

**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<br>Year<br>Ended<br>12/31/01 | 11 month<br>Lease<br>Year<br>Ended<br>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

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