

ABC LIGHTING FIXTURES INC.
d.b.a. ABC LIGHTING FIXTURES #615
MAJOR SHOPPING CENTER
ATLANTA, GA
TENANT SALES AUDIT REPORT
for the thirty-three (33) months
ended December 31, 2001

TENANT SALES AUDIT REPORT

Tenant: ABC Lighting Fixtures Inc.
Trade Name: ABC Lighting Fixtures #615
Shopping Center: Major Shopping Center
City / State: Atlanta, GA
Period: The thirty-three (33) months
ended December 31, 2001

Client

Company: Major Realty, LLC
Person: Ms. Jane Jones, General Manager
Address: 123 Main Street
City / State: Boston, MA 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: ABC Lighting Fixtures, Inc.
Shopping Center: Major Shopping Center
City: Atlanta, GA
Report Date: April 16, 2002
Landlord: Major Realty LLC
Management: Major Property Management Co.

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

4. Total Unreported Sales.....	\$ 560,678
5. Unreported Sales in Percentage Rent.....	<u>560,678</u>
6. Percentage Rent Due Landlord.....	<u>40,153</u>
7. Examination Fee Due Landlord.....	<u>750</u>
8. Grand Total.....	<u>\$ 40,903</u>

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

Section 1

Executive Overview

(continued)

Comments

Books and records were of average quality. The tenant was non-responsive to many sales audit questions. Unreported sales were the result of the tenant's failure to report the sales of December 2001 and an annual unreconciled difference between monthly reported sales and monthly sales per the tenant's Operating Statement. Layaways, Special Orders, and the sale of gift certificates are reported as sales when the merchandise leaves the store. As this is only a minor timing difference, the examiner did not make any changes for these items. Sales at the location are subject to a vigorous internal sales audit. The tenant failed to explain the sales reporting difference.

The lease requires the tenant to pay pro-rata Common Area expenses plus 2.5% of the Gross Receipts (defined in Article 19).

Section 2

A
Additional Percentage Rent Due

	Lease Year Ended 12/31/01	Lease Year Ended 12/31/00	9 Month Lease Year Ended 12/31/99
Reported Sales	\$3,618,646	\$3,895,195	\$2,761,808
Findings:			
1. <u>Unreconciled difference</u>	64,443	30,004	26,679
2. <u>December sales unreported</u>	439,552	-	-
Total Findings	503,995	30,004	26,679
Subject Sales	4,122,641	3,925,199	2,788,487
Break Point	3,795,000	3,450,000	2,587,500
Percentage Rent Application	327,641	475,199	200,987
	%	%	%
	4	4	4
Amount of Percentage Rent Paid Previously	13,106 0	19,008 0	8,039 0
Percentage Rent Balance Due	13,106	19,008	8,039

Summary

Additional Percentage Rent Due	40,153
Examination Fee Due	750
Total Due Landlord	<u>\$ 40,903</u>

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

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