

## To the Vendor - conditions

In consideration of the **Vendor** accepting this **Guarantee** 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 on 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 of termination or notice of rescission:  
or
- b) the **Vendor's** consequent entitlement to keep, recover or declare forfeited the deposit is disputed

The **Maximum Amount of Guarantee** is the total liability the **Guarantor** can have under this **Guarantee** and any other guarantee bearing the same **Guarantee Number** issued by the **Guarantor** in respect of the **Contract of Sale**.

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 has 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'