CONTRACT OF SALE OF REAL ESTATE

Part 1 of the standard form of contract prescribed by the Estate Agents (Contracts) Regulations 2008

IMPORTANT NOTICE TO PURCHASERS

Cooling-off period (Section 31 **Sale of Land Act 1962**)

You may end this contract within 3 clear business days of the day that your sign the contract if none of the exceptions listed below applies to you.

You must either give the vendor or the vendor's agent **written** notice that you are ending the contract or leave the notice at the address of the vendor or the vendor's agent to end this contract within this time in accordance with this cooling-off provision.

You are entitled to a refund of all the money you paid EXCEPT for $100 or 0.2% of the purchase price (whichever is more) if you end the contract in this way.

EXCEPTIONS The 3-day cooling-off period does not apply if:

- you bought the property at or within 3 clear business days **before or after** a publicly advertised auction;
- you received independent advice from a legal practitioner before signing the contract;
- the property is used mainly for industrial or commercial purposes;
- the property is more than 20 hectares in size and is used mainly for farming;
- you and the vendor previously signed a similar contract for the same property; or
- you are an estate agent or a corporate body.

SIGNING OF THIS CONTRACT

The authority of a person signing:

- under power of attorney; or
- as director of a corporation; or
- as agent authorised in writing by one of the parties

must be noted beneath the signature.

Any person whose signature is secured by an estate agent acknowledges being given by the agent at the time of signing a copy of this contract comprising:

- Part 1 (Contract of Sale of Real Estate—Particulars of Sale);
- Special Conditions, if any;
- Part 2 (Contract of Sale of Real Estate—General Conditions); and
- Vendor's Statement.

SIGNED BY THE PURCHASER ..... on ...../...../20

Print name of person signing:

State nature of authority if applicable (e.g. 'director', "attorney under power of attorney") .....

This offer will lapse unless accepted within [ ] clear business days (3 business days if none specified).

SIGNED BY THE VENDOR..... on ...../...../20

Print name of person signing REECE KEITH MCNALLY AND JARROD GRAEME MCNALLY

State nature of authority if applicable (e.g. 'director', "attorney under power of attorney") .....

The **DAY OF SALE** is the date by which both parties have signed this contract.

The vendor sells and the purchaser buys the property, being the land and the goods, for the price and on the conditions set out in this contract.

The terms of this contract are contained in the:

* Particulars of sale;
* Special conditions, if any;
* General conditions; and
* Vendor's Statement

and in that order of priority.

The Vendor's Statement required by section 32(1) of the **Sale of Land Act 1962** is attached to and forms part of this contract. The parties should ensure that when they sign the contract they receive a copy of the Vendor's Statement, the general conditions and any special conditions.

PARTICULARS OF SALE

VENDORS AGENT:

Collie & Tierney Real Estate
67 Lime Avenue, Mildura, VIC 3500
Telephone: 50212200

VENDOR: **REECE KEITH MCNALLY AND JARROD GRAEME MCNALLY**
of 2 Henrys Run Drive, Mildura, VIC 3500

VENDOR'S CONVEYANCER:

Allstate Conveyancing Services Pty. Ltd.
170 Eighth Street, Mildura, Vic, 3500
Telephone: 03 50235355 Fax: 03 50235653 Ref: SAH:LP

PURCHASER:

of

PURCHASER' REPRESENTATIVE:

Telephone: Fax: Ref:

PROPERTY ADDRESS: **110 Hawthorn Grove, Mildura 3500**

LAND:

The land is described in the attached copy title (s) and plan (s) as:
Lot 3 on Plan of Subdivision No. LP 20095 being all that piece of land more particularly described in Certificate of Title Volume 7772 Folio 153 and includes all improvements and fixtures.

GOODS: **All Light Fittings, Window Furnishings and Fixed Floor Coverings as inspected.**

PAYMENT:

Purchase Price:	**$**	
Deposit:	**$**	**Payable on the signing hereof**
Balance:	**$**	**Payable at settlement**

GST (refer to general condition 13)
The price includes GST (if any) unless the words '**plus GST**' appear in this box:

If this is a sale of a 'farming business' or 'going concern' then add the words '**farming business**' or '**going concern**' in this box:

If the margin scheme will be used to calculate GST then add the words '**margin scheme**' in this box:

SETTLEMENT:

At settlement the purchaser is entitled to vacant possession of the property unless the words '**subject to lease**' appear in this box:

in which case refer to general condition 1.1.

If '**subject to lease**' then particulars of the lease are:

If this contract is intended to be a terms contract within the meaning of the **Sale of Land Act 1962** then add the words '**terms contract**' in this box, and refer to general condition 23 and add any further provisions by way of special conditions:

ENCUMBRANCES
This sale is NOT subject to an existing mortgage unless the words '**subject to existing mortgage**' appear in this box:

If the sale is '**subject to existing mortgage**' then particulars of the mortgage are:

SPECIAL CONDITIONS
This contract does not include any special conditions unless the words 'special conditions' appear in this box:

Special conditions

LOAN (refer to general condition 14)

The following details apply if this contract is subject to a loan being approved:

Lender:

Loan amount: $

Approval date:

The following Guarantee shall be executed by each person who executed this Contract for and on behalf of the Purchaser (if not the same person) and by each Director of the Purchaser (if the Purchaser is a Corporation):

GUARANTEE and INDEMNITY

I/We, ... of .....

and ..... of .....

being the **Sole Director / Directors** of ..... ACN .....
(hereinafter called the "Guarantors") IN CONSIDERATION of the within-named Vendor selling to the within-named Purchaser at our request the Land described in the within Contract of Sale for the price and upon the terms and conditions contained therein DO HEREBY for ourselves and our respective executors and administrators JOINTLY AND SEVERALLY COVENANT with the said Vendor and their assigns that if at any time default shall be made in payment of the Deposit Money or residue of Purchase Money or interest or any other moneys payable by the Purchaser to the Vendor under the within Contract or in the performance or observance of any term or condition of the within Contract to be preformed or observed by the Purchaser I/we will forthwith on demand by the Vendor pay to the Vendor the whole of the Deposit Money, residue of Purchase Money, interest or other moneys which shall then be due and payable to the Vendor and hereby indemnify and agree to keep the Vendor indemnified against all loss of Deposit Money, residue of Purchase Money, interest and other moneys payable under the within Contract and all losses, costs, charges and expenses whatsoever which the Vendor may incur by reason of any default on the part of the Purchaser. This Guarantee shall be a continuing Guarantee and Indemnity and shall not be released by:-

(a) any neglect or forbearance on the part of the Vendor in enforcing payment of any of the moneys payable under the within Contract;

(b) the performance or observance of any of the agreements, obligations or conditions under the within Contract;

(c) by time given to the Purchaser for any such payment performance or observance;

(d) by reason of the Vendor assigning his, her or their rights under the said Contract; and

(e) by any other thing which under the law relating to sureties would but for this provision have the effect of releasing me/us, my/our executors or administrators.

IN WITNESS whereof the parties hereto have set their hands and seals

this ..... day of ..... 20.....

SIGNED SEALED AND DELIVERED by the said)
)
Print Name.....) .....
in the presence of:) Director (Sign)
)
Witness.....)

SIGNED SEALED AND DELIVERED by the said)
)
Print Name.....) .....
in the presence of:) Director (Sign)
)
Witness.....)

CONTRACT OF SALE OF REAL ESTATE—GENERAL CONDITIONS

TITLE

1. Encumbrances

1.1 The purchaser buys the property subject to:
- (a) any encumbrance shown in the Section 32 Statement other than mortgages or caveats; and
- (b) any reservations in the crown grant; and
- (c) any lease referred to in the particulars of sale.

1.2 The purchaser indemnifies the vendor against all obligations under any lease that are to be performed by the landlord after settlement.

1.3 In this General Condition "Section 32 Statement" means a Statement required to be given by a vendor under Section 32 of the **Sale of Land Act 1962** in accordance with Division 2 of Part II of that Act.

2. Vendor warranties

2.1 The warranties in general conditions 2.2 and 2.3 replace the purchaser's right to make requisitions and inquiries.

2.2 The vendor warrants that the vendor:
- (a) has, or by the due date for settlement will have, the right to sell the land; and
- (b) is under no legal disability; and
- (c) is in possession of the land, either personally or through a tenant; and
- (d) has not previously sold or granted any option to purchase, agreed to a lease or granted a pre-emptive right which is current over the land and which gives another party rights which have priority over the interest of the purchaser; and
- (e) will at settlement be the holder of an unencumbered estate in fee simple in the land; and
- (f) will at settlement be the unencumbered owner of any improvements, fixtures, fittings and goods sold with the land.

2.3 The vendor further warrants that the vendor has no knowledge of any of the following:
- (a) public rights of way over the land;
- (b) easements over the land;
- (c) lease or other possessory agreement affecting the land;
- (d) notice or order affecting the land which will not be dealt with at settlement, other than the usual rate notices and any land tax notices;
- (e) legal proceedings which would render the sale of the land void or voidable or capable of being set aside.

2.4 The warranties in general conditions 2.2 and 2.3 are subject to any contrary provisions in this contract and disclosures in the Section 32 Statement required to be given by a vendor under Section 32 of the **Sale of Land Act 1962** in accordance with Division 2 of Part II of that Act.

2.5 If sections 137B and 137C of the **Building Act 1993** apply to this contract, the vendor warrants that:
- (a) all domestic building work carried out in relation to the construction by or on behalf of the vendor of the home was carried out in a proper and workmanlike manner; and
- (b) all materials used in that domestic building work were good and suitable for the purpose for which they were used and that, unless otherwise stated in the contract, those materials were new; and
- (c) domestic building work was carried out in accordance with all laws and legal requirements, including, without limiting the generality of this warranty, the **Building Act 1993** and regulations made under the **Building Act 1993**.

2.6 Words and phrases used in general condition 2.5 which are defined in the **Building Act 1993** have the same meaning in general condition 2.5.

3. Identity of the land

3.1 An omission or mistake in the description of the property or any deficiency in the area, description or, measurements of the land does not invalidate the sale.

3.2 The purchaser may not:
- (a) make any objection or claim for compensation for any alleged misdescription of the property or any deficiency in its area or measurements; or
- (b) require the vendor to amend title or pay any cost of amending title.

4. Services

4.1 The vendor does not represent that the services are adequate for the purchaser's proposed use of the property and the vendor advises the purchaser to make appropriate inquiries. The condition of the services may change between the day of sale and settlement and the vendor does not promise that the services will be in the same condition at settlement as they were on the day of sale.

4.2 The purchaser is responsible for the connection of all services to the property after settlement and the payment of any associated cost.

5. Consents

The vendor must obtain any necessary consent or licence required for the sale. The contract will be at an end and all money paid must be refunded if any necessary consent or licence is not obtained by settlement.

6. Transfer

The transfer of land document must be prepared by the purchaser and delivered to the vendor at least 10 days before settlement. The delivery of the transfer of land document is not acceptance of title. Preparation and delivery of the document can be either in paper form or electronic format via an Electronic Lodgment Network Operator

7. Duties Online Settlement Statement

The vendor will initiate the preparation of a Duties Online Settlement Statement (DOLSS) as soon as practicable after the Contract Date and will provide the purchaser with online access to that document at least 10 days before settlement. The purchaser will sign the DOLSS no later than 7 days prior to settlement.

8. Release of Security Interest

8.1 This general condition applies if any part of the property is subject to a security interest to which the **Personal Property Securities Act 2009 (Cth)** applies.

8.2 For the purposes of enabling the purchaser to search the Personal Property Securities Register for any security interests affecting any personal property for which the purchaser may be entitled to a release, statement, approval or correction in accordance with general condition 8.4, the purchaser may request the vendor to provide the vendor's date of birth to the purchaser. The vendor must comply with a request made by the purchaser under this condition if the purchaser makes the request at least 21 days before the due date for settlement.

8.3 If the purchaser is given the details of the vendor's date of birth under condition 8.2, the purchaser must –

(a) Only use the vendor's date of birth for the purposes specified in condition 8.2; and

(b) Keep the date of birth of the vendor secure and confidential.

8.4 The vendor must ensure that at or before settlement, the purchaser receives –

(a) a release from the secured party releasing the property from the security interest; or

(b) a statement in writing in accordance with section 275(1)(b) of the **Personal Property Securities Act 2009 (Cth)** setting out that the amount or obligation that is secured is nil at settlement; or

(c) a written approval or correction in accordance with section 275(1)(c) of the **Personal Property Securities Act 2009 (Cth)** indicating that, on settlement, the personal property included in the contract is not or will not be property in which the security interest is granted.

8.5 Subject to general condition 8.6, the vendor is not obliged to ensure that the purchaser receives a release, statement, approval or correction in respect of personal property –

(a) that -

(i) the purchaser intends to use predominantly for personal, domestic or household purposes; and

(ii) has a market value of not more than $5000 or, if a greater amount has been prescribed for the purposes of section 47(1) of the **Personal Property Securities Act 2009 (Cth),** not more than that prescribed amount; or

(b) that is sold in the ordinary course of the vendor's business of selling personal property of that kind.

8.6 The vendor is obliged to ensure that the purchaser receives a release, statement, approval or correction in respect of personal property described in general condition 8.5 if –
(a) the personal property is of a kind that may or must be described by serial number in the Personal Property Securities Register; or
(b) the purchaser has actual or constructive knowledge that the sale constitutes a breach of the security agreement that provides for the security interest.

8.7 A release for the purposes of general condition 8.4(a) must be in writing.

8.8 A release for the purposes of general condition 8.4(a) must be effective in releasing the goods from the security interest and be in a form which allows the purchaser to take title to the goods free of that security interest.

8.9 If the purchaser receives a release under general condition 8.4(a) the purchaser must provide the vendor with a copy of the release at or as soon as practicable after settlement.

8.10 In addition to ensuring that a release is received under general condition 8.4(a), the vendor must ensure that at or before settlement the purchaser receives a written undertaking from a secured party to register a financing change statement to reflect that release if the property being released includes goods of a kind that are described by serial number in the Personal Property Securities Register.

8.11 The purchaser must advise the vendor of any security interest that is registered on or before the day of sale on the Personal Properties Security Register, which the purchaser reasonably requires to be released, at least 21 days before the due date for settlement.

8.12 The vendor may delay settlement until 21 days after the purchaser advises the vendor of the security interests that the purchaser reasonably requires to be released if the purchaser does not provide an advice under general condition 8.11.

8.13 If settlement is delayed under general condition 8.12 the purchaser must pay the vendor –
(a) interest from the due date for settlement until the date on which settlement occurs or 21 days after the vendor receives the advice, whichever is the earlier; and
(b) any reasonable costs incurred by the vendor as a result of the delay -
as though the purchaser was in default.

8.14 The vendor is not required to ensure that the purchaser receives a release in respect of the land. This general condition 8.14 applies despite general condition 8.1.

8.15 Words and phrases which are defined in the **Personal Property Securities Act 2009 (Cth)** have the same meaning in general condition 8 unless the context requires otherwise.

9. Builder warranty insurance

The vendor warrants that the vendor will provide at settlement details of any current builder warranty insurance in the vendor's possession relating to the property if requested in writing to do so at least 21 days before settlement.

10. Settlement

10.1 At settlement:
(a) the purchaser must pay the balance; and
(b) the vendor must:
(i) do all things necessary to enable the purchaser to become the registered proprietor of the land; and
(ii) give either vacant possession or receipt of rents and profits in accordance with the particulars of sale.

10.2 The vendor's obligations under this general condition continue after settlement.

10.3 Settlement must be conducted between the hours of 10.00 a.m. and 4.00 p.m. unless the parties agree otherwise.

11. Payment

11.1 The purchaser must pay the deposit:
(a) to the vendor's licensed estate agent; or
(b) if there is no estate agent, to the vendor's legal practitioner or conveyancer; or
(c) if the vendor directs, into a special purpose account in an authorised deposit-taking institution in Victoria specified by the vendor in the joint names of the purchaser and the vendor.

11.2 If the land sold is a lot on an unregistered plan of subdivision, the deposit:
(a) must not exceed 10% of the price; and
(b) must be paid to the vendor's estate agent, legal practitioner or conveyancer and held by the estate agent, legal practitioner or conveyancer on trust for the purchaser until the registration of the plan of subdivision.

11.3 The purchaser must pay all money other than the deposit:
(a) to the vendor, or the vendor's legal practitioner or conveyancer; or
(b) in accordance with a written direction of the vendor or the vendor's legal practitioner or conveyancer.

11.4 At settlement, payments may be made or tendered:
(a) up to $1,000 in cash; or
(b) by cheque drawn on an authorised deposit-taking institution; or
(c) by electronically transferring the payment in the form of cleared funds.

However, unless otherwise agreed:
(d) payment may not be made by credit card, debit card or any other financial transfer system that allows for any chargeback or funds reversal other than for fraud or mistaken payment; and
(e) any financial fees or deductions from the funds transferred, other than any fees charged by the recipient's authorized deposit-taking institution, must be paid by the remitter.

11.5 For the purpose of this general condition 'authorised deposit-taking institution' means a body corporate in relation to which an authority under section 9(3) of the **Banking Act 1959 (Cth)** is in force.

11.6 The purchaser must pay the fees on up to three bank cheques drawn on an authorized deposit-taking institution. If the vendor requests that any additional cheques be drawn on an authorized deposit-taking institution the vendor must reimburse the purchaser for the fees incurred.

12. Stakeholding

12.1 The deposit must be released to the vendor if:
(a) the vendor provides particulars, to the reasonable satisfaction of the purchaser, that either—
(i) there are no debts secured against the property; or
(ii) if there are any debts, the total amount of those debts does not exceed 80% of the sale price; and
(b) at least 28 days have elapsed since the particulars were given to the purchaser under paragraph (a); and
(c) all conditions of S27 of the **Sale of Land Act 1962 ("the Act")** have been satisfied.

12.2 The stakeholder must pay the deposit and any interest to the party entitled when the deposit is released, the contract is settled, or the contract is ended.

12.3 The stakeholder may pay the deposit and any interest into court if it is reasonable to do so.

12.4 Where the purchaser is deemed by Section 27(7) of the Sale of Land Act 1962 to have given the deposit release authorization referred to in Section 27(1) of the Act, the purchaser is also deemed to have accepted title in the absence of any prior objection to title.

13. GST

13.1 The purchaser does not have to pay the vendor any GST payable by the vendor in respect of a taxable supply made under this contract in addition to the price unless the particulars of sale specify that the price is 'plus GST'.
However, the purchaser must pay to the vendor any GST payable by the vendor:
(a) solely as a result of any action taken or intended to be taken by the purchaser after the day of sale, including a change of use; or
(b) if the particulars of sale specify that the supply made under this contract is of land on which a farming business is carried on and the supply does not satisfy the requirements of section 38-480 of the GST Act; or
(c) if the particulars of sale specify that the supply made under this contract is a going concern and the supply does not satisfy the requirements of section 38-325 of the GST Act.

13.2 The purchaser must pay to the vendor any GST payable by the vendor in respect of a taxable supply made under this contract in addition to the price if the particulars of sale specify that the price is 'plus GST'.

13.3 If the purchaser is liable to pay GST, the purchaser is not required to make payment until provided with a tax invoice, unless the margin scheme applies.

13.4 If the particulars of sale specify that the supply made under this contract is of land on which a farming business is carried on:
(a) the vendor warrants that the property is land on which a farming business has been carried on for the period of 5 years preceding the date of supply; and
(b) the purchaser warrants that the purchaser intends that a farming business will be carried on after settlement on the property.

13.5 If the particulars of sale specify that the supply made under this contract is a 'going concern':
(a) the parties agree that this contract is for the supply of a going concern; and
(b) the purchaser warrants that the purchaser is, or prior to settlement will be, registered for GST; and
(c) the vendor warrants that the vendor will carry on the going concern until the date of supply.

13.6 If the particulars of sale specify that the supply made under this contract is a 'margin scheme' supply, the parties agree that the margin scheme applies to this contract.

13.7 This general condition will not merge on either settlement or registration.

13.8 In this general condition:
(a) 'GST Act' means **A New Tax System (Goods and Services Tax) Act 1999 (Cth)**; and
(b) 'GST' includes penalties and interest.

14. Loan

14.1 If the particulars of sale specify that this contract is subject to a loan being approved, this contract is subject to the lender approving the loan on the security of the property by the approval date or any later date allowed by the vendor.

14.2 The purchaser may end the contract if the loan is not approved by the approval date, but only if the purchaser:
(a) immediately applied for the loan; and
(b) did everything reasonably required to obtain approval of the loan; and
(c) serves written notice ending the contract on the vendor within 2 clear business days after the approval date or any later date allowed by the vendor; and
(d) is not in default under any other condition of this contract when the notice is given.

14.3 All money must be immediately refunded to the purchaser if the contract is ended.

15. Adjustments

15.1 All periodic outgoings payable by the vendor, and any rent and other income received in respect of the property must be apportioned between the parties on the settlement date and any adjustments paid and received as appropriate.

15.2 The periodic outgoings and rent and other income must be apportioned on the following basis:
(a) the vendor is liable for the periodic outgoings and entitled to the rent and other income up to and including the day of settlement; and
(b) the land is treated as the only land of which the vendor is owner (as defined in the **Land Tax Act 2005**); and
(c) the vendor is taken to own the land as a resident Australian beneficial owner; and
(d) any personal statutory benefit available to each party is disregarded in calculating apportionment.

TRANSACTIONAL

16. Time

16.1 Time is of the essence of this contract.

16.2 Time is extended until the next business day if the time for performing any action falls on a Saturday, Sunday or bank holiday.

17. Service

17.1 Any document sent by –
(a) express post is taken to have been served on the next business day after posting, unless proven otherwise;
(b) registered post is taken to have been served on the fourth business day after posting, unless proven otherwise;
(c) regular post is taken to have been served on the sixth business day after posting, unless proven otherwise;
(d) email is taken to have been served at the time of receipt within the meaning of section 13A of the *Electronic Transactions (Victoria) Act* 2000.

17.2 Any demand, notice, or document required to be served by or on any party may be served by or on the legal practitioner or conveyancer for that party. It is sufficiently served if served on the party or on the legal practitioner or conveyancer:
(a) personally; or
(b) by pre-paid post; or
(c) in any manner authorised by law or the Supreme Court for service of documents, including any manner authorized for service on or by a legal practitioner.
(d) by email

17.3 This general condition applies to the service of any demand, notice or document by or on any party, whether the expression 'give' or 'serve' or any other expression is used.

18. Nominee

The purchaser may nominate a substitute or additional transferee, but the named purchaser remains personally liable for the due performance of all the purchaser's obligations under this contract.

19. Liability of signatory

Any signatory for a proprietary limited company purchaser is personally liable for the due performance of the purchaser's obligations as if the signatory were the purchaser in the case of a default by a proprietary limited company purchaser.

20. Guarantee

The vendor may require one or more directors of the purchaser to guarantee the purchaser's performance of this contract if the purchaser is a proprietary limited company.

21. Notices

The purchaser is responsible for any notice, order, demand or levy imposing liability on the property that is issued or made on or after the day of sale that does not relate to periodic outgoings. The purchaser may enter the property to comply with that responsibility where action is required before settlement.

22. Inspection

The purchaser and/or another person authorised by the purchaser may inspect the property at any reasonable time during the 7 days preceding and including the settlement day.

23. Terms contract

23.1 If this is a 'terms contract' as defined in the **Sale of Land Act 1962**:

(a) any mortgage affecting the land sold must be discharged as to that land before the purchaser becomes entitled to possession or to the receipt of rents and profits unless the vendor satisfies section29M of the **Sale of Land Act 1962**; and

(b) the deposit and all other money payable under the contract (other than any money payable in excess of the amount required to so discharge the mortgage) must be paid to a legal practitioner or conveyancer or a licensed estate agent to be applied in or towards discharging the mortgage.

23.2 While any money remains owing each of the following applies:

(a) the purchaser must maintain full damage and destruction insurance of the property and public risk insurance noting all parties having an insurable interest with an insurer approved in writing by the vendor;

(b) the purchaser must deliver copies of the signed insurance application forms, the policies and the insurance receipts to the vendor not less than 10 days before taking possession of the property or becoming entitled to receipt of the rents and profits;

(c) the purchaser must deliver copies of any amendments to the policies and the insurance receipts on each amendment or renewal as evidence of the status of the policies from time to time;

(d) the vendor may pay any renewal premiums or take out the insurance if the purchaser fails to meet these obligations;

(e) insurance costs paid by the vendor under paragraph (d) must be refunded by the purchaser on demand without affecting the vendor's other rights under this contract;

(f) the purchaser must maintain and operate the property in good repair (fair wear and tear excepted) and keep the property safe, lawful, structurally sound, weatherproof and free from contaminations and dangerous substances;

(g) the property must not be altered in any way without the written consent of the vendor which must not be unreasonably refused or delayed;

(h) the purchaser must observe all obligations that affect owners or occupiers of land;

(i) the vendor and/or other person authorised by the vendor may enter the property at any reasonable time to inspect it on giving 7 days written notice, but not more than twice in a year.

24. Loss or damage before settlement

24.1 The vendor carries the risk of loss or damage to the property until settlement.

24.2 The vendor must deliver the property to the purchaser at settlement in the same condition it was in on the day of sale, except for fair wear and tear.

24.3 The purchaser must not delay settlement because one or more of the goods is not in the condition required by general condition 24.2, but may claim compensation from the vendor after settlement.

24.4 The purchaser may nominate an amount not exceeding $5,000 to be held by a stakeholder to be appointed by the parties if the property is not in the condition required by general condition 24.2 at settlement.

24.5 The nominated amount may be deducted from the amount due to the vendor at settlement and paid to the stakeholder, but only if the purchaser also pays an amount equal to the nominated amount to the stakeholder.

24.6 The stakeholder must pay the amounts referred to in general condition 24.5 in accordance with the determination of the dispute, including any order for payment of the costs of the resolution of the dispute.

25. Breach

A party who breaches this contract must pay to the other party on demand:

(a) compensation for any reasonably foreseeable loss to the other party resulting from the breach; and

(b) any interest due under this contract as a result of the breach.

DEFAULT

26. Interest

Interest at a rate of 2% per annum plus the rate for the time being fixed by section 2 of the **Penalty Interest Rates Act 1983** is payable on any money owing under the contract during the period of default, without affecting any other rights of the offended party.

27. Default notice

27.1 A party is not entitled to exercise any rights arising from the other party's default, other than the right to receive interest and the right to sue for money owing, until the other party is given and fails to comply with a written default notice.

27.2 The default notice must:

(a) specify the particulars of the default; and

(b) state that it is the offended party's intention to exercise the rights arising from the default unless, within 14 days of the notice being given—

(i) the default is remedied; and

(ii) the reasonable costs incurred as a result of the default and any interest payable are paid.

28. Default not remedied

28.1 All unpaid money under the contract becomes immediately payable to the vendor if the default has been made by the purchaser and is not remedied and the costs and interest are not paid.

28.2 The contract immediately ends if:

(a) the default notice also states that unless the default is remedied and the reasonable costs and interest are paid, the contract will be ended in accordance with this general condition; and

(b) the default is not remedied and the reasonable costs and interest are not paid by the end of the period of the default notice.

28.3 If the contract ends by a default notice given by the purchaser:

(a) the purchaser must be repaid any money paid under the contract and be paid any interest and reasonable costs payable under the contract; and

(b) all those amounts are a charge on the land until payment; and

(c) the purchaser may also recover any loss otherwise recoverable.

28.4 If the contract ends by a default notice given by the vendor:

(a) the deposit up to 10% of the price is forfeited to the vendor as the vendor's absolute property, whether the deposit has been paid or not; and

(b) the vendor is entitled to possession of the property; and

(c) in addition to any other remedy, the vendor may within one year of the contract ending either:

(i) retain the property and sue for damages for breach of contract; or

(ii) resell the property in any manner and recover any deficiency in the price on the resale and any resulting expenses by way of liquidated damages; and

(d) the vendor may retain any part of the price paid until the vendor's damages have been determined and may apply that money towards those damages; and

(e) any determination of the vendor's damages must take into account the amount forfeited to the vendor.

28.5 The ending of the contract does not affect the rights of the offended party as a consequence of the default.

SPECIAL CONDITIONS:

1. **Whole Agreement:**
The Purchaser acknowledges that no information, representation, comment, opinion or warranty by the Vendor or the Vendors' agent was supplied or made with the intention or knowledge that it would be relied upon by the Purchaser and no information, representation comment, opinion or warranty has in fact been so relied upon and that there are no conditions, warranties or other terms affecting this sale other than those embodied in this Contract;

2. **Representation and Warranty as to Building:**
The Purchaser acknowledges that the Vendor has not, nor has anyone on the Vendor's behalf, made any representation or warranty as to the fitness for any particular purpose or otherwise of the property or that any structures comply with the current or any building regulations and the Purchaser expressly releases the Vendor and/or the Vendor's agent from any claims demands in respect thereof.

3. **Planning:**
The property is sold subject to any restriction as to user imposed by law or by an authority with power under any legislation to control the use of land. Any such restriction shall not constitute a defect in title or a matter of Title or effect the validity of this Contract and the Purchaser shall not make any requisition or objection or claim or be entitled to compensation or damages from the Vendor in respect thereof.

4. **Director's Guarantee and Warranty:**
In the event that the Purchaser is a corporate entity then the Director/s signing on behalf of the Corporate Purchaser shall execute the Contract and shall warrant that same is done lawfully in accordance with the Articles of Association of the Purchaser Company and further shall cause either the Sole Director or at least two Directors of the Purchaser Company to execute the form of Guarantee and Indemnity annexed hereto.

5. **Auction:**
The property is offered for sale by public auction, subject to the Vendor's reserve price. The Rules for the conduct of the auction shall be as set out in Schedule 1 of the Sale of Land Regulations 2005 or any rules prescribed by regulation which modify or replace those Rules.

6. **Foreign Acquisition**
The Purchaser warrants that in the event that he or she is a person as defined by the *Foreign Acquisitions & Takeovers Act* 1975 all requirements of the Act have been observed and that any loss occasioned by a breach of such warranty shall form the basis of damages recoverable from the Purchaser.

7. **Foreign resident capital gains withholding**
   - 7.1 Words defined or used in Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953 (Cth)* have the same meaning in this special condition unless the context requires otherwise.
   - 7.2 Every vendor under this contract is a foreign resident for the purposes of this special condition unless the vendor gives the purchaser a clearance certificate issued by the Commissioner under section 14-220 (1) of Schedule 1 to the *Taxation Administration Act 1953 (Cth)*. The specified period in the clearance certificate must include the actual date of settlement.
   - 7.3 This special condition only applies if the purchaser is required to pay the Commissioner an amount in accordance with section 14-200(3) or section 14-235 of Schedule 1 to the *Taxation Administration Act 1953 (Cth)* ("the amount") because one or more of the vendors is a foreign resident, the property has or will have a market value of $750,000 or more just after the transaction, and the transaction is not excluded under section 14-215(1)(a) of Schedule 1 to the *Taxation Administration Act 1953 (Cth)*.

7.4 The amount is to be deducted from the vendor's entitlement to the contract consideration. The vendor must pay to the purchaser at settlement such part of the amount as is represented by non-monetary consideration.

7.5 The purchaser must:

(a) engage a legal practitioner or conveyancer ("representative") to conduct all the legal aspects of settlement, including the performance of the purchaser's obligations under the legislation and this special condition; and

(b) ensure that the representative does so.

7.6 The terms of the representative's engagement are taken to include instructions to have regard to the vendor's interests and instructions that the representative must:

(a) pay, or ensure payment of, the amount to the Commissioner in the manner required by the Commissioner and as soon as reasonably and practicably possible, from moneys under the control or direction of the representative in accordance with this special condition if the sale of the property settles;

(b) promptly provide the vendor with proof of payment; and

(c) otherwise comply, or ensure compliance with, this special condition; despite:

(d) any contrary instructions, other than from both the purchaser and the vendor; and

(e) any other provision in this contract to the contrary.

7.7 The representative is taken to have complied with the obligations in special condition 6.6 if:

(a) the settlement is conducted through the electronic conveyancing system operated by Property Exchange Australia Ltd or any other electronic conveyancing system agreed by the parties; and

(b) the amount is included in the settlement statement requiring payment to the Commissioner in respect of this transaction.

7.8 Any clearance certificate or document evidencing variation of the amount in accordance with section 14-235(2) of Schedule 1 to the *Taxation Administration Act 1953 (Cth)* must be given to the purchaser at least 5 business days before the due date for settlement.

7.9 The vendor must provide the purchaser with such information as the purchaser requires to comply with the purchaser's obligation to pay the amount in accordance with section 14-200 of Schedule 1 of *Taxation Administration Act 1953 (Cth)*. The information must be provided within 5 business days of request by the purchaser. The vendor warrants that the information the vendor provides is true and correct.

7.10 The purchaser is responsible for any penalties or interest payable to the Commissioner on account of late payment of the amount.

8. Electronic Conveyancing

Settlement and lodgement of the instruments necessary to record the purchaser as registered proprietor of the land will be conducted electronically in accordance with the *Electronic Conveyancing National Law* if the box on the 'Particulars' page is marked "EC".

8.1 This special condition has priority over any other provision to the extent of any inconsistency. This special condition applies if the contract of sale specifies, or the parties subsequently agree in writing, that settlement and lodgement of the instruments necessary to record the purchaser as registered proprietor of the land will be conducted electronically in accordance with the *Electronic Conveyancing National Law.*

8.2 A party must immediately give written notice if that party reasonably believes that settlement and lodgement can no longer be conducted electronically.

8.3 Each party must:

(a) Be, or engage a representative who is, a subscriber for the purposes of the *Electronic Conveyancing National Law*

(b) Ensure that all other persons for whom that party is responsible and who are associated with this transaction are, or engage, a subscriber for the purposes of the *Electronic Conveyancing National Law*

(c) Conduct the transaction in accordance with the *Electronic Conveyancing National Law*

8.4 The vendor must open the Electronic Workspace ("workspace") as soon as reasonably practicable. The inclusion of a specific date for settlement in a workspace is not of itself a promise to settle on that date. The workspace is an electronic address for the service of notices and for written communications for the purposes of any electronic transactions legislation.

8.5 The vendor must nominate a time of the day for locking of the workspace at least 7 days before the due date for settlement.

8.6 Settlement occurs when the workspace records that:

(a) The exchange of funds or value between financial institutions in accordance with the instruction of the parties has occurred: or

(b) If there is no exchange of funds or value, the documents necessary to enable the purchaser to become registered proprietor of the land have been accepted for electronic lodgement.

8.7 The parties must do everything reasonably necessary to effect settlement:

(a) electronically on the next business day, or

(b) at the option of either party, otherwise than electronically as soon as possible – if, after locking of the workspace at the nominated settlement time, settlement in accordance with special condition 2.6 has not occurred by 4.00pm, or 6.00pm if the nominated time for settlement is after 4.00pm.

8.8 Each party must do everything reasonably necessary to assist the other party to trace and identify the recipient of any missing or mistaken payment and to recover the missing or mistaken payment.

8.9 The vendor must:

(a) before settlement deliver any keys, security devices and codes ("keys") to the estate agent named in the contract,

(b) direct the estate agent to give the keys to the purchaser or the purchaser's nominee on notification of settlement by the vendor, the vendor's subscriber or the Electronic Network Operator,

(c) deliver all other physical documents and items (other than the goods sold by the contract) to which the purchaser is entitled at settlement, and any keys if not delivered to the estate agent, to the vendor's subscriber or, if there is no vendor's subscriber, confirm in writing to the purchaser that the vendor holds those documents, items and keys at the vendor's address set out in the contract, and

(d) direct the vendor's subscriber to give (or, if there is no vendor's subscriber, give) all those documents and items, and any such keys, to the purchaser or the purchaser's nominee on notification of settlement by the Electronic Network Operator.

9. GST Withholding

9.1 Words and expressions defined or used in Subdivision 14-E of Schedule 1 to the *Taxation Administration Act 1953 (Cth)* or in *A New Tax System (Goods and Services Tax) Act* 1999 (Cth) have the same meaning in this special condition unless the context requires otherwise. Words and expressions first used in this special condition and shown in italics and marked with an asterisk are defined or described in at least one of those Acts.

9.2 This special condition applies if the purchaser is required to pay the Commissioner an **amount* in accordance with section 14-250 of Schedule 1 to the *Taxation Administration Act 1953 (Cth)* because the property is **new residential premises* or **potential residential land* in either case falling within the parameters of that section, and also if the sale attracts the operation of section 14-255 of the legislation. Nothing in this special condition is to be taken as relieving the vendor from compliance with section 14-255.

9.3 The amount is to be deducted from the vendor's entitlement to the contract **consideration* and is then taken to be paid to the vendor, whether or not the vendor provides the purchaser with a GST withholding notice in accordance with section 14-255 of Schedule 1 to the *Taxation Administration Act 1953 (Cth)*. The vendor must pay to the purchaser at settlement such part of the amount as is represented by non-monetary consideration.

9.4 The purchaser must:

(a) engage a legal practitioner or conveyancer ("representative") to conduct all the legal aspects of settlement, including the performance of the purchaser's obligations under the legislation and this special condition; and

(b) ensure that the representative does so.

9.5 The terms of the representative's engagement are taken to include instructions to have regard to the vendor's interests relating to the payment of the amount to the Commissioner and instructions that the representative must:

(a) pay, or ensure payment of, the amount to the Commissioner in the manner required by the Commissioner and as soon as reasonably and practicably possible, from moneys under the control or direction of the representative in accordance with this special condition on settlement of the sale of the property;

(b) promptly provide the vendor with evidence of payment, including any notification or other document provided by the purchaser to the Commissioner relating to payment; and

(c) otherwise comply, or ensure compliance, with this special condition;

despite:

(d) any contrary instructions, other than from both the purchaser and the vendor; and

(e) any other provision in this contract to the contrary.

9.6 The representative is taken to have complied with the requirements of special condition 8.5 if:

(a) settlement is conducted through the electronic conveyancing system operated by Property Exchange Australia Ltd or any other electronic conveyancing system agreed by the parties; and

(b) the amount is included in the settlement statement requiring payment to the Commissioner in respect of this transaction.

9.7 The purchaser may at settlement give the vendor a bank cheque for the amount in accordance with section 16-30 (3) of Schedule 1 to the *Taxation Administration Act 1953 (Cth)*, but only if:

(a) so agreed by the vendor in writing; and

(b) the settlement is not conducted through an electronic settlement system described in special condition 8.6.

However, if the purchaser gives the bank cheque in accordance with this special condition 8.7, the vendor must:

(c) immediately after settlement provide the bank cheque to the Commissioner to pay the amount in relation to the supply; and

(d) give the purchaser a receipt for the bank cheque which identifies the transaction and includes particulars of the bank cheque, at the same time the purchaser gives the vendor the bank cheque.

9.8 The vendor must provide the purchaser with a GST withholding notice in accordance with section 14-255 of Schedule 1 to the *Taxation Administration Act 1953 (Cth)* at least 14 days before the due date for settlement.

9.9 A party must provide the other party with such information as the other party requires to:

(a) decide if an amount is required to be paid or the quantum of it, or

(b) comply with the purchaser's obligation to pay the amount,

in accordance with section 14-250 of Schedule 1 to the *Taxation Administration Act 1953 (Cth)*. The information must be provided within 5 business days of a written request. The party providing the information warrants that it is true and correct.

9.10 The vendor warrants that:

(a) at settlement, the property is not new residential premises or potential residential land in either case falling within the parameters of section 14-250 of Schedule 1 to the *Taxation Administration Act 1953 (Cth)* if the vendor gives the purchaser a written notice under section 14-255 to the effect that the purchaser will not be required to make a payment under section 14-250 in respect of the supply, or fails to give a written notice as required by and within the time specified in section 14-255; and

(b) the amount described in a written notice given by the vendor to the purchaser under section 14-255 of Schedule 1 to the *Taxation Administration Act 1953 (Cth)* is the correct amount required to be paid under section 14-250 of the legislation.

9.11 The purchaser is responsible for any penalties or interest payable to the Commissioner on account of non-payment or late payment of the amount, except to the extent that:

(a) the penalties or interest arise from the vendor's failure, including breach of a warranty in special condition 8.10; or

(b) the purchaser's reasonable belief that the property is neither new residential premises nor potential residential land requiring the purchaser to pay an amount to the Commissioner in accordance with section 14-250 (1) of Schedule 1 to the *Taxation Administration Act 1953 (Cth)*.

The vendor is responsible for any penalties or interest payable to the Commissioner on account of non-payment or late payment of the amount if either exception applies.

9.12 This special condition will not merge on settlement.

10. Building Report:

10.1 The purchaser may end this contract within 14 days from the day of sale if the purchaser:

a) obtains a written report from a registered building practitioner which discloses a current defect in a structure on the land and designates it as a major building defect;

b) gives the vendor a copy of the report and a written notice ending this contract; and

c) is not then in default.

10.2 All money paid must be immediately refunded to the purchaser if the contract ends in accordance with this special condition.

10.3 A notice under this special condition may be served on the vendor's legal practitioner, conveyancer or estate agent even if the estate agent's authority has formally expired at the time of service.

10.4 The registered building practitioner may inspect the property at any reasonable time for the purpose of preparing the report.

11. Pest Report:

11.1 The purchaser may end this contract within 14 days from the day of sale if the purchaser:

a) obtains a written report from a pest control operator licensed under Victorian law which discloses a current pest infestation on the land and designates it as a major infestation.

b) gives the vendor a copy of the report and written notice ending this contract; and

c) is not then in default.

11.2 All money paid must be immediately refunded to the purchaser if the contract ends in accordance with this special condition.

11.3 A notice under this special condition may be served on the vendor's legal practitioner, conveyancer or estate agent even if the estate agent's authority has formally expired at the time of service.

11.4 The pest control operator may inspect the property at any reasonable time for the purpose of preparing the report.