

Franchise Agreement

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1. MEMORANDUM OF AGREEMENT

entered into between:

Bondsource (Pty) Ltd.

T/A

Bondsource Mortgages

of

407 Millennium Towers, Millennium Boulevard, Umhlanga

("the Franchisor")

and

"PROSPECTIVE FRANCHISEE"

T/A

of

"address of Franchisee"

("the Franchisee")

2. PREAMBLE

WHEREAS:

- 2.1 The Franchisor operates through its own and franchised outlets, under the name Bondsource Mortgages, a business of arranging and negotiating Bond Finance on behalf of clients, primarily in the residential property market, and according to the business method which the Franchisor has originated;
- 2.2 The Franchisor is the owner of certain intellectual property rights used in conjunction with the business method;
- 2.3 The Franchisee wishes to operate the Franchised business and for this purpose to use the Franchisor's business method and intellectual property rights;
- 2.4 The Franchisor hereby licenses such use subject to the following terms and conditions of this agreement.

IT IS AGREED as follows:

3. TERMS

- 3.1 Definitions The following terms shall have the following meanings unless otherwise determined by the context:
- 3.2 "Advertising Contribution": at a flat rate of R1 000 (VAT exc) per month, increasing at a rate not exceeding the official CPI on an annual basis, & calculated & implemented, at the prevailing CPI on the 1st January of each year;
- 3.3 "Business Method": the system in accordance with which the business franchised by the Franchisor shall be conducted, more fully set out in the Operating Manual using the intellectual property and any necessary know-how, trade secrets, methods of operating, identifying materials, methods of advertising, style and character of equipment and insurance arrangements specified in the Operating Manual and elsewhere as modified from time to time by the Franchisor;
- 3.4 "Commencement Date": "Date agreed to" 20
- 3.5 "Computer Processor": the computer and other equipment listed in the operating manual from time to time to be used by the Franchisee in the business;
- 3.6 "Conditions": the provisions contained in clauses set out below which shall be incorporated into this agreement in their entirety);
- 3.7 "Expiry Date": "Date agreed to" 20...
or such later date as shall result from any extension of the term under clause 5.18 of the Conditions;
- 3.8 "Franchised Business": the business of at the premises, "agreed upon premises", centred around "Geographical Node" in accordance with the business method and using the intellectual property;
- 3.9 "Franchise Products": the products described in Annexure "A" or other products substituted in accordance with this agreement;
- 3.10 "Goodwill": goodwill arising out of the use of the business method and the intellectual property by the Franchisor and all its Franchisees;

- 3.11 "Gross Turnover": the gross sales of the franchised business in respect of the franchise and other products (if any) sold and the services supplied as reflected in the computer system operated by the franchised business, as more fully described in the Operating Manual entered into in each calendar month of the term. These are to be the gross sums receivable at the time of such sale, supply or entering into each calendar month and not solely the cash received or the cash banked and whether or not invoiced;
- 3.12 "Gross Commissionable Income": the gross income earned as a result of commission payable on all bond finance raised as a direct, or indirect result of the efforts of the Franchisee.
- 3.13 In calculating the gross turnover, there shall be included for the relevant calendar month all payments (if any) received under any insurance policy covering loss of profits;
- 3.14 The following shall not be included in the gross sums receivable:
- 3.14.1 all value-added tax (VAT)
 - 3.14.2 any benefit arising from or accruing to the franchised business solely attributable to any sale of equipment permitted by this agreement;
- 3.15 The following shall not be deducted so as to reduce the gross sums receivable:
- 3.15.1 any customer refunds or allowances; credit card discounts or charges suffered by the Franchisee;
 - 3.15.2 The cost of any free offers or discounts made or given by the Franchisee as part of any special promotion, unless required or authorised by the Franchisor;
- 3.16 "Initial Fee": as an initial fee the sum of R 30 000 (Thirty-Thousand Rand); The Initial Fee shall cover:
- 3.16.1 Access to Intellectual Property
 - 3.16.2 Training costs
 - 3.16.3 Legal and Financial charges
 - 3.16.4 Goodwill
- 3.17 "Intellectual Property": all or any of the following:
- 3.17.1 copyrights held by the Franchisor in any written material, plans or other work relating to the franchise products or the business method;
 - 3.17.2 designs whether or not registered, devised or acquired by the Franchisor and applied in the manufacture, assembly and sale of the franchise products and the business method;
 - 3.17.3 patents of which the Franchisor is patentee in the territory and which relate to the franchise products which are set out in Annexure A, and applications for the grant of any such patents;
 - 3.17.4 livery which will include the set-up of the franchised business as well as the interior and exterior decoration of the premises;
 - 3.17.5 trade mark(s) see (Annexure "B") of which the Franchisor is the owner as well as applications pending therefore, together with such other registered and unregistered trade marks, which the Franchisor may

adopt and designate for use in connection with the franchise business from time to time;

3.17.6 trade name Bondsourc Mortgages

3.18 "know-how": all confidential, technical and commercial information relating to the operation of the business method, including, without limitation, information contained in the operating manual or other documents as well as unrecorded information known to individuals who are office bearers or employees of the Franchisor

3.19 "Notice Period":

3.19.1 for default notice twenty-one (21) days;

3.19.2 for any other notice or termination ten (10) days;

3.20 "Operating Manual": the Franchisor's standard Operating Manual as updated from time to time, giving details of the business method and intellectual property and imparting the know-how;

3.21 "Payment Dates":

3.21.1 for the initial fee: on the signing of this agreement, subject to clause 3 of Appendix 1 of the FASA code of conduct;

3.21.2 for the advertising contribution and the continuing fees: on the 7th Day of each calendar month in respect of the franchised business, for the immediately preceding calendar month;

3.22 "Permitted Name": "*name of prospective Franchisee*"

3.23 "Premises" "*address of agreed upon premises*"

3.24 "Promotion Fund": the fund to be maintained by the Franchisor for advertising purposes in accordance with clause 5.3.4 of the Conditions;

3.25 "Services": the services forming part of the franchised business and described in the Operating Manual;

3.26 "Term": Three (3) years starting on the commencement date and ending on the termination date unless extended or earlier determined as provided by this agreement;

3.27 "Termination Date": "date agreed upon" 20;

3.28 "Geographical Node": the fixed geographical location as defined in Annexure "F"

3.29 "Trade Marks": the registered and unregistered trade marks listed in Annexure "B".

3.30 "Management Services Fees" (Royalties) at a rate of nil of gross commissionable income payable monthly, within 15 days of the preceding month in which the commissionable income was earned.

4. GRANT

4.1 In consideration of the payment of the initial fee, the advertising contribution, management services fee and the franchising fees by the Franchisee to the Franchisor on "date agreed upon" & subject to the agreements on the part of the Franchisee in this agreement, the Franchisor grants to the Franchisee a licence for the duration of this agreement, to operate the franchised business in

accordance with the Operating Manual, and subject to the terms and conditions of this agreement.

- 4.2 The licence will commence with effect from the commencement date and terminate on the termination date, unless otherwise terminated in accordance with the provisions of this agreement.
- 4.3 The Franchisor reserves the right:
 - 4.3.1 to decline to accept any sale from or through the Franchisee;
 - 4.3.2 to vary the specification and the use of the Franchise products;
 - 4.3.3 to vary Annexure "A" either by the withdrawal from that Schedule of products, which the Franchisor proposes to, withdraws from its product range or by the addition to that Schedule after consultation with the Franchisee of further Franchise products;
 - 4.3.4 in the event of monies owing by the Franchisee to the Franchisor, to issue a certificate signed by a Director or Manager, whose authority need not be proved, as to the existence and amount of the Franchisee's indebtedness to it and to the fact that such amount is due & payable & the amount of interest accrued thereon, shall constitute prima facie proof of the contents & correctness thereof;
 - 4.3.5 in the event of any amounts of money owing by the Franchisee not being paid to the Franchisor by the due date, to levy penalty interest at the prevailing interest lending rate of Standard Bank;
 - 4.3.6 in the event of having to institute legal action against the Franchisee, to levy the legal costs for such action to the account of the Franchisee, at the prevailing attorney fee scale between attorney and client;

5. CONDITIONS

A. Franchisor's obligations

- 5.1 Permit Franchisee to carry on business
The Franchisor shall permit the Franchisee to:
 - 5.1.1 operate the business under the permitted name or such other names or styles as may be specified or approved in writing by the Franchisor;
 - 5.1.2 promote the business under the permitted name in accordance with the terms of this agreement;
 - 5.1.3 operate the business from the geographical node defined in Annexure "F"
 - 5.1.4 utilise the intellectual property rights which shall be made available to the Franchisee by the Franchisor
- 5.2 Operating Manual.
The Franchisor shall lend to the Franchisee for the term, a copy of the Operating Manual and update the Operating Manual from time to time. Where improvements and additions to the business method involve improvements and additions to the intellectual property, these will be disclosed to the Franchisee and will form part of the intellectual property, the use of which is licensed to the Franchisee in terms of this agreement.
- 5.3 General advertising.
Subject to the performance of its obligations by the Franchisee:

- 5.3.1 the Franchisor shall promote the trade name and business method in such newspapers, magazines, directories, pamphlets or on radio or television or other media as it may from time to time consider suitable, in consultation with the Franchisee and other Franchisees;
 - 5.3.2 for this purpose the Franchisor will pay the advertising contribution paid by the Franchisee and all other Franchisees of the Franchisor into the promotion fund;
 - 5.3.3 the Franchisor will annually provide the Franchisee with an audited account of the income and expenditure of the promotion fund;
 - 5.3.4 the Franchisor shall charge the amount of the advertising contribution to each of its own outlets and pay the same into the promotion fund, and expenditure of the promotion fund by the Franchisor shall be deemed satisfactory compliance with such promotional obligations. The promotional fund will be held in trust by the Franchisor for its Franchisees, provided that if at any time the Franchisor's promotional expenditure exceeds the money in the promotional fund such excess expenditure may be set off as a first charge against subsequent money received by the promotional fund.
- 5.4 Initial advertising.
The Franchisor shall in a reasonable time of the commencement date, and expending an amount to be determined at its discretion, advertise the franchised business in such newspapers, magazines, directories or pamphlets or on radio or television, or any other media as it may consider appropriate devoting to such a purpose.
- 5.5 Initial training.
The Franchisor shall provide within twenty-one (21) working days of the commencement date at a place chosen by the Franchisor, training free of charge in the business method for a period of not less than two (2) working days for the Franchisee. The Franchisee shall be responsible for the payment of all expenses, including travel expenses, and subsistence of a trainee, as well as the trainee's salary payable during the training period.
- 5.6 Training of substitute personnel.
In the event of any of the persons required to undergo a course of training, ceasing to act in the franchised business, the Franchisor will provide training to persons who will act in the business in their place, with similar training. Such training will be provided free of charge by the Franchisor, but will exclude the trainee's expenses, travelling expenses and subsistence as well as the trainee's salary, which will be payable by the Franchisee for the training period.
- 5.7 Improvements to business method.
The Franchisor will, upon improvements and developments to the business method, disclose such improvements and developments to the Franchisee, and provide further training free of charge to the Franchisee, and other persons engaged in the conduct of the franchised business, as may from time to time appear to be necessary in the light of such improvements or developments.
- 5.8 Franchisor to assist Franchisee
- 5.8.1 The Franchisor shall assist the Franchisee in endeavouring to overcome any problems, which the Franchisee may experience in operating the franchised business. For this purpose the Franchisor will

make available to the Franchisee, as soon as is reasonably practicable, such member or members of its staff which the Franchisee, in its discretion, considers suitable for this purpose.

5.8.2 The Franchisee shall be responsible for the expenses of a staff member in travelling from the office of the Franchisor to the Franchisee's premises, together with the subsistence of the staff member for the duration of the staff member's attendance on the Franchisee. The Franchisor is not obliged, but shall be entitled to make a charge for the services of its staff at its prevailing hourly charge-out rate for the services of its staff from time to time.

5.8.3 The Franchisor shall advise the Franchisee on the following in relation to the establishment of the Franchised business;

5.8.3.1 The design & décor of the premises

5.8.3.2 Suitable building, shop fitting, electrical, sign-writing & other such contractors

5.8.3.3 Sources of supply of equipment, furnishings & the like

5.9 Equipment.

The Franchisor shall assist the Franchisee in procuring in due time for the commencement of the franchised business, the equipment and other items specified in the Operating Manual (see Annexure "C") at the prices and charges specified in the Operating Manual.

5.10 Annual conference for Franchisees.

The Franchisor may at his discretion, elect to organise and hold at his own cost at least once annually, at a place convenient to the majority of the Franchisees, a conference of Franchisees to discuss the business method (including possible improvements in the business method) and the franchised business. It is specifically recorded that the Franchisee shall pay its own costs in respect of transport, accommodation and like costs, incurred in attending any such conference.

5.11 Procuring supplies.

The Franchisor shall assist the Franchisee in procuring such supplies, services and equipment, in addition to those supplied by the Franchisor, as may be required by the Franchisee to commence and operate the franchised business, and as far as possible, to negotiate and obtain from suppliers discount rates for furnishing such supplies, services or equipment.

5.12 No discrimination between Franchisees.

The Franchisor shall make available to the Franchisee, all services and facilities which the Franchisor makes available to its other Franchisees (and company owned outlets) including improvements in and additions to the business method.

5.13 Indemnity.

The Franchisor shall indemnify and keep the Franchisee indemnified from and against any and all loss, damage or liability suffered, whether criminal or civil, and legal fees and costs incurred by the Franchisee in the course of conducting the franchised business because of :

5.13.1 any act or omission of the Franchisor or its agents, employees, licensees or customers;

5.13.2 the proven infringement of the intellectual property rights of any third party provided that such liability has not been incurred by the Franchisee through any act, omission or default by it, in carrying out the terms of this agreement;

5.14 Insurance.

The Franchisor shall maintain at its own cost, a comprehensive insurance policy with an insurer of repute to cover the liability of the Franchisor, in respect of any act or default for which it may become liable to indemnify the Franchisee under the preceding clause.

5.15 Support and information.

5.15.1 The Franchisor shall support the Franchisee in its efforts to promote the franchised business and in particular at its own cost;

5.15.1.1 by providing & promptly updating information about the franchise products.

5.15.1.2 by supplying User manuals for the franchise products;

5.16 Maintenance of intellectual property.

The Franchisor shall maintain the intellectual property during the term and not cause or permit anything, which may damage or endanger it, or the Franchisor's title, or assist or suffer others to do so.

5.17 Extension of term.

The Franchisor shall extend the term, at the option of the Franchisor, for a further period of (3) three years commencing on the day following the expiration of the term, provided that the Franchisee:

5.17.1 has properly observed and performed his obligations under this agreement throughout the term;

5.17.2 serves a notice on the Franchisor requesting such extension not later than (60) sixty days before the expiry date;

5.17.3 accepts that the terms of this agreement shall apply to any extension of the term under this clause, or executes a new agreement on the Franchisor's standard terms current at the expiry of this agreement, save that there shall be no further receipt of extension after expiry of the first period.

5.18 Development of Node.

The Franchisor shall give to the Franchisee no less than (60) sixty days written prior notice, of the Franchisor's intention to appoint any person other than the Franchisee and of the terms of such appointment, to conduct the Franchised business at a place adjoining, or within a radius of (5) five kilometres from the geographical node. Such notice may be treated by the Franchisee as an offer of an equivalent appointment, & before its expiry, the Franchisee may give written notice to the Franchisor that it will take up such appointment on such terms.

5.19 Supply of services.

The Franchisor shall supply the services stipulated in the Operating Manual and its supporting documents.

5.20 Manual.

The Franchisor shall keep the Operating Manual up to date and in the case of loss of or damage to the Operating Manual in the possession of the Franchisee, shall provide a further copy at the expense of the Franchisee.

5.21 Payments.

The Franchisor shall pay to the Franchisee without demand, deduction or set-off on the relevant levels of confirmed gross monthly bond registrations:

5.21.1.1 1.2% on volumes up to R2 million per month

5.21.1.2 1.4% on volumes up to R5 million per month

5.21.1.3 1.6% on volumes over R5 million per month

The above amounts include VAT.

5.22 Software :

The Franchisor shall:

5.22.1 deliver the software to the Franchisee prior to the commencement of the franchised business;

5.22.2 commission the software and ensure that it functions in the computer processor properly without faults or defects and in accordance with its specification;

5.22.3 replace without charge as soon as practicable any of the software which is defective;

5.22.4 provide support for the software throughout the term to such reasonable standards as are generally accepted in industry;

5.22.5 provide initial training in the use of the software for the Franchisee or one of its employees, the cost of which shall be included in the initial fee;

5.22.6 maintain, modify and update the software throughout the term and amend it in such manner, as renders it useable on any new computer processor specified by the Franchisor for the use of Franchisees; and

5.22.7 employ staff or engage consultants who are suitably qualified to enable it to perform its obligations adequately under this sub-clause.

B. FRANCHISEE'S OBLIGATION

5.23 Operation of franchised business.

The Franchisee shall operate the franchised business strictly in accordance with the business method and will adhere strictly to the Operating Manual, supplemented by any written specifications and directions as may be laid down or given by the Franchisor from time to time. The Franchisee shall have the right to use, and undertakes to use, the trade marks in relation to the franchised business, provided the Franchisee conducts the franchised business strictly in accordance with the terms of this agreement and the business method.

5.24 Commencement conditional upon training.

The Franchisee shall not commence the franchised business until the Franchisee or one senior employee of the Franchisee who will be responsible for the management of the franchised business, has undergone the course of training provided by the Franchisor under clause 5.5 of the conditions, and been approved as competent by the Franchisor.

5.25 No untrained personnel.

The Franchisee shall not permit any person to act or assist in the franchised

business in the place of persons trained in accordance with clause 5.6 of the conditions, unless and until such person has undergone a course of training by the Franchisor under clause 5.6 of the conditions and been approved as competent by the Franchisor.

5.26 Further training.

The Franchisee shall ensure that he shall attend such further periods of training as may from time to time reasonably be required by the Franchisor.

5.27 Training of staff.

The Franchisee shall:

- 5.27.1 ensure that its staff and their replacements and all persons required under the terms of this agreement, undergo training in the business method and modifications to the improvements in the business method do so;
- 5.27.2 if, and whenever required by the Franchisor, ensure that they attend for the specified period at the place selected by the Franchisor for such purpose; and
- 5.27.3 pay the travel and subsistence expenses involved of the Franchisee and of its employees and the salaries of any of its employees incurred during such training and with the fees charged by the Franchisor for such training from time to time.

5.28 Conform with the business method and other businesses.

The Franchisee shall:

- 5.28.1 conform in all respects and at all times with the business method as modified from time to time by the Franchisor. The Franchisee acknowledges that such conformity is essential to the successful operation of the franchised business, and other businesses operated in accordance with the business method, as well as for the proper protection of the intellectual property, in particular the trademarks and goodwill.
- 5.28.2 not do anything additional, or not in accordance with the business method, without the previous written consent of the Franchisor;
- 5.28.3 ensure that the franchised business conforms to other businesses operated in accordance with the business method, in particular with regard to quality of service. The Franchisee will protect and promote the goodwill associated with the franchised business and all goodwill generated by the conduct of the franchised business will inure to the benefit of the Franchisor.

5.29 Minimum opening hours.

The Franchisee shall operate minimum opening hours for the franchised business as follows: Monday to Friday, from 8.30 to 5.00, and Saturday, from 9.00 to 12 noon, or alternatively, other business hours that are usually practiced in the area in which the offices are located. The business does not have to operate on public holidays.

5.30 Promotion of the business.

The Franchisee shall:

- 5.30.1 promote and make every effort to increase the franchised business by such advertisements, signs, entries in telephone or trade directories or other forms of publicity as may be recommended by the Franchisor as provided by this agreement, and will be for the Franchisee's account;
- 5.30.2 implement a locality marketing program within a period of 30 days of launch of the business, as provided for by the Franchisors or their appointed marketing representatives, in order to effectively launch the business

5.30.3 expend not less than 2 % of the gross commissionable income of the franchised business, in each year of the Term, in promoting the business, which 2% is not included in the monthly advertising contribution specified in 3.2, payable to the Franchisor;

5.30.4 when using the trademarks, cause them to be reproduced exactly and accurately and in accordance with specifications and directions laid down by the Franchisor from time to time, and all artwork, layout, & design is to be approved by the Franchisor;

5.31 Special promotions.

The Franchisee shall co-operate with the Franchisor and other Franchisees of the Franchisor, in any advertising campaign, sales promotion, programme or other special activity in which the Franchisor may engage or specify, including the display of point-of-service advertising and the distribution of special novelties, promotional literature, and the like, the costs of which shall be borne by the Franchisee, including the costs of free offers, and the like. The costs of these activities may form part of the 2% referred to in 5.30.3, promoting the business.

5.32 Payments.

The Franchisee shall pay to the Franchisor without demand, deduction or set-off on the relevant payment dates:

The initial fee which shall cover:

5.32.1 initial training;

5.32.2 initial advertising

5.32.3 the advertising contribution and the continuing fees;

5.32.4 supply of equipment specified in the Operations Manual

5.33 No competing products.

The Franchisee shall:

5.33.1 not sell or use in the course of the provision of the services, any products or services competing with the franchise products referred to in Annexure 'A'

5.33.2 sell or use in the course of the provision of the franchise services, exclusively products or services matching the minimum objective specifications laid down in the Operating Manual;

5.34 No change of premises.

The Franchisee shall not change the premises of the franchised business, without the Franchisor's written consent. The Franchisee will adhere strictly to the terms contained in the lease agreement pertaining to the premises, & will notify the Franchisor within forty-eight (48) hours, of any notification received from the Landlord, in respect of the premises.

5.35 No interest in competitors.

While this agreement remains in force, the Franchisee shall not engage directly or indirectly in any capacity in any other business venture, which is in the nature of the franchised business, without the prior written consent of the Franchisor.

5.36 Compliance.

The Franchisee shall:

- 5.36.1 comply in the conduct of the franchised business with all applicable laws, by-laws and regulations of any competent authority;
- 5.36.2 maintain the premises in a good, clean and aesthetically pleasing condition;
- 5.36.3 redecorate or refurbish the premises when reasonably required to do so by the Franchisor, in order to ensure that the premises are in the same condition as those of other Franchisees.

5.37 Performance.

The Franchisee acknowledges that the performance targets set in Annexure 'D' are reasonable and achievable, and commits to attaining the targets within and/or by the time periods stipulated. He/She further acknowledges that these targets constitute a material clause in this agreement, and that failure to meet with them, will constitute a material breach of this agreement, which may at the discretion of the Franchisor, invoke consequent termination of this agreement

5.38 Secrecy.

The Franchisee:

- 5.38.1 acknowledges that the Franchisor is the owner of all rights of whatever nature in the intellectual property, and that he/she has no claim whatsoever to either the business method or to any element of the intellectual property. The Franchisee shall not at any time attack or challenge the rights of the Franchisor to the intellectual property or induce or procure any other person to attack or challenge such rights;
- 5.38.2 shall give notice in such places on the premises as the Franchisor may reasonably from time to time require, that the franchised business is operated in terms of a franchise agreement with the Franchisor, and that the Franchisee is using the intellectual property under licence from the Franchisor. Such notice will contain such other information as the Franchisor may deem necessary to inform third parties that the Franchisor does not accept any liability for the acts, omissions, debts and default of the Franchisee;
- 5.38.3 shall not do, cause or permit anything to be done which may adversely affect the intellectual property or the Franchisor's rights in the intellectual property. The Franchisee shall bring to the attention of the Franchisor any infringement of the intellectual property, which may come to his/her attention. The Franchisee shall give all reasonable assistance to the Franchisor to enable the latter to further or defend its rights in the intellectual property;
- 5.38.4 shall not at any time during or after the expiry of the term divulge or allow to be divulged to any person any aspect of the business method, the know-how or trade secrets other than for the purposes of this agreement.

5.39 Disclosure.

On entering into this, or any other agreement or transaction with the Franchisor during the term or any extension of it, the Franchisee shall make full disclosure of all material circumstances and of everything known to it in connection with the subject matter of the contract or transaction, which would be likely to influence the conduct of the Franchisor including, in particular, the disclosure of

other agencies or franchises in which the Franchisee is interested directly or indirectly.

5.40 Not endeavour to employ Franchisor's employees.

The Franchisee shall not employ or offer to employ any person who was at any time during a period of two (2) years immediately before such employment employed by the Franchisor or by any person (including a Franchisee of the Franchisor) who was at that time operating a business under the trade name or according to the business method and not directly, or indirectly, induce any such person to leave his or her employment.

5.41 Sales reports.

The Franchisee shall supply to the Franchisor, by registered mail or telefacsimile, or electronic communication, monthly sales reports and other information, in the form stipulated by the Franchisor in the Operating Manual, concerning the franchised business.

5.42 Accounts.

5.42.1 The Franchisee shall keep accurate and separate records and accounts in respect of the supply of the franchise products and, in accordance with generally accepted accounting practice, have them audited by qualified auditors once a year during the term;

5.42.2 submit copies certified by such auditors to the Franchisor within (120) one-hundred and twenty days of the financial year of the Franchisee;

5.42.3 within (60) sixty days of submission, supply to the Franchisor a copy of each VAT return or assessment in respect of the franchised business.

5.43 Inspection of books and premises.

The Franchisee shall permit the Franchisor or its duly authorised representative at all reasonable times & by prior appointment, to enter the premises for the purpose of carrying out such inspections or investigations, which they may consider necessary, for the purposes of ascertaining whether the provisions of this agreement are being complied with. The Franchisor &/or its authorised representative, must undertake to keep confidential, all confidential information it obtains as a result of such inspection. The Franchisee shall ensure that he/she & his/her employees co-operate fully in such inspections or investigations.

5.44 No other business.

The Franchisee shall not carry on or permit to be carried on, any other business at the premises, nor extend the scope or range of the franchised business, without prior written consent of the Franchisor.

5.45 Orderly conduct.

The Franchisee shall conduct the franchised business in an orderly and businesslike manner and in compliance with all such policies and operating standards as may from time to time be specified by the Franchisor (particularly in the Operating Manual) and generally maintain the standards of quality of the business method.

5.46 Pay suppliers/intermediaries promptly.

The Franchisee shall pay all suppliers/intermediaries of the franchised business promptly, in accordance with their usual terms and conditions.

5.47 Indemnity.

5.47.1 The Franchisee shall indemnify the Franchisor and keep it indemnified against all claims of whatever nature, whether real or imagined, criminal or civil and any legal fees and costs incurred by the Franchisor arising out of:

5.47.1.1 any act, omission or default of the Franchisee or its agents, employees, licensees or customers in connection with the franchised business or the premises;

5.47.1.2 any other reason so long as such loss, damage, liability, fees or cost resulted from the franchised business and was not due to any default of the Franchisor.

5.48 Assignment, cession or lease.

5.48.1 The rights and obligations of the Franchisee are personal and may not be ceded, assigned, let or otherwise disposed of in any manner whatsoever, without the prior written consent of the Franchisor. (In the case where the Franchisee is a close corporation, limited liability company, partnership or trading trust, no change of membership, shareholding, directors, partners, trustees or beneficiaries may take place without the prior written consent of the Franchisor.) In particular the Franchisee may not sell the franchised business without the prior written consent of the Franchisor.

5.48.2 The Franchisor may in its discretion give consent to the sale of the franchised business provided the prospective purchaser meets the following criteria:

5.48.3 the prospective purchaser signs a current franchise agreement and pays the appropriate transfer fees.

5.48.4 Undergoes the full training.

5.49 No breach of insurance policies.

5.49.1 The Franchisee shall not cause or permit breach of any insurance policy maintained under the provisions of this agreement.

5.49.2 The Franchisee shall furnish the Franchisor with all receipts for the payment of premiums on request.

5.49.3 The Franchisee shall give the Franchisor notice of any claim arising or made under a policy of insurance required to be maintained in terms of this agreement.

5.50 Staff dress and appearance.

The Franchisee shall ensure that all staff engaged in the operation of the franchised business dress in accordance with the regulations in the Operating Manual (or the manner required by the Franchisor from time to time) and at all times present a neat and clean appearance and render competent, sober and courteous service to customers, in accordance with the procedure laid down in the Operating Manual.

5.51 Software.

The Franchisee shall:

5.51.1 use only software such as may from time to time be stipulated by the Franchisor

- 5.51.2 attend training in the use of the software or to ensure that one of its employees does so;
- 5.51.3 attend such further training in such use at its own expense when required by the Franchisor to do so;
- 5.51.4 not cause or permit any person to make a copy of the software at any time during the term of this agreement
- 5.51.5 permit the Franchisor to inspect and operate the computer and the software, for the purpose of making copies in accordance with this agreement;
- 5.51.6 notify the Franchisor immediately it discovers any faults or defects in the software;
- 5.51.7 co-operate fully with the Franchisor in the diagnosis and cure of any such fault or defect;
- 5.51.8 use only the current version of the software stipulated in the Operating Manual from time to time;
- 5.51.9 not engage any person except as authorised in writing by the Franchisor to provide support services for the software;
- 5.51.10 provide to the Franchisor at the expense of the Franchisee with all necessary facilities, materials and records to enable the Franchisee to supply such support services;
- 5.51.11 Keep a copy of the software and all records maintained by it in a secure place;
- 5.51.12 not permit any person, except a person who has signed the non-disclosure undertakings required by the Franchisor and set out in the Operating Manual, to use the computer and/or the software;
- 5.51.13 not corrupt or interfere with any software or other processing material used by the Franchisor from time to time.
- 5.51.14 obtain an e-mail and/or internet address;
- 5.51.15 at all times allow access by computer or electronic means to its accounting records in connection with the franchised business; it is specifically recorded that all or any costs incurred in respect of the computer system (which shall include both hardware and software) shall be for the cost and expense of the Franchisee, who shall promptly pay such expenses.

5.52 Comcorp User Agreement.

It is specifically recorded, that the Franchisee is required to enter into a user agreement with Comcorp, in order to carry out the business functions permitted by the Franchisor in terms of this agreement. It is also recorded, that the Franchise agreement, holds precedence over the Comcorp user agreement, or any similar, alternative user agreement, that the Franchisor decides to introduce.

5.53 Ownership of customer database.

Ownership in and to any database created, established or compiled by Bondsource Mortgages in respect of the Franchisee's customers, shall exclusively belong to and vest in Bondsource Mortgages. Accordingly the Franchisee shall have no rights of any nature whatsoever in respect of such

data base, other than those given to or afforded to it, by the Franchisor at its sole discretion.

6. TRADE MARK.

- 6.1 The Franchisee shall enter into a Registered User Agreement (Annexure "G")
- 6.2 The Franchisee agrees to join the Franchisor in making application to the proper authority for the registration of the Franchisee as the registered User of the trade marks and undertakes to execute such documents as may be necessary for that purpose.
- 6.3 The Franchisee shall not in any way represent that he has any rights of any nature in the trademarks or in any registrations thereof and all use of the trademarks will inure to the benefit of the Franchisor.
- 6.4 The Franchisee shall not register any of the trade marks, or any part of them, or any trade mark which is deceptively or confusingly similar to the trade marks as part of its company name, or the name of any subsidiary company or company with which it is associated either directly or indirectly, and if it does so, it will ensure that such company name is changed upon demand by the Franchisor.
- 6.5 When using the trademarks, the Franchisee shall cause them to be reproduced exactly and accurately and in accordance with specifications and directions laid down by the Franchisor from time to time.
- 6.6 Upon termination of this agreement for whatever reason:
 - 6.6.1 The Franchisee shall immediately cease any further use of the trademarks;
 - 6.6.2 The Franchisee shall hand over to the Franchisor all labels, advertising matter, printed matter or the like featuring the trade marks which were obtained from, or which he was authorised to use by the Franchisor;
 - 6.6.3 the Franchisee shall at it's own cost, do such acts as may be necessary to ensure the cancellation of itself as a registered User of the trademarks. For this purpose, the Franchisee hereby appoints the Franchisor as its agent in rem suam, to do all such acts and to sign all such documents as may be reasonably necessary to ensure such cancellation.

7. DEATH OR INCAPACITY OF THE FRANCHISEE.

- 7.1 In the event of the death of the company shareholder(s), the personal representatives of the deceased estate of the company shall have 21 Days from the date of the death(s) to notify the Franchisor of their decision subject to the approval of the Franchisor, which approval shall not be unreasonably withheld:
 - 7.1.1 to continue the Franchised business; or
 - 7.1.2 to assign this agreement to any third party.
- 7.2 Pending such transfer, the Franchisor shall be entitled to assume the control and management of the franchised business, and to operate it on behalf of the representative of the deceased estate, and for the benefit and account of the deceased estate. The Franchisor may in it's discretion, levy a fee to the

deceased estate, for the operation & management of the franchised business for this period.

- 7.3 Such person(s) shall be required to assume the management of the franchised business as soon as is practicable once they have bound themselves to observe the terms and conditions of this agreement.
- 7.4 In the event of the incapacity of the Franchisee at any time or in the event of such incapacity or his death but prior to any sale, transfer, cession or assignment, the Franchisor shall have the right to appoint personnel to supervise the conduct of the franchised business to ensure that the franchised business is operated in a satisfactory manner to preserve the goodwill associated with the franchised business pending the recovery of the Franchisee or such assignment.
- 7.5 In the event of the incapacity of the Franchisee, whereby the Franchisee is unable to effectively operate and manage the franchised business, for a continuous period of ninety (90) Days, or a total period of seventy (70) Working Days, the Franchisor may require the Franchisee to dispose of the franchised business.
- 7.6 If so requested by the Franchisee, or the representatives of the Franchisee, the Franchisor may act as a non-exclusive agent for the sale of the franchised business and in such event shall be paid a fee of (10 %) Ten Percent of the total sales price and its reasonable expenses for the same.

8. TERMINATION

- 8.1 The Franchisor shall be entitled to terminate this agreement on written notice to the Franchisee in the event of:
 - 8.1.1 the Franchisee failing to pay to the Franchisor, by the due date, any sums due and owing to the Franchisor hereunder, or in any other way breaching the terms and conditions of this agreement, all of which are declared to be material, and failing so to pay or to remedy the breach within (7) seven Days of written notice, by or on behalf of the Franchisor, calling upon the Franchisee to make payment or remedy the breach complained of;
 - 8.1.2 the Franchisee committing an act of insolvency or is sequestered or placed under a provisional or final winding-up or judicial management order, or if the Franchisee makes an assignment for the benefit of his creditors, or fails to satisfy or take steps to have set aside any judgement taken against the Franchisee, within (7) seven Days after such judgement has come to the notice of the Franchisor;
 - 8.1.3 any material change occurring in the management, ownership or control of the franchised business or of the Franchisee, otherwise than in accordance with the provisions of this agreement;
 - 8.1.4 the Franchisee attacking or challenging the rights of the Franchisor to the intellectual property or inducing or procuring any other person to make such challenge or attack. The termination of this agreement, for whatever reason, will not affect the rights of a party which may have accrued as at the date of termination and will further not affect any rights and obligations which specifically or by their nature survive the termination of this agreement.

- 8.2 Upon the termination of this agreement the Franchisee shall not participate either directly or indirectly in the management or control of a business, which conducts business in the nature of, or similar to the franchised business from the premises for a period of (12) twelve Months.
- 8.3 In the event of the termination of this agreement for whatever reason, the Franchisee shall not dispose of any item bearing the trade marks, without prior written consent of the Franchisor, and such consent may be given on such conditions as the Franchisor may deem fit, including the condition that the trade marks be removed or obliterated from the item concerned.

9. DOMICILIUM CITANDI ET EXECUTANDI.

The parties choose as their domicilium citandi et executandi address for all purposes including the service of court process, the following:

Franchisor: 407 Millennium Towers, Millennium Boulevard, Umhlanga, 4320

Franchisee: "ADDRESS OF PROSPECTIVE FRANCHISEE"

A party may change its domicilium address by (30) Thirty Days prior written notice to the other party.

10. NOTICES.

10.1 Every notice, consent or other communication required or permitted hereunder from either party shall be in writing. It shall be sufficiently given or transmitted when:

- 10.1.1 hand-delivered to the other party at its domicilium address, or at such other address as the party may have designated in writing;
- 10.1.2 transmitted by means of telefacsimile to the addressee's telefacsimile number and in respect of which telefacsimile an acknowledgement has been received; or
- 10.1.3 deposited in the mail, duly registered with postage prepaid for prompt delivery and addressed to the other party at its domicilium address, or at such other address as the addressee may have designated in writing. A notice deposited in the mail in terms of this sub-clause shall be deemed to have been delivered on the fourth business day after the date of posting.

11. GENERAL.

11.1 No indulgence.

No waiver by a party of any breach, failure or default in performance by the other party, and no failure, refusal or neglect by a party to exercise any right hereunder or to insist upon strict compliance with or performance of the other party's obligations under this agreement, shall constitute a waiver of the provisions of this agreement and a party may at any time require strict compliance with the provisions of this agreement.

11.2 Entire agreement.

This agreement constitutes the entire agreement between the parties who acknowledge that there are no other oral or written understandings or

agreements between them relating to the subject matter of this agreement. No amendment or other modification of this agreement shall be valid or binding on a party hereto unless reduced to writing and executed by both parties hereto.

11.3 Incorporation of Operating Manual.

All the provisions of the Operating Manual as amended or revised from time to time or any new edition of it, are incorporated into and form part of this agreement as though fully set forth in it, and in the event of any conflict between a term of this agreement and a provision in the Operating Manual, this agreement shall prevail. The Franchisee shall not make any copies of the Operating Manual and upon termination of this agreement shall return all copies of the Operating Manual lent to him.

11.4 Law applicable.

This agreement shall be governed in accordance with the laws of South Africa.

11.5 Severability of agreement.

All the provisions of this agreement shall be severable and no provision shall be affected by the invalidity of any other provision of this agreement.

11.6 Interpretation.

Whenever a personal pronoun is used herein, it is understood that such usage shall include singular and plural, masculine, feminine and neuter and refer in appropriate cases to juristic persons as well as natural persons.

11.7 Franchisee's independent decision.

The Franchisee acknowledges that he has entered into this agreement after making an independent investigation and that the Franchisor has not made any representations or warranties other than as may be set out in this agreement. The Franchisee has relied solely upon his independent investigations in entering into this agreement and acknowledges that the business venture undertaken by him in terms of this agreement, depends to a large extent on his own business ability.

11.8 Cooling Off Period.

Clause 2.12 of the FASA Code of Ethics and Business Practices, stipulates that at least 14 days prior to the signing of any Franchise Agreement, or acceptance of any money, the Franchisor shall provide the prospective Franchisee with a written Disclosure document which shall contain the information set forth in Appendix 1 to the code, and other such information as may be material to the Franchise offered.

11.9 No Material Information withheld.

The information contained in the Disclosure Document, is to the best of the Franchisor's knowledge and belief, true and accurate, and no material information has been withheld.

11.10 Force majeure

11.10.1 Both parties shall be released from their respective obligations in the event force majeure renders performance of the agreement impossible whereupon:

11.10.1.1 all money due to the Franchisor shall be paid immediately;
and

11.10.1.2 the Franchisee shall forthwith cease carrying on the franchised business;

11.10.1.3 the Franchisor shall not be obliged to continue to provide the services stipulated in the Operating Manual

11.10.2 provided that this clause should only have effect after mutual agreement between the Franchisor and the Franchisee except when such event renders performance impossible for a continuous period of (30) thirty days.

12. RIGHT OF PRE-EMPTION IN RESPECT OF THE FRANCHISE BUSINESS

12.1 In the event of the franchisee at any time during the currency of this agreement or any renewal thereof, desiring to sell or dispose of the Franchised business, then the Franchisee shall be obliged to offer the Franchised business to the Franchisor, by giving notice thereof ("the sale notice") to the Franchisor.

12.2 The sale notice shall be accompanied by a certificate issued by a chartered accountant, as nominated by the President of the Institute of Chartered Accountants of South Africa, as to the determination of the purchase price of the Franchised business in accordance with the provisions of 12.3 hereunder. The purchase price shall be determined as at the last day of the trading month, immediately preceding the delivery of the sale notice.

12.3 The purchase price of the franchised business shall be an amount equal to the aggregate of the following amounts;

12.3.1 all or any fixed assets shall be valued at an amount equal to the market value thereof;

12.3.2 all or any stock shall be valued at an amount equal to the lower of the Franchisee's costs or net realizable value thereof;

12.3.3 all or any cash on hand at the bank and other liquid assets shall be valued at an amount equal to the face value thereof;

12.3.4 such amount as shall be determined by a chartered accountant as nominated by the President of the Institute of Chartered Accountants of South Africa in their sole and absolute discretion as representing the goodwill if any, attaching to the Franchised business; less: the amount of liabilities of the Franchise business

12.4 The Franchisor shall have an irrevocable option to purchase the Franchised Business, for a period of (45) Forty-Five Days after receipt by the Franchisor, of the sale notice and the auditor's certificate referred to in clause 12.2, at the price determined in terms of the chartered accountant nominated by the President of the Institute of Chartered Accountants of South Africa, and upon the terms and conditions set forth in the sale notice, as read with the provisions of this clause 12.

12.5 Insofar as the Franchisor might not be in possession of the same, it shall be entitled to obtain from the Franchisee and a business broker, as nominated by the President of the Institute of Chartered Accountants of South Africa, such information, books of account, records and documentation relating to the Franchised Business, as the Franchisor in its sole discretion may require for the purpose of considering whether to exercise the option and the franchisee shall make available and cause its auditors to make available to the Franchisor all such information as the Franchisor may require within (7) seven days of the receipt by the Franchisee of a written request therefore. In the event of the

information aforementioned or any part thereof being delayed, then the period of (45) forty-five days referred to above shall be extended by a period equal to the period of such delay.

- 12.6 The option referred to above, shall be exercisable by notice in writing given by the Franchisor to the Franchisee at any time within the period prescribed, or within such extended period as may be applicable, or within a period of 10 days after the determination of the price in terms of 12.3 above whichever shall be the later date.
- 12.7 In the event of the Franchisor exercising the option in accordance with the provisions of the paragraph, then payment of the purchase price shall be effected against delivery of the Franchised Business in all aspects, by the Franchisee to the Franchisor.
- 12.8 If the Franchisor fails to exercise the option timeously or at all, then the franchisee shall be entitled for a period of (30) thirty days after expiry of the period referred to in 12.4 above (or as further extended in terms of this paragraph) to sell or dispose of the franchised Business to any third party dealing bona fide and at arms length provided that:
- 12.8.1 the franchisee shall not sell or dispose of the franchised business at a price less than the price stated in the auditor's certificate referred to in 12.4 above and/or upon terms and conditions more favourable to such third party than the terms and conditions stated in the sale notice as read together with the provisions of this chapter unless the franchisee shall have offered the franchised Business for sale or disposal to the Franchisor in writing for a period of (15) fifteen days at the price and/or conditions which it is willing to accept for the franchised Business;
- 12.8.2 the third party shall have agreed in writing to become a party to this agreement and to be bound by and to observe the provisions of the Agreement, including without limiting the generality of the foregoing, the provisions of this paragraph; and
- 12.8.3 the third party and the proposed sale or disposition of the Franchised Business to a third party that has been approved in writing by the Franchisor, which approval shall not be unreasonably withheld.
- 12.9 In the event of the franchisee failing to sell or dispose of the franchised Business to a third party within the period prescribed in paragraph 12.8 above, then if the Franchisee still desires to sell or dispose of the Franchised Business it shall be obliged to again comply with the provisions of this paragraph.
- 12.10 In the event of the sale of the franchised Business to the Franchisor, then the franchisee shall if so required by the Franchisor by notice in writing to that effect:
- 12.10.1 cede and assign all its rights title and interest in and to and delegate all its obligations under the lease from which the franchised business is conducted to the Franchisor or its nominee; or
- 12.10.2 sub-let the premises to the Franchisor or its nominee upon the same terms and subject to the same conditions mutatis mutandis as the Franchisee lets the premises from the landlord thereof, with effect from the date of the sale of the Franchised Business by the Franchisee to the Franchisor;

12.10.3 within a period of (21) twenty-one days after signature of this Agreement, procure an acknowledgment in writing from the Lessor of the premises at which the franchised Business is conducted, of the rights of the Franchisor in terms of this Agreement, and an irrevocable undertaking by such Lessor to grant its consent to the proposed assignment or sub-letting, as contemplated in this sub-clause in paragraphs 12.10.1 & 12.10.2 above.

SIGNED at on this day of 20...
Witnesses:

1.

2
(Signatures of witnesses)

.....
(Signature of Franchisor)

SIGNED at on this day of 20...
Witnesses:

1.

2
(Signatures of witnesses)

.....
(Signature of Franchisee)

ANNEXURE A:

FRANCHISE PRODUCTS

- Mortgage Origination
- Bridging Finance

ANNEXURE B

TRADEMARK AND LOGO REGISTRATIONS, PATENTS AND APPLICATIONS

All Trademarks, logos and patent applications are pending.

Application numbers are;

2005125933

2005125934

ANNEXURE C

EQUIPMENT AND ASSETS LIST

Comcorp Software

Facade Signage

Business cards

Brochures

Email accounts

ANNEXURE D

PERFORMANCE TARGETS

	From:..... To:.....	From:..... To:.....	From: To:.....
Minimum Monthly commissionable T/O

ANNEXURE E

DEED OF SURETYSHIP:

I/We, the undersigned (ID) do hereby interpose and bind myself/ourselves jointly and severally as surety in solidum for and co-principal debtor with the (Pty) Ltd company to be formed.

(Hereinafter referred to as the DEBTOR):

(A) For the due payment of all such sums of money which the DEBTOR may in future owe to Bondsource Mortgages (hereinafter referred to as the CREDITOR) from any cause of indebtedness whatsoever, whether now existent or which may come into being in the future; and

(B) For the due and proper performance by the DEBTOR of all obligations which the debtor may now or in the future be bound to perform in favour of the CREDITOR arising out of the Franchise Agreement between the DEBTOR and the CREDITOR.

The CREDITOR shall be at liberty, without affecting the Creditor's rights hereunder, and without notice to me/us:

(A) To enter into new agreements with the DEBTOR.

(B) By agreement with the DEBTOR to vary or add to the terms or conditions of any agreement between the CREDITOR and the DEBTOR.

(C) To give time to or compound with the DEBTOR or with any surety for the DEBTOR.

(D) To release any surety for the DEBTOR and to release, increase or reduce any security held for the indebtedness of the DEBTOR.

(E) To appropriate payments made by the DEBTOR or by any surety for the DEBTOR to such of the Debtor's debts as the CREDITOR shall decide.

All admissions or acknowledgements of indebtedness made by the DEBTOR shall be binding on me/us.

I/We agree not to take any action against the DEBTOR or against any surety for the DEBTOR in respect of any payment made by me/us hereunder until the indebtedness of the DEBTOR to the Creditor has been discharged in full.

As security for the discharge of my/our obligations to the CREDITOR I/we hereby cede to the CREDITOR any and all claims which I/we now have and which I/we may acquire in the future against the debtor, or against any other surety for the DEBTOR from any cause of indebtedness whatsoever.

I/We shall be entitled to release from my/our obligations hereunder upon settling the full amount of the indebtedness to the CREDITOR and providing security to the satisfaction of the CREDITOR for the settlement of all the Debtor's contingent and prospective liabilities to the CREDITOR. Save as aforesaid this surety ship shall remain in force as a continuing security, notwithstanding any intermediate settlement of, or fluctuations in, the Debtor's indebtedness and notwithstanding the death or legal disability of the DEBTOR or any surety.

If it is contemplated that there will be more than one surety then the failure of any such surety to sign a deed of surety ship in favour of the CREDITOR shall not operate so as to release me/us from my/our obligations hereunder.

I/We hereby renounce the following benefits, with the meaning and effect whereof I/we declare myself/ourselves to be fully acquainted:

Excussion - the effect of renouncing this benefit is that the CREDITOR will be entitled to proceed against me/us for the full amount owing without first proceeding against and excussing the DEBTOR.

Division - the effect of renouncing this benefit is that if there is more than one surety the CREDITOR will be entitled to proceed against one, or some, of such sureties, to the exclusion of others of the sureties, for the full amount owing.

This suretyship shall apply to, cover and secure the CREDITOR, its successors in title, orders or assigns.

I/We hereby choose domicilium citandi et executandi at
"ADDRESS OF PROSPECTIVE FRANCHISEE"

Any provision of this suretyship found to be inoperative should be severable from the remaining provisions, which remaining provisions shall be deemed to be the contract between me/us.

A certificate purporting to be signed by the Creditor's accountant, secretary or auditor, or any of its directors/ partners or members (as the case may be), showing the amount owing by the DEBTOR to the CREDITOR at any time, shall be sufficient prima facie evidence of the said indebtedness for the purpose of enabling the CREDITOR to obtain judgement against me/us under this suretyship for the amount shown in such certificate.

I/We hereby consent to the jurisdiction of the Magistrate's Court in respect of any claims arising out of this deed of suretyship notwithstanding the amount thereof, and the CREDITOR may at its option institute proceedings either in the Magistrates Court or in the Supreme Court.

I/We hereby indemnify and hold the CREDITOR harmless against any loss or damage which the CREDITOR may sustain for any reason whatsoever (irrespective of the enforceability of the Creditor's claim against the DEBTOR), arising out of any transaction of whatsoever nature entered into now or in the future between the CREDITOR and the DEBTOR.

This suretyship is in addition to any other securities or surety ships now held or hereafter to be held by the CREDITOR.

References herein to the CREDITOR include a reference to any successors in title, orders or assigns of the CREDITOR.

In the event of the CREDITOR having to institute legal proceedings against me arising out of this suretyship I/we agree that the CREDITOR will be entitled to recover the costs of such legal proceedings on the attorney and client scale.

SIGNED at on this day of 20...
Witnesses:

1.

2
(Signatures of witnesses)

.....
(Signature of Franchisee)

ANNEXURE F

GEOGRAPHICAL NODE OF _____ FRANCHISE AT _____

ANNEXURE G

REGISTERED USER AGREEMENT

made and entered into by and between

Bondsource (Pty) Ltd. T/A Bondsource Mortgages
(Hereinafter referred to as "the proprietor")

and

"PROSPECTIVE FRANCHISEE"
T/A

(Hereinafter referred to as "the User")

WHEREAS the proprietor is the proprietor and the South African Trade Mark numbers, in respect of the goods and services covered by the aforesaid application.

AND WHEREAS the User is desirous of producing the goods and rendering the aforesaid services and using the said Trade Marks in relation thereto and of being registered as a Registered User of the Trade Marks under the provisions of the Trade Marks Act of 1963.

AND WHEREAS the proprietor and the registered User have entered into a franchise agreement dated

NOW THEREFORE it is agreed between the parties as follows:

1. The proprietor authorises the User, during such time as the User shall be registered as a registered User of the Trade Marks, to use the Trade Marks in relation to the Franchised Business (as defined in the Franchise Agreement prefixed hereto) in accordance with the specifications laid down, directions given and information given supplied by the proprietor from time to time and will joint to the User in making application to the registrar of trade marks for the purpose of securing the registrations of the User as a registered User of the trade marks under the provisions of the trade marks act of 1963.
2. The User undertakes to use the trade marks in strict accordance with the specifications laid down, directions given and information supplied by the proprietor from time to time, and use the trade marks in relation only to the Franchised Business and will permit the Proprietor, its authorised representative, at all reasonable times to enter the User's premises for the purpose of inspecting Franchise Business.
3. This agreement shall continue in force for as long as the said franchise agreement remains in force. On termination of the franchise agreement for whatever reason, this agreement shall immediately and automatically terminate. This agreement supplements the franchise agreement and in the event of any difference between the terms of this agreement and the franchise agreement, the terms of the franchise agreement shall prevail. On termination of the franchise agreement for whatever reason, the User shall immediately be cancelled as a registered User and shall not thereafter make any use of the trademarks.

4. The User is not to be recorded as the sole registered User.
5. The User shall pay the costs of and any incidental to the preparation execution and registration of this agreement.

SIGNED at on this day of 20...
Witnesses:

1.

2
(Signatures of witnesses)

.....
(Signature of Franchisor)

SIGNED at on this day of 20...
Witnesses:

1.

2
(Signatures of witnesses)

.....
(Signature of Franchisee)