

ABC CASUAL DINING, INC.
d.b.a. ABC COMFY'S #325
MAJOR SHOPPING CENTER
CHARLOTTE, NC
TENANT SALES AUDIT REPORT
for the twenty-four (24) months
ended December 31, 2001

TENANT SALES AUDIT REPORT

Tenant: ABC Casual Dining Inc.
Trade Name: ABC Comfy's #325
Shopping Location: Major Shopping Center
City / State: Charlotte, NC
Period: The twenty-four (24) months
ended December 31, 2001

Client

Company: Major Realty, LLC
Person: Mr. Bill Smith, 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:	<u>ABC Casual Dining, Inc.</u>
Shopping Center:	<u>Major Shopping Center</u>
City:	<u>Charlotte, NC</u>
Report Date:	<u>April 16, 2002</u>
Landlord:	<u>Major Realty, LP</u>
Management:	<u>Major Property Management Co.</u>

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

4. Total Unreported Sales.....	<u>\$ 70,314</u>
5. Sales in Percentage Rent.....	<u>70,314</u>
6. Percentage Rent Due Landlord.....	<u>2,110</u>
7. Interest Due Landlord.....	<u>402</u>
8. Grand Total.....	<u>\$ 2,512</u>

9. Tenant's response to findings:
Tenant agrees with findings.

10. Sales records requested but not provided:
None.

11. Tenant's compliance with Reporting Requirements:
Tenant complies with Reporting Requirements.

Section 1

Executive Overview

(continued)

Comments

It is the tenant's policy to provide sales examiners the following information, which limits the standard sales audit scope: net monthly sales per "sales tax returns" and a schedule reflecting gross sales less sales tax, gift certificate sales, complimentary sales, credit card fees and the resulting net sales (reported sales). The lease does not permit the exclusion of credit card fees from reported sales. This is an operating expense. The lease permits the exclusion of complimentary sales of up to 3.5% of net sales. The schedule submitted by the tenant reflected complimentary sales less than 3.5% of net sales as permitted by the lease. For the 2001 lease year, net sales per the sales tax returns were \$13,199 greater than the net reported sales. All tips are retained by the servers. When arranged, the examiner is prepared to return to the tenant's offices and complete the sales audit in conformity with standard sales audit standards.

Section 2

A

Additional Percentage Rent Due

	Lease Year Ended 12/31/01	Lease Year Ended 12/31/00
Reported Sales	\$2,564,377	\$2,357,032
Findings:		
1. <u>Credit card discounts</u>	32,355	24,760
2. <u>Arithmetic difference</u>	13,199	0
Total Findings	45,554	24,760
Subject Sales	2,609,931	2,381,792
Break Point	2,080,000	2,080,000
Percentage Rent Application	529,931	301,792
	%	%
	3	3
Amount of Percentage Rent Paid Previously	15,898	9,054
Percentage Rent Balance Due	1,367	743

Summary

Additional Percentage Rent Due	\$2,110
Interest Due	402
Total Due	<u>\$2,512</u>

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

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