

GUARANTEE

Date of Issue

Guarantee Number

Date of Expiry

Particulars of Purchasers

Purchasers' Names

Primary Purchaser's Address

Particulars of Property to be Purchased

This Guarantee is only valid when the property details are completed.

The Buyer is authorised to complete this Section if the sale of property is by auction.

Sellers' Names

Primary Seller's Address

Property to be Purchased

Purchase Price

Fee

Maximum amount of Guarantee
on the terms & conditions overleaf

For and on behalf of
Lombard Insurance Company Limited (the Guarantor)



Johnny Symmonds
Managing Director
Lombard Insurance Company Limited

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TERMS AND CONDITIONS

To the Seller

In consideration of the **Seller** accepting this **Guarantee** from the **Guarantor** thereby postponing the **Seller's** entitlement to some or all of the cash deposit under the **Sale Agreement**, the **Guarantor** will, within two (2) clear business days of receipt from the **Seller** of the undermentioned, all of which are mandatory and without which payment shall not be made;

1. this original **Guarantee**; and
2. a copy of a letter of demand addressed to the **Purchaser** calling for payment of the deposit; and
3. a letter addressed to the **Guarantor** by a practising attorney representing the **Seller**, calling upon the **Guarantor** to pay the **Maximum amount of Guarantee**, and stating in clear, unequivocal terms that
 - 3.1 transfer documents have been lodged at the Deeds Registry for examination and registration of transfer of the **Property to be Purchased**, to the **Purchaser**; and
 - 3.2 the **Purchaser** has been called upon to secure or pay the balance of the purchase price including the deposit; and
 - 3.3 despite due demand the **Purchaser** has failed to secure or pay the deposit;alternatively to 3.1, 3.2, and 3.3 above
 - 3.4 despite due demand the **Purchaser** has failed to pay the deposit as required by the **Sale Agreement**; and
 - 3.5 as a consequence of the **Purchaser's** breach of the **Sale Agreement** the **Seller** has cancelled the **Sale Agreement**; and
 - 3.6 as a consequence and in terms of the **Sale Agreement** the **Seller** is entitled to retain, keep or declare forfeit, the deposit;

the **Guarantor** shall pay to the person or entity nominated in the **Sale Agreement** to hold the deposit in trust, the **Maximum amount of Guarantee** stated overleaf.

Such payment shall be made to the person or entity nominated in the **Sale Agreement** to hold the deposit in trust referred to above only.

The liability of the **Guarantor** to make such payment is not impaired or discharged in the event the **Seller** is not entitled to call for payment of the deposit or cancel the **Sale Agreement**.

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

This **Guarantee** only applies to the **Sale Agreement** of the **Property to be Purchased** described overleaf.

Where the **Sale Agreement** is made at an auction, the **Purchaser** is authorised to complete the details of the **Property to be Purchased**, the **Seller's Name**, the **Seller'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 **Purchase Price** is paid in full; or
2. the **Sale Agreement** is terminated or lapses through non-fulfilment of suspensive conditions, and in either case the **Purchaser** is entitled to a refund of the deposit; or
3. the claim is paid by the **Guarantor**; or
4. the **Guarantee** expiry date occurs.

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. "**Sale Agreement**" means the **Sale Agreement** in respect of the **Property to be Purchased**. The singular includes the plural and vice versa.

Suggested Special Condition: for inclusion in the Agreement for Sale of Land

- a) In this agreement, the word 'Guarantee' means the Deposit Advantage Guarantee issued to the seller at the request of the purchaser by Lombard Insurance Company 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 agreement to the person or entity ("Depositholder") nominated in this agreement to hold the deposit as stakeholder shall, to the extent of the amount guaranteed under the Guarantee, save as is stipulated in (d) below, be deemed to be payment of the deposit in accordance with this agreement.
- c) Simultaneously with payment of the balance of the purchase price in terms of this agreement, the purchaser shall pay to the seller; in addition to all other monies payable under this agreement, the amount stipulated in the Guarantee, either by way of cash or unendorsed bank cheque.
- d) In the event of the Guarantor failing to pay under the Guarantee in part or in whole, then to the extent that the amount has not already been paid by the Guarantor under the Guarantee, the purchaser shall forthwith pay the deposit (or so much thereof as has not been paid) to the Depositholder.
- e) The seller acknowledges that payment by the Guarantor under the Guarantee shall, to the extent of the amount paid, fulfill the purchaser's obligation to pay the deposit.
- f) The seller 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.