or indirectly offer, sell, or distribute any service that competes with any of the Licensed Services to any Tier I Accounts, Chain Accounts or Existing Accounts that existed within the Territory as of the date of the termination or expiration, (iii) interfere with or impede the provision of Licensed Services to a Tier I Account, Chain Accounts or an Existing Account, including by removing any Leased Equipment from the Subscriber Premises of a Tier I Account, Chain Accounts or Existing Account, or (iv) disclose to a third party any pricing or other confidential information concerning such Accounts.
s.	Modification of the agreement	Section 15.8	We may modify the Licensed Services, modify service delivery standards and specifications, required growth requirements, the Proprietary Marks, and (subject to certain limitations) the content of the Operations Manual without amending the License Agreement. All sections of the License Agreement except the ones setting the Territory, the Initial Term, the default and termination provisions, and the ability to amend the License Agreement may be amended by us, only to the extent the amendment is applicable to all Licensees in the United States, by the affirmative vote of Licensees constituting 75% of the total U.S. territories licensed to Licensees. Each territory shall be entitled to one vote and shall be counted in determining the number of affirmative votes needed to achieve this amount. Otherwise, no amendment of the Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.
t.	Integration / merger clause	Section 15.8	The License Agreement, the documents referred to in the License Agreement, and the exhibits and attachments to the License Agreement, constitute the entire, full, and complete agreement and supersede all prior agreements, provided that nothing in the License Agreement or in any related agreement shall disclaim any representations made by us in this Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Sections 7.5(f), 14.2, 14.3, 14.4, and 14.5	Payment disputes shall be submitted to either party to resolve informally during a workout period. Claims must be submitted to non-binding mediation administered by JAMS followed by binding arbitration, except (i) you or we may obtain interim injunctive relief in a court and (ii) if a claim involves a dispute related to the Tier I Account Program that does not relate exclusively to monies owed, it must be submitted to a panel composed of the President of the IPMA, our President, and a third party appointed by the two presidents. Claims regarding payment disputes may be resolved informally prior to being submitted to mediation.
v.	Choice of forum	Section 14.2 and 14.6	Subject to state law, except as otherwise provided below, mediation and arbitration proceedings must be conducted virtually using JAMS' video conferencing services unless you and we mutually agree to hold the mediation in person, which shall take place in Austin, Texas or, if our principal place of business is no longer in metropolitan Austin, Texas, then at the office of the JAMS located nearest to our then-current principal offices. Judicial actions must be brought in a federal

	Provision	Section in License Agreement	Summary
			or state court located in the state in which our headquarters are then located.
w.	Choice of law	Section 14.1	Subject to state law, Delaware law applies, without any regard to the application of Delaware conflict-of-law rules, except the Delaware Franchise Security Law shall not apply unless you are a Delaware resident.

ITEM 18
PUBLIC FIGURES

We do not use any public figures to promote our franchises.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any financial performance representations. 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 Mood Business, however, we may provide you with the actual records of that Business. 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 Michele Popelka, Senior Vice President, Channel Development, at 2100 S. IH-35, Frontage Rd., Suite 201, Austin, Texas 78704, or by phone at 866-689-2502; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Mood Business Summary
For Years 2020 to 2022*

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Licensee Businesses	2020	74	74	0
	2021	74	71	-3
	2022	71	70	-1
Company Owned Businesses	2020	3	3	0
	2021	3	3	0
	2022	3	3	0
Total Businesses	2020	77	77	0
	2021	77	74	-3
	2022	74	73	-1

* As of December 31 of each year.

Table No. 2
Transfers of Licensee Businesses from Licensees to New Owners
(Other than the Franchisor)
For Years 2020 to 2022*

State	Year	Number of Transfers
Alaska	2020	0
	2021	1
	2022	0
Arkansas	2020	1
	2021	0
	2022	0
Colorado	2020	0
	2021	1
	2022	0
New York	2020	1
	2021	0
	2022	0
Wyoming	2020	0
	2021	1
	2022	0

State	Year	Number of Transfers
Total	2020	2
	2021	3
	2022	0

* As of December 31 of each year. States not listed had no activity to report.

Table No. 3
Status of Licensee Businesses
For Years 2020 to 2022*

State	Year	Licensee Businesses at Start of Year	Licensee Businesses Opened	Termi-nations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Licensee Businesses at End of the Year
Alaska	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Arizona	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Arkansas	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
California	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Colorado	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Florida	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Georgia	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Hawaii	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1**

State	Year	Licensee Businesses at Start of Year	Licensee Businesses Opened	Termi-nations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Licensee Businesses at End of the Year
Indiana	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	1	0	0
Iowa	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Kansas	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Louisiana	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Michigan	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	3	0	0
	2022	0	0	0	0	0	0	0
Minnesota	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Mississippi	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Missouri	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Montana	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Nebraska	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
New Mexico	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1

State	Year	Licensee Businesses at Start of Year	Licensee Businesses Opened	Termi-nations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Licensee Businesses at End of the Year
New York	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Ohio	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Oklahoma	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
South Carolina	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
South Dakota	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Texas	2020	14	0	0	0	0	0	14
	2021	14	0	0	0	0	0	14
	2022	14	0	0	0	0	0	14
Vermont	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Washington	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Wisconsin	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Wyoming	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Totals	2020	74	0	0	0	0	0	74
	2021	74	0	0	0	3	0	71
	2022	71	0	0	0	1	0	70

* As of December 31 of each year. States not listed had no activity to report.

** This Assigned Territory is also in Guam.

Table No. 4
Status of Company Owned Businesses
For Years 2020 to 2022*

State	Year	Company Owned Businesses at Start of Year	Company Owned Businesses Opened	Reacquired From Franchisees	Company Owned Businesses Closed	Company Owned Businesses Sold to Franchisees	Company Owned Businesses at End of the Year
South Carolina	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Texas	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Washington	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Totals	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3

* As of December 31 of each year. States not listed had no activity to report.

Table No. 5
Projected Openings as of December 31, 2022

State	License Agreements Signed But Outlet Not Opened	Projected New Licensee Businesses in the next Fiscal Year	Projected New Company Owned Businesses in the next Fiscal Year
All States	0	0	0
Total	0	0	0

The name of each of our Licensees, and the address and telephone number of each of their Mood Businesses as of the end of our last fiscal year (unless another date is stated on the list), is in Exhibit F to this disclosure document. A list including the name, city and state of the last known home address, and telephone number of every franchisee who has had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a License Agreement during our most recent fiscal year, or who has not communicated with us within 10 weeks of the date of this disclosure document, is listed on Exhibit F to this disclosure document.

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

We do not have any Licensees during the last three fiscal years who have signed confidentiality clauses that would restrict their ability to speak about their experience operating a Mood Business.

The IPMA is the only association of Mood Business Licensees of which we are aware. The contact information for the IPMA is Jon Baker, Treasurer, IPMA800 N. Cedarbrook Ave., Springfield, MO 65802, email: jbaker@aaius.com, phone 417.869.0770. The IPMA is independent from us, but we have endorsed it as the association of Mood Business licensees.

ITEM 21
FINANCIAL STATEMENTS

Exhibit C contains our audited financial statements for the fiscal years ended December 31, 2022, 2021, 2020 and 2019 and our unaudited financial statements for the period ended June 30, 2023. Our fiscal year ends on December 31st of each year.

ITEM 22
CONTRACTS

Attached as Exhibits to this disclosure document are the following contracts:

A. License Agreement
B. State Specific Addenda

ITEM 23
RECEIPTS

Two copies of a receipt form appear at the end of this disclosure document. Please fill out and sign both receipts, return one copy to us and keep the other for your records.

ADDITIONAL STATE REQUIRED DISCLOSURES

ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF CALIFORNIA

SECTION 31125 OF THE CALIFORNIA CORPORATION CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN THE FORM AND CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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

MOOD MEDIA'S URL IS HTTPS://US.MOODMEDIA.COM. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

Item 3, Additional Disclosure. The following statement is added to Item 3:

Neither we nor any person listed in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such parties from membership in such association or exchange.

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

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

The License Agreement provides for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, *et seq.).*

The License Agreement provide for application of the laws of Delaware. This provision may not be enforceable under California law.

The License Agreement contains a covenant not to compete which extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

You must sign a general release upon execution of the License Agreement. These provisions may not be enforceable under California law. 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 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

Item 22, Additional Disclosure. The following statements are added to Item 22:

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

ADDITIONAL DISCLOSURES REQUIRED BY THE STATE OF HAWAII

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND

CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR 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, OR SUBFRANCHISOR, 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, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

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

Registered agent in the state authorized to receive service of process: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF ILLINOIS

1. **Risk Factors, Cover Page.** The following statement is added at the end of the first risk factor on the State Cover Page:

SECTION 4 OF THE ILLINOIS FRANCHISE DISCLOSURE ACT PROVIDES THAT ANY PROVISION IN A LICENSE AGREEMENT THAT DESIGNATES JURISDICTION OR VENUE IN A FORUM OUTSIDE OF ILLINOIS IS VOID WITH RESPECT TO ANY CAUSE OF ACTION WHICH OTHERWISE IS ENFORCEABLE IN ILLINOIS.

The following statement is added at the end of the second risk factor on the State Cover Page:

NOTWITHSTANDING THE FOREGOING, ILLINOIS LAW SHALL GOVERN THE LICENSE AGREEMENT.

2. **Item 17, Additional Disclosures**. The following statements are added to Item 17:

Any provision in the License Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action that is otherwise enforceable in Illinois. In addition, Illinois law will govern the License Agreement.

In conformance with Section 41 of the Illinois Franchise 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.

3. **<u>Item 22, Additional Disclosures</u>**. The following statements are added to Item 22:

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.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to these Additional Disclosures.

ADDITIONAL FDD DISCLOSURES 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:

(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 provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

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

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

(f) A provision requiring 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 first refusal to purchase the franchise. Good cause shall include, but is not limited to:

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

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

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

(iv) the failure of the franchisee or proposed transferee to pay any sums owing to the franchisor 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 DISCLOSURE ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding these Additional Disclosures shall be directed to the Department of the Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48913, (517) 373-7717.

ADDITIONAL FDD DISCLOSURES REQUIRED BY REQUIRED BY THE STATE OF MINNESOTA

1. Notice of Termination. The following statement is added to Item 17:

With respect to licenses governed by Minnesota law, we will comply with Minnesota Statute § 80C.14, subdivisions 3, 4, and 5 which requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the License Agreement.

2. Choice of Forum and Law. The following statement is added to the cover page and Item 17:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements 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. **General Release.** The following statement is added to Item 17:

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

4. **Waiver of Right to Jury Trial or Termination Penalties:** The following statement is added to Item 17:

Minnesota Rule 2860.4400J, among other things, prohibits us from requiring you to waive your rights to a jury trial or to consent to liquidated damages, termination penalties, or judgment notes; provided, that this part will not bar an exclusive arbitration clause.

5. **Contracts**. The following statements are added to Item 22:

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.

ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF NEW YORK

1. **State Cover Page.** 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 D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. 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. **Item 3, Additional Disclosure.** The following is added to 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. **Item 4, Additional Disclosure.** The following is added to the end of Item 4:

Except as provided above, neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. **Item 7: Renewal, Termination, Transfer and Dispute Resolution**

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

> However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

B. 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.

C. The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by franchisor":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the License Agreement.

D. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "Choice of law":

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

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16, are met independently without reference to these Additional Disclosures.

ADDITIONAL FDD DISCLOSURES REQUIRED BY THE STATE OF WASHINGTON

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§ 19.100.180, the Franchise Disclosure Document for use in the State of Washington is amended as follows:

Item 17, Additional Disclosure. The following statement is added to Item 17:

You have the right to terminate the License Agreement upon any grounds permitted by law.

The state of Washington has a statute, the Washington Franchise Investment Protection Act, RCW 19.100.180 ("Act"), which may supersede the License Agreement in your relationship with us, including in the areas of termination and renewal of your franchise. There also may be court decisions that may supersede the License Agreement in your relationship with us, including in the areas of termination and renewal of your franchise.

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 License 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 License Agreement or elsewhere are void and unenforceable in Washington.

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

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 License Agreement, a licensee 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 you shall not include rights under the Act 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, 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 our reasonable estimated or actual costs in effecting a transfer.

Item 22, Additional Disclosure. The following statements are added to Item 22:

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.

The provisions of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to these Additional Disclosures.

EXHIBIT A

LICENSE AGREEMENT

MOOD LICENSE AGREEMENT

Dated _________, 2023

Licensee:

Territory:

MOOD LICENSE AGREEMENT
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MOOD LICENSE AGREEMENT

THIS MOOD LICENSE AGREEMENT (**"Agreement"**) is made effective as of ______________________, 2023 (the **"Effective Date"**), by and between **MUZAK LLC**, a Delaware limited liability company (**"Licensor"**), and the person or entity listed on Appendix A (**"Licensee"**).

RECITALS:

Licensor and its Affiliated Entities have developed and own the System relating to the establishment and operation of Mood Businesses that produce and deliver Licensed Services to Subscribers.

Licensor identifies the System and the Licensed Services by means of the Proprietary Marks, which represent Licensor's high standards of quality and service.

Licensee wishes to obtain a license to operate a Mood Business offering the Licensed Services to Subscribers and Licensor is willing to grant to Licensee a license to do so on the terms and conditions of this Agreement.

The terms defined in the Glossary of Defined Terms attached as Appendix D have the meanings set forth therein. Other capitalized terms used in this Agreement are defined where they appear within the text of the Agreement.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1. GRANT OF LICENSE

1.1 Grant. Subject to the terms and conditions contained in this Agreement, Licensor hereby grants to Licensee an exclusive license, subject to the limitations in Sections 1.2(b) and (c), to use the System and the Proprietary Marks solely in connection with the operation of the Business located within the Territory, which is specified on Appendix A, and Licensee agrees to operate the Business for the Initial Term. For avoidance of doubt, Licensee has the right to provide Non-licensed Services to any customer within or outside the Territory. Licensee shall not have the right to sublicense to third parties any of the rights granted by Licensor under this Agreement, unless Licensor, in its sole discretion, consents in writing.

1.2 Territorial Rights and Restrictions.

(a) No Extra-Territorial Licensed Services. Licensee shall not provide the Licensed Services to Subscriber Premises located outside the Territory except (i) as specifically authorized by Licensor or, (ii) in connection with the Tier I Accounts Program, as described in Section 3.3 (Tier I Accounts), by the Committee, (iii) as specifically authorized by Licensor in certain circumstances as described in Section 2.3 (Licensed Services in Adjacent Territories), or (iv) as specifically permitted in relation to a Multi-Territory Account as described in Section 3.4 (Multi-Territory Accounts).

(b) Limited Exclusivity. Except as otherwise provided in this Agreement, including in Section 1.3 (Limitation on MML and its Dealers and VARS), Section 1.4 (Rights Retained), Section 2.1(e) (New Services), Section 2.1(e)(iii) (Exception for Existing Third-Party Contracts), Section 3.3(j) (Serving Tier I Accounts), Section 3.5 (Chain Accounts), Section 3.6(c) (If Licensee Does Not Accept Acquired Accounts), Section 3.7 (Existing DMX and Trusonic Accounts) and Section 6.4(d) (Failure to Achieve Required Growth Rate), during the Term and provided that Licensee is not in uncured default of any of the terms and conditions of this Agreement and continues to meet Licensor's business performance requirements and operational standards, Licensor shall not, and shall not authorize anyone other than Licensee to:

(i) operate a Mood Business in the Territory;

(ii) provide Licensed Services in the Territory; and

(c) provide E&L in the Territory if Licensee meets Licensor's E&L requirements as set forth in Section 2.1(d), Licensee shall not have any such exclusive rights for (i) more complex E&L sales where Licensee fails to demonstrate its ability to install and service such equipment pursuant to the commercially reasonable requirements of the Operations Manual, which shall include, without limitation, the obligation to maintain the appropriate infrastructure, regulatory and/or technical requirements necessary to comply with either customer requirements or applicable law, and (ii), where Licensee does not have the proper license, certification or skill to successfully install the type of specialized system being sold (i.e., churches, courtroom systems, theaters, nurse call systems, certain video displays, etc.).**No Exclusivity for Drive Thru Maintenance Services or Scent Services**. The parties acknowledge and agree that:

(i) Licensee's right to offer Drive-Thru Maintenance Services are not exclusive as of the Effective Date. If Licensor becomes an authorized Drive-Thru Maintenance Services dealer of a specific vendor, and capable of selling and maintaining Drive-Thru products and services, then Licensor will offer the right to Licensee to offer Drive-Thru Maintenance Services on an exclusive basis and will provide sufficient time, not to exceed six (6) months, for Licensee to integrate Drive-Thru Maintenance Services into its offerings; and

(ii) as of the Effective Date, Licensor does not offer its own proprietary or Mood branded Scent Services. Licensor and Licensee shall offer non-Mood brand scent services on an exclusive basis only when sold to an existing Subscriber that is already receiving another Licensed Service from Licensee or Licensor, or to a new Subscriber who will be receiving such Licensed Service. When Licensor develops and offers proprietary or Mood branded Scent Services, Licensee shall immediately cease offering any competing scent products not authorized by Licensor pursuant to Section 5.1.

(d) **Enforcement.** Licensor will take commercially reasonable steps to prevent any other Mood Licensee from providing Licensed Services in the Territory that would violate the territorial rights granted in this Section 1.2 (Territorial Rights and Restrictions). The parties acknowledge and agree that Mood Licensees who sign a Mood License Agreement with Licensor shall be third-party beneficiaries of this Section 1.2(d) with rights to enforce this obligation as it relates to their territories.

1.3 **Limitations on MML and its Dealers and VARS**.

(a) **Existing Dealers and VARS.** Licensee acknowledges that Licensor and/or an Affiliated Entity of Licensor has licensed Existing Dealers to sell services within the Territory that are similar to or identical to the Licensed Services. During the Term, Licensor or such Affiliated Entity of Licensor may continue to honor the terms of such agreements with Existing Dealers, including renewing the agreements in accordance with their terms. Licensor or its Affiliated Entity may also convert existing Trusonic VARS and PlayNetwork dealers into DMX dealers (in which case, they will continue to be treated as an Existing Dealer), provided that the categories of services that the former Trusonic VARS or PlayNetwork dealers are authorized to offer as a DMX dealer may not be expanded beyond their existing categories of services. Licensor and its Affiliated Entities may continue to enable Existing Dealers to offer in the Territory the following categories of services that they currently offer: (i) music services that are identical to the Music Services, but are marketed using the DMX trademark, (ii) voice services that are identical to the Voice Services, but are marketed using the DMX trademark, (iii) digital signage services that are similar to but not identical to the Digital Signage Services, provided that (x) they are marketed using the DMX trademark or a third party brand, (y) the products are developed and manufactured by third parties other than Licensor, and (z) if the third party products are from the same manufacturer as the products offered as the MOOD Digital Signage Services, the product delivered to Mood Licensees from the third party provider is different and substantively superior to the product provided to the Existing Dealers, (iv) scent services that are identical to the Scent Services, but are marketed using the DMX trademark or a third party brand, and (v) DMX Services. Licensor and its Affiliated Entities may offer Existing Dealers new equipment, products, and services within an existing DMX Service. Licensor and its Affiliated Entities may not offer Existing Dealers the right to offer new categories of services in the Territory, including, without limitation, MOOD branded digital signage products, scent products, and drive-thru products, during any period in which Licensee has an exclusive right to offer such Services in the Territory.

(b) **New Dealers.** Except as otherwise provided in this Agreement, beginning on the Effective Date and throughout the remainder of the Term, neither Licensor nor any of its Affiliated Entities will authorize or permit New Dealers to market, offer, sell, service, and support DMX Services, Trusonic services, or any Licensed Service or any service in the Territory in any service category in which Licensee has the exclusive right to offer Licensed Services. For avoidance of doubt, neither Licensor nor any of its Affiliated Entities may (a) authorize or permit a Competing Service in the Territory using the Proprietary Marks, or (b) establish a PlayNetwork, DMX or Trusonic Dealer in the Territory.

(c) **Non-exclusive Services**. If Licensee does not have the exclusive right to offer a service in the Territory as provided in this Agreement, because it is a Non-licensed Service or a service provided by an Unrelated Entity, Licensor and its Affiliated Entities may authorize anyone, including Existing Dealers, New Dealers, MML, or other third parties, to offer such non-exclusive services in the Territory under the Proprietary Marks.

(d) **Outside of the Territory.** Outside of the Territory, Licensor may, and may authorize anyone, including Dealers or other third parties to, identify itself as MOOD dealers or representatives and to offer any products or services under any marks, including, without limitation, offering all of the Licensed Services under the Proprietary Marks. If a Dealer located outside of the Territory sells a Multi-Territory Account, Section 3.4 (Multi-Territory Accounts) will apply.

(e) **Treatment of Dealers.** Except as otherwise provided in this Agreement, Dealers shall have the right to exercise all of the rights of Licensor. However, Dealers will not be considered as Owned Affiliates for purposes of any provisions within this Agreement.

(f) **Unauthorized Sales by Licensor.** In the event Licensor or an Affiliated Entity of Licensor sells unauthorized Licensed Services to a Subscriber with Subscriber Premises in the Territory, or otherwise designates an Account in the Territory as an Owned Affiliate's Account or a Tier I Account sold by Licensor where Licensor is retaining or collecting revenue, Licensor shall promptly reverse the ownership of the Account upon the date of discovery by Licensor or Licensee, and from that day forward treat the Account as a Tier II Account sold by Licensee. The parties agree to review and reimburse each other as necessary for any lost profits on any Licensed Services or E&L transactions paid, but in no event shall such review or reimbursement be required for a lookback period exceeding twelve (12) months from the date that Licensor or Licensee was notified of such misclassification.

1.4 **Rights Retained.** Licensor reserves all rights that are not expressly granted to Licensee under this Agreement including, but not limited to, the following rights, which are retained by Licensor and its Affiliated Entities:

(a) The right to use, and to license others to use, the System and the Proprietary Marks for the provision of the Licensed Services to Subscriber Premises which are located outside the Territory or to residential subscribers located inside or outside the Territory.

(b) The right to market, offer, and sell (or sublicense to third parties the right to market, offer, and sell) Non-licensed Services under the Proprietary Marks or any other mark inside and outside the Territory. However, Licensor and its Affiliated Entities may not market, offer, and sell (or sublicense to third parties the right to market, offer, and sell) in the Territory Non-licensed Services that are the same or substantially similar to, or directly competitive with, any of the Licensed Services. Licensee acknowledges that creative consulting and creative marketing services and related deliverables shall not be considered the same or substantially similar to, or directly competitive with, the Licensed Services. Licensor and its Affiliated Entities may use the Proprietary Marks in conjunction with the Non-licensed Services inside and outside the Territory. Licensor and its Affiliated Entities may also market and sell Non-licensed Services on any website owned or controlled by Licensor or its Affiliated Entities, including, without limitation, www.moodmedia.com or www.muzak.com.

(c) The right to market, offer, and sell Licensed Services and related equipment through Alternative Sales Channels inside and outside the Territory. Licensor will use a reasonable effort to allocate such Accounts located in the Territory to Licensee as provided in, and in compliance with, Section 2.5 (Alternative Sales Channels) of this Agreement.

(d) The right to provide the Licensed Services, and to use the Proprietary Marks in connection therewith, to transportation common carriers (including, without limitation, operators of automobiles, ships, airplanes, trains, or buses) which sell or provide transportation common carrier services, in whole or in part, within the Territory, it being understood that the reservation of such right shall not be construed as limiting Licensee's right to provide the Licensed Services to transportation common carriers located wholly within the Territory.

(e) The right to provide the Licensed Services, and to use the Proprietary Marks in connection therewith, to Tier I Accounts inside and outside the Territory as provided in Section 3.3(j) (Serving Tier I Accounts).

(f) The right to offer and sell Mood Proprietary Equipment inside and outside the Territory in connection with providing the Licensed Services as authorized by this Section 1.4 through any distribution channel, provided that such offers and sales are in compliance with this Agreement and provided that Licensor and its Affiliated Entities shall not offer and sell proprietary Service Delivery Equipment to third parties that may compete with Licensee in the Territory (other than Dealers and Mood Licensees).

(g) The right for Licensor and its Affiliated Entities to acquire Competing Services and Unrelated Entities, provided that Licensor and its Affiliated Entities and such entity act in accordance with the terms provided in Section 3.6 (Acquired Accounts), but neither Licensor nor any of its Affiliated Entities may operate such acquired Competing Service in the Territory using the Proprietary Marks, or operate such acquired Unrelated Entity in the Territory using the Proprietary Marks if there is any likelihood that an appreciable number of ordinary customers are likely to be misled, or indeed simply confused, as to the source of the goods or services in question.

1.5 <u>Territory Changes.</u>

(a) <u>Reallocation of Territory.</u> Licensee and Licensor recognize that some outlying areas of the Territory may at some future date be more efficiently served by an Affiliate who operates in a territory adjoining the Territory. Therefore, Licensee shall have the right at any time to present to Licensor a written request for reallocation of such outlying areas of the Territory to an adjoining Affiliate. Any such reallocation shall be effective upon the written consent of both Licensor and the adjoining Affiliate. Licensor's consent shall not be unreasonably withheld, conditioned, or delayed, provided that the outlying area is managed in accordance with the terms of this Agreement and Licensee is in compliance with the terms of this Agreement.

(b) **Sale of Adjacent Territories.** In the event of a termination or a nonrenewal of the license agreement of a Mood Licensee operating in a territory that adjoins the Territory, Licensor, in its sole discretion, may decide to operate its business in the territory or to sell the license rights in the territory to a third party. If Licensor opts to solicit offers for the license rights in the territory, Licensor will provide at least seven (7) days' Notice of its intent to solicit such offers to all Mood Licensees with adjoining territories of the departing Mood Licensee that are in compliance with all of their agreements with Licensor before soliciting offers from third parties or other Mood Licensees. If Licensee is in compliance with the terms of this Agreement and the Territory adjoins such territory, Licensee may submit a written offer to Licensor to purchase (i) the license rights to such adjoining territory without having to pay an Initial Fee (as defined in Section 7.1 (Initial Fee)), and (ii) the rights held by the departing Mood Licensee related to the Tier I Accounts in such territory. Licensor has the right to accept or reject Licensee's offer in its sole discretion.

2. PROVISION OF SERVICES

2.1 Licensed Services.

(a) **Services Provided by Licensor.** Licensor shall supply Licensee with the Licensed Services for and during the Term, for use by Licensee solely in accordance with the terms of this Agreement. Licensor reserves the right to add a Licensed Service, to substitute a different Licensed Service, or discontinue the distribution of a Licensed Service or to add, modify, or delete any component of any Licensed Service, if Licensor reasonably determines that such addition, substitution, or discontinuation will be beneficial to its business and the business of its Affiliates in general. Licensor shall give Licensee at least six (6) months' prior Notice of such addition, substitution, and/or discontinuation, unless such modifications are necessitated in less than six (6) months by law, by the termination of Licensor's contractual rights with a third party to support or provide a given Licensed Service, or by other relevant factors, in which case, Licensor will provide Licensee with as much advance Notice as is commercially reasonable under the circumstances. Any such addition, substitution, and/or discontinuation will be reflected in the Operations Manual.

(b) **Acknowledgement of Shared Service Offerings.** Licensee agrees that Licensor and its Affiliated Entities may offer identical Licensed Services, products, and equipment. Within each Licensed Service licensed to Licensee, Licensee shall be permitted to offer the same products or services that are offered by the Owned Affiliates at prices equal to or more favorable to Licensee than the prices offered to Dealers (if the Dealers are otherwise entitled to offer the products or services). If Licensee would like to offer a product or service that Licensor and/or an Affiliated Entity of Licensor provides to Dealers, Licensor will provide such products or services to Licensee. Licensee acknowledges that its use of products and services offered by Dealers will not cause Licensor or any Affiliated Entity of Licensor to be in breach of the restrictions in Section 1.3(a) (Existing Dealers and VARS).

(c) **Licensed Services Offered by Licensee**. Except as otherwise provided in Section 2.1(e)(iii) (Exception for Existing Third-Party Contracts) with respect to New Services, Licensee must offer, service and support, including providing installation and maintenance services and maintaining an adequate inventory of related equipment, the Licensed Services in the Territory.

(d) Equipment and Labor. Licensor may grant Licensee the exclusive rights to sell and service E&L in the Territory if Licensee meets the following requirements as more fully set forth in the Operations Manual: (a) Licensee must use, at no cost to Licensee for the first four (4) years from the Effective Date, Oracle Field Service Cloud (or similar software application as reasonably required by Licensor pursuant to Section 6.1(h), provided that any fee assessed thereafter shall be based on Licensor's out of pocket cost paid thereafter to a third party not affiliated with Licensor, without premium or markup); (b) Licensee must be able to purchase and service any equipment specified on the job other than Mood Proprietary Equipment from a source other than Licensor (Licensor agrees to use commercially reasonable efforts to support Licensee's access to such alternative sources and to favorable pricing and payment terms); (c) Licensee must have proper qualifications to install and service the equipment pursuant to the requirements of the Operations Manual; and (d) where the contract price is greater than $15,000 Licensee or an Affiliated Entity of Licensee that is a Mood Licensee must employ at least one person across any of Licensee's Territories (if more than one) who has met CTS-1 Certification. Licensee shall not have any such exclusive rights for (i) more complex equipment and labor sales where Licensee fails to demonstrate its ability to install and service such equipment pursuant to the requirements of the Operations Manual, and (ii), where Licensee does not have the proper license, certification or skill to successfully install the type of system being sold (i.e., churches, courtroom systems, theaters, nurse call systems, certain video displays, etc.)

(i) Non-exclusive Right to Provide E&L Outside the Territory. Licensor may grant Licensee a non-exclusive right to provide E&L outside the Territory, if Licensee has exclusivity pursuant to subsection 1.2(b)(iii) above and meets Licensor's E&L requirements as set forth in this Section 2.1(d) (collectively, the "E&L Qualifications") under the following circumstances: (A) if Licensee has an E&L sales opportunity for a Subscriber in the territory of an Owned Affiliate, Licensee shall promptly offer that opportunity to Licensor and Licensor shall have three (3) business days to accept or reject the sales opportunity. If Licensor- determines in good faith that it: (1) does not meet the E&L Qualifications, Licensee may proceed with the opportunity and perform the installation; or (2) does meet the E&L Qualifications, Licensee shall not be permitted to proceed with said E&L job outside of its Territory. In the event of a dispute, the matter shall be resolved expeditiously by an informal panel consisting of a representative of Licensor, a representative of Licensee and a representative of a vendor acceptable to both Parties, and (B) if Licensee has an E&L sales opportunity for a Subscriber in the territory of a Mood Licensee, Licensee shall promptly offer that opportunity to such Mood Licensee, and the Mood Licensee shall have three (3) business days to accept or reject the sales opportunity. If Licensor determines or has determined in good faith that such Mood Licensee: (1) does not meet the E&L Qualifications, Licensee may proceed with the opportunity and perform the installation; or (2) does meet the E&L Qualifications, Licensee shall not be permitted to proceed with said E&L job outside of its Territory. In the event of a dispute, the matter shall be resolved expeditiously by an informal panel consisting of a representative of Licensor, a representative of Licensee and the President of IPMA.

(e) New Services.

(i) Development of New Services. In the event that Licensor (or an Affiliated Entity of Licensor) develops a New Service after the Effective Date, Licensor may, in good faith after consultation with the IPMA, (i) elect to designate the New Service as a Non-licensed Service, in accordance with Section 1.4 (Rights Retained), which will not be offered to Licensee, or (ii) seek the approval of a majority of the Mood Licensees (with one vote allocated to each territory owned by a Mood Licensee) to designate the New Service as a Licensed Service. If Licensor is unable to obtain the approval a majority of Mood Licensees necessary to designate a service as a Licensed Service under this Agreement, Licensor may, in its sole discretion and with no obligation to do so, market and sell the new service as a Non-licensed Service in accordance with Section 1.4 (Rights Retained). Any additional rights or obligations to sell new products and services under this Agreement may be agreed upon by the parties on a case-by-case basis after consultation with IPMA.

(ii) **Treatment of New Services.** If a New Service is designated as a Licensed Service under this Agreement, within six (6) months of receiving Notice from Licensor of the inclusion of such New Service under this Agreement, Licensee (i) shall have the right and the obligation to begin distributing such New Service in the Territory under the terms of this Agreement and in compliance with the Operations Manual and (ii) must complete any training and/or required certification related to the New Service, which Licensor must provide pursuant to Section 6.6 (Training). Licensor may, after consultation with IPMA, designate commercially reasonable new Product Fees, Operational Standards, and initial Required Growth Rates related to the New Service.

(iii) **Exception for Existing Third-Party Contracts.**

(1) Within seven (7) days after Licensor provides Licensee Notice of its intent to designate a New Service as a Licensed Service, Licensee shall provide Licensor with a listing of any Third-Party Contracts. If Licensee demonstrates to Licensor's reasonable satisfaction the existence and terms (including, without limitation, provisions related to exclusivity, term, renewal, and termination) of such pre-existing contractual relationship(s), Licensee shall have no right or obligation under this Agreement to market, offer, or sell such New Service until Licensee is no longer legally required to do business with such third party. Licensee must cease doing business with such third party as soon as Licensee lawfully may do so without causing a breach of such Third-Party Contract. Licensee may not, unless contractually obligated to do so, renew or extend any such Third-Party Contract. During any such period in which Licensee is not marketing, offering, or selling a New Service in the Territory due to a Third Party Contract, either Licensor or, at the request of Licensor, another Mood Licensee designated by Licensor shall have the right to market, offer, and sell such New Service in the Territory using the Proprietary Marks.

(2) Licensee shall give Licensor at least ninety (90) days' prior Notice of the date on which Licensee will cease doing business with the third party under the Third-Party Contract. After such date, (i) Licensee shall commence marketing, offering, and selling such New Service in accordance with this Agreement and (ii) Licensor and any Mood Licensees designated by Licensor to offer such New Service shall no longer have the right to market, offer, sell or service such New Service in the Territory except under the terms of a Contract in effect on such date; provided, however, that Licensee may purchase from Licensor or such other Mood Licensee, at Licensor's or the other Mood Licensee's option, as the case may be, Licensor's or the Mood Licensee's rights, as applicable, under any such Contract, as well as the related equipment, for a price determined in the manner set forth in Section 11.4 (Termination of Tier I Account Rights).

2.2 **Delivery of Licensed Services.**

(a) **Generally.** Licensee agrees to deliver the Licensed Services to Subscribers at the highest quality possible consistent with local conditions and reasonable judgment and in accordance with the service performance standards that Licensor requires of all Affiliates and sets forth in writing from time to time in the Operations Manual.

(b) **Modification of Service Performance Standards.** Licensor may, after consultation with IPMA, modify the service performance standards from time to time if Licensor reasonably believes that such modifications are necessary to maintain or improve the quality of delivery of the Licensed Services to Subscribers or to maintain or improve a consistent level of quality, or adjust the price, of the Service Delivery Equipment. If Licensor modifies the standards and specifications to end the life of a particular product, equipment, media, or Service Delivery Equipment platform or in a manner that has the effect of rendering the Receivers then in use by Licensee or Subscribers in the Territory incapable of receiving the Licensed Services, Licensor must provide Licensee with (i) at least two (2) years' prior Notice of such changes or (ii) as much advance notice as is commercially reasonable under the circumstances if such modifications are necessitated in less than two (2) years (x) by law, (y) due to a third party's termination or non-renewal of a contract with Licensor related to supporting or providing a certain platform or item, or (z) due to Licensor's termination of a contract with a third party related to supporting or providing a certain platform or item, provided that Licensor is terminating such contract because such third party is in default under such agreement or because Licensor reasonably determines that the termination of such contract will be for the betterment of the System and the community of Mood Businesses as a whole, including the Mood Licensees.

(c) Delivery by Satellite, IP, and Future Delivery Means. In the event that the Licensed Services are delivered directly to the premises of a Subscriber by (i) direct broadcast satellite or other satellite service, (ii) Internet protocol or other means of electronic transmission, or (iii) other delivery methods, including, without limitation, methods employed by Licensor after the Effective Date, Licensor shall, promptly after receipt of Notice from Licensee, commence delivery of the Licensed Services to Subscribers who have Receivers suitable for receipt of such delivery in the Territory.

(d) Delivery by Recorded Media. Certain Services, as reasonably designated by Licensor, may be delivered by means of, among other things, Recorded Media. Licensor shall at all times retain title to, and all ownership rights in, any Recorded Media, whether furnished to Licensee or to a Subscriber. Licensee shall not sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any Recorded Media.

(e) Prohibitions on Subscribers. Unless otherwise specified by Licensor in writing, Licensee shall (i) prohibit in writing all Subscribers who receive Services from selling, assigning, copying, reproducing, transferring, conveying, giving away, pledging, mortgaging, or otherwise encumbering any of the Licensed Services it receives, including, without limitation, the Recorded Media, and acting in any manner which may violate copyright laws or contractual agreements in place with content providers or performing rights organizations, (ii) promptly notify Licensor in the event it becomes aware that any Subscriber has violated any such prohibition, (iii) cooperate with Licensor in the immediate termination of the provision of Services to any Subscriber which has violated any such prohibition, to the extent permitted by contract and applicable law, and (iv) take such further action as is requested by Licensor (at Licensor's expense as to violations by Subscribers) to enforce such prohibition, including, without limitation, providing Licensor with an independent right to enforce such prohibition.

(f) Transmission Failure. In the event of a failure of Licensor's transmissions of the Licensed Services, Licensor shall use reasonable commercial efforts promptly to restore such transmissions or to establish a commercially reasonable alternative means of delivering the Licensed Services.

2.3 Licensed Services in Adjacent Territories. In the event of a termination or expiration of the license agreement of a Mood Licensee operating in a territory that adjoins the Territory, Licensee agrees to provide the Licensed Services to Subscribers in such adjoining territory upon the request of Licensor for such period of time and upon such other terms as are then agreed to by Licensor and Licensee. If Licensor licenses the territory to a new Mood Licensee or begins selling Licensed Services in the territory through its Owned Affiliate, Licensee may, at Licensee's option, sell to such adjacent Mood Licensee or Owned Affiliate its rights in any Contract in the adjacent territory on the terms as are then agreed to between Licensee and such adjacent Mood Licensee or Owned Affiliate.

2.4 Service Delivery Equipment. Licensee, at its expense, shall obtain and maintain all Service Delivery Equipment (including, without limitation, Receivers) to enable Licensee to distribute and, as applicable, receive the Licensed Services and shall obtain and make available to the Subscribers equipment to enable the Subscribers to receive the Licensed Services. All Service Delivery Equipment, except Subscriber-owned equipment that is not sold to the Subscriber by Licensee, shall conform to Licensor's then-current standards and specifications as set forth in the Operations Manual in effect on the date Licensee installs such Service Delivery Equipment at the Subscriber Premises. Licensor may specify from time to time the exact Service Delivery Equipment and/or other equipment that Licensee must offer to individual Tier I Accounts. Licensee must offer to individual Multi-Territory Accounts and Chain Accounts the Service Delivery Equipment and equipment that is specified in the applicable Contract for such Subscriber, if any equipment is specified. If Licensor specifies Service Delivery Equipment that is unavailable to Licensee or is only available to Licensee at a price higher than the price that is available to Licensor as set forth in the applicable return on investment calculation that has been provided to the Committee, Licensor shall sell such Service Delivery Equipment to Licensee at the price specified in the return on investment calculation approved by the Committee. Prior to the commencement of delivery of the Licensed Services to a Subscriber, Licensee shall make commercially reasonable efforts to confirm that the appropriate Service Delivery Equipment has been installed at such Subscriber Premises in the Territory where such Services are to be received.

2.5 Alternative Sales Channels.

(a) Right to Offer Services. Licensor and its Affiliated Entities may offer Licensed Services and Service Delivery Equipment to prospective Subscribers inside and outside the Territory (but, to the extent feasible, not knowingly targeting existing Subscribers inside the Territory) through an Alternative Sales Channel using the Proprietary Marks, provided that, for any such sales inside the Territory, the Committee has approved pursuant to the procedures set forth in the Operations Manual (i) the Alternative Sales Channel, (ii) the pricing of such Licensed Services offered through each Alternative Sales Channel, and (iii) the form of Contract used in the Alternative Sales Channel. The Committee shall not withhold approval of an Alternate Sales Channel or pricing proposal unless the Committee reasonably demonstrates that the economics of a proposed Alternate Sales Channel are materially worse for affected Mood Licensees than the economics of similar transactions previously experienced by Affiliates. During such review the Committee shall take into consideration, among other things, whether sales made through the Alternative Sales Channel will directly result in a material net loss in the number of total Accounts in the Territory. Further, and as negotiated in good faith between Licensor and the IPMA, Licensor and Licensee shall enter into an amendment to this Agreement or statement of work to memorialize the material terms of an Alternative Sales Channel or New Service which is not currently included within the Music Service Royalties (or any other existing fee structure or financial model) contemplated by this Agreement, which the parties acknowledge and agree, from time to time, may arise as a result of a technological or business advancement opportunity not contemplated by Licensor as of the Effective Date and not specifically defined or addressed in this Agreement. If such an agreement cannot be reached within a reasonable period of time not to exceed 180 days from the date Licensor first presents a written offer or proposal to the IPMA, IPMA will be deemed to have legal standing on behalf of the Licensee to initiate and participate in mediation and arbitration in accordance with the provisions of Sections 14.2 (Mediation) and 14.3 (Arbitration), respectively.

(b) Allocation of Accounts and Audit Rights. If a new Subscriber purchases a Licensed Service for a Subscriber Premises in the Territory through an Alternative Sales Channel, Licensor will provide written notice to Licensee and will allocate such Account to Licensee, which must then pay Licensor an Alternative Sales Channel Commission for such Account in accordance with Section 7.4(b) (Alternative Sales Channel Commissions). To the extent feasible, Licensee shall own all rights to such Account in the Territory and shall service the Account as a Tier II Account, but in any event, as between

Licensor and Licensee, such Account shall be owned by Licensee within the Territory. IPMA has the right, not more than once in every 24 months and upon not less than 30 days' Notice to Licensor, to inspect and audit Licensor's books and records to verify that Licensor is correctly allocating Licensed Services in each Affiliate's territory and Licensor shall cooperate with any such inspection and audit. Upon receipt of such Notice from IPMA, Licensor may elect to have the audit conducted at its expense by an independent third-party auditor agreeable to Licensor and IPMA.

2.6 Operations Manual.

(a) Copy of the Operations Manual. Licensor will furnish Licensee with one (1) copy of, or electronic access to, the Operations Manual, on loan for as long as this Agreement or a successor license agreement remains in effect. Licensee must keep its copy of the Operations Manual up-to-date based on submissions from Licensor. If there is any dispute as to the current contents of the Operations Manual, the terms of Licensor's master copy maintained at its headquarters will control. Licensee acknowledges that Licensor owns the copyright in the Operations Manual and that Licensee's copy of the Operations Manual remains Licensor's property. Upon the expiration or termination of this Agreement, Licensee must return to Licensor all physical copies of the Operations Manual and destroy all electronic copies of the Operations Manual.

(b) Contents of the Operations Manual. Unless otherwise provided in this Agreement, the Operations Manual may not include provisions that (i) change the fundamental rights of the parties under this Agreement, (ii) impose additional or increased fees or penalties on Licensee that are not provided for in this Agreement, or (iii) impose additional or materially different burdens on Licensee that make Licensee's performance under this Agreement materially more onerous than are provided for in this Agreement. For the avoidance of doubt, new fees related to New Services and new Product Fees may be designated by Licensor in the Operations Manual in accordance with Sections 2.1(e)(ii) (Treatment of New Services) and Section 7.3(b) (Product Fees). Licensee acknowledges that Licensor may otherwise amend, modify, or supplement the Operations Manual at any time, so long as such amendments, modifications, or supplements are commercially reasonable and will, in Licensor's good faith opinion, benefit Licensor's existing and future Affiliates or will otherwise improve the System and will be adhered to by Owned Affiliates to the extent that they are reasonably applicable to Owned Affiliates. Prior to implementing or modifying material provisions of the Operations Manual permitted under this Agreement, except with respect to provisions relating to the ownership, maintenance, and use of any intellectual property, Licensor will consult in advance with IPMA.

(c) Confidentiality of the Operations Manual. Licensee will treat the Operations Manual, and the information contained therein, as Licensor's Confidential Information and will maintain the confidentiality of such information in accordance with Section 6.8 (Confidentiality). Licensee will not, without Licensor's prior written consent, copy, duplicate, record, use, or otherwise reproduce in any way the Operations Manual, in whole or in part, or otherwise make its contents available to any person, except as provided in Section 6.8 (Confidentiality).

3. ACCOUNTS

3.1 Contracts. Except as otherwise provided in this Agreement, all sales of the Licensed Services to Subscribers in the Territory shall be reflected in a fully executed Contract, which must include certain provisions specified by Licensor, after consultation with IPMA, in the Operations Manual from time to time. Contracts may not include terms that conflict with this Agreement or provisions that Licensor reasonably prohibits after consultation with the IPMA, as set forth in the Operations Manual from time to time (it being understood that any such prohibition shall be considered unreasonable if the primary purpose of such prohibition is to afford Licensor a commercial advantage over Licensee). Licensee may not state in any Tier II Contract that Licensee will be the sole Affiliate to provide the Subscriber with the Licensed Services. Licensor shall provide Licensee in the Operations Manual with recommended standard forms of Contracts, which Licensee may elect to use. Licensee shall provide Licensor with a copy of each (i) Multi-Territory Contract executed by a Subscriber that includes a Subscriber Premises within the territories of Owned Affiliates, and (ii) Tier I Contract executed by a Subscriber, at the time Licensee requests Licensor to commence delivery of one or more Licensed Services to the Subscriber, and (iii) upon Licensor's request, the form of Tier II Contract used by Licensee in the Territory.

3.2 Tier II Accounts. Except as otherwise provided in this Section 3 (Accounts), Licensee may enter into a Tier II Contract to provide Licensed Services to any Tier II Account. A Tier II Contract may be superseded by a Tier I Contract if so determined by the Committee, as provided in Section 3.3(g) (Superseding Pre-Existing Tier II Contracts). In such event, if such Tier II Contract includes Licensed Services that are not included in the Tier I Contract, such Tier II Contract may remain in effect with respect to only those Licensed Services that are not included in the Tier I Contract and the terms of the Tier I Contract shall supersede the terms of the Tier II Contract with respect to the Licensed Services that overlap in the Tier II Contract and Tier I Contract. Licensee shall be obligated to manage all billing and collections to Subscribers of any Tier II Account duly sold by Licensee, and Licensor shall be obligated to manage all billing and collections to Subscribers of any Tier II Account duly sold by Licensor. If Licensee is unable or unwilling to bill a Subscriber, which it would otherwise be required to bill, then Licensor (or another Affiliate impacted by the Tier II Account) may bill the Subscriber on Licensee's behalf subject to payment of an Invoice Fee. The billing and payment details of the Invoice Fee applicable to Tier I and Tier II Accounts shall be set forth in the Operations Manual. Additionally, except for existing Subscribers of Licensee already being by billed by Licensor as of the Effective Date, the Affiliate which handles the billing of a Subscriber shall be obligated to handle the billing and collections for all Services provided to the Subscriber, including without limitation, E&L, service billing and recurring monthly services.

3.3 Tier I Accounts.

(a) Participation in the Tier I Accounts Program. Recognizing that potential Subscribers with substantial numbers of Subscriber Premises located throughout the United States represent a significant potential market for Licensee and other Affiliates marketing the Licensed Services, and that the effective marketing of the Licensed Services to such accounts frequently requires a coordinated effort by MML (and its Affiliated Entities) and the Affiliates, MML, in conjunction with the Committee, has developed the Tier I Accounts Program as set forth in this Agreement. Licensee agrees to participate during the Term in the Tier I Accounts Program and in all Tier I Contracts that pertain to Subscriber Premises in the Territory, except as otherwise provided in this Section 3 (Accounts). An Account may be designated as a Tier 1 Account as follows: (i) if an Account has fifty (50) to two hundred fifty (250) Subscriber Premises located in the territories of at least four (4) Mood Licensees and/or Metropolitan Statistical Areas as defined by the U.S. Office of Management and Budget, and is operated under a single Multi-Territory Contract (with all Subscriber Premises invoiced by a Managing Affiliate, or the Affiliate that sold the Account, to one (1) designated address for Subscriber), the Account may be designated as the Tier 1 Account if the Affiliate that entered into the Multi-Territory Contract requests the designation and the Committee approves such Account as a Tier 1 Account; and (ii) if an Account has more than two hundred fifty (250) Subscriber Premises located in the territories of at least four (4) Mood Licensees and/or Metropolitan Statistical Areas, is operated under a single Multi-Territory Contract (with all Subscriber Premises invoiced by a Managing Affiliate, or the Affiliate that sold the Account, to one (1) designated address for Subscriber), and such Account is not designated as a Grandfathered Account, the Account shall automatically be designated as a Tier 1 Account without any action by the Committee regardless of whether the Subscriber is already a party to a Multi Territory Contract.

(b) Tier I Sales Committee. Committee shall meet as often as it is necessary, but it no less frequently than quarterly. All members of the Committee shall be given reasonable Notice of any Committee meeting. Committee members may participate in meetings in person or by conference telephone or similar communications equipment. At any meeting of the Committee, the presence of four or more members shall constitute a quorum for the transaction of business provided that at least two members of the members present were appointed by Licensor and two of the members present were appointed by IPMA. Members may participate in votes by written proxy. All decisions of the Committee shall require the affirmative vote of at least a majority of the members of the Committee. In the event that the Committee vote results in a deadlock on the decision to approve a Tier I Contract, any proposed Tier I Contract shall be deemed approved as a Deadlocked Approval. Licensor shall bear the cost associated with meetings of the Committee. The Committee shall adopt guidelines from time to time to govern its operations and the operations of the Tier I Accounts Program; provided, however, that such guidelines shall not conflict with the provisions set forth in this Agreement. After adoption by the Committee, such guidelines (until revised by the Committee) shall be binding on Licensee, Licensor, and all such Mood Licensees.

(c) Insurance. To facilitate the marketing of Licensed Services to Tier I Accounts, Licensee shall maintain in full force and effect such workmen's compensation coverage, liability insurance coverage, and such other insurance coverage as is reasonably required from time to time by the Committee, and shall provide evidence of such coverage to the Committee from time to time as requested. Licensor shall include the minimum insurance requirements set forth by the Committee and/or Licensor in the Operations Manual.

(d) Restrictions on Dealers. Unless otherwise agreed by Licensor and the Committee, Licensor and its Affiliated Entities shall prohibit Dealers from selling Tier I Accounts.

(e) Grandfathered Accounts. By the Effective Date, Licensee must provide Licensor with a list of Subscriber Premises related to each Grandfathered Account. A Grandfathered Account shall be considered and treated as a Multi-Territory Account and operated under an existing Multi-Territory Contract, except that (i) a Grandfathered Account must be managed in accordance with the Tier I Accounts Program Procedures, (ii) Licensee may at any time elect to convert a Grandfathered Account to a Tier I Account by, with the approval of the Committee, re-contracting using a Tier I Contract, and (iii) at the end of the then-current term for the existing Multi-Territory Contract, Licensee must, with the approval of the Committee, re-contract using a Tier I Contract, at which point the Account shall be designated as a Tier I Account. After being designated as a Tier I Account, a Grandfathered Account shall be treated like any other Tier I Account.

(f) Tier I Contracts.

(i) Except as otherwise provided in this Section 3 (Accounts), Tier I Accounts are provided Licensed Services and related equipment and other services pursuant to the terms and conditions of a Tier I Contract that (i) has been approved by the Committee, in its sole discretion, or (ii) that is automatically deemed approved by the Committee without a vote because it meets certain pre-approved criteria, such as, without limitation, pricing guidelines and minimum returns on investment, adopted by the Committee from time to time. Unless otherwise authorized in writing by the Committee, all Tier I Contracts for the sale of the Licensed Services and related equipment and other services shall be substantially in the then-current form of the Tier I Account Form, which is included in the Operations Manual and which the Committee may change from time to time, or, if required by a Subscriber to be on a different form of agreement, shall incorporate the material provisions of the approved Tier I Account Form and be approved by Licensor's legal counsel. Licensee understands and agrees that, in performing its obligations and exercising its rights with respect to a Tier I Contract, Licensee shall be bound by the terms set forth therein and shall have no right independently to amend or otherwise materially alter any such terms without the Committee's approval.

(ii) Except as otherwise provided in Section 3.3(n) (Ownership of Tier I Accounts), each Tier I Contract shall be executed by Licensor (or an Affiliated Entity of Licensor) or the Affiliate that sells the Tier I Account, as the case may be, acting on behalf of and as an agent for Licensee and all other Affiliates. Licensor or the Affiliate, as the case may be, that sells Licensed Services to the Tier I Account must submit to the Committee a copy of the proposed Tier I Contract and/or such other information about the Tier I Account that the Committee reasonably requires for its review of the proposed Tier I Account and may not arrange for the execution of the Tier I Contract until the Committee approves the Tier I Contract, unless the Tier I Contract meets the Committee's pre-approved criteria and is on the Tier I Account Form or another form that has been approved by the Committee for such Tier I Accounts.

(iii) Any proposed renewal of a Tier I Contract must be submitted to and approved by the Committee prior to execution, unless the renewal terms of the Tier I Contract meet the Committee's pre-approved criteria.

(g) **<u>Superseding Pre-Existing Tier II Contracts</u>.** The Committee may vote on a case-by-case basis to require an approved Tier I Contract to supersede the existing Tier II Contracts between Licensee and the Subscriber in all respects, except the terms of the Tier II Contracts may continue to apply for Licensed Services, including the sale and/or lease of equipment, that are not offered to Subscriber pursuant to the Tier I Contract. Licensee may apply to the Committee for "hardship compensation," if Licensee can establish that a Tier I Contract superseding such existing Tier II Contract will have a material adverse effect on the Business and the Tier II Contract is superseded within the first eighteen (18) months of the initial term of such Tier II Contract. The Committee shall determine on a case-by-case basis, in its sole discretion, whether a hardship exists and the amount of hardship compensation to award, if any. The Committee shall have the right to require any Affiliate that provides Licensed Services that is not suffering such a hardship (including Licensee, if applicable) with respect to an applicable Tier I Account to contribute on a pro rata basis based on its share of the total revenue received from the Tier I Account to a hardship pool of monies to be distributed to any Affiliates suffering a hardship due to the Tier I Contract superseding Tier II Contracts.

(h) **<u>Equipment Buyout Rates and Liquidated Damages</u>.** Unless the Committee approves other rates in writing for a specific Tier I Account, Licensee must accept from a Tier I Account Subscriber the rates that the Committee may set from time to time for selling Leased Equipment installed at the Subscriber Premises of a Tier I Account to a Tier I Account Subscriber that (i) has a Tier I Contract that is terminated early or (ii) otherwise wishes to purchase such equipment. The Managing Affiliate shall consult with the Committee on a case-by-case basis to determine whether to deviate from the language of the Tier I Account Form to require liquidated damages from a Tier I Account seeking or causing an early termination of a Tier I Contract.

(i) **<u>Managing Tier I Accounts.</u>**

(i) **<u>Program Procedures</u>.** The Committee shall establish from time to time the Tier I Account Program Procedures for managing a Tier I Account, which will include, without limitation, procedures for rolling out new Subscriber Premises, requirements for centralized service work order dispatch, project management requirements, requirements for central billing, and requirements for rebating monies to Affiliates.

(ii) **<u>Managing Affiliate</u>.** For each Tier I Account for which Licensee serves as the Managing Affiliate, Licensee must manage the Tier I Account in accordance with the Tier I Accounts

Program Procedures, and such procedures shall include without limitation, the obligation that Licensee serve as the Managing Affiliate and be obligated to manage all billing and collections to a Subscriber of a Tier I Account if Licensee duly sold such account to Subscriber and the Tier I Account is headquartered in the Territory. If Licensee (as the Managing Affiliate) is unable or unwilling to bill a Tier I Account Subscriber, which it would otherwise be required to bill, then Licensor may bill the Tier I Account Subscriber on Licensee's behalf subject to payment of an Invoice Fee. Licensor will be the Managing Affiliate for each Tier I Account sold by Licensor, even if the Subscriber of such Tier I Account is headquartered in the Territory. If Licensee fails to manage a Tier I Account in accordance with the Tier I Accounts Program Procedures and fails to cure any such deficiencies within ten (10) days after receiving Notice of such failures from the Committee, the Committee may withdraw Licensee's designation as Managing Affiliate for any or all Tier I Accounts and thereafter Licensor will serve as the Managing Affiliate for such Tier I Accounts.

(iii) **Distribution of Revenues of Tier I Accounts.** In the event that, under the terms of a Tier I Account Contract, a Managing Affiliate bills a Tier I Account for recurring revenues that are derived from Subscriber Premises located in the territories of other Affiliates, the Managing Affiliate (whether Licensor or Licensee) shall, within sixty (60) days after billing to such Tier I Account, provide such Affiliates with a report showing the date and amount of such billing and pay to such Affiliates such Affiliate's Net Revenue Share expected from such Tier I Account with respect to such billing, without any other credit, offset or deduction of any kind or nature whatsoever other than (i) sales or similar taxes required to be collected in connection with the provision of Licensed Services under the Tier I Contract, (ii) Licensee's portion of any Tier I Account billing (net of Music Service Royalties) that is written off by the Managing Affiliate as uncollectible in accordance with federal income tax standards of uncollectibility, (iii) setoff amounts that are applied against overdue payments due to Licensor or other Affiliates as applicable pursuant to Section 7.5 (Payment Schedule), unless and so long as such overdue payments are properly disputed in accordance with this Agreement, and (iv) such other deductions as have been agreed to by such Affiliates. If a Tier I Account Subscriber has not paid the Managing Affiliate, the Managing Affiliate shall alert Affiliates receiving a Net Revenue Share of the non-payment and potential write-off. If the payments are ultimately uncollectible, Managing Affiliate may charge back the uncollected amounts to such Affiliates receiving a Net Revenue Share. Managing Affiliate shall remit payment of each applicable Affiliate's Net Revenue Share twice per month as more particularly described in Section 7.5 (Payment Schedule).

(iv) **Withholding of Net Revenue Share**. If Licensor or an Affiliated Entity of Licensor is the Managing Affiliate and any of Licensee's Market Fees, Music Service Royalties, Recorded Media charges, Product Fees, or any other amounts owed to Licensor are then past due, and are not the subject of a bona fide dispute between Licensee and Licensor, any and all past due amounts owed to Licensor shall be withheld from Licensee's Net Revenue Share and applied to such past due amounts as provided in Section 7.5 (Payment Schedule) and Licensor shall immediately provide such Affiliate with a detailed report in writing showing such application.

(v) **Auditing Managing Affiliates.** In the event that, under the terms of a Tier I Contract, the Managing Affiliate collects revenues that are then payable by the Managing Affiliate to one or more of the Affiliates, the Committee shall have the right, upon 30 days' Notice, to audit those books and records of the Managing Affiliate pertaining to the administration of such Tier I Contract for the sole purpose of verifying that payments were correctly calculated and paid. Upon receiving such Notice from the Committee, the Managing Affiliate may elect to have the audit conducted, at the Managing Affiliate's expense, by an independent third-party auditor agreeable to such Managing Affiliate and the Committee that will agree to maintain the confidentiality of any materials reviewed. The Managing Affiliate must cooperate with any such audit, which, except as otherwise provided in this paragraph the Committee shall conduct in accordance with the procedures in Section 8.3 (Audits and Inspection) (with the Committee assuming the role of Licensor). During any such audit, the Committee (or its authorized representative) may make copies of only those books and records that are necessary for the verification of such calculations and were physically examined as part of the audit. The Committee shall take reasonable precautions to safeguard the confidentiality of such copies and shall destroy any such copies on completion of the audit and payment by the Managing Affiliate of any monies determined to be owing as a result of the audit. If the audit results in a determination that there has been an underpayment or overpayment of the amounts due to Licensee or any Affiliates, then within ten (10) days after such determination, Licensee shall pay to Licensor or the applicable Affiliates the amount of such underpayment or overpayment, plus, if there is an underpayment, interest on the overdue underpaid amounts at (i) the rates set forth in Section 7.5(c) (Overdue Payments) if the underpayment is less than ten percent (10%) or (ii) at the lesser of one and a half percent (1.5%) per month (eighteen percent (18%) per annum) or the maximum rate allowed by law if the underpayment is ten percent (10%) or more. Neither the Committee nor any Affiliate shall assess Licensee for amounts found, as a result of such audit, to be owing if such amounts were first payable by Licensee more than two (2) years prior to the date such audit commenced, provided that Licensee did not knowingly maintain false books and records regarding the Tier I Contract or knowingly make false payments to the Affiliates with respect to such Tier I Contract. If it is determined as a result of an audit that there has been an underpayment of ten percent (10%) or more of the amounts due to Licensor or Affiliates for any given calendar year, Licensee shall also reimburse the Committee for the out-of-pocket cost of such audit or review.

(vi) **<u>Indemnity to Licensee for Remittance of Taxes.</u>** Licensor shall defend, indemnify and hold harmless Licensee against any Tax Penalty. The foregoing indemnification shall be conditioned upon Licensee: (i) providing prompt Notice to Licensor of any audit or investigation initiated by the applicable taxing authority, and (ii) reasonably consulting with Licensor during any such audit or investigation from applicable taxing authority. Licensor shall at all times during the Term reserve the right to modify its standards to be followed for payment of taxes in accordance with applicable law.

(j) **<u>Serving Tier I Accounts.</u>**

(i) **<u>Required Tier I Installations</u>.** Licensee must complete any Required Installations for Tier I Accounts in the Territory and Licensor must complete any Required Installations for Tier I Accounts in the territories of Owned Affiliates. If Licensor is advised by Subscriber that Licensee failed to complete a Required Installation by the date reasonably agreed between Licensor and Licensee and does not cure such failure within one (1) business day after receiving written notice of such failure addressed to the owner or manager of Licensee, then Licensor shall have the right to complete the installation(s) directly or by utilizing the services of a third party subcontractor or another Affiliate. If Licensee does not acknowledge receipt of a Required Installation job packet, then the required installation date will be determined to be a day that is no earlier than five (5) days following the installation date specified in the job packet. Licensee shall reimburse Licensor for any expenses that Licensor or its designee incurs related to the Required Installation.

(ii) **<u>Elective Installations</u>.** If a job installation is an Elective Installation, the job packet shall state in a bold and larger font that the job is an Elective Installation and that Licensee may, without penalty, reject the Tier I Contract. Within three (3) business days after receipt of a job packet addressed to the owner or manager of Licensee with respect to an Elective Installation, Licensee shall accept or reject the right to complete the installation(s) described in the job packet, which acceptance or rejection shall be communicated to Licensor in accordance with the instructions included in the job packet. A failure to reject the installation(s) within one (1) business day after a single written reminder notice addressed to the owner or manager of Licensee shall be deemed to be an acceptance. Once Licensee has accepted an Elective Installation, under no circumstances shall Licensee discontinue the distribution of the Licensed Services or provision of related goods and services to that Tier I Account.

(iii) **Rejection of an Elective Installation.** If Licensee (i) rejects a job packet for an Elective Installation, or (ii) accepts (or is deemed to have accepted) an Elective Installation, and fails to complete such installation to Subscriber's satisfaction by

(iv) an installation date reasonably agreed between Licensor and Licensee, and does not cure such failure within one (1) business day after receiving written notice of such failure addressed to the owner or manager of Licensee, then: (x) Licensor shall have the right, using the Proprietary Marks and in its sole discretion, to complete the installation(s) directly or by utilizing the services of Licensee on a time and materials basis (if Licensee is willing to do so), a third party contractor, or an Affiliate, (y) Licensor or such other Affiliate shall thereafter be solely authorized to perform the obligations and exercise the rights (including rights to receive payments and use the Proprietary Marks) of Licensee under such Tier I Contract until the termination thereof, including for new Subscriber Premises related to the Tier I Account in the Territory, and (z) Licensee shall not be entitled to any revenue from such Tier I Account, including, without limitation, revenue related to the Subscriber Premises included in such job packet as well as revenue related to all other future Subscriber Premises of the Tier I Account in the Territory. If Licensee accepts (or is deemed to have accepted) an Elective Installation but fails to reach an agreement with Licensor regarding the installation date, then the required installation date will be determined to be a day that is no earlier than five (5) days following the installation date specified in the job packet.

(k) **Effect of Failure or Inability to Provide Licensed Services.** In the event that Licensee fails to perform its obligations under the terms of a Tier I Contract and does not cure such failure within thirty (30) days after Notice of such failure (or such shorter notice period as may be reasonably required due to the service requirements set forth in such Tier I Contract) by the Committee or Licensor (or, if such cure cannot be accomplished within thirty (30) days, if Licensee does not promptly commence such cure and diligently pursue it toward completion and then accomplish such cure as soon as reasonably possible thereafter), another Affiliate, as selected by the Committee, shall thereafter be authorized to perform the obligations and exercise the rights (including rights to receive payments) of Licensee under such Tier I Contract until the termination thereof. Notwithstanding the foregoing, if at any time Licensee fails to provide and maintain the Licensed Services to a Subscriber Premises in accordance with a Tier I Contract and does not cure such failure within seventy-two (72) hours after receipt of actual or written notice from the Committee (or such shorter notice period as may be reasonably required by Subscriber or otherwise set forth in such Tier I Contract), another Affiliate, as selected by the Committee, shall have the right immediately to provide and maintain, or sub-contract with a third party to provide and maintain, the Licensed Services to such Subscriber Premises, and Licensee shall reimburse such Affiliate for the costs associated therewith. Licensor reserves the right to engage and contract directly with a Subscriber in the Territory, and subsequently subcontract such work to the Licensee to fulfill jobs and provide Services, in its reasonable discretion, if and when, with respect to a particular Subscriber or project, Licensee is unable to perform, after written notice and a reasonable opportunity to cure, due to an inability or failure to meet regulatory compliance. In such cases, Licensee must perform as a subcontractor to Licensor, subject to review and approval of transaction by the Committee. Licensee will be compensated at an amount equal to the same economic benefit it would have received if it had fulfilled the job and provided the Services, less any Project Expenses. Such Project Expenses shall be allocated across all Subscriber Premises on a pro rata basis. Licensor must provide proper documentation to support any Project Expenses incurred.

(l) **Minimum Performance Standards for Tier I Accounts.** The Committee shall adopt minimum performance standards with which Licensee shall comply in providing service to Tier I Accounts, which shall be published in the Operations Manual, as it may be modified from time to time, and which shall be a component of the Operational Standards. In the event that Licensor or the Committee becomes aware of Licensee's failure to adhere to such standards, the Committee shall review such reported failure and if it finds probable cause for such report shall determine if a fine shall be imposed for such non-performance. Licensee shall have the right to present a defense to the report(s) of non-performance. The maximum fine shall be Twenty-Five Dollars ($25) per day per location for non-compliance with the minimum performance standards.

(m) **Non-Interference.** Licensee may not interfere with, or impede the provision of, Services to a Tier I Account, including, without limitation, by removing any Leased Equipment from the Subscriber Premises of a Tier I Account relating to the Licensed Services delivered pursuant to a Tier I Contract.

(n) **Ownership of Tier I Accounts.**

(i) **Ownership During the Term.** Except as otherwise provided in this Agreement, during the Term, as between Licensee and Licensor or another Managing Affiliate, Licensee shall own all ownership interests in the Tier I Accounts and Tier I Contracts with respect to the Subscriber Premises within the Territory that Licensee has not declined or failed to install, and Licensor or the Managing Affiliate shall whenever practicable execute such Tier I Contracts as an agent for Affiliates (including Licensee) in whose territories individual Subscriber Premises are located. If Licensee provides Licensed Services to a Tier I Account, Licensee shall also own the right to the economic benefits related to such Tier I Contract for Subscriber Premises in the Territory during the Term and may be eligible to serve as the Managing Affiliate for such Tier I Account. If Licensee leases equipment to such Tier I Account, Licensee shall own all interest in such equipment leased by it to such Tier I Account and shall be entitled to receive its Net Revenue Share related to such Tier I Account. Except as provided in Section 3.3(n)(ii) (Limited Right to Retain Tier I Accounts), upon termination or expiration without renewal of this Agreement, all of Licensee's ownership rights in any Tier I Accounts, including the Tier I Contracts and related equipment, shall transfer to and vest in Licensor in accordance with Section 11.4 (Termination of Tier I Account Rights) and Licensee shall be entitled to receive the Termination Fee with respect to such Tier I Accounts.

(ii) **Limited Right to Retain Tier I Accounts.** For any Tier I Account, if (i) the Subscriber for such Tier I Account is headquartered in the Territory and has more than twenty-five (25%) of its total Subscriber Premises in the Territory and any other territories licensed to Licensee, (ii) Licensee is the Managing Affiliate for the Tier I Account, and (iii) after receiving notice of the termination or expiration of this Agreement, the Subscriber does not express a desire to remain a Subscriber of Licensor, upon the termination or expiration without renewal of this Agreement, Licensee may retain all of its ownership interests in such Tier I Account, Tier I Contract, and related equipment by (x) providing Notice to Licensor of its intent to retain the ownership rights to such Tier I Accounts within seven (7) days of such termination or expiration and (y) terminating the rights of other Affiliates with respect to the Tier I Accounts in accordance with Section 11.4 (Termination of Tier I Account Rights) (with Licensee assuming the role of "Licensor" or "MML" and other Affiliates assuming the role of "Licensee" in Section 11.4 with respect to the Tier I Account), including paying such Affiliates the Termination Fee (as defined in Section 11.4) for the Subscriber Premises of the Tier I Account that are located in their territories. If Licensee retains ownership of a Tier I Account from Licensor in this manner, Licensor shall not be required to pay Licensee a Termination Fee with respect to such Tier I Account. Licensee acknowledges that should other Mood Licensees that satisfy these conditions exercise their right to retain ownership of such Tier I Accounts and Tier I Contracts, Licensee's rights to provide Licensed Services to and receive financial benefits from such Tier I Account may be terminated in the same manner, with such Mood Licensee rather than Licensor paying Licensee the Termination Fee for the Subscriber Premises of the Tier I Account that are located in the Territory.

3.4 Multi-Territory Accounts.

(a) Management of Multi-Territory Accounts. A Multi-Territory Account shall be managed as if it were a Tier II Account unless and until the Multi-Territory Account is designated as a Tier I Account in accordance with Section 3.3(f) (Tier I Contracts). Licensee may only enter into a Multi-Territory Contract with, and sell Licensed Services to, a Subscriber of a Multi-Territory Account if the Subscriber is headquartered in the Territory at the time the Multi-Territory Contract is signed. For the avoidance of doubt and unless otherwise agreed between Affiliates, ownership and management responsibilities of any Multi-Territory Account shall not change as a result of any acquisition or relocation of Subscriber's headquarters outside of the Territory.

(b) Offer of Multi-Territory Account to Other Affiliates. If Licensor or Licensee negotiates a Multi-Territory Contract, Licensor or Licensee, as the case may be, must give prior notice to the Affiliate that owns the rights to the territory in which one or more Subscriber Premises that would be subject to such Multi-Territory Contract is located and offer such Affiliate the opportunity to provide the Licensed Services under such Multi-Territory Contract in their territory. Such Affiliate may accept or decline the offer to provide such Licensed Services in writing. Licensee shall not unreasonably decline such offers to provide Licensed Services under such Multi-Territory Contract for a Subscriber Premises in the Territory.

(c) If Licensee Agrees to Provide Licensed Services.

(i) New Relationship. If Licensee accepts an offer from another Affiliate of the opportunity to provide the Licensed Services to a Multi-Territory Account and Licensee does not have a Tier II Contract with the Multi-Territory Account for the same Subscriber Premises, Licensee shall pay a Commission to the selling Affiliate as further described in Section 7.4 (Commissions).

(ii) Existing Tier II Relationship. If Licensee accepts an offer from another Affiliate to provide the Licensed Services to a Multi-Territory Account and Licensee already has a Tier II Contract with the Multi-Territory Account for the same Subscriber Premises, Licensee shall not be required to pay the selling Affiliate a Commission on such Subscriber Premises. If the Tier II Contract is in its initial term, Licensee shall have the option of continuing to provide Services in accordance with the terms of the Tier II Contract or permitting the Multi-Territory Contract to supersede the terms of the Tier II Contract. If the Tier II Contract is in a renewal term or when the first term of the original agreement expires, the terms of the Multi-Territory Contract will supersede the terms of the original agreement, provided that the selling Affiliate (i) uses the standard form of Tier I Contract, as adapted for use with Multi-Territory Accounts, and (ii) prices the Licensed Services for the Multi-Territory Account at equal to or greater than the Multi-Territory Pricing Guidelines.

(d) If Licensee Declines to Provide Licensed Services. If Licensee declines an offer from another Affiliate to provide the Licensed Services to a Multi-Territory Account and:

(i) the selling Affiliate (i) does not use the standard form of Tier I Contract, as adapted for Multi-Territory Accounts, or (ii) prices the Licensed Services for the Multi-Territory Account at lower than the Multi-Territory Pricing Guidelines, then Licensee may prohibit the selling Affiliate from providing the Licensed Services in the Territory; or

(ii) the selling Affiliate (i) uses the standard form of Tier I Contract, as adapted for use with Multi-Territory Accounts, and (ii) prices the Licensed Services for the Multi-Territory Account at equal to or greater than the Multi-Territory Pricing Guidelines, then the selling Affiliate shall be permitted to enter the Territory to provide the Licensed Services without paying any compensation to Licensee. If

Licensee already had a Tier II Contract to provide Licensed Services with the Multi-Territory Account Subscriber for the same Subscriber Premises, the Multi-Territory Contract will not supersede the existing Tier II Contract, which will remain in effect for such Subscriber Premises.

(e) **Acknowledgement of Affiliates' Rights.** Licensee acknowledges that should Licensee provide another Affiliate with notice of a Multi-Territory Account Contract that it has negotiated, Licensee will have the same rights within that other Affiliate's territory as described in this Section 3.4 (Multi-Territory Accounts).

(f) **Distribution of Revenues of Multi-Territory Accounts**. In the event that, under the terms of a Multi-Territory Contract, Licensee (including instances where it is a Managing Affiliate) bills a Tier II Multi-Territory Account for recurring revenues that are derived from Subscriber Premises located in the territories of other Affiliates, Licensee shall, within sixty (60) days after billing to such Tier II Account, provide such Affiliates with a report showing the date and amount of such billing and pay to such Affiliates such Affiliate's Net Revenue Share expected from such Tier II Account with respect to such billing, without any other credit, offset or deduction of any kind or nature whatsoever other than (i) sales or similar taxes required to be collected in connection with the provision of Licensed Services under the Multi-Territory Contract, (ii) Licensee's portion of any Tier II Account billing (net of Music Service Royalties) that is written off by Licensee as uncollectible in accordance with federal income tax standards of uncollectibility, (iii) setoff amounts that are applied against overdue payments due to Licensor or other Affiliates as applicable pursuant to Section 7.5 (Payment Schedule), unless and so long as such overdue payments are properly disputed in accordance with this Agreement, and (iv) such other deductions as have been agreed to by such Affiliates. If a Multi-Territory Account Subscriber has not paid Licensee, Licensee shall alert Affiliates receiving a Net Revenue Share of the non-payment and potential write-off. If the payments are ultimately uncollectible, Licensee may charge back the uncollected amounts to such Affiliates receiving a Net Revenue Share. Licensee shall remit payment of each applicable Affiliate's Net Revenue Share twice per month as more particularly described in Section 7.5 (Payment Schedule).

3.5 **Chain Accounts.**

(a) **Treatment of Chain Accounts During the Term.** Chain Accounts will be treated as Tier II Accounts for purposes of contracting, billing, and payments owed, except that Licensee agrees to comply with any commercially reasonable rebate obligations payable to the franchisor or licensor of the chain, reporting requirements, or billing procedures required by Licensor, or such obligations as may be imposed by the franchisor or licensor of the chain. Licensee must complete any job installations or service calls related to a Chain Account in the Territory as if it were a Required Installation, and all provisions in Section 3.3(j)(i) (Required Tier I Installations) related to Required Installations shall apply to such Chain Accounts.

(b) **Treatment of Chain Accounts Upon Termination or Expiration.** Upon the termination or expiration without renewal of this Agreement, Licensor, or Licensor's designee(s), shall purchase all of Licensee's rights in any Chain Contracts and all related equipment at a price calculated and paid to Licensee in the same manner as the Termination Fee. Upon the closing of such purchase, all of Licensee's ownership rights in the Chain Contracts and all related equipment shall immediately transfer to and vest in Licensor or its designee and Licensor and/or its designee(s) shall assume all of Licensee's obligations relative to performance of such Chain Contracts and with respect to such related equipment accruing thereafter. Licensor and/or its designee will not assume any liabilities accrued before Licensor or its designee acquires such rights.

3.6 Acquired Accounts.

(a) Unrelated Entities. If MML or an Affiliated Entity of MML acquires an Unrelated Entity that does not offer any Competing Services, Licensor and its Affiliated Entities may use Proprietary Marks in conjunction with the Unrelated Entity and its products and services anywhere (including in the Territory) and it may integrate any operations of the Unrelated Entity with MML or its Affiliated Entities. Licensor and its Affiliated Entities shall not be obligated to offer any accounts or services related to the Unrelated Entity to Licensee.

(b) Purchase of Acquired Accounts.

(i) If Licensor or an Affiliated Entity plans to acquire an entity that offers Competing Services, Licensor shall seek the written endorsement of the IPMA Board of Directors for such acquisition prior to completing the transaction or as soon thereafter as is commercially reasonable. All accounts serviced by such entity shall be designated as Acquired Accounts. If the IPMA Board of Directors endorses acquisition of the entity by Licensor or an Affiliated Entity, within ten (10) business days following Notice from Licensor, Licensee shall be obligated to exercise the Acquisition Rights and purchase from Licensor (or an Affiliated Entity) the Acquired Accounts that have Subscriber Premises located in the Territory, by paying Licensor (or its designated Affiliated Entity) an Acquisition Fee for such Acquired Accounts. (If the IPMA Board of Directors does not endorse acquisition by Licensor (or an Affiliated Entity) of the entity that offers Competing Services, within ten (10) business days following written notice from Licensor, Licensor (or an Affiliated Entity) may complete the acquisition and Licensee shall have the option to exercise the Acquisition Rights and purchase from Licensor the Acquired Accounts that have Subscriber Premises located in the Territory by providing Licensor with written notice of its intent to do so within thirty (30) days after receiving from Licensor: (i) a complete copy of the executed agreement(s) acquiring such Acquired Accounts (or the most recent draft agreement, if the transaction has not yet been completed), (ii) current summaries of Subscriber contracts and/or information for such Acquired Accounts that Licensor or its Affiliated Entity has in its possession, (iii) any termination notices or service complaints with respect to such Acquired Accounts that Licensor or its Affiliated Entity has in its possession, and (iv) any other information related to the Acquired Accounts in Licensor's or its Affiliated Entity's possession reasonably requested by Licensee (collectively, the "Acquired Accounts Disclosure Package"). If Licensee elects to exercise its option, it must pay Licensor the Acquisition Fee for the Acquired Accounts. Licensee shall be entitled to benefit from any and all rights or protections that Licensor receives pursuant to an acquisition agreement that relates to an Acquired Account purchased by Licensee.

(ii) Payment of the Acquisition Fee. Licensee may pay the Acquisition Fee using the Lump Sum Option or the Deferred Option. If Licensee elects the Deferred Option, Licensee may prepay the remaining amount of the Acquisition Fee at any time.

(iii) Treatment and Ownership of Acquired Accounts. If Licensee purchases the Acquisition Rights, Licensee shall be responsible for providing, at Licensee's expense, all services related to the Acquired Accounts in the Territory beginning on the Changeover Date. Licensor will be responsible for paying licensing fees and taxes related to the Acquired Accounts through the Changeover Date. When the Acquisition Fee is fully paid, (i) Licensee shall obtain full ownership of all rights in the Territory related to the Acquired Accounts, which shall be treated like any other Tier I Account or Tier II Account, as applicable, in the Territory, (ii) Licensee shall begin to collect all revenue from the Acquired Accounts in the Territory and pay to Licensor all fees and royalties related to the Acquired Accounts in the Territory, and (iii) Licensor shall cease to offer or sell Services to such Acquired Accounts in the Territory (though Licensor may offer Non-licensed Services to such Acquired Accounts to the extent permitted under this Agreement).

(c) <u>If Licensee Does Not Accept Acquired Accounts</u>. If IPMA does not endorse acquisition of the Acquired Accounts by Licensor or its Affiliated Entity and Licensee decides not to exercise the Acquisition Rights or fails to provide Licensor with Notice of its intent to do so within the applicable thirty (30) day period, Licensor or its Affiliated Entity (i) will continue to own such Acquired Accounts, (ii) shall receive all of the financial benefits from such Acquired Accounts, (iii) may service, or designate a third party to service, the Acquired Accounts in the Territory or may pay Licensee on a time and materials basis to service the Acquired Accounts in the Territory, and (iv) may, in its sole discretion, continue to service the Acquired Accounts under the acquired brand and/or using any acquired services or operate the Acquired Accounts under the Proprietary Marks and using the Licensed Services. If Licensor retains the right to service and receive revenue from Acquired Accounts, Licensor may market and sell to Acquired Accounts located in the Territory the Licensed Services using the Proprietary Marks and shall own the rights to all Subscriber Premises related to the Acquired Accounts that are added after the acquisition. Licensee shall have no right to subsequently purchase the Acquisition Rights with respect to the Acquired Accounts from Licensor or to offer or sell any of the Licensed Services to any such Acquired Accounts in the Territory, including to additional Subscriber Premises that may be added after the acquisition. If Licensee does sell Licensed Services to an Acquired Account in violation of this Section 3.6(c), Licensee shall promptly transfer any and all rights to such Acquired Account to Licensor along with any revenue that Licensee received from such Acquired Account.

(d) <u>Termination Fee for Acquired Accounts Still Owned by Licensor.</u> If Licensee has elected the Deferred Option and has not yet obtained ownership of the Acquired Accounts when this Agreement is terminated or expires without renewal, Licensor will retain ownership of the Acquired Accounts, but Licensor shall pay a termination fee with respect to such Acquired Accounts equal to the Termination Fee (as outlined in Section 11.4(a) (Termination of Rights)) less the remaining balance of the Acquisition Fee not yet collected by Licensor.

(e) <u>Acquisitions by Licensee</u>.

(i) Licensee may purchase accounts that qualify as Licensee Acquired Accounts inside and outside of the Territory from third parties in an arms-length transaction, provided that (i) at least twenty-five percent (25%) of the Subscriber Premises of such Licensee Acquired Accounts are located within the combined territories licensed by Licensor to Licensee and less than forty percent (40%) of the Subscriber Premises of such Licensee Acquired Accounts are located within the territory owned by Licensor or (ii) Licensee obtains Licensor's prior written consent, which Licensor shall not unreasonably withhold, condition, or delay, provided that the acquisition is of a local or regional competitor. If Licensee acquires any Licensee Acquired Accounts, it must convert the Licensee Acquired Accounts to the Mood brand and begin providing the Licensed Services to the Licensee Acquired Accounts within six (6) months of the acquisition, unless Licensee received Licensor's prior written consent to a different transition schedule. Licensee may not acquire any Licensee Acquired Account that would require Licensee to continue offering Competing Services to a Subscriber for more than six (6) months after the acquisition unless Licensor, in its sole discretion, consents to such acquisition in writing.

(ii) If such Licensee Acquired Accounts include Subscriber Premises located outside of the territories of Licensee, Licensee must comply with relevant provisions of Section 3.6 (Acquired Accounts) that do not conflict with this Section 3.6(e) and must offer such Licensee Acquired Accounts located in the territories of other Affiliates to such Affiliates pursuant to Section 3.6(a) (Purchase of Acquired Accounts) as if Licensor had acquired the Acquired Accounts without the endorsement of IPMA, except Licensee may require other Affiliates to pay the Acquisition Fee using the Lump Sum Option rather than the Deferred Option and the opportunity cost of lost synergies will not be included in the calculation of the Acquisition Fee. If an Affiliate declines the offer to purchase the Licensee Acquired Accounts in its territory from Licensee (i) will continue to own such Licensee Acquired Accounts, (ii) shall receive all of the financial benefits from such Licensee Acquired Accounts, including all of the financial benefits from Subscriber Premises in the territories of such declining Affiliate, and (iii) may service, or designate a third party to service, the Licensee Acquired Accounts in the territories of such declining Affiliate or may pay such declining Affiliate on a time and materials basis to service the Licensee Acquired Accounts. If Licensee retains ownership of a Licensee Acquired Account, Licensee may market and sell Licensed Services using the Proprietary Marks to Subscriber Premises of Licensee Acquired Accounts that are located in the territories of such declining Affiliates and are in existence as of the date of acquisition, but shall not own the rights to market, sell, and provide Licensed Services to Subscriber Premises related to the Licensee Acquired Accounts that are added after Licensee's acquisition.

(f) Waiver of Music Service Royalties. For (i) any Licensee Acquired Account with respect to which Licensee must pay the Music Service Royalties to Licensor and (ii) any Acquired Account for which Licensee elects to take the Lump Sum Option, Licensee may elect within seven (7) days of acquiring such Licensee Acquired Account or Acquired Account to (i) not pay any such Music Service Royalties related to such Licensee Acquired Account or Acquired Account for a period of twenty-four (24) months following the date of Licensee's acquisition of such Licensee Acquired Account or Acquired Account, provided that billings from such Licensee Acquired Account or Acquired Account shall not be counted when determining if Licensee has satisfied Required Growth Rates or (ii) pay such Music Service Royalties from the date of Licensee's acquisition of such Licensee Acquired Account or Acquired Account, in which case, billings from such Licensee Acquired Accounts or Acquired Accounts will be counted when determining if Licensee has satisfied Required Growth Rates. For the avoidance of doubt, this Section 3.6(f) will not apply to Acquired Accounts for which Licensee elects to take the Deferred Option.

3.7 Existing DMX and Trusonic Accounts

(a) Acknowledgement. The Parties acknowledge that Existing Accounts are not Acquired Accounts and are not subject to the terms of Section 3.6 (Acquired Accounts).

(b) Servicing Existing Accounts.

(i) Licensee has an economic interest in the Existing Accounts in the Territory. For the avoidance of doubt, Licensee's economic interest in the Existing Accounts is transferable if Licensee transfers the Agreement in accordance with Section 12.1 (No Transfer Without Licensor's Consent).

(ii) Licensor will maintain the relationship with the Existing Accounts and be responsible for (x) managing the billing of the Existing Accounts and distributing monies to Licensee in accordance with the terms of this Agreement, (y) attempting to sell Expanded Services to all Tier I Accounts and Multi-Territory Accounts within the Existing Accounts, and (z) paying all licensing fees and taxes related to providing the Existing Services to the Existing Accounts. Licensee shall have no direct contact with the Tier I Accounts and Multi-Territory Accounts within the Existing Accounts, except as requested by Licensor or, upon Licensee's request, as otherwise authorized by Licensor in writing. Licensee may attempt to sell Expanded Services to all Tier I Accounts within the Existing Accounts.

(iii) The parties acknowledge the importance of minimizing customer disruption while serving the Existing Accounts. The parties acknowledge that limiting the dispatch of technicians is a common goal, provided that superior customer service can still be provided without the assistance of dispatched technicians.

(c) Equipment for Existing Accounts. Licensor shall be responsible for providing at its expense any ongoing equipment requirements necessary to provide the Existing Services to the Existing

Accounts, including replacing leased or Subscriber-owned Service Delivery Equipment and sound systems (e.g. speakers and amplifiers). Licensor shall collect any monies paid by the Subscriber for replacing or purchasing any Subscriber-owned equipment. Licensee shall be responsible for any labor costs, including, without limitation, the cost of dispatching technicians, related to maintaining or installing equipment necessary to provide the Existing Services to the Existing Accounts, whether such equipment is owned or leased by the Subscriber. However, Licensor will make commercially reasonable efforts to collect labor costs from Subscribers, provided that, in Licensor's reasonable discretion, the collection of such fees would not negatively affect the relationship with the Subscriber or is not prohibited by the Subscriber's contract. If Licensor collects labor fees from the Subscriber, Licensor shall reimburse Licensee for its labor costs. If Licensee provides any replacement equipment necessary to provide the Existing Services to an Existing Account, Licensor shall, at its election, either reimburse Licensee for the cost of such equipment or send replacement equipment to Licensee.

(d) **Existing Account Fee.** In consideration for Licensee receiving an economic interest in the Existing Accounts, Licensee shall pay Licensor the Existing Account Fee. With respect to Existing Accounts, Licensee shall not pay to Licensor any other fees or commissions, including the Music Service Royalties, Product Fees, the commissions in Section 7.4 (Commissions) of this Agreement, and the payment of reproduction and performance royalties in Section 7.6 (Payment of Reproduction and Performance Royalties) of this Agreement. Licensor shall deduct the Existing Account Fee from the revenue that Licensor collects directly from the Existing Accounts and Licensor shall pay the remaining balance of the Net Existing Service Billings to Licensee.

(e) **Expanded Services**. If an Existing Account adds any Expanded Services, the Expanded Services shall be treated as a new Account under this Agreement and shall not be subject to the Existing Account Fee. A Subscriber shall be deemed to receive Expanded Services if Subscriber closes its Subscriber Premises and relocates to a different address and the period of closure exceeds ninety (90) days. Licensee will be responsible for all expenses related to maintaining and providing the Expanded Services to the Existing Accounts, including, without limitation, equipment costs, repair and maintenance costs, labor costs, and the costs to dispatch technicians.

4. TERM

4.1 **Initial Term**. Except as otherwise provided herein, the Initial Term shall begin as of the Effective Date and shall continue in full force and effect until the Expiration Date.

4.2 **Renewal of License Rights.** Upon the expiration of the Initial Term, Licensee shall have the right, subject to this Section 4.2 (Renewal of License Rights) and in accordance with Section 4.4 (Form of Successor Agreement), to continue to operate the Business for a Successor Term in accordance with the terms of the Successor Agreement. Licensor shall not be required to offer Licensee a Successor Term if any of the following occur:

(a) Licensor reasonably and in good faith determines that the performance of Licensee during the Initial Term is not sufficiently satisfactory to warrant renewal of Licensee's license rights hereunder and, at least two (2) years prior to the Expiration Date, Licensor notifies Licensee that it does not intend to renew Licensee's license rights and provides the specific reasons for such decision and how Licensee may improve its performance to warrant renewal. Licensee shall either (i) dispute Licensor's determination that its performance is unsatisfactory within thirty (30) days of receipt of such Notice or (ii) improve its performance within six (6) months of receipt of such Notice. At the end of such six (6) month period, Licensor shall reconsider the adequacy of Licensee's performance and if such performance has sufficiently improved so that it is no longer inadequate, Licensor shall rescind its Notice of intention not to renew Licensee's license rights. Conversely, if at the end of such six (6) month period Licensor reasonably and in good faith determines that Licensee's performance remains inadequate, Licensor shall inform Licensee of the reasons for such determination and send to Licensee a final Notice of nonrenewal. During such two (2) year period, Licensee and Licensor must continue to fully comply with this Agreement.

(b) Licensee has failed to meet its Required Growth Rate for the three (3) consecutive calendar years immediately preceding the Expiration Date.

(c) Licensee is past due on any undisputed payments due within ninety (90) days prior to the Expiration Date, provided that (i) Licensor has given Licensee a Notice of such default and such default has not been timely cured, (ii) Licensee has not initiated a proceeding in accordance with Section 14 (Dispute Resolution) to contest such overdue payments, and (iii) Licensor is not past due on any payments due to Licensee, excluding any amounts that Licensor has set off in accordance with this Agreement.

(d) After Notice from Licensor sent to Licensee no less than eight (8) months and no more than twelve (12) months prior to the Expiration Date advising Licensee of the effect of this Section 4.2(d), Licensee fails to give Licensor Notice of its desire to renew its license rights not less than six (6) months nor more than twelve (12) months prior to the Expiration Date.

(e) Any uncured Event of Default exists as of the Expiration Date.

(f) Licensee fails, refuses, or neglects, after Notice from Licensor to pay any undisputed monies or commissions owing to Licensor within thirty (30) days after such payment becomes due three (3) or more times during any consecutive thirty-six (36) month period during the Initial Term, whether or not such defaults are cured, provided that such defaults were not disputed by Licensee and such disputes were not ultimately resolved in Licensee's favor.

(g) Licensee receives from Licensor three (3) or more Notices of material default during any consecutive sixty (60) month period during the Initial Term (excluding Notices of default related to nonpayment under Section 10.1(a)) for the same kind of material default at any time during the Initial Term, whether or not the defaults are cured, provided that the defaults were not disputed by Licensee and such disputes were not ultimately resolved in Licensee's favor.

(h) Licensee receives from Licensor three (3) or more Notices of material default during the Initial Term (excluding Notices of default related to nonpayment under Section 10.1(a)) for any material defaults during the three (3) years immediately preceding the Expiration Date, whether or not the defaults are cured, provided that the defaults were not disputed by Licensee and such disputes were not ultimately resolved in Licensee's favor.

(i) Licensor is no longer offering franchises and has provided Notice to IPMA and Licensee of its intent to phase out its franchise operations at least twenty-four (24) months prior to the Expiration Date.

4.3 **<u>Effective Date of Nonrenewal</u>.** In the event that, in accordance with Section 4.2 (Renewal of License Rights), Licensor provides Licensee with Notice that it does not intend to renew Licensee's license rights, this Agreement shall terminate as of the Expiration Date. If, however, Licensee commences an action under Section 10.6 (Pending Dispute) of this Agreement challenging a nonrenewal within ten (10) days of receiving a Notice of nonrenewal, such nonrenewal Notice shall become effective only after such dispute resolution actions are finally resolved in favor of Licensor.

4.4 Form of Successor Agreement. No later than eighteen (18) months prior to the Expiration Date, Licensor and IPMA shall enter into good faith negotiations to agree upon the form of the Successor Agreement that will be offered to Affiliates, which shall include, without limitation, a Successor Term of not less than ten (10) years and the same Territory as set forth on Appendix A herein. If the parties have not agreed upon the terms of the Successor Agreement by the expiration of the Initial Term, then the Initial Term of this Agreement shall be extended for successive twenty-four (24) month periods unless terminated (i) by Licensee upon not less than twenty-four (24) months' prior Notice to Licensor or (ii) by Licensor upon not less than twenty-four (24) months' prior Notice to Licensee and IPMA in the event Licensor is no longer offering franchises and intends to phase out its franchise operations.

4.5 Execution of Successor Agreement. If Licensor does not notify Licensee of its intent to not renew Licensee's license rights prior to the Expiration Date or if a dispute resolution action regarding nonrenewal is finally resolved in favor of Licensee, then Licensor shall be required to offer to enter into a Successor Agreement with Licensee upon the expiration of this Agreement. If Licensee elects to continue to operate the Business for the Successor Term, Licensee shall sign the Successor Agreement and pay a renewal fee to Licensor in an amount equal to two (2) times the monthly Market Fee payable by Licensee under Section 7.2 (Market Fee).

5. RESTRICTIVE COVENANTS

5.1 No Other Services. During the Term, except as otherwise approved in writing by Licensor, neither Licensee, nor any Affiliated Entities of Licensee, nor any of the persons or entities holding (either directly, indirectly, or beneficially) at least a ten percent (10%) ownership interest in Licensee shall, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or entity:

(a) Participate or permit any of their respective employees, officers, directors, partners, consultants, owners, or owners' spouses to participate, either directly or indirectly, in the Territory or outside of the Territory in the distribution, provision, or marketing of any Competing Service except as follows:

(i) if, as a result of Licensee's acquisition of another business or the assets thereof during the Term, Licensee becomes the assignee of a customer agreement for a Competing Service or an agreement under which Licensee is the distributor of a Competing Service and Licensee cannot substitute the Licensed Services for such other Competing Service without causing a breach of such agreement, Licensee may distribute such other Competing Service to the customers receiving such services on the date of assignment through the remaining term (without reference to renewal rights) of such agreement;

(ii) if any such person or entity distributes a Competing Service pursuant to a contract or agreement that is already in effect on the date that Licensor requires Licensee to offer a New Service, such person or entity may continue to distribute the Competing Service temporarily under the limited circumstances set forth in Section 2.1(e)(iii) (Exception for Existing Third-Party Contracts);

(iii) Licensee may continue to sell competing Digital Signage Services to (i) any Subscribers already using a competing Digital Signage Service as of the Effective Date, and (b) with Licensor's consent, which will not be unreasonably withheld, conditioned, or delayed, a prospective Digital Signage Service Subscriber that requires a specific feature material to functionality that is not available on Licensor's digital signage platform. For example, the ability to have digital signage with live television pass through is considered a feature material to functionality; or

(iv) If Licensor develops Scent Services, Licensee may continue to sell competing scent services (including ScentAir) to (i) any Subscribers already using a competing scent service as of the date Licensor develops and begins selling Scent Services, and (ii) with Licensor's consent, which will not be unreasonably withheld, conditioned or delayed, a prospective scent services Subscriber that requires a specific feature material to functionality that is not available from Licensor's Scent Services. For example, the ability to have an HVAC scent product if Licensor does not offer one is considered a feature material to functionality.

(b) Distribute products or services supplied or offered by a third-party entity, or an affiliate or subsidiary of a third-party entity, that also offers or sells a Competing Service, provided that Licensee shall not be deemed to have breached this provision if the entity with whom it is conducting business directly does not offer or sell a Competing Service and represents in writing that none of its Affiliated Entities offer or sell a Competing Service. Licensor will provide in the Operations Manual a non-exclusive list of prohibited third-party entities which offer or sell such Competing Services, which list Licensor may amend from time to time.

(c) Divert or permit any of its employees, officers, or directors to divert any existing or prospective Subscriber to any competitor inside or outside of the Territory, 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 Licensor and its Affiliated Entities, the Proprietary Marks, or the Licensed Services.

(d) Display in any location inside or outside the Territory any trade names, trademarks, or service marks of any other business providing Competing Services unless permitted to sell or distribute such Competing Services in the Territory pursuant to Section 5.1(a).

(e) Ownership of less than five percent (5%) of the outstanding voting stock of any class of stock of a publicly traded entity will not, by itself, violate this Section 5.1.

6. STANDARDS OF SERVICE AND TRAINING

6.1 <u>Operations in General</u>. In order to maintain the reputation and goodwill of Licensor, the Licensed Services, and the Proprietary Marks, Licensee shall:

(a) Comply with all applicable federal, state, and local laws, rules and regulations, and timely obtain all permits, certificates, and licenses, necessary in the reasonable judgment of Licensee for the proper conduct of the Business.

(b) Comply with and abide by each rule, procedure, standard, specification, requirement, service level agreement, business performance requirement, security compliance and certification standard, installation standard, reporting requirement and format in the Operational Standard contained in the Operations Manual, as it may be amended, modified, or supplemented periodically and such other written or electronically transmitted rules, procedures, standards, specifications and requirements that Licensor may issue periodically and consistent with Section 2.6(b) (Contents of the Operations Manual). Licensee must comply with revised Operational Standards within thirty (30) days after Licensor transmits the updates, unless otherwise specified. If a provision in this Agreement requires an Operational Standard to be in the Operations Manual which is not in the Operations Manual, the failure to include the information shall not constitute a waiver of the obligation; rather, any writing required to be in the Operational Standard distributed by Licensor to Licensee shall govern the obligation.

(c) Meet Licensor's service level agreements and service delivery standards, utilize Licensor's mandated service systems (i.e., Oracle Service Cloud) and comply with security compliance and certification for Tier I Accounts, all as published in the Operations Manual.

(d) With respect to installation standards, be CTS-I certified (or certified by a reasonable equivalent recognized by industry standards as approved by Licensor), and meet other industry standard training requirements as published in the Operations Manual. Licensee shall ensure that at least one (1) of its employees is CTS-I certified no later than twelve (12) months from the Effective Date.

(e) Maintain and adequately staff such office(s) in the Territory as are reasonably necessary to promote, market, and distribute each of the Licensed Services in the Territory and to meet the Operational Standards in the Territory, provided that the Owned Affiliates are held to the same requirements. However, if Licensee is also the Mood Licensee in a territory adjacent to the Territory and maintains one or more offices in that territory that adequately serves Subscribers in both such territories, Licensee need not maintain an office in the Territory. Licensee must promptly notify Licensor in the event Licensee moves any office to a new location within the Territory.

(f) Be responsible for paying all applicable local, state and federal taxes of whatever nature, now or hereafter enacted, relating to and applicable by law to Licensee's provision of the Licensed Services, and all accounts and other indebtedness of every kind incurred by Licensee in the conduct of the Business.

(g) Hold itself out to the public as an independent contractor, operating under a license from Licensor solely with respect to its provision of the Licensed Services. Unless Licensor consents otherwise in writing, when Licensee exhibits the Proprietary Marks on its stationery or vehicles, such exhibition shall only be made in conjunction with providing the Licensed Services (as opposed to the services of third parties) and such exhibition must be in a conspicuous place and only in juxtaposition with Licensee's corporate name.

(h) Obtain the Computer System specified by Licensor or arrange with a third-party central data repository, as specified from time to time by Licensor, to convert data into Licensor's prescribed Data Format and to submit required data in the Data Format to Licensor at the times and in the manner reasonably specified in the Operations Manual after consultation with the IPMA. In the event such data is submitted by Licensee through a third-party contractor at Licensee's expense, submissions shall be required no more often than monthly.

(i) Licensor will consult with the IPMA prior to adopting the Computer System and once adopted, prior to implementing any material changes to the Computer System. If Licensor specifies changes to the Computer System or the Data Format that have the effect of making Licensee's systems incompatible with the Data Format, Licensee must update its Computer System or arrange for a third-party contractor to convert data into the Data Format within a reasonable time after receiving Licensor's notice of the updated Computer System. Licensor shall consult with the IPMA to determine what constitutes a reasonable time to implement such an update, with the understanding that in the event of a disagreement between Licensor and the IPMA, one (1) year shall be deemed a reasonable time to implement any required changes. If Licensee fails to comply with this Section, in addition to any remedies set forth in Section 10 (Default and Termination), Licensee must make available to Licensor the information that Licensor would otherwise receive from the Computer System, and Licensor, in its sole discretion, may manually translate the data into the Data Format and charge Licensee a commercially reasonable fee for such service, which Licensee must pay upon demand.

(ii) Licensor shall only be permitted to receive through the Computer System or a third party data repository information that is required to be reported under this Agreement, including, without limitation, information to be used by Licensor to ensure proper reporting of overall sales, market penetration, growth, Tier I Account service activity (including, without limitation, call scheduling and fulfillment), royalty reporting, calculation, and payments, and any other commercially reasonable performance metrics and/or data as specified by Licensor, as set forth from time to time in the Operations Manual. If Licensee is a Managing Affiliate for a Tier I Account, Licensor may require Licensee to obtain the Computer System that it designates in order to follow the Tier I Accounts Program Procedures, rather than using a third-party data repository.

6.2 Licensor's Obligation to Meet Operational Standards. Unless otherwise provided herein, Licensor shall be held to the same Operational Standards as Mood Licensees, as more specifically outlined in the Operations Manual. If Licensor fails to obtain the proper certifications, which impacts its ability to deliver Licensed Services in the Territory, or fails to comply with the Operational Standards as outlined in the Operations Manual, Licensee shall not be required to rollout such sales orders to Licensor.

6.3 Sales and Support. Throughout the Term, Licensee shall use reasonable commercial efforts to actively promote, market, distribute, support, and service each of the Licensed Services (except as otherwise provided in Section 2.1(e)(iii) (Exception for Existing Third Party Contracts)) in the Territory. Unless otherwise agreed in writing between the parties, the Business shall be the primary focus of Licensee's overall business or a segregated and identifiable division of Licensee's overall business operated by a manager devoted full-time to the Business (it being understood that such obligation shall not be construed as prohibiting Licensee from selling goods and services in addition to the Licensed Services, provided such sale does not violate Section 5.1 (No Other Services)).

6.4 Performance and Operational Standards.

(a) Territory Categories. Each year, Licensor may elect to evaluate and re-categorize all of its Affiliates into a Territory Category as determined by information then available in the most recent U.S. Business Pattern Report. Licensee's Territory Category as of the Effective Date shall be specified in Appendix A. Upon a determination by Licensor, based upon the information then available in the U.S. Business Pattern Report, that the number of businesses within the Territory has changed so as to require the re-categorization of the Business to a larger or smaller category, Licensor will so notify Licensee of its new Territory Category. Any adjustment in the Market Fee resulting from such re-categorization shall become effective for the calendar month immediately following the month in which such Notice is given. During the Initial Term, Licensee's Territory Category will not adjust by more than two (2) categories, even if the number of businesses within the Territory would otherwise require the re-categorization of the Business by three (3) or more Territory Categories.

(b) Operational Standards. For each calendar year, Licensor may elect to, in its reasonable discretion, review and update its Operational Standards for Affiliates. Licensor will set the Operational Standards based on an evaluation of the operations and performance of Affiliates and of all Affiliates' efforts to sell and promote each Licensed Service, taking into consideration such factors as Subscriber requirements, economic and market conditions affecting the community of Mood Businesses as a whole. Licensor shall bear the burden of establishing the reasonableness of its Operational Standards, which shall be prima facie reasonable if met by seventy-five percent (75%) of the Licensed Affiliates. If the foregoing threshold is not met, Licensor and IPMA shall discuss and agree upon appropriate actions to be considered. Licensee's performance and staffing for each calendar year must equal or exceed the Operational Standards. If Licensee fails to meet or exceed the Operational Standards for a given year, Licensee must use its best efforts to fully implement a business plan that is reasonably approved by Licensor to specifically address the deficiencies during the next calendar year.

(c) Minimum Growth.

(i) Required Growth Rate. Licensor and IPMA will mutually develop programs and initiatives by which Licensor will support, train, assist and guide Mood Licensees with the growth of their Mood Businesses. These programs will include, without limitation, an obligation that Licensee provide quarterly sales activity reports to Licensor encompassing, at a minimum, an overview of sales activity and new sales bookings. For avoidance of doubt, any failure to submit such a quarterly sales report will not be an Event of Default under this Agreement. Except in cases of a Force Majeure Event, as a component of the Operational Standards, the Required Growth Rate that Licensee must achieve cumulatively for Licensee Billings in the Territory in each calendar year shall be a minimum of One Dollar ($1.00). Commencing with the calendar year commencing January 1, 2026, Licensor will review the calendar year sales for 2025 vs. calendar year sales for 2024 to calculate growth.

(ii) Licensee Billings. With respect to Licensee Billings, in the event that a Tier II Account whose billings are included in the billing computation at the start of any year is converted to a Tier I Account during the course of such year, then the billings generated by that Account during the course of the year up until the day prior to such conversion shall be deducted from the original billing base when computing growth for that year. With respect to a Licensee Assisted Tier I Sale, Licensee shall have the option, by providing Notice to Licensor, of including all amounts billed or otherwise charged to such Tier I Account in connection with the provision of a Licensed Service anywhere in the United States (including outside the Territory) as part of the Licensee Billings. If Licensor and Licensee disagree on whether Licensee was substantially involved in the sale, the Committee shall make the ultimate determination of whether a sale was a Licensee Assisted Tier I Sale.

(d) Failure to Achieve Required Growth Rate.

(i) Opportunity to Cure Growth Defaults. If Licensee commits a Growth Default in any Default Year, Licensee shall have the opportunity to cure the Growth Default. The Growth Default shall be cured if (i) at any time during the Cure Year, the Licensee Billings during such Cure Year exceed the Licensee Billings that Licensee would have achieved if Licensee had achieved the Required Growth Rate at the end of the Default Year or (ii) within thirty (30) days after the end of the Cure Year, Licensee pays Licensor in a single payment the amount of revenue that Licensor would otherwise have received if the Licensee had achieved its Required Growth Rate, provided that (x) Licensee may not then be in receipt of an uncured Notice of default with respect to a material obligation under this Agreement, and (y) Licensee is in good standing with no material uncured defaults of this Agreement within the preceding three (3) years. There is no limitation on the number of times Licensee may cure a Growth Default during the Term.

(ii) Extension for Force Majeure Event. In the event Licensee fails to meet the Required Growth Rate during a given calendar year, or Cure Year, as a result of a Force Majeure Event, Licensor will extend the period of time to cure such default by the same period as the effects and/or impact of the Force Majeure Event giving rise to Licensee's failure to meet the Required Growth Rate. Additionally, Licensor and Licensee agree to revisit the Required Growth Rate target of $1.00, as described above, in the event any Force Majeure Event causes a decline of more than ten percent (10%) in Licensee Billings in the Territory during a given calendar year, or Cure Year.

(iii) Growth Plan. If Licensee fails to achieve its Required Growth Rate for two (2) consecutive Default Years, Licensor may recommend that Licensee implement a Growth Plan in the next calendar year. Licensee shall utilize its commercially reasonable efforts to implement the Growth Plan. Licensee must cooperate with Licensor's efforts to develop Growth Plans for Licensee or other Mood

Licensees, including providing Licensor with any information that Licensor reasonably requests regarding the Business.

(e) **Loss of Exclusivity.** If Licensee fails to achieve the Required Growth Rate for two (2) consecutive Default Years plus one (1) Cure Year, upon providing a written Growth Default Cure Notice to Licensee, Licensor may designate the Licensed Services in the Territory as non-exclusive and Licensee shall have no exclusivity with respect to the Licensed Services in the Territory. Licensor may market, offer, sell, service, and support or authorize a third party to market, offer, sell, service, and support, the non-exclusive Licensed Services in the Territory. If Licensee cures the default, Licensee shall not have any ownership rights in any Accounts sold in the Territory by Licensor or any authorized third party during the period of non-exclusivity. Licensor shall promptly inform IPMA of such action. Licensee must continue to service and support such non-exclusive Licensed Services for existing Tier I, Tier II and Multi-Territory Accounts in the Territory. Licensor and Licensee may agree that Licensee shall act as a subcontractor for Subscriber Premises added during the non-exclusive period on such terms as they may agree. If during the one (1) year period following the written Growth Default Cure Notice from Licensor, Licensee improves and meets the Required Growth Rate over that same one (1) year period, then Licensor shall reinstate the exclusivity of the Licensed Services in the Territory; provided, however, that Licensee shall not have any ownership rights in any Accounts sold in the Territory by Licensor or any authorized third party during the period of non-exclusivity.

(f) **Amendments to Growth Requirements.** If Licensor determines a more accurate or equitable method of measuring the growth of the Business than the methods and procedure described in Section 6.4(c) (Minimum Growth), Licensee must comply with any such revised growth requirements in lieu of the minimum growth requirement set forth in Section 6.4(c) (Minimum Growth), provided that IPMA has approved the revised procedure and methodology for measuring growth and the revised growth requirements.

(g) **Right to Inspect Supporting Information.** Not more often than once in any twenty-four (24) month period, IPMA or its representatives may, upon giving Licensor thirty (30) days' Notice, enter the premises of Licensor during normal business hours for inspection and audit of the business and records of Licensor, provided that such inspection and audit shall be no more extensive than is required to verify that Licensor is correctly calculating the Required Growth Rate in accordance with the provisions of this Section. Upon receiving such Notice from IPMA, Licensor may elect to have the audit conducted, at Licensor's expense, by an independent third-party auditor that will agree to maintain the confidentiality of any materials reviewed rather than IPMA or its representatives. Licensor shall cooperate with any such inspection and audit.

6.5 **Protection of Services.** Licensee shall not alter in any way the Licensed Services or any products owned by Licensor and in the possession of Licensee. Without limiting the generality of the foregoing, Licensee shall not substitute or add any musical selections or other material in or to any Licensed Service (except in extraordinary circumstances, with the prior written consent of Licensor, which in such circumstances shall not be unreasonably withheld, conditioned, or delayed). Licensee shall not represent that any product or equipment not produced by Licensor (or an Affiliated Entity of Licensor) has been produced by Licensor or an Affiliated Entity of Licensor; provided, however, that the foregoing shall not preclude Licensee from displaying the Proprietary Marks on items not produced by Licensor, including promotional items, if Licensor has authorized such display in writing. Licensee may offer the Licensed Services in a bundle or package with services provided by third parties, provided that Licensee allocates a commercially reasonable portion of the fees and amounts charged to a Subscriber to the Licensed Services, which shall be consistent with the then-current fees and amounts typically charged by Licensee for Licensed Services on a stand-alone basis. Licensee shall report to Licensor any unauthorized reception of the Licensed Services promptly after becoming aware of any such unauthorized reception, and shall further cooperate with Licensor in protecting against and preventing the unauthorized reception of the Licensed Services. Licensee shall not record, copy, or reproduce all or any part of any Licensed Service and shall in any Contract expressly prohibit Subscribers from recording, copying, or reproducing all or any part of any Licensed Service.

6.6 Training. Commencing no later than January 1, 2024, Licensor will complete, make available to Licensee and implement over the following 12 months training programs and sales growth initiatives by which Licensor will support, train, assist and guide all Affiliates with the growth of their Mood Businesses. These programs and initiatives will be reviewed, updated, and improved on an annual basis. Licensor shall periodically make available to Licensee and its employees training and certification programs as determined during the foregoing review periods designed to maintain and improve Licensee's sales, delivery, and maintenance of the Licensed Services. Licensee shall cause each of its employees to periodically complete to Licensor's reasonable satisfaction the applicable training or certification for each of the Licensed Services, but only to the extent reasonably required by the duties performed by such employee. Licensor may require Licensee to cause specified employees to periodically attend additional training or retraining. For any New Services or new products, Licensor will offer additional training, which Licensee must have its employees complete to Licensor's reasonable satisfaction prior to offering such New Services or new products. Licensor, in its sole discretion, may make such programs available in-person at any location specified by Licensor or via webinar, Recorded Media, written materials, electronically, or by any other means. For all such programs, Licensor shall provide instructors and training materials at no charge to Licensee, except Licensor may require Licensee to reimburse Licensor for Licensee's pro rata share of reasonable third-party licensing costs (such as online training seat licenses) that Licensor incurs in providing such training programs. Licensee or its employees shall be responsible for any and all other expenses incurred by Licensee or its employees in connection with such training programs, including without limitation the costs of transportation, lodging, meals, and any wages.

6.7 Purchase of Products, Equipment, and Services.

(a) Source and Use of Products. Licensor may require Licensee to purchase from designated suppliers (which may include MML or its Affiliated Entities) certain approved products, equipment, or services that must be used in the servicing of Tier I Accounts and Multi-Territory Accounts (if such products, equipment, or services are specifically required by a particular Tier I Contract or Multi-Territory Contract) and may be used by Licensee in other aspects of the Business. Licensee must purchase Mood Proprietary Equipment from Licensor or its designee and may only use the Mood Proprietary Equipment in accordance with the Operations Manual in conjunction with the provision of the Licensed Services. Licensor may require Licensee to use certain Mood Proprietary Equipment when providing certain Licensed Services to an Account. Unless otherwise specified, Licensee may purchase other products, supplies, and equipment that are not Mood Proprietary Equipment from any source, provided that the items conform to specifications designated by Licensor from time to time. Licensor may reasonably change specifications and requirements related to products, equipment, and services and suppliers from time to time in the Operations Manual or otherwise in writing after consultation with IPMA.

(b) Purchasing Arrangements. Licensor may, in its sole discretion, negotiate purchasing agreements with suppliers on behalf of its Affiliates. In connection with Licensor's efforts to obtain favorable pricing terms for the benefit of Licensee and other Affiliates, Licensee, if it wishes to participate in the purchasing program and take advantage of any discounted pricing, must provide Licensor with reasonable forecasts of its anticipated equipment needs and/or purchase commitments on pre-established intervals as established from time to time by Licensor.

(c) Revenue from Products. Licensor agrees to sell Mood Proprietary Equipment to Licensee at Licensor's Landed Cost (i) plus fifteen percent (15%) of Licensor's Landed Cost for handling and fulfillment where configuration is required by Licensor, or eight percent (8%) of Licensor's Landed Cost where no such configuration is required; plus (iii) outbound freight at actual cost to Licensor without premium or markup. Licensor and its Affiliated Entities may sell or resell approved products, equipment, and services and/or Mood Proprietary Equipment to Licensee at a profit, provided that, if an alternative supplier sells items to the general public that are identical in all material respects to such products, equipment, and services, Licensor (and its Affiliated Entities) may not resell to Licensee such products, equipment, and services at prices that are higher than the alternate supplier's published standard prices that are available to Licensee. Licensor may derive revenue or other benefits including Rebates from Affiliate purchases from designated suppliers or purchasing arrangements. In the event Licensor or an Affiliated Entity of Licensor receives payment of any Rebates from vendors or suppliers that are based solely upon the volume purchases in the U.S. being made by Licensor, its Affiliated Entities and Mood Licensees at any time after January 1, 2023, Licensor agrees to (i) provide a detailed report of the receipt of such Rebates to IPMA on a quarterly basis, and (ii) annually remit payment of a pro rata share of such Rebates to Licensee based on the volume generated by Licensee's purchases, which Licensee shall report to Licensor no later than January 31st of each year during the Term commencing in 2024. Licensor will make such payment within ninety (90) days after receiving such report from Licensee. Upon request to Licensor, IPMA and Licensee shall be provided with a reasonable level of detail relating to the appropriate agreements and business records reflecting such costs and Rebates.

6.8 Confidentiality.

(a) Nondisclosure of Confidential Information. Licensor and Licensee each acknowledge that during the Term, it may disclose in confidence to the other party, either orally or in writing, certain Confidential Information owned by Licensor (or an Affiliated Entity of Licensor) and Licensee, respectively. Except to the extent necessary for each party's professional advisors, employees, officers, and directors to perform their functions in the operation of the Mood Business, to monitor compliance with the terms of this Agreement, and to support the System, each party (including any persons or entities listed on Appendix A or any Affiliated Entities will not permit any person or entity to, use or disclose to any other person or entity (including, without limitation, Subscribers or any person or entity that participates in the distribution, provision, or marketing of a Competing Service or other service that is the same or substantially similar to the Licensed Services or Non-licensed Services) any of Confidential Information (including, without limitation, all or any portion of the Operations Manual) during the Term and for five (5) years after Licensee ceases providing Licensed Services to all Accounts.

(b) Liability for Unauthorized Disclosure of Confidential Information. Each party will be liable to the other party for any unauthorized use or disclosure of Confidential Information by any employee or other person to whom the receiving party discloses the Confidential Information of the other party. Each party will take reasonable precautions to protect the Confidential Information of the other party from unauthorized use or disclosure and will implement any systems, procedures, or training programs that Licensor requires, including, without limitation, requiring individuals who are authorized to have access to the Confidential Information pursuant to Section 6.8(a) (Nondisclosure of Confidential Information) to execute non-disclosure agreements in a form approved by Licensor.

(c) Information that Need Not be Disclosed. During the Term, Licensor shall not require that Licensee disclose the name and address of any Subscriber with a Tier II Account other than (i) for the purpose of participation in the Tier I Accounts Program or (ii) to the extent necessary to permit delivery of the Licensed Services to a Subscriber. Licensee understands and agrees that if Licensor is unable to perform any of its obligations hereunder primarily as a result of its inability to obtain such Subscriber information, such nonperformance shall not be deemed a breach of this Agreement. Licensee acknowledges that third party auditors designated by Licensor may review information containing

Subscriber information, provided that the auditors do not disclose to Licensor the name and address of any Subscribers with a Tier II Account.

6.9 **<u>Research and Development</u>.** Licensor shall conduct research and development to maintain and improve the quality of the Licensed Services and the methods used to distribute them. Licensor may require Licensee to contribute its pro rata share of Licensor's research and development costs for certain improvements through lump sum payments, recurring fees, or product surcharges, provided that IPMA, after consultation with Licensor, approves the method and amount of such reimbursement. IPMA shall not unreasonably withhold, condition, or delay approval of any such proposal to reimburse Licensor for its research and development expenses. If the IPMA withholds approval of such reimbursement, Licensor shall not be obligated to offer such improvements to Licensee.

6.10 **<u>Compliance with Laws</u>**. Licensee and Licensor agree to perform their obligations under this Agreement in full compliance with all applicable federal, state, and local laws, rules, regulations and ordinances and further, each party shall timely obtain all permits, certificates, and licenses necessary for the proper conduct of their respective business.

7. FEES AND ROYALTIES

7.1 **<u>Initial Fee</u>.** If this Agreement is entered into in connection with (i) the renewal or continuation (including amendments and adjustments of territories) of rights granted under a prior agreement between Licensor (or its predecessor) and Licensee (or its predecessor in the Territory) or (ii) Licensee's acquisition of a previously unassigned territory, provided that Licensee is already a Mood Licensee under another license agreement with Licensor, Licensee shall not be required to pay any initial fee to Licensor, except for, as applicable, the Transfer Fee (as set forth in Section 12.2 (Conditions for Licensor's Consent)). Otherwise, Licensee shall pay to Licensor the Initial Fee as listed on Appendix A, plus the amount, if any, paid by Licensor to purchase the rights of any former Affiliate in the Territory in any Tier I Contracts and other Contracts, upon the opening of the Business. The Initial Fee shall be deemed fully earned and nonrefundable upon the opening of the Business and assignment of such Contracts in consideration of the administrative and other expenses incurred by Licensor in granting this license to Licensee.

7.2 **<u>Market Fee</u>.** During the Term, Licensee shall pay the Market Fee in the amount set forth below for Licensee's Territory Category to Licensor each calendar month in accordance with Section 7.5 (Payment Schedule). If, based on the U.S. Business Patterns Report (or its reasonable equivalent if no longer published by the United States Bureau of the Census), the number of businesses in the Territory has materially changed, so as to require the recategorization of the Business to a larger or smaller Territory Category, such change shall become effective for the calendar month immediately following the month in which Notice of such change is provided to Licensee by Licensor.

Territory Category	Monthly Market Fee
A	$2,215
B	$2,100
C	$1,980
D	$1,795
E	$1,610
F	$1,420
G	$1,235
H	$900
I	$700

7.3 Other Fees.

(a) Music Service Royalties. During the Term, Licensee shall pay to Licensor each month the Music Service Royalties in the amount of (i) twenty-eight and one half percent (28.5%) of Licensee's Gross Billings for Music Services provided to Tier I Accounts; (ii) twenty percent (20%) of Licensee's Gross Billings for Music Services provided to Tier II Accounts receiving On-Premises Delivery, and (iii) eleven and one half percent (11.5%) of Licensee's Gross Billings for Music Services provided to Tier II Accounts receiving Off-Premises Delivery.

(i) If Licensee fails to timely submit complete, accurate Music Royalty Reports pursuant to Section 8.2 (Reports), Licensor will in good faith estimate Music Service Royalties due to Licensor based on prior sales as reasonably determined by Licensor and Licensee must pay the estimated amount. When Licensee fails to provide one or more Music Royalty Reports and Licensor submits an invoice based on an estimate, that estimate is binding upon all parties if not disputed with substantiation within ninety (90) days of the original due date. Licensee shall be liable for any incremental fees, charges or penalties incurred and paid by Licensor related to GMR, SESAC and other potential licensors, which are proximately caused by inaccurate or incomplete reporting provided by Licensee, or any underreporting or failure to report by Licensee. Licensor must prove any claims of underreporting to result in Licensee's liability for fees, charges or penalties.

(ii) As of the Effective Date, Music Service Royalties include all fees to be paid on Music Services, including Product Fees, central bill and central service fees, mechanical licensing royalties based on the following rates: SESAC at Nineteen Cents ($0.19) per Subscriber Premises and GMR at Twelve Cents ($0.12) per Subscriber Premises. Music Service Royalties may only be modified to the extent Licensor is charged Rate Changes. Music Service Royalties may not be changed during the Term for any other reason. Music Service Royalties can only be increased or decreased as a direct result of Rate Changes to Licensor which will be demonstrated to IPMA by producing the Demonstrables. If and to the extent the terms and conditions of the license agreements with the Copyright Holders contain confidentiality provisions preventing or limiting the delivery of the Demonstrables to IPMA, the Demonstrables (upon request and subject to execution of a nondisclosure agreement in each instance) will be submitted to the General Counsel of IPMA who will be empowered to inform IPMA that the proposed increase or decrease is or is not consistent with the Demonstrables.

(iii) If Licensee bundles the Music Services with other Licensed Services, Licensee must allocate a commercially reasonable portion of the total recurring fees charged to a Subscriber to Music Services, which shall be consistent with then-current recurring fees typically charged by Licensee for Music Services on a stand-alone basis.

(b) Product Fees. Licensor shall provide a monthly invoice or statement to Licensee for Product Fees at the rates in effect as of the Effective Date and thereafter as set forth in the Operations Manual. Licensor, after consultation with IPMA, may designate in the Operations Manual from time to time new Product Fees with respect to New Services or new products, services, methods, or technologies used in connection with the delivery of the Licensed Services. Licensor may not increase Product Fees during the Initial Term except where Licensor can demonstrate a direct increase in its outside (and not internal) costs to IPMA by producing the Demonstrables evidencing such increase. Licensor agrees that any such Product Fee increases shall not occur more than once per year in January, and Licensor shall provide prior Notice to Licensee and IPMA no later than September 1 of the year preceding such increase which shall take effect. The Notice to IPMA shall include the Demonstrables.

(c) Sourcing Fees. Licensor (or an Affiliate) may charge Licensee for sourcing or administrative fees charged to Licensor (or an Affiliate) by a Subscriber which apply to Tier I Account or

Multi-Territory Accounts, so long as these fees are approved in advance by the Committee as part of the overall transaction. The amount charged will not include any markup, margin or premium. Licensor (or the selling Affiliate as applicable) must provide copies of the relevant agreements, (subject to non-disclosure agreements) business records and other documents to the Committee as part of its deliberation. Licensor or Affiliate will include in each of these agreements, including amendments to current agreements, provisions which allow disclosure of all those agreements to the Committee, subject to non-disclosure agreements. The deal package must include clear details on how these sourcing fees will be paid and collected.

(d) **Operating Costs**. In the event of a material increase in Licensor's costs of supporting the System which are directly related to the Licensed Services, including, but not limited to, music licensing costs that are not addressed in Section 7.6 (Payment of Reproduction and Performance Royalties) or elsewhere in this Agreement and technology and distribution platform costs that are not addressed elsewhere in this Agreement, Licensor, with the approval of the IPMA, which the IPMA may not unreasonably withhold, may pass such increased costs through to Licensee and all other Mood Licensees on a pro-rata basis or as otherwise approved by the IPMA.

(e) **Amounts Owed to Licensor Following Credit or Write off.** Notwithstanding any provision herein to the contrary Licensee shall not be responsible for payment of Music Service Royalties if Licensor has issued a credit to a Subscriber; and (iii) Licensee shall not be responsible for payment of Product Fees (excluding Product Fees paid in connection with Music Service Royalties) if Licensor has issued a credit to a Subscriber receiving Licensed Services. Licensee acknowledges and agrees that at any time during the Term hereof when commercially feasible, Licensor, upon thirty (30) days written notice to Licensee, may implement a policy substantially the same as the foregoing, for write-offs where Licensee shall only be responsible for payment of Music Service Royalties for the first three (3) months of a Tier I or Tier II Account write off in cases where Licensor has been unsuccessful in collecting payment from a Subscriber. The parties further acknowledge and agree that the policies described in this Section 7.3(e) may be modified from time to time by Licensor, subject in each instance to approval from the IPMA which shall not be unreasonably withheld, conditioned, or delayed.

7.4 **Commissions.**

(a) **Tier I Sales Commissions.** For Tier I Accounts, Licensee shall pay to the Managing Affiliate the Tier I Sales Commission as reflected in the Commission Plan; provided, however, that in calculating such Gross Billings for purposes of determining the Tier I Sales Commission, (i) a Tier I Contract with an initial term of more than five (5) years shall be deemed to have a term of five (5) years, and (ii) there shall be taken into account only that portion (if any) of the recurrent Gross Billings for Music Services that exceeds the recurrent Gross Billings payable to Licensee under any pre-existing Tier I Contract or its Tier II Contracts with the Subscriber. The Committee may change the Tier I Sales Commission rates, refunds, and payment schedules from time to time.

(b) **Alternative Sales Channel Commissions.** Licensee shall pay Licensor the Alternative Sales Channel Commission as reflected in the Commission Plan, for each Account that is sold in the Territory through an Alternative Sales Channel pursuant to Section 2.5 (Alternative Sales Channels). The Committee shall not unreasonably withhold approval of an Alternative Sales Channel Commission for a particular Alternative Sales Channel, which shall be sufficient to adequately compensate Licensor for that portion of its development, maintenance, and sale efforts applicable to Mood Licensees, including providing Licensor with a reasonable profit for its efforts.

(c) **Multi-Territory Account Commissions and Tier II Account Commissions.** If Licensee accepts an offer from another Affiliate to provide Licensed Services to a Subscriber Premises in the Territory under the terms of a Multi-Territory Contract or Tier II Contract sold by the other Affiliate, Licensee shall pay to the selling Affiliate the Multi-Territory Account Commission or the Tier II Sales Commission, respectively. The amount of the commission shall be determined from time to time by the Committee provided and reflected in the Commission Plan, however, there shall be taken into account only that portion (if any) of the recurrent Gross Billings for Music Services that exceeds the recurrent Gross Billings payable to Licensee under any pre-existing Tier I Contract or its Tier II Contracts with the Subscriber.

(d) **Re-Contract Commissions.** Licensee shall pay the Re-Contract Commission as reflected in the Commission Plan to Licensor or the selling Affiliate, as applicable, equal to the then-current re-contract commission percentage, as approved by the Committee, of the Gross Billings for a Subscriber Premises during the extended term of service, provided, however, there shall be taken into account only that portion (if any) of the recurrent Gross Billings for Music Services that exceeds the recurrent Gross Billings payable to Licensee under any pre-existing Tier I Contract or its Tier II Contracts with the Subscriber.

(e) **Refund of Commissions.** Licensor, or Licensee (when acting as the Managing Affiliate, or the selling Affiliate, as applicable), shall refund a pro rata amount of a lump sum commission applicable to a Contract that is terminated by a Subscriber prior to the greater of twelve (12) months or one-half of the Contract's term applicable to Subscriber Premises within the Territory. All lump sum commissions shall be fully earned and nonrefundable as of the greater of twelve (12) months or one-half of the Contract's term applicable to Subscriber Premises within the Territory. If the renewal of the Contract requires Licensee to make a capital investment in receiving equipment, then no commission shall be payable during the renewal term of such renewal Contract.

7.5 **Payment Schedule.**

(a) **Licensee Payments.**

(i) Licensee shall pay or dispute all Music Service Royalties and Market Fees within thirty (30) days after receipt of an invoice or statement provided by Licensor and such payment or dispute shall be submitted together with any reports or statements required under Section 8.2 (Reports). If Licensee does not validly dispute, in accordance with Section 7.5(f) (Payment Disputes), an amount billed to it by Licensor by the applicable due date, the stated amounts shall become final and binding and susceptible to setoff by Licensor in accordance with Section 7.5(e) (Setoffs).

(ii) Licensee shall pay all Tier I Account Commissions and Multi-Territory Account Commissions and the Tier II Account Commissions within thirty (30) days after the first invoice is provided to Subscriber and Licensee. Such invoice shall be provided after delivery of equipment or device, or after installation is complete at Subscriber Premises, whichever is required for commencement of billing Subscriber under the Tier I Contract.

(iii) Licensee shall pay all Alternative Sales Channel Commissions upon Licensee's receipt of the applicable installation fees and the first two (2) months of recurring fees from a Subscriber, or at such times as may be reasonably specified by the Committee.

(iv) Licensee shall pay all Re-Contract Commissions upon a Subscriber's extension of a Tier I Contract or Multi-Territory Contract.

(v) Licensee shall pay all E&L Commissions within ninety (90) days of Licensee's receipt of the final invoice provided to Subscriber and Licensee. Such invoice shall be provided after delivery of equipment or device, or after installation is complete at Subscriber Premises, whichever is required for job completion under the Subscriber's E&L contract.

(vi) Any and all other charges or invoices payable by Licensee to Licensor (or another Affiliate) arising from or relating to this Agreement shall be paid or validly disputed within thirty (30) days of invoice or statement provided to Licensee. Licensee further agrees to timely pay all commissions and all other amounts owed to other Mood Licensees as and when due. The parties acknowledge and agree that such Mood Licensees are third-party beneficiaries of this Section 7.5(a)(vi) with rights to enforce this obligation as it relates to their territories.

(b) <u>Billing Obligations and Payments by Licensor for E&L.</u>

(i) Licensor shall pay Licensee the Net Revenue Share (excluding any revenue paid for recurring services) twice per month on the 1st and the 15th, as set forth in this paragraph and as more specifically set forth in the Operations Manual. Licensor will remit to Licensee payment of all monies received from Subscribers for Licensed Services, deposits, and E&L within forty-five (45) days of receipt from the Subscriber. Licensor shall provide, or make available (i.e., via Oracle APEX reporting or other electronic format or platform) corresponding reports within two (2) business days from the date of payment which validate the accuracy of such payments being made to Licensee. Licensor shall make all commercially reasonable efforts to reduce the foregoing payment due date from forty-five (45) to thirty (30) days by December 31, 2023. Licensor will use commercially reasonable efforts to require deposits from Subscribers on any United Sates-based E&L sales where the total contract price per Subscriber Premises exceeds Twenty-Five Thousand Dollars ($25,000) or more; provided, however, Licensee acknowledges this requirement may be waived or increased from time to time in cases where the Subscriber or general contractor of the Subscriber managing the E&L project will not agree to a $25,000 deposit requirement. Licensee shall not be required to commence any on-site installation work on an E&L project unless and until the agreed upon deposit, if any, has been paid by the Subscriber to Licensor.

(ii) Licensor will use commercially reasonable efforts to timely bill all amounts no later than seven (7) business days following the receipt of project completion documentation via electronic method as prescribed by Licensor and shall use commercially reasonable efforts to collect all accounts receivable. Licensor has seven (7) business days to review, respond and/or question project completion documentation and resolve any issues or disputes.

(c) <u>Overdue Payments.</u>

(i) Any payment of fees due to Licensor or Licensee, as applicable, that is not actually received by the owed party by the due date shall be deemed overdue. Except as otherwise provided in Section 8.3(c) (Discrepancies), if any payment is deemed overdue, the overdue party shall be required to pay interest equal to the lesser of (i) three quarters of a percent (0.75%) per month (nine percent (9%) per annum) on the amounts past due during the first ninety (90) days after the due date, and one and one quarter percent (1.25%) per month (fifteen percent (15%) per annum) on the amounts due for all payments that are ninety (90) or more days past due, or (ii) the highest rate of interest permitted by law in the overdue party's state.

(ii) If Licensee or Licensor (i) has previously received from the other party at least two (2) notices of nonpayment with respect to undisputed amounts due for any reason within the prior eighteen (18) months and subsequently fails to timely pay when due any monies indisputably due, or (ii) Licensee receives a Notice of default for underreporting Gross Billings for any period of three (3) or more months, whether consecutive or not, by more than ten percent (10%) at any time and within two (2) years thereafter underreports Gross Billings again by more than five percent (5%) for any period, whether or not any previous default has been cured, unless Licensee demonstrates to Licensor's reasonable satisfaction that such underreporting was due to an honest mistake or accounting error, the obligor shall be required to pay interest on the amounts past due after the due date equal to the lesser of (x) one and one half percent (1.5%) per month (eighteen percent (18%) per annum) or (y) the highest rate of interest permitted by law in Licensee's state. Entitlement to such interest shall not limit any other remedies available under law or this Agreement as a result of the overdue payment.

(d) **Payment by Electronic Funds Transfer.** All payments due under this Agreement shall be made by electronic funds transfer. Each party agrees to sign all necessary authorizations to effectuate the electronic funds transfer process within thirty (30) days after the Effective Date.

(e) **Setoffs.** If Licensee owes Licensor any undisputed amounts that are past due, Licensor may withhold payment of any amount owed by Licensor to Licensee, including, without limitation, Commissions, pass-through payments, and Net Revenue Share payments, and may apply any such withheld amount as a setoff against any overdue amount owed by Licensee to Licensor, in which case, Licensor shall provide Licensee with a statement indicating the payments withheld by Licensor and the specific charges against which such withheld payments are applied. Licensee shall not be permitted to withhold fees or set-off any fees owed by Licensor to Licensee from fees owed by Licensee to Licensor. The foregoing right to setoff described in this paragraph shall be reciprocal such that Licensee may exercise the same right against Licensor, or any other Affiliate owing Licensee any undisputed amounts that are past due.

(f) **Payment Disputes.**

(i) The parties acknowledge that there may be billing errors and billing disputes from time to time related to amounts payable between them. The parties desire to attempt to resolve such disputes informally, prior to initiating a formal dispute in accordance with Section 14 (Dispute Resolution). Accordingly, if a party has a good faith dispute with any amount billed to it by the other party, the disputing party must provide the other party with written notice of the disputed amount(s) complete with substantiation (which may be given by Licensee to Licensor via e-mail to channelpartneradmin@moodmedia.com (or such other email address as required by Licensor) and may be given by Licensor to Licensee via e-mail to the address listed in Appendix A) not later than the due date for such amount and both parties must in good faith attempt to resolve the dispute informally within the Workout Period.

(ii) If the parties are unable to mutually resolve a dispute during the Workout Period, a dispute will be considered resolved and the originally billed amounts that were disputed will be final and binding at the later of (i) two (2) business days after the expiration of the Workout Period, or (ii) the expiration of any period of time specified in this Agreement in which a party must dispute an amount, unless the disputing party initiates an action to resolve the disagreement in accordance with Section 14 (Dispute Resolution).

(iii) Nothing in this Section 7.5(f) (Payment Disputes) shall restrict either party from initiating an action in accordance with Section 14 (Dispute Resolution) regarding any payment dispute during a Workout Period or (i) within two (2) business days after the expiration of a Workout Period, or (ii) prior to the expiration of any period of time specified in this Agreement in which a party must dispute an amount, and any such action shall be deemed timely commenced. In addition, nothing in this Section 7.5(f) (Payment Disputes) shall affect a party's obligation to pay an underpayment or overpayment identified by an audit as otherwise specified in this Agreement.

(iv) If Licensee does not dispute in accordance with this Section 7.5(f) (Payment Disputes) an amount billed to it by Licensor by the applicable due date, the invoiced amounts shall become final and binding and susceptible to setoff by Licensor in accordance with Section 7.5(e) (Setoffs).

7.6 **Payment of Reproduction and Performance Royalties.** Licensee and Licensor acknowledge and agree that royalties are, or may in the future be, due to Copyright Holders for certain reproductions, distributions, and/or public performances of sound recordings (and the musical works embodied therein) used in or delivered in connection with the Licensed Services. Licensor shall report Base Rates, and any Rate Changes, to be paid to Copyright Holders to the President of IPMA, to the extent such rates may be disclosed pursuant to Licensor's agreements with Copyright Holders. Licensor shall use commercially reasonable efforts to avoid agreeing to provisions in such license agreements with Copyright Holders which restrict or prevent the reporting of Base Rates and any Rate Changes to the President of IPMA. It is the intent of the parties that, except as otherwise provided in Section 7.6(a)(iii) below, the Affiliates shall pay on a pro rata basis, without premium or mark-up, any amounts charged to Licensor by Copyright Holders that are a result of Rate Changes. Therefore, the parties agree that the royalties and fees charged by Copyright Holders should be allocated between the parties as follows:

(a) **Amounts Payable By Licensor.** For sound recordings reproduced, produced, and/or distributed by Licensor and used as part of the Music Services, except as otherwise provided in Section 7.6(b), Licensor shall be responsible for paying any amounts due and payable:

(i) to copyright owners of musical works (e.g., music publishers), or their authorized agents (e.g., the Harry Fox Agency), for the reproduction and/or distribution of musical works (i.e., so-called mechanical royalties) embodied in such sound recordings;

(ii) to copyright owners of sound recordings (e.g., record labels), their authorized agents (e.g., Sound Exchange), or any entity authorized to act on their behalf pursuant to a statutory license set forth in Title 17 of the United States Code (e.g., Sound Exchange) for the reproduction and/or distribution of such sound recordings;

(iii) to SESAC for the public performances of any musical works in the SESAC repertory that are licensed by Licensor from SESAC; and

(iv) to GMR for the public performances of any musical works in the GMR repertory that are licensed by Licensor from GMR

(b) **Amounts Owed By Licensee.** Except as set forth in Section 7.6(a), Licensee shall be responsible for either (i) paying directly to Copyright Holders or (ii) if Licensor pays such amounts on Licensee's behalf, reimbursing Licensor for Licensee's proportionate share of all copyright fees incurred as a result of Licensor providing Licensed Services pursuant to this License Agreement, including without any limitation:

(i) all amounts owed to copyright owners of musical works (e.g., Getty) or their authorized agents (e.g., ASCAP or BMI) pursuant to direct or blanket licenses for public performances of musical works in or to Subscriber Premises serviced by Licensee;

(ii) all amounts due to Copyright Holders as a result of Rate Changes, except Licensee shall only be responsible for amounts resulting from Rate Changes charged by SESAC and/or GMR to Licensor if (a) such Rate Changes are material (whether measured either against the prior year's fees and royalties or based on the cumulative changes since the Effective Date) and (b) Licensor at any time provides Licensee with at least sixty (60) days' advance Notice that Licensor intends to be reimbursed by Licensee for amounts resulting from such Rate Changes by SESAC and/or GMR; and

(iii) all amounts due to any Copyright Holders, as a result of Licensed Services provided by Licensee during the Term (whether or not such sum becomes due or payable during the Term) as a result of any (a) changes in the law, including, without limitation, changes in the copyright laws which may require the payment of royalties for any public performances of sound recordings to or within a business establishment, whether by means of a digital audio transmission or otherwise, (b) changes in industry and/or Licensor licensing practices, including, without limitation, changes in the methodology of calculating or paying royalties (e.g., changes from percentage-based royalties to fixed or fee-based royalties or a change in the determination of the revenue base (for either Licensor or Licensee) on which royalties are determined) or changes in Licensor's distribution model (e.g., changing distribution using commercial CDs from a central jukebox to a distribution using digital files from a central server), (c) audits, or (d) other changed circumstances. For purposes of this Section, changes shall be compared against the laws, licensing practices, and circumstances in existence on the Effective Date.

(iv) Notwithstanding anything contained in this Section 7.6(b) to the contrary, if, as a result of any amendment to the copyright laws of the United States or any final non-appealable judicial or administrative determination, Licensee is entitled to a refund or is obligated to make any additional payments to Copyright Holders as a result of Licensed Services provided to Subscribers or in Subscriber Premises, at any time during the Term, then (a) in the case of payments to be made to Copyright Holders, Licensee shall remit such payments to Copyright Holders as and when required by statute or judicial or administrative determination or, at Licensor's election, reimburse Licensor to the extent Licensor remitted payment on Licensee's behalf and, (b) in the case of a refund to be paid to Licensee, Licensee shall receive such refund from Copyright Holders directly unless such refunds have been paid to Licensor on Licensee's behalf, in which case Licensor promptly shall remit such refund to Licensee following Licensor's receipt thereof.

(c) **Consultation with IPMA.** Licensor shall consult with IPMA prior to implementing any material changes with respect to Licensor's delivery of Licensed Services or Licensor's licensing practices if such changes would materially impact the rates to be charged to Mood Licensees pursuant to this Section and shall discuss with IPMA commercially reasonably strategies and actions that Licensor may elect to pursue to minimize fees charged by Copyright Holders. Licensor shall seek the approval of IPMA, which approval may not be unreasonably withheld, conditioned, or delayed, if Licensor intends to change the method in which performance rights fees are paid (i.e., from Affiliates paying such fees directly to Copyright Holders to Licensor paying such fees to Copyright Holders on behalf of the Affiliates and being reimbursed on a pro rata basis by such Affiliates).

8. RECORDS, REPORTS, AND INSPECTIONS

8.1 **Records.** Licensee shall prepare, and retain at its principal place of business for either seven (7) years or such longer period as may be required by applicable law, complete and accurate books, records, and accounts of the Business, including, without limitation, any records that Licensee is required to prepare and retain in accordance with the Operations Manual. Such books, records, and accounts shall fairly represent the results of operations of such business, as determined on an accrual basis, and shall be kept in sufficient detail to permit the transactions included in such operations to be clearly identifiable and traceable to underlying documentation, including documentation of specific Licensed Services provided to each Subscriber throughout the Term in each transaction or service call. Licensee shall make available such books, records, and books of account to Licensor or its representatives if requested by Licensor for inspection and audit as provided in Section 8.3 (Audits and Inspection).

8.2 **Reports.** Licensee shall submit the following reports to Licensor:

(a) Monthly Music Royalty Reports shall be submitted within five (5) business days following the end of each calendar month, the form of which Licensor may review and update from time to time in prior consultation with IPMA, but no less than every three (3) years;

(b) Quarterly Sales Reports shall be submitted within thirty (30) days following the end of each calendar quarter;

(c) Annual Growth Reports shall be submitted within thirty (30) days following the end of each calendar year;

(d) Such other financial and operational reports and records at the times and in the manner specified in the Operations Manual or as Licensor may from time to time reasonably request including, without limitation, reports concerning Subscribers or Subscribers Premises served, Licensed Services purchased by Subscribers, gross sales amount by Licensed Service and, as applicable, by platform, Multi-Territory Accounts, Tier I Accounts, renewals and cancellations, and growth rates.

(e) In any report, Licensee shall not be required to disclose to Licensor the contact information of Subscribers with Tier II Accounts, but may be required to disclose other specific details about such Tier II Accounts, including the name of the Subscriber.

(f) In conjunction with the payments described in Section 7.5 (Payment Schedule), Licensee shall submit fee reports, in such detail as Licensor may from time to time reasonably request, accurately reflecting all Gross Billings during the periods to which such payments pertain. If Licensor so requests, Licensee must provide documentation substantiating any exclusions or deductions from its reported Gross Billings within thirty (30) days of Licensor's request. If Licensee is unable to timely provide such substantiating documents, such unsubstantiated deductions and or exclusions shall be disallowed, and Licensee must pay Licensor the applicable amounts due on the amounts of such disallowed deductions or exclusions.

(g) Licensor and Licensee agree that any Music Royalty Reports, or other self-reported reports, either may furnish to the other will be considered binding on the recipient within three (3) months after submission, if not disputed in writing within that time.

8.3 **Audits and Inspection.**

(a) **Right to Audit and Inspect.**

(i) Except as otherwise provided in this Section 8.3 (Audits and Inspection), Licensor or its representatives at Licensor's sole expense may upon giving Licensee thirty (30) days' written notice (or ten (10) days' Notice in the case of an audit following a request for Licensor's consent to a transfer under Section 12 (Transfer of Business or Control of Licensee)), enter the premises of Licensee and/or of any Affiliated Entity during normal business hours for inspection of the business and records of Licensee or audit of Licensee and such Affiliated Entities, provided that such inspection and audit shall be no more extensive than is required to verify compliance with this Agreement, the Operations Manual, and any Tier I Contracts and, in the case of an audit, the accuracy of Licensee's reports, including, without limitation, that all of Licensee's or such Affiliated Entity's revenues that should have been reported as Gross Billings or as charges for Recorded Media and Product Fees have been reported and that Licensee's payments to Licensor have been properly computed in accordance with the provisions of Section 7 (Fees and Royalties) of this Agreement. Notwithstanding the foregoing, Licensor may not conduct a financial audit of Licensee's books and records using a third-party firm more than once in any twenty-four (24) month period, unless the audit is conducted in conjunction with a Transfer or an audit in the previous twenty-four (24) month period results in a determination that there has been an underpayment of the amounts due to Licensor. Licensee shall cooperate with any such inspection and audit.

(ii) Licensor shall not assess Licensee for amounts found, as a result of such audit, to be owing under this Agreement if such amounts derive from a reporting period that ended more than two (2) years prior to the date such audit commenced, provided that Licensee has not knowingly maintained false books or records, or knowingly submitted false reports to Licensor. Licensee shall have the right to restrict Licensor's access to records that include the contact information of Subscribers with Tier II Accounts. However, Licensee must make such records available to an independent auditor designated by Licensor, provided that such auditor agrees to not disclose the contact information of such Subscribers to Licensor. Nothing in this Agreement will limit the rights of Licensor, Licensee, or their representatives to access information in connection with discovery for an arbitration or litigation proceeding that is related to any claim arising under this Agreement, including, without limitation, any claim related to the audit or the results of the audit, in accordance with applicable discovery rules.

(b) **Right to Copy.** During any audit under this Agreement, Licensor or its representatives (at Licensor's cost and expense) may make mechanical copies of only those books and records of Licensee that are necessary for the verification of Licensee's reports to Licensor and were physically examined as part of the audit. Nothing contained herein shall be construed as in any way limiting Licensor's right manually to copy or make abstracts of Licensee's or any Affiliated Entity's books and records or to make any notes or the like whatsoever; provided, however, that Licensor shall take reasonable precautions to safeguard the confidentiality of such copies or abstracts.

(c) **Discrepancies.** In the event that any audit conducted by or on behalf of Licensor results in a determination that there has been either an underpayment or overpayment of the amounts due Licensor hereunder, then within ten (10) days after such determination, Licensee or Licensor, as the case may be, shall pay to the other the amount of such underpayment or overpayment plus, if there is an underpayment, interest on the overdue underpaid amounts at (i) the rates set forth in Section 7.5(c) (Overdue Payments) if the underpayment is less than ten percent (10%) or (ii) at the lesser of one and one half percent (1.5%) per month (eighteen percent (18%) per annum) or the maximum rate allowed by law if the underpayment is ten percent (10%) or more. If, however, Licensor or Licensee disputes the results of any such audit, the parties shall attempt to resolve the matter by conducting a new audit under the joint supervision of their respective independent certified public accountants. In the event that such new audit resolves the dispute, the cost of each party's independent certified public accountants shall be borne by the respective party. In the event that such new audit fails to resolve the dispute, the matter shall be resolved by arbitration pursuant to Section 14.3 (Arbitration), and the losing party shall pay both parties' entire costs of the second audit.

(d) **Payment of Audit.** If (i) Licensee receives two (2) Notices of default from Licensor due to Licensee refusing to permit an examination or audit of Licensee's books and records or refusing to provide an auditor with requested information as required by this Agreement or (ii) it is determined as a result of an audit that there has been an underpayment of ten percent (10%) or more of the amounts due Licensor for any given calendar year, in addition to the amounts specified in Section 8.3(c) (Discrepancies), Licensee shall reimburse Licensor for the reasonable cost of such audit or review, including without limitation the reasonable charges of any independent accountant and the reasonable cost of travel and living expenses and wages for such accountant and employees or other agents of Licensor.

(e) **Conclusion of Audit.** Licensor and Licensee shall confirm, at the conclusion of the audit and following payment of any monies found owing as a result of the audit, that such audit has been completed and that the periods audited shall not be audited again absent a showing that Licensee knowingly maintained false books and records for such period. Licensor or its representative shall make commercially reasonable efforts to destroy all physical copies of Licensee's books and records that they obtain from Licensee in relation to an audit, but Licensor may retain any work product related to such audit, including summaries or abstracts of Licensee's books and records, provided that Licensor shall take reasonable precautions to safeguard the confidentiality of such copies, abstracts, work products, or summaries.

9. MARKETING AND PROMOTION

9.1 <u>Advertisements</u>. Licensor shall endeavor to give Licensee advance notice of national advertising and promotional campaigns that Licensor conducts related to the Licensed Services. Licensee shall cooperate with any advertising or promotional campaigns conducted by Licensor in accordance with sound business practices. Licensee shall promptly discontinue any advertising or promotion that Licensor informs Licensee is, in Licensor's judgment, inimical to Licensor's reputation or is inconsistent with Licensor's brand image and/or market positioning. Without limiting the generality of the foregoing, Licensee shall submit to Licensor, for Licensor's approval, which Licensor shall not unreasonably withhold, samples of all advertising and promotional plans and materials that Licensee proposes to use, including, without limitation, any materials used on Licensee's website or otherwise on the Internet. If Licensor's written approval is not received within ten (10) days from the date Licensor receives the material, the material is deemed approved. Licensee shall amend any such plans and materials as requested by Licensor upon receipt of notice from Licensor that such plans or materials fail to comply with the requirements of this Section 9.1 or that such materials are not approved by Licensor. In the event that Licensor notifies Licensee to amend any advertising or promotional plans previously approved by Licensor, Licensee shall have up to thirty (30) days after the date of such notice to make such amendments. Licensor may establish in the Operations Manual commercially reasonable specifications and/or restrictions regarding advertising on the Internet or use of websites.

9.2 <u>Branding</u>. Licensee must comply with any commercially reasonable branding requirements established by Licensor from time to time, including, without limitation, requirements mandating the use of certain Proprietary Marks on offices, vehicles, signage, uniforms, websites, social media platforms, or marketing materials and promotional products and prohibiting the use of the Proprietary Marks in an unauthorized manner. If Licensor mandates any aesthetic changes to the branding or aesthetic use of the Proprietary Marks, Licensor, after consulting with IPMA, must designate a reasonable period of time for Licensee to comply with such changes, which Licensee shall bear the cost of, provided that the time period to comply is at least twelve (12) months.

9.3 <u>Marketing Assistance by Licensor</u>. Licensor's representatives will meet with IPMA or a subcommittee designated by IPMA annually to discuss upcoming marketing plans, programs, and concepts. Within the limits of its available personnel, Licensor, when so requested by Licensee, shall make available technical and marketing assistance to Licensee, including without limitation those programs and initiatives required under Section 6.4(c)(i). The parties shall mutually agree upon the commercially reasonable charges for such assistance.

10. DEFAULT AND TERMINATION

10.1 <u>Events of Default</u>. Any one of more of the following constitutes an Event of Default under this Agreement:

(a) Licensee (i) fails, refuses, or neglects to pay any monies or commissions owing to Licensor within thirty (30) days after such payment becomes due, (ii) receives Notice of the payment default from Licensor, and (iii) within fifteen (15) days after receiving such Notice of the payment default, either (x) fails to cure such payment default, or (y) fails to dispute the validity of the Notice of payment default with written and detailed substantiation (e.g., fails to validly dispute whether a payment has been made or whether a notice has been provided in accordance with proper procedures; it being understood that disputes concerning the accuracy of an amount billed by Licensor should be disputed in accordance with the timeframes established in Section 7.5(f) (Payment Disputes)), or (z) if the accuracy of the payment was not timely disputed pursuant to Section 7.5(f), but if such claim for payment is nonetheless found to have been invalid or inaccurate, then Licensee's late payment of such amounts shall not constitute a default, provided that Licensee pays Licensor the billed amount within fifteen (15) days of the resolution of any dispute concerning the validity of such payment;

(b) Licensee makes any fraudulent material misrepresentations or omissions in connection with this Agreement or any related documents, or Licensee submits to Licensor any report or statement that Licensee knows to be materially false or misleading.

(c) For seven (7) or more consecutive calendar days on which Licensee was required to operate, without Licensor's prior written consent, Licensee voluntarily ceases to provide Licensed Services or installation or maintenance services to substantially all Subscribers or suspends operation of the Business, unless Licensor reasonably determines after due inquiry that the failure was beyond Licensee's reasonable control or Licensor provides Licensee with Notice of the default and (i) Licensee fails to cure the default within five (5) business days or (ii) if, in Licensor's reasonable judgment, such failure cannot be corrected within five (5) business days after receipt of Notice, Licensee fails to undertake appropriate efforts to correct such failure within such five (5) business day period and to diligently continue such efforts to completion. For purposes of this provision, a suspension of services shall not be deemed a default if Licensee's Subscribers continue to be serviced in accordance with the standards required in this Agreement or the Operations Manual.

(d) Licensee (i) loses the right to transact business in any jurisdiction included in the Territory, (ii) such loss of rights materially impacts Licensee's ability to perform its obligations under this Agreement, and (iii) Licensee refuses to surrender to Licensor its license rights under this Agreement with respect to such jurisdiction, and fails to cure such breach by surrendering its license rights or restoring its right to transact business within thirty (30) days after receiving Notice from Licensor, provided, however, no cure period shall be required if, during said thirty (30) day period, Licensee fails to routinely provide required Licensed Services to its Subscribers;

(e) Unless Licensee demonstrates to Licensor's reasonable satisfaction that an underreporting was due to an honest mistake or accounting error, (i) Licensee fraudulently underreports Gross Billings, commissions, fees, or other payments; or (ii) Licensee otherwise underreports Gross Billings for any period of three (3) or more months, whether consecutive or not, by more than ten percent (10%) at any time and fails to cure such default within ten (10) days after Notice thereof; or (iii) Licensee has previously received Notice of any default under clause (ii) and within two (2) years thereafter underreports Gross Billings by more than five percent (5%) for any period, whether or not any previous default has been cured, and fails to cure such default within ten (10) days after Notice thereof; or (iv) Licensee has previously received any Notices of any default under clause (iii) and within two (2) years thereafter underreports Gross Billings by more than five percent (5%) for any period, whether or not any previous default has been cured.

(f) Licensee refuses to permit an examination or audit of Licensee's books and records or refuses to provide an auditor acting on behalf of Licensor with requested information as required by this Agreement and does not cure such default to Licensor's reasonable satisfaction within ten (10) business days of receiving Notice from Licensor of such default, provided that to the extent permitted by law, (i) if

Licensee has committed the same default during the Term, Licensee shall only be entitled to a five (5) business day cure period, and (ii) if Licensee has committed the same default three (3) or more times during the Term, Licensee shall not be entitled to a cure period.

(g) Licensee uses any of the Proprietary Marks or any other identifying characteristic of Licensor in any manner other than in relation to the provision of and marketing of the Licensed Services and does not cure such default to Licensor's reasonable satisfaction within thirty (30) days of receiving from Licensor a Notice of default that specifies how to cure such default, provided that (i) if Licensor reasonably determines that such breach will have a materially adverse effect on any of the Proprietary Marks, the cure period shall only be five (5) business days, and (ii) if, in Licensor's reasonable judgment, such failure cannot be corrected within the applicable cure period, it shall not be an Event of Default if Licensee undertakes appropriate efforts to correct such default within such applicable cure period and diligently continues such efforts to completion;

(h) Licensee discloses Confidential Information contrary to Section 6.8 (Confidentiality), unless Licensee demonstrates to Licensor's reasonable satisfaction within three (3) business days after Notice thereof that (i) such disclosure will not have a material adverse effect on the Mood Business community or System, (ii) such disclosure was not an intentional breach of Section 6.8, and (iii) Licensee has taken commercially reasonable measures to prevent such an unauthorized disclosure from occurring again;

(i) Licensee (i) fails to meet or exceed its designated Operational Standards as provided in Section 6.4(b) (Operational Standards), (ii) fails to use its best efforts to fully implement and comply with a business plan that is approved by Licensor to address such deficiencies during the next calendar year, and (iii) fails to cure such breach or failure to Licensor's reasonable satisfaction within thirty (30) days (or such longer period as applicable law may require) after n Notice of such breach or default is given by Licensor to Licensee, or if, in Licensor's reasonable judgment, such failure cannot be corrected within thirty (30) days after receipt of Notice, Licensee fails to undertake appropriate efforts to correct such failure within such thirty (30) day period and to diligently continue such efforts to completion;

(j) Execution is levied against Licensee's business assets or a suit to foreclose any lien or mortgage is instituted against Licensee and such execution or suit is not dismissed within sixty (60) days; or (ii) an involuntary bankruptcy is filed against Licensee and is not dismissed within sixty (60) days; or (iii) License voluntarily files a proceeding under the United States Bankruptcy Code or under any comparable state or other federal law;

(k) Licensee or any of its owners, officers, or directors (i) are convicted of or plead *nolo contendre* to a felony, a crime involving moral turpitude or consumer fraud, or any other crime or offense that Licensor reasonably believes is likely to have a material adverse effect on its network of Affiliates, the Proprietary Marks and/or any associated goodwill, or the System or (ii) has engaged in or engages in activities that, in Licensor's reasonable opinion, have a material adverse effect on Licensor, any of its Affiliates, the Mood Business community, the System, and/or the Proprietary Marks and/or any associated goodwill. If, however, such activities, do not result from the conduct of any equity owner of Licensee, such conduct shall not constitute an Event of Default if all of the business relationships with all of the persons responsible for such conduct to Licensee are terminated within seven (7) days after Notice from Licensor. If such activities result from the conduct of an equity owner of Licensee, such conduct shall not constitute an Event of Default if such equity owner (i) immediately ceases to be involved in the operation of the Business and (ii) enters into a binding agreement to transfer all of its equity interest in Licensee to an unaffiliated and unrelated third party, which may be an existing equity owner of Licensee if such existing owner is not an Immediate Family Member of the transferor, in accordance with Section 12

(Transfer of Business or Control of Licensee) within thirty (30) days after receiving Notice from Licensor and completes such transfer within sixty (60) days after receiving n Notice from Licensor;

(l) A voluntary or involuntary transfer or purported transfer of an interest in Licensee or in this Agreement occurs that does not comply with Section 12 (Transfer of Business or Control of Licensee) and in either case is not cured within ten (10) days after Notice thereof from Licensor;

(m) Licensee violates the noncompete covenants in Section 3.6 (Acquired Accounts) or Section 5.1 (No Other Services). If Licensee is uncertain as to whether certain conduct might violate the non-compete covenants contained in any section of this Agreement, it may so notify Licensor in advance of engaging in such conduct, and Licensor shall respond within thirty (30) days of receiving such Notice as to whether, in its opinion, such conduct violates any section of this Agreement;

(n) A Copyright Holder terminates a license with Licensee that is necessary to provide all of the Licensed Services, including all music programming, to Subscribers due to Licensee's breach of such license, and Licensee is unable to enter into a new license with such Copyright Holder for the same copyrighted materials within ten (10) business days after the license is terminated;

(o) Licensee breaches territorial restrictions by intentionally selling a Licensed Service outside of its Territory;

(p) Licensee (i) fails to submit a Music Royalty Report for more than three (3) consecutive months, in each instance having received Notice of such missing reports and failed to cure same within thirty (30) days thereafter, (ii) fails to submit any Music Royalty Report more than three (3) times during any calendar year, or (ii) fails to submit any Annual Growth Report when due each year having received Notice of such missing report and failed to cure same within thirty (30) days thereafter;

(q) Licensee breaches or fails to comply with any of the other material terms, obligations, covenants, representations, or warranties under this Agreement and (i) Licensee fails to cure such breach or failure to Licensor's reasonable satisfaction within thirty (30) days (or such longer period as applicable law may require) after Notice of such breach or default is given by Licensor to Licensee, or (ii) if, in Licensor's reasonable judgment, such failure cannot be corrected within thirty (30) days after receipt of Notice, Licensee fails to undertake appropriate efforts to correct such failure within such thirty (30)-day period and to diligently continue such efforts to completion; or

(r) Licensee receives from Licensor three (3) or more Notices of material defaults within any eighteen (18) month period, whether or not the defaults are similar and whether or not they are cured, excluding (i) Notices of default regarding specific Operational Standards that were implemented or modified by Licensor within the two (2) years preceding such Notice of default and (ii) Notices of default related to nonpayment under Section 10.1(a).

10.2 Licensor's Remedies After An Event of Default.

(a) If an Event of Default occurs, Licensor may, at its election and by providing Notice to Licensee (without providing an additional right to cure in such Notice):

(i) Declare that Licensee shall have no exclusivity with respect to the Licensed Services in the Territory and that Licensor may market, offer, sell, service, and support or authorize a third party to market, offer, sell, service, and support, the non-exclusive Licensed Services in the Territory. If Licensee cures the Event of Default to Licensor's reasonable satisfaction, Licensee shall not have any ownership rights in any Accounts for which a Contract has been executed in the Territory by Licensor or any authorized third party during the period of non-exclusivity; and

(ii) Declare this Agreement, the license rights granted under this Agreement, and any and all other rights granted under this Agreement to be terminated and, except as otherwise provided herein, of no further force or effect, no less than ten (10) days after the date of Licensor's notice of termination, provided that if the Event of Default is described in Section 10.1(b) (Material Misrepresentation), Section 10.1(c) (Suspension of Business), Section 10.1(d) (Loss of Rights), Section 10.1(e)(i) (Fraudulent Underreporting), Section 10.1(f) (Audit),Section 10.1(h) (Confidential Information), Section 10.1(j) (Bankruptcy), Section 10.1(k) (Adverse Acts), or Section 10.1(m) (Noncompetition), the termination shall take effect immediately upon the date of Licensor's Notice of termination.

(b) Except for Licensor's obligations during the Wind Down Period (as described in Section 11.1 (Wind Down Period)), Licensor, if it is not then in material default under this Agreement, shall not have any obligation to (i) perform or to comply with its obligations to Licensee under this Agreement or other agreements, (ii) grant consents related to this Agreement or other agreements, or (iii) grant rights related to this Agreement or other agreements when an Event of Default exists, until Licensee cures the breach or Event of Default to Licensor's satisfaction.

10.3 Licensor's Performance of Licensee's Obligations. Unless otherwise provided herein, Licensor will have the right, but not the obligation, after delivering Notice to Licensee of its intent to do so, to undertake or perform on Licensee's behalf any obligation or duty that Licensee is required to, but fails to, perform under this Agreement. Licensee will reimburse Licensor upon demand for all costs and expenses that Licensor reasonably incurs in performing any such obligation or duty, and Licensee will pay to Licensor interest on the amount of such costs and expenses as specified in Section 7.5 (Payment Schedule).

10.4 Termination By Licensee. Licensee may terminate this Agreement only if Licensee is not in uncured default of any of its obligations under this Agreement and Licensor breaches or fails to comply with any of the material terms, obligations, covenants, representations, or warranties under this Agreement and (i) Licensor fails to cure such breach or failure to Licensee's reasonable satisfaction within thirty (30) days (or such longer period as applicable law may require) after Notice of such breach or default is given by Licensee to Licensor or (ii) if such failure cannot be corrected within thirty (30) days after receipt of Notice, Licensor fails to undertake appropriate efforts to correct such failure within such thirty (30) day period and to diligently continue such efforts to completion. Termination will be effective no less than ten (10) days after Licensee delivers to Licensor Notice of termination for failure to cure within the allowed period. Any attempt to terminate this Agreement without complying with this Section 10.4 will constitute an Event of Default by Licensee.

10.5 Additional Remedies. Upon termination of this Agreement, the terminated party will not be relieved of any of its obligations, debts, or liabilities under this Agreement, including without limitation any debts, obligations, or liabilities that the terminated party accrued prior to such termination. The terminating party's right to terminate the defaulting party is in addition to, and not in lieu of, any and all other rights and remedies available to the terminating party at law, in equity, or otherwise, all of which are cumulative.

10.6 Pending Dispute.

(a) If either party disputes the existence of a breach or Event of Default or contests a refusal to offer a Successor Term, such party may follow the dispute resolution procedures set forth in Section 14 (Dispute Resolution). If during a cure period (or, if no cure period exists, within seven (7) days of receipt of the Notice of termination), a party contests an alleged breach or Event of Default by submitting the dispute to mediation, the termination will be temporarily suspended until the dispute is resolved, provided that if the dispute relates to the existence of a payment default, Licensee or Licensor, as the case may be, must post a bond equal to the disputed amount.

(b) Except in the case of an Event of Default described in Section 10.1(b) (Material Misrepresentation), Section 10.1(c) (Suspension of Business), Section 10.1(h) (Confidential Information), or Section 10.1(m) (Noncompetition), if Licensee contests the breach or Event of Default in accordance with this Section 10.6, such termination shall not become finally effective until ten (10) days after the date such dispute is finally resolved in favor of the terminating party, provided that such Event of Default has not been cured within that ten-day period. For purposes hereof, final resolution shall include without limitation (i) the mutual agreement of the parties after mediation, (ii) the entry of a judgment on an arbitration award, or (iii) in the case of litigation or arbitration, the defaulting party's failure to make a timely appeal of a court decision in favor of the terminating party.

(c) In the case of an Event of Default described in Section 10.1(b) (Material Misrepresentation), Section 10.1(c) (Suspension of Business), Section 10.1(h) (Confidential Information), or Section 10.1(m) (Noncompetition), Licensor shall have the right to immediately terminate this Agreement after five (5) days' Notice thereof to Licensee, unless Licensee obtains an injunction or restraining order from a court of competent jurisdiction (as provided in Section 14.4 (Excepted Disputes)) prohibiting such termination based upon the standards customarily applied by such court in deciding whether or not to grant a temporary injunction.

10.7 Force Majeure Event. Neither Licensor nor Licensee shall have any liability to the other or to any other person as a result of the failure of either of such parties to perform its obligations hereunder, nor shall such failure be considered a breach of this Agreement, if such failure is due to a Force Majeure Event. If a Force Majeure Event causes a party to fail to perform for a period in excess of three (3) months, the performing party may, upon Notice to the non-performing party, terminate this Agreement. If a Force Majeure Event causes Licensee to fail to perform, Licensor may, in its sole discretion, undertake and perform the obligations of Licensee as set forth in Section 10.3 (Licensor's Performance of Licensee's Obligations).

11. RELATIONSHIP OF THE PARTIES UPON TERMINATION OR EXPIRATION WITHOUT RENEWAL

11.1 Wind Down Period.

(a) Upon termination or expiration of this Agreement, Licensor shall continue to provide the Licensed Services to Licensee's Tier II Accounts until the earlier of the date which Licensee designates or the end of the Wind Down Period. In the event Licensor discontinues delivery of the Licensed Services in violation of this Section 11.1, Licensor agrees to the granting of a temporary restraining order or preliminary injunction against it requiring the continuation or restarting of Licensed Services on the condition that the duration of such injunction does not exceed ten (10) days or such longer period as the court determines and that the court requires Licensee to post a bond that is commercially reasonable in light of the circumstances. Such injunction may be granted on an ex parte basis if Licensor fails to appear at the hearing following twenty-four (24) hours' Notice. During the ten (10) day temporary injunction period, Licensee may seek in a hearing following appropriate notice to Licensor to have such temporary relief converted to a permanent injunction or otherwise extended until a proceeding and decision on the merits.

(b) During the Wind Down Period, Licensee shall remain obligated to perform the duties and be subject to the restrictions applicable to it under the terms of this Agreement with respect to such continuing delivery of the Licensed Services, including without limitation those terms which obligate Licensee to pay when due royalties, fees, commissions, charges, and surcharges, but not including terms which require Licensee to pay a Market Fee or which restrict Licensee from offering or selling the services of others. During the Wind Down Period, under no circumstances shall Licensee use the Proprietary Marks except as necessary in association with the continuing provision of the Licensed Services to Subscribers. In addition, during such period, Licensor shall not be precluded from appointing one (1) or more distributors of the Licensed Services in the Territory and from giving to such distributors any rights previously accorded to Licensee under this Agreement or any related agreement or from exercising such rights on its own. If Licensee fails to comply with this Section 11.1(b), Licensor may immediately cease providing Licensed Services to Licensee's Tier II Accounts.

11.2 **<u>Action Required of Licensee</u>.** Upon termination or expiration of this Agreement, Licensee shall, subject to Section 11.1 (Wind Down Period) and Section 11.4 (Termination of Tier I Account Rights) immediately:

(a) Cease distributing the Licensed Services to Subscribers (except for distribution to existing Subscribers during the Wind Down Period), cease selling additional Licensed Services to Subscribers or prospective Subscribers, and certify to Licensor that such distribution and sales have ceased;

(b) Cease, directly or indirectly, representing itself to the public or holding itself out as a current or former licensee of Licensor, except for the purpose of notifying Subscribers of the termination of Licensee's relationship with Licensor;

(c) Cease using, in any manner whatsoever, the System, the Licensed Services, except as permitted in Section 11.1 (Wind Down Period), and the Proprietary Marks and remove from circulation any materials containing the Proprietary Marks, including any websites or advertising materials. Without limiting the generality of the foregoing, Licensee shall immediately cancel any assumed name or equivalent registration or domain name which contains any Proprietary Mark, or otherwise permit Licensor to effect such cancellation;

(d) Sell to Licensor, upon Licensor's request in its sole discretion, at Licensee's cost of acquisition, if any, all manuals, instructions, sales literature, and other materials related to the Licensed Services or the Proprietary Marks and retain no copy or record of any of the foregoing except Licensee's copies of this Agreement and any other document which Licensee reasonably needs for compliance with specific provisions of state or federal law or to defend against possible disputes with Subscribers;

(e) Return to Licensor, at Licensee's expense, or destroy, and certify to Licensor that the destruction has been completed, all copies of the Operations Manual and all other Confidential Information (and all copies thereof);

(f) Dismantle (if necessary) and dispose of as Licensor requests (at Licensor's cost) all Service Delivery Equipment owned by Licensor, Recorded Media, and other equipment provided to Licensee by Licensor and certify to Licensor that such equipment has been properly disposed of in accordance with Licensor's request; and

(g) Promptly pay all sums indisputably owing to Licensor.

11.3 **<u>Action Required of Licensor</u>.** Upon termination or expiration of this Agreement, Licensor shall promptly pay all sums indisputably owing to Licensee. Licensor shall not provide or directly or indirectly make available to any successor Affiliate in the Territory (including any Owned Affiliates) any of Licensee's Confidential Information; provided, however, that Licensor may transfer to such successor Affiliate any contract rights purchased by Licensor from Licensee under the terms of Section 11.4 (Termination of Tier I Account Rights).

11.4 Termination of Tier I Account Rights.

(a) Termination of Rights.

(i) In the event this Agreement terminates or expires without renewal prior to the termination or expiration of a Tier I Contract or a Chain Contract for Licensed Services that are being delivered in the Territory, then Licensor shall (to the extent such Account was sold by Licensor), in its sole discretion, elect to either (i) allow Licensee to continue to provide Licensed Services to then-existing Subscriber Premises of Tier I Accounts and Chain Accounts in the Territory (provided that Licensee remains in business and capable of providing the Licensed Services), in which case Licensee shall continue to receive the same financial benefits related to the Tier I Accounts and Chain Accounts that it would receive under this Agreement or (ii) immediately terminate all of Licensee's rights with respect to such Tier I Contracts and Chain Contracts, including, without limitation, the right to receive related revenue, and, in accordance with the timeline set forth in 11.5(b), pay Licensee the Termination Fee with respect to such Tier I Accounts and Chain Accounts sold by Licensor (including Existing Accounts), which shall include any Licensee-owned equipment and Leased Equipment installed at such Subscriber Premises.

(ii) Notwithstanding the foregoing or any provision contained herein to the contrary, if this Agreement is terminated due to Licensee's material breach for repeated failure to cure any Event of Default, where such repeated occurrences of material breach with respect to a Tier I Account directly causes a material and substantial impact to Licensor, MML or the System resulting in cancellation of such Tier I Account (as substantiated in writing by such Tier I Account Subscriber) or loss of delivered services within such Tier I Account in excess of Fifty Thousand Dollars ($50,000) of annual revenue to MML or Licensor, then Licensor will pay Licensee the Termination Fee, but such amount will be reduced on a pro rata basis to account for the demonstrated economic impact within said Tier I Account directly caused by Licensee's material breach and failure to cure.

(b) Effect of Termination. Upon termination or expiration, unless Licensor elects to allow Licensee to continue to provide the Licensed Services pursuant to Section 11.4(a) (Termination of Rights), all of Licensee's license and ownership rights to any Tier I Accounts, Tier I Contracts, and Leased Equipment shall immediately transfer to and vest in Licensor. Licensee shall be responsible for ensuring that such Leased Equipment is free of any liens or other encumbrances. Licensee shall execute any documents reasonably requested by Licensor to evidence such change in ownership of the Tier I Contracts and Leased Equipment. Licensor, or Licensor's designee, shall assume all of Licensee's obligations relative to performance of such Tier I Contracts and Chain Contracts with respect to any Leased Equipment accruing after the date of termination or expiration without renewal of this Agreement. Licensee acknowledges that Licensor's payment of the Termination Fee shall constitute consideration for Licensee's transfer of any ownership rights that it may have in such Tier I Accounts, including, without limitation, in related Tier I Contracts, Chain Contracts and Leased Equipment, to Licensor.

(i) Obligation to Report Sales Data. To facilitate the determination of the Prevailing Multiple, if the Business is sold and the purchase price is determined wholly or in part by application of a multiple to Licensee's Recurring Gross Billings, Licensee agrees to inform Licensor of such multiple and provide Licensor with documentation thereof promptly after such sale occurs; if the purchase price of such business is not determined by application of a multiple to Licensee's Recurring Gross Billings, Licensee agrees to promptly inform Licensor of the amount of the purchase price, the amount of Licensee's Recurring Gross Billings as of the date of closing and the method that was used to determine the purchase price and to provide Licensor with documentation thereof.

11.5 Termination of Existing Account Rights.

(a) Ownership of Existing Accounts. If this Agreement is terminated or expires, all rights to the Existing Accounts will revert to Licensor, which will retain full ownership of the Existing Accounts including any ownership rights to any Expanded Services. Compensation for Licensee's economic interest in the Existing Accounts shall be included in the calculation of the Termination Fee, unless otherwise determined by Licensor as provided in this paragraph. For Existing Accounts that are Tier II Accounts, Licensor shall have the option of assigning its ownership rights to the Existing Account to Licensee, rather than including the Existing Accounts in the calculation of the Termination Fee payable to Licensee. For Existing Accounts that are Tier I Accounts, rather than including the Existing Accounts in the Termination Fee, Licensor shall have the option of allowing Licensee to continue to provide Licensed Services to then-existing Subscriber Premises of Existing Accounts that are Tier I Accounts in the Territory (provided that Licensee remains in business and capable of providing the Services), in which case Licensee shall continue to receive the same financial benefits related to the Existing Accounts that are Tier I Accounts that it would receive under this Agreement.

(b) Payment of Termination Fee. Except as otherwise provided in this Section 11, Licensor shall pay the Termination Fee to Licensee in eighteen (18) equal monthly installments commencing on the first business day of the first calendar month that is at least fifteen (15) days after the date the parties agree on the Termination Fee. If Licensor fails to pay the Termination Fee in accordance with such payment schedule, Licensee shall be entitled to receive all of the economic benefits related to such Tier I Account, Chain Account or Existing Account in its Territory from the date of Licensor's payment default until the date Licensor pays the Termination Fee in full. This shall be in addition to, and not in lieu of, any other remedies Licensee may have at law or in equity. If Licensor transfers such Tier I Contract, Chain Contract or Existing Account rights to a third party and Licensor has not paid Licensee the Termination Fee in full, Licensor shall immediately pay to Licensee (up to the remaining balance of the Termination Fee owed to Licensee) the amount of the proceeds that it receives from such third party, excluding amounts that Licensor must pay to finance providers as part of a mandatory cash flow sweep in the financing documents related to any such transfer. If such amount does not satisfy the remaining balance of the Termination Fee owed to Licensee, the amount paid to Licensee shall be applied as a credit against the monthly payments due to pay the Termination Fee, but shall not reduce the length of the monthly installment plan.

(c) Indemnity for Tier I Accounts, Chain Accounts and Existing Accounts. Each party agrees to hold harmless, defend, and indemnify the Continuing Party and the Continuing Party's past, present and future affiliates, officers, directors, shareholders, managers, members, agents, attorneys, consultants, and employees against any claims, demands, fines, losses, costs, expenses (including, but not limited to, reasonable attorneys' fees, costs of investigation, settlement costs, and interest), liabilities, and damages arising directly or indirectly from, as a result of, or in connection with the indemnifying party's activities in relation to the Tier I Accounts, Chain Accounts (if any) and the Existing Accounts that are assumed or retained by the Continuing Party upon termination or expiration without renewal of this Agreement. With respect to any such suit or proceeding, the Continuing Party shall have the exclusive right to (i) choose counsel and (ii) direct and control the investigation, defense, and/or settlement of the matter.

(d) No Interaction with Tier I Accounts or Existing Accounts.

(i) For thirty-six (36) months after the termination or expiration of this Agreement, neither Licensee nor any of the persons or entities holding (either directly, indirectly, or beneficially) an ownership interest in Licensee shall, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or entity (i) solicit or divert or attempt to solicit or divert any business from any Tier I Accounts, Chain Accounts or Existing Accounts that existed within the community of Mood Businesses as of the date of the termination or expiration without renewal of this Agreement, (ii) directly or indirectly offer, sell, or distribute, or assist a third party in offering, selling, or distributing, any service that competes with any of the Licensed Services to any Tier I Accounts, Chain Accounts or Existing Accounts that existed within the Territory as of the date of the termination or expiration of this Agreement, (iii) interfere with or impede the provision of Licensed Services to a Tier I Account, Chain Accounts or an Existing Account, including, without limitation, by removing any Leased Equipment from the Subscriber Premises of a Tier I Account, Chain Account or Existing Account or (iv) disclose to a third party any pricing or other confidential information concerning such Accounts. In the event that Licensor fails to timely make or complete the payment of the Termination Fee, this clause shall be null and void unless Licensor cures such failure within 30 days after receiving from Licensee Notice of such default.

(ii) If Licensee breaches this Section 11.5(d), in addition to any other remedies at law or in equity, (i) Licensor shall not be obligated to pay the Termination Fee relating to the Tier I Account(s) or Existing Account(s) with respect to which Licensee breached this Section 11.5(d) and (ii) Licensee shall be obligated to refund to Licensor any portion of the Termination Fee relating to the Tier I Account(s) or Existing Account(s) with respect to which Licensee breached that Licensee has already received minus any revenue collected by Licensor from such accounts prior to the breach.

12. TRANSFER OF BUSINESS OR CONTROL OF LICENSEE

12.1 <u>No Transfer Without Licensor's Consent</u>. Licensor has entered into this Agreement in reliance on the business skills, financial capacity, and personal character of Licensee and its owners. Accordingly, unless otherwise specified in this Section 12, neither Licensee nor any of the owners of Licensee or any successors to any part of Licensee's interest in this Agreement may make any Transfer, or permit any Transfer to occur, without the prior written consent of Licensor and without otherwise complying with the requirement of this Section 12. If Licensee or any of its owners are soliciting bids from third parties regarding a potential Transfer, Licensee shall promptly provide Licensor with Notice in order to give Licensor an opportunity to participate in any bidding (it being understood and agreed that this sentence shall not be construed to grant Licensor the right to bid on a private negotiated sale between Licensee and any third party or a Mood Licensee). Any purported Transfer, without Licensor's prior written consent and without complying with this Section 12, will be null and void and will constitute an Event of Default, for which Licensor may terminate this Agreement, if it is not cured within ten (10) days after Notice thereof from Licensor. Licensor has the right to communicate with both Licensee, Licensee's counsel, and the proposed transferee on any aspect of a proposed Transfer. Licensee agrees to provide any information and documentation relating to the proposed Transfer that Licensor reasonably requires. Licensor's consent to a Transfer does not constitute a waiver of any claims that Licensor has against the transferor, nor is it a waiver of Licensor's right to demand compliance with the terms of this Agreement.

12.2 <u>Conditions for Licensor's Consent</u>. Licensor shall not unreasonably withhold its consent to a Transfer; provided, however, that Licensor may require any or all of the following as conditions of its approval:

(a) Except in the case of a Minority Transfer, all of Licensee's accrued monetary obligations to Licensor shall be current (or otherwise provided for to Licensor's satisfaction, including without limitation the escrowing with counsel at closing of the full amount of such obligations);

(b) Except in the case of a Minority Transfer, the transferee and its owners shall enter into a written assignment, in a form reasonably satisfactory to Licensor, assuming and agreeing to discharge all of the transferor's obligations under this Agreement. In the case of a Minority Transfer, any transferee receiving at least a ten percent (10%) ownership interest in Licensee shall be required to execute a document binding such transferee to this Agreement;

(c) The transferee, its affiliated entities, and any persons or entities holding (either directly, indirectly, or beneficially) at least a ten percent (10%) ownership interest in Licensee shall be in compliance with Section 5.1 (No Other Services) as of the date of Transfer and shall not be offering a Competing Service inside or outside the Territory;

(d) The transferee shall demonstrate to Licensor's reasonable satisfaction that (i) the transferee has the personal character to conduct the Business and (ii) the transferee is not in a position to use the information obtained as a Mood Licensee in a manner that will be harmful to Licensor outside the Territory;

(e) Except in the case of a Minority Transfer, the transferee shall demonstrate to Licensor's reasonable satisfaction that (i) the transferee has the financial resources to conduct the Business, (ii) the transferee will devote sufficient resources to maintain the Operations Standards and reach the Required Growth Rates in each applicable year, which may be evidenced by the submission of a business plan to Licensor that Licensor deems to be reasonably satisfactory; and (iii) the transferee personally has the general business experience to conduct the Business or will employ during the term of this Agreement a general manager with such business experience that will be devoted to managing the Business; and

(f) Except in the case of a Minority Transfer, the transferee shall pay Licensor a transfer fee as follows:

(i) For any Transfer to an existing Affiliate or to an Immediate Family Member of transferor (or any entity owned or controlled by or having common ownership with an existing Affiliate or an Immediate Family Member of transferor), the sum of One Thousand Dollars ($1,000); or

(ii) For any other Transfer, (i) the sum of Five Thousand Dollars ($5,000) for a Business having average Gross Billings over the previous 12 months of Twenty Thousand Dollars ($20,000) per month or less, or (ii) the sum of Seven Thousand Five Hundred Dollars ($7,500) for a Business having average Gross Billings over the previous 12 months in excess of Twenty Thousand Dollars ($20,000) per month.

(g) In the event Licensor fails to respond to any request for approval of a Transfer by Licensee to another Affiliate or an Immediate Family Member of the transferor (or an Affiliated Entity of another Affiliate or an Immediate Family Member of the transferor) within twenty (20) business days and to all others within thirty (30) business days of its receipt of a completed application for Transfer, then the request shall be deemed approved, subject only to Licensor's receipt of notification of the transferee's assumption of Licensee's obligations, and of the assignment to the transferee of Licensee's rights, under this Agreement.

12.3 Transfer to Immediate Family Member or for Estate Purposes. Notwithstanding the foregoing, if an owner of Licensee desires to Transfer (or does Transfer by will, devise, or the laws of intestacy) an ownership interest in Licensee (i) to an Immediate Family Member or a business entity owned or controlled by such persons or (ii) to a business entity or trust owned or controlled by an owner of Licensee or an Immediate Family Member of such person that is formed for estate planning purposes, Licensor will approve such Transfer, provided that the conditions in Section 12.2(b), (c), and (d) are satisfied to Licensor's reasonable satisfaction and the transferor executes a nondisclosure and non-compete agreement that requires the transferor to adhere to each of the restrictions in Section 5.1 (No Other Services) for five (5) years from the date such Transfer takes effect and to adhere to the restrictions in Section 6.8

(Confidentiality) for the longer of (i) five (5) years from the date such Transfer takes effect or (ii) the length of time that such transferor's Immediate Family Members and/or trust retain an ownership interest in Licensee. In the case of a Transfer to a trust, Licensor may require the primary beneficiaries of such trust to satisfy, or agree to satisfy, such conditions. Licensee may request Licensor's pre-approval of an estate plan relating to Licensee, this Agreement, the Business, and/or the assets of the Business, for which Licensor may not unreasonably withhold its pre-approval, provided that any such pre-approval shall be conditioned on Licensee's adherence to the estate plan and shall be contingent on no material changes in circumstances. It is understood that Licensor shall be entitled to receive for any such review of an estate plan only information concerning the portions of the estate plan or trust that relate to the Business, which is reasonably required by Licensor to understand the nature of the proposed Transfer.

12.4 Collateral. Notwithstanding Section 12.2 (Conditions for Licensor's Consent), Licensor will approve the Transfer of all or any part of the assets of the Business, excluding this Agreement, and, if Licensee is a corporation, all or any part of the stock of said corporation, to banks or other lending institutions as collateral security for loans made directly to or for the benefit of the Business, provided that the bank or lending institution or any Affiliated Entity of such the bank or lending institution does not offer Competing Services and Licensee gives Licensor prior Notice of the proposed Transfer.

12.5 No Payment of Termination Fees Required. Licensor shall not be obligated to remit payment for Licensee's Tier 1 Accounts and Existing Accounts as noted above in Sections 11.4 (Termination of Tier I Account Rights) and 11.5 (Termination of Existing Account Rights) if Licensee effectuates a Transfer approved by Licensor in accordance with this Section 12.

12.6 Transfer, Assignment and Delegation By Licensor. Licensor shall have the right to transfer or assign this Agreement to any person or entity that Licensor chooses in its sole discretion. Licensor shall promptly notify Licensee of any such transfer. Upon any such assignment, Licensor will be released from all of its duties and obligations under this Agreement provided that, Licensor's assignee assumes in writing all duties and obligations of Licensor under this Agreement, following which Licensee will look solely to the assignee for the performance of such duties and obligations arising after such transfer of this Agreement. Further, Licensee agrees that Licensor has the right to delegate the performance of any portion or all of its obligations under this Agreement to one or more of its Affiliated Entities and/or third-party designees, including agents or independent contractors with whom Licensor has contracted to perform these obligations. If Licensor does so, then such Affiliated Entity and/or third-party designee will be obligated to perform the delegated functions in compliance with the terms of this Agreement. Licensor hereby unconditionally guarantees to Licensee any obligations which were specifically delegated to such Affiliated Entity and/or third-party designee. Licensor agrees to provide Notice to Licensee as soon as practicable in the event any such delegation is to any party other than an Affiliate Entity.

13. PROPRIETARY MARKS

13.1 Ownership of Proprietary Marks. Licensor represents that it (and/or its Affiliated Entities) is the owner of all right, title, and interest in and to the Proprietary Marks. Licensor together with its Affiliated Entities will take all commercially reasonable steps to preserve and protect the ownership and validity in and of the Proprietary Marks and Licensee's use of the Proprietary Marks in accordance with this Agreement including (a) maintaining the federal trademark registration for the Proprietary Marks, (b) taking legal action to protect the Proprietary Marks from infringement, and (c) maintaining all intercompany (or other license agreements as applicable) during the Term. Licensee shall not directly or indirectly contest the validity or Licensor's (or its Affiliated Entities') ownership of the Proprietary Marks. In the event that litigation involving the Proprietary Marks is instituted or threatened against Licensee, Licensee shall promptly notify Licensor and shall cooperate in the defense or settlement of such litigation, which Licensor shall have the right to control at its expense. Licensee expressly understands and acknowledges that

Licensor (and/or its Affiliated Entities) is the owner of all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them. Licensee's use of the Proprietary Marks pursuant to this Agreement does not give Licensee any ownership interest or other interest in or to the Proprietary Marks, except the license granted by this Agreement.

13.2 Infringement. Licensee shall promptly notify Licensor of any suspected infringement of the Proprietary Marks, and of any challenge to Licensor's ownership of, or Licensee's right to use, the Proprietary Marks. Subject to Section 13.1 (Ownership of Proprietary Marks), Licensor shall have the sole right to decide whether an administrative or judicial proceeding, or other action, should be undertaken in response to any such suspected infringement or challenge, and, if any such proceeding or action is to be undertaken, to initiate and control such proceeding or action at its expense. In the event Licensor elects to undertake any such proceeding or action, Licensee agrees to cooperate with Licensor in such effort. Licensee shall have no right to institute any litigation against a third party relating to the Proprietary Marks without Licensor's prior written consent.

13.3 Use of Proprietary Marks. Licensee may only use the Proprietary Marks in compliance with this Agreement and written rules that Licensor may prescribe from time to time in consultation with IPMA. Licensee shall not use the Proprietary Marks as part of its corporate or other legal name, unless otherwise approved in writing by Licensor. Licensee shall comply with Licensor's instructions in filing and maintaining the requisite trade name or fictitious name registrations, and shall execute any documents reasonably deemed necessary by Licensor or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability. Unless otherwise authorized or required by Licensor, Licensee shall use the Proprietary Marks without prefix or suffix and shall comply with Licensor's instructions regarding the use of the federal registration symbol and other trademark or service mark designations. Licensee shall not use the Proprietary Marks in association with the sale or marketing of any goods or services other than the Licensed Services.

13.4 Substitution of Proprietary Marks. Licensor reserves the right to add Proprietary Marks and to substitute different Proprietary Marks or discontinue the use of Proprietary Marks, for use in identifying the Licensed Services if (i) Licensor or its Affiliated Entities' currently owned Proprietary Marks no longer can be used or if Licensor determines that such addition, substitution, or discontinuation will be beneficial to its business and the Business of its Licensees, and (ii) Licensor provides to Licensee at least twelve (12) months' prior notice of such addition, substitution, or discontinuation, unless such modifications are necessitated in less than twelve (12) months by law (such as by court order or by a settlement with a third party), in which case, Licensor will provide Licensee with as much advance notice as is commercially reasonable under the circumstances. Licensee shall bear the cost of complying with any modifications to the Proprietary Marks unless such modifications are necessitated by Licensor's (i) loss of federal trademark protection; or (ii) termination of any applicable trademark license agreement(s), in which event Licensor shall bear all such costs. All such additions, substitutions, or discontinuations will be reflected in an amendment of Appendix B and shall not affect the validity of this Agreement, which shall, in all respects, be deemed modified to provide for such addition, substitution or discontinuation. Licensee acknowledges that Licensor may develop and use marks other than the Proprietary Marks, which Licensor may elect to not designate as Proprietary Marks under this Agreement and which Licensee would not have the right to use, but Licensee will always have the right during the Term to use and employ all Proprietary Marks used and employed by all other Affiliates operating a Mood Business and/or offering Licensed Services, including, without limitation, those containing the words Mood, Mood Media or Mood Harmony.

14. DISPUTE RESOLUTION

14.1 Applicable Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware, without reference to its conflicts of law rules, except the Delaware Franchise Security Law shall not apply unless Licensee is a Delaware resident.

14.2 Mediation.

(a) Submission to Mediation. Except as provided in Section 14.4 (Excepted Disputes), any controversy or claim arising between Licensor and Licensee will first be submitted to non-binding mediation administered by JAMS, or its successor, according to its procedures or rules. Both parties must sign a confidentiality agreement before participating in any mediation proceeding. The parties shall conduct the mediation virtually using JAMS' video conferencing service unless the parties mutually agree in writing to conduct the mediation in person. Any in person mediation shall take place in metropolitan Austin, Texas or, if Licensor's principal place of business is no longer in metropolitan Austin, Texas, then at the office of the JAMS located nearest to Licensor's then-current principal office. Once either party has submitted a dispute to mediation, the obligation to attend and participate in good faith will be binding on both parties. The parties must mutually agree on a mediator within fifteen (15) days after the dispute has been submitted to mediation and the mediation must be completed within sixty (60) days after the dispute has been submitted to mediation. If the parties are unable to agree on a mediator, the mediator shall be appointed by JAMS, but must be familiar with franchising, with preference given to mediators who also have experience in the music service industry. The parties shall be obligated to participate in at least a one (1) day session of mediation.

(b) Costs Associated With Mediation. Each party shall bear its own costs and expenses related to any mediation and each party shall pay 50% of all fees and charges of JAMS as well as 50% of the fees charged by the mediator.

14.3 Arbitration.

(a) Disputes to be Arbitrated. If mediation does not resolve the dispute, then except as set forth in Section 14.4 (Excepted Disputes), any controversy, claim or dispute arising out of or relating to the Business or this Agreement or its breach, including without limitation any claim that this Agreement or any of its parts is invalid, illegal or otherwise voidable or void, shall be submitted to arbitration before JAMS or its successor and, unless otherwise provided in this Agreement, in accordance with JAMS' Rules. Notwithstanding any provision of this Agreement relating to which state laws govern this Agreement, all issues relating to arbitrability or the enforcement of the agreement to arbitrate contained herein shall be governed by the Federal Arbitration Act (9 U.S.C. §1 et seq.) and the federal common law of arbitration.

(b) Procedures. The arbitration provisions of this Section 14.3 are self-executing and shall remain in full force and effect after the expiration or termination of this Agreement. If either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party by default or otherwise, notwithstanding such failure to appear. The parties shall conduct the arbitration virtually using JAMS' video conferencing service unless the parties mutually agree in writing to conduct the arbitration in person. Unless otherwise agreed to in writing by Licensor and Licensee, any in person arbitration proceeding brought by Licensee shall take place in metropolitan Austin, Texas or, if Licensor's principal place of business is no longer in metropolitan Austin, Texas, then at the JAMS office located nearest to Licensor's then-current principal office, and any in person arbitration proceeding brought by Licensor shall take place at the nearest JAMS office to the place where Licensee has its principal place of business at the time such proceeding is commenced.

(c) **Arbitrators.** All arbitrators shall serve as neutral, independent and impartial arbitrators. With respect to any dispute involving Five Million Dollars ($5,000,000) or more, arbitration proceedings shall be conducted before three (3) independent arbitrators, selected in accordance with the applicable JAMS Rules. Licensor shall designate one (1) arbitrator, Licensee shall designate one (1) arbitrator, and the third arbitrator shall be selected by the two (2) aforementioned arbitrators. If the two (2) aforementioned arbitrators cannot agree on a third arbitrator, the third person shall be selected in accordance with the applicable JAMS Rules. With respect to any dispute involving less than Five Million Dollars ($5,000,000), arbitration proceedings shall be conducted before one (1) independent arbitrator mutually selected by both parties. If the parties are unable to agree on an arbitrator, the arbitrator shall be appointed under the JAMS Rules. The parties must select the arbitrator(s) within twenty (20) days of the date on which the dispute is submitted to arbitration in accordance with the applicable JAMS Rules.

(d) **Entry of Judgment.** Judgment upon an arbitration award may be entered in any court having competent jurisdiction and shall be final, binding, and non-appealable, except that any ruling that any of the Proprietary Marks is invalid or unenforceable shall be appealable. An arbitrator may not manifestly disregard the law in making any decision, including, without limitation, any decision as to the validity or enforceability of any of the Proprietary Marks. The award of the arbitrators may grant any relief which might be granted by a court of general jurisdiction, including, without limitation, an award of damages and/or injunctive relief (but excluding punitive, exemplary or multiple damages) and the costs of the arbitration, including the reasonable fees of the arbitrators and reasonable attorneys' fees, against either or both parties, in accordance with Section 14.9 (Attorneys' Fees).

14.4 **Excepted Disputes.** The obligation herein to arbitrate or mediate shall not be binding upon either party with respect to requests by Licensor or Licensee for temporary restraining orders, preliminary injunctions, or other procedures in a court of competent jurisdiction to obtain interim relief when deemed necessary by such court to preserve the *status quo* or prevent irreparable injury pending resolution by arbitration of the actual dispute. Each of the aforementioned claims or requests may be litigated in accordance with the terms of this Section 14. Any claims involving the Tier I Accounts Program that do not relate exclusively to monies owed must be resolved pursuant to Section 14.5 (Tier I Accounts Program Disputes) and may not be mediated, arbitrated, or litigated, except as provided in such Section 14.5. Notwithstanding the foregoing, the parties may mutually agree in writing to resolve a dispute using different procedures or rules than those specified in Section 14.

14.5 **Tier I Accounts Program Disputes.** All disputes of any kind, nature or description arising in connection with the operation of the Tier I Accounts Program, except disputes that relate exclusively to monies owed, that after a reasonable period of time have not been resolved by less formal means, shall be submitted for resolution to a three (3) -person panel composed of the then-current President of IPMA or his or her designee, the then-current President of Licensor or his or her designee, and a third person elected by the two (2) aforementioned individuals. If the two (2) aforementioned individuals cannot agree on a third person, the third person shall be selected in accordance with the applicable JAMS Rules, as if it were an arbitrator being selected. The dispute shall be resolved according to such rules as are established by such panel, and the decision of the panel with respect to such dispute shall be binding on Licensor and Licensee. In the event that it becomes impracticable to convene such a panel or the panel is unable after a reasonable period of time to resolve a dispute, the dispute shall be resolved in accordance with Section 14.3 (Arbitration).

14.6 **Forum for Litigation.** The parties agree that any judicial actions or litigation permitted to be brought under this Agreement by either party must be filed in federal or state courts located in the state in which Licensor's headquarters is then located. The parties waive all questions of personal jurisdiction and venue for the purpose of carrying out this provision.

14.7 Mutual Waiver of Jury Trial. Each party irrevocably waives trial by jury in any litigation arising out of, or relating to, this Agreement.

14.8 Mutual Waiver of Punitive Damages. Except as specifically provided herein, each party waives any right to or claim of punitive, exemplary, multiple or consequential damages against the other in litigation and agrees to be limited to the recovery of actual damages sustained.

14.9 Attorneys' Fees. If any action or proceeding is brought for the enforcement of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in the action or proceeding, in addition to any other relief to which it or they may be entitled.

14.10 All Remedies. No right or remedy conferred upon or reserved to Licensor or Licensee by this Agreement is intended to be exclusive of any other right or remedy herein or by law or equity provided, but each shall be cumulative of every other right or remedy. Without limiting the generality of the foregoing, in the event Licensee violates Sections 5.1 (No Other Services), 6.8 (Confidentiality), or 11.2 (Action Required of Licensee), Licensee agrees to the granting of a temporary, mandatory or affirmative injunction against it prohibiting any conduct by Licensee in violation of such terms. In the event Licensor violates Section 11.1 (Wind Down Period), Licensor agrees to the granting of a temporary, mandatory or affirmative injunction against it in accordance with Section 11.1.

15. MISCELLANEOUS

15.1 Representations of Licensee. Licensee represents and warrants to Licensor that, as of the Effective Date:

(a) If Licensee is a trust, corporation, limited liability company, partnership, or other form of entity, it is duly organized, in good standing, and qualified to do business in all jurisdictions included in the Territory; all owners with a ten percent (10%) or greater ownership interest in Licensee are directly and indirectly held by those persons and entities listed on the signature pages hereof, and no other persons or entities own any interests in Licensee of ten percent (10%) or more; and it has all necessary power and authority to execute, deliver, and perform this Agreement.

(b) The Business is and shall be the primary focus of Licensee's overall business or a segregated and identifiable division of Licensee's overall business or a segregated and identifiable division of Licensee's overall business operated by a manager devoted full-time to the Business in accordance with Section 6.3 (Sales and Support).

(c) Licensee is not currently a party to any third-party contract or agreement related to a Competing Service offered in the Territory.

(d) Licensee, any Affiliated Entity of Licensee, and any of the persons or entities holding (either directly, indirectly, or beneficially) at least a ten percent (10%) ownership interest in Licensee are in compliance with Section 5.1 (No Other Services) of this Agreement.

(e) There are no actions, suits, proceedings, or investigations in any court or before any governmental agency or instrumentality (or known threats of such actions, suits, proceedings, or investigations) which affect or are reasonably likely to affect Licensee's ability to perform its obligations under this Agreement.

15.2 <u>Representations of Licensor</u>. Licensor represents and warrants to Licensee that, on the date of this Agreement, it is duly organized and in good standing as a limited liability company under the laws of the State of Delaware and has all necessary power and authority to execute, deliver, and perform this Agreement. Further, Licensor represents and warrants to Licensee that it has, and during the Term will maintain the legal authority pursuant to its license agreements with Copyright Holders to provide content to Licensee in accordance with the provisions of this Agreement.

15.3 <u>Independent Contractor</u>. Licensor and Licensee are independent contractors vis-a-vis each other and neither party, nor their respective employees and agents, are or are to be construed to be either legal or implied agents, servants or employees of the other party or to have authority to act for or on behalf of the other party or to have a fiduciary or other special relationship. No acts taken or assistance given by one party to the other pursuant to this Agreement will be construed to alter this relationship. Without limiting the generality of the foregoing, but subject to Section 2.3 (Licensed Services in Adjacent Territories), Section 3.3 (Tier I Accounts), and any other written contract between Licensor and Licensee, nothing in this Agreement shall authorize one party to make any contract, agreement, warranty, or representation on behalf of the other party or to incur any debt or obligation in the other party's name, and the other party shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action. Without limiting the rights of a party to enforce its rights hereunder, a party shall not be liable to a third party by reason of any action or omission of the other party in the conduct of its business.

15.4 <u>Release</u>. Licensor and Licensee hereby release and forever discharge each other, and their respective Designees of and from any Claims which such releasing party now owns or holds, or has at any time heretofore owned or held, or may at any time own or hold, against the other party or its Designees, arising prior to and including the Effective Date and relating to any prior franchise or license agreement or the Business; provided, however, that this release shall not apply to any Claims (i) related to royalties or other monies owed, whether or not previously reported as owing, from Licensee to Licensor (but specifically excluding any amounts reportedly due and owing if more than twenty four (24) months prior to the Effective Date), (ii) related to Section 6.8 (Confidentiality), (iii) related to Section 5.1 (No Other Services), (iv) related to allegations of fraud; (v) which are at any time raised or asserted by any party against the other party as a defense, counterclaim, or cross claim in any arbitration or litigation; (vi) which a party could not have reasonably known the existence of as of the Effective Date, provided that the party informs the other party of such Claim within one hundred and twenty (120) days of its discovery of the Claim; or (vii) related to monies owed by Licensor to Licensee (but specifically excluding any amounts reportedly due and owing if more than twenty four (24) months prior to the Effective Date).

15.5 <u>Intellectual Property Indemnification</u>. Licensor shall defend, indemnify, and hold harmless Licensee against any and all IP Indemnification Damages arising from (i) a claim of infringement of a validly issued U.S. patent, U.S. copyright, or U.S. trademark or of any common law intellectual property rights or other intellectual property rights at law or in equity asserted against Licensee by a third party based on Licensee's authorized use of the Licensed Services and authorized delivery of the Licensed Services to Subscribers, (ii) Licensee's authorized and proper use of the Proprietary Marks, or (iii) Licensee's authorized and proper use of the Mood Proprietary Equipment, provided that (x) any such IP Indemnification Damages did not arise directly or indirectly from, as a result of, or in connection with Licensee's breach of this Agreement or any unauthorized or improper actions by Licensee, (y) Licensor shall have received from Licensee prompt Notice of such claim (but in any event notice in sufficient time for Licensor to respond without prejudice), and (z) Licensee shall have provided Licensor with all reasonably necessary cooperation and assistance. With respect to any such suit or proceeding, Licensor shall have the exclusive right to (i) choose counsel and (ii) direct and control the investigation, defense, and/or settlement of the matter. The foregoing indemnification obligation of Licensor does not apply if (i) the Licensed Services are modified by any party other than Licensor or MML, but only to the extent the alleged infringement is caused by such modification; (ii) the Licensed Services are combined with any other non-Mood products or services, but only to the extent the alleged infringement is caused by such combination; or (iii) after Licensor has provided Licensee with modifications to the Licensed Services, which Licensee failed to implement, that would have avoided the alleged infringement.

15.6 **No Waiver.** No failure of a party to exercise any right or power reserved to it in this Agreement or to insist upon compliance by the other party with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of such party's rights to demand exact compliance with any of the terms of this Agreement. Waiver by a party of any particular default shall not affect or impair such party's right with respect to any subsequent default of the same or of a different nature, and, except as otherwise expressly provided herein, any delay, forbearance, or omission of a party to exercise any power or right arising hereunder shall not affect or impair such party's right thereafter to exercise that or any other power or right.

15.7 **Notices.** Unless otherwise expressly provided herein, any and all Notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, postage prepaid, to Licensee at the address listed on Appendix A and to Licensor at the following address unless and until a different address has been designated by Notice to the other party:

Notices to Licensor:	Muzak LLC 2100 S. IH-35 Frontage Rd., Suite 201 Austin, Texas 78704 Attention: Vice-President Affiliate Services
Each with a copy to:	Mood Media 2100 S. IH-35 Frontage Rd., Suite 201 Austin, Texas 78704 Attention: Legal Department
Notices to IPMA:	Shall be sent to the President of IPMA, with a copy to the Treasurer of IPMA, at their respective principal addresses as Affiliates of Licensor

Notice by certified or registered mail shall be deemed to have been given at the date and time of receipt.

15.8 **Entire Agreement.** This Agreement, the documents referred to herein, and the exhibits and attachments hereto, constitute the entire, full, and complete agreement between the parties concerning the subject matter hereof, and supersede all prior agreements as of the Effective Date. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim any statement or representation made in Licensor's Franchise Disclosure Document that Licensor provided to Licensee. Except for the following sentence of this Section 15.8, no amendment of 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. Notwithstanding the prior sentence, this Agreement (except the term "Territory", Section 4.1 (Initial Term), Section 10 (Default and Termination), and this Section 15.7) may be amended upon the initiative of Licensor, but only if approved by the affirmative vote of Mood Licensees constituting seventy-five percent (75%) of the total U.S. territories licensed to Mood Licensees and provided the amendment is applicable to all Mood Licensees in the United States. Each Mood Licensee shall be entitled to one (1) vote for each territory in which they operate a Mood Business to determine the number of affirmative votes needed to achieve this amount.

15.9 Severability. Each portion, part, and term of this Agreement shall be considered severable, and if, for any reason, any portion, part, or term herein is determined by a court or agency with valid jurisdiction to be contrary to any existing or future law or regulation and invalid, it shall not impair the operation of, or have any other effect upon, the other portions, parts, or terms of this Agreement that remain otherwise intelligible.

15.10 Captions. All captions in this Agreement are for convenience only and do not in any way limit or amplify the provisions hereof.

15.11 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and, subject to Section 12 (Transfer of Business or Control of Licensee), their respective heirs, executors, representatives, successors, and assigns.

15.12 Counterparts. This Agreement may be executed in several counterparts, and all of such counterparts together shall constitute one agreement binding on all parties thereto, notwithstanding that all parties are not signatories to the original or same counterpart. Delivery of an executed counterpart of a signature page to this Agreement by electronic transmission (including an electronic signature platform such as DocuSign or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Agreement.

15.13 Limitation. Each party shall commence any action relating to the offer or sale of license rights hereunder to Licensee, or the execution of this Agreement by Licensee, within one (1) year from the later of the date of execution of this Agreement or the date such party knew or reasonably should have discovered the event or non-occurrence of the event first giving rise to the action, but in no event shall this provision extend any applicable statute of limitation. Each party shall commence any other action arising under this Agreement within two (2) years from the date such party knew or reasonably should have discovered the event or non-occurrence of the event first giving rise to such action, but in no event shall this provision extend any applicable statute of limitation. Each party agrees that any such claim not commenced within such time periods shall be barred, it being understood that the assertion of any such claim as a defense, counterclaim or cross-claim shall not be barred by this paragraph.

15.14 No Warranties. Licensor makes no warranties or guarantees upon which Licensee may rely relating to the profitability or success of the Business. Further, Licensor assumes no liability or obligation to Licensee by providing any waiver, approval, consent or suggestion to Licensee in connection with this Agreement.

15.15 No Implied Rights. 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 Licensee, Licensor, Licensor's officers, partners, and employees, and such of Licensee's and Licensor's respective successors and assigns as may be contemplated (and, as to Licensee, permitted) by Section 12 (Transfer of Business or Control of Licensee) of this Agreement, any rights or remedies under or by reason of this Agreement.

15.16 Survival. All provisions of this Agreement that pertain to Licensee's and Licensor's rights and duties regarding Licensee's and Licensor's delivery of the Licensed Services to certain Subscribers after the date of expiration or termination of this Agreement shall survive such expiration or termination to the extent necessary to give full effect to such rights and duties. All other covenants and obligations of the parties that are to be performed or observed after the expiration or termination of this Agreement, including, without limitation, those set forth in Section 6.8 (Confidentiality), Section 11 (Relationship of the Parties Upon Termination or Expiration), Section 13 (Proprietary Marks), and Section 14 (Dispute Resolution) shall also survive such expiration or termination.

15.17 Most Favorable Terms. If Licensor or any of its Affiliated Entities grants for the first time on or after the Effective Date to any other Mood Licensee financial terms related to Music Service Royalties, Market Fees, Product Fees, and/or other fees related to the Licensed Services (other than temporary or transient adjustments and accommodations) that are more favorable than the terms set forth in this Agreement, Licensor must (i) offer such more favorable terms to Licensee, provided that if such more favorable terms are granted to a Mood Licensee in conjunction with other materially different terms that are less favorable terms than the terms set forth in this Agreement, Licensee may only accept the more favorable financial terms in conjunction with the other less favorable material terms, and (ii) notify the then-current President of IPMA of such more favorable terms within thirty (30) days of granting them. For the avoidance of doubt, if Licensor offers any existing Mood Licensees who elect to execute a successor license agreement with Licensor in the form of this Agreement in advance of the expiration date of their existing license agreement with Licensor accommodations with respect to the length of the term and financial terms of the form of this Agreement, including, without limitation, permitting those Mood Licensees to continue to operate their Business in accordance with the financial terms in their existing license agreement until such agreement would have expired and offering such Mood Licensees an initial term in excess of ten (10) years, Licensor shall not be required to offer similar or identical accommodations to Licensee. In addition, if, and to the extent, Licensor is required by the laws and regulations of the state in which another Mood Licensee resides or operates its business to offer such other Mood Licensee more favorable terms than those set forth herein, Licensor shall not be required to offer such more favorable terms to Licensee, but shall notify the then-president of IPMA of the imposition of such legal or regulatory requirement.

15.18 Definition of Consultation; Good Faith. All references to the words "consult," "consultation," or "consulting" in this Agreement shall require good faith discussions and fair dealings between the parties where their respective objectives and the proposed means of accomplishing those objectives and alternatives thereto are discussed in good faith. Licensor and Licensee agree, in exercising their respective rights and complying with their respective obligations under this Agreement, at all times to act in good faith and to do all things reasonably within their respective power that are necessary or desirable to give effect to the spirit and intent of this Agreement and not to do anything to destroy or injure the right of the other party to receive the intended fruits of the Agreement.

16. ACKNOWLEDGEMENTS

16.1 Independent Investigations. Licensee acknowledges that it has conducted an independent investigation of the business licensed hereunder, and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Licensee as an independent person or entity. Licensor expressly disclaims the making of, and Licensee acknowledges that it has not received, any financial performance representations or any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the Business contemplated by this Agreement.

16.2 Terrorist Acts. The parties acknowledge that under applicable U.S. law, including, without limitation, the Order, each party is 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 Order. Accordingly, each party represents and warrants to the other parties that, as of the Effective Date, neither that party nor any Affiliated Entity or person holding any ownership interest in that party, controlled by that party, or under common control with that party is designated under the Order as a person with whom business may not be transacted by that party, and that that party: (i) does not, and hereafter will not, engage in any terrorist activity; (ii) is not affiliated with and does not support any individual or entity engaged in, contemplating, or supporting terrorist activity; and (iii) is 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.

16.3 **<u>Opportunity to Review</u>.** Licensee acknowledges that it has read and understands this Agreement and the exhibits and attachments hereto, and agreements relating hereto, and that Licensor has been accorded Licensee ample time and opportunity to consult with advisors of Licensee's own choosing about the potential benefits and risks of entering into this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the day and year first above written.

LICENSOR:
MUZAK LLC,
a Delaware limited liability company

By: ___________________________________
Title: _________________________________

LICENSEE:
______________________________,
a ______________________________

By: ___________________________________
Title: _________________________________

Each of the undersigned (i) owns, directly, indirectly, or beneficially, a ten percent (10%) or greater ownership interest in Licensee; (ii) has read this Agreement; and (iii) agrees to be bound by those provisions of this Agreement that impose obligations on the owners of controlling interests in Licensee, including, without limitation, Section 5.1 (No Other Services), Section 11.5(d) (No Interaction with Tier I Accounts or Existing Accounts), and Section 12 (Transfer of Business or Control of Licensee) and agrees to be bound by Section 14 (Dispute Resolution) with respect to any disputes arising from, or related to, this Agreement.

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Name: ________________________________
Date: ________________________________
Address: ______________________________
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Name: ________________________________
Date: ________________________________
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Date: ________________________________
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Date: ________________________________
Address: ______________________________
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APPENDIX A

LICENSEE-SPECIFIC TERMS

1. **Licensee:**
2. **Territory (Section 1.1):**
3. **Effective Date:**
5. **Licensee Territory Category (Section 6.4):**
6. **Initial Fee (Section 7.1):** Not Applicable (Successor License Agreement)
7. **E-mail Address for Licensee for Payment Disputes (Section 7.5(f)):**
8. **Notice Address for Licensee (Section 15.7):**
9. **Grandfathered Accounts (Section 3.3(e)):**

APPENDIX B

PROPRIETARY MARKS

Mark	**Registration No.**
MOOD:MEDIA™	3946991
MOOD:	5353026
MOOD HARMONY	6260910

APPENDIX C

COMMISSION PLANS FOR TIER I AND TIER II/MULTI-TERRITORY ACCOUNTS

AS OF THE EFFECTIVE DATE

(subject to change as provided in the definition of Commission Plan)

Agreements	Gross Billings X # of months in contract term X % below	
Music Services and Voice Services commission	8%	**Example: Subscriber rate $35.00 / Mo rate X 36 months (shortest contracted term) 8 % = $100.80**
Digital Signage Services commission	6%	
Scent Services and Drive Thru Maintenance Services commission	5%	
Re-Contract Commission (regardless of the rate change)	3%	**Recap of head end = zero recontract commission due.**
E&L equipment margin %	% commission	
Below 20% revenue margin	0%	
20 - 29.99% revenue margin	3%	
30 - 39.99% revenue margin	6%	
40% + revenue margin	8%	
E&L installation	% commission	
$84.99 per hour and below	0%	
$85.00 - $94.99 per hour + jobs	5%	
$95.00 per hour +	10%	
All commission invoices are billed to Licensee or Affiliate upon work order completion and billing to the Subscriber.		
Recurring commissions will have a net term due date of 30 Days after invoice date. Licensor will set this in the system as due date.		
E & L Commission will be set to have a new term due date of 90 days after invoice.		
Affiliate will have the option to request a refund if invoices are paid on time and Subscriber cancels or does not pay during the first 12 months of billing.		
Licensee to Licensee sales commissions shall be paid in compliance with the same standards		

APPENDIX D

GLOSSARY OF DEFINED TERMS

1. “**Accounts**” means the business or commercial relationship with one or more Subscribers.

2. “**Acquired Accounts**” means the Accounts owned by an entity acquired by Licensor, MML or one or more of their Affiliated Entities that provides Competing Services.

3. “**Acquisition Fee**” means Licensee’s *pro rata* share of (i) the purchase price paid by Licensor or an Affiliated Entity of Licensor to a third party for the acquisition of all Acquired Accounts (including the purchaser's out-of-pocket legal costs payable to third parties, but excluding Licensor’s (or the Affiliated Entity’s) internal costs related to the acquisition); plus (ii) Licensee’s pro rata share of any and all transition or direct integration services costs and expenses reasonably incurred by Licensor (or its Affiliated Entity); and (iii) an amount equal to the opportunity cost of lost synergies attributable to the Acquired Accounts, which shall reasonably be determined by MML or its financial advisor, after consultation with IPMA. The Acquisition Fee shall also include other out-of-pocket costs payable to third parties, such as, without limitation, the purchaser’s accounting and consulting expenses, if (x) the acquisition relates to the purchase of the stock or assets of an entity which is a national service provider or distributor that offers products or services that directly or indirectly compete with the Licensed Services; or (y) if IPMA agrees to permit such expenses to be included in the Acquisition Fee, provided that IPMA shall not unreasonably withhold, condition or delay its agreement.

4. “**Acquisition Rights**” means the right of Licensee to purchase Acquired Accounts including any Tier I Accounts and Tier II accounts which have Subscriber Premises in the Territory.

5. “**Affiliates**” means Owned Affiliates and Licensees.

6. “**Affiliated Entity**” means a person or business entity that controls, or is controlled by, or is under common control with a party.

7. “**Agreement**” means this License Agreement between Licensor and Licensee, which is a franchise agreement within the meaning of 16 CFR 436.1(h). For avoidance of doubt, the execution of this Agreement is the sale of a franchise within the meaning of 16 CFR 436.1 (t).

8. **Alternative Sales Channel**” means the marketing, offering or sale of Licensed Services and related equipment through an alternative sales channel outside the scope of any of Licensor’s traditional or existing channels, including without limitation, value added resellers, retail stores, retail and other businesses-to-business outlets, and e-commerce channels inside and outside the Territory**.**

9. “**Alternative Sales Channel Commissions**” means the commissions designated by the Committee in the Commission Plan for each Account that is sold in the Territory through an Alternative Sales Channel.

10. “**Annual Growth Report**” means a yearly report from Licensee to Licensor, submitted online within thirty (30) days following the end of each calendar year, to include all Subscriber activity, including without limitation, Music Royalty Reports that accurately reflect Gross Billings, Subscribers, new Subscribers Premises served, Licensed Services purchased by Subscribers, gross sales amounts by Licensed Service, Multi-Territory Accounts sold, added services by product/service, cancellations and any other information reasonably requested by Licensor.

Licensor, in consultation with IPMA, will establish standards and requirements for the Annual Growth Report.

11. "**Annual Recurring Revenue**" or "**ARR**" means, for purposes of calculating the Termination Fee, the sum of the last three (3) months of recurring monthly revenue of Tier I Accounts sold by Licensor and Existing Accounts in the Territory, multiplied by four (4).

12. "**Base Rates**" means the rates at which royalties are paid by Licensor to Copyright Holders for reproductions, distributions and/or public performances of sound recordings and the musical works embodied therein, including fixed fee rates (for example, a set dollar amount per Subscriber Premises or per performance) or percentage-based rates (for example, a set percentage of Subscriber billings).

13. "**Business**" means the Mood Business operated by Licensee.

14. "**Chain Account**" means a national chain, brand or franchised or licensed system which (a) specifically requires that Licensor be the sole and exclusive or the only approved provider of Licensed Services for all of its locations, (b) does not execute a Tier I Contract, and (c) is designated by the Committee as a Chain Account.

15. "**Chain Contracts**" means Contracts pertaining to Subscriber Premises of a Chain Account.

16. "**Changeover Date**" means either: (1) the date that is one hundred twenty (120) days following the day the IPMA Board of Directors endorses an Acquired Accounts transaction; or (2) if the IPMA Board of Directors does not endorse the acquisition of the Acquired Accounts, and Licensee provides Licensor with notice of its intent to exercise the Acquisition Rights, the date shall be on the day Licensor transitions the Acquired Accounts to Licensee, which shall be no later than one hundred twenty (120) days from the date of the purchase of the Acquired Accounts.

17. "**Claims**" means claims, controversies, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action of every nature character and description, vested or contingent released by the parties under Section 15.5 of the Agreement (Release) or asserted by the parties under Section 14 (Dispute Resolution).

18. "**Commercial Subscribers**" means retail, business, office, or commercial locations to whom sales are made by Echostar Corporation (or its successor) or its authorized dealers of DISH Network services.

19. "**Commission Plan**" means the rates of commission approved by the Committee for Tier I Sales Commissions, Alternatives Sales Channel Commissions, Multi Territory Account Commissions, Tier II Account Commissions, and Re-Contract Commissions. The initial rates of commissions shown on Appendix C to this Agreement shall be periodically reviewed by the Committee, but not less frequently than once every 24 months.

20. "**Committee**" means the Tier I Sales Committee, which shall consist of six (6) members, three (3) of whom shall be owners or senior management employees of a Licensee appointed by IPMA, and three (3) of whom shall be senior management employees appointed annually by Licensor. In the event a member retires from the Committee prior to the end of his or her term of appointment, or is otherwise unable or unwilling to serve until the end of such term, the entity that appointed such member shall promptly appoint a replacement member to serve until the end of such term.

21. “**Competing Service**” means any service that is substantially the same as, similar to, or directly competitive with any Licensed Service.

22. “**Computer System**” means the computer system software and network connections specified in writing by Licensor from time to time in the Operations Manual.

23. “**Confidential Information**” means trade secrets, know how, customer lists, information regarding Accounts, the terms and provisions of all Contracts, the Operational Standards, the Operations Manual, customer service standards, marketing and business plans, technological information, pricing information, revenue data and all other confidential and proprietary information not in the public domain including, all abstract and summaries of such information. “Confidential Information” does not include (i) information that is part of the public domain or becomes part of the public domain through no fault of the party receiving the Confidential Information, (ii) information disclosed to the receiving party by a third party having legitimate and unrestricted possession of such information, (iii) information that the receiving party can demonstrate by clear and convincing evidence was within such party’s legitimate and unrestricted possession before being disclosed by the other party, or (iv) information which must be disclosed by compulsion of law, provided notice of the demand for such disclosure is given, within forty-eight (48) hours of receipt of such demand, to the party owning the Confidential Information that is required to be disclosed

24. “**Consult**” “**consultation**” and “**consulting**” means Good Faith (as defined in Section 15.18 of the Agreement) discussions between Licensor and IPMA, marked by mutual transparency, mutual respect, and fair dealing, regarding their respective objectives and the proposed means of accomplishing those objectives and any alternatives thereto.

25. “**Continuing Party**” means a person or entity acquiring or retaining ownership of Tier I Accounts and Existing Accounts after the termination or expiration of the Agreement.

26. “**Contract**” means a written agreement involving the sales of Licensed Services to Subscribers in the Territory. The terms of each contract may include provisions required by Licensor after Consultation IPMA, but may not contain any provision (i) which conflicts with the terms of this Agreement, or (ii) that Licensor reasonably prohibits after consultation with IP MA, with the explicit understanding that any such provision or prohibition shall be considered unreasonable if the primary purpose of such provision or prohibition is to afford Licensor a commercial advantage over Licensee.

27. “**Copyright Holders**” means copyright owners of musical works or sound recordings, their authorized agents, or entities statutorily or contractually authorized to act on their behalf.

28. “**Cure Year**” means the calendar year that immediately follows the two (2) consecutive Default Years.

29. “**Damages**” means claims, demands, fines, losses, costs, and expenses awarded in a settlement or by a final court or arbitration decision (including, but unlimited to, reasonable attorneys’ fees, costs of investigation, settlement costs and interest), liabilities damages paid to Subscribers and other damages.

30. “**Data Format**” means the format for data that is compatible with Licensor’s Computer Systems, accounting programs, and other software as specified in writing by Licensor from time to time.

31. “**Deadlocked Approval**” means approval of a Tier I Contract by the Committee by reason of the fact that such approval did not receive the affirmative vote of at least a majority of the members of the Committee present in person, on a telephone or video conference, or by proxy.

32. “**Declining Licensee**” means a Licensee that exercises the right not to purchase Acquired Accounts in the Territory from Licensor.

33. “**Dealer**” means Existing Dealers and New Dealers.

34. “**Default Year**” means a calendar year in which Licensee does not achieve the Required Growth Rate.

35. “**Deferred Option**” means an alternative means from the Lump Sum Option for Licensee to pay the Acquisition Fee by having Licensor continue to collect for its own account all revenue generated by Licensee’s Acquired Accounts until the amount collected by Licensor from the Acquired Accounts after the acquisition occurs equals the Acquisition Fee attributable to Licensee's Acquired Accounts, plus fees and royalties that Licensor would otherwise have collected from Licensee if Licensee had taken the Lump Sum Option and collected all of the revenue from the Acquired Accounts, plus any licensing fees and taxes Licensor pays related to such Acquired Accounts, but not including any interest on the unpaid portion of the Deferred Option.

36. **“Delivery Device”** means a physical device that is used to deliver content using an On Premises Delivery or Off Premises Delivery method and that may be designated as Mood Proprietary Equipment.

37. “**Demonstrables**” means complete copies of signed license agreements with Copyright Holders and other licensors, and other business records which demonstrate new or changed costs incurred by Licensor on which it relies in seeking a change to Music Service Royalties or Product Fees.

38. “**Designees**” means predecessors, successors, representatives, assigns, agents, owners, employees, officers, and directors of a party subject to the release in Section 15.5 (Release).

39. “**Digital Signage Services**” means products and services related to individual or multiple video displays installed inside commercial establishments, intended to display programming, graphics, advertisements or other messages.

40. “**DMX Accounts**” means accounts offered by DMX as of the Transition Date.

41. “**DMX Date**” means January 1, 2013.

42. “**DMX Services**” means sound systems marketed using the DMX trademark.

43. “**Drive-Thru Maintenance Services**” means drive-thru equipment sales leasing and other maintenance services.

44. “**E&L**” means equipment and labor of any audio-visual equipment, subject to Licensee’s compliance with Licensor’s Operational Standards and set forth in the Operations Manual from time to time.

45. **“E&L Commission”** means the commission in the Commission Plan paid by Licensee to Licensor or the selling Affiliate, as applicable, for any E&L contract duly sold in the Territory by another Affiliate.

46. “**Effective Date**” means ________________________, 2023.

47. “**Elective Installation**” means a job installation related to a Tier I Contract that is deemed approved due to a Deadlocked Approval, which an Affiliate may reject without penalty.

48. “**Event of Default**” means Licensee’s default of a material term or condition of the Agreement.

49. “**Existing Account Fee**” means a special royalty of seventy percent (70%) of the Net Existing Service Billings.

50. “**Existing Accounts**” means any DMX Accounts in the Territory owned by MML or its predecessor as of the DMX Date and any Trusonic Accounts in the Territory owned by MML or its predecessor as of the Trusonic Date. An Existing Account shall be considered owned by Licensor as of the Effective Date, if Licensor has full control and billing authority over the Account. The Existing Accounts shall not include (i) Accounts owned by Dealers or (ii) Accounts sold by Licensee after the applicable Transition Date.

51. “**Existing Dealers**” means licensed DMX Dealers and Trusonic VARS in existence as of the Transition Date or licensed PlayNetwork Dealers in existence as of October 1, 2021.

52. “**Existing Premises**” means Subscriber Premises of Existing Accounts receiving Existing Services after the Transition Date.

53. “**Existing Service Billings**” means all amounts billed or other charged to all Existing Accounts by Licensor for Existing Services at Subscriber Premises receiving Existing Services as of the Transition Date, including any late-payment fees or interest charges imposed by Licensor. "Existing Service Billings" shall not include (i) any amounts billed to Subscribers as (and separately stated on the billings or otherwise separately determinable as) sales or similar excise taxes and (ii) amounts billed or otherwise charged to an Existing Account arising from Expanded Services.

54. “**Existing Services**” means recurring services provided to Existing Accounts as of the Transition Date.

55. “**Expanded Services**” means a new Licensed Service or a new Subscriber Premises added to an Existing Account after the Transition Date.

56. “**Expiration Date**” means December 31, 2034.

57. “**Force Majeure Event**” means fire, flood, tornado, hurricane, storm and/or other acts of God, a pandemic or other public health emergency, strike or other event or situation beyond the reasonable control of a party acting in accordance with sound business practices.

58. “**Grandfathered Account**” means those Multi-Territory Accounts managed by Licensee as of the Effective Date which have over two hundred and fifty (250) Subscriber Premises located in the territories of at least four (4) Affiliates or Metropolitan Statistical Areas that has not previously been designated as a Tier I Account and, if requested by the Subscriber, provides such Multi-

Territory Account with centralized service, collection of revenues, payment of rebates and management of the overall customer relationship, and which, at the request of Licensee is listed on Appendix A to this Agreement.

59. "**Gross Billings**" means all amounts billed or otherwise charged to a Subscriber by Licensee in connection with (i) the provision of any Music Service and (ii) the lease or rental (but not the sale) of Service Delivery Equipment and other equipment, including sound systems (e.g. speakers and amplifiers), used to receive and distribute such Music Service, including any maintenance provided as part of such lease or rental even if separately stated on the Contract, but excluding equipment that is not used primarily in the provision or reception of such Music Service and maintenance on such excluded equipment. "Gross Billings" shall also include the fees paid to Licensee by Commercial Subscribers within the Territory. Notwithstanding the foregoing, "Gross Billings" shall not include:

   a. income to Licensee from the sale or lease of any video equipment (except for the lease of combined audio/video reception equipment) to Commercial Subscribers;
   b. any amounts billed to Subscribers as (and separately stated on the billings or otherwise separately determinable as) sales or similar excise taxes;
   c. one-time installation charges billed not later than ninety (90) days following completion of such installation;
   d. charges for service of Subscriber-owned equipment, provided that such charges are separately determinable;
   e. ad hoc (i.e. extraordinary) charges for service actually performed on Subscriber-leased or Subscriber-owned equipment; and
   f. late-payment fees or interest charges imposed by Licensee, provided that such fees and charges do not exceed standard industry practice.
   g. the amount of any billings that were previously reported to Licensor as part of Licensee's Gross Billings but which, in the month of the deduction, were written off by Licensee as uncollectible in accordance with federal income tax standards of uncollectibility, or otherwise written off or credited to a Subscriber in accordance with Section 7.3(e) of the Agreement.
   h. and any copyright fees paid by Licensee with respect to the Music Services, including any fees paid to Licensor pursuant to Section 7.6 of the Agreement (Payment of Reproduction and Performance Royalties) for such purpose.

60. "**Growth Default**" means the failure or inability of Licensee to achieve its Required Growth Rate.

61. "**Growth Default Cure Notice**" means Notice from Licensor of a Growth Default.

62. "**Growth Plan**" means a commercially reasonable business plan recommended by Licensor with respect to the next calendar year which may include without limitation, minimum marketing expenditures, minimum requirements for sales and support personnel, retraining requirements, and other structural changes to the Business that may be reasonably advisable for Licensee to achieve the Required Growth Rate in the subsequent calendar years.

63. "**Immediate Family Member**" means a spouse, parent or grandparent, child or grandchild, brother or sister, father-in-law or mother-in-law, brother-in-law or sister-in-law, or son-in-law or daughter-in-law of a person.

64. "**Initial Fee**" means the initial fee payable by Licensee to Licensor under Section 7.1 (Initial Fee) of the Agreement, and which is listed on Appendix A, if applicable.

65. “**Initial Term**” means the term of this Agreement commencing on the Effective Date and ending on the Expiration Date.

66. “**Invoice Fee**” means a reasonable billing fee equal to $2.00 per month per Subscriber Premises payable by Licensee if Licensee is unable or unwilling to bill a Subscriber which it would otherwise be required to bill.

67. “**IP Indemnification Damages**” means claims, demands, fines, losses, costs, expenses awarded in a settlement or by a final court or arbitration decision (including, but unlimited to, reasonable attorneys’ fees, costs of investigation, settlement costs and interest), liabilities damages paid or payable to Subscribers or Licensee, and other damages.

68. “**IPMA**” means the International Planned Music Association established as and recognized by Licensor as the representative organization of Mood Licensees, as well as any successor organization that establishes that it represents the Mood Licensees holding rights to a majority of the territories then granted to Mood Licensees.

69. “**JAMS**” means the private alternative dispute resolution provider, the website for which can be found at https://www.jamsadr.com.

70. **“JAMS Rules”** means JAMS’ Comprehensive Arbitration Rules and Procedures, including the expedited procedures as outlined therein.

71. “**Leased Equipment**” means Licensee-owned equipment installed at a Subscriber Premises of a Tier I Account in the Territory, including without limitation, head-end and sound system equipment leased by a Subscriber.

72. “**Licensed Services**” means Music Services, Voice Services, Drive-Thru Maintenance Services, Digital Signage Services and Scent Services and all future improvements, upgrades, enhancements, versions and generations of or changes to these services or services substantially the same as, or similar to, these services or as otherwise agreed upon by the parties.

73. “**Licensee**” means the person or entity signing this Agreement in that capacity and listed on Appendix A. For avoidance of doubt, Licensee is a franchisee within the meaning of 16 CFR 436.1(k).

74. “**Licensee Acquired Accounts**” means Accounts purchased by Licensee from third parties, including from Dealers, that offer one or more Competing Services inside and outside the Territory.

75. “**Licensee Assisted Tier I Sale**” means the sale of a Tier I Account by Licensee without the assistance of Licensor or the sale of a Tier I Account in which Licensee is substantially involved in working with Licensor throughout the sales process from initial contact to the approval of the Tier I Account by the Committee.

76. “**Licensee Billings**” means all amounts billed or otherwise charged to a Subscriber by Licensee in connection with the sale and provision of a Licensed Service to an Account, including amounts billed to Subscribers of Alternate Sales Channel Accounts and thirty percent (30%) of the amounts billed or otherwise charged to Existing Accounts, but excluding (i) amounts Licensee is billing or otherwise charging (on behalf of another Affiliate) to a Subscriber of an Account sold by such other Affiliate, and (ii) Invoice Fees collected by Licensee from an Affiliate in connection with the foregoing subsection (i).

77. “**Licensor**” means Muzak LLC. For avoidance of doubt, Licensor is a franchisor within the meaning of 16 CFR 436.1(i).

78. “**Licensor Billings**” means all amounts billed or otherwise charged to a Subscriber by Licensor, or its Affiliated Entities in connection with the provision of Licensed Services in the United States, including in such calculation amounts billed to Subscribers anywhere in the United States of Alternate Sales Channel Accounts, Tier I and Tier II Accounts that are sold by Licensor or its Affiliated Entities or that are Licensee Assisted Tier I Sales and seventy percent (70%) of amounts billed or otherwise charged to Existing Accounts. Licensor Billings do not include sales by Dealers or Tier I Accounts sold by Mood Licensees.

79. “**Licensor’s Landed Costs**” means Licensor’s actual cost paid to third party manufacturers, vendors and/or suppliers of Mood Proprietary Equipment, including inbound freight, both without any premium or markup. For avoidance of doubt, an Affiliated Entity of Licensor is not a third party manufacturer, vendor or supplier of Mood Proprietary Equipment

80. “**Lump Sum Option**” means the payment of the Acquisition Fee in a single payment within thirty (30) days following the receipt of the complete Acquired Accounts Disclosure Package by Licensee and IPMA.

81. “**Managing Affiliate**” means the entity that performs all of the following: (i) sells Licensed Services to a Tier I Account or Multi-Territory Account; (ii) manages the centralized service, billing and collection of revenues of such Tier I Account or Multi-Territory Account; (iii) issues payment of the Net Revenue Share to Affiliates, as applicable, and (iv) manages the overall customer relationship of such Tier I Account or Multi-Territory Account.

82. “**Market Fee**” means the monthly fee payable by Licensee to Licensor based on the number of businesses in the Territory as determined by the U. S. Business Pattern Report.

83. “**Material Transaction**” means a transaction for the purchase by an Affiliate providing services similar to the Services of subscription-based accounts with an ARR greater than $1,000,000 (excluding E&L sales).

84. “**Minority Transfer**” means transfer of a minority ownership interest in Licensee that does not result in a change in control of Licensee.

85. “**MML**” means Mood Media, LLC the immediate parent company of Licensor.

86. “**Mood Business**” means a business that offers and delivers Licensed Services to Subscribers at Subscriber Premises using the Proprietary Marks.

87. “**Mood Licensee**” means a licensee of Licensor (other than Licensee) which is granted rights to operate a Mood Business in the United States.

88. “**Mood Proprietary Equipment**” means products, models, supplies and equipment manufactured by or on behalf of Licensor in accordance with specifications prescribed by Licensor which are not generally available to other entities or persons besides Licensor or its designees.

89. “**Multi-Territory Account**” means an Account not designated as a Tier I Account but which includes Subscriber Premises located in the territories of more than one (1) Affiliate.

90. “**Multi-Territory Account Commission**” means the commission in the Commission Plan payable by Licensee, based on a percentage of the Gross Billings realized by Licensee by providing Licensed Services to a Subscriber in the Territory under the terms of a Multi-Territory Contract sold by another Affiliate.

91. “**Multi-Territory Contract**” means an agreement with a Multi-Territory Account.

92. “**Multi-Territory Pricing Guidelines**” means pricing guidelines set by the Committee from time to time for Multi-Territory Contracts.

93. “**Music Royalty Reports**” means a monthly report of Music Services provided by Licensee, Gross Billings, and Music Service Royalties in the form specified in the Operations Manual.

94. “**Music Services**” means subscription background music services including the sale, lease, installation and maintenance of sound systems related to the provision of such subscription background music services.

95. “**Music Service Royalties**” means the amount payable by Licensee to Licensor for Music Services.

96. “**Net Existing Service Billings**” means the Existing Service Billings less the licensing fees, including performance rights fees and copyright fees, and taxes actually incurred by Licensor, MML or their Affiliated Entities related to providing the Existing Services to the Existing Accounts.

97. “**Net Revenue Share**” means Licensee’s share of the revenues expected from Tier I and Tier II Accounts. **.**

98. “**New Dealer**” means a dealer not offering DMX Services in the Territory as of the Effective Date.

99. “**New Service**” means a new service or product developed or acquired by Licensor which it intends to market or sell through the same or similar categories of Subscribers who typically purchase one or more Licensed Services. A New Service may not be (i) the same or substantially similar to, or directly competitive with, the Licensed Services, (ii) an incremental change, upgrade, enhancement, or improvement to the Licensed Services, such as a new delivery platform, (iii) a rebundling of Licensed Services, or (iv) creative consulting and creative marketing services and related deliverables (which is a Non-licensed Service), but it may be a service that is unrelated to or not directly competitive with the Licensed Services.

100. “**Non-licensed Service**” means services and related equipment that are not licensed to Licensee to market and sell, because (i) such service is neither a Licensed Service nor a Competing Service; or (ii) such service is offered only to residential subscribers.

101. “**Notice**” means a written communication transmitted in the manner described in Section 15.7 (Notices) of the Agreement or otherwise transmitted as agreed upon by the parties in writing.

102. “**On Premises Delivery**” means a delivery method where content is downloaded (using an internet connection or local storage device such as an SD card or CD) and stored on a Delivery Device for playback locally.

103. "**Off Premises Delivery**" means a delivery method where content is streamed using satellite, IP streaming or similar technology such that the content is not or stored on any Delivery Device for playback locally.

104. "**Operational Standards**" means commercially reasonable minimum operational standards for the delivery of Licensed Services by all Affiliates, which shall be published in the Operations Manual and may include, without limitation, minimum marketing expenditure requirements, minimum customer service scores, minimum response times to Subscriber inquiries or requests for service, and/or minimum numbers of administrative, technical, and sales personnel.

105. "**Operations Manual**" means a confidential document published by Licensor which includes commercially reasonable Operational Standards and other commercially reasonable business performance requirements, operational, service delivery, security compliance and certification, and installation standards, reporting templates, Service Level Agreements, form agreements and Contracts, and other operational requirements reasonably required of all Affiliates by Licensor, including the forms of reporting.

106. "**Order**" means Executive Order 13224 signed on September 23, 2001.

107. "**Owned Affiliates**" means Mood Businesses owned by Licensor, MML or their Affiliated Entities.

108. "**Prevailing Multiple**" means the average multiple used for the three most recent Material Transactions completed by an Affiliate.

109. "**Product Fees**" means fees related to products, services, methods and technologies used in connection with the delivery of Licensed Services.

110. "**Project Expenses**" means any certification fees, increased insurance costs or related expenses uniquely incurred with a project as it relates to compliance requirements imposed by clients, government agencies or industry organizations.

111. "**Proprietary Marks**" means the tradenames, service marks, trademarks, logos, emblems, and indicia of origin including, but not limited to, the mark MOOD® and such other trade names, service marks and trademarks listed in Item 13 of the Licensor's 2023 franchise disclosure document and are set forth on Appendix B.

112. "**Quarterly Sales Report**" means quarterly sales activity reports encompassing, at a minimum, an overview of sales activity and new sales bookings.

113. "**Rate Changes**" means new rates not included in the Base Rates and increases or decreases in the Base Rates payable to Copyright Holders as a direct result of licensing costs changes to Licensor, which will be demonstrated to IPMA not less than 90 days before affecting the change, by producing the Demonstrables to IPMA.

114. **"Rebates**" means fees, commissions, rebates, and allowances or other forms of payment or consideration paid to Licensor, MML or any of their Affiliated Entities by their vendors or suppliers.

115. "**Receivers**" means receivers and associated equipment and antennae, satellites or network access points.

116. **Re-Contract Commissions.** Commission paid by Licensee to Licensor any of its Affiliated Entities or the selling Affiliate, as applicable, for any Tier I Account, Alternative Sales Channel Account, or Multi-Territory Account with Subscriber Premises in the Territory that are serviced by Licensee that extends the term of service of the Contract for any such Account with respect to Subscriber Premises within the Territory.

117. "**Recorded Media**" means any physical media in analog or digital form.

118. "**Recurring Gross Billings**" means the average recurring monthly billings to a Subscriber for Music Services and related equipment net of sales taxes plus the average recurring monthly Billings to a Subscriber for Voice Services and related equipment net of sales taxes and fees paid to Licensor.

119. "**Required Growth Rate**" means the annual amount by which Licensee, except in cases of a Force Majeure Event, must increase Licensee Billings cumulatively for all Licensed Services in the aggregate of the Territory and all of Licensee's (or its Affiliated Entity) additional Mood Business territories. For the avoidance of doubt, the Required Growth Rate shall include only those amounts billed to Tier II Accounts in Licensee's territories, and growth will not be measured by product type or by individual territory (in cases where Licensee (or its Affiliated Entity) has multiple territories).

120. "**Required Installation**" means a job installation in the Territory that must be completed related to a Tier I Contract that has been approved by the Committee.

121. "**Scent Services**" means Mood-branded or proprietary on-site scent solutions owned by Licensor or its or any of its Affiliated Entities.

122. "**Service Delivery Equipment**" means all equipment used to receive or distribute the Licensed Services including equipment owned by Subscribers.

123. "**Subscriber**" means a non-residential customer of a Mood Business.

124. "**Successor Agreement**" means the form of new license agreement for a Successor Term.

125. "**Subscriber Premises**" means locations at which Licensed Services are provided to Subscribers.

126. "**Successor Term**" means the term of the Successor Agreement in the form agreed to by Licensor and IPMA, which shall be at least ten (10) years.

127. "**System**" means a system for the operation of Mood Businesses that produces and delivers Licensed Services to Subscribers.

128. "**Tax Penalty**" means any tax, interest, fines, late fees, penalties or other financial detriment assessed or levied by a taxing authority against Licensee as a result of Licensee following Licensor's operational standard regarding the fact and the amount of Licensee's direct payment of sales or other taxes to Licensee's local taxing authority on revenue generated from Accounts billed by Licensor.

129. "**Term**" means the Initial Term and the Successor Term.

130. “**Termination Fee**” means the amount equal to the product of the Annual Recurring Revenue, multiplied by the Prevailing Multiple payable by Licensor to Licensee upon termination or expiration of the Agreement if Licensor terminates Licensee’s rights with respect to any Tier I Accounts sold by Licensor (including Existing Accounts) at Subscriber Premises in the Territory.

131. “**Territory**” means the area specified on Appendix B within which Licensee shall have the right to offer and provide Licensed Services to Subscribers.

132. “**Territory Category**” means categories of territories of Mood Businesses based on the number of businesses within each territory as determined by the U.S. Business Patterns Report as set forth below:

Territory Category	Number of Businesses Located Within Territory
A	70,000 or more businesses
B	60,000 through 69,999 businesses
C	50,000 through 59,999 businesses
D	40,000 through 49,999 businesses
E	30,000 through 39,999 businesses
F	20,000 through 29,999 businesses
G	10,000 through 19,999 businesses
H	5,000 through 9,999 businesses
I	4,999 or fewer businesses

133. “**Third-Party Contract**” means any contract or agreement which Licensee, or an Affiliated Entity of Licensee, is a party related to the provision of services in the Territory that are the same as or substantially similar to, or directly competitive with, a proposed New Service.

134. “**Tier I Accounts**” means those Accounts which involve (i) a single client signature for all Subscriber Premises, or (ii) all locations are billed by the Managing Affiliate, or (iii) there are fifty (50) or more Subscriber Premises located in the territories of four (4) or more Affiliates or Metropolitan Statistical Areas (as defined by the United States Office of Management and Budget or any successor agency or report).

135. “**Tier I Accounts Program**” means a program pursuant to which Licensor and its Affiliates will market, sell, and provide the Licensed Services under the Proprietary Marks to Tier I Accounts.

136. “**Tier I Account Program Procedures**” means the minimum procedural requirements necessary for managing a Tier I Account as established by the Committee and published in the Operations Manual.

137. “**Tier I Contract**” means a Contract with a Tier I Account.

138. “**Tier I Account Form**” means the template form of Tier I Contract approved by the Committee from time to time.

139. “**Tier I Sales Commission**” means the commission in the Commission Plan payable by Licensee to the Managing Affiliate for a Tier I Account for the installation of equipment at a Subscriber Premises in the Territory, such commission to be approved by the Committee.

140. “**Tier II Contract**” means a Contract with a Tier II Account.

141. “**Tier II Accounts**” means all Accounts which are not Tier I Accounts. Tier II Accounts will be billed by Licensee unless there is an operational reason that requires Licensor billing as provided in the Licensee Cross Territorial Approval Form published in the Operations Manual, or unless otherwise agreed by Licensee and another Affiliate.

142. “**Tier II Contract**” means a Contract with a Tier II Account.

143. “**Transfer**” means to sell, assign, give away, transfer, pledge, mortgage, or encumber, either voluntarily or be operation of law (such as through divorce or bankruptcy proceedings), any interest in (i) the Agreement, (ii) the Business, (iii) the ownership of Licensee, or (iv) a portion of the assets of the Business which collectively amount to ten percent (10%) or more of the total assets of the Business.

144. “**Transition Date**” means the DMX Date or the Trusonic Date, as applicable.

145. “**Trusonic Accounts**” means accounts offered by Trusonic as of the Transition Date.

146. “**Trusonic Date**” means May 6, 2011.

147. "**Unrelated Entity**" means an entity acquired by Licensor or an Affiliated Entity of Licensor that does not offer any Competing Services.

148. “**U.S. Business Pattern Report**” means the report entitled <u>County Business Patterns</u> as published by the United States Census Bureau, or any successor agency or report.

149. “**Voice Services**” means distinctive services relating to the recording and delivery of audio messages for telephone applications and/or indoor and outdoor applications.

150. “**Wind Down Period**” means the earlier of the date designated by Licensee or one hundred eighty (180) days following the effective date of termination or expiration of this Agreement.

151. “**Workout Period**” means a period of thirty (30) days or, if both parties agree in writing, a mutually-agreed upon period of time following Notice by a party to this Agreement that it has a good faith dispute with an amount billed to it by the other party.

APPENDIX E

VIBENOMICS ADDENDUM TO MOOD LICENSE AGREEMENT

This Vibenomics Addendum to Mood License Agreement (the "Addendum") is made as of the last date of execution set forth on the signature page hereof (hereinafter, the "Effective Date") and is entered into by and between **Muzak LLC**, a Delaware limited liability company (the "Licensor" or "Mood") and Click or tap here to enter text. (the "Licensee") (collectively the "Parties").

RECITALS:

WHEREAS, Licensor and Licensee entered into a Mood License Agreement (the "License Agreement"), dated as of ________, 2023 to operate a Mood Business within the Territory;

WHEREAS, on or about March 21, 2023 Mood Media LLC, Licensor's parent entity, announced the acquisition of Vibenomics, Inc. ("Vibenomics") , a company which provides music services (the "Music Component") and audio advertising solutions (the "Advertising Component").

WHEREAS, Licensor takes the position that while the Music Component provided to subscribers of Vibenomics is a Competing Service as defined by the License Agreement, the Advertising Component is neither a Licensed Service nor any other service contemplated by the License Agreement. IPMA concurs that the Music Component is a Competing Service, but takes the position that the Advertising Component is a Voice Service and thus a Licensed Service.

WHEREAS, in accordance with Section 3.6(b) of the License Agreement, Licensor provided the Acquired Accounts Disclosure Package to Licensee and offered Licensee a thirty (30) day period to exercise its rights to purchase the Music Component of the Vibenomics accounts in the Territory (the "Vibenomics Acquired Accounts").

WHEREAS, Licensee duly exercised its option to purchase the Vibenomics Acquired Accounts; and

WHEREAS, Licensor and Licensee desire to amend certain terms of the License Agreement and in good faith enter into this Addendum to resolve any further disagreement with respect to the Advertising Component.

NOW, THEREFORE, in consideration of the mutual covenants contained in this First Addendum, and other good valuable consideration, the receipt and sufficiency of which are expressly acknowledged, Licensor and Licensee each intending to be legally bound, agree to the following negotiated changes to the License Agreement:

AGREEMENT:

1. **<u>Vibenomics Music Services.</u>** Licensor and Licensee agree that: (a) the Music Component provided to subscribers of Vibenomics is a Competing Service; (b) the Music Component of the Vibenomics accounts are Tier I Acquired Accounts subject to the provisions of

Section 3.6(b) of the License Agreement; and (c) Licensee has exercised its right to purchase the Vibenomics Acquired Accounts in the Territory.

As of August 4, 2023 the Music Component includes the Acquired Accounts of all Mood Licensees, including recurring monthly billing charged to Vibenomics customers as shown on Exhibit A to this Addendum.

2. **Vibenomics Advertising Revenue.** For the purposes of the Vibenomics transaction only, and without prejudice to the competing opinions of the Parties and any future acquisition by Licensor or an Affiliated Entity of Licensor, Mood of a business or an entity that provides services that are the same as or similar to, Vibenomics, Licensee and Licensor agree to forego any further dispute regarding whether the Advertising Component is a Licensed Service, and instead, agree as follows: Licensor will pay Licensee twenty five percent (25%) of the sum of the individual locations' Net Advertising Revenue within the Territory during the Term of the License Agreement (the "Vibenomics Payment").

   For purposes of this Addendum, "Net Advertising Revenue" means the gross advertising revenue directly invoiced by Vibenomics to the Advertiser and paid by the Advertiser to Vibenomics for the sum of locations serviced by Licensor or an Affiliated Entity of Licensor within the Territory, less:

   (a) the revenue share actually paid to or retained by the retail customers within the Territory; and
   (b) commissions paid to the salesperson who sold the advertising services to the Advertiser.

   For purposes of this Addendum, "Advertiser" shall mean an individual, company, or organization that pays to have promotional advertisements played within a retail or commercial environment of Mood customers through audio channels, with the goal of engaging and influencing consumer behavior within a specific location.

   Licensor shall pay the Vibenomics Payment to Licensee quarterly in arrears as a revenue share, not later than ninety (90) days following the conclusion of each calendar quarter. Each Vibenomics Payment shall be accompanied by a reasonably detailed report of Net Advertising Revenue invoiced to the Advertiser in the Territory.

3. **Other Licensed Services**. For avoidance of doubt, the Parties acknowledge and agree that to the extent Licensor or an Affiliated Entity of Licensor sells or provides any other Licensed Services to a current or future Subscriber or Vibenomics customer, such Licensed Services, including without limitation, Music Services, Digital Signage Services, Voice Services and Drive-Thru Maintenance Services, shall be treated in the same manner as Tier I and Tier II Accounts, as set forth in the License Agreement.

4. **Acknowledgement**. Licensee and Licensor hereby acknowledge and agree that the Vibenomics Payment to be paid by Licensor during the Term of the License Agreement is sufficient, fair and shall not be increased or decreased during the Term. All rights not expressly granted to Licensee herein are expressly reserved to Vibenomics and Licensor. Nothing in this Addendum shall be deemed to constitute the grant of any right, title, interest

in, or license to the Music Component or Advertising Component, except as set forth herein. Notwithstanding the foregoing, if from time to time, Mood or an Affiliated Entity of Mood acquires or otherwise begins to operate one or more businesses which are the same as or similar to that of Vibenomics, Mood will enter into good faith negotiations with IPMA and a further amendment or addendum to the License Agreement memorialize the material terms of the parties' negotiations.

5. **Ratification**. Except as specifically amended by this Addendum all other terms and conditions of the License Agreement shall remain unchanged and in full force and effect.

6. **Construction**. This Addendum shall inure to the benefit of and be binding upon the Parties and their respective predecessors, successors, and assigns. All capitalized terms not defined herein shall have the meaning set forth in the License Agreement including, without limitation, the Glossary of Defined Terms.

7. **Execution.** This Addendum may be executed in separate counterparts, including by electronic signature. When all of the parties have signed at least one counterpart and delivered the same, to the other parties, either by original, or by electronic signature, this First Addendum shall be in full force and effect. Licensor represents that it has the necessary power and authority to execute deliver and perform this Addendum on behalf of itself and its Affiliated Entities, including without limitation, Mood Media, LLC.

The Parties have executed this Addendum which shall be effective for all purposes as of the Effective Date.

Licensee:

Click or tap here to enter text.

By: ______________________________

Title: ______________________________

Date : ______________________________

Licensor:

Muzak LLC:

By: ______________________________

Title: ______________________________

Date:______________________________

EXHIBIT A

Name	Company Name	Zip Code	Territory	Monthly Subscription Revenue
Circle K #2650968 - Fillmore	Circle K TMC	93015	RPT_SANTABARBAR, - MUZICRAFT	$30.00
Circle K #2654290 - Lagrange	Circle K TMC	30240	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$30.00
Circle K #2654296 - Opelika	Circle K TMC	36801	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$30.00
Circle K #2654365 - Fayetteville	Circle K TMC	72701	RPT_FAYETTEVILL, - AUDIO ACOUSTICS FAYETTEVILLE	$30.00
Circle K #2654367 - Fayetteville	Circle K TMC	72703	RPT_FAYETTEVILL, - AUDIO ACOUSTICS FAYETTEVILLE	$30.00
Circle K #2654368 - Springdale	Circle K TMC	72762	RPT_FAYETTEVILL, - AUDIO ACOUSTICS FAYETTEVILLE	$30.00
Circle K #2654369 - Bentonville	Circle K TMC	72712	RPT_FAYETTEVILL, - AUDIO ACOUSTICS FAYETTEVILLE	$30.00
Circle K #2654388 - Fort Smith	Circle K TMC	72908	RPT_FAYETTEVILL, - AUDIO ACOUSTICS FAYETTEVILLE	$30.00
Circle K #2655654 - Zillah	Circle K TMC	98953	RPT_YAKIMA_WA, - SOUSLEY SOUND & COMMUNICATIONS	$30.00
Circle K #2655656 - Zillah	Circle K TMC	98953	RPT_YAKIMA_WA, - SOUSLEY SOUND & COMMUNICATIONS	$30.00
Circle K #2658183 - Fort Smith	Circle K TMC	72916	RPT_FAYETTEVILL, - AUDIO ACOUSTICS FAYETTEVILLE	$30.00
Circle K #2706476 - Escondido CA	Circle K West Coast	92026	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$100.00
Circle K #2708545 - Escondido CA	Circle K West Coast	92025	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$100.00
Circle K #2709478 - Oceanside CA	Circle K West Coast	92056	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$100.00
Circle K #2709485 - San Diego CA	Circle K West Coast	92129	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$100.00
Circle K #2709506 - El Centro CA	Circle K West Coast	92243	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$100.00
Circle K #2709508 - Calipatria CA	Circle K West Coast	92233	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$100.00

City Market #62000412	Kroger	82301	RPT_CHEYENNE_WY, - COMMERCIAL AUDIO VIDEO	$28.00
Dillons #61500001	Kroger	67801	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$28.00
Dillons #61500003	Kroger	67530	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$28.00
Dillons #61500005	Kroger	67846	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$28.00
Dillons #61500007	Kroger	67579	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500008	Kroger	67501	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500009	Kroger	67550	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$28.00
Dillons #61500010	Kroger	67501	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500012	Kroger	67207	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500014	Kroger	67601	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$28.00
Dillons #61500016	Kroger	67212	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500018	Kroger	67010	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500020	Kroger	67206	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500023	Kroger	67124	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$28.00
Dillons #61500025	Kroger	67501	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500029	Kroger	67042	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00

Dillons #61500032	Kroger	67110	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500033	Kroger	67216	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500034	Kroger	67203	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500036	Kroger	67460	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500038	Kroger	67005	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500041	Kroger	67401	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500045	Kroger	67156	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500049	Kroger	67205	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500050	Kroger	67701	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$28.00
Dillons #61500051	Kroger	67530	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$28.00
Dillons #61500056	Kroger	67220	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500057	Kroger	67037	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500060	Kroger	67846	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$28.00
Dillons #61500061	Kroger	67601	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$28.00
Dillons #61500063	Kroger	67152	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500065	Kroger	67217	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00

Dillons #61500066	Kroger	67226	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500072	Kroger	67212	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500073	Kroger	67901	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$28.00
Dillons #61500074	Kroger	67401	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500077	Kroger	67114	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500081	Kroger	67235	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500083	Kroger	67037	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500084	Kroger	67114	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500085	Kroger	67002	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500089	Kroger	67203	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500091	Kroger	67214	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500092	Kroger	67203	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500095	Kroger	67401	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500096	Kroger	67218	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500097	Kroger	67502	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$28.00
Dillons #61500108	Kroger	66762	RPT_SPRINGFIELD, - AUDIO ACOUSTICS	$28.00
Dillons #61500704	Kroger	67054	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$28.00

Food 4 Less #70400300	Kroger	92083	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Food 4 Less #70400306	Kroger	93536	RPT_BAKERSFIELD, - ENVIRONMENTAL SOUND SOLUTIONS	$28.00
Food 4 Less #70400318	Kroger	91945	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Food 4 Less #70400333	Kroger	92108	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Food 4 Less #70400335	Kroger	93036	RPT_SANTABARBAR, - MUZICRAFT	$28.00
Food 4 Less #70400345	Kroger	92025	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Food 4 Less #70400346	Kroger	91950	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Food 4 Less #70400347	Kroger	92111	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Food 4 Less #70400349	Kroger	92071	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Food 4 Less #70400360	Kroger	93550	RPT_BAKERSFIELD, - ENVIRONMENTAL SOUND SOLUTIONS	$28.00
Food 4 Less #70400374	Kroger	92115	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Food 4 Less #70400394	Kroger	92021	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Food 4 Less #70400763	Kroger	92114	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Food 4 Less #70400774	Kroger	92243	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Food 4 Less #70400780	Kroger	91911	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Food 4 Less #70400781	Kroger	92231	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Foods Co #70400365	Kroger	93304	RPT_BAKERSFIELD, - ENVIRONMENTAL SOUND SOLUTIONS	$28.00
Foods Co #70400384	Kroger	93305	RPT_BAKERSFIELD, - ENVIRONMENTAL SOUND SOLUTIONS	$28.00
Foods Co #70400771	Kroger	93436	RPT_SANTABARBAR, - MUZICRAFT	$28.00
Foods Co #70400779	Kroger	93454	RPT_SANTABARBAR, - MUZICRAFT	$28.00
Fred Meyer #70100011	Kroger	99508	RPT_ANCHORAGE_A, - SOUNDTECH	$28.00
Fred Meyer #70100017	Kroger	99669	RPT_ANCHORAGE_A, - SOUNDTECH	$28.00
Fred Meyer #70100018	Kroger	99504	RPT_ANCHORAGE_A, - SOUNDTECH	$28.00

Fred Meyer #70100071	Kroger	99515	RPT_ANCHORAGE_A, - SOUNDTECH	$28.00
Fred Meyer #70100224	Kroger	99701	RPT_FAIRBANKS_A, - BACKGROUND SOUND, LLC	$28.00
Fred Meyer #70100485	Kroger	99709	RPT_FAIRBANKS_A, - BACKGROUND SOUND, LLC	$28.00
Fred Meyer #70100486	Kroger	98908	RPT_YAKIMA_WA, - SOUSLEY SOUND & COMMUNICATIONS	$28.00
Fred Meyer #70100649	Kroger	99645	RPT_ANCHORAGE_A, - SOUNDTECH	$28.00
Fred Meyer #70100653	Kroger	99654	RPT_ANCHORAGE_A, - SOUNDTECH	$28.00
Fred Meyer #70100656	Kroger	99507	RPT_ANCHORAGE_A, - SOUNDTECH	$28.00
Fred Meyer #70100668	Kroger	99577	RPT_ANCHORAGE_A, - SOUNDTECH	$28.00
Fry's Food #66000059 - Fuel Center	Kroger	85635	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food #66000090 - Fuel Center	Kroger	85747	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food #66000679 - Fuel Center	Kroger	85629	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food and Drug #66000017	Kroger	85711	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food and Drug #66000018	Kroger	85737	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food and Drug #66000020	Kroger	85713	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food and Drug #66000021	Kroger	85705	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food and Drug #66000033	Kroger	85730	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food and Drug #66000034	Kroger	85710	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food and Drug #66000036	Kroger	85741	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food and Drug #66000042	Kroger	85710	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food and Drug #66000057	Kroger	85743	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food and Drug #66000058	Kroger	85714	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food and Drug #66000059	Kroger	85635	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food and Drug #66000083	Kroger	85746	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00

Fry's Food and Drug #66000090	Kroger	85747	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food and Drug #66000117	Kroger	85737	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food and Drug #66000131	Kroger	85712	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food and Drug #66000137	Kroger	85710	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food and Drug #66000138	Kroger	85719	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food and Drug #66000679	Kroger	85629	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Fry's Food and Drug #66000689	Kroger	85658	RPT_TUCSON, - BUSINESS MUSIC INC	$28.00
Gerbes #61500116	Kroger	65026	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$28.00
Gerbes #61500118	Kroger	65101	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$28.00
Gerbes #61500119	Kroger	65020	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$28.00
Gerbes #61500122	Kroger	65109	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$28.00
Gerbes #61500124	Kroger	65203	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$28.00
Gerbes #61500125	Kroger	65202	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$28.00
Goasis #263 - Wheeler Ridge CA	TravelCenters of America	93203	RPT_BAKERSFIELD, - ENVIRONMENTAL SOUND SOLUTIONS	$35.00
Goasis #701 - Ashland OH	TravelCenters of America	44805	RPT_CANTON_OH, - OHIO MUSICUE CORPORATION	$35.00
Huck's #139 - Sikeston MO	Huck's (Martin & Bayley)	63801	RPT_SPRINGFIELD, - AUDIO ACOUSTICS	$70.00
Huck's #265 - Poplar Bluff MO	Huck's (Martin & Bayley)	63901	RPT_SPRINGFIELD, - AUDIO ACOUSTICS	$70.00
Huck's #271 - Cape Girardeau MO	Huck's (Martin & Bayley)	63703	RPT_SPRINGFIELD, - AUDIO ACOUSTICS	$70.00

Huck's #321 - Kennett MO	Huck's (Martin & Bayley)	63857	RPT_SPRINGFIELD, - AUDIO ACOUSTICS	$70.00
Hy-Vee #1009 - Albia, IA Main	Hy-Vee	52531	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1010 - Algona, IA Main	Hy-Vee	50511	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1011 - Altoona Fast & Fresh	Hy-Vee	50009	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1011 - Altoona, IA Main	Hy-Vee	50009	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1011 - Altoona, IA Restaurant	Hy-Vee	50009	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1013 - Ames #1 Fast & Fresh	Hy-Vee	50014	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1013 - Ames, IA #1 Main	Hy-Vee	50014	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1013 - Ames, IA #1 Restaurant	Hy-Vee	50014	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1018 - Ames #2 Hy-Vee Fast & Fresh	Hy-Vee	50010	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1018 - Ames, IA #2 Main	Hy-Vee	50010	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1018 - Ames, IA #2 Restaurant	Hy-Vee	50010	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1019 - Albert Lea Fast & Fresh	Hy-Vee	56007	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1019 - Albert Lea, MN Main	Hy-Vee	56007	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1022 - Ankeny #1 Fast & Fresh	Hy-Vee	50023	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1022 - Ankeny, IA #1 Main	Hy-Vee	50023	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1022 - Ankeny, IA #1 Restaurant	Hy-Vee	50023	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1023 - Ankeny #2 Fast & Fresh	Hy-Vee	50023	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1023 - Ankeny, IA #2 Main	Hy-Vee	50023	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1023 - Ankeny, IA #2 Restaurant	Hy-Vee	50023	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1025 - Ashwaubenon , WI Main	Hy-Vee	54304	RPT_APPLETON_WI, - NORTHERN MUSICAST, INC.	$25.00
Hy-Vee #1025 - Ashwaubenon , WI Restaurant	Hy-Vee	54304	RPT_APPLETON_WI, - NORTHERN MUSICAST, INC.	$25.00

Hy-Vee #1027 - Austin Fast & Fresh	Hy-Vee	55912	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1027 - Austin, MN Main	Hy-Vee	55912	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1027 - Austin, MN Restaurant	Hy-Vee	55912	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1038 - Boone, IA Main	Hy-Vee	50036	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1038 - Boone, IA Restaurant	Hy-Vee	50036	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1052 - Cedar Falls Fast & Fresh	Hy-Vee	50613	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1052 - Cedar Falls, IA Main	Hy-Vee	50613	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1052 - Cedar Falls, IA Restaurant	Hy-Vee	50613	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1053 - Cedar Rapids Regional Bakery	Hy-Vee	52404	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1054 - Cedar Rapids, IA #1 Main	Hy-Vee	52405	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1054 - Cedar Rapids, IA #1 Restaurant	Hy-Vee	52405	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1056 - Cedar Rapids #3 Fast & Fresh	Hy-Vee	52404	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1056 - Cedar Rapids, IA #3 Main	Hy-Vee	52404	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1058 - Centerville Fast & Fresh Express	Hy-Vee	52544	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1058 - Centerville, IA Main	Hy-Vee	52544	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1060 - Cedar Rapids, IA #4 Main	Hy-Vee	52402	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1061 - Cedar Rapids #5 Fast & Fresh	Hy-Vee	52402	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1061 - Cedar Rapids, IA #5 Main	Hy-Vee	52402	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1063 - Cedar Rapids, IA #6 Main	Hy-Vee	52403	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1063 - Cedar Rapids, IA #6 Restaurant	Hy-Vee	52403	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1064 - Cedar Rapids #7 Fast & Fresh	Hy-Vee	52402	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1064 - Cedar Rapids, IA #7 Main	Hy-Vee	52411	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1064 - Cedar Rapids, IA #7 Restaurant	Hy-Vee	52411	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00

Hy-Vee #1065 - Chariton, IA Main	Hy-Vee	50049	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1065 - Chariton, IA Restaurant	Hy-Vee	50049	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1074 - Charles City Fast & Fresh	Hy-Vee	50616	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1074 - Charles City, IA Main	Hy-Vee	50616	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1076 - Columbia #1 Fast & Fresh	Hy-Vee	65203	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$25.00
Hy-Vee #1076 - Columbia, MO #1 Main	Hy-Vee	65203	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$25.00
Hy-Vee #1076 - Columbia, MO #1 Restaurant	Hy-Vee	65203	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$25.00
Hy-Vee #1080 - Coralville #1 Fast & Fresh	Hy-Vee	52241	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1080 - Coralville, IA #1 Main	Hy-Vee	52241	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1080 - Coralville, IA #1 Restaurant	Hy-Vee	52241	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1081 - Columbia #2 Fast & Fresh	Hy-Vee	65201	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$25.00
Hy-Vee #1081 - Columbia, MO #2 Main	Hy-Vee	65201	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$25.00
Hy-Vee #1081 - Columbia, MO #2 Restaurant	Hy-Vee	65201	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$25.00
Hy-Vee #1082 - Columbia #3 Fast & Fresh	Hy-Vee	65201	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$25.00
Hy-Vee #1082 - Columbia, MO #3 Main	Hy-Vee	65201	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$25.00
Hy-Vee #1082 - Columbia, MO #3 Restaurant	Hy-Vee	65201	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$25.00

Hy-Vee #1085 - Coralville #2 Fast & Fresh	Hy-Vee	52241	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1085 - Coralville, IA #2 Main	Hy-Vee	52241	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1085 - Coralville, IA #2 Restaurant	Hy-Vee	52241	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1089 - Corydon Mainstreet, IA Main	Hy-Vee	50060	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1094 - Cresco Dollar Fresh, IA	Hy-Vee	52136	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1095 - Creston Fast and Fresh Express	Hy-Vee	50801	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1095 - Creston, IA Main	Hy-Vee	50801	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1120 - Decorah, IA Main	Hy-Vee	52101	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1135 - Des Moines Regional Bakery	Hy-Vee	50322	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1136 - Des Moines, IA #1 Main	Hy-Vee	50310	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1138 - Des Moines, IA #2 Main	Hy-Vee	50317	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1138 - Des Moines, IA #2 Restaurant	Hy-Vee	50317	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1142 - Des Moines #3 Fast & Fresh	Hy-Vee	50320	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1142 - Des Moines, IA #3 Main	Hy-Vee	50320	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1142 - Des Moines, IA #3 Restaurant	Hy-Vee	50320	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1148 - Des Moines #4Fast & Fresh	Hy-Vee	50321	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1148 - Des Moines, IA #4 Main	Hy-Vee	50321	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1148 - Des Moines, IA #4 Restaurant	Hy-Vee	50321	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1151 - Des Moines #5 Fast & Fresh	Hy-Vee	50315	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1151 - Des Moines, IA #5 Main	Hy-Vee	50315	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1151 - Des Moines, IA #5 Restaurant	Hy-Vee	50315	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1155 - Des Moines, IA #6 Main	Hy-Vee	50309	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1155 - Des Moines, IA #6 Restaurant	Hy-Vee	50309	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1161 - Eldora, IA Main	Hy-Vee	50627	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00

Hy-Vee #1166 - Eau Claire Fast and Fresh Express	Hy-Vee	54701	RPT_EAUCLAIRE_W, - WISCONSIN AUDIO VIDEO	$25.00
Hy-Vee #1166 - Eau Claire, WI Main	Hy-Vee	54701	RPT_EAUCLAIRE_W, - WISCONSIN AUDIO VIDEO	$25.00
Hy-Vee #1166 - Eau Claire, WI Restaurant	Hy-Vee	54701	RPT_EAUCLAIRE_W, - WISCONSIN AUDIO VIDEO	$25.00
Hy-Vee #1177 - Faribault Fast & Fresh	Hy-Vee	55021	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1177 - Faribault, MN Main	Hy-Vee	55021	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1177 - Faribault, MN Restaurant	Hy-Vee	55021	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1180 - Fairfield Fast & Fresh	Hy-Vee	52556	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1180 - Fairfield, IA Main	Hy-Vee	52556	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1183 - Fairmont Fast & Fresh	Hy-Vee	56031	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1183 - Fairmont, MN Main	Hy-Vee	56031	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1183 - Fairmont, MN Restaurant	Hy-Vee	56031	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1184 - Fitchburg, WI Main	Hy-Vee	53719	RPT_MADISON_WI, - WISCONSIN AUDIO VIDEO	$25.00
Hy-Vee #1184 - Fitchburg, WI Restaurant	Hy-Vee	53719	RPT_MADISON_WI, - WISCONSIN AUDIO VIDEO	$25.00
Hy-Vee #1190 - Forest City, IA Main	Hy-Vee	50436	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1192 - Fort Dodge, IA Main	Hy-Vee	50501	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1192 - Fort Dodge, IA Restaurant	Hy-Vee	50501	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1218 - Garner, IA Main	Hy-Vee	50438	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1221 - Grand Island Fast & Fresh	Hy-Vee	68803	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$25.00
Hy-Vee #1221 - Grand Island, NE Main	Hy-Vee	68803	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$25.00
Hy-Vee #1221 - Grand Island, NE Restaurant	Hy-Vee	68803	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$25.00

Hy-Vee #1224 - Grimes Fast & Fresh	Hy-Vee	50111	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1224 - Grimes, IA Main	Hy-Vee	50111	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1224 - Grimes, IA Restaurant	Hy-Vee	50111	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1235 - Grinnell, IA Main	Hy-Vee	50112	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1239 - Hampton Dollar Fresh, IA	Hy-Vee	50441	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1247 - Humboldt, IA Main	Hy-Vee	50548	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1262 - Independence Dollar Fresh, IA	Hy-Vee	50644	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1271 - Indianola Fast & Fresh	Hy-Vee	50125	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1271 - Indianola, IA Main	Hy-Vee	50125	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1271 - Indianola, IA Restaurant	Hy-Vee	50125	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1281 - Iowa City #1 Fast & Fresh	Hy-Vee	52240	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1281 - Iowa City, IA #1 Main	Hy-Vee	52240	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1281 - Iowa City, IA #1 Restaurant	Hy-Vee	52240	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1285 - Iowa City, IA #2 Main	Hy-Vee	52245	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1285 - Iowa City, IA #2 Restaurant	Hy-Vee	52245	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1288 - Iowa City #3 Fast & Fresh	Hy-Vee	52245	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1288 - Iowa City, IA #3 Main	Hy-Vee	52245	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1288 - Iowa City, IA #3 Restaurant	Hy-Vee	52245	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1295 - Iowa Falls, IA Main	Hy-Vee	50126	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1296 - Janesville, WI Main	Hy-Vee	53545	RPT_MADISON_WI, - WISCONSIN AUDIO VIDEO	$25.00
Hy-Vee #1296 - Janesville, WI Restaurant	Hy-Vee	53545	RPT_MADISON_WI, - WISCONSIN AUDIO VIDEO	$25.00
Hy-Vee #1297 - Jefferson Fast & Fresh Express	Hy-Vee	50129	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1297 - Jefferson, IA Main	Hy-Vee	50129	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1297 - Jefferson, IA Restaurant	Hy-Vee	50129	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1303 - Jefferson City Fast & Fresh	Hy-Vee	65109	RPT_JEFFERSONCI, - TOWNER	$25.00

			COMMUNICATIONS SYSTEMS	
Hy-Vee #1303 - Jefferson City, MO Main	Hy-Vee	65109	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$25.00
Hy-Vee #1303 - Jefferson City, MO Restaurant	Hy-Vee	65109	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$25.00
Hy-Vee #1318 - Johnston Fast & Fresh	Hy-Vee	50131	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1318 - Johnston, IA Main	Hy-Vee	50131	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1318 - Johnston, IA Restaurant	Hy-Vee	50131	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1323 - Kearney Fast & Fresh	Hy-Vee	68845	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$25.00
Hy-Vee #1323 - Kearney, NE Main	Hy-Vee	68845	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$25.00
Hy-Vee #1323 - Kearney, NE Restaurant	Hy-Vee	68845	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$25.00
Hy-Vee #1353 - Knoxville Fast & Fresh Express	Hy-Vee	50138	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1353 - Knoxville, IA Main	Hy-Vee	50138	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1355 - La Crosse, WI Main	Hy-Vee	54601	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1355 - La Crosse, WI Restaurant	Hy-Vee	54601	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1375 - Lexington Dollar Fresh, NE	Hy-Vee	68850	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$25.00
Hy-Vee #1376 - Lamoni, IA Main	Hy-Vee	50140	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1389 - Leon, IA Main	Hy-Vee	50144	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1391 - Madison, WI #1 Main	Hy-Vee	53704	RPT_MADISON_WI, - WISCONSIN AUDIO VIDEO	$25.00
Hy-Vee #1391 - Madison, WI #1 Restaurant	Hy-Vee	53704	RPT_MADISON_WI, - WISCONSIN AUDIO VIDEO	$25.00
Hy-Vee #1392 - Madison, WI #2 Main	Hy-Vee	53711	RPT_MADISON_WI, - WISCONSIN AUDIO VIDEO	$25.00
Hy-Vee #1392 - Madison, WI #2 Restaurant	Hy-Vee	53711	RPT_MADISON_WI, - WISCONSIN AUDIO VIDEO	$25.00

Hy-Vee #1393 - Mankato #1 Fast & Fresh	Hy-Vee	56001	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1393 - Mankato, MN #1 Main	Hy-Vee	56001	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1394 - Mankato, MN #2 Main	Hy-Vee	56001	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1396 - Marion Fast & Fresh	Hy-Vee	52302	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1396 - Marion, IA Main	Hy-Vee	52302	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1396 - Marion, IA Restaurant	Hy-Vee	52302	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1400 - Marshall Fast & Fresh	Hy-Vee	56258	RPT_DULUTH_MN, - BUSINESS MUSIC LTD	$25.00
Hy-Vee #1400 - Marshall, MN Main	Hy-Vee	56258	RPT_DULUTH_MN, - BUSINESS MUSIC LTD	$25.00
Hy-Vee #1400 - Marshall, MN Restaurant	Hy-Vee	56258	RPT_DULUTH_MN, - BUSINESS MUSIC LTD	$25.00
Hy-Vee #1403 - Marshalltown Fast & Fresh	Hy-Vee	50158	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1403 - Marshalltown, IA Main	Hy-Vee	50158	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1403 - Marshalltown, IA Restaurant	Hy-Vee	50158	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1404 - Manchester Dollar Fresh, IA	Hy-Vee	52057	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1410 - Mason City, IA #1 Main	Hy-Vee	50401	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1410 - Mason City, IA #1 Restaurant	Hy-Vee	50401	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1413 - Mason City #2 Fast & Fresh	Hy-Vee	50401	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1413 - Mason City, IA #2 Main	Hy-Vee	50401	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1413 - Mason City, IA #2 Restaurant	Hy-Vee	50401	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1417 - Mt. Ayr, IA Main	Hy-Vee	50854	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1428 Monticello Dollar Fresh IA	Hy-Vee	52310	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1433 - Mt. Pleasant Fast & Fresh	Hy-Vee	52641	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00

Hy-Vee #1433 - Mt. Pleasant, IA Main	Hy-Vee	52641	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1433 - Mt. Pleasant, IA Restaurant	Hy-Vee	52641	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1441 - New Ulm, MN Main	Hy-Vee	56073	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1442 - Nevada Dollar Fresh, IA	Hy-Vee	50201	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1449 - Newton Fast & Fresh	Hy-Vee	50208	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1449 - Newton, IA Main	Hy-Vee	50208	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1449 - Newton, IA Restaurant	Hy-Vee	50208	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1459 - Oelwein Dollar Fresh, IA	Hy-Vee	50662	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1473 - Osceola Fast and Fresh Express	Hy-Vee	50213	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1473 - Osceola, IA Main	Hy-Vee	50213	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1475 - Osage Beach Fast & Fresh	Hy-Vee	65065	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$25.00
Hy-Vee #1475 - Osage Beach, MO Main	Hy-Vee	65065	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$25.00
Hy-Vee #1475 - Osage Beach, MO Restaurant	Hy-Vee	65065	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$25.00
Hy-Vee #1481 - Oskaloosa, IA Main	Hy-Vee	52577	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1482 - Oregon, WI Main	Hy-Vee	53575	RPT_MADISON_WI, - WISCONSIN AUDIO VIDEO	$25.00
Hy-Vee #1504 - Ottumwa #1 Fast & Fresh	Hy-Vee	52501	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1504 - Ottumwa, IA #1 Main	Hy-Vee	52501	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1505 - Ottumwa #2 Fast & Fresh	Hy-Vee	52501	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1505 - Ottumwa, IA #2 Main	Hy-Vee	52501	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1511 - Owatonna Fast & Fresh	Hy-Vee	55060	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00

Hy-Vee #1511 - Owatonna, MN Main	Hy-Vee	55060	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1511 - Owatonna, MN Restaurant	Hy-Vee	55060	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1516 - Pella, IA Main	Hy-Vee	50219	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1516 - Pella, IA Wine & Spirits	Hy-Vee	50219	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1522 - Perry, IA Main	Hy-Vee	50220	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1530 - Pleasant Hill Fast & Fresh	Hy-Vee	50327	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1530 - Pleasant Hill, IA Main	Hy-Vee	50327	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1530 - Pleasant Hill, IA Restaurant	Hy-Vee	50327	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1547 - Rochester, MN #1 Main	Hy-Vee	55902	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1547 - Rochester, MN #1 Restaurant	Hy-Vee	55902	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1548 - Rochester #2 Fast & Fresh	Hy-Vee	55901	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1548 - Rochester, MN #2 Main	Hy-Vee	55901	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1548 - Rochester, MN #2 Restaurant	Hy-Vee	55901	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1555 - Rochester, MN #3 Main	Hy-Vee	55901	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1555 - Rochester, MN #3 Restaurant	Hy-Vee	55901	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1556 - Rochester #4 Fast & Fresh	Hy-Vee	55901	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1556 - Rochester, MN #4 Main	Hy-Vee	55901	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1556 - Rochester, MN #4 Restaurant	Hy-Vee	55901	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1641 - Springfield, MO Fast & Fresh	Hy-Vee	65807	RPT_SPRINGFIELD, - AUDIO ACOUSTICS	$25.00

Hy-Vee #1641 - Springfield, MO Main	Hy-Vee	65807	RPT_SPRINGFIELD, - AUDIO ACOUSTICS	$25.00
Hy-Vee #1641 - Springfield, MO Restaurant	Hy-Vee	65807	RPT_SPRINGFIELD, - AUDIO ACOUSTICS	$25.00
Hy-Vee #1642 - Sycamore Fast & Fresh	Hy-Vee	60178	RPT_MADISON_WI, - WISCONSIN AUDIO VIDEO	$25.00
Hy-Vee #1642 - Sycamore, IL Main	Hy-Vee	60178	RPT_MADISON_WI, - WISCONSIN AUDIO VIDEO	$25.00
Hy-Vee #1642 - Sycamore, IL Restaurant	Hy-Vee	60178	RPT_MADISON_WI, - WISCONSIN AUDIO VIDEO	$25.00
Hy-Vee #1644 - Springfield, MO #2 Fast & Fresh Express	Hy-Vee	65804	RPT_SPRINGFIELD, - AUDIO ACOUSTICS	$25.00
Hy-Vee #1644 - Springfield, MO #2 Main	Hy-Vee	65804	RPT_SPRINGFIELD, - AUDIO ACOUSTICS	$25.00
Hy-Vee #1644 - Springfield, MO #2 Restaurant	Hy-Vee	65804	RPT_SPRINGFIELD, - AUDIO ACOUSTICS	$25.00
Hy-Vee #1759 - Urbandale Fast & Fresh	Hy-Vee	50322	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1759 - Urbandale, IA Main	Hy-Vee	50322	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1759 - Urbandale, IA Restaurant	Hy-Vee	50322	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1825 - Vinton Dollar Fresh, IA	Hy-Vee	52349	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1850 - Washington Fast & Fresh Express	Hy-Vee	52353	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1850 - Washington, IA Main	Hy-Vee	52353	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1850 - Washington, IA Wine and Spirits	Hy-Vee	52353	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1860 - Waterloo, IA #1 Main	Hy-Vee	50701	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1863 - Waterloo #2 Fast & Fresh	Hy-Vee	50703	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1863 - Waterloo, IA #2 Main	Hy-Vee	50703	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1866 - Waterloo #3 Fast & Fresh	Hy-Vee	50702	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1866 - Waterloo, IA #3 Main	Hy-Vee	50702	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1866 - Waterloo, IA #3 Restaurant	Hy-Vee	50702	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1869 - Waterloo #1 Fast & Fresh	Hy-Vee	50701	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1872 - Waverly, IA Main	Hy-Vee	50677	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #1873 - Waukee Fast & Fresh	Hy-Vee	50263	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1873 - Waukee, IA Main	Hy-Vee	50263	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00

Hy-Vee #1873 - Waukee, IA Restaurant	Hy-Vee	50263	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1874 - Waukon Dollar Fresh, IA	Hy-Vee	52172	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1875 - Webster City Fast & Fresh	Hy-Vee	50595	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1875 - Webster City, IA Main	Hy-Vee	50595	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1887 - West Des Moines, IA #1 Main	Hy-Vee	50266	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1887 - West Des Moines, IA #1 Restaurant	Hy-Vee	50266	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1888 - West Des Moines, IA #2 Main	Hy-Vee	50265	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1888 - West Des Moines, IA #2 Restaurant	Hy-Vee	50265	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1889 - West Des Moines #3 Fast & Fresh	Hy-Vee	50266	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1889 - West Des Moines, IA #3 Main	Hy-Vee	50266	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1889 - West Des Moines, IA #3 Restaurant	Hy-Vee	50266	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1890 - West Des Moines #4 Fast & Fresh	Hy-Vee	50265	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1890 - West Des Moines, IA #4 Main	Hy-Vee	50265	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1890 - West Des Moines, IA #4 Restaurant	Hy-Vee	50265	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1894 - York Dollar Fresh, NE	Hy-Vee	68467	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$25.00
Hy-Vee #1895 - Windsor Heights, IA Main	Hy-Vee	50324	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1895 - Windsor Heights, IA Restaurant	Hy-Vee	50324	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1896 - Winona, MN Main	Hy-Vee	55987	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1896 - Winona, MN Restaurant	Hy-Vee	55987	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #1898 - Winterset, IA Main	Hy-Vee	50273	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #1898 - Winterset, IA Restaurant	Hy-Vee	50273	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #4012 - Des Moines Bakery Manufacturing	Hy-Vee	50313	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00

Hy-Vee #5355 - La Crosse Fast & Fresh	Hy-Vee	54601	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #5895 - Windsor Heights Fast and Fresh Express	Hy-Vee	50324	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #7019 - Cedar Rapids, IA #6 Drug Store	Hy-Vee	52402	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #7020 - Cedar Rapids, IA #1 Drug Store	Hy-Vee	52404	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #7025 - Cedar Rapids, IA #4 Drug Store	Hy-Vee	52405	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #7026 - Cedar Rapids, IA #5 Drug Store	Hy-Vee	52402	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #7031 - Des Moines, IA Drug Store	Hy-Vee	50311	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #7042 - Iowa City, IA Drug Store	Hy-Vee	52245	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #7046 - Kasson MN Main	Hy-Vee	55944	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #7056 - Mason City, IA Drug Store	Hy-Vee	50401	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #7065 - Ottumwa, IA Drug Store	Hy-Vee	52501	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #7072 - Toledo Dollar Fresh, IA	Hy-Vee	52342	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #7079 - St. Peter MN Main	Hy-Vee	56082	RPT_ROCHESTER_M, - SOUND AND MEDIA SOLUTIONS	$25.00
Hy-Vee #7082 - West Des Moines, IA Drug Store	Hy-Vee	50266	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #7505 - Altoona Fast and Fresh, IA	Hy-Vee	50009	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #7520 - Clive Fast and Fresh Express	Hy-Vee	50325	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #7535 - Des Moines Fast and Fresh, IA	Hy-Vee	50322	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #7538 - Grimes #2 Fast & Fresh	Hy-Vee	50111	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #7540 - Johnston Fast and Fresh, IA	Hy-Vee	50131	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #7560 - Marion Fast & Fresh	Hy-Vee	52302	RPT_MARION_IA, - DB ACOUSTICS, INC.	$25.00
Hy-Vee #7580 - Urbandale Fast and Fresh, IA	Hy-Vee	50322	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #7582 - Urbandale #3 Fast & Fresh	Hy-Vee	50323	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #7583 - Urbandale #4 Fast & Fresh	Hy-Vee	50323	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00

Hy-Vee #7584 - Urbandale #5 Fast & Fresh	Hy-Vee	50323	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #7587 - Waukee Fast and Fresh, IA #1	Hy-Vee	50263	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #7588 - Waukee Fast and Fresh, IA #2	Hy-Vee	50263	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #7590 - Smokey Row Fast & Fresh	Hy-Vee	50266	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #7591 West Des Moines #2 Fast & Fresh	Hy-Vee	50263	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Hy-Vee #7592 - West Des Moines #3 Fast & Fresh	Hy-Vee	50265	RPT_CLIVE_IA, - IOWA AUDIO VIDEO INC	$25.00
Kangaroo #2658039 - Baton Rouge	Circle K TMC	70807	RPT_BATONROUGE_, - METRO COMMUNICATIONS	$30.00
Kangaroo #2658040 - Baton Rouge	Circle K TMC	70807	RPT_BATONROUGE_, - METRO COMMUNICATIONS	$30.00
Kangaroo #2658041 - Baton Rouge	Circle K TMC	70816	RPT_BATONROUGE_, - METRO COMMUNICATIONS	$30.00
Kangaroo #2658042 - Baton Rouge	Circle K TMC	70806	RPT_BATONROUGE_, - METRO COMMUNICATIONS	$30.00
Kangaroo #2658043 - Baton Rouge	Circle K TMC	70816	RPT_BATONROUGE_, - METRO COMMUNICATIONS	$30.00
Kangaroo #2658044 - Baton Rouge	Circle K TMC	70802	RPT_BATONROUGE_, - METRO COMMUNICATIONS	$30.00
Kangaroo #2658045 - Baton Rouge	Circle K TMC	70806	RPT_BATONROUGE_, - METRO COMMUNICATIONS	$30.00
Kangaroo #2658051 - Baton Rouge	Circle K TMC	70811	RPT_BATONROUGE_, - METRO COMMUNICATIONS	$30.00
Kangaroo #2658056 - Baton Rouge	Circle K TMC	70814	RPT_BATONROUGE_, - METRO COMMUNICATIONS	$30.00
Kangaroo #2658058 - Denham Springs	Circle K TMC	70726	RPT_BATONROUGE_, - METRO COMMUNICATIONS	$30.00
Kangaroo #2658059 - Baton Rouge	Circle K TMC	70805	RPT_BATONROUGE_, - METRO COMMUNICATIONS	$30.00
Kangaroo #2658060 - Baton Rouge	Circle K TMC	70811	RPT_BATONROUGE_, - METRO COMMUNICATIONS	$30.00

Kangaroo #2658171 - Baton Rouge	Circle K TMC	70809	RPT_BATONROUGE_, - METRO COMMUNICATIONS	$30.00
Kangaroo #34113-031 - Lafayette	Circle K TMC	70507	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$30.00
Kangaroo #34114-031 - New Iberia	Circle K TMC	70560	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$30.00
Kangaroo #34115-031 - Lake Charles	Circle K TMC	70607	RPT_BEAUMONT_TX, - BEAUMONT BUSINESS MUSIC	$30.00
Kangaroo #34116-031 - Lake Charles	Circle K TMC	70601	RPT_BEAUMONT_TX, - BEAUMONT BUSINESS MUSIC	$30.00
Kangaroo #34117-031 - Bossier City	Circle K TMC	71112	RPT_SHREVEPORT_, - TIMECOMET CORPORATION	$30.00
Kangaroo #34118-031 - Bossier City	Circle K TMC	71111	RPT_SHREVEPORT_, - TIMECOMET CORPORATION	$30.00
Kangaroo #34119-031 - Bossier City	Circle K TMC	71111	RPT_SHREVEPORT_, - TIMECOMET CORPORATION	$30.00
Kangaroo #34120-031 - Shreveport	Circle K TMC	71108	RPT_SHREVEPORT_, - TIMECOMET CORPORATION	$30.00
Kangaroo #34121-031 - Shreveport	Circle K TMC	71103	RPT_SHREVEPORT_, - TIMECOMET CORPORATION	$30.00
Kangaroo #34122-031 - Monroe	Circle K TMC	71202	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$30.00
King Soopers #62000009	Kroger	80521	RPT_GREELEY_CO, - COMMERCIAL AUDIO VIDEO	$28.00
King Soopers #62000011	Kroger	80634	RPT_GREELEY_CO, - COMMERCIAL AUDIO VIDEO	$28.00
King Soopers #62000018	Kroger	80525	RPT_GREELEY_CO, - COMMERCIAL AUDIO VIDEO	$28.00
King Soopers #62000032	Kroger	80631	RPT_GREELEY_CO, - COMMERCIAL AUDIO VIDEO	$28.00
King Soopers #62000044	Kroger	80538	RPT_GREELEY_CO, - COMMERCIAL AUDIO VIDEO	$28.00

King Soopers #62000073	Kroger	80525	RPT_GREELEY_CO, - COMMERCIAL AUDIO VIDEO	$28.00
King Soopers #62000074	Kroger	80537	RPT_GREELEY_CO, - COMMERCIAL AUDIO VIDEO	$28.00
King Soopers #62000079	Kroger	82009	RPT_CHEYENNE_WY, - COMMERCIAL AUDIO VIDEO	$28.00
King Soopers #62000097	Kroger	80525	RPT_GREELEY_CO, - COMMERCIAL AUDIO VIDEO	$28.00
King Soopers #62000099	Kroger	80524	RPT_GREELEY_CO, - COMMERCIAL AUDIO VIDEO	$28.00
King Soopers #62000102	Kroger	80504	RPT_GREELEY_CO, - COMMERCIAL AUDIO VIDEO	$28.00
King Soopers #62000104	Kroger	80550	RPT_GREELEY_CO, - COMMERCIAL AUDIO VIDEO	$28.00
King Soopers #62000105	Kroger	80504	RPT_GREELEY_CO, - COMMERCIAL AUDIO VIDEO	$28.00
King Soopers #62000117	Kroger	80634	RPT_GREELEY_CO, - COMMERCIAL AUDIO VIDEO	$28.00
Kroger #01100002	Kroger	29063	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$28.00
Kroger #01100012	Kroger	29204	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$28.00
Kroger #01100016	Kroger	29572	RPT_MYRTLEBEACH, - CAROLINA SOUND COMMUNICATIONS	$28.00
Kroger #01100020	Kroger	29582	RPT_MYRTLEBEACH, - CAROLINA SOUND COMMUNICATIONS	$28.00
Kroger #01100025	Kroger	29576	RPT_MYRTLEBEACH, - CAROLINA SOUND COMMUNICATIONS	$28.00
Kroger #01100026	Kroger	29579	RPT_MYRTLEBEACH, - CAROLINA SOUND COMMUNICATIONS	$28.00
Kroger #01100260	Kroger	36830	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$28.00

Kroger #01100294	Kroger	30907	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$28.00
Kroger #01100310	Kroger	36863	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$28.00
Kroger #01100339	Kroger	30241	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$28.00
Kroger #01100414	Kroger	30809	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$28.00
Kroger #01100418	Kroger	31401	RPT_SAVANNAH_GA, - GEORGIA SOUND COMMUNICATIONS	$28.00
Kroger #01100448	Kroger	29229	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$28.00
Kroger #01100460	Kroger	31406	RPT_SAVANNAH_GA, - GEORGIA SOUND COMMUNICATIONS	$28.00
Kroger #01100487	Kroger	31313	RPT_SAVANNAH_GA, - GEORGIA SOUND COMMUNICATIONS	$28.00
Kroger #01100499	Kroger	29910	RPT_SAVANNAH_GA, - GEORGIA SOUND COMMUNICATIONS	$28.00
Kroger #01100609	Kroger	31410	RPT_SAVANNAH_GA, - GEORGIA SOUND COMMUNICATIONS	$28.00
Kroger #01100625	Kroger	31326	RPT_SAVANNAH_GA, - GEORGIA SOUND COMMUNICATIONS	$28.00
Kroger #01100631	Kroger	36801	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$28.00
Kroger #01100640	Kroger	29841	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$28.00
Kroger #01100644	Kroger	30813	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$28.00
Kroger #01100645	Kroger	31405	RPT_SAVANNAH_GA, - GEORGIA SOUND COMMUNICATIONS	$28.00
Kroger #01100671	Kroger	29928	RPT_SAVANNAH_GA, - GEORGIA SOUND COMMUNICATIONS	$28.00

Kroger #01100675	Kroger	29803	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$28.00
Kroger #01100676	Kroger	30909	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$28.00
Kroger #01100678	Kroger	29203	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$28.00
Kroger #01100688	Kroger	31324	RPT_SAVANNAH_GA, - GEORGIA SOUND COMMUNICATIONS	$28.00
Kroger #01100697	Kroger	31406	RPT_SAVANNAH_GA, - GEORGIA SOUND COMMUNICATIONS	$28.00
Kroger #01100703	Kroger	29910	RPT_SAVANNAH_GA, - GEORGIA SOUND COMMUNICATIONS	$28.00
Kroger #01100979	Kroger	31404	RPT_SAVANNAH_GA, - GEORGIA SOUND COMMUNICATIONS	$28.00
Kroger #01400705	Kroger	45410	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400722	Kroger	45342	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400741	Kroger	45503	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400747	Kroger	45377	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400754	Kroger	45424	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400758	Kroger	45424	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400765	Kroger	45431	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400770	Kroger	45342	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400811	Kroger	45434	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00

Kroger #01400825	Kroger	45420	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400826	Kroger	45429	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400829	Kroger	45385	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400832	Kroger	45504	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400835	Kroger	45503	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400836	Kroger	45406	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400838	Kroger	45324	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400923	Kroger	45458	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400932	Kroger	45356	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400935	Kroger	45459	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400938	Kroger	45322	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400951	Kroger	45459	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400960	Kroger	45440	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01400984	Kroger	45373	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01600327	Kroger	45840	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600504	Kroger	43558	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00

Kroger #01600510	Kroger	45840	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600511	Kroger	43613	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600518	Kroger	44906	RPT_CANTON_OH, - OHIO MUSICUE CORPORATION	$28.00
Kroger #01600525	Kroger	43537	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600531	Kroger	43566	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600536	Kroger	43420	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600548	Kroger	43551	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600557	Kroger	44905	RPT_CANTON_OH, - OHIO MUSICUE CORPORATION	$28.00
Kroger #01600594	Kroger	44883	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600617	Kroger	43611	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600641	Kroger	43452	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600810	Kroger	43612	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600824	Kroger	43078	RPT_DAYTON_OH, - MIAMI VALLEY AUDIO, INC.	$28.00
Kroger #01600836	Kroger	44907	RPT_CANTON_OH, - OHIO MUSICUE CORPORATION	$28.00
Kroger #01600856	Kroger	44830	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600858	Kroger	44870	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600870	Kroger	43615	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00

Kroger #01600878	Kroger	43402	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600895	Kroger	43560	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600907	Kroger	43528	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600938	Kroger	43616	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600940	Kroger	43560	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600957	Kroger	43613	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #01600982	Kroger	43614	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #02100537	Kroger	65401	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$28.00
Kroger #02100936	Kroger	43512	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #02100936 - Fuel Center	Kroger	43512	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$28.00
Kroger #02500345	Kroger	39211	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$28.00
Kroger #02500355	Kroger	39440	RPT_COLUMBUS_MS, - MELODY MUSIC COMPANY	$28.00
Kroger #02500363	Kroger	39208	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$28.00
Kroger #02500370	Kroger	38732	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$28.00
Kroger #02500381	Kroger	39759	RPT_COLUMBUS_MS, - MELODY MUSIC COMPANY	$28.00
Kroger #02500386	Kroger	63901	RPT_SPRINGFIELD, - AUDIO ACOUSTICS	$28.00

Kroger #02500388	Kroger	39042	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$28.00
Kroger #02500427	Kroger	39705	RPT_COLUMBUS_MS, - MELODY MUSIC COMPANY	$28.00
Kroger #02500429	Kroger	38701	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$28.00
Kroger #02500447	Kroger	38804	RPT_COLUMBUS_MS, - MELODY MUSIC COMPANY	$28.00
Kroger #02500449	Kroger	39218	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$28.00
Kroger #02500466	Kroger	39180	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$28.00
Kroger #02500471	Kroger	38801	RPT_COLUMBUS_MS, - MELODY MUSIC COMPANY	$28.00
Kroger #02500472	Kroger	39110	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$28.00
Kroger #02500474	Kroger	39056	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$28.00
Kroger #02500479	Kroger	39232	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$28.00
Kroger #02500490	Kroger	39272	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$28.00
Kroger #02500492	Kroger	39110	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$28.00
Kroger #02500493	Kroger	39047	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$28.00
Kroger #02500494	Kroger	39157	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$28.00
Kroger #02500497	Kroger	39232	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$28.00
Kroger #03400325	Kroger	77706	RPT_BEAUMONT_TX, - BEAUMONT BUSINESS MUSIC	$28.00

Kroger #03400328	Kroger	77707	RPT_BEAUMONT_TX, - BEAUMONT BUSINESS MUSIC	$28.00
Kroger #03400394	Kroger	70605	RPT_BEAUMONT_TX, - BEAUMONT BUSINESS MUSIC	$28.00
Kroger #03400747	Kroger	70663	RPT_BEAUMONT_TX, - BEAUMONT BUSINESS MUSIC	$28.00
Kroger #03400950	Kroger	77630	RPT_BEAUMONT_TX, - BEAUMONT BUSINESS MUSIC	$28.00
Kroger #03500381	Kroger	71301	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$28.00
Kroger #03500412	Kroger	71112	RPT_SHREVEPORT_, - TIMECOMET CORPORATION	$28.00
Kroger #03500427	Kroger	71118	RPT_SHREVEPORT_, - TIMECOMET CORPORATION	$28.00
Kroger #03500533	Kroger	71106	RPT_SHREVEPORT_, - TIMECOMET CORPORATION	$28.00
Kroger #03500534	Kroger	71111	RPT_SHREVEPORT_, - TIMECOMET CORPORATION	$28.00
Kroger #03500539	Kroger	71105	RPT_SHREVEPORT_, - TIMECOMET CORPORATION	$28.00
Kroger #03500953	Kroger	75670	RPT_SHREVEPORT_, - TIMECOMET CORPORATION	$28.00
Lassus Handy Dandy #551 - Montpelier OH	Lassus Brothers Oil	43543	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$75.00
Lassus Handy Dandy #556 - Swanton OH	Lassus Brothers Oil	43558	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$75.00
Lassus Handy Dandy #565 - Napoleon OH	Lassus Brothers Oil	43545	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$75.00
Loop #16 Lakeside Shell	Loop Neighborhood	92021	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$20.00
Loop #62 Otay Valley Shell	Loop Neighborhood	91911	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$20.00
Niagara Bottling Seguin	Niagara Bottling Company	78155	RPT_SANANTONIO_, - TEXAS WIRED MUSIC INC	$231.58

Niagara Bottling Temple TX Main	Niagara Bottling Company	76504	RPT_AUSTIN_TX, - AVCOM COMMUNICATIONS	$231.58
Niagara Temple Aseptic Quality Lab	Niagara Bottling Company	76504	RPT_AUSTIN_TX, - AVCOM COMMUNICATIONS	$231.58
OnCue #004	OnCue	74074	RPT_TULSA, - BUSINESS MUSIC INC	$45.00
OnCue #005	OnCue	74074	RPT_TULSA, - BUSINESS MUSIC INC	$45.00
OnCue #006	OnCue	74075	RPT_TULSA, - BUSINESS MUSIC INC	$45.00
OnCue #007	OnCue	74074	RPT_TULSA, - BUSINESS MUSIC INC	$45.00
OnCue #008	OnCue	74074	RPT_TULSA, - BUSINESS MUSIC INC	$45.00
OnCue #009	OnCue	74075	RPT_TULSA, - BUSINESS MUSIC INC	$45.00
OnCue #010	OnCue	74074	RPT_TULSA, - BUSINESS MUSIC INC	$45.00
OnCue #011	OnCue	74074	RPT_TULSA, - BUSINESS MUSIC INC	$45.00
OnCue #016	OnCue	74601	RPT_TULSA, - BUSINESS MUSIC INC	$45.00
OnCue #017	OnCue	74601	RPT_TULSA, - BUSINESS MUSIC INC	$45.00
OnCue #026	OnCue	73701	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #027	OnCue	73703	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
Oncue #028	OnCue	73703	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #040	OnCue	74003	RPT_TULSA, - BUSINESS MUSIC INC	$45.00
OnCue #045	OnCue	74630	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #047	OnCue	74834	RPT_TULSA, - BUSINESS MUSIC INC	$45.00
OnCue #049	OnCue	74020	RPT_TULSA, - BUSINESS MUSIC INC	$45.00
OnCue #061	OnCue	73077	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #063	OnCue	74079	RPT_TULSA, - BUSINESS MUSIC INC	$45.00
OnCue #099	OnCue	73071	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #100	OnCue	73127	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #101	OnCue	73103	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00

OnCue #102	OnCue	73110	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #103	OnCue	73109	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #104 (Pilot)	OnCue	73131	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #105	OnCue	73034	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #106	OnCue	73110	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #107	OnCue	73115	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #108	OnCue	73132	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #109	OnCue	73159	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #110	OnCue	73008	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #111	OnCue	73069	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #112	OnCue	73114	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #113	OnCue	73129	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #114	OnCue	73134	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #115	OnCue	73013	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #116	OnCue	73112	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #117	OnCue	73135	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #118	OnCue	73160	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #119	OnCue	73112	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #120	OnCue	73013	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #121	OnCue	73170	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #122	OnCue	73099	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #123	OnCue	73120	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #124	OnCue	73064	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #125	OnCue	73107	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #126	OnCue	73128	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00

OnCue #127	OnCue	73159	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #128	OnCue	73130	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #129	OnCue	73034	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #130	OnCue	73099	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #131	OnCue	73118	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #132	OnCue	73139	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #133	OnCue	73012	RPT_LAWTON, - BUSINESS MUSIC INC	$45.00
OnCue #134	OnCue	73012	RPT_LAWTON, - BUSINESS MUSIC INC	$45.00
OnCue #135	OnCue	73099	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #137	OnCue	73099	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #138	OnCue	73069	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #139	OnCue	73071	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #140	OnCue	73112	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #143	OnCue	73108	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #4101	OnCue	74059	RPT_TULSA, - BUSINESS MUSIC INC	$45.00
OnCue #4103	OnCue	74881	RPT_TULSA, - BUSINESS MUSIC INC	$45.00
OnCue #4105	OnCue	73061	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$45.00
OnCue #4106	OnCue	74079	RPT_TULSA, - BUSINESS MUSIC INC	$45.00
Petro #238 - Columbia SC	TravelCenters of America	29201	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$35.00
Petro #301 - El Paso TX	TravelCenters of America	79927	RPT_ELPASO_TX, - MUZICOM, INC.	$35.00
Petro #303 - Laramie WY	TravelCenters of America	82070	RPT_CHEYENNE_WY, - COMMERCIAL AUDIO VIDEO	$35.00
Petro #304 - Beaumont TX	TravelCenters of America	77705	RPT_BEAUMONT_TX, - BEAUMONT BUSINESS MUSIC	$35.00
Petro #305 - San Antonio TX	TravelCenters of America	78219	RPT_SANANTONIO_, - TEXAS WIRED MUSIC INC	$35.00

Petro #305 - San Antonio TX - Fuel Center	TravelCenters of America	78219	RPT_SANANTONIO_, - TEXAS WIRED MUSIC INC	$35.00
Petro #307 - Amarillo TX	TravelCenters of America	79118	RPT_AMARILLO, - BUSINESS MUSIC INC	$35.00
Petro #308 - Shreveport LA	TravelCenters of America	71129	RPT_SHREVEPORT_, - TIMECOMET CORPORATION	$35.00
Petro #313 - Milan NM	TravelCenters of America	87021	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$35.00
Petro #316 - Oklahoma City OK	TravelCenters of America	73117	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$35.00
Petro #317 - Perrysburg OH	TravelCenters of America	43551	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$35.00
Petro #318 - Kingdom City MO	TravelCenters of America	65262	RPT_JEFFERSONCI, - TOWNER COMMUNICATIONS SYSTEMS	$35.00
Petro #325 - North Baltimore OH	TravelCenters of America	45872	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$35.00
Petro #327 - Wheeler Ridge CA	TravelCenters of America	93243	RPT_BAKERSFIELD, - ENVIRONMENTAL SOUND SOLUTIONS	$35.00
Petro #327 - Wheeler Ridge CA - Arbys	TravelCenters of America	93243	RPT_BAKERSFIELD, - ENVIRONMENTAL SOUND SOLUTIONS	$35.00
Petro #327 - Wheeler Ridge CA - C-Store	TravelCenters of America	93243	RPT_BAKERSFIELD, - ENVIRONMENTAL SOUND SOLUTIONS	$35.00
Petro #327 - Wheeler Ridge CA - Fuel Center	TravelCenters of America	93243	RPT_BAKERSFIELD, - ENVIRONMENTAL SOUND SOLUTIONS	$35.00
Petro #327 - Wheeler Ridge CA - Iron Skillet	TravelCenters of America	93243	RPT_BAKERSFIELD, - ENVIRONMENTAL SOUND SOLUTIONS	$35.00
Petro #327 - Wheeler Ridge CA - Wendys	TravelCenters of America	93243	RPT_BAKERSFIELD, - ENVIRONMENTAL SOUND SOLUTIONS	$35.00
Petro #328 - Jackson MS	TravelCenters of America	39201	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$35.00
Petro #343 - Egan LA	TravelCenters of America	70531	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$35.00
Petro #362 - York NE	TravelCenters of America	68467	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$35.00

Petro #366 - Salina KS	TravelCenters of America	67401	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$35.00
Petro #366 - Salina KS - Restaurant	TravelCenters of America	67401	RPT_WICHITA_KS, - MCCLELLAND SOUND, INC.	$35.00
Petro #371 - Waterloo NY	TravelCenters of America	13165	RPT_SYRACUSE_NY, - FUNCTIONAL COMMUNICATIONS	$35.00
Petro #385 - Deming NM	TravelCenters of America	88030	RPT_ELPASO_TX, - MUZICOM, INC.	$35.00
Petro #390 - Wheeler Ridge CA - C Store	TravelCenters of America	93243	RPT_BAKERSFIELD, - ENVIRONMENTAL SOUND SOLUTIONS	$35.00
Petro #391 - Wheeler Ridge CA - C Store	TravelCenters of America	93243	RPT_BAKERSFIELD, - ENVIRONMENTAL SOUND SOLUTIONS	$35.00
Petro #393 - Florence SC	TravelCenters of America	29501	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$35.00
Petro #394 - Pearsall TX	TravelCenters of America	78061	RPT_SANANTONIO_, - TEXAS WIRED MUSIC INC	$35.00
Petro #399 - Johnson's Corner CO	TravelCenters of America	80534	RPT_GREELEY_CO, - COMMERCIAL AUDIO VIDEO	$35.00
Petro #403 - Portage WI	TravelCenters of America	53901	RPT_WAUSAU_WI, - WISCONSIN AUDIO VIDEO	$35.00
Ralphs #70300009	Kroger	91362	RPT_SANTABARBAR, - MUZICRAFT	$28.00
Ralphs #70300010	Kroger	93111	RPT_SANTABARBAR, - MUZICRAFT	$28.00
Ralphs #70300019	Kroger	92128	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300026	Kroger	91301	RPT_SANTABARBAR, - MUZICRAFT	$28.00
Ralphs #70300051	Kroger	92103	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300052	Kroger	93065	RPT_SANTABARBAR, - MUZICRAFT	$28.00
Ralphs #70300054	Kroger	92057	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300057	Kroger	92019	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300062	Kroger	93041	RPT_SANTABARBAR, - MUZICRAFT	$28.00
Ralphs #70300075	Kroger	91910	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300077	Kroger	92108	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00

Ralphs #70300090	Kroger	92027	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300105	Kroger	92127	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300108	Kroger	92037	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300123	Kroger	92101	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300159	Kroger	92139	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300167	Kroger	92130	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300168	Kroger	92024	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300175	Kroger	92011	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300190	Kroger	93033	RPT_SANTABARBAR, - MUZICRAFT	$28.00
Ralphs #70300201	Kroger	92110	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300205	Kroger	91302	RPT_SANTABARBAR, - MUZICRAFT	$28.00
Ralphs #70300207	Kroger	92109	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300212	Kroger	92106	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300220	Kroger	92115	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300235	Kroger	91911	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300271	Kroger	93402	RPT_SANTABARBAR, - MUZICRAFT	$28.00
Ralphs #70300620	Kroger	91360	RPT_SANTABARBAR, - MUZICRAFT	$28.00
Ralphs #70300656	Kroger	93405	RPT_SANTABARBAR, - MUZICRAFT	$28.00
Ralphs #70300664	Kroger	93003	RPT_SANTABARBAR, - MUZICRAFT	$28.00
Ralphs #70300680	Kroger	93101	RPT_SANTABARBAR, - MUZICRAFT	$28.00
Ralphs #70300683	Kroger	92078	RPT_SANDIEGO_CA, - 5 NORTH MEDIA	$28.00
Ralphs #70300723	Kroger	93021	RPT_SANTABARBAR, - MUZICRAFT	$28.00
Ralphs #70300729	Kroger	91320	RPT_SANTABARBAR, - MUZICRAFT	$28.00
Ralphs #70300741	Kroger	93010	RPT_SANTABARBAR, - MUZICRAFT	$28.00
Ruler #09000295	Kroger	63701	RPT_SPRINGFIELD, - AUDIO ACOUSTICS	$28.00

Ruler #09000296	Kroger	63801	RPT_SPRINGFIELD, - AUDIO ACOUSTICS	$28.00
Smiths #70600086	Kroger	82930	RPT_CHEYENNE_WY, - COMMERCIAL AUDIO VIDEO	$28.00
Smiths #70600166	Kroger	59404	RPT_BILLINGS_MT, - BIG SKY SOUND, INC	$28.00
Smiths #70600168	Kroger	59912	RPT_BILLINGS_MT, - BIG SKY SOUND, INC	$28.00
Smiths #70600170	Kroger	59718	RPT_BUTTE_MT, - EASTMAN SOUND & MUSIC INC	$28.00
Smiths #70600172	Kroger	59901	RPT_BILLINGS_MT, - BIG SKY SOUND, INC	$28.00
Smiths #70600180	Kroger	82716	RPT_CHEYENNE_WY, - COMMERCIAL AUDIO VIDEO	$28.00
Smiths #70600182	Kroger	82901	RPT_CHEYENNE_WY, - COMMERCIAL AUDIO VIDEO	$28.00
Smith's #70600182 - Fuel Center	Kroger	82901	RPT_CHEYENNE_WY, - COMMERCIAL AUDIO VIDEO	$28.00
Smiths #70600183	Kroger	82501	RPT_CHEYENNE_WY, - COMMERCIAL AUDIO VIDEO	$28.00
Smiths #70600184	Kroger	83001	RPT_CHEYENNE_WY, - COMMERCIAL AUDIO VIDEO	$28.00
Smiths #70600185	Kroger	82604	RPT_CHEYENNE_WY, - COMMERCIAL AUDIO VIDEO	$28.00
Smith's #70600185 - Fuel Center	Kroger	82604	RPT_CHEYENNE_WY, - COMMERCIAL AUDIO VIDEO	$28.00
Smiths #70600187	Kroger	82935	RPT_CHEYENNE_WY, - COMMERCIAL AUDIO VIDEO	$28.00
Smiths #70600409	Kroger	87401	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600413	Kroger	87124	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600414	Kroger	87031	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600415	Kroger	87020	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600423	Kroger	87107	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600424	Kroger	87015	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00

Smiths #70600426	Kroger	87571	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600427	Kroger	87123	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600439	Kroger	87111	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600443	Kroger	87106	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600446	Kroger	87110	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600448	Kroger	87120	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smith's #70600448 - Fuel Center	Kroger	87114	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600450	Kroger	87111	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600459	Kroger	87113	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600461	Kroger	87505	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600463	Kroger	87114	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600467	Kroger	87544	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600485	Kroger	87110	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600491	Kroger	87505	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600494	Kroger	87111	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600496	Kroger	87110	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600498	Kroger	87121	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
Smiths #70600571	Kroger	87105	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$28.00
TA #008 - Gallup NM	TravelCenters of America	87301	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$35.00
TA #014 - Las Cruces NM	TravelCenters of America	88005	RPT_ELPASO_TX, - MUZICOM, INC.	$35.00
TA #023 - Santa Rosa NM	TravelCenters of America	88435	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$35.00
TA #036 - Oklahoma City East OK	TravelCenters of America	73128	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$35.00
TA #046 - Tallulah LA	TravelCenters of America	71284	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$35.00
TA #047 - Meridian MS	TravelCenters of America	39301	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$35.00

TA #050 - Madison WI	TravelCenters of America	53532	RPT_MADISON_WI, - WISCONSIN AUDIO VIDEO	$35.00
TA #051 - Matthews MO	TravelCenters of America	63867	RPT_SPRINGFIELD, - AUDIO ACOUSTICS	$35.00
TA #055 - Amarillo TX	TravelCenters of America	79118	RPT_AMARILLO, - BUSINESS MUSIC INC	$35.00
TA #059 - Oklahoma City West OK	TravelCenters of America	73128	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$35.00
TA #081 - Albuquerque NM	TravelCenters of America	87107	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$35.00
TA #087 - Toledo OH	TravelCenters of America	43551	RPT_TOLEDO_OH, - ZAISER COMMUNICATIONS	$35.00
TA #090 - Ogallala NE	TravelCenters of America	69153	RPT_CHEYENNE_WY, - COMMERCIAL AUDIO VIDEO	$35.00
TA #095 - North Canton OH	TravelCenters of America	44720	RPT_CANTON_OH, - OHIO MUSICUE CORPORATION	$35.00
TA #147 - San Antonio TX	TravelCenters of America	78219	RPT_SANANTONIO_, - TEXAS WIRED MUSIC INC	$35.00
TA #152 - Sayre OK	TravelCenters of America	73662	RPT_OKLAHOMA, - BUSINESS MUSIC INC	$35.00
TA #153 - Laredo TX	TravelCenters of America	78045	RPT_SANANTONIO_, - TEXAS WIRED MUSIC INC	$35.00
TA #160 - Buttonwillow CA	TravelCenters of America	93206	RPT_BAKERSFIELD, - ENVIRONMENTAL SOUND SOLUTIONS	$35.00
TA #161 - Lafayette LA - Restaurant	TravelCenters of America	70507	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$35.00
TA #161 Lafayette LA - Travel Centers of America	TravelCenters of America	70507	RPT_JACKSON_MS, - METRO COMMUNICATIONS	$35.00
TA #177 - Savannah GA	TravelCenters of America	31324	RPT_SAVANNAH_GA, - GEORGIA SOUND COMMUNICATIONS	$35.00
TA #179 - Manning SC	TravelCenters of America	29102	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$35.00
TA #187 - Cheyenne WY	TravelCenters of America	82053	RPT_CHEYENNE_WY, - COMMERCIAL AUDIO VIDEO	$35.00
TA #188 - Ft. Bridger WY	TravelCenters of America	82933	RPT_CHEYENNE_WY, - COMMERCIAL AUDIO VIDEO	$35.00
TA #192 - Hudson WI	TravelCenters of America	54016	RPT_EAUCLAIRE_W, - WISCONSIN AUDIO VIDEO	$35.00
TA #193 - Grand Island NE	TravelCenters of America	68810	RPT_AUGUSTA_GA, - GREAT PLAINS SOUND & TECH LLC	$35.00

TA #195 - Florence SC	TravelCenters of America	29501	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$35.00
TA #207 - Binghamton NY	TravelCenters of America	13904	RPT_JOHNSONCITY, FUNCTIONAL COMMUNICATIONS - JOHNSON CITY	$35.00
TA #208 - Dansville NY	TravelCenters of America	14437	RPT_ROCHESTER_N, - FUNCTIONAL COMMUNICATIONS	$35.00
TA #209 - Fultonville NY	TravelCenters of America	12072	RPT_ALBANY_NY, - FUNCTIONAL COMMUNICATIONS	$35.00
TA #210 - Maybrook NY	TravelCenters of America	12549	RPT_HIGHLAND_NY, - ACCENT COMMUNICATION SYSTEMS	$35.00
TA #226 - Willcox AZ	TravelCenters of America	85643	RPT_TUCSON, - BUSINESS MUSIC INC	$35.00
TA #229 - Moriarty NM	TravelCenters of America	87035	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$35.00
TA #230 - Big Spring TX	TravelCenters of America	79720	RPT_ABILENE, - BUSINESS MUSIC INC	$35.00
TA #232 - New Braunfels TX	TravelCenters of America	78130	RPT_SANANTONIO_, - TEXAS WIRED MUSIC INC	$35.00
TA #234 - Rawlins WY	TravelCenters of America	82301	RPT_CHEYENNE_WY, - COMMERCIAL AUDIO VIDEO	$35.00
TA #235 - Edinburg TX	TravelCenters of America	78541	RPT_HARLINGEN_T, - PROSOUND INC	$35.00
TA #237 - Greenwood LA	TravelCenters of America	71033	RPT_SHREVEPORT_, - TIMECOMET CORPORATION	$35.00
TA #239 - Wheeler Ridge CA	TravelCenters of America	93203	RPT_BAKERSFIELD, - ENVIRONMENTAL SOUND SOLUTIONS	$35.00
TA #239 - Wheeler Ridge CA - Fuel Center	TravelCenters of America	93203	RPT_BAKERSFIELD, - ENVIRONMENTAL SOUND SOLUTIONS	$35.00
TA #254 - Brooklyn IA	TravelCenters of America	52211	RPT_MARION_IA, - DB ACOUSTICS, INC.	$35.00
TA #256 - Missoula MT	TravelCenters of America	59808	RPT_BUTTE_MT, - EASTMAN SOUND & MUSIC INC	$35.00
TA #261 - Laurel MT	TravelCenters of America	59044	RPT_BILLINGS_MT, - BIG SKY SOUND, INC	$35.00
TA #262 - Columbia North SC	TravelCenters of America	29203	RPT_AUGUSTA_GA, - CAROLINA GEORGIA SOUND	$35.00

TA #278 - Wheeler Ridge CA	TravelCenters of America	93203	RPT_BAKERSFIELD, - ENVIRONMENTAL SOUND SOLUTIONS	$35.00
TA #418 - Statesboro GA	TravelCenters of America	30452	RPT_SAVANNAH_GA, - GEORGIA SOUND COMMUNICATIONS	$35.00
TA #426 - Sweetwater TX	TravelCenters of America	79553	RPT_ABILENE, - BUSINESS MUSIC INC	$35.00
TA #469 - Springer NM	TravelCenters of America	87747	RPT_ALBUQUERQUE, - BUSINESS MUSIC INC	$35.00
TA Express #350 - Vinton TX	TravelCenters of America	79835	RPT_ELPASO_TX, - MUZICOM, INC.	$35.00
TA Express #648 - Brush CO	TravelCenters of America	80723	RPT_GREELEY_CO, - COMMERCIAL AUDIO VIDEO	$35.00
Thorntons #331 - Diesel Island	Thorntons	61073	RPT_MADISON_WI, - WISCONSIN AUDIO VIDEO	$25.00
Thorntons #331 - Roscoe IL Int/Ext	Thorntons	61073	RPT_MADISON_WI, - WISCONSIN AUDIO VIDEO	$25.00

EXHIBIT B

STATE SPECIFIC ADDENDA

Illinois
Minnesota
New York
Washington

ADDENDUM TO THE MOOD LICENSE AGREEMENT
<u>REQUIRED FOR ILLINOIS LICENSEES</u>

This Addendum to the Mood License Agreement dated ___________________________ ("**License Agreement**") is entered into by and between **MUZAK, LLC,** a Delaware limited liability company (**"Licensor"**) and ________________, a __________ [*insert type of organization and delete these brackets*] formed in ___________ [*insert state and delete these brackets*] (**"Licensee"**) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into the License Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Licensee was made in the State of Illinois; **(B)** Licensee is a resident of the State of Illinois; and/or **(C)** the Business will be located or operated in the State of Illinois.

2. The following sentence is added at the end of Section 14.1:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

3. The following sentence is added to the end of Section 14:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action that otherwise is enforceable in Illinois.

4. The following paragraph is added at the end of Section 15.13:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: three (3) years of the violation, one (1) year after the franchisee becomes aware of the underlying facts or circumstances or ninety (90) days after delivery to the franchisee of a written notice disclosing the violation.

5. The following sentence is added to the end of Section 15.4:

In conformance with Section 41 of the Illinois Franchise 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.

6. The following section is added to the end of Section 16:

16.4 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.

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

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

9. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

MUZAK, LLC

By:_______________________________________

Print Name:________________________________

Title:______________________________________

EFFECTIVE DATE: _______________

LICENSEE:

If a corporation, partnership, or limited liability company, print name of business entity on the line below:

____

By:_______________________________________

Print Name:________________________________

Title:______________________________________

If Licensee is one or more individuals:

____

(Print Name)_______________________________

____

(Print Name) _______________________________

ADDENDUM TO THE MOOD LICENSE AGREEMENT
<u>REQUIRED FOR MINNESOTA LICENSEES</u>

This Addendum to the Mood License Agreement dated ___________________________ ("**License Agreement**") is entered into by and between **MUZAK, LLC,** a Delaware limited liability company (**"Licensor"**) and ________________, a __________ [*insert type of organization and delete these brackets*] formed in ___________ [*insert state and delete these brackets*] (**"Licensee"**) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into the License Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Licensee was made in the State of Minnesota; **(B)** Licensee is a resident of the State of Minnesota; and/or **(C)** the Business will be located or operated in the State of Minnesota.

2. The following sentence is added to the end of Section 15.4:

Notwithstanding the foregoing, Licensee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

3. The following sentence is added to the end of Sections 4.2 and 11:

With respect to franchises governed by Minnesota law, Licensor will comply with Minnesota Statute § 80C.14, Subdivisions 3, 4, and 5, which requires, except in certain cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of franchise agreements.

4. The following sentence is added to the end of Sections 10.6, 14.3, 14.4, and 14.10:

Licensee may not consent to Licensor obtaining injunctive relief. Licensor may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

5. The following sentences are added to the end of Sections 14.1 and 14.6:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit Licensor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of Licensee's rights as provided for in Minnesota Statutes, Chapter 80C, or Licensee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

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

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

8. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

MUZAK, LLC

By:____________________________________

Print Name:______________________________

Title:___________________________________

EFFECTIVE DATE: ______________

LICENSEE:

If a corporation, partnership, or limited liability company, print name of business entity on the line below:

____

By:____________________________________

Print Name:______________________________

Title:___________________________________

If Licensee is one or more individuals:

____

(Print Name)_____________________________

____

(Print Name) _____________________________

ADDENDUM TO THE MOOD LICENSE AGREEMENT
<u>REQUIRED FOR NEW YORK LICENSEES</u>

This Addendum to the Mood License Agreement dated __________________________ ("**License Agreement**") is entered into by and between **MUZAK, LLC,** a Delaware limited liability company (**"Licensor"**) and ________________, a __________ [*insert type of organization and delete these brackets*] formed in ___________ [*insert state and delete these brackets*] (**"Licensee"**) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1. The provisions of this Addendum form an integral part of, and are incorporated into, the License Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Licensee was made in the State of New York; **(B)** Licensee is a resident of the State of New York; and/or **(C)** the Business will be located in the State of New York.

2. Any provision in the License Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695, may not be enforceable.

3. The following sentence is added to the end of Section 15.4:

Any provision in this Agreement requiring Licensee to sign a general release of claims against Licensor does not release any claim Licensee may have under New York General Business Law, Article 33, Sections 680-695.

4. The following sentence is added to Section 12.6:

Licensor will not assign its rights under this Agreement, except to an assignee who in Licensor's good faith and judgment is willing and able to assume Licensor's obligations under this Agreement.

5. The following sentence is added to the end of Sections 10.6, 14.3, 14.4, and 14.10:

Licensor's right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

6. The following sentence is added to the end of Section 14.1:

Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.

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

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

9. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

MUZAK, LLC

By:______________________________________

Print Name:_______________________________

Title:____________________________________

EFFECTIVE DATE: ______________

LICENSEE:

If a corporation, partnership, or limited liability company, print name of business entity on the line below:

____

By:______________________________________

Print Name:_______________________________

Title:____________________________________

If Licensee is one or more individuals:

____

(Print Name)______________________________

____

(Print Name) ______________________________

<u>WASHINGTON ADDENDUM TO THE LICENSE AGREEMENT</u>

This Addendum to the Mood License Agreement dated ___________________________ ("**License Agreement**") is entered into by and between **MUZAK, LLC,** a Delaware limited liability company (**"Licensor"**) and ________________, a __________ [*insert type of organization and delete these brackets*] formed in ___________ [*insert state and delete these brackets*] (**"Licensee"**) as of the Effective Date (which is the date indicated on the signature page of this Addendum).

1 The provisions of this Addendum form an integral part of, and are incorporated into, the License Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Licensee was made in the State of Washington; **(B)** Licensee is a resident of the State of Washington; and/or **(C)** the Business will be located and/or operated in the State of Washington.

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

2.1 RCW 19.100.180 may supersede the License Agreement in Licensee's relationship with Licensor, including in the areas of termination and renewal of Licensee's franchise. There also may be court decisions that may supersede the License Agreement in Licensee's relationship with Licensor, including in the areas of termination and renewal of Licensee's franchise.

2.2 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 License Agreement, Licensee 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.

2.3 A release or waiver of rights executed by Licensee 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**.**

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

2.5 Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of Licensee 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 Licensee 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 License Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

2.6 RCW 49.62.060 prohibits Licensor from restricting, restraining, or prohibiting Licensee from (i) soliciting or hiring any employee of a licensee of the same Licensor or (ii) soliciting or hiring any employee of Licensor. As a result, any such provisions contained in the License Agreement or elsewhere are void and unenforceable in Washington.

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

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

IN WITNESS WHEREOF, the parties have duly executed, sealed and delivered this Addendum as of the Effective Date identified below.

LICENSOR: **MUZAK, LLC**	**LICENSEE:** **If a corporation, partnership, or limited liability company, print name of business entity on the line below:** ____________________________
By:____________________________	By:____________________________
Print Name:______________________	Print Name:______________________
Title:___________________________	Title:___________________________
EFFECTIVE DATE: ____________	
	If Licensee is one or more individuals:
	____________________________ (Print Name)____________________
	____________________________ (Print Name) ____________________

EXHIBIT C

FINANCIAL STATEMENTS

Consolidated Financial Statements

Muzak LLC

For the year ended December 31, 2022

GRANT THORNTON LLP
1415 Vantage Park Dr., Suite 500
Charlotte, NC 28203

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Muzak LLC

Opinion

We have audited the consolidated financial statements of Muzak LLC a Delaware corporation and subsidiaries (the “Company”), which comprise the consolidated statements of financial position as of December 31, 2022, and the related consolidated statements of income (loss) and comprehensive income (loss), changes in equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to assess the Company’s ability to continue as a going concern for at least, but not limited to, twelve months from the end of the reporting period; to disclose, as applicable, matters related to going concern; and to use the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated 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 US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 the Company'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise significant doubt about the Company'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.

Other matter
The financial statements of Muzak LLC as of and for the year ended December 31, 2021 were audited by other auditors who expressed an unmodified opinion on those financial statements in their report dated December 29, 2022.

Grant Thornton LLP

Charlotte, North Carolina
June 30, 2023

Muzak LLC
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2022 and December 31, 2021

In thousands of US dollars unless otherwise stated

	Notes	2022	2021
ASSETS			
Current assets			
Cash	14	$2,161	$4,447
Restricted cash		2,481	2,482
Trade and other receivables, net	14	15,298	12,212
Inventory	9	2,618	3,635
Prepayments and other assets		1,965	1,512
Deferred costs	5	3,134	3,158
Total current assets		**27,657**	**27,446**
Non-current assets			
Deferred costs	5	3,153	2,804
Property and equipment, net	10	17,384	19,913
Other assets		-	773
Intangible assets, net	11	26,729	28,969
Goodwill	12	122,897	122,897
Total assets		**197,820**	**202,802**
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	14	29,944	31,148
Income taxes payable		180	7
Deferred revenue	5	2,165	2,215
Lease liabilities	14,16	2,453	3,526
Total current liabilities		**34,742**	**36,896**
Non-current liabilities			
Deferred revenue	5	1,569	1,146
Lease liabilities	14,16	3,376	5,613
Intracompany, net	7	271,269	270,424
Total liabilities		**310,956**	**314,079**
Equity			
Share capital	15	42,187	42,187
Deficit		(155,323)	(153,464)
Total equity		**(113,136)**	**(111,277)**
Total liabilities and equity		**$197,820**	**$202,802**

The accompanying notes form part of the consolidated financial statements

Muzak LLC
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
For the years ended December 31, 2022 and 2021

In thousands of US dollars unless otherwise stated

	Notes	2022	2021
Revenue	5	**$149,172**	**$154,682**
Expenses			
Cost of sales	9	46,242	48,387
Operating expenses		43,313	42,971
Depreciation and amortization	10,11	16,760	19,785
Other expenses	6	22,721	18,007
Finance costs, net	7	21,855	22,050
Income (loss) for the year before income taxes		**(1,719)**	**3,482**
Income tax expense	8	140	140
Total income (loss) and comprehensive income (loss)		**($1,859)**	**$3,342**

The accompanying notes form part of the consolidated financial statements

Muzak LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022 and 2021

In thousands of US dollars unless otherwise stated

	Notes	2022	2021
Operating activities			
Income (loss) for the year before income taxes		**($1,719)**	**$3,482**
Reconciling adjustments			
Depreciation and amortization		16,760	19,785
Gain on disposal of property and equipment		(108)	(625)
Finance costs, net		21,430	22,049
Management recharges	7	16,393	17,041
Working capital adjustments			
(Increase) decrease in trade and other receivables		(3,381)	898
Decrease (increase) in inventory		1,017	(892)
Increase in intracompany trade receivables, net		(36,993)	(48,015)
Decrease in trade and other payables		(889)	(467)
Increase in deferred revenue		373	(316)
		12,883	**12,940**
Income taxes recovered		33	(211)
Net cash flows from operating activities		**12,916**	**12,729**
Investing activities			
Purchase of property, equipment and intangible assets		(11,336)	(7,166)
Net cash flows used in investing activities		**(11,336)**	**(7,166)**
Financing activities			
Lease payments	17	(3,866)	(2,833)
Net cash flows (used in) from financing activities		**(3,866)**	**(2,833)**
Net (decrease) increase in cash		**(2,286)**	**2,730**
Cash at beginning of year		**4,447**	**1,717**
Cash at end of year		**$2,161**	**$4,447**

The accompanying notes form part of the consolidated financial statements

Muzak LLC
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2022 and 2021

In thousands of US dollars unless otherwise stated

	Share capital	Deficit	Total equity
As at January 1, 2022	**$42,187**	**($153,464)**	**($111,277)**
Income (loss) for the year	-	(1,859)	**(1,859)**
As at December 31, 2022	**$42,187**	**($155,323)**	**($113,136)**

	Share capital	Deficit	Total equity
As at January 1, 2021	**$42,187**	**($156,806)**	**($114,619)**
Income (loss) for the year	-	3,342	**3,342**
As at December 31, 2021	**$42,187**	**($153,464)**	**($111,277)**

The accompanying notes form part of the consolidated financial statements

In thousands of US dollars unless otherwise stated

1. Corporate information

Muzak LLC and its subsidiaries ("Muzak" or the "Company") is a privately held diversified in-store media company with operations in the United States held by Mood Media LLC (the "Parent") and ultimately owned by Vector Capital. The Company's principal place of business is located at 2100 South IH 35 Frontage Road, Suite 201, Austin, Texas 78704, and its registered office is located at 3411 Silverside Road, Tatnall Building Suite 104, Wilmington, Delaware 19810, in care of registered agent Corporate Creations Network Inc.

The Company provides in-store audio, visual, mobile, voice, drive thru, commercial TV, social and scent marketing solutions to a range of businesses, including restaurant, retail, hospitality, grocery, financial services, automotive, and telecommunications. Proprietary technology and software are used to deploy music from a compiled music library to client sites. This library comes from a diverse network of producers including major labels and independent and emerging artists.

2. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Except for the adoption of new standards and interpretation as further discussed in note 4 herein, the accounting policies and methods set out below have been consistently applied to all the periods presented. All amounts are expressed in US dollars (unless otherwise specified) rounded to the nearest thousand. These consolidated financial statements of the Company were approved by the Board of Directors and authorized for issue on June 30, 2023.

3. Summary of significant estimates, judgments and assumptions

The preparation of the Company's consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. However, uncertainty about these estimates, judgments and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes will be reflected in the assumptions when they occur.

In thousands of US dollars unless otherwise stated

3. Summary of significant estimates, judgments and assumptions (continued)

Goodwill and indefinite-lived intangible assets

The Company performs asset impairment assessments for indefinite-lived intangible assets and goodwill on an annual basis or on a more frequent basis when circumstances indicate impairment may have occurred. Under IFRS, the Company selected December 31 as the date when it performs its annual impairment analysis. Goodwill is allocated to a cash-generating unit ("CGU") or group of CGUs for the purposes of impairment testing based on the level at which senior management monitors it, which is not larger than an operating segment.

The testing for impairment of either an intangible asset or goodwill is to compare the recoverable amount of the asset, CGU or group of CGUs to the carrying amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the asset is assessed as part of the CGU or group of CGUs to which it belongs. The recoverable amount calculations use a discounted cash flow model derived from a five-year forecast. The recoverable amount is sensitive to the discount rate used for the model as well as the expected future cash flows and the growth rate used for extrapolation purposes. Changes in certain assumptions could result in an impairment loss being charged in future periods. The key assumptions used to determine the recoverable amount for the different CGUs or groups of CGUs are disclosed and further explained in note 14.

Impairment of long-lived assets

Long-lived assets primarily include property and equipment and intangible assets. An impairment loss is recognized when the carrying value of the CGU, which is defined as the smallest identifiable group of assets that generates cash flows that are largely independent of the cash flows from other assets or groups, exceeds the CGU's recoverable amount, which is determined using a discounted cash flow method. The Company tests the recoverability of its long-lived assets when events or circumstances indicate that the carrying values may not be recoverable. While the Company believes that no impairment is required, management must make certain estimates regarding the Company's cash flow projections that include assumptions about growth rates and other future events. Changes in certain assumptions could result in an impairment loss being charged in future periods.

Property and equipment

The Company has estimated the useful lives of the components of all of its property and equipment based on past experience and expected useful life, and is depreciating these assets over their estimated useful lives. Management assesses these estimates at least at each financial year-end and, if there is a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the useful life is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with International Accounting Standard ("IAS") 8, *Accounting Policies, Changes in Accounting Estimates and Errors* ("IAS 8"). Rental equipment installed at customer premises includes costs directly attributable to the installation process. Judgment is required in determining which costs are considered directly attributable to the installation process and the percentage capitalized is estimated based on work order hours for the year.

In thousands of US dollars unless otherwise stated

3. Summary of significant estimates, judgments and assumptions (continued)

Intangible assets

The Company has estimated the useful lives of its intangible assets based on past experience and expected useful life, and is amortizing these assets over their estimated useful lives. Management assesses these estimates at least at each financial year-end and, if there is a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the useful life is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with IAS 8.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statements of financial position cannot be derived from active markets, the fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible. Where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Contingencies

Contingencies, by their nature, are subject to measurement uncertainty, as the financial impact will only be confirmed by the outcome of a future event. The assessment of contingencies involves a significant amount of judgment including assessing whether a present obligation exists and providing a reliable estimate of the amount of cash outflow required in settling the obligation. The uncertainty involved with the timing and amount at which a contingency will be settled may have a material impact on the consolidated financial statements of future periods to the extent that the amount provided for differs from the actual outcome.

Income taxes

Tax regulations, legislation, and the interpretations thereof in the various jurisdictions in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty. Deferred tax assets are recognized to the extent that it is probable that the deductible temporary differences or tax losses will be recoverable in future periods. The recoverability assessment involves a significant amount of estimation including an evaluation of when the temporary differences will reverse, an analysis of the amount of future taxable earnings and the application of tax laws. To the extent that the assumptions used in the recoverability assessment change, there may be a significant impact on the consolidated financial statements of future periods.

In thousands of US dollars unless otherwise stated

3. Summary of significant estimates, judgments and assumptions (continued)

Revenue and contract costs

The Company makes certain estimates, judgments and assumptions on revenue and contract costs. Revenue related to multiple performance obligations requires allocation of revenue to each performance obligation based on its relative stand-alone selling price ("SSP"). The Company determines SSP either based on the prices charged to customers or by applying judgment to the SSP based on expected cost plus margin. Assumptions to develop the Company's expected margins are based on management's sales performance expectations, sales commission plans, market data, and historical results.

The Company incurs direct and incremental costs in connection with obtaining and fulfilling contracts. As the Company obtains recurring contracts from new customers, costs such as sales commissions and costs directly related to proprietary equipment are capitalized as part of deferred costs and commissions. Deferred costs are amortized as a component of cost of sales while deferred commissions are amortized as a component of operating expenses over the term of the related contract. Significant judgment is required in identifying the sales commissions, which are incremental to the contract and in the costs related to the proprietary equipment as to whether the criteria for capitalization have been met, the amounts to be capitalized, and the estimated average contract length to amortize the costs over.

4. Summary of significant accounting policies

Basis of measurement and principles of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries after the elimination of intercompany balances and transactions. The results of operations of subsidiaries acquired during the year are included from their respective dates of acquisition.

These consolidated financial statements were prepared on a going concern basis under the historical cost method except for certain financial assets and liabilities that are measured at fair value. Management assesses the Company's ability to continue as a going concern at each reporting date, using quantitative and qualitative information available; however, uncertainty about these estimates, judgments and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The consolidated financial statements are presented in US dollars, which is the Company's functional currency.

Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the date of the consolidated financial statements. Non-monetary assets and liabilities are translated at their historical exchange rates. Revenue and expense items are translated at average exchange rates prevailing during the year. Gains and losses resulting from foreign currency transactions are recorded in the consolidated statements of income (loss) and comprehensive income (loss).

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Cash and restricted cash

Cash includes cash on hand and balances with banks. Restricted cash is used to collateralize outstanding letters of credit, which serve as collateral for real estate leases and various bonds ranging from performance bonds to wage bonds.

Trade receivables

Trade receivables are carried at amounts due, net of impairment for estimated expected credit loss (“ECL”).

Financial assets and liabilities

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets are recognized on the trade date, the date on which the Company commits to purchase or sell the asset.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and liabilities at fair value through profit or loss (“FVTPL”)) are added to, or deducted from, the fair value of the financial assets or liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at FVTPL are recognized immediately in the consolidated statements of income (loss) and comprehensive income (loss).

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Company recognizes the difference as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e., a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
(b) In all other cases, the difference is deferred and the timing of recognition of deferred day-one income (loss) is determined individually. It is either amortized over the life of the instrument, deferred until the instrument’s fair value can be determined using market observable inputs, or realized through settlement.

Classification and subsequent measurement

Appropriate classification of financial assets and financial liabilities is determined at the time of initial recognition or when reclassified on the consolidated statements of financial position. The Company classifies its financial assets and liabilities in the following measurement categories:

(i) Amortized cost;
(ii) Fair value through other comprehensive income (“FVTOCI”); or
(iii) FVTPL.

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

Financial assets

Impairment

In applying the ECL model, one of the following three approaches can be used:

(i) General approach, which would be applied to most loans and debt securities;
(ii) Simplified approach, which will be applied to most trade receivables; or
(iii) Purchased or originated credit-impaired approach.

As the Company's financial assets are substantially made up of trade receivables, the Company has opted to use the simplified approach for measuring the loss allowance at an amount equal to lifetime ECL. The simplified approach does not require the tracking of changes in credit risk, but instead requires the recognition of lifetime ECLs at all times. Lifetime ECL represents the ECL that would result from all possible default events over the expected life of a financial instrument. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Definition of a default

The Company considers the following as constituting an event of a default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

(i) When there is a breach of financial covenants by the customer; or
(ii) Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full.

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 180 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, i.e., when the customer has been placed under liquidation or has entered into bankruptcy proceedings. Any recoveries made are recognized as a credit within the loss allowance provision.

4. Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

Derecognition of a financial asset

The Company derecognizes a financial asset only when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party, or when the contractual rights to the cash flows from the asset expire. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and recognize a collateralized borrowing for the benefit received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the consolidated statements of income (loss) and comprehensive income (loss). On derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the consolidated statements of income (loss) and comprehensive income (loss).

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at FVTPL. Financial liabilities are classified as FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination; (ii) held for trading; or (iii) it is designated as FVTPL.

FVTPL: A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as a FVTPL upon initial recognition if:

(i) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
(ii) The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis at a group level; or
(iii) It forms part of a contract containing one or more embedded derivatives, and IFRS 9, *Financial Instruments,* permits the entire combined contract to be designated as FVTPL.

For financial liabilities that are designated as FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in the consolidated statements of income (loss) and comprehensive income (loss). The remaining amount of change in the fair value of liability is recognized in the consolidated statements of income (loss) and comprehensive income (loss). The gain or loss recognized in the consolidated statements of income (loss) and comprehensive income (loss) incorporates any interest paid on the financial liability and is included in finance costs, net.

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

Amortized cost: Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination; (ii) held for trading; or (iii) designated as FVTPL are subsequently measured at amortized cost using the effective interest rate method. Interest paid from these financial liabilities is included in finance costs, net using the effective interest rate method.

Derecognition of financial liability

Financial liabilities measured at amortized cost are derecognized when they are extinguished (i.e., when the obligation is discharged, cancelled or expires). The exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability. A gain or loss is recognized on the exchange or modification based on the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

Financial liabilities measured at FVTPL are also derecognized when the obligation is extinguished. Changes in fair value attributable to a financial liability's credit risk that are recognized in OCI are not subsequently reclassified to the consolidated statements of income (loss) and comprehensive income (loss); instead, they are transferred to retained earnings upon derecognition of the financial liability.

Determination of fair value

The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

- Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.
- Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Significant unobservable inputs that are supported by little or no market activity.

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Inventory

Inventory is valued at the lower of cost and net realizable value. Finished goods and components are valued at weighted average cost. Provisions are made for slow moving and obsolete inventory. Reversals of previous write-downs to net realizable value are required when there is a subsequent increase in the value of the inventory.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the remaining estimated useful lives of the assets as outlined below:

Furniture, fittings and leasehold improvements	7 years
Rental equipment	4 years
Computer and other equipment	3 – 5 years
Vehicles	3 years

Leasehold improvements are amortized on a straight-line basis over the remaining terms of the leases. Depreciation only commences once the asset is in use.

The useful lives, method of depreciation and the assets' residual values are reviewed at least annually and the depreciation charge is adjusted prospectively, if appropriate.

Intangible assets

Intangible assets are assets acquired that lack physical substance and that meet the specified criteria for recognition apart from goodwill. Intangible assets acquired mainly consist of brands, customer relationships, music library and technology platforms and software. Intangible assets are amortized on a straight-line basis as outlined below:

Customer relationships	10 – 15 years
Music library	15 years
Technology platforms and software	3 – 7 years
Brands	5 years – Indefinite

Residual values and useful lives are reviewed at least annually and are adjusted, if appropriate.

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired business at the date of acquisition. If this consideration is lower than the fair value of the net assets acquired, the difference is recognized in the consolidated statements of income (loss) and comprehensive income (loss). After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's CGUs or group of CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The group of CGUs to which goodwill is allocated is not larger than the level at which management monitors goodwill or the Company's operating segments.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair value of the operation disposed of and the portion of the CGU retained.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statements of income (loss) and comprehensive income (loss), net of any reimbursement.

Revenue recognition

Revenue is derived from recurring revenue, equipment revenue, installation and services revenue, and from other revenue. Recurring revenue primarily relates to the provision of music and visual content, messaging, rental of proprietary equipment, and maintenance plans. Recurring revenue also includes music and satellite TV recurring services provided in partnership with third-party service providers. Equipment revenue includes the sale of proprietary and non-proprietary equipment. Installation and services revenue includes non-warranty maintenance service and installation services. Other revenue consists mainly of advertising and related creative services. See note 5 for the Company's composition of revenue.

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Revenue is recognized when control of the promised good or service is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Revenue from the Company's in-store media recurring services, including music, visual content, and messaging, is recognized over time during the period that the service is provided based on the contract terms. The Company may invoice certain subscribers in advance for contracted music services. Amounts received in advance of the service period are deferred and recognized as revenue in the period services are provided. As part of its arrangements for in-store media, the Company provides customers with a proprietary media player that is integral and essential to the related services. This equipment may be sold or leased to customers. Revenue and related equipment and installation costs from proprietary equipment sales and installation are deferred and recognized over the contract term. Revenue for equipment sales of non-proprietary equipment and related installation revenue is recognized upon installation. Contracts are typically for a multi-year, non-cancellable period. Royalty income and certain advertising income is recognized based on activity at the point in time each service instance is provided.

The Company's contracts with customers may include multiple performance obligations. For such arrangements, the Company allocates revenue to each performance obligation based on its relative SSP. The Company determines SSP based on the observable prices charged to customers or estimates based on using expected cost plus margin.

For contracts involving third-party goods and services, the Company evaluates whether it has a principal relationship, and reports revenue on a gross basis, or an agent relationship, and reports revenues on a net basis. This evaluation requires significant judgment of whether the Company obtains control of the specified goods or services before they are transferred to the customer as well as other indicators such as the party primarily responsible for fulfillment, inventory risk, and discretion in establishing price. The Company is an agent for certain transactions with its independent affiliates, the Company's franchised operators that provide and sell certain Mood licensed products and services. For these transactions, the Company records revenue net as the independent affiliate is deemed to control the good or service prior to transfer to the customer. For all other arrangements with third-party goods and services, the Company is the principal because it controls the good or service before it is transferred to its customers.

The Company's payment terms vary by the type and location of its customer and the products or services offered. The term between invoicing and when payment is due is not significant. Recurring services are billed monthly, quarterly or annually at the customer's preference. Equipment, installation and service labor are billed at the time the good and service is transferred to the customer. For certain products or services and customer types, the Company requires payment before the products or services are delivered to the customer.

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Contract costs

The Company incurs direct and incremental costs in connection with obtaining and fulfilling contracts. As the Company obtains recurring contracts from new customers, costs such as sales commissions and costs directly related to proprietary equipment sold are capitalized as part of deferred costs and commissions. Deferred costs are amortized as a component of cost of sales while deferred commissions are amortized as a component of operating expenses over the term of the related contract. Contract costs with amortization periods of less than one year are not capitalized. Sales commissions and equipment costs are based on actual costs incurred. Installation costs of proprietary equipment are estimated using labor hour averages and cost pool assumptions. If a contract is terminated early, any remaining deferred costs are expensed to reflect the termination of the customer contract.

Taxation

Current income tax assets and liabilities in the consolidated financial statements are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in OCI within the consolidated statements of income (loss) and comprehensive income (loss). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income (loss) nor taxable income (loss); and
- In respect of taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable income will be available against, which the deductible temporary differences and the carryforward of unused tax credits and unused tax losses can be utilized, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income (loss) nor taxable income (loss); and

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Taxation (continued)

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside income (loss) is recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognized subsequently if new information about facts and circumstances change. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in income (loss).

Leases

On the date that the asset becomes available, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of an identified asset. This may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified, (ii) the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, and (iii) the Company has the right to direct how and for what purpose the identified asset is used throughout the period of use.

At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative stand-alone prices. For the leases of vehicles, the Company elected not to separate non-lease components and account for the lease and non-lease component as a single lease component. For office and IT and equipment, the Company elected to separate non-lease and lease components and account for them separately.

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Leases (continued)

When the Company acts as a lessee, the Company recognizes a right-of-use asset and a corresponding lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of any restoration costs, less any lease incentives received. The right-of-use asset is subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments which may include (i) fixed payments, (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date, (iii) amounts expected to be paid under a residual value guarantee, and (iv) payments to exercise a purchase option, an extension option or a termination option, if the Company is reasonably certain to exercise any of these options. The rate implicit in the lease is used to determine the present value of the liability and right-of-use asset arising from a lease, unless this rate is not readily determinable, in which case the Company's incremental borrowing rate is used.

The lease liability increases with the passage of time and interest expense is charged to finance cost, net over the period of the lease in the consolidated statements of (loss) income and comprehensive (loss) income. The lease liability is reduced by the amount of the principal portion of the lease payment. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the asset, or is recorded in income or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognize right-of-use assets and lease liabilities for any short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company presents right-of-use assets in Property and equipment, net and lease liabilities in Other financial liabilities in the consolidated statements of financial position.

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Leases (continued)

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company assesses certain indicators such as whether the lease is for the major part of the economic life of the asset. The Company offers leasing options to its customers for its proprietary devices that deliver the Company's recurring services. The Company records these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to ownership of the assets. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of Recurring revenue in note 5. If an arrangement contains lease and non-lease components, the Company applies IFRS 15, *Revenue from contracts with customers,* to allocate the consideration of the contract.

Amendments to standards affecting the reported financial performance and/or financial position

The following new accounting standards have been issued but not yet adopted by the Company as at December 31, 2022:

Amendments to IAS 1, *Presentation of Financial Statements* ("IAS 1")

In January 2020, the IASB issued *Classification of Liabilities as "Current" or "Non-current"*, which amends IAS 1. The narrow scope amendments affect only the presentation of liabilities in the statement of financial position and not the amount or timing of its recognition. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the right to defer settlement by at least 12 months. That classification is unaffected by the likelihood that an entity will exercise its deferral right. The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and are to be applied retrospectively. The Company is still assessing the impact of adopting these amendments on its consolidated financial statements.

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Amendments to IAS 1, *Presentation of Financial Statements* (“IAS 1”) and IFRS Practice Statement 2

In February 2021, the IASB issued *Disclosure of Accounting Policies*, which amends IAS 1 and IFRS Practice Statement 2. The amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendment to IAS 1 requires companies to disclose their material accounting policy information rather than its significant accounting policies. The amendment also clarifies that not all accounting policy information that relates to material transactions, other events or conditions is material to the financial statements. The amendment to IFRS Practice Statement 2 adds guidance and examples to the materiality practice statement, which explains how to apply the materiality process to identify material accounting policy information. The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied prospectively. The Company is still assessing the impact of adopting these amendments on its consolidated financial statements.

Amendments to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* (“IAS 8”)

In February 2021, the IASB issued *Definition of Accounting Estimates*, which amends IAS 8. The amendment replaces the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty.” The amendment provides clarification to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company is still assessing the impact of adopting these amendments on its consolidated financial statements.

Amendments to IAS 1, *Presentation of Financial Statements*

In October 2022, the IASB published 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after January 1, 2024. The Company is still assessing the impact of adopting these amendments on its consolidated financial statements.

In thousands of US dollars unless otherwise stated

5. Revenue and contract costs

The composition of revenue is as follows:

	2022	2021
Recurring	$110,594	$114,887
Equipment	22,099	24,626
Installation and services	15,691	14,681
Other	788	488
	$149,172	**$154,682**

Deferred revenue rollforward:

	2022	2021
Balance, beginning of year	$3,361	$3,678
Cash received or advance payments on performance obligations	24,563	28,050
Revenue recognized during year	(24,190)	(28,367)
Balance, end of year	**$3,734**	**$3,361**

Assets recognized from costs to obtain contract:

	2022	2021
Balance, beginning of year	$5,596	$5,859
Costs deferred to obtain a contract	2,934	2,545
Costs recognized during year	(3,248)	(2,808)
Balance, end of year	**$5,282**	**$5,596**

Assets recognized from costs to fulfill a contract:

	2022	2021
Balance, beginning of year	$366	$567
Costs deferred to fulfill a contract	964	182
Costs recognized during year	(325)	(383)
Balance, end of year	**$1,005**	**$366**

In thousands of US dollars unless otherwise stated

6. Other expenses

	2022	2021
Management recharges (i)	$16,393	$17,041
Integration costs (ii)	6,436	1,591
Net (gain) loss on disposal of certain assets	(108)	(625)
	$22,721	**$18,007**

(i) Management recharges relates to expenses incurred by the Company's parent relating to corporate compensation, financing and activities that benefit Muzak.

(ii) Integration costs consist of severance costs, relocation expenses, real estate consolidation, and other integration activities. These integration activities are a result of integrating various businesses and acquisitions.

	2022	2021
Severance costs	$1,152	$659
Other integration costs (a)	5,284	932
	$6,436	**$1,591**

(a) Other integration costs in 2022 primary relate to system integrations and consultant and temporary labor costs related to those projects.

7. Related party disclosures

Terms and conditions of transactions with related parties

The Company enters into transactions, in the normal course of business, recorded at agreed upon exchange amounts with related parties, which are on terms equivalent to those that prevail in arm's length transactions. Related parties consistent of the Company's parent, Mood Media LLC ("Parent") and other companies under common control.

Transactions with related parties during the year consisted of the following:

	2022	2021
Interest expense	$21,445	$21,452
Management recharges	16,393	17,041
Total intercompany expenses	**$37,838**	**$38,493**

	2022	2021
Intercompany loans payable	$440,000	$418,575
Intercompany trade receivables, net	(168,731)	(148,151)
Total intercompany, net	**$271,269**	**$270,424**

In thousands of US dollars unless otherwise stated

7. Related party disclosures (continued)

Outstanding balances at the year-end are unsecured and settlement occurs in cash. Interest expense is charged on the Company's outstanding intercompany loan balances based on the Parent's cost of capital. No interest is charged or earned on the Company's intercompany trade balances. There have been no guarantees provided or received for these related party balances. The Parent has waived its right to call the intercompany loan payable balance for at least 12 months, until July 2024.

8. Income taxes

	2022	2021
Current income tax charge		
Current income taxes on income for the year	$140	$140
Total current income tax charge	**140**	**140**
Total income tax charge	**$140**	**$140**

Corporation tax in the United States applied to income (loss) for the year is as follows:

Income (loss) for the year before income taxes	**($1,719)**	**$3,482**
Expected tax charge (recovery): based on the standard U.S. domestic	430	870
Movement in unprovided deferred taxes on current year losses	(290)	(730)
Total income tax charge	**$140**	**$140**

As at December 31, 2022 and 2021 there was $nil recognized as deferred tax. The unused U.S. tax losses are subject to a change of control limitation.

9. Inventory

	2022	2021
Finished goods inventory	$3,081	$4,318
Inventory provision	(463)	(683)
Net inventory	**$2,618**	**$3,635**

Inventory is held at the lower of cost and net realizable value. Write-downs of inventories, including additions to the stock provision, were $nil for the year ended December 31, 2022 and $nil for the year ended December 31, 2021. The cost of inventory included within cost of sales was $16,372 for the year ended December 31, 2022 and $16,385 for the year ended December 31, 2021.

In thousands of US dollars unless otherwise stated

10. Property and equipment

	Furniture, fittings and leasehold improvements	Rental Equipment	Computer and other equipment	Vehicles	Total
Cost					
As at January 1, 2021	**$14,731**	**$79,953**	**$22,386**	**$4,706**	**$121,776**
Additions	1,216	5,135	41	293	6,685
Disposals	(292)	-	-	(1,147)	(1,439)
Other	(31)	-	-	674	643
As at December 31, 2021	**15,624**	**85,088**	**22,427**	**4,526**	**127,665**
Additions	-	8,381	345	272	8,998
Disposals	-	(371)	-	(334)	(705)
Other	-	-	(10)	878	868
As at December 31, 2022	**15,624**	**93,098**	**22,762**	**5,342**	**136,826**
Depreciation					
As at December 31, 2020	**6,630**	**67,633**	**21,842**	**4,028**	**100,133**
Depreciation	1,661	5,650	395	1,170	8,876
Disposals	(14)	-	(134)	(1,140)	(1,288)
Other	-	3	28	-	31
As at December 31, 2021	**8,277**	**73,286**	**22,131**	**4,058**	**107,752**
Depreciation	2,036	9,292	325	395	12,048
Disposals	-	-	-	(334)	(334)
Other	-	51	(75)	-	(24)
As at December 31, 2022	**$10,313**	**$82,629**	**$22,381**	**$4,119**	**$119,442**
Net book value					
As at December 31, 2022	**$5,311**	**$10,469**	**$381**	**$1,223**	**$17,384**
As at December 31, 2021	$7,347	$11,802	$296	$468	$19,913

In thousands of US dollars unless otherwise stated

11. Intangible assets

	Customer relationships	Music library	Technology platforms and software	Brands	Total
Cost					
As at January 1, 2021	**$101,154**	**$3,400**	**$40,251**	**$42,717**	**$187,522**
Additions	-	-	1,798	12	1,810
Disposals	-	-	(6)	-	(6)
As at December 31, 2021	**101,154**	**3,400**	**42,043**	**42,729**	**189,326**
Additions	-	-	2,579	-	2,579
Disposals	-	-	(109)	-	(109)
As at December 31, 2022	**101,154**	**3,400**	**44,513**	**42,729**	**191,796**
Amortization					
As at December 31, 2020	**(70,536)**	**(2,475)**	**(33,835)**	**(42,604)**	**(149,450)**
Additions	(7,112)	(227)	(3,503)	(67)	(10,909)
Other	-	-	-	2	2
As at December 31, 2021	**(77,648)**	**(2,702)**	**(37,338)**	**(42,669)**	**(160,357)**
Additions	(2,071)	(227)	(2,377)	(37)	(4,712)
Other	-	-	-	2	2
As at December 31, 2022	**($79,719)**	**($2,929)**	**($39,715)**	**($42,704)**	**($165,067)**
Net book value					
As at December 31, 2022	**$21,435**	**$471**	**$4,798**	**$25**	**$26,729**
As at December 31, 2021	$23,506	$698	$4,705	$60	$28,969

Internally generated intangible assets with a net book value of $4,804 (2021 – $4,314) have been included within technology platforms and software as at December 31, 2022.

12. Goodwill

The balance of goodwill as at December 31, 2022 and 2021 was $122,897.

13. Impairment testing of goodwill and intangible assets with indefinite lives

Carrying amount of goodwill

	2022	2021
Goodwill	$122,897	$122,897

In thousands of US dollars unless otherwise stated

13. Impairment testing of goodwill and intangible assets with indefinite lives (continued)

In addition to the compulsory annual impairment testing on goodwill and intangible assets with indefinite lives that is performed on December 31, the Company is required to evaluate, at each reporting period, if potential indicators of impairment are present that would require an assessment of whether these assets may be impaired. Factors considered by the Company when evaluating potential indicators for impairment include the economic climate in which it operates and material customer trends, among others.

Valuation

The recoverable amounts have been determined based on a fair value less costs to sell calculation using a discounted cash flow model based on assumptions specific to the CGU. The Company was determined to be one CGU for the purposes of impairment testing.

Key assumptions used in recoverable amount calculations

The calculation of recoverable amount is most sensitive to the following assumptions:

- Discount rates
- Growth rate used to extrapolate cash flows beyond the budgeted period

Discount rates – Discount rates represent the current market assessment of the risks specific to the CGU. The discount rate calculation is based on the specific circumstances of the Company and is derived from its weighted average cost of capital (“WACC”). The WACC reflects a target debt-to-equity ratio. The cost of equity is derived from the expected return on investment by the Company’s investors. The cost of equity considers the risk-free rate, market equity risk premium, size premium and risk specific to the CGU’s underlying assets that have not been considered in the cash flow projections. The risk premiums assigned are evaluated annually based on publicly available market data. The cost of debt is based on the interest-bearing borrowings that the Company is obliged to service. The discount rate applied to the cash flow projections was 14.5%.

Growth rate – Growth rates are based on management’s best estimates considering historical and expected operating plans, strategic plans and industry outlook. The projections are prepared for the Company’s CGU and are based on financial budgets approved by management. Management has estimated forecasts of revenue growth over five-year period of 1%, and a terminal growth rate assumption of 2% beyond this period.

In thousands of US dollars unless otherwise stated

14. Financial instruments and other financial assets and liabilities

Financial assets and financial liabilities – classification and measurement

As at December 31, 2022	Amortized cost	Financial liabilities at FVTPL	Total
Current financial assets			
Cash	$2,161	$-	**$2,161**
Trade and other receivables, net	15,298	-	**15,298**
	17,459	**-**	**17,459**
Current financial liabilities			
Trade and other payables	29,944	-	**29,944**
Leases	2,453	-	**2,453**
	32,397	**-**	**32,397**
Non-current financial liabilities			
Leases	3,376	-	**3,376**
	3,376	**-**	**3,376**

As at December 31, 2021	Amortized cost	Financial liabilities at FVTPL	Total
Current financial assets			
Cash	$4,447	$-	**$4,447**
Trade and other receivables, net	12,212	-	**12,212**
	16,659	**-**	**16,659**
Current financial liabilities			
Trade and other payables	31,148	-	**31,148**
Leases	3,526	-	**3,526**
	34,674	**-**	**34,674**
Non-current financial liabilities			
Leases	5,613	-	**5,613**
	5,613	**-**	**5,613**

All of the Company's assets are guaranteed as collateral related to the Company's parent's external debt. The debt has an outstanding principal balance of $246,035 as at December 31, 2022 (2021 - $248,545) with a maturity date of December 31, 2025.

During 2021 and 2022, the Company did not designated any debt investments that meet the amortized cost or FVTOCI criteria for FVTPL measurement nor has the Company elected to present any permitted equity investment for FVTOCI measurement. The book values of the Company's financial assets and financial liabilities approximate the fair values of such items for all periods presented.

Risk management

The Company is exposed to a variety of financial risks including market risk (encompassing currency risk and interest rate risk), liquidity risk and credit risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

In thousands of US dollars unless otherwise stated

14. Financial instruments and other financial assets and liabilities (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial obligations. The Company's objective in managing liquidity risk is to manage its capital and maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. Throughout 2022, the Company managed its liquidity by regular monitoring of cash balances. Additional liquidity is available through the Company's parent's external debt arrangement or issuance of additional intercompany loans from the Company's parent. The Company's parent is committed to not call on the Company's intercompany debt in the next twelve months, until at least July 2024.

As at December 31, 2022, the Company had cash of $2,161. Cash in some of the Company's banks earn interest at floating rates based on daily bank deposit rates. Further information with respect to the Company's managed capital is provided in note 16.

Credit risk

Credit risk arises from cash held with banks and credit exposure to customers on outstanding trade receivable balances. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's credit risk is limited due to the fact that the cash held in the Company's banks is held with high-credited banks and no one customer represents more than 1% of the Company's current assets at any time during the year. The Company assesses the credit quality of the customer, taking into account their financial position, general economic conditions of the industry in which they operate as well as forward-looking information by way of trended loss patterns in industries and customer geographies, forecasts of adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the customer's ability to meet its debt obligation, and predictions of significant deterioration in the operating results of the customer.

The following table sets forth details of the aging of trade and other receivables and loss allowance:

	2022	2021
Trade and other receivables	$21,052	$18,071
Loss allowance (1)	(5,754)	(5,859)
Trade and other receivables, net	**$15,298**	**$12,212**
Analysis		
Current	$6,532	$3,429
Past due 1-30 days	3,909	3,842
Past due 31-60 days	1,787	3,124
Past due 61+ days	8,824	7,676
Loss allowance	(5,754)	(5,859)
Trade and other receivables, net	**$15,298**	**$12,212**

(1) Loss allowance includes both allowance for doubtful accounts and sales credits.

In thousands of US dollars unless otherwise stated

14. Financial instruments and other financial assets and liabilities (continued)

The movement in the loss allowance is shown below:

	2022	2021
Loss allowance, beginning of year	($5,859)	($9,628)
Decrease in loss allowance	105	3,769
Loss allowance, end of year	**($5,754)**	**($5,859)**

Trade and other receivables are non-interest bearing and are generally on 10 – 90-day terms.

Contractual obligations

The following table outlines the Company's contractual obligations as at December 31, 2022:

Description	Total	Less than one year	Year two and three	Year four and five	Beyond five years
Leases	6,481	2,815	3,570	96	-
Trade and other payables	29,944	29,944	-	-	-
Intercompany loan	440,000	-	-	-	440,000
Total	**476,425**	**32,759**	**3,570**	**96**	**440,000**

15. Shareholders' equity

Share capital

Share capital represents the number of common shares outstanding. The Company has share capital of $42,187 representing one share. These balances remain unchanged through the periods presented herein.

Deficit

Deficit represents the accumulated loss of the Company attributable to the shareholders to date.

16. Management of capital

The Company's objective in managing its capital structure is to ensure a sufficient liquidity position to finance its strategic growth plans, operating expenses, financial obligations as they become due, working capital and capital expenditures. The Company manages its capital structure and adjusts to them in accordance with its stated objectives with consideration given to changes in economic conditions and the risk characteristics of the underlying assets. The Company has historically not paid dividends to its shareholders and instead retains cash for future growth.

In thousands of US dollars unless otherwise stated

16. Management of capital (continued)

Total managed capital was as follows:

	2022	2021
Equity	$113,136	$111,277
Leases considered debt under the Company's debt arrangements [(1)]	756	2,082
Total contractual principal of debt	756	2,082
Total capital	**$113,892**	**$113,359**

(1) Leases considered debt under the Company's debt held at the Company's parent are leases defined as finance leases under the previous lease standard, IAS 17, *Leases*.

17. Leases

The composition of owned and leased property and equipment, net is as follows:

	2022	2021
Property and equipment, net owned	$11,930	$12,231
Right-of-use assets	5,454	7,682
Total property and equipment, net	**$17,384**	**$19,913**

The Company leases many assets including furniture, fittings and leasehold improvements and vehicles. Information about leases for which the Company is a lessee is presented below.

	Furniture, fittings and leasehold improvements	Vehicles	Total
Balance, January 1, 2021	**$7,753**	**$1,074**	**$8,827**
Additions in the year	1,125	204	1,329
Depreciation charge for the year	(1,909)	(264)	(2,173)
Disposals and other movements	89	(390)	(301)
Balance, December 31, 2021	**$7,058**	**$624**	**$7,682**
Additions in the year	-	241	241
Depreciation charge for the year	(1,933)	(395)	(2,328)
Disposals and other movements	(52)	(89)	(141)
Balance, December 31, 2022	**$5,073**	**$381**	**$5,454**

In thousands of US dollars unless otherwise stated

17. Leases (continued)

The following table sets out a maturity analysis of lease liabilities, showing the undiscounted lease payments to be paid after the reporting date.

Lease liability maturity schedule

	2022	**2021**
Less than one year	$2,815	$3,848
Years two and three	3,570	5,089
Years four and five	96	1,196
Beyond five years	-	-
Total undiscounted lease payments	**$6,481**	**$10,133**
Discounted lease liabilities included in the consolidated statements of	**$5,829**	**$9,139**
Current	2,453	3,526
Non-current	3,376	5,613

When measuring lease liabilities, the Company discounted the lease payments using its weighted-average incremental borrowing rate of 7.82% (2021 – 8.02%). The interest expense recognized on the lease liability was $397 for the year ended December 31, 2022 (2021 – $566) and is included in finance costs, net. The components of the cash outflow for lease payments made during the year are as follows:

	2022	**2021**
Lease payment principal portion	($3,563)	($2,606)
Lease payment interest portion	(303)	(227)
Total cash outflow for lease payments	**($3,866)**	**($2,833)**

Consolidated Financial Statements

Muzak LLC

For the years ended December 31, 2021, 2020 and 2019

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Muzak LLC

Opinion

We have audited the consolidated financial statements of Muzak LLC and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2021, December 31, 2020 and December 31, 2019, and the consolidated statements of income (loss) and comprehensive income (loss), consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021, December 31, 2020 and December 31, 2019 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

December 29, 2022
Toronto, Canada

Muzak LLC
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2021, 2020, and 2019

In thousands of US dollars unless otherwise stated

	Notes	2021	2020	2019
ASSETS				
Current assets				
Cash	16	$4,447	$1,717	$3,438
Restricted cash		2,482	2,481	2,521
Trade and other receivables, net	16	12,212	13,188	25,156
Inventory	10	3,635	2,743	3,285
Prepayments and other assets		1,512	851	1,805
Deferred costs	5	3,158	2,964	4,408
Total current assets		**27,446**	**23,944**	**40,613**
Non-current assets				
Deferred costs	5	2,804	3,462	5,370
Property and equipment, net	11	19,913	21,643	27,256
Other assets		773	721	723
Intangible assets, net	12	28,969	38,072	48,117
Goodwill	13	122,897	122,897	136,897
Total assets		**202,802**	**210,739**	**258,976**
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	16	31,148	30,273	27,265
Income taxes payable		7	204	181
Deferred revenue	5	2,215	2,446	2,834
Lease liabilities	16,19	3,526	3,462	3,792
Total current liabilities		**36,896**	**36,385**	**34,072**
Non-current liabilities				
Deferred revenue	5	1,146	1,232	1,849
Lease liabilities	16,19	5,613	7,794	7,848
Intercompany, net	7	270,424	279,947	263,806
Total liabilities		**314,079**	**325,358**	**307,575**
Equity				
Share capital	17	42,187	42,187	42,187
Deficit		(153,464)	(156,806)	(90,786)
Total equity		**(111,277)**	**(114,619)**	**(48,599)**
Total liabilities and equity		**$202,802**	**$210,739**	**$258,976**

The accompanying notes form part of the consolidated financial statements

Muzak LLC
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
For the years ended December 31, 2021, 2020 and 2019

In thousands of US dollars unless otherwise stated

	Notes	2021	2020	2019
Revenue	5	**$154,682**	**$150,846**	**$182,190**
Expenses				
Cost of sales	10	48,387	51,639	65,990
Operating expenses		42,971	41,466	55,344
Depreciation and amortization	11,12	19,785	20,073	23,709
Impairment of assets	13,15	-	23,432	-
Other expenses	6	18,007	44,798	17,089
Finance costs, net	7	22,050	35,358	45,522
Income (loss) for the year before income taxes		**3,482**	**(65,920)**	**(25,464)**
Income tax expense	8	140	100	40
Total income (loss) and comprehensive income (loss)		**3,342**	**(66,020)**	**(25,504)**

The accompanying notes form part of the consolidated financial statements

Muzak LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2021, 2020 and 2019

In thousands of US dollars unless otherwise stated

	Notes	2021	2020	2019
Operating activities				
Income (loss) for the year before income taxes		**$3,482**	**($65,920)**	**($25,464)**
Reconciling adjustments				
Depreciation and amortization		19,785	20,073	23,709
Impairment of assets	13,15	-	23,432	-
Gain on disposal of property and equipment		(626)	(407)	(196)
Finance costs, net	7	22,050	35,358	45,522
Management recharges	7	17,041	36,791	11,192
Working capital adjustments				
Decrease (increase) in trade and other receivables		898	16,430	(361)
(Increase) decrease in inventory		(892)	542	(156)
Increase in intercompany trade receivables, net		(48,015)	(55,281)	(38,468)
(Decrease) increase in trade and other payables		(467)	(1,673)	1,227
Decrease in deferred revenue		(316)	(1,006)	(1,181)
		12,940	**8,339**	**15,824**
Income taxes paid		(211)	(214)	(142)
Net cash flows from operating activities		**12,729**	**8,125**	**15,682**
Investing activities				
Purchase of property, equipment and intangible assets		(7,166)	(7,270)	(12,534)
Acquisition of business, net of cash assumed	9	-	-	(22,334)
Net cash flows used in investing activities		**(7,166)**	**(7,270)**	**(34,868)**
Financing activities				
Proceeds from intercompany loan		-	-	22,071
Lease payments	19	(2,833)	(2,576)	(3,045)
Net cash flows (used in) from financing activities		**(2,833)**	**(2,576)**	**19,026**
Net increase (decrease) in cash		**2,730**	**(1,721)**	**(160)**
Cash at beginning of year		**1,717**	**3,438**	**3,598**
Cash at end of year		**$4,447**	**$1,717**	**$3,438**

The accompanying notes form part of the consolidated financial statements

Muzak LLC
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2021, 2020 and 2019

In thousands of US dollars unless otherwise stated

	Share capital	Deficit	Total equity
As at January 1, 2021	**$42,187**	**($156,806)**	**($114,619)**
Income (loss) for the year	-	3,342	**3,342**
As at December 31, 2021	**$42,187**	**($153,464)**	**($111,277)**

	Share capital	Deficit	Total equity
As at January 1, 2020	**$42,187**	**($90,786)**	**($48,599)**
Income (loss) for the year	-	(66,020)	**(66,020)**
As at December 31, 2020	**$42,187**	**($156,806)**	**($114,619)**

	Share capital	Deficit	Total equity
As at January 1, 2019	**$42,187**	**($65,282)**	**($23,095)**
Income (loss) for the year	-	(25,504)	**(25,504)**
As at December 31, 2019	**$42,187**	**($90,786)**	**($48,599)**

The accompanying notes form part of the consolidated financial statements

In thousands of US dollars unless otherwise stated

1. Corporate information

Muzak LLC ("Muzak" or the "Company") is a privately held diversified in-store media company with operations in the United States held by Mood Media LLC (the "Parent") and ultimately owned by Vector Capital. The Company's principal place of business is located at 2100 South IH 35 Frontage Road, Suite 201, Austin, Texas 78704, and its registered office is located at 3411 Silverside Road, Tatnall Building Suite 104, Wilmington, Delaware 19810, in care of registered agent Corporate Creations Network Inc.

The Company provides in-store audio, visual, mobile, voice, drive thru, commercial TV, social and scent marketing solutions to a range of businesses, including restaurant, retail, hospitality, grocery, financial services, automotive, and telecommunications. Proprietary technology and software are used to deploy music from a compiled music library to client sites. This library comes from a diverse network of producers including major labels and independent and emerging artists.

2. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Except for the adoption of new standards and interpretation as further discussed in note 4 herein, the accounting policies and methods set out below have been consistently applied to all the periods presented. All amounts are expressed in US dollars (unless otherwise specified) rounded to the nearest thousand. These consolidated financial statements of the Company were approved by the Board of Directors and authorized for issue on December 29, 2022.

3. Summary of significant estimates, judgments and assumptions

The preparation of the Company's consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. However, uncertainty about these estimates, judgments and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes will be reflected in the assumptions when they occur.

3. Summary of significant estimates, judgments and assumptions (continued)

Goodwill and indefinite-lived intangible assets

The Company performs asset impairment assessments for indefinite-lived intangible assets and goodwill on an annual basis or on a more frequent basis when circumstances indicate impairment may have occurred. Under IFRS, the Company selected December 31 as the date when it performs its annual impairment analysis. Goodwill is allocated to a cash-generating unit ("CGU") or group of CGUs for the purposes of impairment testing based on the level at which senior management monitors it, which is not larger than an operating segment.

The testing for impairment of either an intangible asset or goodwill is to compare the recoverable amount of the asset, CGU or group of CGUs to the carrying amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the asset is assessed as part of the CGU or group of CGUs to which it belongs. The recoverable amount calculations use a discounted cash flow model derived from a five-year forecast. The recoverable amount is sensitive to the discount rate used for the model as well as the expected future cash flows and the growth rate used for extrapolation purposes. Changes in certain assumptions could result in an impairment loss being charged in future periods. The key assumptions used to determine the recoverable amount for the different CGUs or groups of CGUs are disclosed and further explained in note 14.

Impairment of long-lived assets

Long-lived assets primarily include property and equipment and intangible assets. An impairment loss is recognized when the carrying value of the CGU, which is defined as the smallest identifiable group of assets that generates cash flows that are largely independent of the cash flows from other assets or groups, exceeds the CGU's recoverable amount, which is determined using a discounted cash flow method. The Company tests the recoverability of its long-lived assets when events or circumstances indicate that the carrying values may not be recoverable. While the Company believes that no impairment is required, management must make certain estimates regarding the Company's cash flow projections that include assumptions about growth rates and other future events. Changes in certain assumptions could result in an impairment loss being charged in future periods.

Property and equipment

The Company has estimated the useful lives of the components of all of its property and equipment based on past experience and expected useful life, and is depreciating these assets over their estimated useful lives. Management assesses these estimates at least at each financial year-end and, if there is a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the useful life is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with International Accounting Standard ("IAS") 8, *Accounting Policies, Changes in Accounting Estimates and Errors* ("IAS 8"). Rental equipment installed at customer premises includes costs directly attributable to the installation process. Judgment is required in determining which costs are considered directly attributable to the installation process and the percentage capitalized is estimated based on work order hours for the year.

In thousands of US dollars unless otherwise stated

3. Summary of significant estimates, judgments and assumptions (continued)

Intangible assets

The Company has estimated the useful lives of its intangible assets based on past experience and expected useful life, and is amortizing these assets over their estimated useful lives. Management assesses these estimates at least at each financial year-end and, if there is a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the useful life is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with IAS 8.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated statements of financial position cannot be derived from active markets, the fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible. Where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Contingencies

Contingencies, by their nature, are subject to measurement uncertainty, as the financial impact will only be confirmed by the outcome of a future event. The assessment of contingencies involves a significant amount of judgment including assessing whether a present obligation exists and providing a reliable estimate of the amount of cash outflow required in settling the obligation. The uncertainty involved with the timing and amount at which a contingency will be settled may have a material impact on the consolidated financial statements of future periods to the extent that the amount provided for differs from the actual outcome.

Income taxes

Tax regulations, legislation, and the interpretations thereof in the various jurisdictions in which the Company operates are subject to change. As such, income taxes are subject to measurement uncertainty. Deferred tax assets are recognized to the extent that it is probable that the deductible temporary differences or tax losses will be recoverable in future periods. The recoverability assessment involves a significant amount of estimation including an evaluation of when the temporary differences will reverse, an analysis of the amount of future taxable earnings and the application of tax laws. To the extent that the assumptions used in the recoverability assessment change, there may be a significant impact on the consolidated financial statements of future periods.

In thousands of US dollars unless otherwise stated

3. Summary of significant estimates, judgments and assumptions (continued)

Revenue and contract costs

The Company makes certain estimates, judgments and assumptions on revenue and contract costs. Revenue related to multiple performance obligations requires allocation of revenue to each performance obligation based on its relative stand-alone selling price ("SSP"). The Company determines SSP either based on the prices charged to customers or by applying judgment to the SSP based on expected cost plus margin. Assumptions to develop the Company's expected margins are based on management's sales performance expectations, sales commission plans, market data, and historical results.

The Company incurs direct and incremental costs in connection with obtaining and fulfilling contracts. As the Company obtains recurring contracts from new customers, costs such as sales commissions and costs directly related to proprietary equipment are capitalized as part of deferred costs and commissions. Deferred costs are amortized as a component of cost of sales while deferred commissions are amortized as a component of operating expenses over the term of the related contract. Significant judgment is required in identifying the sales commissions, which are incremental to the contract and in the costs related to the proprietary equipment as to whether the criteria for capitalization have been met, the amounts to be capitalized, and the estimated average contract length to amortize the costs over.

4. Summary of significant accounting policies

Basis of measurement and principles of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries after the elimination of intercompany balances and transactions. The results of operations of subsidiaries acquired during the year are included from their respective dates of acquisition.

These consolidated financial statements were prepared on a going concern basis under the historical cost method except for certain financial assets and liabilities that are measured at fair value. Management assesses the Company's ability to continue as a going concern at each reporting date, using quantitative and qualitative information available; however, uncertainty about these estimates, judgments and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The consolidated financial statements are presented in US dollars, which is the Company's functional currency.

Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the date of the consolidated financial statements. Non-monetary assets and liabilities are translated at their historical exchange rates. Revenue and expense items are translated at average exchange rates prevailing during the year. Gains and losses resulting from foreign currency transactions are recorded in the consolidated statements of income (loss) and comprehensive income (loss).

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Cash and restricted cash

Cash includes cash on hand and balances with banks. Restricted cash is used to collateralize outstanding letters of credit, which serve as collateral for real estate leases and various bonds ranging from performance bonds to wage bonds.

Trade receivables

Trade receivables are carried at amounts due, net of impairment for estimated expected credit loss (“ECL”).

Financial assets and liabilities

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets are recognized on the trade date, the date on which the Company commits to purchase or sell the asset.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and liabilities at fair value through profit or loss (“FVTPL”)) are added to, or deducted from, the fair value of the financial assets or liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities at FVTPL are recognized immediately in the consolidated statements of income (loss) and comprehensive income (loss).

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Company recognizes the difference as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e., a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
(b) In all other cases, the difference is deferred and the timing of recognition of deferred day-one income (loss) is determined individually. It is either amortized over the life of the instrument, deferred until the instrument’s fair value can be determined using market observable inputs, or realized through settlement.

Classification and subsequent measurement

Appropriate classification of financial assets and financial liabilities is determined at the time of initial recognition or when reclassified on the consolidated statements of financial position. The Company classifies its financial assets and liabilities in the following measurement categories:

(i) Amortized cost;
(ii) Fair value through other comprehensive income (“FVTOCI”); or
(iii) FVTPL.

4. Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

Financial assets

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and trade receivables.

Classification and subsequent measurement of debt instruments depend on:

(i) The cash flow characteristics of the asset; and
(ii) The Company's business model for managing the asset.

Cash flow characteristic test: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the "SPPI" test). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

Business model test: The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets, or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (i.e., financial assets are held for trading purposes), then the financial assets are classified as part of the "other" business model and measured at FVTPL.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

(i) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any ECL allowance recognized and measured. Interest income from these financial assets is included in finance costs, net using the effective interest rate method.
(ii) FVTOCI: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent SPPI, and that are not designated at FVTPL, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income (loss) ("OCI"), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses on the instrument's amortized cost, which are recognized in the consolidated statements of income (loss) and comprehensive income (loss). Interest income from these financial assets is included in finance costs, net using the effective interest rate method.

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

(iii) FVTPL: Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in the consolidated statements of income (loss) and comprehensive income (loss) within net trading income in the period in which it arises. Interest income from these financial assets is included in finance costs, net using the effective interest rate method.

The Company may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates, or significantly reduces, a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognizing the gains or losses on them on different bases. The Company reclassifies debt investment when, and only when, its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change.

Impairment

The Company recognizes a loss allowance for ECL on investments in debt instruments that are measured at amortized cost or at FVTOCI. The amount of ECL is updated at each reporting period to reflect changes in credit risk of the respective financial instrument.

In applying the ECL model, one of the following three approaches can be used:

(i) General approach, which would be applied to most loans and debt securities;
(ii) Simplified approach, which will be applied to most trade receivables; or
(iii) Purchased or originated credit-impaired approach.

As the Company's financial assets are substantially made up of trade receivables, the Company has opted to use the simplified approach for measuring the loss allowance at an amount equal to lifetime ECL. The simplified approach does not require the tracking of changes in credit risk, but instead requires the recognition of lifetime ECLs at all times. Lifetime ECL represents the ECL that would result from all possible default events over the expected life of a financial instrument. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Definition of a default

The Company considers the following as constituting an event of a default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

(i) When there is a breach of financial covenants by the customer; or
(ii) Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full.

4. Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 180 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, i.e., when the customer has been placed under liquidation or has entered into bankruptcy proceedings. Any recoveries made are recognized as a credit within the loss allowance provision.

Derecognition of a financial asset

The Company derecognizes a financial asset only when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party, or when the contractual rights to the cash flows from the asset expire. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and recognize a collateralized borrowing for the benefit received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the consolidated statements of income (loss) and comprehensive income (loss). On derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the consolidated statements of income (loss) and comprehensive income (loss).

<u>Financial liabilities</u>

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at FVTPL. Financial liabilities are classified as FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination; (ii) held for trading; or (iii) it is designated as FVTPL.

FVTPL: A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as a FVTPL upon initial recognition if:

(i) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
(ii) The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis at a group level; or
(iii) It forms part of a contract containing one or more embedded derivatives, and IFRS 9, *Financial Instruments,* permits the entire combined contract to be designated as FVTPL.

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

For financial liabilities that are designated as FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in the consolidated statements of income (loss) and comprehensive income (loss). The remaining amount of change in the fair value of liability is recognized in the consolidated statements of income (loss) and comprehensive income (loss). The gain or loss recognized in the consolidated statements of income (loss) and comprehensive income (loss) incorporates any interest paid on the financial liability and is included in finance costs, net.

Amortized cost: Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination; (ii) held for trading; or (iii) designated as FVTPL are subsequently measured at amortized cost using the effective interest rate method. Interest paid from these financial liabilities is included in finance costs, net using the effective interest rate method.

Derecognition of financial liability

Financial liabilities measured at amortized cost are derecognized when they are extinguished (i.e., when the obligation is discharged, cancelled or expires). The exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability. A gain or loss is recognized on the exchange or modification based on the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

Financial liabilities measured at FVTPL are also derecognized when the obligation is extinguished. Changes in fair value attributable to a financial liability's credit risk that are recognized in OCI are not subsequently reclassified to the consolidated statements of income (loss) and comprehensive income (loss); instead, they are transferred to retained earnings upon derecognition of the financial liability.

Determination of fair value

The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Financial assets and liabilities (continued)

Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.
Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
Level 3 - Significant unobservable inputs that are supported by little or no market activity.

Inventory

Inventory is valued at the lower of cost and net realizable value. Finished goods and components are valued at weighted average cost. Provisions are made for slow moving and obsolete inventory. Reversals of previous write-downs to net realizable value are required when there is a subsequent increase in the value of the inventory.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the remaining estimated useful lives of the assets as outlined below:

Furniture, fittings and leasehold improvements	7 years
Rental equipment	4 years
Computer and other equipment	3 – 5 years
Vehicles	3 years

Leasehold improvements are amortized on a straight-line basis over the remaining terms of the leases. Depreciation only commences once the asset is in use.

The useful lives, method of depreciation and the assets' residual values are reviewed at least annually and the depreciation charge is adjusted prospectively, if appropriate.

Intangible assets

Intangible assets are assets acquired that lack physical substance and that meet the specified criteria for recognition apart from goodwill. Intangible assets acquired mainly consist of brands, customer relationships, music library and technology platforms and software. Intangible assets are amortized on a straight-line basis as outlined below:

Customer relationships	10 – 15 years
Music library	15 years
Technology platforms and software	3 – 7 years
Brands	5 years – Indefinite

Residual values and useful lives are reviewed at least annually and are adjusted, if appropriate.

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired business at the date of acquisition. If this consideration is lower than the fair value of the net assets acquired, the difference is recognized in the consolidated statements of income (loss) and comprehensive income (loss). After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's CGUs or group of CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The group of CGUs to which goodwill is allocated is not larger than the level at which management monitors goodwill or the Company's operating segments.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair value of the operation disposed of and the portion of the CGU retained.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statements of income (loss) and comprehensive income (loss), net of any reimbursement.

Revenue recognition

Revenue is derived from recurring revenue, equipment revenue, installation and services revenue, and from other revenue. Recurring revenue primarily relates to the provision of music and visual content, messaging, rental of proprietary equipment, and maintenance plans. Recurring revenue also includes music and satellite TV recurring services provided in partnership with third-party service providers. Equipment revenue includes the sale of proprietary and non-proprietary equipment. Installation and services revenue includes non-warranty maintenance service and installation services. Other revenue consists mainly of advertising and related creative services. See note 5 for the Company's composition of revenue.

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Revenue is recognized when control of the promised good or service is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Revenue from the Company's in-store media recurring services, including music, visual content, and messaging, is recognized over time during the period that the service is provided based on the contract terms. The Company may invoice certain subscribers in advance for contracted music services. Amounts received in advance of the service period are deferred and recognized as revenue in the period services are provided. As part of its arrangements for in-store media, the Company provides customers with a proprietary media player that is integral and essential to the related services. This equipment may be sold or leased to customers. Revenue and related equipment and installation costs from proprietary equipment sales and installation are deferred and recognized over the contract term. Revenue for equipment sales of non-proprietary equipment and related installation revenue is recognized upon installation. Contracts are typically for a multi-year, non-cancellable period. Royalty income and certain advertising income is recognized based on activity at the point in time each service instance is provided.

The Company's contracts with customers may include multiple performance obligations. For such arrangements, the Company allocates revenue to each performance obligation based on its relative SSP. The Company determines SSP based on the observable prices charged to customers or estimates based on using expected cost plus margin.

For contracts involving third-party goods and services, the Company evaluates whether it has a principal relationship, and reports revenue on a gross basis, or an agent relationship, and reports revenues on a net basis. This evaluation requires significant judgment of whether the Company obtains control of the specified goods or services before they are transferred to the customer as well as other indicators such as the party primarily responsible for fulfillment, inventory risk, and discretion in establishing price. The Company is an agent for certain transactions with its independent affiliates, the Company's franchised operators that provide and sell certain Mood licensed products and services. For these transactions, the Company records revenue net as the independent affiliate is deemed to control the good or service prior to transfer to the customer. For all other arrangements with third-party goods and services, the Company is the principal because it controls the good or service before it is transferred to its customers.

The Company's payment terms vary by the type and location of its customer and the products or services offered. The term between invoicing and when payment is due is not significant. Recurring services are billed monthly, quarterly or annually at the customer's preference. Equipment, installation and service labor are billed at the time the good and service is transferred to the customer. For certain products or services and customer types, the Company requires payment before the products or services are delivered to the customer.

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Contract costs

The Company incurs direct and incremental costs in connection with obtaining and fulfilling contracts. As the Company obtains recurring contracts from new customers, costs such as sales commissions and costs directly related to proprietary equipment sold are capitalized as part of deferred costs and commissions. Deferred costs are amortized as a component of cost of sales while deferred commissions are amortized as a component of operating expenses over the term of the related contract. Contract costs with amortization periods of less than one year are not capitalized. Sales commissions and equipment costs are based on actual costs incurred. Installation costs of proprietary equipment are estimated using labor hour averages and cost pool assumptions. If a contract is terminated early, any remaining deferred costs are expensed to reflect the termination of the customer contract.

Taxation

Current income tax assets and liabilities in the consolidated financial statements are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in OCI within the consolidated statements of income (loss) and comprehensive income (loss). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income (loss) nor taxable income (loss); and
- In respect of taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable income will be available against, which the deductible temporary differences and the carryforward of unused tax credits and unused tax losses can be utilized, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income (loss) nor taxable income (loss); and

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Taxation (continued)

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is realized or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside income (loss) is recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognized subsequently if new information about facts and circumstances change. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in income (loss).

Leases

On January 13, 2016, the IASB issued IFRS 16, which outlines requirements for lessees to recognize assets and liabilities for most leases. Lessees are required to recognize the lease liability for the obligations to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. Lease liability is measured at the present value of lease payments to be made over the term of the lease. The right-of-use asset is initially measured at the amount of the lease liability and adjusted for prepayments, direct costs and incentives received. Lessor accounting under IFRS 16 is substantially unchanged from current accounting under IAS 17, *Leases* (“IAS 17”). Lessors will continue to classify all leases using the same classification principles. Generally, the adoption of IFRS 16 results in a decrease in operating expenses, an increase in financial expenses (due to the accretion of the lease liability) and an increase in depreciation (due to the depreciation of the right-of-use asset) on the consolidated statements of (loss) income and comprehensive (loss) income. The Company has adopted IFRS 16 using the modified retrospective approach from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening consolidated statement of financial position on January 1, 2019. See note 19 for further details.

4. Summary of significant accounting policies (continued)

Leases (continued)

On January 1, 2019, the Company adopted IFRS 16 using the modified retrospective method and therefore the comparative information has not been restated and continues to be reported under IAS 17. The adoption of IFRS 16 has resulted in changes in 2019 to the Company's accounting policies for leases as well as note disclosures. The details of accounting policies under IAS 17 and IFRS 16 are disclosed separately below.

On transition to IFRS 16, the Company has used the following transitional practical expedients permitted by the standard:

- The use of a single discount rate to measure a portfolio of leases with reasonably similar characteristics;
- The right-of-use asset was measured at the cost that was equal to the lease liabilities on January 1, 2019;
- The exclusion of initial direct costs from the measurement of the right-of-use asset for certain leases; and
- The Company has elected to rely on its existing onerous contract provision in respect of real estate leases and transferred that balance from trade and other payables to the opening right-of-use asset on transition, rather than performing an impairment assessment under IAS 36, *Impairment of Assets*.

(i) Lease assessment

Policy applicable from January 1, 2019, IFRS 16

On the date that the asset becomes available, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of an identified asset. This may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified, (ii) the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, and (iii) the Company has the right to direct how and for what purpose the identified asset is used throughout the period of use.

At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative stand-alone prices. For the leases of vehicles, the Company elected not to separate non-lease components and account for the lease and non-lease component as a single lease component. For office and IT and equipment, the Company elected to separate non-lease and lease components and account for them separately.

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Leases (continued)

(ii) As a lessee

Policy applicable from January 1, 2019, IFRS 16

The Company recognizes a right-of-use asset and a corresponding lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of any restoration costs, less any lease incentives received. The right-of-use asset is subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments which may include (i) fixed payments, (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date, (iii) amounts expected to be paid under a residual value guarantee, and (iv) payments to exercise a purchase option, an extension option or a termination option, if the Company is reasonably certain to exercise any of these options. The rate implicit in the lease is used to determine the present value of the liability and right-of-use asset arising from a lease, unless this rate is not readily determinable, in which case the Company's incremental borrowing rate is used.

The lease liability increases with the passage of time and interest expense is charged to finance cost, net over the period of the lease in the consolidated statements of (loss) income and comprehensive (loss) income. The lease liability is reduced by the amount of the principal portion of the lease payment. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the asset, or is recorded in income or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognize right-of-use assets and lease liabilities for any short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company presents right-of-use assets in Property and equipment, net and lease liabilities in Other financial liabilities in the consolidated statements of financial position.

In thousands of US dollars unless otherwise stated

4. Summary of significant accounting policies (continued)

Leases (continued)

(iii) As a lessor

Policy applicable before and after January 1, 2019

The accounting policies applicable to the Company as a lessor in the comparative period are not different from IFRS 16. When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company assesses certain indicators such as whether the lease is for the major part of the economic life of the asset. The Company offers leasing options to its customers for its proprietary devices that deliver the Company's recurring services. The Company records these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to ownership of the assets. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of Recurring revenue in note 5. If an arrangement contains lease and non-lease components, the Company applies IFRS 15, *Revenue from contracts with customers,* to allocate the consideration of the contract.

Amendments to standards affecting the reported financial performance and/or financial position

The following new accounting standards have been issued but not yet adopted by the Company as at December 31, 2021:

Amendments to IAS 1, *Presentation of Financial Statements* ("IAS 1")

In January 2020, the IASB issued *Classification of Liabilities as "Current" or "Non-current"*, which amends IAS 1. The narrow scope amendments affect only the presentation of liabilities in the statement of financial position and not the amount or timing of its recognition. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the right to defer settlement by at least 12 months. That classification is unaffected by the likelihood that an entity will exercise its deferral right. The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and are to be applied retrospectively. The Company is still assessing the impact of adopting these amendments on its consolidated financial statements.

4. Summary of significant accounting policies (continued)

Amendments to IAS 1, *Presentation of Financial Statements* ("IAS 1") and IFRS Practice Statement 2

In February 2021, the IASB issued *Disclosure of Accounting Policies*, which amends IAS 1 and IFRS Practice Statement 2. The amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendment to IAS 1 requires companies to disclose their material accounting policy information rather than its significant accounting policies. The amendment also clarifies that not all accounting policy information that relates to material transactions, other events or conditions is material to the financial statements. The amendment to IFRS Practice Statement 2 adds guidance and examples to the materiality practice statement, which explains how to apply the materiality process to identify material accounting policy information. The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied prospectively. The Company is still assessing the impact of adopting these amendments on its consolidated financial statements.

Amendments to IFRS 9, *Financial Instruments* ("IFRS 9")

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company has assessed the impact of adopting these amendments on its consolidated financial statements and there is no current significant impact expected.

Amendments to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* ("IAS 8")

In February 2021, the IASB issued *Definition of Accounting Estimates*, which amends IAS 8. The amendment replaces the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." The amendment provides clarification to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company is still assessing the impact of adopting these amendments on its consolidated financial statements.

In thousands of US dollars unless otherwise stated

5. Revenue and contract costs

The composition of revenue is as follows:

	2021	2020	2019
Recurring	$114,887	$115,590	$130,154
Equipment	24,626	21,519	31,724
Installation and services	14,681	12,884	18,913
Other	488	853	1,399
	$154,682	**$150,846**	**$182,190**

Deferred revenue rollforward:

	2021	2020	2019
Balance, beginning of year	$3,678	$4,683	$5,222
Cash received or advance payments on performance	28,050	37,368	34,865
Revenue recognized during year	(28,367)	(38,373)	(36,046)
Acquisitions	-	-	642
Balance, end of year	**$3,361**	**$3,678**	**$4,683**

Assets recognized from costs to obtain contract:

	2021	2020	2019
Balance, beginning of year	$5,859	$8,765	$7,894
Costs deferred to obtain a contract	2,545	2,229	5,063
Costs recognized during year	(2,808)	(5,135)	(4,192)
Balance, end of year	**$5,596**	**$5,859**	**$8,765**

Assets recognized from costs to fulfill a contract:

	2021	2020	2019
Balance, beginning of year	$567	$1,013	$1,135
Costs deferred to fulfill a contract	182	245	641
Costs recognized during year	(383)	(691)	(763)
Balance, end of year	**$366**	**$567**	**$1,013**

In thousands of US dollars unless otherwise stated

6. Other expenses

	2021	2020	2019
Management recharges (i)	$17,041	$36,971	$11,192
Integration costs (ii)	1,591	8,234	6,093
Net (gain) loss on disposal of certain assets (iii)	(625)	(407)	(196)
	$18,007	**$44,798**	**$17,089**

(i) Management recharges relates to expenses incurred by the Company's parent relating to corporate salaries, financing and activities that benefit Muzak.

(ii) Integration costs consist of severance costs, relocation expenses, real estate consolidation, and other integration activities. These integration activities are a result of integrating various businesses and acquisitions.

	2021	2020	2019
Severance costs (a)	$659	$2,472	$1,627
Other integration costs (b)	932	5,762	4,466
	$1,591	**$8,234**	**$6,093**

(a) Restructuring severance related to COVID-19 are included in severance costs in 2020.
(b) Other integration costs in 2020 additionally includes settlements with the Company's independent affiliates and employee related costs associated with COVID-19. Other integration costs in 2019 primary relate to the integration of South Central, described further in note 9.

In thousands of US dollars unless otherwise stated

7. Related party disclosures

Terms and conditions of transactions with related parties

The Company enters into transactions, in the normal course of business, recorded at agreed upon exchange amounts with related parties, which are on terms equivalent to those that prevail in arm's length transactions. Related parties consistent of the Company's parent, Mood Media LLC ("Parent") and other companies under common control. Transactions with related parties during the year consisted of the following:

	2021	2020	2019
Interest expense	$21,452	$34,632	$44,749
Management recharges	17,041	36,971	11,192
Total intercompany expenses	**$38,493**	**$71,603**	**$55,941**

	2021	2020	2019
Intercompany loans payable due to Parent	$418,575	$397,150	$362,524
Intercompany trade receivables, net due from companies under common control as Parent	(148,151)	(117,203)	(98,718)
Total intercompany, net	**$270,424**	**$279,947**	**$263,806**

Outstanding balances at the year-end are unsecured and settlement occurs in cash. Interest expense is charged on the Company's outstanding intercompany loan balances based on the Parent's cost of capital. No interest is charged or earned on the Company's intercompany trade balances. There have been no guarantees provided or received for these related party balances. The Parent has waived its right to call the intercompany loan payable balance for at least 12 months, until January 2024.

8. Income taxes

	2021	2020	2019
Current income tax charge			
Current income taxes on income for the year	$140	$100	$40
Total current income tax charge	**140**	**100**	**40**
Total income tax charge	**$140**	**$100**	**$40**

Corporation tax in the United States applied to income (loss) for the year is as follows:

Income (loss) for the year before income taxes	**$3,481**	**($65,920)**	**($25,464)**
Expected tax charge (recovery): based on the standard U.S. domestic corporation tax rate of 25%	870	(16,480)	(6,366)
Movement in unprovided deferred taxes on current year	(730)	16,580	6,406

In thousands of US dollars unless otherwise stated

Total income tax charge	**$140**	**$100**	**$40**

As at December 31, 2021 and 2020, there was $nil recognized as deferred tax. The unused U.S. tax losses are subject to a change of control limitation.

9. Business combinations

Acquisition of South Central

On June 14, 2019, the Company acquired the business and certain assets and liabilities of South Central, one of its larger franchisees, for $22,334 in cash. The purchase was financed by the Company's Parent by issuing an additional intercompany loan. A portion of the purchase price in the amount of $2,300 was deposited in an escrow account on the Company's parent's books, and was distributed to the sellers of South Central on the 15-month anniversary from the date of sale. South Central offers a range of in-store audio, visual, and scent solutions, primarily operating in Florida, Tennessee, Kentucky, Arkansas, and Nevada. The Company believes the acquisition will complement its core business and expects to derive synergies from combining South Central's operations into the Company's core in-store media business. The fair values of the identifiable assets and assumed liabilities as at the date of acquisition were as follows:

Assets	
Trade and other receivables, net	$1,463
Prepayments and other assets	305
Inventory	751
Property and equipment, net	1,485
Intangible assets, net	11,400
	15,404
Liabilities	
Trade and other payables	776
Deferred revenue	642
	1,418
Total identifiable net assets at fair value	13,986
Goodwill arising on acquisition	8,348
Purchase consideration transferred	**$22,334**

The allocation of the purchase consideration transferred was based on the fair value of identifiable assets, including assets acquired and liabilities assumed at the effective date of the acquisition, with the excess of the purchase consideration transferred over the fair value being allocated to goodwill. Management engaged an independent valuator for the purchase price allocation to determine the fair value allocated to intangible assets.

The acquisition of South Central is deemed to be an asset purchase for tax purposes and therefore the intangible assets are deductible for tax purposes and no deferred tax liabilities have been recorded. Goodwill will also be deductible for tax purposes.

In thousands of US dollars unless otherwise stated

9. Business combinations (continued)

The amounts of revenue attributable to South Central and the net income of South Central included in the Company's consolidated statements of (loss) income and comprehensive (loss) income for the year ended December 31, 2019 are as follows:

	2019
Revenue	$10,877
Net income	1,140

Had the acquisition of South Central taken place on January 1, 2019, the Company would have recognized revenue of $21,522 and net income of $1,082 for the year ended December 31, 2019.

10. Inventory

	2021	**2020**	**2019**
Finished goods inventory	$4,319	$3,284	$4,679
Inventory provision	(683)	(541)	(1,394)
Net inventory	$3,635	$2,743	$3,285

Inventory is held at the lower of cost and net realizable value. Write-downs of inventories, including additions to the stock provision, were $nil for the year ended December 31, 2021, $560 for the year ended December 31, 2020 and $2,610 for the year ended December 31, 2019. The cost of inventory included within cost of sales was $22,752 for the year ended December 31, 2021, $19,758 for the year ended December 31, 2020, and $29,173 for the year ended December 31, 2019.

In thousands of US dollars unless otherwise stated

11. Property and equipment

	Furniture, fittings and leasehold improvements	Rental Equipment	Computer and other equipment	Vehicles	Total
Cost					
As at January 1, 2019	**$14,103**	**$67,713**	**$23,883**	**$4,531**	**$110,230**
Additions	983	6,462	285	518	8,248
Disposals	(225)	-	(2,131)	(796)	(3,152)
Acquisitions (note 9)	132	1,018	219	116	1,485
Other	(413)	63	19	1,130	799
As at December 31, 2019	**14,580**	**75,256**	**22,275**	**5,499**	**117,610**
Additions	5,870	4,035	90	246	10,241
Disposals	(5,461)	(182)	-	(1,628)	(7,271)
Other	(258)	844	21	589	1,196
As at December 31, 2020	**14,731**	**79,953**	**22,386**	**4,706**	**121,776**
Additions	1,216	5,135	41	293	6,685
Disposals	(292)	-	-	(1,147)	(1,439)
Other	(31)	-	-	674	643
As at December 31, 2021	**15,624**	**85,088**	**22,427**	**4,526**	**127,665**
Depreciation					
As at January 1, 2019	**3,867**	**51,098**	**22,847**	**4,155**	**81,967**
Depreciation	1,920	7,568	1,187	775	11,450
Disposals	-	-	(2,816)	(573)	(3,389)
Other	(54)	329	-	51	326
As at December 31, 2019	**5,733**	**58,995**	**21,218**	**4,408**	**90,354**
Depreciation	1,539	5,058	478	1,178	8,253
Impairment	-	4,337	-	-	4,337
Disposals	(960)	-	-	(1,558)	(2,518)
Other	318	(757)	146	-	(293)
As at December 31, 2020	**6,630**	**67,633**	**21,842**	**4,028**	**100,133**
Depreciation	1,661	5,650	395	1,170	8,876
Disposals	(14)	-	(134)	(1,140)	(1,288)
Other	-	3	28	-	31
As at December 31, 2021	**$8,277**	**$73,286**	**$22,131**	**$4,058**	**$107,752**
Net book value					
As at December 31, 2021	**$7,347**	**$11,802**	**$296**	**$468**	**$19,913**
As at December 31, 2020	$8,101	$12,320	$544	$678	$21,643
As at December 31, 2019	$8,847	$16,261	$1,057	$1,091	$27,256

In thousands of US dollars unless otherwise stated

12. Intangible assets

	Customer relationships	Music library	Technology platforms and software	Brands	Total
Cost					
As at January 1, 2019	**$89,754**	**$3,400**	**$33,862**	**$42,683**	**$169,699**
Additions	-	-	5,972	39	6,011
Disposals	-	-	(1,206)	(24)	(1,230)
Acquisitions (note 9)	11,400	-	-	-	11,400
As at December 31, 2019	**101,154**	**3,400**	**38,628**	**42,698**	**185,880**
Additions	-	-	3,266	19	3,285
Disposals	-	-	(1,643)	-	(1,643)
As at December 31, 2020	**101,154**	**3,400**	**40,251**	**42,717**	**187,522**
Additions	-	-	1,798	12	1,810
Disposals	-	-	(6)	-	(6)
As at December 31, 2021	**101,154**	**3,400**	**42,043**	**42,729**	**189,326**
Amortization					
As at January 1, 2019	**(56,061)**	**(2,021)**	**(25,475)**	**(42,265)**	**(125,822)**
Additions	(7,174)	(227)	(4,651)	(207)	(12,259)
Disposals	-	-	16	-	16
Other	-	-	303	(1)	302
As at December 31, 2019	**(63,235)**	**(2,248)**	**(29,807)**	**(42,473)**	**(137,763)**
Additions	(7,301)	(227)	(4,162)	(129)	(11,819)
Disposals	-	-	134	-	134
Other	-	-	-	(2)	(2)
As at December 31, 2020	**(70,536)**	**(2,475)**	**(33,835)**	**(42,604)**	**(149,450)**
Additions	(7,112)	(227)	(3,503)	(67)	(10,909)
Other	-	-	-	2	2
As at December 31, 2021	**(77,648)**	**(2,702)**	**(37,338)**	**(42,669)**	**(160,357)**
Net book value					
As at December 31, 2021	**23,506**	**698**	**$4,705**	**$60**	**$28,969**
As at December 31, 2020	$30,618	$925	$6,416	$113	$38,072
As at December 31, 2019	$37,919	$1,152	$8,821	$225	$48,117

Internally generated intangible assets with a net book value of $4,314 (2020 – $4,472, 2019 – $6,128) have been included within technology platforms and software as at December 31, 2021.

In thousands of US dollars unless otherwise stated

13. Goodwill

Balance, January 1, 2019	**$128,550**
Goodwill arising on acquisition	8,347
Balance, December 31, 2019	**$136,897**
Impairment	(14,000)
Balance, December 31, 2020	**$122,897**
Balance, December 31, 2021	**$122,897**

In 2020, management identified indicators of impairment as a result of COVID-19. As a result, the Company recognized an impairment charge of $14,000 which is presented separately in the consolidated statements of income (loss). Impairment charges are further discussed in note 15 herein.

14. Impairment testing of goodwill and intangible assets with indefinite lives

Carrying amount of goodwill

	2021	**2020**	**2019**
Goodwill	$122,897	$122,897	$136,897

In addition to the compulsory annual impairment testing on goodwill and intangible assets with indefinite lives that is performed on December 31, the Company is required to evaluate, at each reporting period, if potential indicators of impairment are present that would require an assessment of whether these assets may be impaired. Factors considered by the Company when evaluating potential indicators for impairment include the economic climate in which it operates and material customer trends, among others.

Valuation

The recoverable amounts have been determined based on a fair value less costs to sell calculation using a discounted cash flow model based on assumptions specific to the CGU. The Company was determined to be one CGU for the purposes of impairment testing.

Key assumptions used in recoverable amount calculations

The calculation of recoverable amount is most sensitive to the following assumptions:

- Discount rates
- Growth rate used to extrapolate cash flows beyond the budgeted period

In thousands of US dollars unless otherwise stated

14. Impairment testing of goodwill and intangible assets with indefinite lives (continued)

Discount rates – Discount rates represent the current market assessment of the risks specific to each group of CGUs. The discount rate calculation is based on the specific circumstances of the Company and its operating segments and is derived from its weighted average cost of capital ("WACC"). The WACC reflects a target debt-to-equity ratio. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of equity considers the risk-free rate, market equity risk premium, size premium and risk specific to each group of CGUs' underlying assets that have not been considered in the cash flow projections. The risk premiums assigned are evaluated annually based on publicly available market data. The cost of debt is based on the interest-bearing borrowings that the Company is obliged to service. The discount rates applied to the cash flow projections range from 13% to 15%.

Growth rate – Growth rates are based on management's best estimates considering historical and expected operating plans, strategic plans and industry outlook. The projections are prepared for each of the Company's group of CGUs and are based on financial budgets approved by management. Management has estimated forecasts of revenue growth over a five-year period of 1-4%, and a terminal growth rate assumption of 2-3% beyond this period.

15. Impairment of assets relating to COVID-19

Beginning March 2020, the Company began to see the negative impacts of COVID-19 on its financial results and recorded certain impairments on its assets. Although businesses began to reopen worldwide, there remains uncertainty in the duration and long-term future impact of COVID-19 on the Company, which could increase uncertainties around key assumptions used by the Company in estimating the recoverable amount of assets in performing impairment tests of long-lived assets, estimating the allowance for doubtful accounts and other areas that require significant estimation or judgment. The Company estimated the following COVID-19 related impairments during 2020 with the charge recognized in the consolidated statements of income (loss) and comprehensive income (loss):

	2020	**Impacted consolidated statements of financial position line**
Impairment of goodwill (note 13)	$14,000	Goodwill
Loss allowance	3,378	Trade and other receivables, net
Impairment of leased equipment	2,713	Property and equipment, net
Impairment of assets recognized from costs to obtain a contract	1,717	Deferred costs
Impairment of capitalized installation labor	1,624	Property and equipment, net
	$23,432	

As the impacts of COVID-19 continued throughout 2021, the Company monitored the appropriateness of reserves recorded in 2020 and evaluated whether any additional impairments were needed. No additional impairments were recorded directly related to COVID-19 in 2021.

In thousands of US dollars unless otherwise stated

16. Financial instruments and other financial assets and liabilities

Financial assets and financial liabilities – classification and measurement

As at December 31, 2021	Amortized cost	Financial liabilities at FVTPL	Total
Current financial assets			
Cash	$4,447	$-	**$4,447**
Trade and other receivables, net	12,212	-	**12,212**
	16,659	**-**	**16,659**
Current financial liabilities			
Trade and other payables	31,148	-	**31,148**
Leases	3,526	-	**3,526**
	34,674	**-**	**34,674**
Non-current financial liabilities			
Leases	5,613	-	**5,613**
	$5,613	**-**	**$5,613**

As at December 31, 2020	Amortized cost	Financial liabilities at FVTPL	Total
Current financial assets			
Cash	$1,717	$-	**$1,717**
Trade and other receivables, net (1)	13,188	-	**13,188**
	14,905	**-**	**14,905**
Current financial liabilities			
Trade and other payables	30,273	-	**30,273**
Leases	3,462	-	**3,462**
	33,735	**-**	**33,735**
Non-current financial liabilities			
Leases	7,794	-	**7,794**
	$7,794	**-**	**$7,794**

(1) Trade and other receivables, net decreased during the year ended December 31, 2020 due to increases in the loss allowance related directly to COVID-19 of $3,378 discussed in note 15 and lower revenue activity from the impact of COVID-19.

As at December 31, 2019	Amortized cost	Financial liabilities at FVTPL	Total
Current financial assets			
Cash	$3,438	$-	**$3,438**
Trade and other receivables, net	25,156	-	**25,156**
	28,594	**-**	**28,594**
Current financial liabilities			
Trade and other payables	27,265	-	**27,265**
Leases	3,792	-	**3,792**
	31,057	**-**	**31,057**
Non-current financial liabilities			
Leases	7,848	-	**7,848**
	$7,848	**-**	**$7,848**

In thousands of US dollars unless otherwise stated

16. Financial instruments and other financial assets and liabilities (continued)

All of the Company's assets are guaranteed as collateral related to the Company's parent's external debt.

During 2019 through 2021, the Company has not designated any debt investments that meet the amortized cost or FVTOCI criteria for FVTPL measurement nor has the Company elected to present any permitted equity investment for FVTOCI measurement. The book values of the Company's financial assets and financial liabilities approximate the fair values of such items for all periods presented.

Risk management

The Company is exposed to a variety of financial risks including market risk (encompassing currency risk and interest rate risk), liquidity risk and credit risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial obligations. The Company's objective in managing liquidity risk is to manage its capital and maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. Throughout 2021, the Company managed its liquidity by regular monitoring of cash balances. Additional liquidity is available through the Company's parent's external debt arrangement or issuance of additional intercompany loans from the Company's parent. The Company's parent is committed to not call on the Company's intercompany debt in the next twelve months, until at least January 2024.

As at December 31, 2021, the Company had cash of $4,447. Cash in some of the Company's banks earn interest at floating rates based on daily bank deposit rates. Further information with respect to the Company's managed capital is provided in note 18.

In thousands of US dollars unless otherwise stated

16. Financial instruments and other financial assets and liabilities (continued)

Credit risk

Credit risk arises from cash held with banks and credit exposure to customers on outstanding trade receivable balances. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company's credit risk is limited due to the fact that the cash held in the Company's banks is held with high-credited banks and no one customer represents more than 1% of the Company's current assets at any time during the year. The Company assesses the credit quality of the customer, taking into account their financial position, general economic conditions of the industry in which they operate as well as forward-looking information by way of trended loss patterns in industries and customer geographies, forecasts of adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the customer's ability to meet its debt obligation, and predictions of significant deterioration in the operating results of the customer.

The following table sets forth details of the aging of trade and other receivables and loss allowance:

	2021	2020	2019
Trade and other receivables	$18,071	$22,816	$26,061
Loss allowance (1)	(5,859)	(9,628)	(905)
Trade and other receivables, net	**$12,212**	**$13,188**	**$25,156**
Analysis			
Current	$3,429	$8,525	$8,823
Past due 1-30 days	3,842	4,054	5,035
Past due 31-60 days	3,124	1,995	2,768
Past due 61+ days	7,676	8,242	9,435
Loss allowance	(5,859)	(9,628)	(905)
Trade and other receivables, net	**$12,212**	**$13,188**	**$25,156**

(1) Loss allowance includes both allowance for doubtful accounts and sales credits.

The movement in the loss allowance is shown below:

	2021	2020	2019
Loss allowance, beginning of year	($9,628)	($905)	($862)
Acquired loss allowance	-	(602)	-
(Increase) decrease in loss allowance	3,769	(8,121)	(43)
Loss allowance, end of year	**($5,859)**	**($9,628)**	**($905)**

Trade and other receivables are non-interest bearing and are generally on 10 – 90-day terms.

In thousands of US dollars unless otherwise stated

16. Financial instruments and other financial assets and liabilities (continued)

Contractual obligations

The following table outlines the Company's contractual obligations as at December 31, 2021:

Description	Total	Less than one year	Year two and three	Year four and five	Beyond five years
Leases	10,133	3,848	5,089	1,196	-
Trade and other payables	31,148	31,148	-	-	-
Intercompany loan	418,575	-	-	-	418,575
Total	**459,856**	**34,996**	**5,089**	**1,196**	**418,575**

17. Shareholders' equity

Share capital

Share capital represents the number of common shares outstanding. The Company has share capital of $42,187 representing one share. These balances remain unchanged through the periods presented herein.

Deficit

Deficit represents the accumulated loss of the Company attributable to the shareholders to date.

18. Management of capital

The Company's objective in managing its capital structure is to ensure a sufficient liquidity position to finance its strategic growth plans, operating expenses, financial obligations as they become due, working capital and capital expenditures. The Company manages its capital structure and adjusts to them in accordance with its stated objectives with consideration given to changes in economic conditions and the risk characteristics of the underlying assets. The Company has historically not paid dividends to its shareholders and instead retains cash for future growth.

Total managed capital was as follows:

	2021	2020	2019
Equity	$111,277	$114,619	$48,599
Leases considered debt under the Company's debt arrangements (1)	2,082	3,503	3,328
Total contractual principal of debt	2,082	3,503	3,328
Total capital	**$113,359**	**$118,122**	**$51,927**

(1) Leases considered debt under the Company's debt held at the Company's parent are leases defined as finance leases under the previous lease standard, IAS 17, *Leases*.

In thousands of US dollars unless otherwise stated

19. Leases

The Company transitioned to IFRS 16 in accordance with the modified retrospective approach. On transition to IFRS 16, the Company recognized additional $9,746 in right-of-use assets and additional lease liabilities. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate as at January 1, 2019. The weighted-average rate applied was 9.15%. The following reconciliation to the opening balance for the lease liabilities as at January 1, 2019 is based upon the operating lease obligations as at December 31, 2018:

Lease liability transition reconciliation	
Undiscounted operating leases, December 31, 2018	$26,204
Operating leases discounted using the incremental borrowing rate, January 1, 2019	$21,465
Discounted finance lease liabilities recognized, December 31, 2018	2,022
Satellite leases under IAS 17 no longer classified as leases under IFRS 16	(10,799)
Other movements	539
Discounted lease liabilities recognized, January 1, 2019	**$13,227**

The composition of owned and leased property and equipment, net is as follows:

	2021	**2020**	**2019**
Property and equipment, net owned	$10,773	$10,386	$15,616
Right-of-use assets	9,140	11,257	11,640
Total property and equipment, net	**$19,913**	**$21,643**	**$27,256**

The Company leases many assets including furniture, fittings and leasehold improvements and vehicles. Information about leases for which the Company is a lessee is presented below.

In thousands of US dollars unless otherwise stated

19. Leases (continued)

	Furniture, fittings and leasehold improvements	Vehicles	Total
Balance, January 1, 2019 [(1)]	**$9,746**	**$2,771**	**$12,517**
Additions in the year	966	759	1,725
Depreciation charge for the year	(1,762)	(501)	(2,263)
Disposals and other movements	(638)	299	(339)
Balance, December 31, 2019	**$8,312**	**$3,328**	**$11,640**
Additions in the year	5,784	472	6,256
Depreciation charge for the year	(1,351)	(541)	(1,892)
Disposals and other movements	(4,991)	244	(4,747)
Balance, December 31, 2020	**$7,754**	**$3,503**	**$11,257**
Additions in the year	1,125	204	1,329
Depreciation charge for the year	(1,497)	(676)	(2,173)
Disposals and other movements	(323)	(950)	(1,273)
Balance, December 31, 2021	**$7,059**	**$2,081**	**$9,140**

(1) Figures in balances as at January 1, 2019 include finance leases already included on the balance sheet as at January 1, 2019. On transition to IFRS 16, the Company recognized an additional $10,495 in right-of-use assets.

The disposals and other movements in 2021 and 2020 in furniture, fittings and leasehold improvements relate to a negotiated reduction in the Company's real estate office footprint.

The following table sets out a maturity analysis of lease liabilities, showing the undiscounted lease payments to be paid after the reporting date.

Lease liability maturity schedule

	2021	2020	2019
Less than one year	$3,848	$4,299	$4,783
Years two and three	5,089	6,113	4,319
Years four and five	1,196	2,856	2,143
Beyond five years	-	-	3,170
Total undiscounted lease payments	**$10,133**	**$13,268**	**$14,415**
Discounted lease liabilities included in the consolidated	**$9,139**	**$11,257**	**$11,640**
Current	3,526	3,462	3,792
Non-current	5,613	7,794	7,848

In thousands of US dollars unless otherwise stated

19. Leases (continued)

When measuring lease liabilities, the Company discounted the lease payments using its weighted-average incremental borrowing rate of 8.02% (2020 – 8.82%, 2019 – 9.14%). The interest expense recognized on the lease liability was $566 for the year ended December 31, 2021 (2020 – $684, 2019 – $760,) and is included in finance costs, net. The components of the cash outflow for lease payments made during the year are as follows:

	2021	2020	2019
Lease payment principal portion	($2,606)	($2,349)	($2,767)
Lease payment interest portion	($227)	($227)	($278)
Total cash outflow for lease payments	**($2,833)**	**($2,576)**	**($3,045)**

UNAUDITED FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

Interim Condensed Consolidated Financial Statements

Muzak LLC

Unaudited

For the six months ended June 30, 2023

Muzak LLC
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Unaudited

In thousands of US dollars unless otherwise stated

	June 30, 2023	December 31, 2022
ASSETS		
Current assets		
Cash	$525	$2,161
Restricted cash	2,017	2,481
Trade and other receivables, net	17,409	15,298
Inventory	2,509	2,618
Prepayments and other assets	2,098	1,965
Deferred costs	3,152	3,134
Total current assets	**27,710**	**27,657**
Non-current assets		
Deferred costs	3,330	3,153
Property and equipment, net	16,467	17,384
Intangible assets, net	26,027	26,729
Goodwill	122,897	122,897
Total assets	**196,431**	**197,820**
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	36,949	29,944
Income taxes payable	111	180
Deferred revenue	3,772	2,165
Lease liabilities	1,652	2,453
Total current liabilities	**42,484**	**34,742**
Non-current liabilities		
Deferred revenue	1,542	1,569
Lease liabilities	2,789	3,376
Intracompany, net	273,320	271,269
Total liabilities	**320,135**	**310,956**
Equity		
Share capital	42,187	42,187
Deficit	(165,891)	(155,323)
Total equity	**(123,704)**	**(113,136)**
Total liabilities and equity	**$196,431**	**$197,820**

Muzak LLC
INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Unaudited

In thousands of US dollars unless otherwise stated

	Six months ended June 30, 2023
Revenue	**$71,934**
Expenses	
Cost of sales	23,209
Operating expenses	27,002
Depreciation and amortization	7,760
Other expenses	8,474
Finance costs, net	15,997
Loss for the period before income taxes	**(10,508)**
Income tax expense	60
Total loss and comprehensive loss	**($10,568)**

Muzak LLC
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
Unaudited

In thousands of US dollars unless otherwise stated

	Six months ended June 30, 2023
Operating activities	
Loss for the period before income taxes	**($10,508)**
Reconciling adjustments	
Depreciation and amortization	7,760
Gain on disposal of property and equipment	(26)
Management Charges	7,350
Finance costs, net	15,929
Working capital adjustments	
Increase in trade and other receivables	(1,532)
Decrease in inventory	109
Increase in intracompany trade receivables, net	(21,153)
Increase in trade and other payables	7,119
Increase in deferred revenue	1,580
	6,628
Income taxes recovered	(129)
Net cash flows from operating activities	**6,499**
Investing activities	
Purchase of property, equipment and intangible assets	(6,536)
Net cash flows used in investing activities	**(6,536)**
Financing activities	
Lease payments	(1,599)
Net cash flows used in financing activities	**(1,599)**
Net decrease in cash	**(1,636)**
Cash at beginning of period	**2,161**
Cash at end of period	**$525**

Muzak LLC
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Unaudited

In thousands of US dollars unless otherwise stated

	Share capital	Deficit	Total equity
As at January 1, 2023	**$42,187**	**($155,323)**	**($113,136)**
Loss for the period	-	(10,568)	**(10,568)**
As at June 30, 2023	**$42,187**	**($165,891)**	**($123,704)**

	Share capital	Deficit	Total equity
As at January 1, 2022	**$42,187**	**($153,464)**	**($111,277)**
Loss for the year	-	(1,859)	**(1,859)**
As at December 31, 2022	**$42,187**	**($155,323)**	**($113,136)**

EXHIBIT D

OPERATIONS MANUAL TABLE OF CONTENTS

MUZAK OPERATING MANUAL

(Version: December 29, 2011)

Contents

EXHIBIT E

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov Website: http://www.dfpi.ca.gov	**NEW YORK** NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Fl New York, NY 10005 (212) 416-8222
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8760
MINNESOTA Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents in some of the states listed.

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov Website: http://www.dfpi.ca.gov	**NEW YORK** New York Secretary of State One Commerce Plaza 99 Washington Avenue Albany, NY 12231 (518) 473-2492
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Commissioner State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT F

LISTS OF CURRENT AND CERTAIN FORMER LICENSEES

LIST OF LICENSEES AS OF DECEMBER 31, 2022

LICENSEE	ADDRESS	CITY	ST	ZIP	PHONE NUMBER	ASSIGNED TERRITORY CITY	ASSIGNED TERRITORY STATE
SOUND TECH, LLC	2549 GLENKERRY DRIVE	ANCHORAGE	AK	99504	907-338-6992	ANCHORAGE	AK
BACKGROUND SOUND LLC	PO BOX 70	ESTER	AK	99725	907-451-0088	FAIRBANKS	AK
AUDIO ACOUSTICS, INC.	800 NORTH CEDARBROOK AVENUE	SPRINGFIELD	MO	65802	417-869-0770	FAYETTEVILLE	AR
AUDIO ACOUSTICS, INC.	800 NORTH CEDARBROOK AVENUE	SPRINGFIELD	MO	65802	417-869-0770	HARRISON	AR
BUSINESS MUSIC, INC.	PO BOX 2568	AMARILLO	TX	79105	806-374-7000	TUCSON	AZ
ENVIRONMENTAL SOUND SOLUTIONS, INC.	1701 WESTWIND DR STE 213	BAKERSFIELD	CA	93301	661-324-9044	BAKERSFIELD	CA
5 NORTH MEDIA	8450 PRODUCTION AVENUE	SAN DIEGO	CA	92121	858-621-2155	SAN DIEGO	CA
MUZICRAFT SOUND ENGINEERING	735 E MONTECITO STREET	SANTA BARBARA	CA	93103	805-965-5268	SANTA BARBARA	CA
COMMERCIAL AUDIO VIDEO - FRONT RANGE	3903 CHEYENNE STREET, UNIT D	CHEYENNE	WY	82003	307-638-8263	GREELEY	CO
MELODY INC.	PO BOX 522170	MIAMI	FL	33152	305-591-9905	MIAMI	FL
CAROLINA-GEORGIA SOUND, INC.	3062 DAMASCUS ROAD	AUGUSTA	GA	30909	706-868-1123	AUGUSTA	GA
CAROLINA-GEORGIA SOUND, INC.	3062 DAMASCUS ROAD	AUGUSTA	GA	30909	706-868-1123	COLUMBUS	GA
GEORGIA SOUND COMMUNICATIONS, LLC	1335 LYNAH AVENUE, UNIT 6	GARDEN CITY	GA	31408	843-571-4488	SAVANNAH	GA
HAWAII SOUND SYSTEMS, INC	94-426 MAIKOIKO STREET, STE 101	WAIPAHU	HI	96797	808-679-4400	HONOLULU, HILO, HI AND GUAM	HI AND GUAM
DB ACOUSTICS INC	4601 COMMERCIAL AVENUE	MARION	IA	52302	800-728-1425	CEDAR RAPIDS	IA
IOWA AUDIO VIDEO	1510 NW 86TH STREET	DES MOINES	IA	50325	515-457-1199	DES MOINES	IA
MCCLELLAND INC	345 N OHIO	WICHITA	KS	67214	316-265-8686	WICHITA	KS
METRO COMMUNICATIONS INC	600 BRIARWOOD WEST DR	JACKSON	MS	39206	601-956-8744	ALEXANDRIA	LA
METRO COMMUNICATIONS INC	600 BRIARWOOD WEST DR	JACKSON	MS	39206	601-956-8744	BATON ROUGE	LA

LICENSEE	ADDRESS	CITY	ST	ZIP	PHONE NUMBER	ASSIGNED TERRITORY CITY	ASSIGNED TERRITORY STATE
METRO COMMUNICATIONS INC	600 BRIARWOOD WEST DR	JACKSON	MS	39206	601-956-8744	LAFAYETTE	LA
BEAUMONT BUSINESS MUSIC, INC.	2484 WEST CARDINAL DRIVE, STE 3	BEAUMONT	TX	77705	409-842-5982	LAKE CHARLES	LA
TIMECOMET CORPORATION	8101 KINGSTON ROAD, STE 101A	SHREVEPORT	LA	71108	318-687-5678	SHREVEPORT	LA
BUSINESS MUSIC LTD.	2416 E 3RD STREET	DULUTH	MN	55812	218-722-4466	DULUTH	MN
SOUND AND MEDIA SOLUTIONS, INC.	3003 43RD STREET NW, STE 109	ROCHESTER	MN	55901	507-288-1177	ROCHESTER	MN
SOUND AND MEDIA SOLUTIONS, INC.	3003 43RD STREET NW, STE 109	ROCHESTER	MN	55901	507-288-1177	WINONA	MN
TOWNER ELECTRONICS, INC D/B/A TOWNER COMMUNICATIONS SYSTEMS	2511 INDUSTRIAL DRIVE	JEFFERSON CITY	MO	65109	573-634-3339	JEFFERSON CITY	MO
AUDIO ACOUSTICS, INC.	800 NORTH CEDARBROOK AVENUE	SPRINGFIELD	MO	65802	417-869-0770	SPRINGFIELD	MO
JWF COMPANY INCORPORATED/DBA MELODY MUSIC COMPANY	702 2ND AVE. NORTH	COLUMBUS	MS	39701	662-328-1420	COLUMBUS	MS
METRO COMMUNICATIONS INC	600 BRIARWOOD WEST DR	JACKSON	MS	39206	601-956-8744	GREENWOOD	MS
METRO COMMUNICATIONS INC	600 BRIARWOOD WEST DR	JACKSON	MS	39206	601-956-8744	JACKSON	MS
BIG SKY SOUND LLC	PO BOX 20236, 1205 MONAD ROAD	BILLINGS	MT	59104	406-256-3246	BILLINGS	MT
EASTMAN SOUND & MUSIC LLC	PO BOX 20236, 1205 MONAD ROAD	BILLINGS	MT	59104	406-256-3246	BUTTE	MT
BIG SKY SOUND LLC	PO BOX 20236, 1205 MONAD ROAD	BILLINGS	MT	59104	406-256-3246	KALISPELL	MT
GREAT PLAINS SOUND & TECHNOLOGIES, LLC	3062 DAMASCUS ROAD	AUGUSTA	GA	30909	706-868-1123	KEARNEY	NE
BUSINESS MUSIC, INC.	PO BOX 2568	AMARILLO	TX	79105	806-374-7000	ALBUQUERQUE	NM
FUNCTIONAL COMMUNICATIONS CORPORATION	5900 SOUTH SALINA STREET	SYRACUSE	NY	13205	518-286-1061	BINGHAMTON	NY

LICENSEE	ADDRESS	CITY	ST	ZIP	PHONE NUMBER	ASSIGNED TERRITORY CITY	ASSIGNED TERRITORY STATE
NCC SYSTEMS INC.	25646 NYS RT 3	WATERTOWN	NY	13601	315-788-9128	POTSDAM	NY
RHP CORP. DBA ACCENT COMMUNICATIONS SYSTEMS	3 PARK LANE	HIGHLAND	NY	12528	845-834-2737	POUGHKEEPSIE	NY
FUNCTIONAL COMMUNICATIONS CORPORATION	5900 SOUTH SALINA STREET	SYRACUSE	NY	13205	518-286-1061	SYRACUSE	NY
OHIO MUSICUE CORPORATION	3420 GEORGETOWN ROAD NE	CANTON	OH	44704	330-492-6263	CANTON	OH
MIAMI VALLEY AUDIO VIDEO, LLC	175 E ALEX-BELL ROAD, STE 228	DAYTON	OH	45459	937-291-1123	DAYTON	OH
ZAISER COMMUNICATIONS, INC., DBA MUZAK OF TOLEDO	5333 SECOR ROAD, STE #22	TOLEDO	OH	43623	419-473-8811	TOLEDO	OH
BUSINESS MUSIC, INC.	PO BOX 2568	AMARILLO	TX	79105	806-374-7000	LAWTON	OK
BUSINESS MUSIC, INC.	PO BOX 2568	AMARILLO	TX	79105	806-374-7000	OKLAHOMA CITY	OK
BUSINESS MUSIC, INC.	PO BOX 2568	AMARILLO	TX	79105	806-374-7000	TULSA	OK
CAROLINA SOUND COMMUNICATIONS, INC	7630 SOUTHRAIL ROAD, BLDG B	NORTH CHARLESTON	SC	29420	843-571-4488	CHARLESTON	SC
CAROLINA-GEORGIA SOUND, INC.	3062 DAMASCUS ROAD	AUGUSTA	GA	30909	706-868-1123	COLUMBIA	SC
CAROLINA SOUND COMMUNICATIONS, INC	900 SEABOARD STREET	MYRTLE BEACH	SC	29577	843-571-4488	MYRTLE BEACH	SC
EASTMAN SOUND & MUSIC, INC.	PO BOX 20236, 1205 MONAD ROAD	BILLINGS	MT	59104	406-256-3246	RAPID CITY	SD
BUSINESS MUSIC, INC.	PO BOX 2568	AMARILLO	TX	79105	806-374-7000	ABILENE	TX
BUSINESS MUSIC, INC.	PO BOX 2568	AMARILLO	TX	79105	806-374-7000	AMARILLO	TX
TEXAS WIRED MUSIC, INC.	4242 IH 35 N	SAN ANTONIO	TX	78218	210-223-6383	AUSTIN	TX
BEAUMONT BUSINESS MUSIC, INC.	2484 WEST CARDINAL DRIVE, STE 3	BEAUMONT	TX	77705	409-842-5982	BEAUMONT	TX
BUSINESS MUSIC, INC.	PO BOX 2568	AMARILLO	TX	79105	806-374-7000	BROWNWOOD	TX
GULF BUSINESS MUSIC, INC.	4242 IH 35 N	SAN ANTONIO	TX	78218	210-223-6383	CORPUS CHRISTI	TX
MUZICOM, INC.	4242 IH 35 N	SAN ANTONIO	TX	78218	210-223-6383	EL PASO	TX

LICENSEE	ADDRESS	CITY	ST	ZIP	PHONE NUMBER	ASSIGNED TERRITORY CITY	ASSIGNED TERRITORY STATE
PROSOUND, INC.	607 WEST HARRISON AVENUE	HARLINGEN	TX	78550	956-428-9000	HARLINGEN	TX
BUSINESS MUSIC, INC.	PO BOX 2568	AMARILLO	TX	79105	806-374-7000	LUBBOCK	TX
PIONEER MUSIC COMPANY	PO BOX 2568	AMARILLO	TX	79105	806-374-7000	MIDLAND	TX
BUSINESS MUSIC, INC.	PO BOX 2568	AMARILLO	TX	79105	806-374-7000	SAN ANGELO	TX
TEXAS WIRED MUSIC, INC.	4242 IH 35 N	SAN ANTONIO	TX	78218	210-223-6383	SAN ANTONIO	TX
TIMECOMET CORPORATION	8101 KINGSTON ROAD, STE 101A	SHREVEPORT	LA	71108	318-687-5678	TEXARKANA	TX
BUSINESS MUSIC, INC.	PO BOX 2568	AMARILLO	TX	79105	806-374-7000	WICHITA FALLS	TX
MUSIC SERVICES OF VERMONT	1414 SOUTH BROWNELL ROAD	WILLISTON	VT	5495	802-497-0037	WILLISTON	VT
SOUSLEY SOUND, INC.	1005 TIETON DRIVE	YAKIMA	WA	98902	509-248-4848	YAKIMA	WA
NORTHERN MUSICAST INC.	2911 W SPENCER STREET	APPLETON	WI	54914	920-739-8282	APPLETON	WI
WISCONSIN AUDIO VIDEO	4705 TRIANGLE STREET	MADISON	WI	53713	608-273-3676	EAU CLAIRE	WI
WISCONSIN AUDIO VIDEO	4705 TRIANGLE STREET	MADISON	WI	53713	608-273-3676	MADISON	WI
WISCONSIN AUDIO VIDEO	4705 TRIANGLE STREET	MADISON	WI	53713	608-273-3676	WAUSAU	WI
COMMERCIAL AUDIO VIDEO - FRONT RANGE	3903 CHEYENNE STREET, UNIT D	CHEYENNE	WY	82003	307-638-8263	CHEYENNE	WY

LIST OF LICENSEES THAT TRANSFERRED OR CLOSED A MOOD BUSINESS

The following licensees transferred their License Agreement, had their License Agreement terminated, canceled or not renewed, or otherwise voluntarily or involuntarily ceased to do business under a License Agreement during 2022:

Entity Name and Contact Person	Address	Phone Number
Music Engineering Inc. Andrew Ladow	1201 South Twyckenham Dr. South Bend, IN 46615	(574) 229-2304

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

EXHIBIT G

SCHEDULE OF PRODUCT FEES

Digital Signage Product Fees						
Device Name	**Part Number**	**Player Count**	**Harmony Platform**	**Mood TV Package**	**Atmsopherics**	**Custom Content Services**
Harmony	MOODHARMONYV1	1st	$11.00	$5.25	$5.25	$25.00
Harmony	MOODHARMONYV1	Additional	$5.25	$5.25	$5.25	$0.00
MVP195	MOODMVISION195	1st	$11.00	$5.25	$5.25	$25.00
MVP195	MOODMVISION195	Additional	$5.25	$5.25	$5.25	$0.00

Custom Creative Content Services	**Custom Creative Content Services One Time Set up fee per Zone**	$150.00	
Legacy Digital Signage - Existing Accounts Only			
DIGITAL SIGNAGE FEE	Spectrio / 10 Foot Wave	$ 25.00	Each player
	Profusion X Video service	$ 26.25	Each player

Drive Thru Maintenance Product Fees

WMF - DRIVE THRU - COMPREHENSIVE MAX	**COMPREHENSIVE *MAX***	$ 43.00
WMF - DRIVE THRU - RADIO ADD ON	**ADD- MORE THAN 5 RADIOS**	$ 10.50
WMF - DRIVE THRU - RADIO ADD ON	**ADD- MORE THAN 10 RADIOS**	$ 21.00
WMF - DRIVE THRU - TANDEM/DUAL COVERAGE	**ADD- TANDEM OR DUAL COVERAGE**	$ 21.00
WMF - DRIVE THRU - COMPREHENSIVE PLUS	**COMPREHENSIVE *PLUS***	$ 36.75
WMF - DRIVE THRU - RADIO ADD ON	**ADD- MORE THAN 5 RADIOS**	$ 7.35
WMF - DRIVE THRU - RADIO ADD ON	**ADD- MORE THAN 10 RADIOS**	$ 15.75
WMF - DRIVE THRU - TANDEM/DUAL COVERAGE	**ADD- TANDEM OR DUAL COVERAGE**	$ 15.75
WMF - DRIVE THRU - COMPREHENSIVE	**COMPREHENSIVE**	$ 31.50
WMF - DRIVE THRU - RADIO ADD ON	**ADD- MORE THAN 5 RADIOS**	$ 5.25
WMF - DRIVE THRU - RADIO ADD ON	**ADD- MORE THAN 10 RADIOS**	$ 10.50
WMF - DRIVE THRU - TANDEM/DUAL COVERAGE	**ADD- TANDEM OR DUAL COVERAGE**	$ 10.50
WMF - DRIVE THRU - EXPRESS REPAIR MAX	**EXPRESS REPAIR *MAX***	$ 32.50
WMF - DRIVE THRU - RADIO ADD ON	**ADD- MORE THAN 5 RADIOS**	$ 10.50
WMF - DRIVE THRU - RADIO ADD ON	**ADD- MORE THAN 10 RADIOS**	$ 21.00
WMF - DRIVE THRU - RADIO ADD ON	**ADD- TANDEM OR DUAL COVERAGE**	$ 21.00
	EXPRESS REPAIR *PLUS*	$ 26.25
WMF - DRIVE THRU - RADIO ADD ON	**ADD- MORE THAN 5 RADIOS**	$ 7.35
WMF - DRIVE THRU - RADIO ADD ON	**ADD- MORE THAN 10 RADIOS**	$ 15.75
WMF - DRIVE THRU - TANDEM/DUAL COVERAGE	**ADD- TANDEM OR DUAL COVERAGE**	$ 15.75
WMF - DRIVE THRU - EXPRESS REPAIR	***EXPRESS REPAIR**	$ 21.00
WMF - DRIVE THRU - RADIO ADD ON	**ADD- MORE THAN 5 RADIOS**	$ 5.25
WMF - DRIVE THRU - RADIO ADD ON	**ADD- MORE THAN 10 RADIOS**	$ 10.50
WMF - DRIVE THRU - TANDEM/DUAL COVERAGE	**ADD- TANDEM OR DUAL COVERAGE**	$ 10.50
	ADDITIONAL COMPONENT COVERAGE	
WMF - DRIVE THRU - SOS ADD ON	**ADD- TIMER COVERAGE**	$ 21.00
WMF - DRIVE THRU - HARDWIRED INTERCOM	**ADD- HARDWIRED INTERCOM COVERAGE**	$ 5.25
	ADD- MESSAGE REPEATER COVERAGE	$ 5.25
WMF - DRIVE THRU - BATTERY COVERAGE	**ADD- UNLIMITED BATTERY COVERAGE**	$ 5.25
	COMPREHENSIVE- HARDWIRED ONLY	$ 21.00
WMF - DRIVE THRU - SOS ONLY	**COMPREHENSIVE- TIMER ONLY**	$ 26.25
	ON-SITE SERVICE OPTIONS	

***All on Site Service add on options do not have any fees associated**

VOICE MESSAGING SERVICES PRODUCT FEES

Location specific messages (Onsite or OnHold)

| Price is for up to 10 messages * per update , per location, per month | *1 message = up to 30 secs of voice recording or about 70 words |

All pricing applies to Mood Devices as well as VOIP (Voice Over Internet Protocol) systems

# of Locations	1x / yr		2x / yr		4x / yr		6x / yr		12x / yr		52x / yr	
	Retail	IA Fee	Retail	IA Fee	Retail	IA Fee	Retail	IA Fee	Retail	IA Fee	Retail	IA Fee
1	$22.00	$8.00	$32.00	$12.10	$52.00	$24.20	$72.00	$36.30	$142.00	$76.23	$578.00	$290.00
2-5	$18.00	$6.50	$22.00	$10.50	$32.00	$20.50	$52.00	$28.50	$72.00	$55.00	$333.00	$220.00
6-10	$12.00	$5.00	$18.00	$9.00	$28.00	$18.00	$38.00	$25.00	$48.00	$40.00	$158.00	$125.00
11-49	$8.00	$4.00	$13.00	$8.00	$23.00	$15.00	$33.00	$18.15	$43.00	$36.30	$82.00	$70.00

Multi locations- Duplicate message only (Onsite or OnHold)

Price is for up to 10 messages* per production, per location, per month - Duplicate message only Mood Devices and VOIP

Retail	Use Formula: $142 x (# of update per year) / # of sites / 12 months
IA Fee	Use Formula: $76.23 x (# of update per year) / # of sites / 12 months

C-Store Self-Service (Self-Managed Music & Pumpside Messaging) **Not Available with Harmony**

All packages include Unlimited access to C-Store Message Catalog on My Mood Control site

	Retail	IA Fee
Regular: Catalog messages	$5.00	$1.84
Plus: Catalog messages + 12 custom messages per year	$20.00	$9.71
Premium: Catalog messages + 24 custom messages per year	$35.00	$16.01
Additional messages beyond allotment - Fee per message	$35.00	$18.90

LOCAL PRICING -Retail- for Legacy C-Store Pricing: Per location, delivery on iS or SR

For Messaging service only (unbundled from Music, equipment, warranty), per single location

	Retail	IA Fee
SILVER: 2 custom messages + up to 10 catalog messages, updated monthly	$55.00	$33.60
GOLD: 5 custom messages + up to 10 catalog messages, updated monthly	$72.00	$57.60
PLATINUM: 10 custom messages + up to 10 catalog messages, updated monthly	$92.00	$73.60

Catalog Music On Hold Loop

Client may choose from our top soundalike playlists - 4-12 minutes in length

7890, Adult Contemporary, Cafe, City Lights, Classic Hits, FM1, Hit Line, Hit Sweep, Hot FM, Nashville	Retail	IA Fee
updated 2x per year	$10.00	$3.21
updated 4x per year	$20.00	$6.42

Custom Music On Hold Loop

Client selects Mood program or genre to emulate for custom curated playlist of 4-12 minutes in length

	Retail	IA Fee
updated 2x per year	$20.00	$6.42
updated 4x per year	$40.00	$12.84

One time billing

Additional services and fees not covered by client's contract

	Retail	IA Fee

Additional rotational updates for clients that have a Messaging contract. **Charge is PER message***		$150.00
Production for clients without a Messaging contract. **Charge is PER message***	$55.00	$150.00
RUSH charge - in addition to production charge. **Price is based PER message. Approval needed prior to quoting.** Includes 2nd Day Air	$200.00	$110.00
Up to 2 minutes of sound effects delivered.	$130.00	$85.00
Music On Hold Loop - **Catalog** - Soundalike playlists mentioned in Catalog Music section - **4-12 minutes in length (one time charge)**	$130.00	$85.00
Music On Hold Loop - **Custom** - Custom genre or Mood program they would like to emulate - **4-12 minutes in length (one time charge)**	$225.00	$125.00
Auto Attendant (call handler greetings/closings) 1-2 seconds prompts - price per prompt	$8.00	$5.75
Auto Attendant (call handler greetings/closings) 3-10 seconds prompts - price per prompt	$20.00	$12.00
Auto Attendant (call handler greetings/closings) 10-30 seconds prompts - price per prompt	$35.00	$23.00
Uploading and Scheduling of completed audio to Mood Control Sites. **Charge is PER site.**	$7.50	$5.00
Additional Shipping		
USPS PRIORITY MAIL - non trackable, 7-10 days in transit. Per location.	$5.00	$4.00
FEDEX GROUND per location	$10.00	$10.00
FEDEX 2-DAY per location	$20.00	$20.00
FEDEX Overnight per location	$40.00	$30.00
Foreign Languages		
For languages other than Spanish please reach out to messaging@moodmedia.com for recording and translation costs		

<u>State Effective Dates</u>

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

STATES	EFFECTIVE DATE
CALIFORNIA	PENDING
HAWAII	PENDING
ILLINOIS	PENDING
MICHIGAN	PENDING
MINNESOTA	PENDING
NEW YORK	PENDING
SOUTH DAKOTA	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 License Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Muzak LLC offers you a franchise, Muzak LLC 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 Muzak LLC gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration. Iowa requires that Muzak LLC give you this disclosure document at the earliest of the first personal meeting or 14 calendar days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Michigan requires that Muzak LLC give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. If Muzak 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency.

The franchisor is Muzak LLC, located at 2100 S. IH-35, Frontage Rd., Suite 201, Austin, Texas 78704. Its telephone number is 800-345-5000.

The issuance date of this Franchise Disclosure Document is August 29, 2023.

The name, principal business address and telephone number of each franchise seller offering the franchise are: Craig Hubbell, Chief Revenue Officer, Muzak LLC, located at 2100 S. IH-35, Frontage Rd., Suite 201, Austin, Texas 78704; 800-345-5000.

I have received a Franchise Disclosure Document dated August 29, 2023 that included the following Exhibits.

A. License Agreement
B. State Specific Addenda
C Financial Statements
D. Operations Manual Table of Contents
E. List of State Administrators and Agents for Service of Process
F. Lists of Current and Certain Former Licensees
G. Schedule of Product Fees

______________________________	______________________________
Date Received	Licensee
	______________________________
	Name (please print)
	Address:______________________
	______________________________
	______________________________

Please sign this copy of the receipt, date your signature, return the signed receipt to us by email to AffSvcAdmin@moodmedia.com.

RECEIPT

This disclosure document summarizes certain provisions of the License Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Muzak LLC offers you a franchise, Muzak LLC 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 Muzak LLC gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration. Iowa requires that Muzak LLC give you this disclosure document at the earliest of the first personal meeting or 14 calendar days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Michigan requires that Muzak LLC give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. If Muzak 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency.

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______________________________	______________________________
Date Received	Licensee
	______________________________
	Name (please print)
	Address:______________________
	______________________________
	______________________________

Please sign this copy of the receipt, date your signature and retain the signed Receipt for your records.