

ABC HOTELS, INC.
d.b.a. ABC HOTELS
MAJOR SHOPPING CENTER
MINNEAPOLIS, MN
TENANT SALES AUDIT REPORT
for the twenty-three (23) months
ended December 31, 2001

TENANT SALES AUDIT REPORT

Tenant: ABC Hotels, Inc.
Trade Name: ABC Hotels
Shopping Center: Major Shopping Center
City / State: Minneapolis, MN
Period: The twenty-three (23) months
ended December 31, 2001

Client

Company: Major Realty, LP
Person: Mr. Bill Smith, General Manager
Address: 123 Main Street
City / State: Seattle, WA 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 Hotels, Inc.
Shopping Center: Major Shopping Center
City: Minneapolis, MN
Report Date: April 16, 2002
Landlord: Major Realty, LP
Management: Major Property Management Co.

1. Audit Period: From February 1, 2000 to December 31, 2001
2. Examination Location: Philadelphia, PA
3. Date of Examination: April 14, 2002

4. Total Unreported Sales.....	\$ 114,838
5. Sales in Percentage Rent.....	<u>114,838</u>
6. Percentage Rent Due Landlord.....	25,264
7. Interest Due Landlord.....	5,483
8. Examination Fee Due Landlord.....	<u>700</u>
9. Grand Total.....	<u>\$ 31,447</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

The tenant was somewhat helpful and cooperative. Books and records were in good order. A memorandum outlining the tenant's revenue diversity was prepared on November 26, 2001 by the examiner, and responded to by corporate counsel on December 9, 2001. The manager of the property also manages approximately twenty-five additional hotel properties. An extremely sophisticated "Front Desk" Point of Sale accounting system is utilized. The only changes made by the examiner were the addition to sales of the cost of the complimentary breakfast, which was deducted in error by the tenant.

Section 2

A

Room Rentals

Additional Percentage Rent Due

	Lease Year Ended 12/31/01	11 month Lease Year Ended 12/31/00
Reported Sales	\$ 2,883,257	\$ 2,372,175
Findings:		
1. <u>Complimentary breakfast - Cost</u>	60,277	54,561
Total Findings	60,277	54,561
Subject Sales	2,943,534	2,426,736
Break Point	N/A	N/A
Percentage Rent Application	2,943,534	2,426,736
	%	%
	22	22
Amount of Percentage Rent	647,577	533,882
Paid Previously	634,316	521,879
Percentage Rent Balance Due	13,261	12,003

Summary

Additional Percentage Rent Due	25,264
Interest Due	5,483
Examination Fee Due	700
Total Due Landlord	<u>\$ 31,447</u>

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

1 - 800 - WE AUDIT

1 - 800 - 932 - 8348

<http://www.compuaudit.com>