
Deposit Bond Commercial Guarantors Statement

WHAT IS A DEPOSIT BOND?

A Deposit Bond is a bond or guarantee that acts as a substitute for a cash deposit between signing contracts and settling on a property. The bond guarantees that payment of all or part of the deposit will be made at the time of settlement and the value is capped at a maximum 10% of the purchase price of the property. The Insurer issues the Bond to the Vendor for all or part of the deposit required (up to a maximum of 10% of the purchase price)

At settlement the purchaser is required to pay the full purchase price including the deposit. If you default under the Contract of Sale and are required to forfeit the deposit, the Vendor can claim the Bond amount from the Insurers.

The Insurer will then recover the money from the Purchaser.

Privacy:

We are committed to the confidentiality and privacy the applicants' personal information. Collection of any personal details will only be collected for the purpose of assessing this deposit bond application. Without this information we may not be In a position to issue the applicants a deposit bond. We also grant the applicant the opportunity to correct their personal information or obtain access to it.

Your Guarantee means:

If the applicant for the deposit bond noted in this application defaults under the Contract of Sale the Vendor can claim the Bond amount from QBE Insurance (Australia) Limited ABN 78 003 191 035 (QBE). Once the deposit has been paid to the Vendor, QBE will then recover the deposit amount (plus any costs) from the applicant, and yourself.

All correspondence and inquiries should be directed to:

Aussie Bonds Australia Pty Ltd (ABN 52 127 577 440)

PO Box 432 Concord West NSW 2137

P: 1300 851 351 F: 1300 739 817 E: bonds@aussiebonds.com.au

Section 1

Applicant/s
Full Name

Applicant/s Name

Guarantor's Name

Guarantor Name 1

Address

Postcode

Employers Name

Annual Income

Date of Birth

Drivers Licence No.

Expiry Date:

/ /

/

Phone no.(W)

Mobile Number

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Guarantor's Name

Guarantor Name 2

Address

Postcode

Employers Name

Annual Income

Date of Birth

Drivers Licence No.

Expiry Date:

/ /

/

Phone no.(W)

Mobile Number

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Section 2

General Questions

Are you (or the applicant) contributing other funds towards the purchase?

No Yes

If "yes" please attach evidence of these funds (i.e. bank statement)

\$ _____

Are you or the applicant are in the process of applying for any other Deposit Bonds?

No Yes IF YES please advise

Have you, or are you In the process of purchasing another property?

No Yes IF YES please advise

Have you, or are you in the process of acting as a guarantor for any other property purchase?

No Yes IF YES please advise

I the Guarantor, confirm that the information disclosed In this referral, which forms part of the Applicant's Aussie Deposit Bond Application, is true and correct.

No Yes

I fully understand that QBE will have the right under the Indemnity to recover from me any loss suffered by them under the Bond?

No Yes

I authorise QBE to obtain from any credit provider and any credit provider to disclose to QBE General Insurance, any Information required to assess my guarantee for this application for the Deposit Bond

No Yes

I acknowledge that QBE has relied on this information in assessing the Application.

No Yes

I have read and understood the Indemnity below.

No Yes

Financial Information

LIABILITIES	\$	ASSETS	\$
Bank Overdraft		Cash	
Mortgages - Home		Property - Home	
- Other		- Investment	
Lease/Hire Purchase		Other	
Other Loans		Superannuation	
Credit Cards		Investments (shares etc)	
Total Liabilities		Total Assets	
Net Worth (Total Assets less Total Liabilities)		\$	

Full Disclosure of your total Assets and Liabilities must be made.

Note 1 Properly (Home. Investments etc)

Mortgagee (Lender)	Address of property	Property Value (\$)	Loan Balance(\$)

Note 2 Loans (personal loans hire purchase, leases etc)

Lender	Type of Loan	Amount Borrowed (\$)	Amount Owing (\$)

Note 3 Bank and Credit Facilities (overdraft, credit cards etc)

Mortgage (Lender)	Details of facility	Limit (\$)	Balance (\$)

Note 4 Investments (shares, term deposits, debentures, deposits etc)

Type of Investment	Institution	Maturity	Amount (\$)

Section 3

IMPORTANT NOTE FOR GUARANTORS

This is a guarantee and indemnity. If the Applicant referred to below does not pay when due money presently or in the future owed to QBE, you must pay that money yourself and indemnify QBE any loss it suffers by not recovering from the Applicant. It is therefore important that each Guarantor understands:

- (a) the nature and extent of the facilities being provided to the Applicant and that future facilities extended to the Applicant by QBE will also be guaranteed;
- (b) that upon signing each Guarantor becomes legally bound to repay the whole of the Applicant's loans from QBE together with interest and other costs and expenses which the Applicant becomes liable to pay to QBE; and
- (c) that if a Guarantor has given or gives security over any of its assets to QBE, QBE can seize and sell those assets if the Applicant defaults and the Guarantor does not pay the money which the Applicant has failed to pay to QBE.

Before execution each Guarantor is strongly recommended to obtain independent legal advice as to full effect of this deed and the documents governing the loan to the Applicant in the context of which this guarantee is required. If you cannot obtain a copy of the documents governing the loan to the Applicant from the Applicant please request a copy from QBE or its solicitors. You should also obtain such other advice as is necessary to understand the financial position of the Applicant and its ability to meet its present and future commitments to QBE.

DEED OF GUARANTEE AND INDEMNITY

THIS DEED IS MADE ON THE DATE REFERRED TO IN ITEM 1 OF THE SCHEDULE

PARTIES

THE PERSON(S) REFERRED TO IN ITEM 2 OF THE SCHEDULE (Guarantor)

QBE INSURANCE (AUSTRALIA) LIMITED ACN 003191 035 (QBE)

AGREEMENTS BETWEEN THE PARTIES

1. DEFINITIONS

In this deed:

Applicable Rate means, at any time, the rate equal to 2% per annum plus the Westpac Indicator Lending Rate (or any similar rate selected by QBE) published at that time.

Applicant means the person referred to in Item 3 of the Schedule.

Bond means the deposit bond issued by QBE pursuant to the Bond Application.

Bond Application means the deposit bond application issued by QBE and executed by the Applicant on or around the date of this deed.

GST has the same meaning as is given to that term in the A New Tax System (Goods and Services) Act 1999 (Cth).

Guaranteed Money means any money which at any time is actually or contingently owing or payable by the Applicant to QBE under or in connection with the Indemnity.

Indemnity means the indemnity given by the Applicant in favour of QBE pursuant to the terms of the Bond Application.

New Tax System Changes has the same meaning as is given to that term in section 75AT of the Trade Practices Act 1974 (Cth).

2. GUARANTEE AND INDEMNITY

2.1 Unconditional guarantee

The Guarantor unconditionally and irrevocably guarantees the punctual payment of Guaranteed Money to QBE. The Guarantor must upon demand immediately pay QBE any amount of Guaranteed Money not paid by the Applicant on its due date.

2.2 Unconditional indemnity

The Guarantor unconditionally and irrevocably indemnifies QBE against all losses, damages, costs, charges, liabilities and expenses which QBE may at any time suffer or incur directly or indirectly because:

- (a) it does not for any reason recover from the Applicant any Guaranteed Money or any money which would be Guaranteed Money but for:
 - (i) the fact that any agreement between QBE and the Applicant or another person is void, voidable or wholly or partially unenforceable;
 - (ii) any release of the Applicant;
- (b) QBE has to disgorge any money paid to or received by it and credited against guaranteed Money;
- (c) the Applicant or the Guarantor fails to pay any Guaranteed Money when payable;
- (d) the occurrence of any event or circumstance entitling QBE to demand payment of money from the Applicant earlier than the time it would otherwise have become payable;
- (e) QBE exercises or attempts to exercise any power or right in relation to the recovery of any Guaranteed Money;
- (f) QBE seeks to recover any Guaranteed Money from any other person liable to pay; or
- (g) a warranty in this deed is incorrect in any respect; or
- (h) the rate of interest applying to any judgment debt is less than that applying to the original obligation to pay Guaranteed Money in respect of which a judgment was obtained.

The Guarantor must upon demand immediately pay QBE any amount of loss, damage, cost, charge, liability or expense so indemnified.

3. INTEREST ON GUARANTEED MONEY

3.1 Subject to clause 3.2, the Guarantor must upon demand pay QBE interest calculated daily at the Applicable Rate on any money owing pursuant to this deed from the date it is demanded to the date it is paid.

3.2 The Guarantor is not required to pay interest on an amount of Guaranteed Money which, pursuant to an agreement between the Applicant and QBE, is bearing interest where that interest is itself Guaranteed Money.

4. GENERAL GUARANTEE PROVISIONS

4.1 Guarantor's obligations to continue unaffected

The obligations and liabilities of the Guarantor and the rights of QBE under this deed continue in respect of all money which is or becomes Guaranteed Money and are not affected by:

- (a) QBE granting any time, waiver or other indulgence to the Applicant, any Guarantor or another person;

- (b) QBE consenting to any scheme of arrangement or assignment for the benefit of creditors by the Applicant or compounding or compromising with or wholly or partially releasing or covenanting not to sue the Applicant or another person;
- (c) laches, acquiescence, delay, acts, omissions or mistakes by QBE or another person;
- (d) QBE taking, varying, wholly or partially discharging or otherwise dealing with or losing or impairing any security for Guaranteed Money;
- (e) any security for or obligation to pay Guaranteed Money being or becoming void, voidable or unenforceable;
- (f) any person who was intended to assume liability to pay Guaranteed Money not doing so or not doing so effectively or being discharged;
- (g) the novation, assignment, rescission, termination or variation of any contract or arrangement between QBE and the Applicant or another person;
- (h) any other transaction or arrangement between QBE and the Applicant or another person;
- (i) any change in the constitution of the Applicant including the Applicant becoming a company, partnership or sole trader;
- (j) any change in the ownership or status of any corporate Applicant or Guarantor or any change in the partners of a partnership Applicant or Guarantor;
- (k) the death, mental illness or bankruptcy of any individual Applicant or Guarantor;
- (l) the insolvency or deregistration of any corporate Applicant or Guarantor;
- (m) (where the Applicant or a Guarantor is a trustee) any breach of trust or any limitation on the trustee's indemnity or the trust assets available to satisfy the indemnity; or
- (n) anything else which might at law or in equity have the effect of prejudicing or discharging the Guarantor's liability under this deed.

4.2 Warranty as to Guarantor's understanding and validity

The Guarantor warrants to QBE that he or she:

- (a) has read and understands this deed;
- (b) understands the extent of the Applicant's current and proposed commitments to QBE; and
- (c) has obtained such legal and financial advice as he or she considers necessary to appreciate his or her legal obligations under this deed and the risks involved in giving a guarantee and indemnity in respect of the obligations of the Applicant to QBE.

5. GENERAL

5.1 Costs and stamp duty

The Guarantor must pay all QBE's legal costs and expenses in relation to this deed and any stamp or other duties payable in respect of this deed and anything done in connection with this deed.

5.2 Signing and serving of certificates, demands and notices

- 5.2.1 Any certificate, demand or notice by QBE pursuant to this deed may be signed by an officer or employee of QBE and any solicitor acting for QBE.
- 5.2.2 A certificate, demand or notice may be served by QBE on the Guarantor by being delivered or sent by registered post to the address of the Guarantor or sent by facsimile to the facsimile number of the

Guarantor. The address and facsimile numbers of the Guarantor for the purposes of this clause are those set out in item 2 of the schedule or such others as are from time to time notified in writing by the Guarantor to QBE

5.2.3 Service pursuant to this clause is taken to be effected:

- (a) where delivered, upon actual delivery;
- (b) where sent by registered post, 3 days after it is so sent; and
- (c) where sent by facsimile, on production of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient,

except where actual delivery is made or the facsimile is sent after 4.30 pm or on a day which is not a business day. In such cases, service will be deemed to have been effected at 9.00am on the immediately following business day.

5.3 Applicable law

This deed is governed by the law of New South Wales. The parties irrevocably and unconditionally submit to the non-exclusive jurisdiction of the New South Wales court system.

5.4 Interpretation

5.4.1 A reference to:

- (a) a person includes the trustee, executor or administrator of that person;
- (b) QBE includes any assignee;
- (c) a group of persons (including the Guarantor if more than 1 person) includes any one or more of them;
- (d) any thing or amount is a reference to the whole and each part of it; and
- (e) a clause or schedule is a reference to a clause of or schedule to this deed.

5.4.2 Unless the context otherwise requires, a word which denotes:

- (a) the singular includes the plural and vice versa; and
- (b) a person includes an individual, a body corporate and a government.

5.4.3 Unless the context otherwise requires, a reference to:

- (a) any legislation includes any regulation, by laws or instrument made under it and any orders or instruments having the force of law and where amended, re-enacted or replaced means that amended, re-enacted or replacement legislation; and
- (b) any deed, agreement or instrument where amended or replaced means that deed, agreement or instrument as amended or replaced.

5.5 Joint and several

Any agreement, warranty, representation or obligation which binds or benefits 2 or more persons under this deed binds or benefits those persons jointly and severally.

5.6 GST

5.6.1 All payments to be made by the Guarantor under or in connection with this deed or any transaction evidenced or contemplated by this deed have been calculated without regard to GST.

5.6.2 If all or part of any such payment is the consideration for a taxable supply for GST purposes then, when the Guarantor makes the payment:

- (a) it must pay to QBE an additional amount equal to that payment (or part) multiplied by the appropriate rate of GST (currently 10%) less any tax savings that QBE determines is required to be taken into account because of any New Tax System Changes; and
- (b) QBE must, upon written request by the Guarantor, provide to the Guarantor a tax invoice complying with the relevant GST legislation.

5.6.3 Where under this deed the Guarantor is required to reimburse or indemnify for an amount, the Guarantor will pay the relevant amount (including any sum in respect of GST) less any GST input tax credit QBE determines that it is entitled to claim in respect of that amount.

6. PROVISIONS APPLYING TO A TRUSTEE GUARANTOR

6.1 Application of clause 6

Clause 6 applies where a Guarantor has entered into this deed as trustee of a trust. References in clause 6 to the Guarantor are to each Guarantor who has entered into this deed as trustee of a trust.

6.2 Warranties relating to the Trust

The Guarantor warrants to QBE that:

- (a) a true and complete copy of the Trust Deed has been supplied to QBE's solicitors;
- (b) the Trust is validly created and subsisting and no circumstances exist pursuant to which it may be determined and no date for the vesting of any of the Trust fund has been appointed other than as may be set out in the Trust Deed;
- (c) the Guarantor is validly appointed as the only trustee of the Trust, is not in breach of its obligations as trustee and no circumstances exist pursuant to which it may be removed;
- (d) this deed and any security given over Trust assets for the Guarantor's obligations under this deed is duly executed and granted pursuant to and in proper exercise of the powers of the Guarantor as trustee of the Trust and all formalities required by the Trust Deed in connection with this deed and any such security have been complied with;
- (e) the execution and performance of this deed and any security given over Trust assets for the Guarantor's obligations under this deed is a proper purpose of the Trust and provides a valuable commercial benefit to the Trust;
- (f) the Guarantor is entitled to be fully indemnified out of the assets of the Trust in respect of its liability under this deed;
- (g) the Guarantor is the legal owner of all the assets of the Trust;
- (h) there is no dispute between the Guarantor and any other person in relation to the Trust or the Trust assets; and
- (i) there is nothing relating to the Trust which has not been disclosed to QBE and which might, if disclosed, reasonably be expected to affect QBE's decision to enter into any transaction with a Borrower or to rely on this deed.

6.3 Specific prohibitions relating to the Trust

The Guarantor must not, without QBE's consent:

- (a) cease to be the sole trustee of the Trust;
- (b) cause or permit the Trust to be determined or a vesting date to be appointed;

- (c) do or permit anything which adversely affects the Guarantor's right of indemnity against the Trust assets;
- (d) in any way vary the Trust Deed or permit it to be varied;
- (e) distribute or dispose of any Trust assets; or
- (f) delegate any powers of the Guarantor as trustee of the Trust or exercise any power of appointment.

6.4 Financial information

The Guarantor must at any time at the request of QBE provide full financial and other details of the Trust.

6.5 Guarantor's right of indemnity

Without limiting any other right QBE may have, the Guarantor assigns to QBE the Guarantor's right of indemnity against Trust assets in respect of the payment of money owing at any time pursuant to this deed.

6.6 Lender to have direct access to Trust assets

The Guarantor grants QBE direct access and recourse to the Trust assets to satisfy the Guarantor's obligations under this deed. This right is separate and independent to QBE's other rights including, without limitation, its right under clause 6.4.

6.7 New trustees

The Guarantor must procure that any person who becomes a trustee of the Trust (whether in replacement of or in addition to the Guarantor) enters into a deed with QBE whereby it agrees to perform the obligations of the Guarantor under this deed.

6.8 Guarantor's liability unlimited

The Guarantor's liability pursuant to this deed is not limited or otherwise affected by the Guarantor being trustee of the Trust, by the extent of the Guarantor's ability to indemnify itself out of the assets of the Trust or by any right granted to QBE in respect of Trust assets.

6.9 Terms in this clause

In this clause 6:

Trust means the trust named in item 4 of the Schedule.

Trust Deed means the deed of trust described in item 5 of the Schedule.

Section 4

Please read carefully before you sign. Each Applicant must sign.

1. Giving information to a Credit Reporting Agency (Section 1, 8E(8)(c) Privacy Act 1988)

QBE has informed me that it may give certain personal information about me to a credit-reporting agency.

2. Access to Commercial Credit Information (Section 18L(4) Privacy Act 1988)

I/We agree that QBE may obtain information about me/us from a business, which provides information about the commercial creditworthiness of persons for the purpose of assessing my/our application for commercial credit.

3. Access to Consumer Credit Information (Section 18K(1)(b) Privacy Act 1988)

I/We agree that QBE may obtain a consumer credit report containing information about me from a credit reporting agency for the purpose of assessing my/our application for consumer credit.

4. Exchange of Credit Worthiness information (Section 18N, Privacy Act 1988)

I/We agree that QBE may exchange information with those credit providers named in this application or named in a consumer credit report issued by a credit-reporting agency for the following purposes;

- to assess an application by me/us for credit
- to notify other credit providers of a default by me/us
- to exchange information with other credit providers as to the status of this credit facility when I am in default with other credit providers
- to assess my/our credit worthiness.

5. Agreement to a credit provider being given a consumer credit report by a credit reporting agency to assess a guarantor (Section 18K 1 (c) Privacy Act 1988)

I/We agree the QBE may obtain from a credit reporting agency a consumer credit report containing information about me/us for the purpose of assessing whether to accept me/us as a guarantor for credit applied for by, or provided to, the applicant(s) [named in agreement]. I/we agree that this agreement commences from the date of this agreement and continues until the credit covered by the application ceases.

I/We understand that the information exchanged can include anything about my/our credit worthiness, credit standing, credit history or credit capacity that credit providers are allowed to exchange under the Privacy Act.

6. Agreement to a credit provider disclosing a report including a consumer credit report to potential or existing guarantor (Section 18K (1) Privacy Act 1988)

I/we agree that QBE may give to a person who is currently a guarantor, or whom I/we indicated is considering becoming a guarantor, a credit report containing information about me/us for the purpose of the guarantor deciding whether to act as a guarantor or to keep the guarantor informed about the guarantee. I/we understand that the information disclosed can include anything about my/our credit worthiness, credit standing, credit history or credit capacity that credit providers are allowed to disclose under the Privacy Act, and includes a credit report.

SCHEDULE

Date	Date	
Name of Guarantor	Name of Guarantor	
Signature of the Guarantor	Signature of the Guarantor	
In the presence of (Name of Witness)	In the presence of (Name of Witness)	
Signature of Witness	Signature of Witness	
Address of Witness		Postcode
Name of Applicant		
Name of Trust (if applicable):		
Trust Deed: If applicable, please attach/provide a full copy		