

Loan Terms & Conditions Booklet (Consumer Credit Code Regulated)

WARNING:

The Lender recommends that You seek legal and financial advice before accepting your Loan Offer.

FOR INFORMATION CONCERNING ANY ASPECT OF YOUR LOAN CONTACT YOUR MORTGAGE MANAGER IDENTIFIED IN THE LOAN OFFER.

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**LOAN TERMS AND CONDITIONS BOOKLET
(CONSUMER CREDIT CODE REGULATED)**

CONTENTS

Part 1. terms and conditions which are adopted by and apply to your Loan Offer	5
• Division 1 - understanding your Loan Offer	5
• Division 2 - provisions applying to Premium Lite Facilities	11
• Division 3 - provisions applying to Premium Facilities	17
• Division 4 - provisions applying to Premium Deluxe Facilities	21
• Division 5 - provisions applying to Line of Credit Facilities	23
• Division 6 - provisions applying to all Facilities	27
Part 2. an information statement setting forth some of your and our rights and obligations	33
Part 3. a warning regarding fixed rate loans	38
Part 4. details of insurance requirements	39
Part 5. Payment and Redraw Method Conditions	41
Part 6. StarCall and StarNet Conditions	49
Part 7. Mortgage Conditions	55

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PART 1: TERMS AND CONDITIONS OF YOUR LOAN OFFER

DIVISION 1: UNDERSTANDING YOUR LOAN OFFER (ALL FACILITIES)

1. INTERPRETATION

1.1 Definitions

In these Terms and Conditions, your Loan Offer and Associated Conditions, the following expressions have the following meanings:

"Annual Percentage Rate" means the interest rate specified in the Financial Table as the Annual Percentage Rate subject to change in accordance with the provisions of the Loan Offer and these Terms and Conditions.

"Associated Conditions" means:

- (a) the Payment and Redraw Method Conditions; and
- (b) the StarCall and StarNet Conditions.

"Authority to Sign" means an authority to sign cheques completed and executed in accordance with our requirements.

"Available Credit Balance" means in respect of a Premium Lite, Premium or Premium Deluxe Facility Account, the difference between:

- (a) the actual balance of that account; and
- (c) the notional balance of that account calculated by Us assuming that the Facility had been drawn down in full on the commencement of the Facility and all Payments of principal, interest and other fees and charges had been paid in accordance with the Loan Offer with no additional Payments

provided that the debit balance referred to in paragraph (a) is less than the debit balance calculated in accordance with paragraph (b).

In the case of a Line of Credit Facility, the Available Credit Balance means the difference between your current Facility Limit and the current balance of your Facility.

Your Available Credit Balance is ascertainable by telephoning your Mortgage Manager or via StarCall or StarNet.

"Bank" means National Australia Bank Limited ABN 12 004 044 937 or any other financial institution with which We may make arrangements for the provision of Redraw Method or Payment Method.

"Business Day" means any day that is not a Saturday or a Sunday on which banks are open for general business in Melbourne, Victoria.

"Calendar Month" means each of the 12 months of the year.

"Commencement Date" means, in the case of a Line of Credit Facility, the date that We receive your acceptance of the Loan Offer and all Securities and other matters required under the Offer are completed to our satisfaction.

"Construction Loading" has the meaning set forth in **Clause 10.7** and the Loan Offer.

"Credit Law" means any law relating to the provision of consumer credit, including any law that implements, or contains provisions contemplated by, the Uniform Credit Laws Agreement 1993 which applies to the Loan.

"Date of First Advance" means the date on which any part of a Facility is first provided by Us.

"Date of Final Advance" means in respect of a construction facility the first to occur of the following:

- the date on which You notify Us in writing that You will not be requiring Us to provide any further advances to You under the Facility,
- the date on which the full amount of the Facility is provided to You, or
- the date being 12 months from the commencement of construction.

"Date of Disclosure" is the date set out as such in the Financial Table and being the date on which relevant financial information is disclosed for the purposes of Credit Law.

"Default Margin" is the difference between the applicable Annual Percentage Rate and the applicable Default Rate.

"Default Rate" is the Applicable Annual Percentage Rate plus a further 4.0% per annum.

"Direct Debit Request Form" means an agreement under which You authorise Us to make payments to your Facility Account by debiting a current account of yours with another financial institution in such form as We may from time to time require.

"Discount Period" means in respect of a Starstart Facility the period during which interest rates are discounted pursuant to **clause 8.2**.

"Event of Default" means any of the events set out in **clause 21.1**.

"Facility" means the Loan set forth in the Loan Offer unless the Loan Offer provides for the Loan to be divided into separate component parts in which case Facility means each such designated part and **"Facilities"** has a corresponding meaning.

"Facility Account" means the account that You have with Us in respect of a Facility.

"Facilities Agreement" means any agreement from time to time between the Bank and Us for the provision of services by the Bank in respect of a Redraw Method or Payment Method.

"Financial Table" means the table containing relevant financial information set out at the start of the Loan Offer.

"Fixed Rate Expiration Date" has the meaning set forth in the Loan Offer.

"Guarantor" means any person who guarantees your obligations to Us in respect of a Facility.

"Initial Discount" means in respect of a Lowstart Facility, the interest rate discount as set out in **clause 8.2** and the Loan Offer.

"Interstar" means Interstar Wholesale Finance Pty Ltd ACN 087 271 109, the Lender's manager of the Loan or any successor or assign.

"Lender" means Perpetual Trustees Victoria Ltd ABN 47 004 027 258 of Level 28, 360 Collins Street, Melbourne as trustee of the Interstar MBS Program.

"Lender's Early Payment Loss" is our estimate of loss arising from additional Payments including the amount of all unamortised loan expenses relating to the establishment of the Facility, the loss of revenue arising from comparable investments not being immediately available and our average reasonable administrative costs arising from the prepayment as determined in accordance with **clause 5.5** and the Loan Offer.

"Loan" means the loan of the Amount of Credit set forth in the Financial Table and which may be comprised of one or more Facilities in accordance with the terms of the Loan Offer.

"Loan ID Number" means the security access number as shown in a Borrower's Facility Account.

"Loan Offer" or **"Offer"** means any Loan Offer provided by Us to You which adopts these Terms and Conditions or which is subject to these Terms and Conditions as amended in accordance with these Terms and Conditions.

"Mortgage Manager" means your Mortgage Manager as identified in the Loan Offer.

"Notional Monthly Repayment" means the amount calculated by Us as representing a monthly Payment of the Facility:

- in the case of a principal and interest Facility including principal and interest assuming that the Facility has been drawn down in full and was repaid by equal monthly payments until the Final Repayment Date; and
- in the case of an initially interest only Facility assuming that the Facility has been drawn down in full.

"Payment" means a payment of any amount to your Facility Account including repayment of principal and any payment of interest or fees and charges.

"Payment Method" means a method that We make available for You to make Payments to your Facility Account in accordance with the Payment and Redraw Method Conditions and your Loan Offer.

"Payment and Redraw Method Conditions" means the loan account payment and access redraw conditions forming Part 5 of this Booklet and setting out how You can access credit and make payments under your Loan, as amended from time to time.

"PIN number" means the personalised identification number provided by Us to enable access to StarCall and StarNet.

"Redraw Method" means a method that We make available to You to access credit available on your Facility Account in accordance with the Payment and Redraw Method Conditions and your Loan Offer.

"Security" means any existing or new mortgage or guarantee required by the Loan Offer.

"Security Property" means any property that is the subject of Security.

"StarCall" means the interactive voice response system operated on behalf of Us.

"StarCall and StarNet Conditions" means the conditions forming Part 6 of this Booklet and setting out how You can access your Facility Account by telephone or the internet, as amended from time to time.

"StarNet" means the automated service system operated on behalf of Us and accessible via the internet.

"Transaction" means a debiting or crediting to your Facility Account other than:

- the monthly debiting of interest,
- the crediting of your payments in accordance with an agreed payment frequency,
- the debiting of a redraw pursuant to **clause 6** if in accordance with our standard direct debit system, or
- the consequential debiting of taxes.

"Transaction Fee" means a fee as set forth in the Loan Offer for Transactions conducted on your Facility each Calendar Month.

"We" or **"Us"** means the Lender and **"our"** has a corresponding meaning.

"You" means the person or persons to whom the Offer is made and **"your"** has a corresponding meaning.

1.2 Construction

In these Terms and Conditions and your Loan Offer unless the context otherwise requires:

- a word importing the singular includes the plural and vice versa,

- a word importing any gender includes the other genders,
- a reference to a person includes the legal personal representatives, successors and permitted assigns of that person,
- a reference to a statutory law or code includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them,
- a reference to any thing (including without limitation to the Security Property) is a reference to the whole or any part of it and a reference to a group of things or persons is a reference to any one or more of them, and
- a reference to a clause is a reference to a clause of these Terms and Conditions.

1.3 **Credit Law**

Where Credit Law would make a provision of the Loan Offer or these Terms and Conditions illegal or void then the Loan Offer or these Terms and Conditions are to be read down (if possible) to the extent needed to prevent it having any of those effects. If this cannot be done, the Loan Offer or these Terms and Conditions are to be read as if that provision were omitted.

Where the Loan Offer and these Terms and Conditions are inconsistent with Credit Law, the Credit Law prevails to the extent of the inconsistency.

For the purpose of this Clause, these Terms and Conditions include the Associated Conditions.

1.4 **Loan Portability**

Your Loan is portable which means that if you sell the Security Property and purchase an alternative property, We are generally agreeable to transferring your Loan to your new property. You have up to three months to provide Us with a mortgage over another Security Property. Pending the provision of the new mortgage, your loan funds must be placed in interest bearing deposit with Us under our control. This may save you significant fees and expenses. Loan portability is subject to your satisfactory credit history and our approval of alternative security. Contact your Mortgage Manager to discuss this option.

1.5 **The Lender's Other Credit Products**

We offer many competitive and innovative loan products. During the course of the Loan You may find that some other product of the Lender better suits your requirements.

Your Mortgage Manager will be happy to discuss with You any changes You may wish to make to the Loan. For example, You may wish to change the Loan from a variable interest rate to a fixed interest rate or vice versa.

In most cases new loan documentation will be required, but existing mortgages can be utilised, so that the changes can be made quickly, with minimum effort and expense.

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DIVISION 2: TERMS APPLYING TO PREMIUM LITE FACILITIES

2. DURATION AND DRAWDOWN

2.1 Commencement

The Date of First Advance must take place within 2 months of the date the Offer is accepted and received by Us. If the Date of First Advance does not occur within that time (or any extension granted by Us), We may terminate our obligation to advance the Facility. At least 85% of the amount of the Facility must be drawn on the Date of First Advance.

2.2 Balance of Facility

In the event that the Facility is not drawn in full on the Date of First Advance, then the balance may be drawn down following notice to Us at least 2 business days before the date of the requested drawdown. Notice by You pursuant to this clause must be in writing or by StarCall or StarNet.

2.3 Expiry

The Facility is to be repaid in full on or before the Final Repayment Date set forth in the Loan Offer.

3. REQUIREMENTS BEFORE DRAWDOWN

Before a drawdown of your Facility can be made:

- You must sign and return the Loan Offer to our solicitors or settlement agent,
- You must provide any new Security documents that are required by the Loan Offer,
- You must provide evidence of insurance as required by the Loan Offer and these Terms and Conditions,
- You must comply with any of our other requirements as notified by Us, our solicitors or settlement agent,
- the Security Property and the Security must be in order,
- there must be no current Event of Default, and
- no information must have come to the attention of Interstar and no event must have occurred which in either case in the bona fide opinion of Interstar would render the providing of the Facility prejudicial to our interest .

4. INTEREST

4.1 Calculation of interest

Interest is calculated on a daily basis on the unpaid daily balance of the Facility at the rate determined by dividing the Annual Percentage Rate applicable at the time by 365.

4.2 Calculation of additional interest where there is default in Payments

If there is default in payment then, while the default continues, interest is calculated on a daily basis in respect of the amount in default at the rate determined by dividing the Default Margin applicable at the time by 365.

4.3 Interest (including default interest) is debited monthly and on final repayment

Interest will be debited each Calendar Month, with the first interest being debited on the last day of the Calendar Month in which the Date of First Advance occurs and on the last day of each Calendar Month thereafter. In addition We will debit any interest accrued at the time on the date the Facility is repaid in full. The amount debited is not treated by the Lender as part of the unpaid daily balance for the last day of the Calendar Month for the purpose of calculating interest charges under the Facility.

4.4 Period to which the interest refers

Interest will be calculated from and including the Date of First Advance through to and including the first debiting date. Thereafter, the period for which interest is calculated will be from but not including the previous debiting date through to and including the current debiting date. In addition, where the Facility is repaid in full the period is from but not including the previous debiting date through to and including the day prior to the repayment date.

4.5 Interest debited to account will attract interest

Except as otherwise provided in this clause, interest debited to the Facility will attract interest at the same rate and in the same manner as principal moneys.

4.6 Reduction in interest rate for loan compliance

This clause applies to a Facility identified in the Loan Offer as a Facility to which the Loan Compliance Provisions apply. In the event that during the Qualifying Term identified in the Loan Offer there is no Event of Default, We shall at the end of the Qualifying Term reduce the Annual Percentage Rate by the Loan Compliance Discount Amount stipulated in the Loan Offer.

5. PAYMENTS

5.1 Payment of principal, interest and fees

You agree to pay all of the principal moneys, interest and fees and charges due under the Loan in accordance with the terms of the Offer.

5.2 Method of payment

All payments are to be made by use of a direct debits system nominated by Us from time to time, by BPay or by salary and other income crediting in accordance with the Payment and Redraw Method Conditions. You will need to complete and sign appropriate forms in accordance with those conditions and this clause. We will debit each payment to the account nominated by You in accordance with your Direct Debit Request Form in the absence of other authorised payment. You agree to comply with the Payment and Redraw Method Conditions and to at all times maintain a current Direct Debit Request Form.

5.3 Change of Payment Frequency

Subject to You not being in default hereunder You may from time to time change the payment frequency in respect of the Facility following the payment of one Initial Monthly Instalment to:

- weekly payments on any day of the week (payment equals monthly payment multiplied by 12 and divided by 52);
- fortnightly payments on any day of the week (payment equals monthly payment multiplied by 12 and divided by 26); or
- monthly payments on any day of the month.

Changes of your payment frequency may be effected by notice in writing to Us or via StarCall or StarNet. Upon effecting a change of payment frequency a consequential one-off interest payment may be required as determined and advised by Us to cover the period between the change of payment dates.

5.4 Crediting of Payments

Any payment received by Us after 4:00pm Melbourne time on any day will be credited to the Facility on the next Business Day.

If any payment is dishonoured, the payment will be treated as not having been made. We will reverse any credit and accrue interest on the unpaid daily balance as if the credit had not been made.

Where a payment is due on a day that is not a Business Day You must make the payment on the immediately preceding Business Day.

We will apply each payment to pay:

- first, any arrears, in the order in which the amounts comprising arrears have been debited to the account,
- secondly, fees, charges and similar payments,
- thirdly, interest charges, and
- fourthly, the balance of the Facility.

5.5 Additional Payments

- (a) Except as set forth in the following paragraphs, You must not pay an amount under the Facility before it is due and payable. We are not obliged to accept such a payment.
- (b) Subject to **paragraphs (d) and (e)**, You may repay the Facility in full at any time.
- (c) Subject to **paragraphs (d) and (e)**, You may pay an additional amount in repayment of the Facility at any time provided that You give Us at least 2 Business Days' notice of your intention to make the early repayment.
- (d) If You repay the Facility in full before the fifth anniversary of the Date of the First Advance, then subject to **clause 5.5(e)**, You must pay on the date of the repayment the Lender's Early Payment Loss, as set forth in the Loan Offer.
- (e) If You repay the Facility in full before the fifth anniversary of the Date of First Advance as a consequence of our consenting to You switching to another Facility ("Alternative Facility") of an equivalent amount, no Lender's Early Payment Loss is then payable, but You will become liable to pay to Us the amount of the Lender's Early Payment Loss applicable to the Alternative Facility as determined by Us if You repay the Alternative Facility in full before the fifth anniversary of the Date of First Advance hereunder.
- (f) Notice by You pursuant to this clause must be in writing or by StarCall or StarNet.
- (g) If You effect an additional Payment to your Facility, any such Payment will be applied in satisfaction of any Payment due to be effected by direct debit within the next month, unless you arrange otherwise via StarNet or with your Mortgage Manager. For example, a voluntary Payment made on 21.02.2004 is applied towards satisfaction of the Payments due up to 20.03.2004, or if 20.03.2004 is not a Business Day, the next Business Day thereafter.

6. REDRAWING OF EARLY PAYMENTS

6.1 Availability

You are entitled to make redraws under the Facility from time to time on the following conditions:

- if You have prepaid amounts under the Facility in excess of your scheduled Payments, We will permit You to redraw any part of your Available Credit Balance,
- there must be no adverse change in your financial situation or to your ability to repay the Facility without hardship. The Security and the Security Property must also be in order,
- at the time that a request for funds is made there must be no current Event of Default, and

- We must have readily available funds to meet the redraw request.

6.2 Requirements for redraw

When a redraw is requested during the term of the Facility, You must observe the following conditions:

- You must request a redraw in such form as We reasonably require,
- You must make your request to Us at least 2 Business Days before the date that the redraw is required, and
- notice by You pursuant to this clause must be in writing or by StarCall or StarNet.

6.3 Procedure for redraw advance

When a redraw is made We will credit the amount of the redraw to the account for which We hold your current Direct Debit Request. We will credit the account by use of a direct credits system nominated by Us from time to time.

7. CHANGES TO THE LOAN

7.1 Changes to interest rates

We may change the Annual Percentage Rate and the Default Rate from time to time to reflect our view of market conditions and cost of funds, or as otherwise provided in the Loan Offer or these Terms and Conditions.

When there is a change in the Annual Percentage Rate or the Default Rate, We will notify You in writing before it begins to apply to your Loan.

You can also find out the Annual Percentage Rate or the Default Rate for your Facility at any time by telephoning or sending a fax to your Mortgage Manager during business hours or via StarCall and StarNet.

7.2 Changes to Payments

We can change the amount of Payments so that they are sufficient to repay the Facility within the agreed term in circumstances of interest rate change or default by You. However, We will not automatically review the Payments every time that interest rates change. We may also change the frequency or time for payment of Payments and the period over which they are to be paid and the manner in which they are to be paid and the method of calculation of Payments. We will give You at least 20 days written notice before any change in your Payments takes effect.

7.3 Changes to Fees and Charges

We may introduce new fees or charges for loans. We may change the amount, frequency or time for payment and the manner in which each fee and charge for the

Loan is to be paid. Where these changes are made unilaterally by Us, You will be given at least 20 days notice in writing of the change or new fee or charge.

7.4 **Changes to Redraw Provisions**

We may terminate or vary your right to effect a redraw pursuant to clause 6 at any time by giving not less than 20 days notice in writing.

7.5 **Other Changes to the Loan Offer or Terms and Conditions**

By giving You not less than 20 days notice in writing, We can vary any of the following:

- the manner in which interest is calculated or applied and the dates on and frequency and manner with which interest will be charged or debited and the manner in which it is to be paid,
- the manner in which We can advise You of changes to the Loan or these Terms and Conditions, or
- any other provision of the Loan Offer or the Terms and Conditions which is not specifically covered by the other provisions of **clause 7** including the adopting of a new Terms and Conditions Booklet to replace this document.

8. **LOWSTART FACILITIES**

8.1 **Application of Clause**

This clause applies to a Premium Lite facility identified in the Loan Offer as a LowStart Facility and in the event of any inconsistency between the provisions of this clause and any other provision of the Terms and Conditions (other than **clause 1.3**), the provisions of this clause shall prevail.

8.2 **Change of Interest Rates**

The Annual Percentage Rate set forth in the Loan Offer is below the rate we would normally charge for an equivalent variable interest rate non construction facility by the Initial Discount set forth in the Loan Offer.

We may change the Annual Percentage Rate from time to time in accordance with **clause 7.1** to reflect our view of market conditions and cost of funds provided that We agree that in exercising our rights under **clause 7.1** We shall maintain the Annual Percentage Rate below the rate We would normally charge for an equivalent variable rate non-construction facility by the amount of the Initial Discount for the duration of the Discount Period.

DIVISION 3: PROVISIONS APPLYING TO PREMIUM FACILITIES

9. APPLICATION OF DIVISION 2

The provisions contained within Division 2 of these Terms and Conditions shall apply to Premium Facilities.

10. CONSTRUCTION FUNDING

10.1 Application of Clause

This clause applies to a Premium Facility identified in the Loan Offer as a construction facility and in the event of any inconsistency between the provisions of this clause and any other provision of the Terms and Conditions (other than **clause 1.3**), the provisions of this clause shall prevail.

10.2 Facility to be provided by progressive advances

The Facility will be provided by progressive advances of a total up to the Amount of Credit set out in the Financial Table. There is no requirement as to the amount of the Facility which must be drawn on the Date of First Advance.

We have the right to refuse to make an advance if at the time that a request for an advance is made there is a current Event of Default. Advances to meet the cost of construction works are made on the basis that We must at all times retain sufficient funds to complete construction as set out in clause 10.4 and accordingly our advances may not always be sufficient to meet your obligations to the builder. For a more detailed explanation of our requirements regarding construction funding, please obtain a copy of our "Borrower's Guide to Vacant Land and Construction Funding" from your Mortgage Manager.

10.3 General provisions

The following documents must be delivered to Us or as We direct within 12 months of the Date of First Advance of the Facility and all of these must be acceptable to Us. The required documents are:

- copy of the fixed price building contract,
- copy of the plans and specifications as approved by appropriate authorities,
- copy of the certificate of registration of the builder with an authority approved by Us,
- satisfactory evidence of the builder's contract works insurance showing our interest as mortgagee,
- satisfactory evidence of builder's warranty insurance, and
- such additional information as We reasonably require.

You must ensure that construction works commence within 12 months of the Date of First Advance and take place in accordance with the building contract. You must notify Us in writing if there are any variations to the building contract or if the works do not take place in accordance with the building contract.

10.4 Requirements for progressive advance

When an advance of part of the Facility is required, You must observe the following requirements:

- (a) You must make a request for progress advance in such form as We reasonably require,
- (b) You must also submit:
 - the builder's progress claim, and
 - such other information about the works done or to be done as We reasonably require.
- (c) The amount of the request must:
 - not exceed the amount of the builder's progress claim; and
 - not be of such an amount which, if made, would, in our opinion, result in there being insufficient funds available under the Facility at later dates to fund the completion of the works.
- (d) When You request funds to meet the builder's final claim You must also provide the following to Us:
 - a certificate from a valuer approved by Us that the works have been carried out in accordance with the plans and specifications,
 - an occupancy permit, and,
 - evidence of insurance in accordance with **clause 17.4**.

10.5 Procedure for progressive advance

We may require an inspection of the Security Property before an advance is made. We will arrange for the inspection to be carried out. You will be charged an inspection fee as set out in the Loan Offer.

You authorise Us to disburse all advances to meet construction costs direct to the builder concerned.

10.6 Completion of Construction

You must ensure that construction is completed and all of the documents referred to in **clause 10.4(d)** are provided to Us within 12 months of the commencement of construction.

10.7 Interest Rates - Construction Facility

The Annual Percentage Rate set forth in the Loan Offer is higher than We would normally charge for an equivalent variable interest rate non-construction facility by the amount of the Construction Loading set forth in the Loan Offer. Upon the completion of construction to our satisfaction and subject to You and any Guarantor not then being in default under the Loan Offer, these Terms and Conditions or under any Security, We shall reduce the Annual Percentage Rate by the amount of the Construction Loading.

10.8 Restrictions on Redraw

The provisions of **clause 6** shall only apply following the Date of Final Advance.

11. FIXED RATE FACILITIES

11.1 Application of Clause

This clause applies to a Premium Facility identified in the Loan Offer as a fixed interest rate facility and in the event of any inconsistency between the provision of this clause and any other provision of the Terms and Conditions (other than **clause 1.3**), the provisions of this clause shall prevail.

11.2 Initial Drawdown

The Facility must be drawdown in full on the Date of First Advance.

11.3 Determination of initial interest rates - Fixed Rate Loans

We may change the Annual Percentage Rate to apply from the Date of First Advance until the Fixed Rate Expiration Date having regard to our view of market conditions and cost of funds. Any change of interest rate pursuant to this clause will be notified by Us to You, your solicitor or conveyancer on or before the Date of First Advance.

11.4 Restriction on change of interest rate

We will not change the Annual Percentage Rate pursuant to the provisions of **clause 7.1** in the case of Fixed Rate Loans following the Date of First Advance and prior to the Fixed Rate Expiration Date.

11.5 Restrictions on Redraw

The provisions of **clause 6** shall only apply following the Fixed Rate Expiration Date.

11.6 Additional Payments

If You make any early Payment of all or any part of your Facility prior to the Fixed Rate Expiration Date, You shall pay to Us the Lender's Early Payment Loss as set forth in the Loan Offer.

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DIVISION 4: PROVISIONS APPLYING TO PREMIUM DELUXE FACILITIES

12. APPLICATION OF DIVISION 2

The provisions contained within Division 2 of these Terms and Conditions shall apply to Premium Deluxe Facilities.

13. PAYMENT AND ACCESS TO YOUR ACCOUNT

You may access your Premium Deluxe Facility by utilising any of the applicable payment and redraw methods set forth in the Payment and Redraw Method Conditions.

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DIVISION 5: PROVISION OF LINE OF CREDIT FACILITIES

14. APPLICATION OF DIVISION 2

The provisions of **clause 3** (drawdown), **clause 4** (interest), **clauses 5.1, 5.2, 5.3** and **5.4** (payments) and **clauses 7.1, 7.2, 7.3** and **7.5** (changes to your Loan) shall apply to Line of Credit Facilities.

15. FEATURES OF LINE OF CREDIT FACILITIES

15.1 Commencement

The term of your Facility will commence on the Commencement Date.

15.2 Expiry

The Facility is to be repaid in full on or before the Final Repayment Date set forth in the Loan Offer.

15.3 Additional Payments

- (a) You may repay the Facility in full at any time. However, if You seek to terminate the Facility before the fifth anniversary of the Commencement Date, then You must pay to Us on the date of termination the Lender's Early Payment Loss as set forth in the Loan Offer. This amount shall be payable whether You terminate the Facility or We do so as a consequence of default action.
- (b) You may make early partial Payments on the following conditions:
- You must give Us at least 2 Business Days notice of your intention to make the early Payment and the amount of such proposed repayment,
 - notice by You pursuant to this Clause must be given in writing or pursuant to StarCall or StarNet, and
 - the Payment must be made in accordance with a payment method pursuant to **clause 15.11**.

15.4 Drawdown

You are entitled to make multiple drawings under the Facility from time to time on the following conditions:

- the amount of any advance must not result in the balance of the Facility exceeding the credit limit determined in accordance with **clause 15.8**.
- at the time that a request for funds is made there is no unsatisfied Event of Default, and

- our overriding discretion to refuse a drawdown request.

15.5 **Drawing amounts on Commencement Date**

If any amount is required on the Commencement Date you will need to complete an appropriate disbursement order which tells Us to whom and in what amounts your Facility is to be paid.

15.6 **Requirements for a Drawdown**

When an advance is requested during the term of the Facility, You must observe the following conditions:

- You must request a drawdown in such form as the Lender reasonably requires,
- You must make your request to the Lender at least 2 Business Days before the date that the advance is required,
- notice pursuant to this clause must be in writing or by StarCall or StarNet, and
- You must access your Facility in accordance with redraw method pursuant to **clause 15.11**.

15.7 **Procedure for a Drawdown**

When an advance is made We will credit the amount of the advance to the account for which We hold your current Direct Debit Request. We will credit the account by use of a direct credits system nominated by Us from time to time.

15.8 **Reduction in credit limit**

The amount of credit available to You shall be fixed so that You shall only be obliged to pay interest

- (a) in the event that the amount of the Loan is less than 85% of the value of the Security Property as determined by Us – for a ten year period, or
- (b) in any other case – for a five year period.

Thereafter it shall reduce at such rate as is agreed upon by Us and You or, failing agreement, in such manner as We may determine by giving You 20 days notice in writing.

15.9 **The Lender's right of early termination**

We may terminate the Facility either:

- as a result of an Event of Default,
- any information has come to the attention of Interstar or any event has occurred which in either case in the bona fide opinion of Interstar would render the further provision of the Facility prejudicial to our interest, or

- if a law, regulation or official directive (whether or not having the force of law) is introduced which affects our ability to lawfully provide the Facility or the cost to Us of providing the Facility or which imposes or extends controls over interest rates, fees or charges payable under the Facility in any way whatsoever.

Termination of the Facility pursuant to this clause is effected by written notice to You and shall take effect on the expiry of 20 days from the date such notice is served by Us. On termination You must repay the balance of the Facility owing, including any interest accrued at the time.

15.10 **Facility balance not to exceed current facility limit**

You must not conduct your Facility in any way that will bring the debit balance of your account over the credit limit determined in accordance with **clause 15.8**.

If the debit balance of your Facility at any time exceeds the credit limit at that time, you must immediately pay the amount of such excess to Us.

15.11 **Payment and Access to your Account**

You may access your Line of Credit by utilising any of the applicable payment and redraw methods set forth in the Payment and Redraw Method Conditions.

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DIVISION 6: GENERAL PROVISIONS APPLYING TO ALL FACILITIES

16. FEES AND CHARGES

Details of fees and charges payable by You in respect of the Loan are set out in the Loan Offer. These may be changed in accordance with **clause 7**.

17. SECURITY

17.1 Security for the Loan

Details of all existing and new Security for the Loan are set out in the Loan Offer.

17.2 Security documentation procedure

Our solicitors or settlement agents will prepare the security documents using our standard form Security documents.

You must do anything (such as producing and signing documents) that We reasonably require to give full effect to these terms and the Securities.

It is a condition of the Loan that You provide evidence to Us that any Guarantor has received independent legal advice before agreeing to sign the guarantee. Any fee charged by any solicitor, accountant or other person retained by a Guarantor to advise on the guarantee or the other documents will be payable by You or the Guarantor when due.

17.3 Trusts

This clause applies if You accept the Offer as trustee of a trust, whether or not We know about the trust.

You agree that You are liable both in your own right and as trustee of the trust.

You promise Us that:

- You accept the Offer for a proper purpose of the trust;
- You have the power and authority under the trust to accept the Offer and to mortgage the trust property;
- You have the right to be indemnified fully out of the trust property, before the beneficiaries of the trust, for all liabilities that You incur under the Loan;
- the trust deed establishing the trust shall not be amended without our previous written consent;
- You shall not resign or be removed as trustee of the trust without our previous written consent;

- no distribution of any capital of the trust shall be effected without our previous written consent; and
- in the event that the trust is a unit trust, no units shall be redeemed without our previous written consent.

17.4 Insurance

The Security Property, unless it is vacant land, must be insured at all times during the Facility. During any construction period such insurance must be in accordance with **Clause 10.3** and thereafter in accordance with Part 4 of this Booklet.

We have a mortgage over any claim under such insurance and the proceeds of any claim.

18. COMMISSIONS

Details of commissions payable to or receivable by Us are set forth in the Loan Offer.

19. LENDER'S MORTGAGE INSURANCE

The Offer is conditional on Us obtaining lender's mortgage insurance no later than the Date of First Advance.

This is insurance effected by the Lender against loss to Us that may arise under the Loan. The insurance protects Us, not You as the borrower. If You default under the Loan resulting in the sale of the Security Property, but the sale proceeds are not sufficient to fully repay the Loan, We may incur a loss. We may recover the loss under our mortgage insurance policy. However, You will still be legally responsible for repaying the Loan and the insurer can recover any shortfall it has paid Us from You.

The amount of any premium that You are required to pay is set out in the Financial Table. If no amount is set out then We will pay any premium.

20. INFORMATION

20.1 Full names and addresses of debtors

You promise Us that your name and address as set forth in the Loan Offer are complete and correct.

20.2 Consent to providing information to a Guarantor

By accepting the Offer You consent to Us disclosing any information concerning your financial circumstances to any Guarantor or potential Guarantor of the Loan.

20.3 Financial information

We may at any time during the term of the Loan require You to provide information concerning your financial circumstances. You are obliged to provide the information together with such supporting material as is reasonable.

20.4 Assignment

We may assign Our rights and interests in the Loan. You consent to the disclosure by the Lender of any information We have about You (including a copy of the Loan Offer) to any person who has acquired the rights or interests of Us or is considering doing so. Your rights are personal to You and may not be assigned without our consent.

20.5 Statements

We will provide statements of account to every party to the Loan, or a nominated party, once each 3 months (where You have a Line of Credit Facility) or each 6 months (in each other case), or more often as agreed. In addition, statements of account are available via StarCall and StarNet at any time at no cost.

If there are errors or unauthorised transactions shown on your statement, it is your responsibility to notify Us immediately.

20.6 Notices

We may give You a notice in writing, a statement or a demand for payment by delivering it to You personally or by leaving it at your residential or business address, or by sending it by post, facsimile or similar facility to your residential or business address. For this purpose We can use the last address that We have recorded for You. Service by post may be effected by properly addressing, prepaying and posting the notice, statement or demand for payment as a letter.

If the notice is a demand for payment, it can be signed by any officer of Us, or any solicitor or other agent authorised by an officer of Us. Any other form of notice or statement need not be signed, unless required by law.

If You change your name or address, You must notify Us in writing immediately specifying details of the change.

21. DEFAULT

21.1 Events of Default

Each of the following is an Event of Default:

- You do not make a Payment on time,
- You fail to comply on time with any of your obligations under the Loan Offer or these Terms and Conditions,
- any information supplied by You in connection with the Loan Offer or any Security or Security Property is false or, in our opinion, misleading,

- You or a Guarantor breaches any term or condition of any Security or any other agreement with Us,
- You or a Guarantor becomes insolvent (within the meaning of the Corporations Act),
- You or a Guarantor dies or becomes mentally incapacitated or, if a corporation is dissolved; or
- You or a Guarantor give any mortgage or charge over the Security Property without our consent or You or a Guarantor defaults under any such mortgage or charge.

21.2 Consequences of an Event of Default

If an Event of Default occurs:

- We may refuse to You further credit, and
- We can require immediate payment of all money You owe Us.

Before We require payment, We will give You at least 30 days written notice (calculated as provided by Credit Law) to remedy the Event of Default.

However, we will not give You notice and money will become immediately repayable without notice if:

- We believe on reasonable grounds that We were induced by fraud to enter into the Loan,
- We have made reasonable attempts to locate You but without success,
- a court so authorises Us, or
- We believe on reasonable grounds that urgent action is necessary to protect any Security Property.

If an Event of Default occurs and We do not give You any written notice in respect of that Event of Default, this does not mean that We have waived our rights in respect of the Event of Default or our right to serve notice at a later date.

If payment is made following an Event of Default in accordance with this clause prior to the fifth anniversary of the Date of First Advance (whether as a consequence of our default action pursuant to any Security or otherwise) You shall be obliged to pay to Us any additional amount which would have been payable pursuant to **clause 5.5** or **clause 11.6** of the Loan Offer.

21.3 Enforcement expenses

If an Event of Default occurs, You will be required to pay reasonable expenses which are reasonably incurred by Us in enforcing or preserving our rights under the Loan or the Security including any goods and services tax paid by Us in respect thereof.

These expenses include our reasonable expenses reasonably incurred in preserving or maintaining the Security Property (including paying insurances, rates and taxes) after a default and collection expenses. Enforcement expenses may be debited to the Loan, and will attract interest at the same rate and in the same manner as principal moneys.

Enforcement expenses are payable by You when they are incurred by Us.

21.4 Joint and several liability

If the Loan is being made to more than one person, then each person will be liable individually, and every 2 or more persons are liable jointly, for all amounts due under the Loan. All of your obligations attach to your successors and permitted assignees.

21.5 Exercise of Lender's Rights

Any rights, powers or discretions of ours relating to the Loan may be exercised by the Lender, by Interstar as manager of the Loan or by any officer of either Us or Interstar or by our solicitors. All notices to Us must be forwarded to Interstar.

22. DISBURSEMENT OF THE LOAN

The Loan shall be disbursed as set forth in the Loan Offer.

23. PROVISIONS APPLYING TO FACILITY SPLIT-ACCOUNTS

23.1 Separate financial accounts for each split-account

We will account separately for each split-account and will:

- designate a separate account for each split-account,
- provide a separate account number for each split-account, and
- issue separate statements of account for each split-account.

23.2 Conduct of each split-account

We may direct a fee or charge to any split-account or divide a fee or charge between split-accounts.

We may procure Payment of the amounts set out in the Financial Table by one or more direct debits.

24. LIABILITY OF LENDER

The Offer is made by Us in our capacity as trustee of a trust. Our liability to You is limited to the assets of that trust which are available to Us to enable Us to satisfy that liability. This limitation does not apply to the rights which You may have:

- (a) pursuant to Credit Law; and
- (b) pursuant to any provisions inserted into the Offer or a Security in order to satisfy the requirements of Credit Law,

and does not seek to avoid or modify the effect of Credit Law.

PART 2: INFORMATION STATEMENT

THINGS YOU SHOULD KNOW ABOUT YOUR PROPOSED CREDIT CONTRACT

This statement tells you about some of the rights and obligations of yourself and the Lender. It does not state the terms and conditions of your contract.

If you have any concerns about your contract, contact the Lender and, if you still have concerns, your Government Consumer Agency, or get legal advice.

THE CONTRACT

1. How can I get details of my proposed credit contract?

The Lender must give you a pre-contractual statement containing certain information about your contract. The pre-contractual statement, and this document, must be given to you before:

- your contract is entered into; or
- you make an offer to enter into the contract;

whichever happens first.

2. How can I get a copy of the final contract?

If the contract document is to be signed by you and returned to the Lender, you must be given a copy to keep.

Also, the Lender must give you a copy of the final contract within 14 days after it is made. This rule does not, however, apply, if the Lender has previously given you a copy of the contract document to keep.

If you want another copy of your contract write to the Lender and ask for one. The Lender may charge you a fee. The Lender has to give you a copy:

- within 14 days of your written request if the original contract came into existence 1 year or less before your request; or
- otherwise within 30 days of your written request.

3. Can I terminate the contract?

Yes. You can terminate the contract by writing to the Lender so long as:

- you have not obtained any credit under the contract; or
- a card or other means of obtaining credit given to you by the Lender has not been used to acquire goods or services for which credit is to be provided under the contract.

However, you will still have to pay any fees or charges incurred before you terminated the contract.

4. Can I pay my credit contract out early?

Yes. Pay the Lender the amount required to pay out your credit contract on the day you wish to end your contract.

5. How can I find out the pay out figure?

You can write to the Lender at any time and ask for a statement of the pay out figure as at any date you specify. You can also ask for details of how the amount is made up.

The Lender must give you the statement within 7 days after you give your request to the Lender. You may be charged a fee for the statement.

6. Will I pay less interest if I pay out my contract early?

Yes. The interest you can be charged depends on the actual time money is owing. However, you may have to pay an early termination charge (if your contract permits the Lender to charge one) and other fees.

7. Can my contract be changed by the Lender?

Yes, but only if your contract says so.

8. Will I be told in advance if the Lender is going to make a change in the contract?

That depends on the type of change. For example:

- you get at least same day notice for a change to an annual percentage rate. That notice may be a written notice to you or a notice published in a newspaper,
- you get 20 days advance written notice for:
 - a change in the way in which interest is calculated; or
 - a change in credit fees and charges; or
 - any other changes by the Lender;

except where the change reduces what you have to pay or the change happens automatically under the contract.

9. Is there anything I can do if I think that my contract is unjust?

Yes. You should first talk to the Lender. Discuss the matter and see if you can come to some arrangement. If that is not successful you could apply to the court. Contact the Government Consumer Agency or get legal advice on how to go about this.

INSURANCE

10. Do I have to take out insurance?

The Lender can insist you take out or pay the cost of types of insurance specifically allowed by law. These are compulsory third party personal injury insurance, mortgage indemnity insurance or insurance over property covered by any mortgage. Otherwise, you can decide if you want to take out insurance or not.

11. Will I get details of my insurance cover?

Yes, if you have taken out insurance over mortgaged property or consumer credit insurance and the premium is financed by the Lender. In that case the insurer must give you a copy of the policy within 14 days after the insurer has accepted the insurance proposal.

Also, if you acquire an interest in any such insurance policy which is taken out by the Lender then, within 14 days of that happening, the Lender must ensure you have a written notice of the particulars of that insurance.

You can always ask the insurer for details of your insurance contract. If you ask in writing your insurer must give you a statement containing all the provisions of the contract.

12. If the insurer does not accept my proposal, will I be told?

Yes, if the insurance was to be financed by the credit contract. The insurer will inform you if the proposal is rejected.

13. In that case, what happens to the premiums?

The Lender must give you a refund or credit unless the insurance is to be arranged with another insurer.

14. What happens if my credit contract ends before any insurance contract over mortgaged property?

You can end the insurance contract and get a proportionate rebate of any premium from the insurer.

MORTGAGES

15. If my contract says I have to give a mortgage, what does this mean?

A mortgage means that you give the Lender certain rights over any property you mortgage. If you default under your contract, you can lose that property and you might still owe money to the Lender.

16. Should I get a copy of my mortgage?

Yes. It can be part of your credit contract or, if it is a separate document, you will be given a copy of the mortgage within 14 days after your mortgage is entered into.

However, you need not be given a copy if, the Lender has previously given you a copy of the mortgage document to keep.

17. Is there anything that I am not allowed to do with the property I have mortgaged?

The law says you cannot assign or dispose of the property unless you have the Lender's, or the court's, permission. You must also look after the property. Read the mortgage document as well. It will usually have other terms and conditions about what you can or cannot do with the property.

18. What can I do if I find that I cannot afford my repayments and there is a mortgage over the property?

See the answers to questions 20 and 21.

Otherwise you may sell the property, but only if the Lender gives permission first;

OR

give the property to someone who may then take over the repayments, but only if the Lender gives permission first.

If the Lender won't give permission contact your Government Consumer Agency for help.

If you have a guarantor, talk to the guarantor who may be able to help you.

You should understand that you may owe money to the Lender even after mortgaged property is sold.

19. Can the Lender take or sell the mortgaged property?

Yes, if you have not carried out all of your obligations under your contract.

GENERAL**20. What do I do if I cannot make a repayment?**

Get in touch with the Lender immediately. Discuss the matter and see if you can come to some arrangement. You can ask the Lender to change your contract in a number of ways, for example

- to extend the term of the contract and either reduce the amount of each payment accordingly or defer payments for a specified period; or
- to simply defer payments for a specified period.

21. What if the Lender and I cannot agree on a suitable arrangement?

If you have been unemployed, sick or there is another good reason why you are having problems with your contract, then your contract may be able to be changed to meet your situation.

You may be able to apply to the court. Contact your Government Consumer Agency or get legal advice on how to go about this.

There are other people, such as financial counsellors, who may be able to help.

22. Can the Lender take action against me?

Yes, if you are in default under your contract. But the law says that you cannot be unduly harassed or threatened for repayments. If you think you are being unduly harassed or threatened, contact your Government Consumer Agency or the Trade Practices Commission, or get legal advice.

23. Do I have any other rights and obligations?

Yes. The law will give you other rights and obligations. You should also READ YOUR CONTRACT carefully.

IF YOU HAVE ANY DOUBTS, OR WANT MORE INFORMATION, CONTACT YOUR GOVERNMENT CONSUMER AGENCY OR GET LEGAL ADVICE. PLEASE KEEP THIS INFORMATION STATEMENT. YOU MAY WANT SOME INFORMATION FROM IT AT A LATER DATE.

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PART 3: WARNING REGARDING FIXED RATE LENDING

The Lender draws to your attention that:

- the Annual Percentage Rate and the Default Rate for your fixed rate facility will be set by the Lender on or before the Date of First Advance having regard to market conditions and the Lender's costs of funds and may be in excess of the interest rates set forth in the Loan Offer;
- an early repayment fee as set forth in your Loan Offer will be payable to the Lender in the event that You pay any additional amount prior to the Fixed Rate Expiration Date. This fee may be substantial in the event that interest rates fall between the Date of First Advance and the date of early repayment to compensate the Lender for the cost it incurs in breaking any related fixed rate funding agreement between the Lender and another party;
- the Lender recommends that You obtain independent legal and financial advice about the benefits and risks of fixed rate borrowing; and
- in signing the Loan Offer, You acknowledge that You have not relied upon any forecast or estimate by or on behalf of the Lender concerning future interest rate trends before the entering into of the Loan.

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PART 4: INSURANCE REQUIREMENTS CONCERNING YOUR LOAN

It should be noted that settlement of the loan **cannot** be arranged unless an acceptable insurance policy and/or certificate of currency is provided to the Lender's solicitors or settlement agents.

During construction of any security property, this must be a satisfactory builder's all risk construction policy.

For other Facilities, we require a comprehensive fire and related risks policy.

The policy and/or certificate of currency must:

- (a) show the interest of Perpetual Trustees Victoria Limited as mortgagee,
- (b) be for an amount of **not less** than that the minimum amount of insurance cover stipulated by the Lender for the full reinstatement of the Security Property,
- (c) show the correct security address and the name(s) of the Mortgagor(s) as the insured, and
- (d) also have coverage against loss or damage arising from the following risks : aircraft collision, explosion, fire or lightning, earthquake, flood, smoke, vandalism, vehicle collision, wind or hail.

ONLY A POLICY OR A CERTIFICATE OF CURRENCY ISSUED BY THE INSURER WILL BE ACCEPTED.

A CERTIFICATE ISSUED BY A BROKER OR A COVER NOTE WILL NOT BE ACCEPTED

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PART 5: PAYMENT AND REDRAW METHOD CONDITIONS

Part A – Introduction

1. About these conditions

- 1.1 These conditions set out available methods for You to access credit under Our loan products, and govern the use of those Redraw Methods. These conditions also provide flexibility as to how You can make payments to Us.
- 1.2 If You wish to use an available Redraw Method, You will need to complete the appropriate request or application form. The Redraw Method will become effective only when We agree to your request, and will be subject to these conditions.

2. Availability of Payment and Redraw Methods

Payment and Redraw Methods Table

Payment Method	Premium Lite	Premium	Premium Deluxe	Line of Credit
Regular direct credit	Yes	Yes	Yes	Yes
Optional direct credit (for example, health insurance claims, dividends, etc)	No	No	Yes	Yes
Bpay	Yes	Yes*	Yes	Yes
Salary and other income crediting	Yes	Yes*	Yes	Yes
Any other method from time to time offered to You by Us	Yes	Yes*	Yes	Yes
Redraw Method	Premium Lite	Premium	Premium Deluxe	Line of Credit
Regular direct debit	Yes	Yes	Yes	Yes
Optional direct debit (for example, payment of insurance premiums)	No	Yes**	Yes	Yes
Cheque Book	No	No	Yes	Yes
Any other method from time to time offered to You by Us	Yes	Yes**	Yes	Yes

* not permitted whilst fixed interest rate provisions apply

** not permitted whilst construction provisions apply

3. Your Loan Offer and these conditions

- 3.1 These conditions operate together with your Loan Offer, but do not replace it.

- 3.2 These conditions override your Loan Offer to the extent of any inconsistency other than **Clause 1.3** of the Terms and Conditions.
- 3.3 If you make a Payment by any method which has not been approved by Us then, at Our option :
- (a) We may accept that Payment even though the Payment method has not been approved by Us; or
 - (b) We may return the Payment to You after deducting all fees and charges incurred by Us in receiving and returning that Payment.

Part B – Payments to your loan account

4. How you may make Payments

- 4.1 All Payments to your Facility Account must be made by one of the applicable systems referred to in the Payments and Redraw Methods Table in clause 2.
- 4.2 Please note the following concerning methods of Payment to your Facility Account.

Direct debit from an account	You must complete a Direct Debit Request and include details of the account which will be debited with the Payment. That account must be held with another financial institution. We will debit each Payment to that nominated account. You will also need to enter into a Direct Debit Request Service Agreement with Us.
BPay – payment from another account	If We send you a statement of account indicating that Payment can be made through BPay, You can pay Us from an account You have with another financial institution using BPay (over the phone or the internet) by contacting that financial institution and using the Biller Code and Reference Number We give you for the Payment.
Salary and income crediting	You may pay your salary and other income payments direct to your Facility Account following your prior notification to Us and by accessing a personal bank account number as advised by Us.

Part C – Cheque facilities to access your account

5. The Lender's arrangements for the cheque facilities

- 5.1 We have opened an account with the Bank to which cheques completed by You will be processed. Subject to the Loan Offer and these conditions, You are authorised by Us to complete the cheques to be processed to this account up to the amount of your Available Credit Balance.
- 5.2 These conditions set out our requirements, and also those of the Bank. In particular, You acknowledge that, in paying, stopping or dishonouring any cheque, the Bank acts solely on the instructions of Us and is not acting on instructions from You or any person acting on your behalf.

- 5.3 All cheques will be drawn against the account established by Us with the Bank. The amount of any cheque completed by You, and processed to that account, will be debited to your Facility Account unless the cheque is dishonoured or stopped and any applicable fees will also be debited to that account.
- 5.4 All enquiries and instructions concerning your cheque facility should be given to your Mortgage Manager and not to Us or the Bank.
- 5.5 Subject to applicable law, You release the Bank from any duties or obligations imposed on it by law in relation to cheque facilities.
- 5.6 You acknowledge that We reserve the right to instruct the Bank to dishonour or stop payment on a cheque in its sole discretion, even if You have complied with these conditions and your Loan Offer. In addition the Bank may be entitled to dishonour or stop payment on a cheque in accordance with a Facilities Agreement. We will inform you as soon as practicable if the provisions of this clause are implemented.

6. Access to cheque facilities

- 6.1 Your application to Us for a cheque facility, when accepted by Us, will constitute your agreement with Us to these conditions.
- 6.2 Your application will include an Authority to Sign which also governs use of your cheque facility. You may provide Us with a replacement Authority to Sign if your circumstances change.
- 6.3 Once accepted by Us, a cheque book will be sent to the address nominated by You. Provided that the cheque book is sent to the address You have nominated, You bear all risks associated with delivery to You of the cheque book. You may draw cheques up to your Available Credit Balance, subject to your Loan Offer. You should check your Available Credit Balance before writing a cheque to ensure You can pay it. It is your responsibility to take into account any amounts that You have requested to re-draw but that have not yet been debited to your Facility Account. ***However, We reserve the right to instruct the Bank to dishonour a cheque in our sole discretion, even if You have complied with these conditions and your Loan Offer. We will inform you as soon as practicable if We instruct the Bank to dishonour a cheque.***
- 6.4 We may determine the order in which cheques will be paid.

7. Cheque forms – crossed and marked ‘not negotiable’

- 7.1 The cheque forms are crossed with two parallel lines across the face of the cheque from top to bottom. This means that the cheques cannot be cashed across the counter, but must be paid into an account.
- 7.2 The cheque forms are also marked '*not negotiable*'. This means that any person receiving the cheque only has the same rights as the person giving it. If the giver of the cheque was not the true owner, the receiver should not get any better rights to it.
- 7.3 You must not delete, alter or add to the two parallel lines or the words ‘not negotiable’ referred to above.

8. Using cheques

- 8.1 You must only use the cheque forms provided by Us.
- 8.2 To use a cheque, You should clearly print in ink (not pencil or erasable ink):
- (a) the name of the person to whom the cheque will be paid. Cheques must not be made out to cash;
 - (b) the amount of the cheque in words and numbers (do not leave any gaps that could be filled in by someone else); and
 - (c) the date of the cheque.
- 8.3 The cheque must only be signed by an authorised signatory (in accordance with the Authority to Sign). Any alterations to the cheque made by You also must be signed (as close as possible to the alteration).
- 8.4 Do **not** sign blank cheques, or cheques that have not been filled out completely.
- 8.5 When the words '*account payee only*' are written on a cheque, the cheque should normally only be paid into the account of the person named in the cheque as payee.
- 8.6 If You delete the words '*or bearer*' which may be printed on a cheque, You are directing the Bank to pay the amount of the cheque only to the payee named in the cheque or to any other person to whom the payee has ordered it to be paid by endorsing the cheque on the reverse side.

9. Take care of your cheque book and unused cheques

- 9.1 You must take care of your cheque book and unused cheques, and to avoid the unauthorised use of the cheques You must keep them in a secure location.
- 9.2 You must notify your Mortgage Manager immediately if they are lost, stolen or misused. Otherwise, You may be liable for the cheques, if paid in good faith.
- 9.3 You must notify your Mortgage Manager within 3 months of any drawings by cheque which You did not authorise. Otherwise, You will waive any right You have to a claim against Us or the Bank regarding any lack of authority or forgery relating to that cheque.

(Please note that you can obtain details of your Facility Account balance at any time by telephoning your Mortgage Manager or via StarCall or StarNet.

10. Indemnity and liability

- 10.1 You indemnify Us against any loss or liability incurred directly or indirectly as a result of the issue of a cheque by You or the payment of any money in accordance with a cheque issued by You.
- 10.2 We will not be liable to You for any delay or failure in effecting a transaction on your behalf or any act performed by Us in good faith on your behalf or the dishonour or failure to dishonour any cheque drawn by You.

11. Fees and charges

- 11.1 We may charge you the fees and charges which We usually charge other borrowers who use a personal cheque facility. [These cover such things as the issue of cheque books, drawings by cheque, stop payments, the tracing of cheques and dishonouring cheques.]
- 11.2 You authorise Us to debit any of these amounts to your Facility Account.
- 11.3 In South Australia, government stamp duty on cheques may be payable when your cheque is presented at a financial institution.

12. Stopping cheques

- 12.1 You can cancel a cheque or stop payment on it before payment has been authorised.
- 12.2 We will arrange for stop payment of a cheque if You request Us to do so, provided the cheque has not already been paid by the time the Bank is able to deal with the request.
- 12.3 To stop a cheque, contact Interstar at 1300 300 989. You will need to provide details of your Facility Account, the date and amount of the cheque, the cheque number and the name of the payee.
- 12.4 We will charge you a fee for stopping payment on a cheque.

13. Dishonouring cheques

- 13.1 We may instruct the Bank to dishonour your cheques for a variety of reasons. [If We do this, You will be charged a fee].
- 13.2 Reasons why a cheque may be dishonoured include:
- paying the cheque together with any fees in respect of that cheque would cause the Available Credit Balance to be exceeded;
 - the cheque is post-dated (it bears a date that is in the future);
 - the cheque is stale (it appears to be more than fifteen months old when it is presented);
 - the cheque has not been signed by You or in accordance with the Authority to Sign;
 - there has been a material alteration to the cheque that does not appear to be authorised by You;
 - We have received notice of your death, mental incapacity, bankruptcy or other insolvency;
 - the cheque has not been properly completed or is incomplete;
 - We do not have readily available funds to enable payment of the cheque;
 - We do not physically receive the cheque as soon as reasonably practicable after presentation for payment; or
 - We have previously been notified or suspects that the cheque has been lost or stolen.

If a cheque contains a dollar amount in words which differs from the amount in figures, We may either authorise the payment of the lesser of the two or dishonour the cheque.

- 13.3 If the cheque facility is cancelled or withdrawn, any cheques presented after the date of cancellation or withdrawal will be dishonoured, unless You arrange with Us for this not to happen.

Part D – Fax instructions

14. Arranging for fax instructions

- 14.1 This Part D applies to fax instructions which We receive from You, provided that We have accepted your request to give fax instructions on your Facility Account.
- 14.2 If We have accepted your request, We will only accept fax instructions that:
- (a) are sent to Interstar by fax on number (03) 9621 2368;
 - (b) are signed by You or in accordance with your Authority to Sign given at the time of making your request;
 - (c) clearly identify your Facility Account name and number; and
 - (d) clearly instruct Us as to which transaction you wish Us to carry out, together with all information reasonably necessary for Us to carry out the transaction.
- 14.3 We will make all reasonable efforts to promptly carry out a fax instruction on your Facility Account that meets the requirements of this Part D. However, We reserve the right to refuse to act on any fax instruction until We receive satisfactory confirmation from You regarding the instructions by another means.

15. Indemnity, and cancelling fax instructions

- 15.1 You indemnify Us for any loss that We suffer because We act on any fax instruction in respect of your Facility Account, even if the instruction has not been authorised by You.
- 15.2 You may cancel your right to give Interstar fax instructions at any time by written notice to Us. We may cancel your right to give Us fax instructions at any time, and may do so without notice where We believe that giving of the instructions by fax may result in loss to You or Us.

Part F – Changes to these conditions and ending Redraw or Payment Methods

16. Withdrawal or cancellation of Redraw Method or Payment Method

- 16.1 We may cancel or withdraw any Redraw Method or Payment Method at any time by written notice to You. This will happen automatically if you die, become mentally incapacitated or if there is an Event of Default or your Facility is terminated or if required under any applicable payment scheme.

- 16.2 You may stop using any Redraw Method or Payment Method at any time by notifying Us.
- 16.3 On cancellation or withdrawal of an Redraw Method or Payment Method, or if You notify Us that you wish to stop using an Redraw Method or Payment Method, You must:
- (a) stop using the relevant method, and
 - (b) return to Us as soon as possible all unused forms provided to You for that method (such as unused cheque forms).

17. Instruction to the Lender

If You use or purport to use an Redraw Method or Payment Method set out in these conditions, You hereby instruct Us and hereby request the Bank to provide each other and to any third party any details necessary or expedient to facilitate the Redraw Method or Payment Method, which may include (without limitation) details of your name, Available Credit Balance, specimen signature and 'authority to sign'.

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PART 6 – STARCALL AND STARNET CONDITIONS

Part A – Introduction

1. About these conditions

- 1.1 These conditions set out how You can access your loan account by telephone or computer;
- 1.2 If You do not seek to access your Facility Account by telephone or computer You should advise us in writing at the time You enter into your Loan and We shall not forward the required PIN Number to You.

2. Your Loan Offer and these conditions

- 2.1 These conditions operate together with your Loan Offer, but do not replace it.

Part B

3. These terms and conditions of use apply to both StarCall and StarNet, and are binding on You and all Guarantors.
4. Each of You agrees to provide authorised access to StarCall and StarNet to other Borrowers.
5. We will provide a Loan ID Number and one PIN number to enable access to both StarCall and StarNet. Any person holding the PIN number may alter that PIN number at anytime after issue.
6. You must ensure that a PIN number is kept secret and confidential at all times, and must take care to prevent the unauthorised use of a PIN number. In particular You must ensure that
 - any record of a Loan ID Number and PIN number are kept in separate and secure locations;
 - care is taken when using a PIN number to ensure that it is not visible to an unauthorised person; and
 - a PIN number is not written or noted anywhere except in the letter provided by Us.

If a PIN number becomes known to any unauthorised person, You or any other person authorised by You must notify Us immediately. We will cancel the PIN number and provide a replacement number as soon as practicable. To the extent permitted by law We exclude, and limit to the minimum permitted by law, any liability We might otherwise have for any loss, cost, liability or damage (“Loss”) suffered by You or a Guarantor arising from any intentional or accidental disclosure, loss, misuse, theft or fraud (“Occurrence”) in relation to a PIN number. You and all Guarantors

must perform your respective obligations as a result of all transactions undertaken using the PIN number, irrespective of any Occurrence.

7. If You provide or communicate a Loan ID Number and/or PIN number to any other person or entity, You and all Guarantors must perform your respective obligations as a result of all transactions undertaken by that person or entity, even if those transactions have not been authorised by any of You.
8. All transactions will be processed having regard to these terms and conditions of use. We may delay the processing of any transaction in order to obtain additional information relating to the transaction.
9. Responsibility for the correctness of all transaction requests remains solely with You, and We will not accept any order to alter or cancel any transaction request that has been made through StarCall or StarNet.
10. We will endeavour to process all valid and properly authorised transaction requests within one business day after the business day on which a transaction request has been made. You must promptly notify Us of any delays or errors in the processing of transaction request, or if any unauthorised transactions appear on a Facility Account.
11. All transaction requests made through StarCall or StarNet will be referenced with a transaction confirmation number. This number must be recorded by You and quoted to Us in the event of any transaction queries.
12. We will endeavour to make StarCall and StarNet available at all times. However, to the extent permitted by law We exclude, and limit to the minimum permitted by law, any liability We might otherwise have for any delays in accessing StarCall or StarNet, the accuracy and completeness of any information provided by Us, or any failure by Us to provide any of the functions or services referred to in these terms and conditions of use or any other material provided in relation to Us.
13. We will endeavour to provide StarCall and StarNet via a secure system but provide no assurance that it is absolutely secure. To the extent permitted by law We exclude, and limit to the minimum permitted by law, any liability We might otherwise have in connection with any breach, failure or inadequacy of the security measures in place from time to time. You and all Guarantors agree to accept the risk of any breach, failure or inadequacy of the security system and any liability or obligations incurred by any of them as a result.
14. To the extent permitted by law We exclude, and limit to the minimum permitted by law, any liability We might otherwise have, for any loss suffered by any of You, any Guarantor or any other person acting with your authority.
15. We do not presently charge any fees to You for the use of either StarCall or StarNet, but We reserve the right at some future date to impose fees or charges in relation to these services. We will provide You with at least twenty days' notice in the event of the introduction of any such fees or charges.
16. All queries relating to StarCall or StarNet should be referred to your Mortgage Manager, or to Interstar. The relevant telephone numbers are shown on your Facility Account.

17. We may at any time vary any or all of these terms and conditions of use. Notification of any changes will be advised to the Borrower at least twenty days prior to the introduction of any changes.
18. We may cancel any or all of your access to StarCall and/or StarNet at any time and without prior notice.

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PART 7: MORTGAGE CONDITIONS**MORTGAGE MEMORANDUM OF PROVISIONS****(CONSUMER CREDIT CODE COMPLIANT)**

The provisions contained in this document are part of the Mortgage.

Lodged at the Land Titles Office in

AUSTRALIAN CAPITAL TERRITORY – NUMBER 1381182

NEW SOUTH WALES – NUMBER AA832323

QUEENSLAND, NUMBER 707918723

SOUTH AUSTRALIA – NUMBER 10048399

TASMANIA – NUMBER M272

VICTORIA – NUMBER AA840

WESTERN AUSTRALIA – NUMBER I965277

NORTHERN TERRITORY - 371969

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This memorandum containing 16 pages contains provisions which are intended for inclusion in instruments to be subsequently lodged for registration

Provision

(Notes 1-3)

1. UNDERSTANDING THE MORTGAGE

1.1 Definitions

In the Mortgage, the following expressions have the following meanings:

"Authorised Officer" means any of our employees and any principal of the firm of solicitors retained by Us and anyone else appointed by Us.

"Credit Law" means any applicable law relating to the provision of consumer credit, including any law that implements, or contains provisions contemplated by, the Uniform Credit Laws Agreement 1993.

"Crown Land" means any Crown Lease under which You derive an interest in the Land.

"Default Notice" means a notice informing You of your default and given by Us in accordance with Clause 7.2.

"Enforcement Expenses" means all reasonable amounts that We reasonably incur in relation to:

- seeking possession of the Property or taking any other action to enforce the Mortgage after an Event of Default, or
- in preserving or maintaining the Property (including paying insurance, rates and taxes) after an Event of Default.

"Event of Default" means any of the events set forth in clause 7.1.

"Governing body" means any entity that administers any subdivision affecting the Property.

"Guarantor" means any person other than You who guarantees the payment of the Secured Money to Us.

"Improvements" means the building and any structure, fence and improvement of any nature at any time erected or standing upon and forming part of the Property.

"Insolvent" has the meaning provided by Credit Law.

"Land" means the land described as the Land in the Mortgage Form, or so much of that land as remains subject to the Mortgage.

"Mortgage" means the Mortgage Form including all schedules and annexures and this document.

"Mortgage Form" means the form of mortgage that You have executed that refers to and incorporates this document.

"Property" means the Land and all rights relating to the Land and includes the Improvements.

"Secured Agreement" means:

- any present or future agreement between Us, and You or any of You that You acknowledge in writing to be an agreement secured by the Mortgage, and
- an agreement that varies such an agreement.

"Secured Money" means:

- all amounts that are payable at any time or are contingently owing or payable to Us under a Secured Agreement, and
- Enforcement Expenses.

"Security" means any present or future mortgage, charge, guarantee or other security for the payment of the whole or any part of the Security Money.

"We" means the person or persons named in the Mortgage Form as the Mortgagee and "Us" has a corresponding meaning.

"Works" includes excavation and earth works, demolition and construction works.

"You" means the person or persons named in the Mortgage Form as the Mortgagor and "your" has a corresponding meaning.

1.2 Interpretation

In the Mortgage unless the context otherwise requires:

- a word importing the singular includes the plural and vice versa,
- a word importing any gender includes the other genders,
- a reference to a person includes corporations, firms, authorities and government bodies,
- a reference to a person includes the legal personal representatives, successors and permitted assigns of that person,
- a reference to a statutory law or code includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them,
- a reference to any thing (including without limitation, to the Secured Money or to the Property) is a reference to the whole or any part of it and a reference to a group of things or persons is a reference to any one or more of them, and
- headings must be ignored in construing the Mortgage.

1.3 Credit Law

This clause applies where Credit Law applies to the Mortgage.

Where Credit Law would make a provision of the Mortgage illegal or void the Mortgage is to be read down (if possible) to the extent needed to prevent it having any of those effects. If this cannot be done, the Mortgage is to be read as if that provision were omitted.

Where the Mortgage is inconsistent with Credit Law, the Credit Law prevails to the extent of the inconsistency.

The Secured Money does not include any amount that is not permitted to be secured under Credit Law.

1.4 Inconsistency between the Document and the Mortgage Form

Unless Clause 1.3 applies, if there is any inconsistency between the provisions of this document and the Mortgage Form, the provisions of the Mortgage Form prevail.

2. MORTGAGE OBLIGATIONS

2.1 The Mortgage

You acknowledge that by the Mortgage You give Us security over:

- the Property, and
- your right to receive any money or compensation for the Property.

2.2 Pay Secured Money

The Mortgage is security for payment to Us of the Secured Money and for the performance of all of your obligations under the Mortgage. You agree to pay the Secured Money as and when the Secured Money becomes due and payable in accordance with the provisions of each Secured Agreement or the Mortgage.

2.3 Not breach the Mortgage, a Secured Agreement or any other Security

You must ensure that You are not in default under the Mortgage. You must also observe and perform on time all of your obligations under every Secured Agreement and any other Security for the Secured Money that You are a party to.

2.4 Pay Enforcement Expenses

You must pay all Enforcement Expenses on demand.

2.5 Perfect the security

You must, if We request, sign and do such further things or provide or obtain such things to obtain registration of the Mortgage Form and any other associated dealings or more effectively secure our rights or interests over the Property for payment of the Secured Money. You must make sure that anyone else who has or claims to have an interest in the Property does the same. You also authorise Us and any Authorised Officer to fill in any blanks or make any alterations to the Mortgage Form and any other associated dealings to enable the registration of the Mortgage Form.

2.6 Power of Attorney

For valuable consideration, You hereby irrevocably appoint Us and each Authorised Officer severally to be your attorney.

At any time, each attorney may:

- complete and sign all documents and deeds and do all acts matters deeds and things as the attorney considers appropriate to ensure the stamping and registration of the Mortgage Form,
- after an Event of Default occurs, do anything You can do as owner of the Property,
- after an Event of Default occurs, do anything You could do, or ought to have done, under the Mortgage, and
- after an Event of Default occurs, do anything We could do under the Mortgage.

The attorney may exercise the power even if this involves conflict of duty or interest.

You must, if We request, confirm anything an attorney does under this clause.

2.7 Trustee

This clause applies if You enter into the Mortgage as trustee of a trust, whether or not We know about the trust.

You agree that You are liable both in a personal capacity and as trustee of the trust.

You promise Us that:

- You enter into the Mortgage for a proper purpose of the trust,
- You have the power under the trust to enter into the Mortgage and to use the trust property as security,
- You have the right to be indemnified fully out of the trust property, before the beneficiaries of the trust, for the Secured Money,
- the trust deed establishing the trust must not be amended without our previous written consent,
- You must not resign or be removed as trustee of the trust without our previous written consent,
- no distribution of any capital of the trust may be effected without our previous written consent, and
- in the event that the trust is a unit trust, no units may be redeemed without our previous written consent.

3. TITLE AND INFORMATION

3.1 Absolute and unchallengeable title

You promise Us that You have an absolute and unchallengeable title to the Property, or that You will have such title on completion of your purchase of the Property, except only to any rights that appear on the title to the Property or that You have previously notified to Us in writing.

3.2 Land not subject to any other rights

You promise Us that:

- the Property is not subject to any right under any:
 - option to purchase or contract of sale,
 - lease, licence or tenancy,
 - adverse possession claim,
 - public or private right of way or easement, or
 - mortgage, charge or other security,

except as appears on the title to the Property or which You have previously notified to Us in writing,

- no part of the Property is reserved for the purpose of a roadway or road-widening or for the purpose of existing or proposed public open space or public purposes,
- to the best of your knowledge no person claims or has threatened to make any claim to any interest in the Property, and
- You are not breaching any obligation to any other person by signing the Mortgage.

3.3 All information given to Us is true

You promise Us that all information given to Us in connection with each Secured Agreement and the Mortgage remains true and correct in every respect. In particular You promise that all answers or statements given by You or on your behalf to any requisitions or enquiry made by Us or on our behalf before You signed the Mortgage in relation to:

- the Property,
- your interest in the Property, and
- your capacity and financial position,

remain true and correct in every particular.

3.4 **Improvements**

You promise Us that all Improvements comply with all applicable laws and the requirements of all relevant authorities.

3.5 **Contamination of the Property**

You promise Us that the Property is free from pollutants and is not contaminated.

3.6 **Title documents**

You will immediately deliver to Us all documents of title relating to the Property and permit Us to retain these during the continuance of the Mortgage.

4. **LEASEHOLD TITLE**

4.1 **Crown Lease**

This clause applies if the Property is leased to You under a Crown Lease.

4.2 **Your title**

You promise Us that:

- the Crown Lease is valid and current in accordance with its terms,
- You have complied with all of the lessee's obligations under the Crown Lease, and
- You have obtained all required consents to mortgage the Crown Lease.

4.3 **Your obligations under the Crown Lease**

You must:

- pay on time the rent and other money payable by the lessee pursuant to the Crown Lease,
- comply with all of the lessee's obligations under the Crown Lease,
- on the expiry of the Crown Lease use your best endeavours to obtain a new lease and grant a new mortgage, in the form We require, over the new lease immediately You acquire the new lease,
- You must promptly advise Us in writing of any dispute in relation to the Crown Lease,
- You must promptly provide Us with any notice You receive from the Lessor in relation to the Crown Lease, and
- not alter the use of the Land under the Crown Lease unless We consent.

4.4 **Where the Crown Lease can be converted to freehold title**

If You have or obtain the right to obtain freehold title to the Property:

- You must promptly notify Us in writing, and
- if We ask You, You must acquire the freehold title and grant to Us a new mortgage, in the form We require, over the acquired freehold title and deliver the further title documents to Us as soon as You acquire the freehold title.

5. **OBLIGATIONS REGARDING THE LAND**

5.1 **Sell or deal with the Property**

You must not, without our prior written consent:

- sell or transfer the Property,
- lease or allow a surrender or variation of any lease of the Property,
- give any mortgage, charge or other security over the Property,
- subdivide or consolidate the Property,
- part with possession of the Property, or
- create, vary or terminate any easement, covenant, licence or other right affecting the Property.

5.2 **Permit charges on the Property**

You must not, without our prior written consent, allow any charge or liability to be imposed on the Property.

5.3 **Pay rates and taxes for the Property**

You must pay on time all rates taxes and outgoings of any kind at any time payable in respect of the Property. If We request, You must provide Us with the receipts for such payments.

5.4 **Keep Improvements in good repair and order**

You must put into and keep the Improvements in good substantial and tenantable repair order and condition.

5.5 **Structural changes**

You must not demolish or make structural alterations to the Improvements without our prior written consent. You must not do or permit any thing that reduces the value of the Property.

5.6 **Property part of a subdivision**

This clause applies if the Property is part of a plan under any law that provides for the subdivision or development of land or buildings or the management of subdivided land or buildings.

You must:

- comply with all rules of the Governing Body ,
- pay on time all amounts that are payable at any time to the Governing Body,
- attend and vote at all meetings of the Governing Body in accordance with our direction,
- not without our prior written consent, agree or permit any dealing with the common property of the plan of which the Property is part,
- not, without our prior written consent, agree to any resolution that adds to, amends or repeals any of the rules of the Governing Body, and
- notify Us in writing if the Governing Body does not comply with all of its obligations.

5.7 **Observe all statutes, regulations and orders**

You must comply with or ensure the compliance with all laws relating to or affecting the Property or the use of the Property.

5.8 **Permit inspection**

You must permit Us, our Authorised Officers and agents to enter at all reasonable times into the Property to view the condition of the Property.

5.9 **Compulsory acquisition**

If the Property or any part of the Property is being resumed or acquired by compulsory process, You must join with Us in making claim for money that may become payable by way of purchase money or compensation in respect of the Property.

You must not without our prior written consent compromise agree or settle on the purchase money or compensation in respect of any such resumption or acquisition.

5.10 **Protect the Property**

You must:

- keep the Property in good condition and maintain its value and your and our respective interests in the Property, and
- if the Property is or becomes contaminated remove any pollutant and clean up the contamination promptly.

5.11 Information

You must promptly:

- give Us any information about the Property or anything happening on or to it that We reasonably request,
- notify Us in writing if the Property becomes contaminated or if the Improvements become defective or seriously damaged, and
- give Us any notice or order (other than usual rate notices or land tax notices) affecting the Property on becoming aware thereof.

5.12 Building and other works

You must obtain our prior written consent and all necessary approvals from authorities and, if applicable, the Governing Body before carrying out any Works to or at the Property.

Any Works must:

- comply with the terms included in our consent and any requirements of any authority.
- be done properly by competent persons, who are licensed where necessary, and be completed within a reasonable time.

We are not liable for any loss in connection with any Works (even in cases where We may have at any time inspected the Works or have been satisfied as to the Works and have advanced money to pay for the Works or otherwise. To the maximum extent allowed by law We are not liable for any other inspection or valuation carried out or obtained by Us relating to the Property.

You must, if We require, for the purpose of further securing to Us the payment of the Secured Money, transfer to Us all of your rights under any warranty, guarantee or builder's insurance relating to the Property or any works carried out before or after the Mortgage is signed.

5.13 Other mortgage

You must observe and perform on time all of your obligations under any other mortgage over the Property. You must produce to Us payment receipts, statements and such other evidence that You have complied with your obligations under any other mortgage as We may at any time reasonably require.

5.14 Caveats

You must do everything necessary to remove any caveat placed on the title to the Property without our consent.

6. INSURANCE

6.1 Maintain insurance

You must maintain insurance over the Property, including the Improvements, against loss or damage by fire, storm and other usual risks. The insurance must be for the full reinstatement value of the Property, including Improvements. You must also maintain insurance against public liability risk and any other risk We reasonably require.

6.2 Insurance to note our interest and be with an acceptable insurer

Insurance referred to in Clause 6.1 must note our interest as mortgagee. The insurance must be with an insurer You nominate and We approve.

6.3 Keep insurance valid

You must pay on time all premiums and sums necessary to take out and maintain the insurance. If We request, You must produce the insurance policy and receipts for premiums. You must not do or fail to do anything that would make any insurance invalid or that would result in the insurance cover being reduced or cancelled. If You fail to perform your obligations pursuant to this Clause, We may take out or renew any insurance at our expense without prior notice.

6.4 Insurance where there is a subdivision

If the Property is part of a plan under any law that provides for the subdivision or development of land or buildings or the management of subdivided land or buildings, You must ensure that the Governing Body maintains all of the insurances that are required to be effected by law.

6.5 Insurance claims

You must notify Us in writing if an event occurs that could give rise to a claim under the insurance and also if the insurer refuses or reduces a claim. You will, if We require, transfer to Us all of your rights under any insurance. We may pursue or settle any insurance claim as We decide.

You will hold any money paid under an insurance claim on trust for Us. We are entitled to the money up to the amount of the Secured Money. You must use the money received from the insurer, either:

- to rebuild or reinstate the Improvements under the supervision of a person approved by Us, or
- to pay Us the Secured Money.

You must comply with our direction as to the way that the money is to be applied.

7. DEFAULT

7.1 Events of Default

Each of the following in an Event of Default:

- You do not pay any of the Secured Money on time,
- You fail to comply on time with any of your obligations under the Mortgage,
- any information supplied to Us in connection with a Secured Agreement or the Mortgage is false or, in our opinion, misleading,
- You or a Guarantor breach any term or condition of any Secured Agreement or any Security,
- You or a Guarantor become insolvent,
- You or a Guarantor die or becomes mentally incapacitated, or if a corporation, are dissolved,
- You give any mortgage or charge over the Property without our consent,
- You default under any other mortgage or charge over the Property, or
- any creditor of yours commences any form of recovery action affecting the Property.

7.2 Notice of default

When an Event of Default occurs and We choose to exercise our rights under the Mortgage then We will give You a default notice requiring You to remedy the Event of Default. You must have been in default for one day or more before We may do this. The default notice will allow a period of at least thirty days (calculated as provided by Credit Law) to remedy the default unless:

- We believe on reasonable grounds that We were induced by fraud to enter into a Secured Agreement or the Mortgage,
- We have made reasonable attempts to locate You but without success,
- a court so authorises Us, or
- We believe on reasonable grounds that urgent action is necessary to protect the Property,

in which case the default notice will allow the minimum period allowed by law (and having regard to Clause 7.4) to remedy the default. Any default notice in accordance with this clause may include such information as is required by any statute law governing the exercise of our power of sale as mortgagee.

7.3 **No action taken about an Event of Default**

If an Event of Default occurs and We do not give You a Default Notice in respect of that Event of Default, this does not mean that We have given up our rights relating to that Event of Default or our right to issue a Default Notice relating to that Event of Default at a later date.

7.4 **Variation of statutory rights**

- If notice or lapse of time is required under any law other than Credit Law (whether before or after the giving of any notice) before We can exercise our power of sale or other rights, then, if permitted by such law, that notice or lapse of time is dispensed with.
- If any such law does not allow notice or lapse of time to be dispensed with, but allows it to be shortened, then for the purpose of the Mortgage, the period of notice or lapse of time is one day.

8. **OUR POWERS**

8.1 **We may exercise rights if there is an Event of Default**

In the event that You fail to rectify the Event of Default in compliance with any Default Notice under Clause 7.2 We may then or at any later time exercise all of your powers as owner of the Property and all powers vested in mortgagees by any applicable law. By way of example We may:

- **Possession**

Enter on and take possession of the Property and manage or use the Property.

- **Obtain income from Property or make the Property saleable**

Do all things that We consider appropriate for the efficient management or use of the Property or for obtaining income from the Property or to make the Property more saleable or otherwise to improve the Property.

- **Lease the Property**

Lease the Property either separately from or together with any other property mortgaged by You to Us as We may determine in our absolute discretion.

- **Sell the Property**

Exercise any power of sale conferred on a mortgagee by any applicable law. By way of example, We may sell the Property or any part of the Property or any interest in the Property for cash or on terms and either separately or together with any other property included in any other mortgage to Us (whether such property is general law land or otherwise) securing the Secured Money with power to apportion the purchase money and expenses of sale between the Property and the other property in any manner that We think fit.

- **Build or rebuild Improvements**

Pull down rebuild alter or add to the Improvements and erect or make any new Improvements.

- **Amend the title or subdivide the Property**

Apply for and obtain an amendment of the title to the Property and do any thing appropriate for perfecting your title to the Property or subdivide the Property.

- **Acquire additional rights**

Acquire any rights of way or drainage or other easements over the Property or any nearby land and lay out and construct such roads and drains as We consider are necessary.

- **Surrender or dispose of rights**

Surrender to the Crown all or any part of or any interest in the Property or exchange with the Crown or with any person all or any part of or any interest in the Property for other land of any tenure either with or without giving or receiving any money or other consideration. Any land so acquired may then be held by Us on your account as further security for the Secured Money and the power of sale and all other rights or remedies conferred on Us under the Mortgage or by any statute will apply to and be capable of being enforced in respect of such land.

- **Compromise**

Compromise with anyone, or make concessions or arrangements with anyone, about the Property.

8.2 **We may withdraw from possession of the Property**

After We exercise any powers conferred by the Mortgage or by any applicable law We may at any time suspend the further exercise of any of our powers or withdraw from possession without restricting our future exercise of such powers and without being responsible for any loss or damage to the Property.

8.3 **Remove things from the Property, if asked**

When we have taken possession of the Property, You must remove anything on the Property that is not covered by the Mortgage, if We ask You to do so.

If You do not remove the things We ask You to remove within 14 days of being asked:

- those things will be treated as abandoned by You, and
- We may dispose of them in any way We decide.

We will not be liable for any claim by You for any loss of or damage to, anything that We dispose of under the authority of this clause.

9. MONEY we RECEIVE

9.1 Payments

All payments under the Mortgage are to be made direct to Us or to any other person as directed by Us without deduction or withholding for tax and without any set-off or counterclaim by such payment method and to such account or address as may be specified in the applicable Secured Agreement or as otherwise advised to You.

9.2 Credit only for money actually received

In applying any money towards satisfaction of the Secured Money your account must be credited only with so much of the money available for that purpose as We actually receive, such credit to date from the time of receipt.

9.3 Money to be applied toward payment of the Secured Money

All money received as a result of exercising any of our powers under the Mortgage or any applicable law or received from any receiver appointed pursuant to any power vested in Us by statute or by the Mortgage may be applied in or towards satisfaction of the Secured Money in such order and in such manner as We determine.

9.4 Money received as compensation

All money that may be payable by way of purchase money or compensation for the Property must be paid to Us and be dealt with by Us as if paid by You pursuant to the Mortgage. We may sign any document in respect of such money or the Property in your name and on your behalf.

9.5 Surplus money

If at any time after payment of all the Secured Money there is in our hands any surplus money payable to You such surplus money will not carry interest. We may, but are not obliged, pay the same to the credit of a deposit account with any financial institution.

10. NOTICES

10.1 Statement of amount of the Secured Money

A written statement by Us or by any Authorised Officer as to the amount of the Secured Money is sufficient evidence of that fact, unless You prove the statement is wrong.

10.2 Method of service

We may give You notice by delivering it to You personally or by leaving it at or by sending it by post, facsimile or similar facility to your residential or business address or the Property. For this purpose We may use the last address recorded for You.

10.3 **Several persons**

If You are comprised of more than one person, any notice will be given to each one of You.

10.4 **Signing of notices**

If the notice is a demand for payment, it can be signed by Us or by any Authorised Officer. Any other form of notice need not be signed, unless required by law.

10.5 **Receipt of the notice**

If the notice is delivered personally, it will be deemed to be given on the later of the date it bears or the date it is received. If the notice is left at your address, it will be deemed to have been given on the later of the date delivered or the date it bears. If the notice is sent by post, it will be deemed to have been given on the later of the date it bears or the date it would have been delivered in the ordinary course of post. If the notice is sent by facsimile, it will be deemed to have been given on the later of the date it bears or the date the transmitting machine reports it was sent.

10.6 **Change of name or address**

If You change your name or address, You must notify Us in writing immediately specifying details of the change.

11. **GENERAL MATTERS**

11.1 **Secured Money does not merge in any judgment**

The Mortgage does not merge with or adversely affect any judgment We obtain against You for the Secured Money. In these situations We may exercise rights under the Mortgage and also under the judgment.

11.2 **Set-off**

The Mortgage and the right to receive the Secured Money may be assigned by Us free from any equity set-off or cross-claim that, but for this provision, You could establish against Us or any intermediate holder.

11.3 **Applicable law**

The Mortgage must be construed in accordance with the law of the State or Territory where the Property is located. You submit to the jurisdiction of the courts of that place.

11.4 **Severance**

If any provision of the Mortgage (whether contained in a separate clause or not) is illegal or void the provision is to be read down (if possible) to the extent needed to prevent it having any of those effects. If this cannot be done, the provision is to be severed from the remaining provisions of the Mortgage, that must be interpreted without reference to such illegal or void provision.

11.5 **Assignment of Mortgage**

We may assign or otherwise dispose of or deal with our rights or interests under the Mortgage without telling You and without getting your consent.

You consent to the disclosure by Us of any information that We have about You or your obligations under the Mortgage (including a copy of the Mortgage or the Secured Agreement) to any person who is a guarantor of your obligations and any other person who has acquired our rights or interests under the Mortgage or is considering doing so.

11.6 **Exercise of your discretion**

Except where the Mortgage or Credit Law provides otherwise, where our consent is sought, We may give or withhold the consent at our absolute discretion and may also give consent subject to such conditions as We think fit.

11.7 **Joint and several liability**

If You are comprised of more than one person, each person will be liable individually, and every two or more persons are liable jointly, for all promises and obligations under the Mortgage.

11.8 **Discharge of Mortgage**

The Mortgage is a continuing security for the Secured Money and continues until the Mortgage is finally discharged.

11.9 **Deed**

The Mortgage is a deed.