**Memorandum of Resolutions of the Trustees for**

**Taylor Family Superannuation Fund**

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| **Present:** | William Taylor  Keith Taylor  Leigh Taylor |
| **Request for rent relief from property tenant:** | The Trustees have received notification from Oakgrand Pty Ltd ATF the WJ Taylor Family Trust and Elfbark Pyt Ltd ATF the KJ Taylor Family Trust (operating as Taylor Family Produce), the tenants of the Fund’s four primary production properties situated in Stanthorpe Qld, advising that they have been impacted by the COVID-19 pandemic and are requesting temporary rent relief. |
| **Details of the tenant’s circumstances:** | The tenants have advised the Trustees that they are facing a downturn in business as a direct result of the COVID-19 pandemic.  As a result, Taylor Produce anticipate that their turnover will reduce from March 2020 and are seeking temporary rent relief until 30 June 2020.  Total sales for March 2020 are $822,888 (ex GST) using the cash method, compared to $3,000,304 (ex GST) earned in March 2019. This represents a decrease in sales of 72.6%.  Total sales for April 2020 are $1,067,410 (ex GST) using the cash method, compared to $1,659,024 (ex GST) earned in April 2019. This represents a decrease in sales of 35.7%.  Total sales for May and June are also expected to be at least 30% lower.  Taylor Family Produce is eligible for the JobKeeper Payment with the ATO.  Taylor Family Produce believes that their business should begin to recover in the new financial year. |
| **Details of current lease agreement:** | The Trustees reviewed the current lease agreements and note the following:   |  |  | | --- | --- | | Term: | Quirks Rd property: 1 July 2017 – 30 June 2020 (3 years)  Evans, Baronio and Buda Blocks: 1 July 2018 – 30 June 2021 (3 years) | | Rent: | Total rent of $60,400 plus GST per annum (for all four blocks), based on the current drought conditions. | | Rent Review: | End of the 3 year terms, being 1 July 2020 and 1 July 2021. | | 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 March 2020 to 30 June 2020 as follows:   |  |  | | --- | --- | | Market rent for the period | $5,033/mth + GST | | Rent relief | $2,110/mth |   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.  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  …………………………………………………….  William Taylor  …………………………………………………….  Keith Taylor  …………………………………………………….  Leigh Taylor |