



SuperGear - Property Purchase & Sale Instructions

for Self Managed Superannuation Fund (SMSF) Trustees

Steps to follow when contracting to purchase a property using SuperGear

The following Property Purchase Instructions represent the Commonwealth Bank's understanding of the law as at 3 November 2008. We strongly recommend that you obtain your own legal advice before you purchase a property as the Commonwealth Bank takes no responsibility if any adverse consequences occur.

Prior to contracting to purchase a property via auction or private treaty, it is strongly recommended that you have approached the Commonwealth Bank to obtain a preliminary offer for the SuperGear loan and that you hold a copy of the SuperGear offer pack. However, the Commonwealth Bank has no obligation to provide finance until your SuperGear loan application has been approved and all conditions of funding are satisfied as referred to in the SuperGear offer pack.

What do these instructions provide?

These instructions summarise the steps that a Self Managed Superannuation Fund Trustee ('SMSF Trustee') must follow when purchasing a property using SuperGear.

Please note the only acceptable titles when purchasing a property using SuperGear are:

- **Freehold Title under Torrens (including Strata Title) or Old Law System; or**
- **Freehold equivalent Commonwealth leases of ACT land.**

If the SMSF Trustee does not follow these steps it may:

- Incur additional stamp duty;
- Breach the applicable legislation; and/or
- Lose the deposit on the purchase if it is unable to complete the purchase.

The steps below apply to situations where property is purchased by either auction or private treaty.

Steps for the SMSF Trustee to follow:

<p>1.1 Exchanging the contract</p>	<ul style="list-style-type: none"> • Prior to the exchange of contracts to purchase the property, the SMSF Trustee must obtain a variation to the sale contract terms by adding the following clause: <p style="text-align: center;"><i>'On completion, the vendor must transfer the property to Premium Custody Services Pty Ltd – ABN 52 132 716 431'.</i></p> • The name of the purchaser on the sale contract must be the full name of the SMSF Trustee(s) – for example: <p style="text-align: center;"><i>'Watson Family Pty Ltd as trustee of the Watson Family Superannuation Fund'.</i></p> • If the vendor objects to the description of '<i>as trustees of the Watson Family Superannuation Fund</i>' this may be removed, noting only '<i>Watson Family Pty Ltd</i>'. • All SMSF Trustees must sign the sale contract <i>in person</i> (or by an attorney on their behalf under Power of Attorney). • The SMSF Trustee <i>must pay the deposit to the vendor</i> (or its agent) from the SMSF's bank account. • It is strongly recommended that the SMSF Trustee should not enter into a contract to purchase the property or bid at auction for the property, unless they have received the SuperGear offer pack containing all the relevant SuperGear documentation.
<p>1.2 Auction</p>	<p>In the case of an auction, the SMSF Trustee must seek the above variation to the sale contract before bidding.</p>

Steps for the SMSF Trustee to follow (continued):

<p>2. Completing the property contract:</p> <p>The following steps assume that the Commonwealth Bank has received the SMSF Trustee's application for the SuperGear loan facility and the Commonwealth Bank has provided the SMSF Trustee with the SuperGear offer pack.</p>	<p>2.1 Prior to completion of the purchase, the SMSF Trustee's solicitor (in cooperation with Premium Custody Services Pty Ltd) must:</p> <ul style="list-style-type: none">• Prepare the Transfer of the property in the name of Premium Custody Services Pty Ltd but note the following with respect to specific jurisdictions:<ul style="list-style-type: none">- In all States, except Tasmania, the Transfer as prepared by the SMSF Trustee's solicitor must be forwarded to the Bank for execution by Premium Custody Services Pty Ltd under registered Power of Attorney; or- If the Transfer is to be registered in Tasmania, the Transfer does not need to be signed by or on behalf of Premium Custody Services Pty Ltd.• Arrange for the following documents to be stamped at the relevant State/Territory Office of State Revenue ('OSR') (except Victoria):<ul style="list-style-type: none">(i) The sale contract (in the full name of the SMSF Trustee(s) as highlighted above in section 1.1) (except South Australia); and(ii) The Transfer (in the name of Premium Custody Services Pty Ltd).• Provide to the vendor's solicitor the Transfer in the name of Premium Custody Services Pty Ltd in preparation for settlement (the Transfer must be stamped if that accords with usual conveyancing practice where the property is located).• Provide a copy of eNOS (NSW only) to the Bank for review.
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Steps for the SMSF Trustee to follow (continued):

2.2 At completion of the purchase:

- The SMSF Trustee's solicitor must pay the total purchase price to the vendor, using:
 - i. the loan funds from the Commonwealth Bank; and
 - ii. the balance of the purchase price from the SMSF Trustee.

The SMSF Trustee's solicitor will receive the Certificate of Title for the property and the signed Transfer from the vendor (which it must give to the Commonwealth Bank at completion). At this point the property is held on bare trust by Premium Custody Services Pty Ltd for the SMSF Trustee(s).

The Commonwealth Bank will register the Transfer from the vendor. The Commonwealth Bank will retain the Certificate of Title for the property until the SMSF Trustee's SuperGear loan facility is repaid.

- In Victoria the SMSF Trustee's solicitor can arrange for stamping of the Transfer, or make arrangements with the Bank to help complete this process on condition that the Bank is provided with the Transfer, Notice of Acquisition and the Goods Statutory Declaration.
- The SMSF Trustee's solicitor must prepare and send notices required to be given to any governmental or municipal authorities for example the 'Notice of Sale' form or as applicable in each state and territory. As a result, please ensure that the postal address for all future correspondence is care of the SMSF Trustee or their Property Manager, and **not** Premium Custody Services Pty Ltd. The postal address of the SMSF Trustee or their Property Manager must be provided.

Note: The SMSF Trustee is responsible for stamp duty on the sale contract and the Transfer to Premium Custody Services Pty Ltd and all the solicitor's costs.

2.3 Mortgage over the property

- Premium Custody Services Pty Ltd will give the Commonwealth Bank security over the property in the form of a mortgage.
- Additionally, individual Indemnities may also be required from suitable SMSF Members as further security, separate from the SMSF.
- Stamp Duty may also be payable on the mortgage in certain jurisdictions.

2.4 Land Tax

- Land Tax may be payable to State and Territory governments across Australia.
- The SMSF Trustee should seek advice from their solicitor on the registration and payment of land tax.

Steps for the SMSF Trustee to follow (continued):

3. Following repayment of the SuperGear loan

3.1 Repayment of SuperGear facility and transfer of title to property to SMSF Trustee (or nominated private custodian)

- Once the SMSF Trustee makes a Final Payment on its SuperGear loan facility, it must request the Commonwealth Bank to provide a Discharge of Mortgage to enable the Title to be transferred to either the SMSF Trustee or to a separate custodian nominated by the SMSF Trustee.
- Preparation of the Transfer and any other statutory documents or notices of sale will be the responsibility of the SMSF Trustee and their solicitor. The Commonwealth Bank can assist in advising which Transfer form will be required.
- On receipt of the correctly prepared Transfer signed by the SMSF Trustee (or a private custodian nominated by the SMSF Trustee), Premium Custody Services Pty Ltd will then sign the Transfer and will hold this Transfer until settlement.
- The transfer of the property by Premium Custody Services Pty Ltd to the SMSF Trustee or an alternative custodian following the Final Payment, should either be exempt from stamp duty or chargeable with nominal duty only in all Australian States and Territories except South Australia. In South Australia, stamp duty will be payable unless the property is transferred to a separate custodian nominated by the SMSF Trustee. It is recommended that before requesting a transfer from Premium Custody Services Pty Ltd, that the SMSF Trustee seeks independent legal advice from their solicitor as to the effect of stamp duty legislation on the transfer at that time.
- The Commonwealth Bank will also give the SMSF Trustee the Certificate of Title to the property and Discharge of Mortgage (and a release of other security where applicable) after all the necessary steps have been executed.

3.2 Sale of property during the SuperGear loan term

- Where the SMSF Trustee plans to sell the property during the SuperGear loan term on commercial terms (e.g. to a third party), the SMSF Trustee must prepare and enter into a sale contract as vendor on standard terms subject to the following clauses being added to the sale contract:

(a) 'The vendor warrants that it is the beneficial owner of the property and that the registered proprietor holds the property as its custodian subject to a mortgage in favour of the Commonwealth Bank of Australia.'

(b) 'Despite any other provision in this contract the purchaser agrees that:

(i) at completion the purchaser must accept from the vendor a transfer of the title to the property from the registered proprietor to the purchaser; and

(ii) the vendor's obligation under this contract to transfer title to the property to the purchaser is satisfied if at completion the vendor delivers to the purchaser the transfer to which paragraph (i) refers.'

	<ul style="list-style-type: none">• Preparation of the Transfer and any other statutory documents or Notices of Sale will be the responsibility of the SMSF Trustee and their solicitor. The Commonwealth Bank can assist in advising which transfer form will be required and any other notifications required to effect the sale of the property by the SMSF Trustee (beneficial owner).• On receipt of the correctly prepared Transfer signed by the purchaser, Premium Custody Services Pty Ltd will then sign the Transfer and will hold the Transfer until settlement.• Property conveyancing taxes (e.g. stamp duty), will be the responsibility of the purchaser (i.e. not the SMSF Trustee or Premium Custody Services Pty Ltd) in line with the applicable laws in each state and territory.• At settlement the Commonwealth Bank will also provide the Certificate of Title to the property and Discharge of Mortgage (and a release of other security where applicable) after all the necessary steps have been executed.
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The Commonwealth Bank of Australia and Premium Custody Services Pty Ltd believe that the information contained in this document is correct as at the time of publication. This document should be used as a guide only and any person should obtain their own advice and make their own enquires in respect of the conveyancing process and stamp duty laws in the State or Territory in which the property is situated.

Annexure

Example attorney attestation clauses for each State and Territory (except Tasmania).

New South Wales

I certify that the person(s) signing opposite, with whom I am personally acquainted or as to whose identity I am otherwise satisfied, signed this instrument in my presence.

Certified correct for the purposes of the Real Property Act 1900 by the person(s) named below who signed this instrument pursuant to the power of attorney specified

Signature of witness:

Signature of attorney:

Name of witness:

Attorney's name:

Address of witness:

Attorney's position: of the

COMMONWEALTH BANK OF AUSTRALIA

.....

Signing on behalf of: **Premium Custody Services Pty Ltd**
ABN 52 132 716 431

Power of attorney - Book: 4555

- No: 456

Please note that if there is insufficient space on the Transfer to insert an attorney attestation clause, insert "See Annexure" in the Transferee execution clause and insert an additional page as an annexure to the Transfer.

Australian Capital Territory

PREMIUM CUSTODY SERVICES PTY LTD

ABN 52 132 716 431 by its attorney pursuant to the Power of Attorney specified below

Signature of witness:

Signature of attorney:

Name of witness:

Attorney's name:

Address of witness:

Attorney's position: of the

COMMONWEALTH BANK OF AUSTRALIA

.....

Power of attorney: 0136267

Registered in the Office of the
Registrar-General, ACT.

Please note that if there is insufficient space on the Transfer to insert an attorney attestation clause, please use Form 029 Annexure and annexe to the Transfer.

Queensland

PREMIUM CUSTODY SERVICES PTY LTD ABN 52
132 716 431 as custodian by its Attorney under
registered Power of Attorney No: 712001013

/ / 20

.....
Signature

.....Witness signature

Print Full Name

.....Full name

Position Held of the COMMONWEALTH BANK OF AUSTRALIA

.....Qualification

as per Schedule 1 of Land Title Act 1994*

* Note a Qualified Witness in QLD is a Barrister,
Commissioner of Declarations, Conveyancer, Justice of
the Peace, or Solicitor.

Please note that if there is insufficient space on the Transfer to insert an attorney attestation clause, please use Form 20
Schedule/enlarged panel/additional page/ declaration and annexe to the Transfer.

Victoria

SIGNED for and on behalf of PREMIUM CUSTODY SERVICES)
PTY LTD ABN 52 132 716 431 by its Attorney [*NAME OF*)
ATTORNEY] under Power of Attorney dated 17 October 2008 a)
certified copy of which is filed in Permanent Order Book No. 277)
Page 028 Item 1 who certifies that he/she is (*POSITION*) of the)
COMMONWEALTH BANK OF AUSTRALIA in the presence of:)
)
)
Signature of Attorney

.....
Signature of Witness

.....
Name of Witness (block letters)

Please note that if there is insufficient space on the Transfer to insert an attorney attestation clause, please use Form A1 Annexure Page and
annexe to the Transfer.

South Australia

SIGNED by [NAME OF ATTORNEY] OF [ATTORNEY'S ADDRESS])
as attorney for PREMIUM CUSTODY SERVICES PTY LTD)
ABN 52 132 716 431 who certified that he/she is the)
[POSITION] of the COMMONWEALTH BANK OF AUSTRALIA)
ABN 48 123 123 124 in the presence of:)

.....
Signed by its Attorney
Power of Attorney No. 11054757

.....
Signature of Witness- Signed in my presence by the
above named who is either personally known to me or
has satisfied me as to his or her identity.

.....
Full Name of Witness (block letters)

.....
Address of Witness

.....
Business Hours Telephone No.

Northern Territory

**PREMIUM CUSTODY SERVICES PTY LTD ABN 52 132 716 431 by its attorney named below pursuant to
Power of Attorney registered No: 349076**

.....
Signature of Attorney

.....
Name of Attorney

.....
Position of Attorney of the COMMONWEALTH BANK OF AUSTRALIA

In the presence of:
.....

Qualified Witness*
.....

Name of Witness
.....

Address of Witness

*Note: A Qualified Witness is a solicitor, Justice of the Peace. Commissioner of Oaths, Notary Public, Licensed Conveyancer, licensed real estate agent, member of the police force etc.

Please note that if there is insufficient space on the Transfer Form T1, Form T2 Transfer of Land with additional pages should be used.

Western Australia

SIGNED by [ATTORNEY] the [POSITION] of PREMIUM)
CUSTODY SERVICES PTY LTD ABN 52 132 716 431 as)
Attorney for PREMIUM CUSTODY SERVICES PTY LTD)
ABN 52 132 716 431 Power of Attorney Number K751508.)

In the presence of:)
)

Signature of witness:

Signature of attorney:

Full name of witness:

Address of witness:

Occupation of witness:

Please note that if there is insufficient space on the Transfer Form T1, Form T2 Transfer of Land with additional pages should be used.