

## To the Vendor - conditions

In consideration of the **Vendor** accepting this from the **Guarantor** instead of the **Vendor's** entitlement to some or all of the deposit under the **Contract of Sale**, the **Guarantor** will, within two (2) clear business days of receiving from the **Vendor**, prior to the expiry of the **Guarantee**, the original **Guarantee** and a copy of:

a) i) where the **Property to be Purchased** is in Victoria, the notice of rescission which has been served on the **Purchaser** and a statement signed by the **Vendor** confirming that the **Purchaser** had not remedied the default specified in the notice of rescission within the period specified in the **Contract of Sale**;

ii) where the **Property to be Purchased** is outside Victoria, the notice of termination which has been served on the **Purchaser**,

and which, in either case, would consequently entitle the **Vendor** to keep, recover or declare forfeited the deposit, pay the amount demanded by the **Vendor** up to but not exceeding the **Maximum Amount of Guarantee** or 10% of the **Purchase Price** or the amount of the deposit specified in the **Contract of Sale**, whichever is the lesser.

b) the notice of rescission or termination which has been served by the **Purchaser** is exercising its right to cool off under the relevant legislation (if any), pay the amount which is required to be forfeited to the **Vendor**, but not exceeding the amount prescribed by law, if any.

The **Guarantor** will be required to make payment under this **Guarantee** only if the above conditions are strictly complied with prior to the expiry of the **Guarantee**.

Such payment shall be made to the person nominated in the **Contract of Sale** to hold the deposit.

The liability of the **Guarantor** to make such payment is not impaired or discharged in the event:

- a) the **Vendor** is not entitled to serve the notice or termination or notice of rescission:  
or
- b) the **Vendor's** consequent entitlement to keep, recover or declare forfeited the deposit is disputed

This **Guarantee** takes effect on the **Date of Issue**.

This **Guarantee** only applies to the **Contract of Sale**.

Where the **Contract of Sale** is made at an auction, the **Purchaser** is authorised to complete the details of the **Property to be Purchased**, the **Vendor's Name**, the **Vendor's Address** and the **Purchase Price** on the page overleaf without notice to the **Guarantor**.

This **Guarantee** expires on the earliest of when:

1. The **Contract of Sale** is completed; or
2. The **Guarantor** pays the amount required to be paid under this **Guarantee**;  
or
3. The **Contract of Sale** is terminated or rescinded and, in either case, the **Vendor** has accepted in writing the termination or rescission and the **Purchaser** is entitled to a refund of the deposit; or
4. 5:00pm Sydney time on the earlier of the **Date of Expiry** or, if the **Date of Expiry** falls on a weekend or a public holiday in Sydney, the immediately preceding business day.

The rights of the **Purchaser** to resist forfeiture of the deposit or recover the deposit are not impaired by any payment by the **Guarantor** under this **Guarantee**.

Terms typed in bold in this **Guarantee** are references to the terms defined on this page or the page overleaf. "**Contract of Sale**" means the contract for the sale of the **Property to be Purchased** entered into between the **Purchaser** and the **Vendor**, in respect of which the **Vendor** has accepted this **Guarantee**.

## Suggested Special Condition: for inclusion in the Contract for Sale of Land

- a) In this contract, the word '**Guarantee**' means the **Deposit Power Guarantee** issued to the **vendor**\* at the request of the **purchaser** by CBL Insurance Limited (the '**Guarantor**') and in, and to the effect of, the form annexed hereto and marked '(marking to be inserted)'
- b) The delivery of the **Guarantee** no later than the time the deposit is required to be paid under this contract to the person "**Deposit holder**" nominated in this contract to hold the deposit as stakeholder shall, to the extent of the amount guaranteed under the **Guarantee**, be deemed to be payment of the **Deposit** in accordance with this contract.
- c) On completion of this contract, the **purchaser** shall pay to the **vendor**, in addition to all other monies payable under this contract, the amount stipulated in the **Guarantee**, either by way of cash or unendorsed bank cheque.
- d) If the **vendor** serves on the **purchaser** a notice of termination\*\*, then to the extent that the amount had not already been paid by the **Guarantor** under the **Guarantee**, the **purchaser** shall forth with pay the deposit (or so much thereof as had not been paid) to the **Deposit holder**.
- e) The **vendor** acknowledges that payment by the **Guarantor** under the **Guarantee** shall, to the extent of the amount paid, satisfy the **purchaser's** obligation to pay the deposit under the previous paragraph.
- f) The **vendor** acknowledges that the **Guarantee** ceases to have effect, and the **Guarantor** ceases to be liable under the **Guarantee** from and including the expiry date of the **Guarantee**.

\* In Queensland and the Australian Capital Territory substitute '**Buyer**' for '**Purchaser**' and '**Seller**' for '**Vendor**'

\*\*In Victoria substitute '**notice of rescission**' for '**notice of termination**'