

**ABC BARBECUE PIT, INC.**  
**d.b.a. ABC BARBECUE PIT**  
**MAJOR SHOPPING CENTER**  
**MIAMI, FL**  
**TENANT SALES AUDIT REPORT**  
for the thirty-six (36) months  
ended December 31, 2001

## TENANT SALES AUDIT REPORT

Tenant: ABC Barbecue Pit, Inc.  
Trade Name: ABC Barbecue Pit  
Shopping Location: Major Shopping Center  
City / State: Miami, FL  
Period: The thirty-six (36) months  
ended December 31, 2001

### Client

Company: Major Realty, LP  
Person: Ms. Jane Jones, Property Manager  
Address: 123 Main Street  
City / State: Miami, Fl. 55555  
Date of Examination: April 14, 2002  
Date of Report: April 16, 2002

**Compu/Audit, Inc.**  
**6320 west 85th Place, Suite 102**  
**Los Angeles, CA. 90045**  
**1-800-WE AUDIT**

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## Section 1

### Executive Overview

Tenant: ABC Barbecue Pit, Inc.  
Shopping Location: Major Shopping Center  
City: Miami, FL  
Report Date: April 16, 2002  
Landlord: Major Realty, LP  
Management: Major Property Management Co.

1. Audit Period: From January 1, 1999 to December 31, 2001
2. Examination Location: Miami, FL
3. Date of Examination: April 14, 2002

4. Total Unreported Sales.....	\$	0
5. Sales in Percentage Rent.....		0
6. Percentage Rent Due Landlord.....		232,678
7. Examination Fee Due Landlord.....		1,500
8. Grand Total.....	\$	234,178

9. Tenant's response to findings:  
Tenant's representative agrees with findings.
10. Sales records requested but not provided:  
None.
11. Tenant's compliance with Reporting Requirements:  
Tenant does not comply with Reporting Requirements, as the tenant does not report annual sales certified to be accurate by a responsible officer, and the resultant percentage rent is not paid.

## Section 1

### Executive Overview (continued)

#### Comments

As in the past, the tenant has not remitted percentage rent due. Books and records were in good order, and the tenant was helpful and somewhat cooperative during the sales audit. The only sales reporting error is the failure of the tenant to include in reported sales those sales which occur on an installment basis. No change was made by the examiner for this item, as this error is only of a timing nature, and is subsequently reported by the tenant. In the opinion of the examiner, it would not be beneficial to make the necessary changes and disrupt the tenant's accounting methods. As required by the lease, the tenant does report all delivery and assembly revenues, as these services are performed by the tenant directly, and not by a third party. Credit card fees are properly reported as an operating expense. Instore catalog and meat sales are reported by the tenant. There are no trade-ins, nor are there any sub-tenants. Initially, the examiner was to perform a standard sales audit for the years 2000 and 2001. In the performance of the audit, the examiner became aware that the tenant had not paid percentage rent for not only the audit period, but for the prior year as well. The tenant admitted that the percentage rent due had not been paid for the audit period, and provided the audit data required for the 1999 lease year (only 11 months) on April 14, 2002. The second audit, for the year 1999 was completed April 14, 2002, and is included herein as a single sales audit in the interest of brevity and clarity. It should be noted that, in addition to the percentage rent due, interest @ 18% per annum is due from the due date to the date of payment. Audit fees are also due from the tenant.

## Section 2

### A

### Additional Percentage Rent Due

	Lease Year Ended 12/31/01	Lease Year Ended 12/31/00	(Pro-rated) Lease Year Ended 12/31/99
Reported Sales	\$2,883,560	\$3,009,252	\$2,648,291
Findings:			
1. <u>None (delivery layaway sales - pass)</u>			
Total Findings	0	0	0
Subject Sales	2,883,560	3,009,252	2,648,291
Break Point	1,630,804	1,553,147	1,479,188
Percentage Rent Application	1,252,756	1,456,105	1,169,103
	%	%	%
	6	6	6
Amount of Percentage Rent	75,165	87,366	70,146
Paid Previously	0	0	0
Percentage Rent Balance	75,165	87,366	70,146

### Summary

Additional Percentage Rent Due	232,677
Plus Interest	TBD
Examination Fees Due	1,500
Total Due Landlord	<u><u>\$ 234,177</u></u>

For Additional information, please contact Compu/Audit, Inc. at

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