

ABC DRYCLEANERS, INC.
d.b.a. ABC DRYCLEANERS
MAJOR SHOPPING CENTER
DENVER, CO
TENANT SALES AUDIT REPORT
for the eighteen (18) months
ended June 30, 2001

TENANT SALES AUDIT REPORT

Tenant: ABC Drycleaners, Inc.
Trade Name: ABC Drycleaners
Shopping Center: Major Shopping Center
City / State: Seattle, WA
Period: The eighteen (18) months
ended June 30, 2001

Client

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

Compu/Audit, Inc.
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Section 1

Executive Overview

Tenant:	<u>ABC Drycleaners, Inc.</u>
Shopping Center:	<u>Major Shopping Center</u>
City:	<u>Denver, CO</u>
Report Date:	<u>April 16, 2002</u>
Landlord:	<u>Major Realty, LLC</u>
Management:	<u>Major Property Management Co.</u>

1. Audit Period: From January 1, 2000 to June 30, 2001
2. Examination Location: Chicago, IL
3. Date of Examination: April 14, 2002

4. Total Unreported Sales.....	<u>\$ 74,009</u>
5. Sales in Percentage Rent.....	<u>30,149</u>
6. Percentage Rent Due Landlord.....	1,628
7. Examination Fee Due Landlord.....	750
8. Grand Total.....	<u>\$ 2,378</u>

9. Tenant's response to findings:
Tenant agrees with findings.
10. Sales records requested but not provided:
Satellite store sales information.
11. Tenant's compliance with Reporting Requirements:
Tenant does not comply with Reporting Requirements, as satellite store sales have not been reported.

Section 1

Executive Overview (continued)

Comments

Books and records were in excellent order, and the tenant was helpful and cooperative. Gross sales as defined in the lease include sales made at the tenant's satellite store, as the tenant cleans the satellite store's clothing, etc. in the same manner that cleaning for a hotel or third party owned store would take place from the demised premises. As no sales records were available from the satellite location, the examiner estimated the unreported sales to be approximately one-half the actual 2000 sales difference, or \$25,000. Alterations, shirt laundering, and sub-contracting revenues all appear to have been recorded by the tenant. Credit card discounts are properly recorded as an operating expense.

Section 2

A
Additional Percentage Rent Due

	6 Month Lease Period Ended 06/30/01	Lease Year Ended 12/31/00
Reported Sales	\$296,131	\$568,362
Findings:		
1. <u>Satellite store sales</u>	EST 25,000	49,009
Total Findings	25,000	49,009
Subject Sales	321,131	617,371
Break Point	*51,730	*51,730
Percentage Rent Application	13,087	17,062
	%	%
	10	10
Amount of Percentage Rent	1,309	1,706
Paid Previously	0	1,387
Percentage Rent Balance	1,309	319

* Monthly

Summary

Additional Percentage Rent Due	\$1,628
Examination Fee Due	750
Total Due Landlord	<u>\$ 2,378</u>

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

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