

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934

(AMENDMENT NO. 3)

HEARx, Ltd.

(Name of Issuer)

Common Stock

(Title Class of Securities)

4223601

(CUSIP Number)

Gregg M. Larson,
Assistant General Counsel
Minnesota Mining and Manufacturing Company
3M Center
Minneapolis, MN 55144
(612) 733-2204

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

March 15, 1996

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box [].

Check the following box if a fee is being paid with the statement []. (A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class.) (See Rule 13d-7.)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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SEC 1746 (12-91)

SCHEDULE 13D

CUSIP No. 4223601 Page 2 of 8 Pages

- 1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
MINNESOTA MINING AND MANUFACTURING COMPANY 41-0417775
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [] (b) []
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS*
WC
- 5 CHECK BOX IF DISCLOSURE IF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER	7	SOLE VOTING POWER
OF		
SHARES		10,782,400
BENEFICIALLY	8	SHARED VOTING POWER
OWNED		0
BY EACH	9	SOLE DISPOSITIVE POWER
REPORTING		10,782,400
PERSON	10	SHARED DISPOSITIVE POWER
WITH		0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

10,782,400

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

15.9%

14 TYPE OF REPORTING PERSON*

CO

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SEC 1746 (12-91)

This Amendment No. 3 amends and supplements the Schedule 13D ("Schedule 13D") and Amendment Nos. 1 and 2, relating to the common stock, par value \$0.10 per share (the "Common Stock"), of HEARx Ltd., a Delaware Corporation (the "Company"), previously filed by Minnesota Mining and Manufacturing Company, a Delaware corporation ("3M").

* * *

Item 1 is hereby amended as follows:
ITEM 1. SECURITY AND ISSUER

This statement relates to the Common Stock of HEARx, Ltd., with principal executive offices located at 471 Spencer Drive, West Palm Beach, FL 33409.

On March 15, 1996, the Company listed its stock on the American Stock Exchange. As a result of the listing, the preferred stock of the Company, and the warrants and options to purchase preferred stock of the Company, then held by 3M, automatically converted to Common Stock (or options or warrants to acquire Common Stock).

Item 2 is hereby amended to add the following information:
ITEM 2. IDENTITY AND BACKGROUND

RESPONSES TO QUESTIONS (A), (B) AND (C) ARE AS FOLLOWS:

MINNESOTA MINING AND MANUFACTURING COMPANY ("3M") is a Delaware corporation, with its principal business located at 3M Center, St. Paul, MN 55144. 3M is an integrated enterprise characterized by substantial interdivision and intersector cooperation in research, manufacturing and marketing of products incorporating similar component materials manufactured at common internal sources.

The EXECUTIVE OFFICERS OF 3M, each located at 3M's principal business address, 3M Center, St. Paul, MN 55144, are as follows:

Livio D. DeSimone (also a Director of 3M), Chairman of the Board and Chief Executive Officer of 3M

Ronald A. Mitsch (also a Director of 3M), Vice Chairman of the Board and Executive Vice President, Industrial and Consumer Sector and Corporate Services

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J. Marc Adam, Vice President, Marketing

Giulio Agostini, Senior Vice President, Finance and Office Administration

Ronald O. Baukol (also a Director of 3M), Executive

Vice President, International Operations

William E. Coyne, Senior Vice President, Research and Development

Lawrence E. Eaton, Executive Vice President

Charles E. Kiester, Senior Vice President, Engineering, Quality and Manufacturing Services

Richard A. Lidstad, Vice President, Human Resources

W. George Meredith (also a Director of 3M), Executive Vice President, Life Sciences Sector and Corporate Services

John J. Ursu, Vice President, Legal Affairs and General Counsel

The DIRECTORS OF 3M (in addition to those listed above) are listed below, with their present principal occupations and addresses:

Edward A. Brennan
Retired Chairman of the Board, President and CEO,
Sears, Roebuck and Co.
400 North Michigan Avenue, Suite 400
Chicago, Illinois 60611

Allen F. Jacobson
Director of various companies
3050 Minnesota World Trade Center
30 East 7th Street
St. Paul, Minnesota 55101

Allen E. Murray
Retired Chairman of the Board and Chief Executive Officer,
Mobil Corporation
P.O. Box 2072
New York, New York 10163

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Aulana L. Peters
Partner in the law firm
Gibson, Dunn & Crutcher, LLP
333 South Grand Avenue
Los Angeles, California 90071-3197

Rozanne L. Ridgway
Co-Chair, The Atlantic Council of the United States
10th Floor
910 17th Street
Washington, D.C. 20006

Frank Shrontz
Chairman of the Board, The Boeing Company
P.O. Box 3707
MS 10-21
Seattle, Washington 98124-2207

F. Alan Smith
Retired Executive Vice President and Director,
General Motors Corporation
674 Franklyn Avenue
Indianapolis, Florida 32903

Louis W. Sullivan, M.D.
President, Morehouse School of Medicine
720 Westview Drive, S.W.
Atlanta, Georgia 30310-1495

ITEMS (D), (E) AND (F) APPLY TO ALL PERSONS LISTED IN ITEM 2 ABOVE.

(d) Neither 3M nor any of the persons named above have, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) Neither 3M nor any of the persons named above have been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or

state securities laws or finding any violation with respect to such laws.

(f) All of the natural persons named above are citizens of the U.S.

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Item 3 is hereby amended to add the following information:

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

During November - December 1993 and January 1994, 3M loaned \$400,000 to the Company, the conversion of which formed the consideration for the issuance of Senior Preferred Stock, Series E, par value \$1.00 per share ("Series E Stock"), pursuant to an Option to Purchase dated May 15, 1992. On May 1, 1995, the Company agreed to the issuance of shares of Series E Stock in consideration for such \$400,000, with the actual number of shares to be determined pursuant to a formula. By Letter Agreement dated December 21, 1995, the Company agreed to the issuance of shares at an issue price of \$61.80 per share of Series E Stock (\$.618 per share of Common Stock). On January 26, 1996, 6,472 shares of Series E Stock were issued to 3M, and are reported herein on this Amendment No. 3. The shares of Series E Stock were convertible into shares of Common Stock at a ratio of 1:100, and converted into 647,200 shares of Common Stock, upon the listing of the Company's Common Stock on the American Stock Exchange on March 15, 1996.

Item 4 is hereby amended to add the following information:

ITEM 4. PURPOSE OF TRANSACTION

As stated in the Schedule 13D filed on January 2, 1992, 3M initially invested in the stock of the Company in order to promote 3M's interest in having the Company market and distribute 3M's hearing aid products in the United States. 3M is now in the process of divesting itself of its Hearing Health business, which produces hearing aid devices. 3M intends to evaluate the possibility of selling all or, from time to time, portions of the Common Stock held by it. In determining whether to sell its shares of Common Stock, 3M may consider various factors, including the status of 3M's divestiture of its Hearing Health business, the Company's financial condition, other developments concerning the Company, the market for the shares, including the demand for the purchase of shares at particular price levels, and general economic, financial market and industry conditions. Any and all sales might be made in market transactions, privately negotiated sales or in registered public offerings.

Item 5 is hereby amended to add the following information:

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

(a) 3M beneficially owns 10,782,400 shares of Common Stock of the Company as of the date of this Amendment No. 3, representing an aggregate of approximately 15.9% of the outstanding shares of the Company (based upon 65,909,183 shares of the Company's Common Stock outstanding as of March 29, 1996, as disclosed in the

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Company's Form 10-Q for the quarterly period ended March 29, 1996.)

(b) 3M possesses the sole power to vote or dispose of the securities described above.

(c) No transactions in the Common Stock were effected during the past sixty days by the persons named in paragraph (a) above.

(d) No other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of such securities other than 3M.

(e) N/A.

Item 6 is hereby amended to add the following information:

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS

WITH RESPECT TO SECURITIES OF THE ISSUER.

Pursuant to a Letter Agreement dated November 19, 1993, an Agreement dated May 1, 1995, Stock Purchase Agreement dated July 24, 1995, Letter Agreement dated December 21, 1995, and letter from HEARx, Ltd. to 3M, dated January 26, 1996, 3M acquired 6,472 shares of Series E Stock, \$1 par value of the Company upon the conversion of a \$400,000 loan previously made by 3M to the Company from 3M's working capital. The Company provided demand and incidental registration rights in connection with such securities, the terms of which are specified in the Stock Purchase Agreement dated July 24, 1995, a copy of which is filed as an exhibit hereto and is hereby incorporated by reference herein.

Item 7 is hereby amended to provide the following information:
ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

The copies of the five (5) documents referenced in Item 6 above are attached hereto as Exhibits:

1. Letter Agreement, dated November 19, 1993
2. 3M - HEARx Agreement, dated May 1, 1995
3. Stock Purchase Agreement, dated as of July 24, 1995
4. Letter Agreement, dated December 21, 1995
5. Letter from HEARx Ltd. to 3M, dated January 26, 1996, conveying stock certificate for 6,472 shares of Senior Preferred Stock, Series E

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

MINNESOTA MINING AND
MANUFACTURING COMPANY

June , 1996

Signature

/s/ Roger P. Smith

Roger P. Smith,
Corporate Secretary

November 19, 1993

3M LOGO

Dr. Paul A. Brown
Chairman and CEO
HEARx, Ltd.
2000 Palm Beach Lakes Boulevard Suite 100
West Palm Beach, Florida 33409

Subject: Letter Agreement between 3M and HEARx

Dear Dr. Brown:

This letter agreement dated November 19, 1993 will set forth and confirm the understanding that we have with you relative to our exercise of the options for the Senior Preferred Stock Series E for One Million Dollars (\$1,000,000), exercisable on or before December 31, 1994. To the extent that any of the terms and conditions contained herein covers the same subject matter as contained in any of the series of other agreements executed between the parties, including but not limited to the option to Purchase Agreement, the Exhibits and Amendments related thereto (collectively referred to as the "Agreement"), the later agreement in time shall take precedence over the former. In consideration of 3M's exercise of its option for the Stock Series E, 3M and HEARx hereby agree to the following terms and conditions set forth herein:

1. As consideration for its purchase of the Series E HEARx stock, 3M agrees to provide the following monies to HEARx:
 - (a) One Hundred Fifty Thousand Dollars (\$150,000) in cash payable on November 19, 1993. Following the initiation of the implementation of a cost reduction plan noted in 2(c), 3M shall make available up to an additional Two Hundred Fifty Thousand Dollars (\$250,000.00) on HEARx request.
 - (b) The balance shall be payable in cash and/or a fifty percent (50%) reduction in the amounts of future payables owed to 3M. The amounts in this subparagraph (b) are payable at 3M's sole discretion and are subject to 3M's continued satisfaction of cost reduction implementation and ongoing operating results.
2. The obligation of 3M to purchase the Stock Series E is subject to the following conditions:
 - (a) HEARx shall have completed its additional financing of not less than Five Million Dollars (\$5,000,000).
 - (b) The Stock Series E shall have no less favorable price, rights and preferences than any financing transaction between HEARx and an investor contemplated in the current round of financing. For references purposes only, HEARx has provided 3M with the attached Exhibit A as an example of terms presently under consideration for extension to a prospective investor.
 - (c) HEARx shall immediately implement cost reduction programs in the amount of approximately Four Hundred Eighty Thousand Dollars (\$480,000) on an annualized basis, which will include the _____ Equipment Business (SID). HEARx shall provide to 3M an operational plan of this strategy and action would need to occur prior to release of funds subsequent to the initial One Hundred Fifty Thousand Dollars (\$150,000). This plan for aggressive implementation of - more than One Million Dollars (\$1,000,000.00) in annualized cost reduction is consistent with the agreements between HEARx and Alpine Partners.
 - (d) HEARx shall hire an experienced, retail person (previously identified) to be given the responsibility and authority to implement the cost reduction programs and strengthen the operational linkage to 3M.
 - (e) HEARx shall not be delinquent on 3M's accounts.
 - (f) 3M shall continue to maintain its right of first refusal on making additional investments at the same

price and rights as the most favorable financing in this round so as not to dilute 3M's existing equity position.

3. In the event HEARx fails to adhere to the terms and conditions set forth herein, HEARx agrees to execute a Promissory Note on behalf of 3M for any amounts rendered pursuant to this Letter Agreement.
4. HEARx, at the request of 3M, agrees to do, make, execute, acknowledge and deliver all such other and further acts and instruments of conveyance, assignment, and transfer as 3M may require for the more effective conveyance and transfer of the Stock Series E and or any promissory notes due hereunder.
5. 3M reserves the right to hold a seat on HEARx Board of Directors; said right shall be exercised at 3M's sole discretion.
6. All other terms, conditions, rights and preferences as set forth in the Agreement shall continue except as provided herein.

If the foregoing meets with the approval of HEARx, kindly so indicate by signing and returning the enclosed duplicate copy of this letter, whereupon this letter shall constitute a binding Letter Agreement between the parties in accordance with the terms and provisions set forth-above. This letter may be executed in counterparts which together will constitute one document.

We look forward to receiving your response today.

MINNESOTA MINING AND
MANUFACTURING COMPANY

By: /s/ Paul D. Rosso

Its: Business Manager

Acknowledged this 19th day of
November, 1993.

HEARx, LTD.

By: /s/ Paul A. Brown

Its: Chairman

<TABLE>

EARDEL.XLS

<CAPTION>

DEAL STRUCTURE PROPOSAL I

PROJECT EARS

PORTION	AMOUNT	DRAWDOWN	EXPECTED	TERMS	OWNERS

WARRANTS					

<S>	<C>	<C>	<C>	<C>	<C>
A	\$US 2.0mlo.	at closing		Conv. Pref. Shares under Rule 144	
2,000,000 warrants					

		agreem. to OTC listed		at \$US 0.60 p.Sh.=Net95 \$US 1.6 mlo.	7.69% 10 years

		as soon as elegible		at \$US 0.30 p.Sh.=Net95 \$US 0.0 mlo.	14.29%

B	\$US 2.0mlo.	first quarter Cash Flow	III. Quart.94 discount 30% to market		4.86% 666,666
warrants at \$0.					

		positive			If drawdown
target mo					

					co. takes
other cap. so					

C	\$US 2.0mlo. first quarter EBIT warrants at \$1	IV. Quart.94	discount 20% to market	4.04%	666,666

	break down				If drawdown
target me					

					co. takes
other cap. so					

D	\$US 2.0mlo. first quarter NET warrants at \$1.	I. Quart.95	discount 10% to market	3.46%	666,666

	break down				If drawdown
target me					

					co. takes
other cap. so					

</TABLE>					

3M - HEARx
Agreement
May 1, 1995

HEARx, Ltd. admits that it currently owes to 3M \$808,000 for product 3M delivered to HEARx prior to this agreement, but which HEARx did not pay for, and that amount is currently due and payable, and not subject to any set-off or counterclaim.

In addition, 3M loaned to HEARx \$400,000 with the understanding that HEARx would find another investor to purchase its common stock. HEARx then was to convert the \$400,000 debt to equity. Unfortunately, HEARx has not been able to find such an investor.

This agreement provides the terms and conditions by which 3M will agree not to demand immediate payment of the \$808,000 HEARx owes 3M and by which the \$400,000 loan will be converted to equity.

1. HEARx will convert the \$400,000 loan to HEARx preferred stock convertible into common stock at \$0.85 per share, pursuant to a separate stock purchase agreement. HEARx will deliver the stock certificates to 3M within 30 days after this agreement is signed.

Failure to deliver the certificates or to other breach of stock purchase agreement are material breaches of this agreement, and all obligations (\$808,000 plus \$400,000) will be immediately due and payable, in addition to the remedies described in paragraph 4.E.

2. Nonexclusive distributor.
HEARx will no longer be the exclusive dispenser of 3M products in its territory. 3M may sell to any customer or dispenser in the territory. This modifies the Second Amended Distribution and Supply Agreement, dated June 28, 1993, between HEARx and 3M.
3. HEARx will pay to 3M \$208,000 by December 12, 1995. HEARx may make partial payments prior to that date. 3M will set-off credits to HEARx against the \$208,000 debt.

HEARx will pay interest on the balance existing on the first day of each month at the rate of 1% per month. The interest will accrue each month and will be due and payable on December 12, 1995. HEARx may prepay any interest that has accrued.

The \$208,000 will be applied against the \$808,000 which is currently due. The interest will not be applied against that amount.

Failure to make these payments is a material breach of this agreement, and all obligations will be immediately due and payable, in addition to the remedies described in paragraph 4.E.

4. After making the payment described paragraph 3, HEARx will owe 3M \$600,000, without any right to set-off or counterclaim. This amount is immediately due and payable, but 3M will not demand payment until January 31, 1999, provided that complies with the following terms and conditions:
 - A. Minimum total purchases.
HEARx will purchase an additional 26,000 hearing aid units (net of returns) from 3M by December 31, 1998.
 - B. Minimum annual purchases.
HEARx will purchase a minimum of 3,200 units (net of returns) in 1995, and 4,800 units (net of returns) in each additional calendar year. (Note: to reach 26,000 units, HEARx would have to purchase 6,500 units per year.)

1. If HEARx fails to purchase 3,200 units in 1995 or 4,800 units (net of returns) in a subsequent year, it may avoid breaching this condition by paying to 3M a lump sum equal to the difference between 3,200 in 1995 or 4,800 in subsequent years and the net number of units it purchased during the calendar year

multiplied by the charge described in 4.B.2.

2. The charge will increase each year. The year below is the year in which HEARx fails to purchase its minimum:

1995: \$23/unit
1996: 26/unit
1997: 29/unit
1999: 33/unit

3. HEARx must make the lump sum payment by January 31 of the following year. The lump sum payment will be in addition to HEARx's obligation; it will not reduce the obligation.

- C. Conversion of debt to equity.
For every 5,200 units HEARx purchases from 3M (net of returns), \$120,000 of the HEARx's debt will be converted to HEARx preferred stock convertible into common stock at \$0.85 per share pursuant to a separate stock purchase agreement reducing HEARx's obligation by \$120,000. 3M will notify that it purchased 5,200 units.

HEARx stock certificates will be delivered to 3M within 30 days after 3M gives notice.

Failure to deliver the certificates or other breach of stock purchase agreement are breaches of this agreement, and all obligations will be immediately due and payable, in addition to the remedies described in paragraph 4.E and 4.F.

HEARx must purchase 26,000 units by December 31, 1998, to convert all of the debt to equity.

- D. Purchases.

1. Prices.

- A. Conventional units
HEARx will purchase conventional units at the prices and terms and conditions stated in Exhibit A. 3M may increase prices once per year, by no more than the increase of the producer's price index for Surgical, Medical & Dental Instruments for the previous year of 5%, whichever is less.

- B. Other units (e.g., programmable)
HEARx will purchase other units at the prices and terms and conditions stated in 3M's price pages current at the time of HEARx's order.

2. Payment is due net 30 days from the end of the month in which the aid was shipped from 3M.

3. 'Net purchases' are HEARx's purchases of 3M hearing aid units less its returns during each year of this agreement.

- E. Breach of 4.B.

If HEARx fails to purchase 3,200 units during 1995 or 4,800 units in 1996 or 1997 and fails to pay the lump sum described in 4.B by January 31 of the next year, the amount remaining of its obligation plus the difference between 26,000 units and the total net purchases made by HEARx multiplied by the charge stated in 4.B.2 will be immediately due and payable.

- F. Payment of the obligation at the end of this agreement.

If HEARx fails to purchase 26,000 units by December 31, 1998, the amount remaining of its obligation plus the difference between 26,000 units and the total net purchases made by HEARx multiplied by \$33 will be immediately due and payable.

- G. Timely payment of current accounts.
HEARx will pay all current accounts within 30 days

after the date of the invoice. (See paragraph 4.D). If HEARx fails to make any payment on time, it will be in breach of this agreement, and all obligations will be immediately due and payable, including the applicable lump sum described in 4.E and 4.F.

3M will give seven days notice to make payment the first time HEARx fails to make its payment on time. 3M will not give notice on subsequent failures.

6. Taxes.
HEARx is responsible for paying all taxes applicable to this agreement, for example, the Florida documentary stamp tax, if applicable.
7. Dispute Resolution.
This agreement is made in Minnesota, and Minnesota law will apply. All litigation relating to this agreement will be commenced in Minnesota. HEARx agrees to the jurisdiction of Minnesota courts. HEARx and 3M waive their right to a jury trial.
8. Complete Agreement.
This is the complete agreement regarding these issues. It supersedes all previous agreements. It may be modified only by written agreement.

MINNESOTA MINING AND
MANUFACTURING COMPANY

HEARx Ltd.

By: /s/ G.J. Sabongi
G. J. Sabongi, Ph.D.
Business Manager

By: /s/ Paul Brown
Paul Brown, M.D.
Chairman

STOCK PURCHASE AGREEMENT

by and between

MINNESOTA MINING AND MANUFACTURING COMPANY

and

HEARx LTD.

Dated as of July 24, 1995

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT ("Agreement") dated as of July __, 1995, by and between MINNESOTA MINING AND MANUFACTURING COMPANY ("Purchaser"), a Delaware corporation having its principal office at 3M Center, St. Paul, Minnesota 55144, and HEARx LTD., a Delaware corporation ("Company"), having its principal office at 471 Spencer Drive, West Palm Beach, Florida 33409.

RECITALS

The Company and Purchaser agreed, pursuant to their Agreement dated May 1, 1995, to apply \$400,000.00 of debt which Company owes to Purchaser to the purchase of Senior Preferred Stock, Series E, of the Company, at \$85.00 per share, for a total of 4,706 shares.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and ties contained herein, the Company and Purchaser agree as follows:

ARTICLE I

PURCHASE AND SALE OF STOCK

1.1 PURCHASE AND SALE OF STOCK. Subject to the terms and conditions of this Agreement, Purchaser hereby purchases 4,706 shares of Senior Preferred Stock, Series E of the Company, par value \$1.00 per share ("Senior E Preferred") for a total purchase price of \$400,000.00. The Senior E Preferred shall have the voting powers, preferences, rights, limitations and restrictions contained in the Certificate of Designations, Preferences and Rights, a copy of which is attached hereto as Exhibit "A," and

whose terms and conditions shall be at least as favorable as those offered to other holders of preferred shares

1.2 PURCHASE PRICE. The Company hereby acknowledges receipt of such \$400,000.00.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

2.1 ORGANIZATION. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.

2.2 AUTHORIZATION. The Company has full power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. Except as provided in Article V hereof, the Company has taken all action required by law, its Certificate of Incorporation and Bylaws, or otherwise, to authorize the execution and delivery of this Agreement and the transactions contemplated hereby, and this Agreement is a valid and binding obligation of the Company enforceable in accordance with its terms, except as such enforcement may be limited under principles of equity or the availability of equitable remedies, such as specific performance, injunctive relief or waiver.

2.3 CONSENTS AND APPROVALS. Except as provided in Article V hereof no consent, approval or authorization of, or declaration, filing or registration with, any governmental or regulatory authority, is required in connection with the examinations delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated hereby.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and to the Company as follows:

3.1 INVESTMENT REPRESENTATION. Purchaser is requiring the Senior E Preferred solely for its own account and not with a view to the distribution thereof except in conformity with the Securities Act of 1933, as amended ("Act"). Purchaser understands that the shares of Senior E Preferred and shares of Common Stock, par value \$.01 per share ("Common Stock") of the Company which may be issuable upon conversion of the shares of Senior E Preferred have not been registered under the Act or any applicable state securities laws and may not be sold or transferred except in compliance with such laws and the certificates evidencing the shares of Senior E Preferred will

bear an appropriate legend to that effect.

3.2 DISCLOSURE. Purchaser has had access to all information regarding the Company necessary to allow Purchaser to make a fully informed decision to purchase the Senior E Preferred.

ARTICLE IV

REGISTRATION RIGHTS

4.1 DEMAND REGISTRATION RIGHTS. At any time after the end of the Company's fiscal year, Purchaser may request, in writing, that the Company effect the registration on Form S-1 or Form S-2 (or any successor form) of the Senior E Preferred. If Purchaser intends to distribute the Senior E Preferred by means of an underwriting, Purchaser shall so advise the Company at its request. In the event such registration is underwritten, the right of other stockholders to participate shall be conditioned on such stockholders' participation in such underwriting. Upon receipt of any such request, the Company shall promptly give written notice of such proposed stock registration to all stockholders. Such stockholder shall have the right, by giving written notice to the Company within thirty (30) days after the Company provides its notice, to elect to have included in such registration such of their registrable stock as such stockholders may request in such notice of election, subject to the approval of the underwriter managing the offering. Thereupon, the Company shall, as expeditiously as possible, use its best efforts to effect the registration, on Form S-1 or Form S-2 (or any such form), of all stock which the Company has been requested to so register. Purchaser shall bear its proportionate share of the expenses of such registration; provided, however, that expenses borne by Purchaser shall not include the cost of any financial statements prepared in the normal course of the Company's business or charges made for the services of any officers or employees of the Company in connection with such registration.

4.2 INCIDENTAL REGISTRATION RIGHTS. If, under state laws, under the Securities Act of 1933, as amended or any other similar Federal Statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time (hereinafter "the Act"), the Company proposes to register any of its securities under the Act for the account of a security holder or security holders exercising demand registration rights (except, with respect to Registration Statements filed on Form S-

8 or Form S-4 or such other similar form then in effect under the Act), it will each such time give written notice to Purchaser of its intention so to do and, upon the written request of Purchaser given within 20 days after the Company's giving of such notice (which request shall state the intended method of disposition by Purchaser of stock), the Company's use its best efforts to cause the Stock, as to which registration shall have been so requested, to be included in the securities to be covered by the registration statement proposed to be filed by the Company, all to the extent requisite to permit the sale or other disposition of Purchaser's Stock so registered in accordance with the written request of Purchaser. Notwithstanding any other provision of this Paragraph 4.2, if the underwriter determines that the marketing factors require a limitation of the number of shares to be underwritten, the underwriter may exclude some or all of the Stock of the type Purchaser requested be registered from such registration and underwriting. In such event, the amount of such Stock to be included in the registration shall be apportioned pro rata among the holders of such Stock requesting registration, according to the total amount of such Stock requested to be registered by such requesters, or in such other proportion as shall mutually be agreed to by such requesters. In the event that any registration pursuant to this Paragraph 4.2 shall be, in whole or in part, a firm commitment underwritten offering of securities of the Company, any request by Purchaser pursuant to this Paragraph 4.2 to register Stock must specify that such shares are to be included in the underwriting (i) on the same terms and conditions as the shares of the Stock, if any, otherwise being sold through underwriters under such registration or (ii) on terms and conditions comparable to those normally applicable to offerings of common stock in reasonably similar circumstances in the event that no shares of the Stock are being sold through underwriters under such registration. Purchaser shall bear its proportionate share of the expenses of such registration; provided, however, that expenses borne by Purchaser shall not include the cost of any financial statements prepared in the normal course of the Company's business or charges made for the services of such officers or employees of the Company in connection with such registration.

4.3 PRIOR REGISTRATION RIGHTS. The Company acknowledges that these are same rights conferred on the previously issued Series A, B, C, D and G Senior Preferred Stock issued to Purchaser.

ARTICLE V

COVENANTS

5.1 INCREASE IN AUTHORIZED COMMON STOCK. Purchaser acknowledges that it is aware that in order for the shares of Senior E Preferred to be convertible into shares of Common Stock, the authorized number of shares of Common Stock which the Company may issue must be increased. The Company agrees to use its best efforts to cause its shareholders to approve at the next annual meeting of shareholders an amendment to the Company's Certificate of Incorporation increasing the authorized Common Stock of the Company in an amount sufficient to allow for the issuance of the shares of Common Stock in which the Senior E Preferred (and all other shares of Senior Preferred Stock which Purchaser has the right to acquire pursuant to the documents referred to in Section 5.6 hereof) are convertible.

5.2 FAILURE TO AUTHORIZE INCREASED COMMON STOCK SHARES. In the event the Company is Unsuccessful in causing its shareholders to approve the increase in the authorized common shares, then the Company will pay to 3M Four Hundred Thousand Dollars (\$400,000.00) within seven (7) days of the shareholders meeting. Upon receipt of payment of \$400,000.00, 3M will return the Stock Certificate for the issued shares to the Company.

ARTICLE VI

MISCELLANEOUS PROVISIONS

6.1 AMENDMENTS AND MODIFICATION. This Agreement may be amended or supplemented only by written agreement of the parties.

6.2 WAIVER OF COMPLIANCE. Any failure of the Company or of Purchaser to comply with any obligation agreement or condition herein may be waived in writing, however, failure to insist upon strict compliance with any such obligation, covenant or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

6.3 EXPENSES. The Company and Purchaser shall pay the expenses incurred by each of them in connection with the preparation and execution of this Agreement.

6.4 NOTICES. All notices required to be given hereunder shall be in writing any may be given in person or by United States mail, by delivery service, or by electronic submission. Any notice directed to a party to this Agreement shall become effective upon the earliest of the following: (1) actual receipt

by that party; (ii) delivery to the designated address of that party, addressed to that party; or (iii) if given by certified or registered United States mail, five (5) business days after deposit with the United States Post Service, postage prepaid, addressed to that party at its designated address, attention of, in the case of Purchaser, Gebran J. Sabongi and, attention of, in the case of the Company, Dr. Paul A. Brown. The designated address of a party shall be as set forth above unless a party specifies another address to the other party by means of a notice given in accordance with the provisions of this paragraph.

6.5 INTERPRETATION. This Agreement has been prepared and negotiations in connection herewith have been carried on by the joint efforts of the parties. This Agreement is to be construed fairly and simply and not strictly for or against either of the parties hereto.

6.6 OTHER AGREEMENTS. This Agreement is executed pursuant to the Agreement dated May 1, 1995, between Company and Purchaser. Application of \$400,000.00 by HEARx to the purchase of Senior Preferred Stock, Series E, by 3M will reduce its debt to 3M by \$400,000.00.

6.7 COUNTERPARTS. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument.

6.8 FURTHER ASSURANCES. At any time, upon request of the other party, the Company and the Purchaser will perform, execute, acknowledge and deliver all further transfers, documents, and assurances as might be necessary or appropriate to effectuate the transactions contemplated by this Agreement.

IN WITNESS WHEREOF, the parties hereto have signed their names, all as of the day, month and year first above written.

MINNESOTA AND
MANUFACTURING COMPANY

By: /s/ Gebran J. Sabongi

Gebran J. Sabongi
Business Manager, Hearing Health

HEARx LTD.

By: /s/ Paul A. Brown

Dr. Paul A. Brown
Chairman of the Board

EXHIBIT A

HEARx LTD.

CERTIFICATE OF DESIGNATIONS,
PREFERENCES AND RIGHTS OF
SENIOR PREFERRED STOCK,
SERIES E

Pursuant to Section 151 of the General
Corporation Law of the
State of Delaware

HEARx Ltd., a corporation organized on April 11, 1986

and existing under the laws of the State of Delaware

("Corporation"), the Restated Certificate of Incorporation of
which was filed in the office of the Secretary of State of
Delaware on February 5, 1987, does by its chairman and its
Secretary hereby certify;

That pursuant to the authority vested in the Board of
Directors by the Restated Certificate of Incorporation, the
Board, at a meeting duly held on June 16, 1995, adopted the
following resolutions:

RESOLVED, that pursuant to the authority so conferred
upon it, the Board of Directors hereby authorizes the issuance of
11,765 shares of Senior Preferred Stock, Series E, par value
\$1.00 per share ("Senior E Preferred"), to Minnesota Mining and
Manufacturing Company for a total purchase price of \$1,000,000.

RESOLVED, that the voting powers, preferences and
relative rights and privileges and other rights granted to the
Senior E Preferred and the qualifications, limitations or
restrictions imposed thereon be, and they hereby are, as follows:

A. DIVIDENDS AND DISTRIBUTION. The holders of the
Senior E Preferred shall be entitled to receive when, as and if
declared by the Board of Directors out of funds legally available
for the purpose, the same amount paid on or with respect to
shares of Common Stock, par value \$.10 per share ("Common
Stock"), of the corporation, each share of Senior E Preferred
being deemed equal to the number of shares of Common Stock into
which it is then convertible.

B. VOTING RIGHTS. The holders of the senior B
Preferred shall have 100 votes per share of Senior E Preferred
and shall have voting rights and powers equal to the voting
rights and powers of the Common Stock. Except as may be required
by law, the holders of the Senior E Preferred shall not vote
separately as a class but shall instead vote with the holders of
the Common Stock on all matters as to which stockholders are
entitled to vote under Delaware law.

C. PRIORITY. The Senior E Preferred shall be senior
to all shares of capital stock of the Corporation other than the
Senior Preferred Stock, Series A, par value \$1.00 per share

("Senior A Preferred"), Senior Preferred Stock, Series B, par value \$1.00 per share ("Senior B Preferred"), the Senior Preferred Stock, Series C, par value \$1.00 per share ("Series C Preferred"), Senior Preferred Stock, Series D, par value \$1.00 per share ("Senior D Preferred") , and Senior Preferred Stock, Series G, par value \$1.00 per share ("Senior G Preferred"); the Senior A, B, C, D, E and G preferred being together called the "Senior Preferred") and shall rank pari passu with the Senior A, B, C, D, E and G Preferred.

D. LIQUIDATION, DISSOLUTION OR WINDING UP

1. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made to the holders of any class of Preferred stock or Common Stock of the corporation unless the holders of the Senior A Preferred, the Senior B Preferred, the Senior C Preferred, the Senior D, the Senior E and Senior G Preferred shall have received an aggregate amount equal to \$50, \$67, \$50, \$67, \$85, and \$67 per share, respectively.

2. In the event the assets to be distributed to the holders of Senior Preferred shall be insufficient to permit the payment to holders of the full preferential amount aforesaid, then all the assets of the Corporation to be so distributed shall be distributed to the holders of the Senior Preferred on a pro rata basis in accordance with their respective holdings of such Senior Preferred and the respective rights of such shares.

3. In the event that assets of the Corporation remain after distribution to holders of Senior Preferred in accordance with subparagraphs 1 and 2 of this paragraph D, the holders of other shares of capital stock of the Corporation shall be entitled to distribution of such assets in accordance with their respective rights thereto.

E. OPTIONAL CONVERSION. Each share of Senior E Preferred shall be convertible at any time at the option of the holder thereof into 100 fully paid and non-assessable shares of Common Stock at the rate of \$.85 per share ("Conversion Rate"), subject to adjustment of the Conversion Rate in accordance with paragraph G hereof.

F. MANDATORY CONVERSION. In the event that the shares of Common Stock are listed on the American Stock Exchange or the New York Stock Exchange, each share of Senior E Preferred shall be converted automatically into 100 fully paid and non-assessable shares of Common Stock at the rate of \$.85 per share.

G. ADJUSTMENTS TO THE CONVERSION RATE AND NOTICES.

The Conversion Rate shall be subject to adjustment from time to time, calculated as follows, (except that no adjustment need be made until cumulative adjustments would affect the Senior E Preferred Conversion Rate by one or more shares of Common Stock):

1. if the Corporation:

(a) Pays a dividend or makes a distribution on its capital stock in shares of Common Stock;

(b) Subdivides outstanding shares of Common Stock into a greater number of shares;

(c) combines outstanding shares of Common Stock into a smaller number of shares; or

(d) Issues by reclassification of Common Stock any shares of its capital stock; then the Conversion Rate in effect immediately prior to such action shall be adjusted so that each holder of shares of Senior E Preferred thereafter converted may receive the number of shares of Common Stock which such holder would have owned immediately following such action if such holder had converted such shares of Senior E Preferred immediately prior to such action.

2. If the Corporation shall consolidate with or merge into any other corporation or transfer all of its properties and assets as an entirety to any person, then upon consummation of such transaction, each share of the Senior E Preferred shall automatically become convertible into the kind and amount of securities, cash or other assets to which the holder of such share would have been entitled immediately after such consolidation, merger or transfer if such holder had converted such share of Senior D and G Preferred immediately prior to the effective date of such transaction.

3. The adjustment shall become effective immediately after the record date in the case of a dividend or distribution and immediately after the effective date in the case of (a) an issuance, a subdivision, combination, or reclassification, or (b) consolidation or merger of the Corporation.

4. If the Corporation:

(a) Issues rights or warrants entitling holders of capital stock to subscribe for or purchase shares of Common Stock or securities convertible into Common Stock; or

(b) Distributes to the holders of its capital stock any of its assets or debt securities or any rights or warrants to purchase debt securities, assets or other

securities of the Corporation; then notice thereof shall be given in writing to the holders of the Senior E Preferred no later than 30 days prior to the date of such issuance or distribution.

H. MECHANICS OF CONVERSION.

1. Upon receipt of written notice from the Corporation that shares of Senior E Preferred have been converted automatically pursuant to paragraph F hereof, which notice shall be given within 15 days of the occurrence of such mandatory conversion, each holder of Senior E Preferred shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation. Thereupon, the Corporation shall promptly issue and deliver to such holder of Senior E Preferred a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled.

2. In the event of conversion at the option of the holder of shares of Senior E Preferred pursuant to paragraph E hereof, the holder shall surrender the certificate or certificates therefore, duly endorsed, at the office of the corporation and shall give written notice to the Corporation of such holders election to convert same and shall state therein the number of shares of Senior E Preferred being converted.

I. RESERVATION OF STOCK ISSUABLE UPON CONVERSION.

The Corporation shall at all times thereafter reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting conversion of the shares of Senior E Preferred, such number of shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Senior E Preferred.

RESOLVED, that the proper officers of the Corporation be, and they hereby are, authorized and directed to take such action as they may deem necessary to carry into effect the foregoing resolutions.

IN WITNESS WHEREOF, the corporation has caused the foregoing certificate to be signed by Paul A. Brown, M.D., its Chairman of the Board, and attested by David W. Forman, its secretary, on July 24, 1995.

HEARx LTD.

By: /s/ Paul A. Brown

Paul A. Brown, M.D.
Chairman of the Board

ATTEST:

/s/ David W. Forman

- - - - -
David W. Forman
Secretary

December 21, 1995

Paul A. Brown, M-D.
Chairman of the Board
HEARx Ltd.
471 Spencer Drive
West Palm Beach, FL 33409

FAX: 407/478-9603

Dear Paul:

Thank you for your letter dated December 12, 1995. We are prepared to agree to the following.

HEARx will

1. pay to 3M \$308,000 by December 31, 1995;
2. commit that its centers will expand their 3m purchases;
3. reduce the conversion price of debt to common stock from \$0.85 to \$0.618 for the initial conversion of \$400,000 from debt to equity pursuant to Paragraph I of the May 1, 1995 Agreement. To accomplish this, H will appropriately amend the Stock Purchase Agreement, dated July 24, 1995, and Certificate of Designations, Preferences and Rights of Senior Preferred Stock Series E, which is attached to the Stock Purchase Agreement as Exhibit A. HEARx will promptly send to 3M a certificate for an additional 1,270 shares of Senior Preferred Stock Series E, which is convertible to common stock at a ratio of 1:100.

Upon condition that HEARx performs these obligations, 3M will

1. reduce the \$808,000 HEARx owes to 3M pursuant to our agreement dated May 1, 1995 by \$308,000. Paragraph 4 of the May 1, 1995 Agreement will be amended to show that the remaining debt will be \$500,000, instead of \$600,000.
2. waive the requirement in paragraph 3 of the May 1, 1995 Agreement that HEARx pay to 3M \$280,000 plus interest by December 12, 1995.
2. waive the requirement that HEARx purchase 3,200 3M hearing instruments in 1995.
3. waive its demand for \$22,000 that you disputed, which is apart from our May 1, 1995 agreement.

All other terms and conditions of the May 1, 1995 agreement remain in effect.

If HEARx agrees with this, please sign below and fax a signed copy to me. Please wire the \$380,000 by December 31 to 3M at the following address:

Norwest Bank Minnesota N.A.
Minneapolis, MN
ABA#: 091 00 00 19
Benefactor: 3M Company
Account #: 0030-103.

Sincerely

/s/ Gabi J. Sabongi
Gabi J. Sabongi
Business Manager

AGREED
HEARx, Ltd.

By /s/ Paul A. Brown

Paul A. Brown, M.D.
Chairman

cc: Howard J. Bergman
Scott T. Henderson
Kimberly F. Chaney

[LETTERHEAD OF HEARX LTD.]

January 26, 1996

VIA FEDERAL EXPRESS

Howard J. Bergman, Esq.
Senior Counsel
Minnesota Mining and Manufacturing Company
Legal Department
3M Center Bldg. 220-11E-03
St. Paul, Minnesota 55144

Re: HEARx Ltd.; Senior Preferred Stock Series E

Dear Mr. Bergman:

Enclosed is stock certificate number 0011E evidencing 6,472 shares of Senior Preferred Stock, Series E which has been issued by HEARx Ltd. (the "Company") to Minnesota Mining and Manufacturing Company ("3M") pursuant to the Agreement between the Company and 3M dated May 1, 1995 and the subsequent Stock Purchase Agreement dated July 24, 1995, both as amended by the letter agreement between the Company and 3M dated December 21, 1995. Please allow this letter to confirm your agreement that upon the issuance of the enclosed stock certificate to you, 3M will waive any default by the Company in not having issued and delivered this stock to 3M prior to the date hereof.

Thank you for your cooperation in this matter.

Sincerely,

/s/ Paul A. Brown
Paul A. Brown, M.D.
Chairman of the Board