

45 Days to Settlement



Dear Client,

These notes have been personally done by me to assist you with your settlement. The Mentor Program is designed to assist you with building a property investment portfolio. It is not designed to take all responsibility from you. For this reason, we often say that the first time is the most challenging. For this reason, I have written these notes for you.

All of these flow charts are available on the Members Lounge, and you can download them at anytime. What I suggest you do, is make notes and create your own diary notes on what happens when. This will help you feel in control of your property settlement and help to ensure that you don't forget to do any of the essential steps.

The team at Solid are here to help you at any time. We all understand that you have busy lives and you may from time to time have a change in circumstances, or need special assistance. We are here for you at anytime.

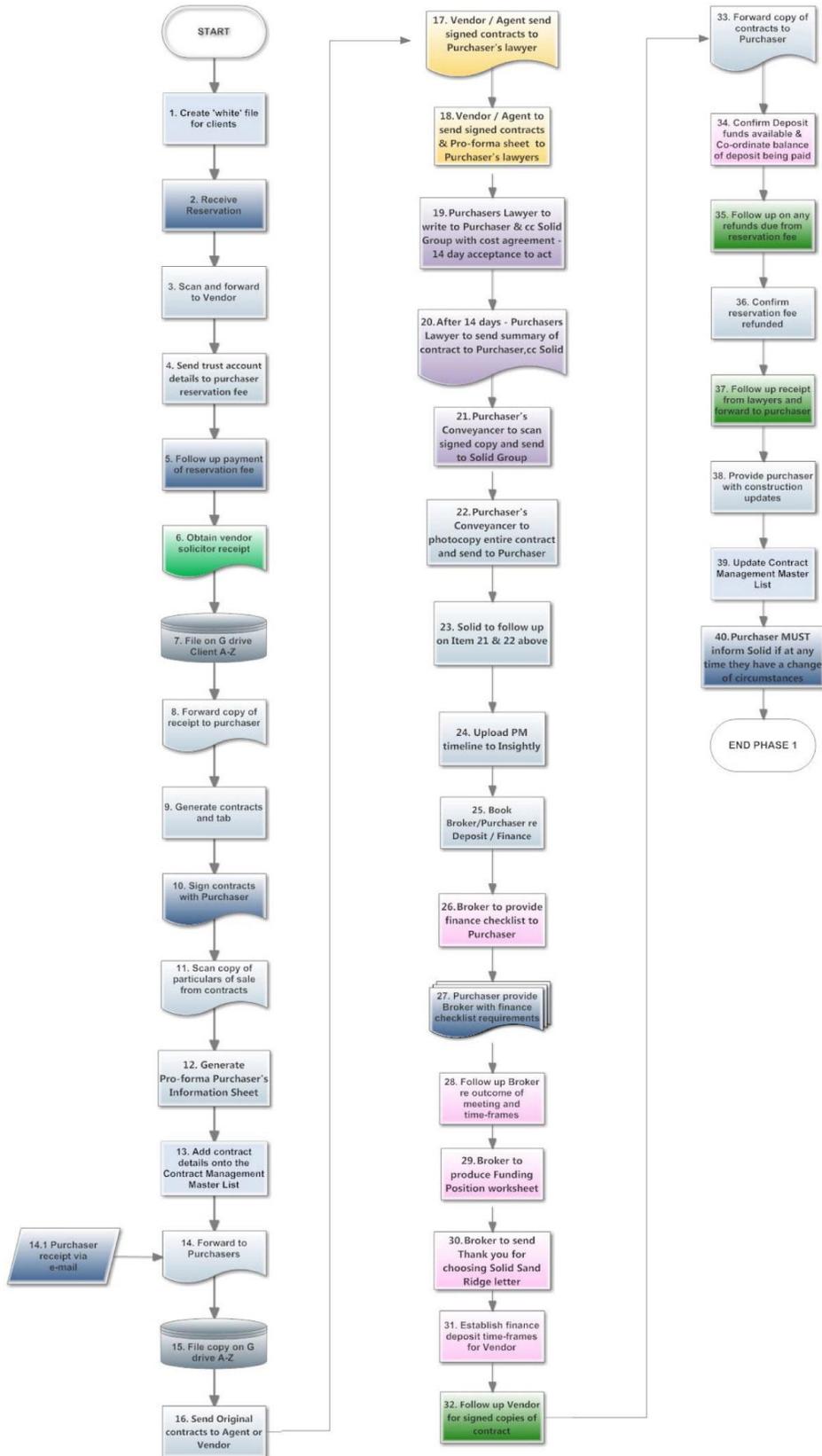
The 45 day settlement pack, means that you have a short settlement and don't have the luxury of coasting, like some of our clients who buy off the plan. It can be stressful from time to time; particularly when you are having to get information to your Mortgage Broker or bank. Unfortunately the finance wheel stops at every point when you are asked for information. You must return the information requested to your Mortgage Broker at your earliest convenience, but urgently, as a 45 day settlement is exceedingly short to have finance approved and have everything settled accordingly.

Please do not hesitate to contact me or one of my team should you require any assistance.

Thank you,
Lynne

Phase 1

SOLID GROUP PHASE 1: FIRST 30-60 DAYS



Phase 1

Phase 1 - first 30-60 days:

Once you have selected your property, a reservation form will be completed and sent off to the vendor to hold that property for you. A reservation fee will then need to be paid (usually \$1,000 - \$5,000) into the developers trust account to formally secure the property until the balance of the deposit payment is paid.

A trust account receipt will be provided to you.

A meeting will be organised to go over the contracts and sign in the relevant places. A scanned copy of the signed pages will be emailed to you for your records.

The completed contracts will then be sent to the vendors to execute.

Your nominated conveyancer will receive a full copy of the contract.

You will receive correspondence from your conveyancer with their cost agreement and offer to act on your behalf for this purchase. You will need to respond with your acceptance of this within 14 days.

Once your conveyancer has received your acceptance to act, a summary of the contract will be provided to you and a full copy of the contract will also be provided to you in due course.

When the contracts are signed, you will also meet with the mortgage broker to organise finance options, if needed for your deposit payment.

Your deposit payment will be due either 30, 60 or 90 days from signing of the contract depending on the vendor's requirements.

The broker will provide a checklist of documents required to get your finance underway. It is imperative that the required documents are compiled and sent to the broker in a timely manner to avoid any unwanted delays in getting your finance approved.

Once you have funds available you will need to pay the deposit (usually 10% of purchase price) into the vendors trust account. If a reservation fee was paid, this can be deducted from the 10% and only the balance will be due to complete the 10%. (For Self-Managed Superannuation Fund (SMSF) purchases, please contact Solid to organise refund of reservation fee at this point).

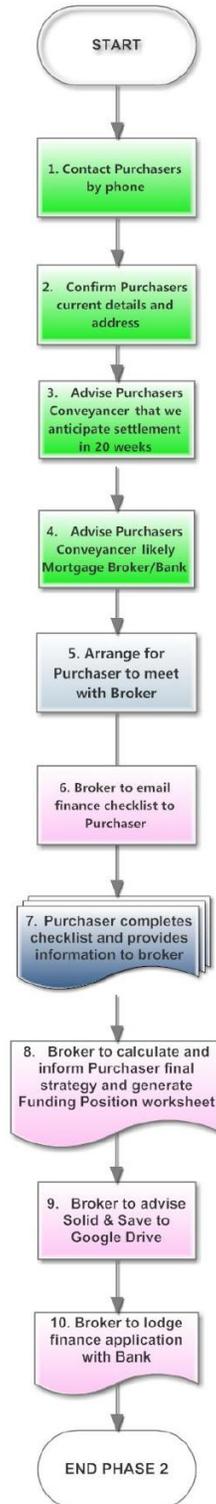
A trust account receipt will be provided to you.

Solid will provide regular construction updates to you up until settlement occurs.

Important: Please contact Solid if at any time you have a change in circumstance.

Phase 2

SOLID GROUP
PHASE 2: 20 WEEKS TO SETTLEMENT



Phase 2

Phase 2 - 20 weeks to settlement:

20 weeks out from your property's settlement, we will be in touch with you to confirm your contact details and your circumstances. We will also be in touch with your conveyancer to notify them that settlement is anticipated in 20 weeks and to confirm with them who your broker will be and their contact details.

A meeting with the broker will be organised to begin the processes for finance for settlement. The broker will outline what documentation is required from you and will provide a checklist of these. It is imperative that the

required documents are compiled and sent to the broker in a timely manner to avoid any unwanted delays in getting your finance approved. This is an appropriate time to speak to the broker about any questions you may have about the process of getting finance approval.

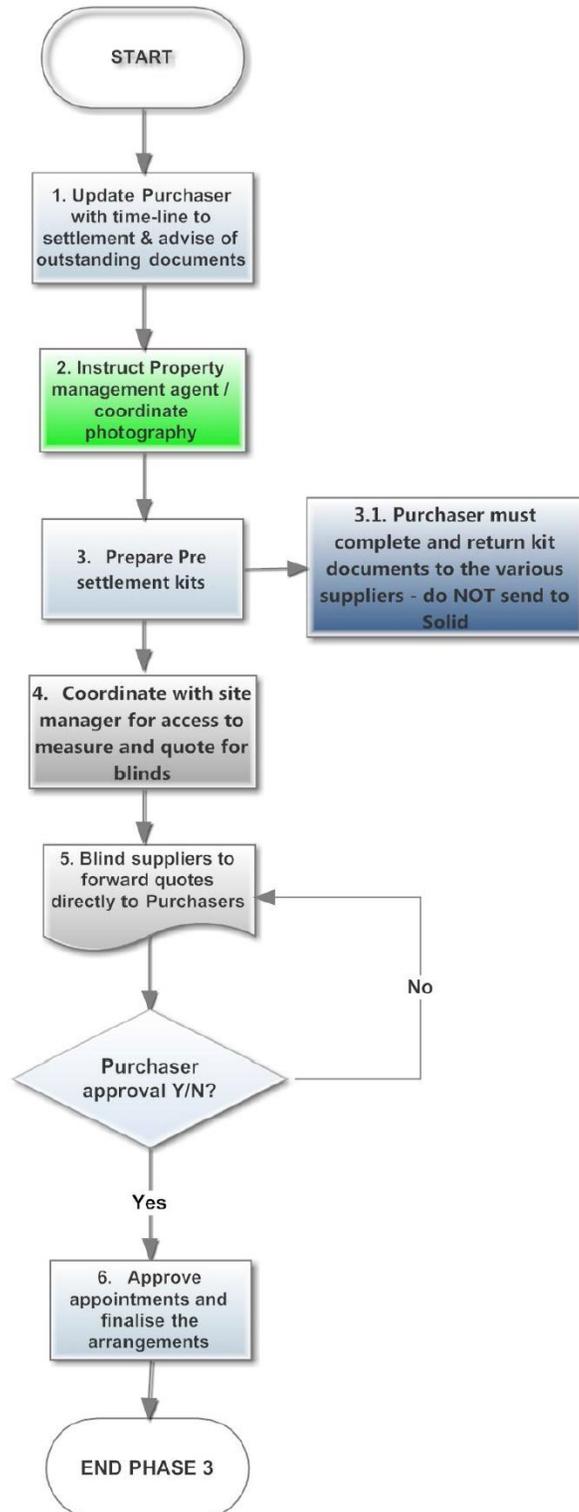
Once the broker has received everything needed from you, they will calculate and inform you of the final strategy and will generate and provide a Funding Position worksheet.

You will receive a finance application for the chosen bank which you will need to sign. This will then be lodged with the bank by your broker.

Important; Please ensure any documentation or forms provided to you to read, sign or complete are returned as soon as possible. Any delays occurring in the process may result in a late settlement.

Phase 3

SOLID GROUP
PHASE 3: 6-8 WEEKS TO SETTLEMENT



Phase 3

Phase 3 - 6-8 weeks to settlement:

Solid will be in touch with you 6-8 weeks out from settlement to update you on the construction of your property and also to confirm the timeline to settlement. We will also remind you of any outstanding documents that the broker or conveyancer requires from you.

At this point you need to engage the services of a property manager to begin the leasing and managing processes for your property. We will be able to recommend a property management company to you who we believe will get you the best outcomes for your investment. Before your chosen property manager can act for you, an Exclusive Leasing and Management Authority will need to be completed, signed and returned to them.

Solid will also send you relevant information and some application forms including; a Landlord Insurance Policy recommendation and application and an application to have a tax depreciation report created on your property. Solid will also organise a preferred supplier to measure and quote for blinds at your property. It is advisable to organise the blinds with enough time for them to be installed prior to or upon settlement so that any tenants moving directly in won't be without the blinds. Solid will coordinate this with the vendors and builders.

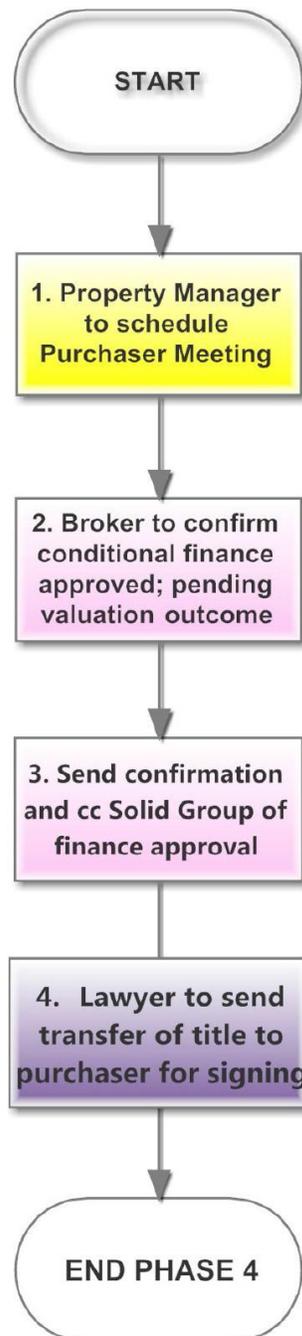
All final arrangements and appointments will be arranged and confirmed.

Important; Anticipated settlement dates may change and move depending on construction timeframes, delays due to weather or any other unforeseen circumstances.

Phase 4

SOLID GROUP

PHASE 4: 4 WEEKS TO SETTLEMENT



Phase 4

Phase 4 - 4 weeks to settlement:

4 weeks until your settlement occurs you should organise to meet with your property manager to go over the advertising strategy and finalise. This is the best time to discuss the leasing and managing process with your agent and ask any questions that you may have.

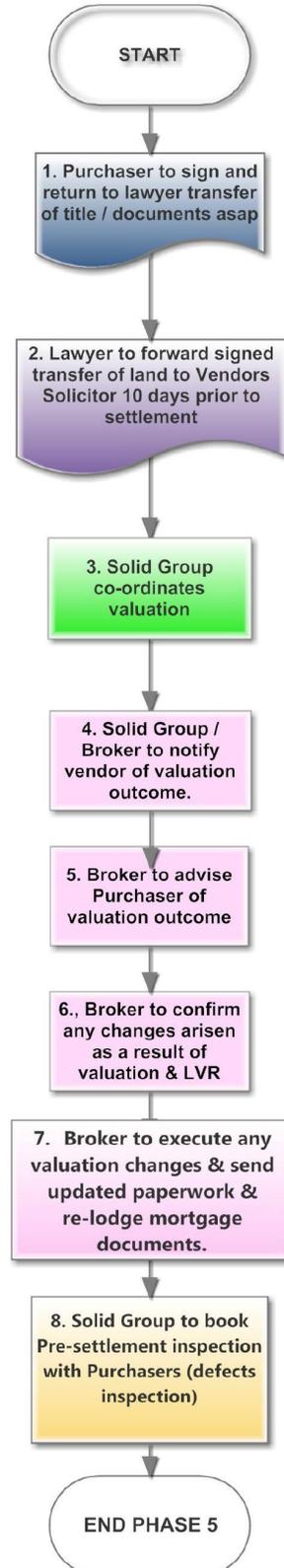
A bank valuation will be requested on your property and your broker will confirm conditional approval to you; pending the outcome of this valuation.

The broker will also be liaising with Solid providing updates of your finance application and the timeframes around getting approval.

Your conveyancer will be in contact and will send to you the Transfer of Land Title to sign. Once this has been received, please ensure an efficient turn-around time and get this back to your conveyancer as soon as possible.

Phase 5

SOLID GROUP PHASE 5: 2-4 WEEKS TO SETTLEMENT



Phase 5

Phase 5 - 2-4 weeks to settlement:

You will need to confirm the Transfer of Land Title has been signed by you and returned to your conveyancer if not done so already.

Once this has been received by your conveyancer, they will forward to across to the Vendor's solicitors within 10 days prior to settlement.

Solid will coordinate with the vendor and builder for the valuer to gain access to the site to complete a bank valuation on your property. Where possible, a Solid staff member will accompany the valuer for this valuation.

Once the broker receives the formal outcome of this valuation they will notify the vendor, Solid and also you.

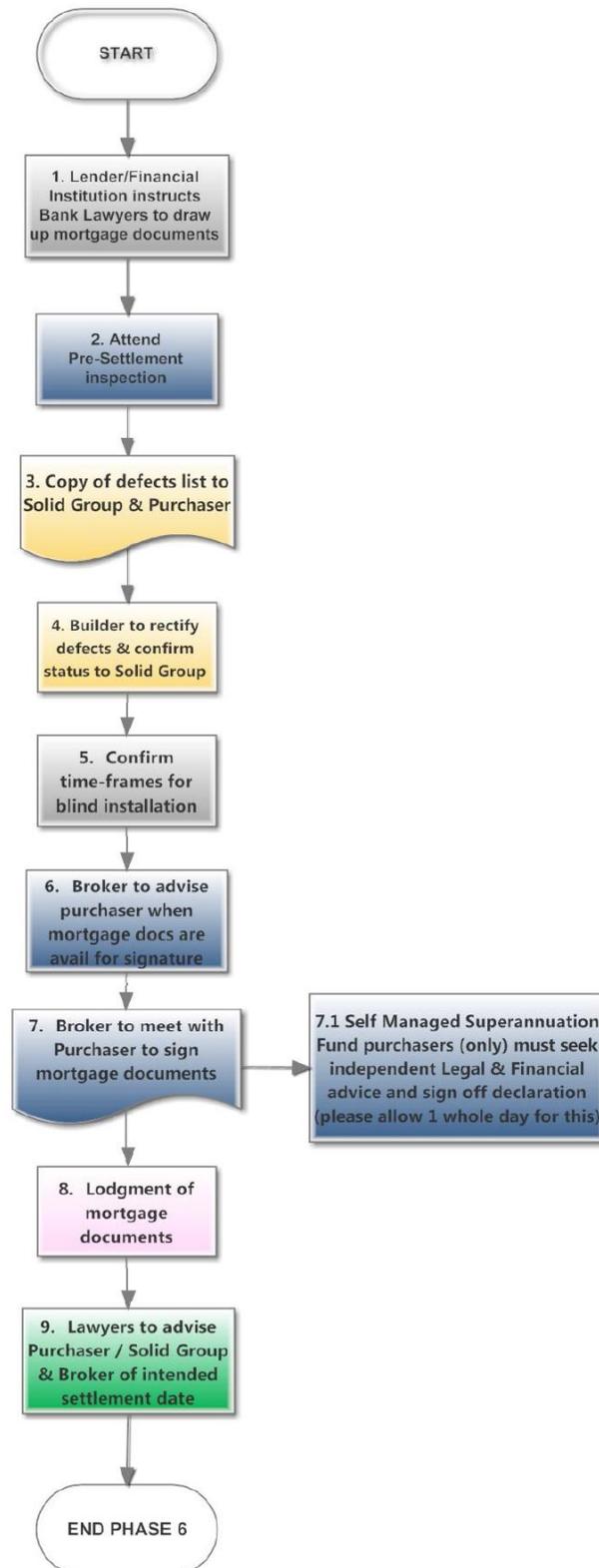
Your broker will also discuss with you any changes arisen from the outcome of the valuation and, as a result, there may be further paperwork or documents needed to be completed and re-lodged.

Also at the 2-4 weeks to settlement mark, the vendor will call for pre-settlement inspections. Pre-settlement inspections, sometimes referred to as a defect inspection, is designed for you to view your property prior to taking ownership at settlement to list any items that need re-doing, amending or fixing by the builders. Solid will liaise with you to organise a time for this in line with the vendor's requirements.

Important; Please be aware that pre-settlement inspections will be conducted on a weekday and generally between the hours of 8:30am and 5:30pm.

Phase 6

SOLID GROUP PHASE 6: 2 WEEKS TO SETTLEMENT



Phase 6

Phase 6 - 2 weeks to settlement:

2 weeks out from settlement your finance will be nearing or have approval. The bank will then instruct their lawyers to draw up the mortgage documents. Once the mortgage documents have been processed and received by your broker, they will contact you to organise a time to sign them.

Once signed, your broker will lodge the mortgage documents and your finance application process is nearing a completion.

You will also attend and conduct your pre-settlement inspection at your property. Only where requested and if possible, a Solid staff member may attend with you or on your behalf.

Any items listed at this inspection (defects list), will be passed onto the builders for completion as soon as possible. The builder will rectify the defects and Solid will follow up on the progress and provide status updates to you.

At this stage we will also confirm your blind installation timeframes.

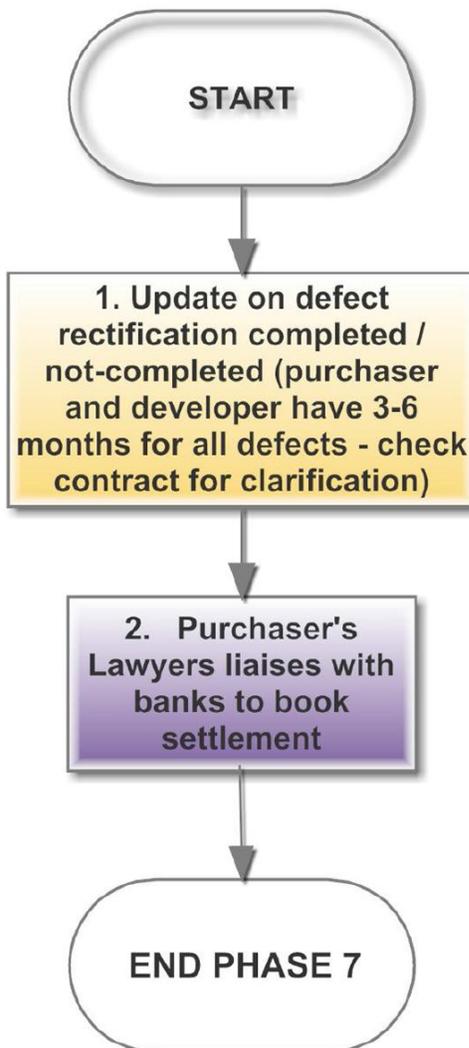
Your conveyancer will have an intended settlement date at this time and will advise this to you and Solid group also.

Important; If you are purchasing your property in a Self-Managed Superannuation Fund you must seek independent legal and financial advice and sign off a declaration. Please ensure you allow 1 whole day for this.

Phase 7

SOLID GROUP

PHASE 7: 1 WEEK TO SETTLEMENT



Phase 7

Phase 7 - 1 week to settlement:

1 week prior to settlement your finance should be approved and mortgage documents signed and lodged.

Solid will provide a status update on any defects noted at your pre-settlement inspection, either completed or not-completed. Generally, the vendor (builder) has 3-6 months post settlement to complete all defects, however, this will be specified in your contract.

Your conveyancer will confirm and book a settlement time with the banks and will inform you of this date. At settlement, you are not required to be present. Your conveyancers role is to do this on your behalf.

Important; Once you have had a confirmed settlement time booked you need to let your property manager know so that they have a 'move in' date when speaking to prospective tenants.

Phase 8

SOLID GROUP

PHASE 8: 1 DAY PRIOR TO SETTLEMENT



Phase 8

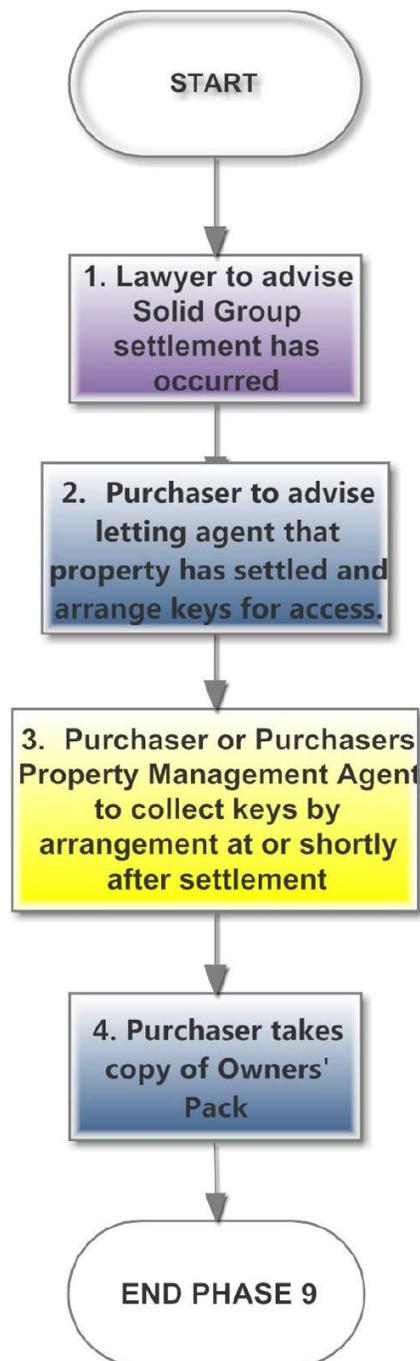
Phase 8 - 1 day prior to settlement:

Your conveyancer will be in contact with you to confirm the settlement time and to advise you of additional funds required for settlement via a Statement of Adjustment. You will need to get bank cheques drawn up for these funds. Personal cheques will not be accepted.

These cheques will need to be delivered to your conveyancer prior to the end of the day the day before settlement is to occur.

Phase 9

SOLID GROUP PHASE 9: SETTLEMENT DAY



Phase 9

Phase 9 - Settlement day:

Once settlement has gone through your conveyancer will send a confirmation to you and Solid. You will then need to confirm this with your property manager and arrange for keys so that they're able to have access to show prospective tenants through your property.

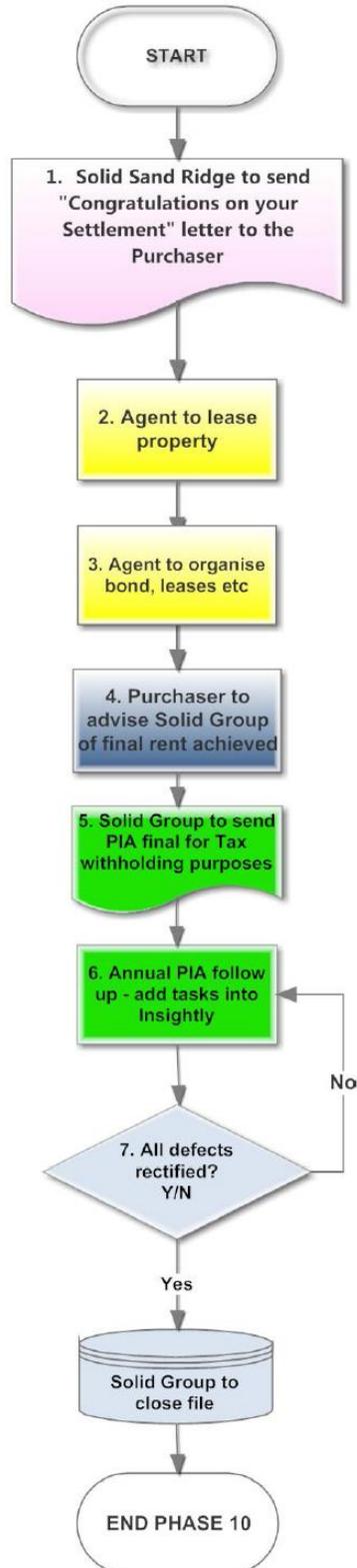
You or your property manager will need to collect the keys from the vendor or vendor's solicitor by arrangement at or shortly after settlement. Your conveyancer will be able to assist here.

Along with the keys will be an owners pack containing manuals and warranties to any appliances in your apartment and an owners corporation rules guide.

We highly recommend taking a copy of this pack for your records and leaving the original in a bottom drawer in your property for tenant reference.

Phase 10

SOLID GROUP PHASE 10: POST SETTLEMENT



Phase 10

Phase 10 - Post settlement:

Your property is now settled and your property manager will now be trying to secure a tenant for you, if you don't already have one. Your property manager will be in frequent contact to update you with their progress and to discuss with you your asking price per week and how it is reflecting in the market.

Once your property manager has a tenant for you they will organise the leasing documents to be signed by you and they will coordinate the other necessary steps directly with the tenant/s; such as receiving bond cheques.

Please let Solid know the rent per week achieved once all leasing documents have been completed. We will then update your Property Investment Analysis (PIA) report to reflect accurate figures of your investment property and this will be sent to you for tax withholding purposes.

Solid will update this report for you each time your rental figure changes, please ensure you update us of this.

The final step is for us to ensure that all the defects have been rectified by the builders and we are confident that there are no other outstanding items to be completed.

Congratulations, you have now settled your investment property, secured a tenant and have all your reports organised for your tax withholding and depreciation. Your property investment journey has begun.