
2. Deposit Bond

2.1 Application of Special Condition 2

This Special Condition 2 applies if the Seller has approved the use by the Buyer of a Deposit Bond.

2.2 Amendments to Printed Terms for Special Condition 2

The Printed Terms apply to this Special Condition 2, however are amended as follows:

- (a) clauses 2.1 to 2.4 (inclusive) are deleted.

2.3 Delivery of Deposit Bond

The delivery of the Deposit Bond, upon or before the making of this Contract, to the Seller, to the extent of the amount guaranteed under the Deposit Bond, comprises payment of the Deposit in accordance with this Contract.

2.4 Payment to Seller

The Buyer must pay to the Seller, in addition to all other monies payable under this Contract (however it is noted that the payment will comprise part payment of the Deposit), the amount guaranteed under the Deposit Bond by unendorsed bank cheque, on the earlier of:

- (a) Completion;
- (b) termination of this Contract by the Seller for Buyer default;
- (c) within 24 hours of the Seller serving on the Buyer a notice in writing claiming the Buyer forfeits the Deposit; and
- (d) any other date that the Deposit is due to be paid, is payable, or is forfeited to, the Seller.

2.5 Replacement of Deposit Bond

In the event that Completion has not occurred and the Deposit Bond has an expiration date that is less than 30 days, the Buyer must either:

- (a) replace the Deposit Bond with another deposit bond in a form approved in writing by the Seller before expiration of the Deposit Bond; or
- (b) pay the amount guaranteed under the Deposit Bond by unendorsed bank cheque before expiration of the Deposit Bond.

2.6 Payment to Stakeholder

- (a) In the event that:
 - (i) the Buyer fails to comply with its obligations under Special Condition 2.5;
 - (ii) in the Seller's opinion, the provider of, or insurer under, the Deposit Bond, is unable to pay the amount referred to in the Bond; or
 - (iii) the provider of, or insurer under, the Deposit Bond is placed under external administration or is insolvent;

then the Buyer must, within 24 hours of the above event occurring, pay the Deposit (or so much of it as has not already been paid by unendorsed bank cheque) to the Stakeholder, by unendorsed bank cheque.

2.7 Call Upon Deposit Bond

- (a) If the Buyer fails to comply with its obligations under Special Condition 2.4, 2.5 or 2.6, then the Seller is entitled to:

- (i) immediately terminate this Contract by notice in writing (if not terminated already); and/or
 - (ii) call upon the provider of, or insurer under, the Deposit Bond for payment to the Seller of the amount guaranteed under the Deposit Bond; and/or
 - (iii) claim the Deposit from the Buyer.
- (b) It is agreed and acknowledged that the Seller is not required to call upon the provider of, or insurer under, the Deposit Bond for payment of the Deposit in the first instance, or before claiming the Deposit from the Buyer.
- (c) Any payment by the provider of, or insurer under, the Deposit Bond, to the Seller, shall comprise (to the extent of the payment made by the provider or insurer) payment of the Deposit.

2.8 Timing of the Essence

Timing is of the essence for the purposes of this Special Condition 2.