



FRANCHISE AGREEMENT

- BETWEEN:** That party named in the Schedule as Franchisor, of the address stated in the Schedule (hereinafter referred to as “We” and “Us”) of the First Part
- AND:** That party named in the Schedule as Franchisee, of the address stated in the Schedule (hereinafter referred to as “You”) of the Second Part
- AND:** Those parties named in the Schedule as Guarantors of the address stated in the Schedule (hereinafter referred to as “the Guarantors”)

TERMS AND CONDITIONS OF THE Oxbridge FRANCHISE AGREEMENT

WHEREAS:

- A. We have, as a result of the expenditure of time, skill, effort and money, developed and now own a unique, comprehensive and distinctive system ("System") relating to the establishment and operation of Property Sales and Management and related products and services.
- B. The distinguishing characteristics of the System include, without limitation: distinctive exterior and interior design, decor, colour scheme; special software; standards, specifications and procedures for operations; quality of products and services offered; procedures for management control; training and assistance; and, advertising and promotional programs, all of which may be changed, improved and further developed by Us and our associated companies from time to time.
- C. We identify the System, Us and our Products and Services by means of certain trade names, service marks, trademarks, logos, emblems and other indicia of origin ("Intellectual Property"), including, without limitation, those items of Intellectual Property listed in Exhibit "A" attached and such other Intellectual Property as may hereafter be designated by Us in writing for use in connection with the System, Us or our Products and Services.
- D. We continue to develop, use and control the use of the Intellectual Property in order to identify Oxbridge Products and Services for the public and to represent the System's high standards of quality, appearance and service.

- E. You desire to operate an Oxbridge Business under the System and to sell Oxbridge Products and Services and wish to obtain a Franchise from Us for that purpose.
- F. You understand and acknowledge the importance of Oxbridge's high standards of quality, presentation, professional appearance and service, and the necessity of operating the Business in conformity with Oxbridge's standards and specifications in order to enhance the goodwill which Oxbridge and its associated companies have created through the development and improvement of the System.

NOW THIS AGREEMENT WITNESSES that We hereby grant to You and You hereby accept a Franchise to operate the Business, subject to and upon the terms and conditions contained herein and attached hereto, and agree to operate the Business for the Term set out in the Schedule, in consideration for which the You shall pay the fees and amounts set out in the Franchise Fee Structure Agreement signed herewith.

1. DEFINITIONS

The following terms (unless the context otherwise demands) shall have the following meanings:

- 1.1 "Products " shall include:
 - 1.1.1 products relating to advertising, marketing, property management, renting, purchasing and selling, and any other aspect of real estate agent services, seminar content and procedures, together with any packaging and associated items, and any other items made in accordance with formulae or specifications designated by Us; and,
 - 1.1.2 such other products as may be specified from time to time in writing by Us and/or identified by the Intellectual Property.
- 1.2 "Services" shall include all services derived from use of the Products.
- 1.3 "Franchised Businesses" shall mean all businesses operating under the grant of a franchise by the Franchisor.
- 1.4 "Gross Sales" shall include all revenue from the sale of Products and Services together with all other income of every kind and nature related to the Business, whether cash or credit (and regardless of collection in the case of credit) but shall exclude any sales or other taxes You collect from your customers for transmitting to the appropriate taxing authority.
- 1.5 "Supplies" shall mean the equipment, goods, materials and other accessories, used in connection with the serving and sale of Products and Services, of such quality, uniformity, design and performance as are approved by Us from time to time.
- 1.6 "Business" shall mean the Oxbridge real estate services business for which this Franchise is granted.
- 1.7 "Franchisor" shall include the Franchisor specified in this agreement and any entity which granted to the Franchisor the rights to enter into franchise agreements for the system.
- 1.8 "Premises" shall mean the space within which the Business is operated together with all the fixtures, furnishings, equipment, inventory and supplies located therein or attached thereto.
- 1.9 "Lease" shall mean the lease or sub-lease under which You hold possession of the Premises. "Lessor" shall mean the lessor or sub-lessor under the Lease. "Lessee" shall mean You as a party to the Lease.
- 1.10 "Oxbridge" means the Franchisor and its associated companies, except in the case of any undertaking by or other obligation of the Franchisor in which case it means the Franchisor alone.
- 1.11 "Retail Premises" means any premises which display Oxbridge signage or logos.
- 1.12 "Business Day" means any day other than weekends and days declared by the State to be Public Holidays.

- 1.13 “Client” means any person or entity to whom You sell or provide any Product or Services through the Business.
- 1.14 “Head Office” means the owners of and business conducted by Oxbridge Group Pty Ltd ACN 616 229 611

2. GRANT OF FRANCHISE

- 2.1 The Franchise granted hereunder includes the right to use, solely in connection with the Franchise to operate the Business, the Intellectual Property and the System as altered, improved and further developed from time to time (the "Franchise").
- 2.2 In consideration of your payment of the Fees in the Franchise Fee Structure Agreement and your performance and observance of your obligations under this Agreement, We hereby grant to You a Franchise for the Term to operate the Business under the System together with the right to use the Intellectual Property. There is no exclusive territory.
- 2.3 Notwithstanding the grant of a Franchise to You, We shall continue to retain full control of the Franchise at Head Office level. Details of such control will be outlined in the Operations Manual.

3. RENEWAL OF FRANCHISE

- 3.1 We shall renew the Franchise for the Renewal Term if all of the following requirements are met, namely:
 - 3.1.1 You shall provide written notice to Us of the your election to renew not less than seven (7) months and not more than twelve (12) months prior to the end of the Term of this Agreement;
 - 3.1.2 You shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, the Lease, or any other agreement between You and Oxbridge or Us, or our subsidiaries or affiliates; and You shall have substantially complied with all the terms and conditions of such agreements during the respective terms thereof;
 - 3.1.3 You shall have satisfied all you monetary obligations to Oxbridge, Us and Lessor, and their subsidiaries and affiliates, and shall have met those obligations in a timely manner throughout the Term of this Agreement;
 - 3.1.4 You shall execute, for the Renewal Term, an Oxbridge then-current form of Business Franchise Agreement, which agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty fee and advertising contribution;
 - 3.1.5 You shall comply with Oxbridge then-current qualification and training requirements; and
 - 3.1.6 You shall pay the Renewal Fee (if any) as a condition of a Renewal Term.

4. FRANCHISEE'S COVENANTS

- 4.1 You covenant and agree with Us to:

- 4.1.1 Pay to Us the Fees specified in the Franchise Fee Structure Agreement when due without making or claiming deductions against such fees for any reason whatsoever;
- 4.1.2 Display and install at your cost such distinguishing signage, shop facades, trade marks, logograms, insignia, markings, colours and designs forming part of the Intellectual Property as We may require at the Premises and on vehicles, promotional literature, sales forms, promotional aids, identification cards and any Supplies;
- 4.1.3 Devote your best endeavours to the conduct and promotion of the Business and all other services incidental thereto;
- 4.1.4 Not engage in or be concerned in the promotion, organisation or management of a similar business to the Business;
- 4.1.5 Conduct the Business as an independent business and not as a partner, associate, assistant, representative, agent, servant, consultant or employee of ours and at all times exhibit a conspicuous sign at the Premises clearly stating that You are the proprietor of the Business.
- 4.1.6 With respect to insurance:
 - 4.1.6.1 Should we require it at any time, You will effect, maintain and carry the insurances specified in the Schedule in the amount required by Us from time to time and effect such insurances with a reputable and solvent public insurer approved by Us and noting our interest thereon;
 - 4.1.6.2 Duly and punctually pay all premiums payable in respect of such insurance and upon demand supply to Us the policies of insurance, receipts confirming payment of the premiums thereon and all certificates of renewal as proof of the currency of such insurances;
 - 4.1.6.3 Not settle any claims in respect of any such insurance other than on terms first approved by Us in writing.
- 4.1.7 With respect to secrecy and confidentiality:
 - 4.1.7.1 Except to the extent necessary to carry out this Agreement, observe strict secrecy and confidentiality in relation to this Agreement and to any information, data or methods of and incidental to:
 - 4.1.7.1.1 the System and the management of the Business and the business and enterprise of ours and any Area Master Franchisor;
 - 4.1.7.1.2 the Products;
 - 4.1.7.1.3 the advertising publicity and promotion techniques;
 - 4.1.7.1.4 the Intellectual Property; and
 - 4.1.7.1.5 our profits, turnover and financial position, any Area Master Franchisor or You;
 - 4.1.7.2 Take all reasonable and necessary steps to ensure that your principals, officers, employees, agents, representatives,

consultants and contractors also observe these requirements as to secrecy and confidentiality;

- 4.1.8 Not make any representations, statements or warranties about the Business or the products sold in the course of operating the Business, other than those which are expressly permitted by this Agreement or which We may first authorise in writing;
- 4.1.9 Attend or cause a single nominee of yours to attend training seminars conducted by us. For supplementary training during the Term, including training in new methods, techniques or concepts developed by Us in connection with the Franchised Businesses, You shall pay to Us in advance a reasonable fee if required;
- 4.1.10 Whether directly or indirectly, not be a party to and ensure that none of your principals, officers, employees, agents, representatives, consultants or contractors are a party to any act or omission whereby the goodwill or trade of the Business, the Franchised Businesses, Us, the Franchisor or the Intellectual Property may be endangered, jeopardised or prejudicially affected in any manner whatsoever;
- 4.1.11 Ensure that You, your principals, officers and employees are and remain of good character and reputation and do not indulge in unethical conduct or acts of moral turpitude during the Term;
- 4.1.12 Observe and comply with the standards and systems of operating the Business prescribed by the System and the marketing and Operations manuals as amended by Us from time to time, including the interest rates specified as chargeable on loans made by You in connection with the Business;
- 4.1.13 Prior to use, submit to Us for approval, copies of proposed advertising and artwork incorporating any item or aspect of the Intellectual Property and make any amendment we require including the inclusion of the words "This is a franchise opportunity", where instructed;
- 4.1.14 Pay all trade creditors within their normal trading terms and pay all instalments for lease or hire of plant or equipment as they fall due;
- 4.1.15 Not give any security or promise for the payment of money on the account of the Business unless in the ordinary course of the Business;
- 4.1.16 Indemnify Us and keep us harmless from and against all writs, summonses, Actions, suits, proceedings, judgments, orders, decrees, damages, claims, fines, levies, demands, costs and expenses whatsoever and howsoever arising which may be made against or incurred by Us whether directly or indirectly as a result of the conduct and operation of the Business by You or in connection with the loss of life or personal injury to any person and/or damage to any property wheresoever occurring arising out of any act, neglect, default or omission of You, your principals, officers, employees, agents, representatives, consultants or contractors;
- 4.1.17 Not do or permit to be done or left undone any act or thing whereby a nuisance may exist, arise or continue upon or in connection with the Business, and stop forthwith any such nuisance or alleged nuisance and carry out and comply with the provisions of every such statute (State or Federal), Regulation and By-Law and with every requisition or order of any local or other public authority, body or person in reference thereto;

- 4.1.18 To comply with, obey and ensure that the Business complies with all lawful and valid regulations, notices or orders which may be made or given with respect to the Premises or the Business under the provisions of any statute (State or Federal) now or hereafter in force;
- 4.1.19 With respect to books and records:
 - 4.1.19.1 Provide Us with any report that we may from time to time request from You;
- 4.1.20 Not commence the conduct of the Business until:-
 - 4.1.20.1 A nominee of yours shall have attended initial training courses conducted by Us pursuant to this Agreement. Such nominee must be approved by Us provided that such approval shall not be unreasonably or arbitrarily withheld; and,
 - 4.1.20.2 You shall have applied for and obtained any licences required to run the Business in accordance with the relevant statute(s).
- 4.1.21 Not permit any person employed by You from time to time to be involved in the conduct of the Business until such time as that person has undergone such training sessions conducted by You from time to time (if any) as We shall require and obtained any licences required to work in the Business in accordance with the relevant statute(s);
- 4.1.22 At your expense, attend with one representative approved by Us all meetings (including franchisee meetings, advertising meetings, Business assessment meetings, State conferences and National conferences) required by Us during the Term upon request at reasonable notice and at such reasonable times or intervals as nominated by Us from time to time; and,
- 4.1.23 Not to sell any Product or Services or any products or services of a similar nature to any Client outside the Business without our prior written consent.

5. FEES

- 5.1 You shall pay to Us the fees specified in the Franchise Fee Structure Agreement appended hereto.

6. GENERAL BUSINESS OPERATIONS STANDARDS

- 6.1 You agree to use your best efforts to enhance the goodwill which We have created for the Intellectual Property and for the System, including, without limitation operating the Business and promoting the retail sale of the Products and Services in such manner as will further enhance the goodwill of, and customer demand for, the Products and Services.
- 6.2 In order to promote and protect the value of the Intellectual Property and the System, including our goodwill and reputation, Oxbridge and the business thereof and the Franchised Businesses generally, and the business interests of the parties hereto, and to ensure optimum quality control as to the Products and Services provided and sold in the Franchised Businesses, You acknowledge and agree that substantial uniformity must be maintained in the quality, type and standard of Oxbridge Business similar to that franchised hereunder, and in the facilities,

Products, Services and operations thereof. Therefore, You agree to operate the Business in accordance with the provisions of this Agreement and such other of our reasonable requirements with respect to the operation of the Business as may be prescribed to You from time to time (hereinafter collectively referred to as the "Standards").

- 6.3 The Standards and the Operations Manual shall include all documents located in this link (<http://agents.oxbridge.com.au/resources>) in addition to any other policy or procedures documents we may provide you with from time to time. You acknowledge that changes in the Standards may become necessary and/or appropriate from time to time, and agree to comply with such modifications, revisions and additions thereto which We, in the good faith exercise of our judgment, believe to be necessary and/or appropriate.
- 6.4 You acknowledge that the Standards and the Operations Manual created for or approved for use in the operation of the Business are copyrighted. You shall not at any time copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorised person.
- 6.5 You acknowledge and agree that the System, the Products and Services which the System offers and the methods, procedures and techniques which the System employs may be supplemented, improved and otherwise modified from time to time by Us in light of the opportunity to offer new Products and Services, the continuing experience of franchisees through the System, and other any relevant factors. You acknowledge and agree that We shall have sole control and discretion over the development of the System and the designation of the Products and Services to be offered in the Business, and that You will comply with Our requirements in that regard. Without limiting the generality of the foregoing, You agree as follows:-
 - 6.5.1 You shall offer such new Products and Services as We may from time to time require and shall make such expenditures as may be necessary in order to fulfil such obligation, including, without limitation, the purchase or lease of new equipment or services, and the hiring and training of suitable personnel.
 - 6.5.2 We may, in our sole discretion, waive or modify any of your obligations under this Agreement. We may, in our sole discretion, waive or modify any of the like obligations of other Franchisees under the System, but no such waiver or modification shall oblige Us to grant a similar waiver or modification to You. We may make such revisions in the form or technique of the Products and Services and in the merchandising thereof under the System without affecting the rights or obligations of yours under this Agreement.

7. PRODUCTS AND SUPPLIES

- 7.1 You shall maintain and supply, use and/or sell at all times, only such Products, Services and Supplies as meet Oxbridge's standards and specifications (from which You shall not deviate without Our prior written consent) and as are expressly approved for use and/or sale in writing by Us. You shall sell or offer for sale all types of Products and Services specified by Us and shall discontinue selling and offering for sale any products or services which We may, in our sole discretion, disapprove in writing at any time.

- 7.2 You shall purchase all Supplies and all Products used or offered for sale by the Business solely from suppliers (including manufacturers, distributors and other sources) who: demonstrate, to our continuing satisfaction, the ability to meet Oxbridge's then-current standards and specifications for such items; possess adequate quality controls and capacity to supply the needs of yours promptly and reliably; and, have been approved in writing by Us prior to any purchases by You from any such supplier and who have not thereafter been disapproved.
- 7.3 If You desire to purchase or use any Products or Supplies from a previously unapproved supplier, You shall submit to Us a written request for approval or shall request the supplier itself to do so.
- 7.4 We reserve the right, at our option, revoke our approval upon the supplier's failure to continue to meet any of Oxbridge then-current criteria. Nothing in the foregoing shall be construed to require Us to approve any particular supplier.

8. SUPPLY OF PRODUCTS

- 8.1 We shall not be liable to You, or be deemed in breach or default of any obligation contained in this Agreement, for any delay or failure of delivery for any cause beyond our reasonable control, including, without limitation, difficulties of supply occasioned by way of law, weather conditions, acts of God, regulations or orders of public authority, labour troubles or shortages of materials. If We are unable to supply the full requirements of all Oxbridge Businesses, We shall endeavour to apportion available Products and Supplies equitably among them.

9. MAINTENANCE OF THE BUSINESS

- 9.1 You agree that the Business and all leasehold improvements, equipment, fixtures and furnishings within or attached to the exterior thereof shall be maintained in accordance with the Standards. Without limiting the generality of the foregoing, You shall at our direction replace or refurbish individual items of leasehold improvements, equipment, fixtures and furnishings in accordance with Oxbridge then-current designs and specifications; and shall maintain the Business and all of such property within or attached to the exterior thereof and any adjacent sidewalks in the highest degree of safety, cleanliness, orderliness and sanitation. You acknowledge and agree that the requirements of this Section are both reasonable and necessary to insure continued public acceptance and patronage of the System and to avoid deterioration or obsolescence of the Business.
- 9.2 The Business shall be operated and maintained at all times in compliance with all applicable laws, ordinances and regulations. You shall maintain the highest regulatory health and safety standards and ratings applicable to the Business. You shall furnish to Us, within five (5) days after receipt thereof, a copy of any inspection report, warning, citation, certificate, and/or rating which indicates your failure to meet or maintain the highest applicable regulatory, health or safety standards in the operation of the Business.
- 9.3 You shall not permit the exhibition at any Retail Premises or elsewhere of any sign or poster, or otherwise permit advertising of any product or service at the Premises, unless first approved by Us in writing.

10. INTELLECTUAL PROPERTY

- 10.1 We represent with respect to the Intellectual Property and the Franchise that:
 - 10.1.1 Oxbridge is the sole owner or duly authorised licensee of all right, title and interest in and to the Intellectual Property.
 - 10.1.2 We are licensed by Oxbridge to grant the Franchise to You upon the terms and conditions of this Agreement.
 - 10.1.3 Oxbridge is licensed to grant the Franchise to You upon the terms and conditions of this Agreement.
- 10.2 With respect to Your permitted use of the Intellectual Property pursuant to this Agreement, You agree that:
 - 10.2.1 You shall use only the Intellectual Property designated by Oxbridge, and shall use them only in the manner expressly authorised and permitted by Oxbridge.
 - 10.2.2 You may use Oxbridge Intellectual Property for the operation of the Business only at the Premises or in advertising for the authorised Business conducted at or from the Premises. You may use the Oxbridge Intellectual Property only in advertising of the Products and Services described in Clause 1.
 - 10.2.3 You shall operate and advertise the Business only under the name or names which shall be designated by Oxbridge from time to time, without prefix or suffix.
 - 10.2.4 Any unauthorized use of the Intellectual Property shall constitute an infringement of Oxbridge's rights and an event of Default.
 - 10.2.5 You shall not use the Intellectual Property to incur any obligation or indebtedness on behalf of Oxbridge.
 - 10.2.6 You shall not use the Intellectual Property as part of your corporate or other legal name, without the express written authority of Oxbridge.
 - 10.2.7 You shall comply with Oxbridge's instructions in filing and maintaining the requisite name registrations and shall execute any documents deemed necessary by Oxbridge to obtain protection for the Intellectual Property or to maintain their continued validity and enforceability, or to terminate or transfer any such registration upon expiration or other termination thereof.
 - 10.2.8 In the Event that litigation involving the Intellectual Property is instituted or threatened against You, You shall promptly notify Oxbridge and shall cooperate fully in defending and/or settling such litigation.
- 10.3 You expressly understand and acknowledge that:
 - 10.3.1 Oxbridge is the sole owner of all right, title and interest in and to the Intellectual Property and the goodwill associated with and symbolised by them.
 - 10.3.2 The Intellectual Property is valid and serves to identify the System, the Products and the Services.
 - 10.3.3 You shall not directly or indirectly contest the validity of Oxbridge's ownership of the Intellectual Property.
 - 10.3.4 Your use of the Intellectual Property pursuant to this agreement does not give You any ownership or other interest in or to the Intellectual Property except the permitted use granted by this Agreement.

- 10.3.5 Any and all goodwill arising from Your use of the Intellectual Property shall accrue solely and exclusively to Oxbridge's benefit; and, upon expiration or termination of this Agreement and the Franchise, no monetary amount shall be assigned as attributable to any goodwill associated with Your use of the System or the Intellectual Property.
- 10.3.6 The right to use the Intellectual Property granted to You hereunder is non-exclusive, and Oxbridge, subject to its execution and control, therefore have and retain the rights, amongst others:
- 10.3.6.1 To use the Intellectual Property themselves in connection with selling the Products and Services;
- 10.3.6.2 To grant other licenses or franchises of the Intellectual Property, in addition to those licenses or franchises already granted; and
- 10.3.6.3 To develop and establish other systems, products or services using the same or similar Intellectual Property, or any other Intellectual Property, and to grant licenses for Franchises thereto, without providing any rights therein to You.
- 10.3.7 You shall not engage in any trade, practice or other activity which is harmful to the goodwill of, or reflects unfavorably on the reputation of Oxbridge, Oxbridge's Business, the System, the Products, the Intellectual Property, or You, or which constitutes misleading or deceptive conduct, or which is in violation of any applicable laws.

11. TRADE SECRETS

- 11.1 Except as required for the operation of the Business or as Oxbridge shall authorize in writing by one of its officers, You will not at any time disclose or use, either during or subsequent to the term of this Agreement, any trade secret of Oxbridge. "Trade secret", in this Agreement, means information of any kind including a formula, pattern, compilation, program, device, method, technique or process that derives independent economic value, actual or potential, from being not generally known to and not readily ascertainable by proper means to other persons or firms, and who obtain economic value from its disclosure or use, and which is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.
- 11.2 At Oxbridge's request, You shall require Your manager and such other employees as are designated by Oxbridge to execute a covenant that such manager and such other employees will comply with this Section. Such covenant shall be in a form satisfactory to Oxbridge, including, without limitation, and shall identify Oxbridge as third party beneficiaries of such covenant with an independent right to enforce it.
- 11.3 You acknowledge that any failure to comply with the requirements of this Section will cause Oxbridge irreparable damage and You agree to pay all court costs and legal fees on an indemnity basis incurred by Oxbridge and Us in obtaining an order for specific performance of, or an injunction against violation of, the requirements of this Section, without the requirement for the posting of bond or other security for costs, the same being hereby waived by You

12. TRANSFER AND ASSIGNMENT

- 12.1 You shall not sell, sub-franchise, declare yourself trustee of or transfer, mortgage,

pledge, assign or relinquish the Franchise hereby granted and any rights conferred by this Agreement on You except that You may with our prior written approval (which approval shall not be unreasonably withheld) transfer or deal with the whole or part of your rights under this Agreement subject to the prior satisfaction of the following conditions:

- 12.1.1 You shall prove to our reasonable satisfaction that any intending purchaser, transferee or assignee is solvent and of good moral character and reputation with a satisfactory credit rating and competent business qualifications;
 - 12.1.2 We and any such purchaser, transferee or assignee must, prior to the disposal, execute an agreement prepared by our solicitors at Your expense (containing such other terms as We may deem necessary) whereby the parties agree that We will be paid directly by the purchaser, transferee or assignee upon execution of a franchise agreement, a fee as specified in the Schedule based on the consideration, if any, payable to You by the purchaser, transferee or assignee for the disposal of this Franchise and the Business and all of its assets;
 - 12.1.3 Any such purchaser, transferee or assignee must, prior to the disposal, execute an agreement with Us prepared by Our Solicitors at Your expense which shall contain the covenants, terms and conditions contained herein and such additional terms and conditions as We may deem necessary and the purchaser, transferee or assignee must, at its own expense, undertake preliminary training conducted by Us prior to commencing to carry on the Business;
 - 12.1.4 Where the proposed purchaser, transferee or assignee is a corporation (other than a company whose shares are listed on any Stock Exchange in Australia) the performance of the covenants, terms and conditions in the agreement shall be guaranteed by such of the directors and/or shareholders as We may require;
 - 12.1.5 You shall fully pay and satisfy all Your obligations to Us and in addition reimburse Us for all reasonable administrative, legal, accounting and other costs and expenses (including any government imposts) incurred by Us in connection with ensuring that these conditions have been met.
- 12.2 We shall by our written approval of the transfer be relieved and discharged of all liability, claims and demands howsoever arising hereunder to You

13. CORPORATE FRANCHISEES

13.1 Where You are a corporation the following provisions shall apply:

- 13.1.1 Any change in the directors of yours must be approved by Us provided that We will not unreasonably withhold our approval. We shall be entitled to treat such a change as a transfer in accordance with the previous clause;
- 13.1.2 You shall not allot any shares or approve any transfer of shares or stock without our prior written approval which will not be unreasonably withheld provided that any allotment or transfer of shares or stock to the spouse or any child or children of existing members of yours up to an aggregate limit of TWENTY PER CENT (20% in value and/or voting control of the entire share capital or stock of the Franchisee (taking into account shares which

may already be held by or on behalf of members of You)) may be made without our approval;

- 13.1.3 For the purpose of this Agreement, where You are a corporation (not being a company whose shares are listed on any Stock Exchange in Australia) and, without our prior written approval, the natural persons who hold the majority underlying interests in the Business at the Commencement Date cease to hold the majority underlying interests at any time thereafter, there shall be a deemed transfer or assignment of this Agreement in breach of this Agreement. In this sub-clause, "majority underlying interest" has the same meaning as in the Income Tax Assessment Act 1936 (as amended) but varied to make sense in this context;
- 13.1.4 You shall not incorporate, or permit to be incorporated, the name "Oxbridge" in any manner whatsoever as part of the name of yours or any company You control or Your related parties are a shareholder or director of.

14. A FRANCHISEE WHO IS A TRUSTEE

- 14.1 Where You are a trustee and enter into this agreement as a trustee of a trust estate the following provisions shall apply.

You and the Guarantors and each of them jointly and severally acknowledge and agree that:

- 14.1.1 You are the Trustee of the Trust created by the Trust Deed;
- 14.1.2 You will, on demand, exercise all of the Trustee's rights of indemnity in relation to the Trust;
- 14.1.3 You have a full and complete right of indemnity pursuant to the Trust Deed to the assets of the Trust;
- 14.1.4 You will not without our consent in writing:
 - 14.1.4.1 Retire or cease for any reason to be the sole trustee of the trust fund constituted by the Trust Deed;
 - 14.1.4.2 Permit or suffer any other person or corporation to act or to be appointed as Trustee of the Trust jointly with You;
 - 14.1.4.3 Permit or suffer the Trust to be determined in any way or the whole or any part of the assets of the trust fund to be disposed of or transferred otherwise than in the ordinary course of business;
 - 14.1.4.4 Act as a trustee pursuant to any trust deed, will or deed of settlement or otherwise other than that constituted by the Trust Deed.
 - 14.1.4.5 Be in default under the Trust Deed;
 - 14.1.4.6 Appoint or permit to be appointed the whole or any part of the trust property (being the property held now or hereafter by the Trustee for the time being pursuant to the Trust Deed) to be held upon the trusts or with and subject to the powers and provisions of any other settlement or trust in favour of or for the benefit of all or any one or more of the beneficiaries under the Trust Deed or any other person or object;
 - 14.1.4.7 Cause to vest to distribute or permit to be vested or

distributed prior to the final date for distribution under the Trust Deed the whole or any part of the trust property other than the income thereof;

14.1.4.8 Vary, alter or revoke or permit to be varied, altered or revoked either wholly or in part any of the terms or powers under the Trust Deed whether by order of a Court or otherwise howsoever;

14.1.4.9 Blend or mix the trust property with an other property whatsoever;

14.1.4.10 Compromise, compound, abandon, submit to arbitration or otherwise settle any debt, account, claim or thing whatsoever relating to the trust property other than in the ordinary course of business;

14.1.4.11 Carry on in business or incur any debts under the Trust Deed other than in the ordinary course of business; or,

14.1.4.12 Do or permit to be done any act or thing or omit to do any act or thing so as to harm or impair or be likely to harm any right or remedy ours under this Agreement that We may have against You.

14.1.5 If any of the aforesaid events occurs, We shall be entitled to treat the Agreement as having been breached by You and We shall be entitled to exercise all our rights and remedies hereunder.

14.1.6 If a new, substitute or custodian trustee is appointed under the Trust Deed, You will procure that such new, substitute or custodian trustee shall enter into an agreement on the same terms as this Agreement, save for the change in the name of the Franchisee and for essential changes, to place Us in the same position as We were in relation to the preceding Trustee.

15. FRANCHISEE'S FURTHER ACKNOWLEDGEMENTS

15.1 You agree, and represent to Us as an inducement to Us to enter into this Agreement that:

15.1.1 In the negotiations for and prior to having executed this Agreement, You had carefully read the provisions of this Agreement and understood them and had not relied upon any inducement, statement, representation, offer or warranty made by Us or our representative, servants, employees, agents or any person purporting to act on our behalf other than as set out herein;

15.1.2 You are not a partner, representative, agent, joint venturer, subcontractor, servant or employee of ours and nor shall it be deemed to be the same as a result of any transaction, matter, act or thing arising from or relating to this Agreement;

15.1.3 You have conducted an independent investigation of the business contemplated by this Agreement and recognises that the nature of the Business may evolve and change over time and the investment in the Business involves business risks;

15.1.4 You have not received or relied upon any guarantee, expressed or implied, as to the success of the business venture contemplated by this Agreement;

- 15.1.5 No representations have been made by Us, or by our officers, directors, shareholders, employees or agents, that are contrary to the terms contained in this Agreement;
- 15.1.6 The information provided by You to Us in connection with the application for the Franchise is true and correct and You have made no incorrect statement or failed to make any statement which would be necessary to made to avoid the statements made to Us being misleading.

16. FRANCHISOR'S COVENANTS

16.1 We hereby covenant and agree with You to:

- 16.1.1 Provide initial training to You or a single nominee at the level which, in our opinion, is adequate to properly instruct You, and to provide supplementary training during the Term as well as further training in new methods, techniques or concepts developed by Us in connection with the Business;
 - 16.1.2 Make available to You improvements received from Us in techniques and know how appertaining to the conduct of the Business;
 - 16.1.3 Provide at a fair and reasonable cost to You a design service relating to the display of logos, Trade Marks, signs, insignias, colouring and other items forming part of the Intellectual Property in connection with the establishment of the Premises;
 - 16.1.4 Give to You such oral or written information as You reasonably request with respect to all matters relating to the Business; and,
- 16.2 Upon the expiration or termination for any reason whatsoever of the agreement between Us and any Area Master Franchisor, the benefit of the whole of this Agreement which any Area Master Franchisor enjoys, shall be automatically deemed to have been transferred, assigned to and vested in Us without the need for any formality or document so that You shall thereafter treat Us as if it were also the Area Master Franchisor hereunder. Notwithstanding this automatic transfer, if We require, You shall do all acts and things and sign, execute and complete all documents and instruments as We may require to more fully evidence or perfect the transfer, vesting and assignment to Us of the benefit of the whole of this Agreement as if We were named as the Area Master Franchisor.

17. ENFORCEMENT OF RIGHTS BY THE FRANCHISOR

- 17.1 The failure at any time by Us to enforce the provisions of this Agreement or any rights in respect thereto or to exercise any election herein provided, shall in no way be considered to be a waiver of such provisions, rights or elections or in any way affect the validity of this Agreement.
- 17.2 The exercise by Us of any of our rights herein or any of our elections under the terms or conditions contained herein shall not preclude Us from exercising the same or any other right we may have under this Agreement irrespective of any previous action or proceeding taken by Us hereunder.

18. TERMINATION

- 18.1 This Agreement may be terminated at any time by either party giving the other party at least fourteen days' notice, and
 - 18.1.1 we will not restrict you from maintaining your contact and relationship with clients or potential clients after the termination of your Agreement with Us, and will agree to you taking any of your listings and your data base with you. With exclusive listings upon provision of a letter from the vendor, We will rescind the listing agreement with the vendor. Any properties that are under contract will be seen to completion and this agreement will apply regarding commission; and
 - 18.1.2 We retain the right to protect and maintain any commercial relationships that have been developed with business partners, associates, contractors and other suppliers.

- 18.2 Without limiting our rights, this Agreement may be terminated by Us immediately if you (whether before or after the date of this Agreement):
 - 18.2.1 are involved in serious misconduct, including without limitation
 - 18.2.1.1 wilful, or deliberate behaviour by you that is inconsistent with the continuation of this Agreement;
 - 18.2.1.2 conduct that causes imminent, or serious risk to:
 - 18.2.1.2.1 the health or safety of a person; or
 - 18.2.1.2.2 the reputation, viability or profitability of our business;
 - 18.2.1.3 during the term of this Agreement, engaging in theft, fraud or assault; or
 - 18.2.1.4 being intoxicated with alcohol or illicit drugs at work;
 - 18.2.2 breach any other material provision of this Agreement;
 - 18.2.3 are unable to perform the inherent requirements of this Agreement; or
 - 18.2.4 are charged or found guilty by a court of a criminal offence.

- 18.3 On and after the termination of this Agreement for any reason:
 - 18.3.1 your obligations under this Franchise Agreement (except in respect of information that is part of your general skill and knowledge) still continue to apply;
 - 18.3.2 you must not record any Confidential Information in any form;
 - 18.3.3 as and when required by us, you must disclose any password, security access codes or other information used by you during the course of your association with us;
 - 18.3.4 you must not represent yourself as being associated with us;
 - 18.3.5 you must not make any adverse comment, publicly or otherwise, about us or any employee of, or conjuncting sales associate associated with, us; and
 - 18.3.6 you must provide any assistance to any employee, management staff, or

director of ours reasonably required by us in relation to any threatened or actual proceedings before a court or tribunal.

19. OBLIGATIONS OF FRANCHISEE UPON TERMINATION

- 19.1 Upon the termination of this Agreement for any reason whatsoever, all rights of yours hereby granted shall terminate and You will not be entitled to receive any rebate or refund of the whole or any part of the sums paid by You pursuant to this Agreement and You will forthwith;
- 19.1.1 cease to use, by tangible or intangible means or methods, by advertising or otherwise, directly or indirectly, any aspect part or item of the material forming the Intellectual Property;
- 19.1.2 terminate any registration or record or public entry of yours which indicates any association with Us;
- 19.1.3 stop using and not in the future use any aspect part or item of the materials forming the Intellectual Property together with all other instructions, techniques, methods and processes which constitute the subject of this Agreement and the obligation under Clauses 4.1.8 and 11 hereof shall be a continuing obligation of yours notwithstanding the termination of this Agreement;
- 19.1.4 return to us all property belonging to us including but not limited to files, stationery, manuals, business cards, legal documents, keys, books, plans, maps, computing equipment, electronic computer files, software and any other property provided to you by us; and
- 19.2 You shall not do or permit to be done anything likely to damage Our goodwill, reputation or Intellectual Property and You consent to an injunction enabling Us to enforce and obtain the full benefit of this Clause. The restraints and restrictions hereinbefore provided each operate as a separate and independent obligation on You and are not affected by any one or more of the other restraints or restrictions in this Agreement.
- 19.3 We may set off any amounts you owe us against any amounts we owe you at the date of termination, except for amounts that we are not entitled to set off;
- 19.4 you acknowledge that any property that is under contract prior to settlement remains in our custody who will manage and facilitate the completion of the transaction with you.

20. TRADE PRACTICES ACT AS AMENDED AND COMPETITION AND CONSUMER ACT AS AMENDED

- 20.1 If any of the agreements and covenants herein contained become at any time unenforceable or unlawful under the Trade Practices Act (as amended) or the Competition and Consumer Act 2010 (as amended) We may determine this Agreement by written notice to You if such covenants include the payment of any fees or moneys hereunder to Us or, in any other instance, require any amendment to this Agreement to ensure that it complies with and is enforceable under the Act.

21. MISCELLANEOUS TERMS

- 21.1 If any provision or part of a provision of this Agreement is or becomes void, invalid

or unenforceable for any reason, the same shall be severed from this Agreement but the remainder of this Agreement shall continue in full force and effect.

- 21.2 Any demand, notice, consent or other communication to be made or given under this Agreement shall be in writing and signed by the party giving it and shall be served either by delivery, by facsimile transmission or by prepaid registered mail, to the address, email or facsimile number of the party as herein specified or at the last known address or number of such party. All notices shall be deemed to be received on the date of sending or, if posted, at the expiration of FORTY EIGHT (48) hours after it has been posted or, if sent by facsimile, on the date of transmission.

- 21.3 We shall not be taken to have waived a breach of this Agreement unless such waiver shall be in writing and signed by Us. Such waiver shall only apply to the breach specified therein.
- 21.4 This Agreement shall bind each of the parties hereto and their respective personal representatives, successors and permitted assigns.
- 21.5 Where the day or date appointed or specified by this Agreement for the payment of any moneys is not a Business Day, the day or last day by which payment of that money shall be made shall be deemed to be the next following Business Day.
- 21.6 Notwithstanding anything said or written prior to the execution hereof, this Agreement embodies the entire understanding of the parties and constitutes the entire terms agreed upon between them and supersedes the replaces entirely any prior written or verbal agreement between the parties.
- 21.7 Each of the parties to this Agreement hereby covenant and agree to execute, complete, deliver, make and do all such other assurances, documents, instruments, notices, acts and things as may be or hereafter become necessary or desirable for fully carrying out the terms of this Agreement.
- 21.8 This Agreement may only be varied by written agreement signed by the parties.

22. ADDITIONAL ASSURANCE BY FRANCHISEE

- 22.1 As and by way of security for any money that may at any time be due and owing by You to Us, whether arising out of this Agreement or the supply to You by Us of supplies and equipment or any other act, matter or thing whatsoever, the franchisee shall, provide any other security, further guarantee or charge as reasonably required by Us from time to time.

SCHEDULE

Acknowledgement of Receipt by Franchisee of this Agreement

I hereby acknowledge that a copy of this Agreement is in my possession and I agree to be bound by the terms contained herein and:

Further agree that the Electronic signature page is a part of this agreement and that my Electronic signature signifies my agreement of this document.

Oxbridge Group Pty. Ltd.

ACN: 616229611

ABN: 18616229611

Franchisee