

ABC BEAUTY, INC.
d.b.a. ABC BEAUTY #500
MAJOR SHOPPING CENTER
HOPE, UT
TENANT SALES AUDIT REPORT
for the twenty-four (24) months
ended December 31, 2001

TENANT SALES AUDIT REPORT

Tenant: ABC Beauty, Inc.
Trade Name: ABC Beauty #500
Shopping Center: Major Shopping Center
City / State: Hope, UT
Period: The twenty-four (24) months
ended December 31, 2001

Client

Company: Major Realty, LP
Person: Mr. Bill Smith, General Manager
Address: 123 Main Street
City / State: Topeka, KS 55555
Date of Examination: April 14, 2002
Date of Report: April 16, 2002

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Section 1

Executive Overview

Tenant: ABC Beauty, Inc.
Shopping Center: Major Shopping Center
City: Hope, UT
Report Date: April 16, 2002
Landlord: Major Realty, LP
Management: Major Property Management Co.

1. Audit Period: From January 1, 2000 to December 31, 2001
2. Examination Location: Newark, NJ
3. Date of Examination: April 14, 2002

4. Total Unreported Sales.....	<u>\$ 125,290</u>
5. Sales in Percentage Rent.....	<u>80,719</u>
6. Percentage Rent Due Landlord.....	2,422
7. Interest Due Landlord.....	577
8. Examination Fee Due Landlord.....	<u>700</u>
9. Grand Total.....	<u>\$ 3,699</u>

10. Tenant's response to findings:
Tenant agrees with findings.
11. Sales records requested but not provided:
None.
12. Tenant's compliance with Reporting Requirements:
Tenant does not comply with Reporting Requirements.

Section 1

Executive Overview (continued)

Comments

Books and records are in good order, and the tenant was helpful and cooperative. The tenant's corporate sales reporting policy is to exclude all Mail Order and Catalog sales from reported sales. The lease only permits the exclusion of Mail Order and Catalog sales provided the related orders are not received or filled from the premises. However, the unreported sales orders were received and filled from the premises. Employee sales are less than 2% of gross sales, and are therefore properly excluded from reported sales as is the sale by the tenant of equipment. Bad debts, also excluded by the lease, are less than 2% of gross sales.

Section 2

A

Additional Percentage Rent Due

	Lease Year Ended 12/31/01	Lease Year Ended 12/31/00
Reported Sales	\$ 685,065	\$ 670,364
Findings:		
1. <u>Mail order and catalog sales</u>	54,757	70,533
Total Findings	54,757	70,533
Subject Sales	739,822	740,897
Break Point	700,000	700,000
Percentage Rent Application	39,822	40,897
	%	%
	3	3
Amount of Percentage Rent Paid Previously	1,195	1,227
Percentage Rent Balance Due	0	0
	1,195	1,227

Summary

Additional Percentage Rent Due	\$2,422
Interest Due Landlord	577
Examination Fee Due	700
Total Due Landlord	<u>\$3,699</u>

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

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