

Memorandum of Resolutions of the Trustees for Venn Constructions Pty Ltd Superannuation Fund

Present: Mark Venn
Tara Osborn

Request for rent relief from property tenant: The Trustees have received notification from Venn Constructions Pty Ltd, the tenant of the Fund's commercial property situated at Unit 2 / 176 Redland Bay Road, Capalaba, advising that they have been impacted by the COVID-19 pandemic and are requesting temporary rent relief.

Details of the tenant's circumstances: The tenant has advised the Trustees that they are facing a downturn in business as a direct result of the COVID-19 pandemic.

Their major client, the University of Queensland, has either cancelled or delayed current construction projects.

As a result, Venn Constructions Pty Ltd anticipates that their turnover will reduce from 1 April 2020 and are seeking temporary rent relief until 30 June 2020.

Total sales for April 2020 are \$183,705 (incl GST) using the accrual method, compared to \$373,143 (incl GST) earned in April 2019. This represents a decrease in sales of 49.25% (50%)

Venn Constructions Pty Ltd is eligible for and has registered for the JobKeeper Payment with the ATO.

Venn Constructions Pty Ltd believes that their business should begin to recover in the new financial year.

Details of current lease agreement: The Trustees reviewed the current lease agreement and note the following:

Term:	1 July 2017 – 30 June 2020 (3 years)
Rent:	\$2,833.00 plus GST per month, payable monthly in arrears at the end of the month This amount represents rent of \$2,357.50 plus outgoings of \$475.50.
Rent Review:	End of 3 year term, being 1 July 2020
Options to Renew:	No options offered

Government mandatory code of conduct:

The Trustees note that the Australian Government has issued a mandatory code of conduct for commercial tenancies. This code applies to tenants that are:

- Small to medium sized tenants with an annual turnover of up to \$50 million, and
- Eligible for the Jobkeeper Payment.

The code includes a common set of principles including that:

1. Landlords must negotiate in good faith with their tenant to seek a mutually agreeable resolution if their ability to pay is impacted by COVID-19;
2. Landlords must offer reductions in rent based on the tenant's reduction in trade during COVID-19;
3. Landlords must not terminate leases if their tenant is in financial distress and unable to meet their commitments due to the impact of COVID-19;
4. Tenants must stay committed to their leases (subject to amendments);
5. Benefits that owners get for their properties (eg reduced charges, land tax) should be passed on to the tenant (in the appropriate proportion)

Trustee Acknowledgement:

After due consideration, the Trustees have resolved to temporarily provide rent relief for the period 1 April 2020 to 30 June 2020 as follows:

Rent Reduction:	\$589.37
Rent Deferral for 24 months:	\$589.38
Total Rent Relief	\$1,178.75 = 50%
Monthly Rent Payable	\$1,178.75 = 50%

This decision is subject to there being no changes to the tenant's financial situation during this period. Should there be any changes, the tenant is to notify the landlord of the changes promptly.

It is noted that the tenant is still required to continue paying the outgoings contribution of \$475.50 plus GST per month.

TOTAL PAYABLE MONTHLY = \$1,654.25 + gst

The Trustees resolved to re-review the above decision at the earliest of:

- late July 2020 or
- upon notification from the tenant that there has been a change to their circumstances.

The Trustee resolved to communicate these decisions to the tenant in writing.

Closure:

There being no further business, the meeting was declared closed.

Signed as a true and correct record



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Mark Venn



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Tara Osborn