

# Constitution of the



## Financial Reporting Standards Appendix Reporting, Transparency & Performance Measurement Framework

**Version 1.0**

Prepared for:  
North Island Condominium Association (NICA)

Supporting the Governance Framework of  
The Impala Hospitality Company

**Prepared in Coordination With:**  
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Date of Adoption: \_\_\_\_\_

Effective Date: \_\_\_\_\_

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# EXECUTIVE SUMMARY

## Purpose

The Financial Reporting Standards Appendix establishes the reporting, transparency, and performance measurement standards governing the Impala Hospitality Program. The purpose of this Appendix is to ensure that participating owners, the Association Board, and the Hospitality Company operate with a common understanding of financial performance, operational results, and strategic progress. The objective is not merely to provide financial statements, but rather to provide meaningful business intelligence that supports informed decision-making, accountability, and long-term owner value.

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## Reporting Philosophy

The hospitality enterprise shall operate under a principle of transparent and actionable reporting. Owners should receive information sufficient to understand:

- How the hospitality enterprise is performing;
- How individual units are performing;
- How revenue is being generated;
- How expenses are being managed;
- How marketing efforts are performing;
- How guest relationships are developing;
- How strategic objectives are progressing.

Reporting should support understanding rather than simply provide data.

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## Key Reporting Objectives

The reporting framework is designed to:

- Promote financial transparency;
- Improve owner visibility;
- Support informed governance;
- Enhance accountability;
- Measure operational effectiveness;
- Monitor strategic progress;
- Track long-term owner value creation.

The purpose of reporting is not solely to measure past performance, but also to guide future decisions.

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## What Owners Will Receive

Participating owners will receive regular reporting regarding:

## Unit Performance

- Reservation activity;
- Revenue performance;
- Occupancy performance;
- Average Daily Rate (ADR);
- Owner distributions;
- Maintenance activity.

## Hospitality Performance

- Property-wide occupancy;
- Revenue trends;
- Direct booking performance;
- Guest satisfaction indicators;
- Marketing effectiveness;
- Strategic initiatives.

## Financial Performance

- Revenue results;
- Expense performance;
- Budget comparisons;
- Distribution activity;
- Financial trends.

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## Channel Mix Transparency

A key objective of the hospitality enterprise is to strengthen direct guest relationships and reduce long-term dependence on third-party booking channels.

Accordingly, reporting shall include periodic analysis of booking source performance, including:

- Direct website bookings;
- Berger Realty referrals;
- Expedia;
- Booking.com;
- Other distribution sources.

Owners shall be able to evaluate how reservations are generated and how the hospitality enterprise is progressing toward its long-term distribution objectives.

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## Strategic Value

The reporting standards established within this Appendix are intended to create a level of visibility and transparency that supports owner confidence and informed governance.

The objective is not simply to report results, but to provide a clear understanding of the overall health, direction, and effectiveness of the hospitality enterprise.

Through consistent reporting, meaningful performance measurement, and transparent communication, participating owners can better evaluate operational performance, strategic progress, and long-term value creation.

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## Long-Term Objective

The long-term objective of this Appendix is to establish a reporting framework that is accurate, transparent, understandable, and actionable.

The parties acknowledge that transparency promotes accountability, accountability strengthens confidence, and confidence supports the long-term success of the hospitality enterprise.

# ARTICLE I

## PURPOSE & REPORTING PHILOSOPHY

### Section 1.1 Purpose

The purpose of this Financial Reporting Standards Appendix is to establish uniform reporting standards, performance measurement criteria, information access requirements, and transparency expectations for the Impala Hospitality Program.

This Appendix is intended to provide participating owners, the Association Board, and the Hospitality Company with a consistent framework for evaluating financial performance, operational effectiveness, strategic progress, and long-term value creation.

The objective is to ensure that reporting is accurate, meaningful, understandable, and actionable.

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### Section 1.2 Reporting Philosophy

The hospitality enterprise shall operate under a philosophy of transparency, accountability, and informed decision-making.

Reporting shall be designed not merely to communicate financial results, but to provide meaningful insight into the overall health and performance of the hospitality enterprise.

Information should assist stakeholders in understanding:

- Current performance;
- Historical trends;
- Strategic progress;
- Financial results;
- Operational effectiveness;
- Future opportunities.

The purpose of reporting is to support informed governance and responsible management.

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### Section 1.3 Reporting Objectives

The reporting framework shall be designed to achieve the following objectives:

#### Transparency

Provide owners with meaningful visibility into hospitality operations and financial performance.

#### Accountability

Promote responsible stewardship of hospitality assets and resources.

#### Consistency

Ensure reporting standards remain uniform and comparable over time.

## Decision Support

Provide information that assists governance, operational, and strategic decision-making.

## Long-Term Value Creation

Measure progress toward objectives intended to enhance owner value and operational sustainability.

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### Section 1.4 Transparency Standards

The Hospitality Company shall provide reporting that is:

- Accurate;
- Timely;
- Consistent;
- Relevant;
- Understandable;
- Accessible.

Reporting shall present information in a manner reasonably intended to facilitate owner understanding rather than merely satisfy technical reporting requirements. Whenever practical, reporting should include narrative explanations, trend analysis, and performance commentary.

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### Section 1.5 Reporting Principles

All reporting generated pursuant to this Appendix shall be guided by the following principles:

#### Clarity

Information should be presented in a format that is easily understood.

#### Accuracy

Reporting should reasonably reflect actual operational and financial performance.

#### Consistency

Definitions, methodologies, and calculations should remain consistent over time.

#### Relevance

Reported information should assist stakeholders in evaluating performance and progress.

#### Comparability

Performance should be capable of comparison across reporting periods.

#### Actionability

Reporting should support informed decisions and meaningful discussions.

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## Section 1.6 Reporting Responsibilities

### Hospitality Company

The Hospitality Company shall be responsible for preparing and distributing reports required under this Appendix.

The Hospitality Company shall make reasonable efforts to ensure reporting accuracy, completeness, and timely delivery.

### Association Board

The Board shall review reporting information and utilize such information in the performance of its governance responsibilities.

### Participating Owners

Owners shall have access to reporting information consistent with the provisions of this Appendix and other governing documents.

Owners are encouraged to review reporting information and participate in informed governance discussions.

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## Section 1.7 Categories of Reporting

The reporting framework established under this Appendix shall include:

### Monthly Owner Reporting

Unit-level and owner-specific performance information.

### Monthly Hospitality Reporting

Property-wide operational and financial performance information.

### Quarterly Strategic Reporting

Strategic initiatives, market performance, and progress toward long-term objectives.

### Annual Reporting

Comprehensive evaluation of financial performance, operational effectiveness, and hospitality enterprise performance.

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## Section 1.8 Performance Measurement Philosophy

The parties acknowledge that no single metric fully reflects hospitality performance.

Accordingly, the hospitality enterprise shall evaluate performance through a combination of financial, operational, marketing, guest experience, and strategic measures.

Performance evaluation should consider both short-term results and long-term value creation.

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## Section 1.9 Governance Objective

The reporting standards established under this Appendix are intended to strengthen transparency, improve accountability, support informed decision-making, and enhance owner confidence.

The parties acknowledge that effective reporting is a foundational element of responsible governance and long-term hospitality success.

Through consistent reporting, meaningful performance measurement, and open communication, the hospitality enterprise seeks to promote operational excellence, strategic clarity, and long-term owner value.

## ARTICLE II

### MONTHLY OWNER REPORTING

#### Section 2.1 Purpose

The purpose of this Article is to establish the minimum monthly reporting requirements to be provided to participating owners.

The objective is to provide owners with meaningful, timely, and understandable information regarding the performance of their units, the hospitality enterprise, and the financial results generated through hospitality operations.

Monthly reporting shall be designed to support transparency, accountability, and informed ownership participation.

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#### Section 2.2 Monthly Reporting Requirements

The Hospitality Company shall provide participating owners with a monthly reporting package containing information reasonably necessary to evaluate unit performance and hospitality operations.

Reports should be distributed no later than the twentieth (20th) day of the month following the reporting period whenever reasonably practical.

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#### Section 2.3 Unit Performance Reporting

Each participating owner shall receive unit-level performance information including:

- Number of reservations;
- Number of room nights sold;
- Occupancy percentage;
- Average Daily Rate (ADR);
- Gross Rental Revenue;
- Hospitality Services Fee;
- Housekeeping charges collected from guests;
- Unit-specific expenses;
- Net Owner Revenue;
- Owner distribution amount.

The purpose of unit performance reporting is to provide owners with a clear understanding of individual unit results.

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#### Section 2.4 Revenue Reporting

Monthly revenue reporting shall include:

- Current month revenue;
- Year-to-date revenue;

- Prior-year comparison;
- Budget comparison, if applicable;
- Revenue trend analysis.

Whenever practical, revenue reports should identify significant factors influencing performance.

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## Section 2.5 Occupancy Reporting

Monthly occupancy reporting shall include:

- Unit occupancy percentage;
- Property-wide occupancy percentage;
- Prior-year comparison;
- Seasonal occupancy trends.

Occupancy reporting shall assist owners in evaluating utilization and market demand.

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## Section 2.6 Expense Reporting

Monthly expense reporting shall include:

- Hospitality Services Fee;
- Unit-specific maintenance expenses;
- Approved repair expenses;
- Other owner-chargeable expenses.

Expenses should be presented in a manner reasonably designed to promote transparency and understanding.

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## Section 2.7 Owner Distribution Reporting

Monthly owner distribution reports shall identify:

- Gross Rental Revenue;
- Hospitality Services Fee deductions;
- Approved owner expenses;
- Net Owner Revenue;
- Distribution amount paid;
- Distribution date.

The objective of distribution reporting is to provide a transparent reconciliation between revenue generated and owner payments received.

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## Section 2.8 Maintenance & Repair Reporting

Monthly reporting shall identify significant maintenance activity affecting individual units. Reporting may include:

- Completed repairs;
- Open maintenance items;
- Vendor activity;
- Estimated future repair requirements.

The purpose of maintenance reporting is to improve owner visibility and planning.

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## Section 2.9 Monthly Owner Dashboard

The Hospitality Company shall provide a concise summary dashboard highlighting key performance indicators.

The dashboard may include:

| Performance Indicator     | Current Month | Year-to-Date |
|---------------------------|---------------|--------------|
| Reservations              |               |              |
| Occupancy                 |               |              |
| ADR                       |               |              |
| Gross Revenue             |               |              |
| Net Owner Revenue         |               |              |
| Direct Booking Percentage |               |              |
| OTA Booking Percentage    |               |              |

The dashboard is intended to provide owners with a quick and understandable summary of performance.

## Section 2.10 Comparative Performance Reporting

Whenever practical, monthly reports shall include comparisons to:

- Prior month;
- Prior year;
- Budget expectations;
- Property-wide averages.

Comparative reporting assists owners in understanding performance trends and operational progress.

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## Section 2.11 Commentary & Observations

Monthly reporting may include management commentary regarding:

- Market conditions;
- Occupancy trends;
- Revenue performance;
- Guest activity;
- Strategic initiatives;
- Significant operational developments.

The purpose of commentary is to provide context and improve understanding of reported results.

## Section 2.12 Governance Objective

The monthly owner reporting standards established under this Article are intended to provide owners with meaningful visibility into hospitality operations and financial performance.

The parties acknowledge that transparent reporting strengthens accountability, improves communication, supports informed governance, and contributes to long-term owner confidence in the hospitality enterprise.

## ARTICLE III

### MONTHLY HOSPITALITY OPERATIONS REPORTING

#### Section 3.1 Purpose

The purpose of this Article is to establish property-wide monthly reporting standards designed to measure and communicate the performance of the hospitality enterprise as a whole.

The objective is to provide participating owners, the Association Board, and the Hospitality Company with meaningful information regarding operational effectiveness, revenue generation, guest engagement, marketing performance, and strategic progress.

Property-wide reporting shall complement individual owner reporting and provide visibility into the overall health of the hospitality enterprise.

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#### Section 3.2 Property-Wide Performance Reporting

The Hospitality Company shall prepare a monthly hospitality performance report summarizing property-wide operating results.

The report shall include:

- Total reservations;
- Total room nights sold;
- Property-wide occupancy;
- Average Daily Rate (ADR);
- Gross Rental Revenue;
- Net Rental Revenue;
- Year-to-date performance;
- Prior-year comparisons.

The purpose of property-wide reporting is to evaluate overall enterprise performance and identify trends affecting the hospitality operation.

---

#### Section 3.3 Channel Mix Reporting

The Hospitality Company shall provide monthly reporting regarding reservation sources and revenue generation channels.

Reporting should identify:

| Distribution Channel | Reservations | Revenue | % of Total Revenue |
|----------------------|--------------|---------|--------------------|
| Direct Website       |              |         |                    |
| Berger Realty        |              |         |                    |
| Expedia              |              |         |                    |
| Booking.com          |              |         |                    |
| Other Sources        |              |         |                    |

Additional channels may be reported as distribution strategies evolve.

The purpose of Channel Mix Reporting is to provide visibility into how reservations are generated and to measure progress toward strategic distribution objectives.

## Section 3.4 Direct Booking Performance

The Hospitality Company shall report on direct booking activity, including:

- Number of direct reservations;
- Direct booking revenue;
- Direct booking percentage;
- Growth or decline from prior periods;
- Direct booking trends.

The objective of direct booking reporting is to measure progress toward strengthening guest relationships and reducing long-term dependence upon third-party booking platforms.

## Section 3.5 OTA Performance Reporting

The Hospitality Company shall provide reporting regarding Online Travel Agency (OTA) performance.

Reporting may include:

- OTA reservations;
- OTA revenue;
- OTA percentage of total revenue;
- OTA trends;
- Comparative channel performance.

OTA reporting shall assist owners and the Board in evaluating the effectiveness and cost of third-party distribution channels.

## Section 3.6 Guest Satisfaction Reporting

Monthly reporting shall include available guest satisfaction indicators, including:

- Guest review scores;

- Average rating trends;
- Guest feedback summaries;
- Significant guest service issues;
- Guest recognition and compliments.

The objective of guest satisfaction reporting is to monitor service quality and hospitality performance.

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## Section 3.7 Marketing Performance Reporting

The Hospitality Company shall provide reporting regarding marketing activities and effectiveness.

Reporting may include:

- Website traffic;
- Direct booking inquiries;
- Conversion rates;
- Email marketing performance;
- Advertising performance;
- Social media engagement;
- Marketing initiatives.

Marketing reporting shall assist in evaluating the effectiveness of efforts intended to increase reservations and strengthen the hospitality brand.

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## Section 3.8 Operational Performance Reporting

Operational reporting may include:

- Housekeeping performance;
- Maintenance activity;
- Vendor performance;
- Reservation processing;
- Guest communication performance;
- Technology system performance.

Operational reporting shall assist in identifying opportunities for improvement and operational efficiencies.

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## Section 3.9 Hospitality Enterprise Dashboard

The Hospitality Company shall prepare a monthly hospitality dashboard summarizing key enterprise performance indicators.

The dashboard may include:

| Key Performance Indicator | Current Month | Year-to-Date |
|---------------------------|---------------|--------------|
| Reservations              |               |              |
| Occupancy                 |               |              |
| ADR                       |               |              |
| Gross Revenue             |               |              |
| Direct Booking %          |               |              |
| OTA Revenue %             |               |              |
| Guest Satisfaction Score  |               |              |

The dashboard is intended to provide a concise overview of overall hospitality performance.

## Section 3.10 Management Commentary

Monthly hospitality reporting shall include narrative commentary addressing:

- Significant performance trends;
- Market conditions;
- Distribution channel performance;
- Strategic initiatives;
- Operational developments;
- Opportunities and challenges.

The purpose of commentary is to provide context and assist owners in understanding reported results.

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## Section 3.11 Strategic Progress Reporting

The Hospitality Company shall periodically report on progress toward strategic objectives, including:

- Direct booking growth;
- Guest retention;
- Brand development;
- Technology implementation;
- Operational improvements;
- Revenue enhancement initiatives.

The objective is to provide visibility into both current performance and long-term strategic progress.

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## Section 3.12 Governance Objective

The monthly hospitality operations reporting standards established under this Article are intended to provide meaningful visibility into the performance of the hospitality enterprise as a whole.

The parties acknowledge that informed governance requires not only financial reporting, but also operational, marketing, guest experience, and strategic performance reporting.

The objective is to provide participating owners and the Association Board with information necessary to evaluate both current performance and future opportunities.

# ARTICLE IV

## QUARTERLY STRATEGIC REPORTING

### Section 4.1 Purpose

The purpose of this Article is to establish quarterly strategic reporting standards designed to evaluate the long-term performance, direction, and development of the hospitality enterprise. The objective is to supplement monthly operational reporting with broader analysis regarding market position, strategic initiatives, competitive performance, technology investments, and long-term value creation.

Quarterly reporting shall focus on trends, opportunities, challenges, and strategic progress rather than solely on short-term operational results.

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### Section 4.2 Quarterly Strategic Review

The Hospitality Company shall prepare a quarterly strategic review summarizing the overall status of the hospitality enterprise.

The review may address:

- Financial performance trends;
- Occupancy trends;
- Revenue trends;
- Guest satisfaction trends;
- Distribution channel performance;
- Strategic initiatives;
- Competitive positioning;
- Emerging opportunities and risks.

The purpose of the review is to support informed governance and strategic planning.

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### Section 4.3 Market Performance Review

The Hospitality Company shall periodically evaluate market conditions affecting the hospitality enterprise.

Reporting may include:

- Ocean City market trends;
- Seasonal demand patterns;
- Competitive pricing activity;
- Occupancy comparisons;
- Consumer travel trends;
- Market opportunities.

The objective is to provide context for hospitality performance and future planning.

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## Section 4.4 Competitive Position Analysis

Quarterly reporting may include analysis of the hospitality enterprise's competitive position. Areas of evaluation may include:

- Pricing competitiveness;
- Occupancy performance;
- Guest ratings;
- Distribution effectiveness;
- Marketing visibility;
- Brand development.

The objective is to evaluate whether the hospitality enterprise is maintaining or improving its competitive position within the marketplace.

---

## Section 4.5 Direct Booking Growth Review

Because direct guest relationships are a strategic objective of the hospitality enterprise, quarterly reporting shall include an assessment of direct booking performance.

Reporting may include:

- Direct booking percentage;
- Direct booking revenue;
- Growth trends;
- Repeat guest activity;
- Website performance;
- Conversion metrics.

The purpose of this review is to evaluate progress toward reducing long-term dependence on third-party booking platforms.

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## Section 4.6 Distribution Channel Performance Review

The Hospitality Company shall evaluate the effectiveness of all significant booking channels.

Reporting may include:

- Direct website performance;
- Berger Realty referrals;
- Expedia performance;
- Booking.com performance;
- Other distribution channels.

Analysis should consider:

- Revenue contribution;
- Reservation volume;
- Guest quality;
- Acquisition costs;

- Strategic value.

The objective is to optimize channel utilization while strengthening direct booking opportunities.

---

## Section 4.7 Technology Performance Review

Quarterly reporting shall include evaluation of major technology systems supporting hospitality operations.

Reporting may address:

- Reservation systems;
- Direct booking platform performance;
- Website effectiveness;
- Reporting systems;
- Guest communication systems;
- Revenue management tools.

The objective is to ensure technology investments continue to support operational efficiency and strategic goals.

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## Section 4.8 Strategic Initiative Reporting

The Hospitality Company shall report on significant initiatives undertaken during the reporting period.

Examples may include:

- Website enhancements;
- Direct booking initiatives;
- Marketing campaigns;
- Guest experience improvements;
- Technology implementations;
- Operational improvements;
- Strategic partnerships.

Reporting should identify objectives, progress achieved, challenges encountered, and anticipated next steps.

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## Section 4.9 Board Performance Review

The Association Board shall periodically review quarterly strategic reports to evaluate:

- Progress toward stated objectives;
- Financial performance trends;
- Strategic effectiveness;
- Governance effectiveness;
- Emerging opportunities and risks.

The Board may provide recommendations or strategic guidance based upon its review.

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## Section 4.10 Long-Term Value Assessment

Quarterly reporting should evaluate initiatives and performance not solely on immediate financial results, but also on their contribution to:

- Brand development;
- Guest loyalty;
- Direct booking growth;
- Operational sustainability;
- Property value enhancement;
- Long-term owner value.

The parties acknowledge that some strategic investments may require time before their full benefits are realized.

---

## Section 4.11 Governance Objective

The quarterly strategic reporting standards established under this Article are intended to promote informed governance, strategic clarity, and long-term value creation.

The objective is to provide participating owners and the Association Board with a broader perspective on the direction, effectiveness, and future opportunities of the hospitality enterprise. Quarterly reporting shall serve as a bridge between day-to-day operations and long-term strategic planning.

# ARTICLE V

## ANNUAL REPORTING

### Section 5.1 Purpose

The purpose of this Article is to establish annual reporting standards designed to provide participating owners and the Association Board with a comprehensive assessment of the hospitality enterprise.

Annual reporting shall evaluate financial performance, operational effectiveness, strategic progress, guest experience, and long-term value creation.

The objective is to provide a complete picture of the enterprise's performance during the reporting year.

---

### Section 5.2 Annual Hospitality Report

The Hospitality Company shall prepare an Annual Hospitality Report summarizing the overall performance of the hospitality enterprise.

The report shall serve as the principal year-end review document and may include:

- Financial performance;
- Operational performance;
- Strategic initiatives;
- Guest satisfaction;
- Market conditions;
- Future priorities.

The Annual Hospitality Report should be presented in a format reasonably designed to promote understanding and transparency.

---

### Section 5.3 Annual Financial Performance Review

Annual financial reporting shall include:

- Gross Rental Revenue;
- Net Rental Revenue;
- Occupancy performance;
- ADR performance;
- Revenue trends;
- Expense trends;
- Owner distributions;
- Budget-to-actual comparisons.

Whenever practical, reporting should include prior-year comparisons and trend analysis.

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## Section 5.4 Annual Operational Performance Review

Annual operational reporting may include:

- Reservation activity;
- Occupancy trends;
- Guest service performance;
- Housekeeping performance;
- Maintenance activity;
- Vendor performance;
- Technology performance.

The purpose of operational reporting is to evaluate the effectiveness of hospitality operations throughout the reporting year.

---

## Section 5.5 Annual Owner Economics Review

The Hospitality Company shall provide an overview of owner economic performance, including:

- Distribution activity;
- Revenue trends;
- Occupancy trends;
- Unit performance observations;
- Significant economic developments affecting owners.

The objective is to assist owners in evaluating the financial impact of hospitality operations.

---

## Section 5.6 Direct Booking & Guest Relationship Review

Annual reporting shall include an assessment of progress toward strengthening direct guest relationships.

Reporting may include:

- Direct booking performance;
- Guest retention;
- Repeat guest activity;
- Guest database growth;
- Website performance;
- Distribution channel trends.

The objective is to evaluate progress toward reducing long-term dependence upon third-party booking platforms.

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## Section 5.7 Strategic Initiative Review

The Annual Hospitality Report shall summarize major initiatives undertaken during the reporting year.

Examples may include:

- Technology implementations;
- Marketing initiatives;
- Direct booking programs;
- Operational improvements;
- Strategic partnerships;
- Guest experience enhancements.

Reporting should identify objectives, accomplishments, lessons learned, and future opportunities.

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## Section 5.8 Berger Realty Partnership Review

Because Berger Realty serves as a strategic partner to the hospitality enterprise, annual reporting may include an assessment of the partnership's contribution to overall enterprise performance.

Reporting may include:

- Referral activity;
- Revenue contribution;
- Marketing collaboration;
- Strategic opportunities;
- Future initiatives.

The objective is to evaluate the effectiveness of the partnership and identify opportunities for continued growth.

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## Section 5.9 Strategic Outlook

Annual reporting shall include a forward-looking discussion regarding:

- Market opportunities;
- Strategic priorities;
- Operational objectives;
- Technology initiatives;
- Marketing initiatives;
- Hospitality improvements.

The purpose of the Strategic Outlook is to assist owners in understanding future direction and priorities.

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## Section 5.10 Governance Objective

The annual reporting standards established under this Article are intended to provide a comprehensive review of hospitality enterprise performance and strategic progress.

The parties acknowledge that annual reporting should not only explain what occurred during the reporting year, but also provide insight into future opportunities, challenges, and objectives.

The Annual Hospitality Report shall serve as a principal tool for transparency, accountability, and long-term owner engagement.

# ARTICLE VI

## REPORTING DEFINITIONS & PERFORMANCE METRICS

### Section 6.1 Purpose

The purpose of this Article is to establish uniform definitions and performance metrics utilized throughout the Financial Reporting Standards Appendix.

Consistent definitions promote transparency, comparability, reporting accuracy, and informed decision-making.

Unless otherwise specified, the following definitions shall apply throughout the hospitality enterprise.

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### Section 6.2 Gross Rental Revenue

“Gross Rental Revenue” shall mean all rental income generated from guest reservations before deduction of Hospitality Services Fees, owner expenses, maintenance expenses, or other deductions.

Gross Rental Revenue shall include:

- Rental charges;
- Reservation revenue;
- Guest-paid accommodation charges;
- Other rental-related revenue approved for inclusion.

Gross Rental Revenue shall not include applicable taxes collected on behalf of governmental authorities.

---

### Section 6.3 Net Owner Revenue

“Net Owner Revenue” shall mean Gross Rental Revenue less:

- Hospitality Services Fees;
- Approved owner expenses;
- Unit-specific repair expenses;
- Other authorized deductions.

Net Owner Revenue represents the amount available for owner distribution.

---

### Section 6.4 Occupancy

“Occupancy” shall mean the percentage of available room nights occupied during the reporting period.

Occupancy shall be calculated using consistent methodologies throughout all reporting periods.

---

## Section 6.5 Average Daily Rate (ADR)

“Average Daily Rate” or “ADR” shall mean Gross Rental Revenue divided by occupied room nights during the reporting period.

ADR is intended to measure pricing performance and revenue quality.

---

## Section 6.6 Revenue Per Available Unit (RevPAU)

“Revenue Per Available Unit” or “RevPAU” shall mean Gross Rental Revenue divided by total available unit nights during the reporting period.

RevPAU is intended to measure the combined effectiveness of occupancy and pricing strategies.

---

## Section 6.7 Direct Booking Percentage

“Direct Booking Percentage” shall mean the percentage of reservations or revenue generated through direct booking channels controlled by the hospitality enterprise.

Examples may include:

- Direct website bookings;
- Direct telephone reservations;
- Direct referral bookings;
- Approved direct marketing channels.

The purpose of this metric is to evaluate progress toward strengthening direct guest relationships.

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## Section 6.8 OTA Dependency Ratio

“OTA Dependency Ratio” shall mean the percentage of reservations or revenue generated through Online Travel Agencies (OTAs).

Examples include:

- Expedia;
- Booking.com;
- Future OTA partners.

The purpose of this metric is to evaluate dependence upon third-party booking platforms.

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## Section 6.9 Guest Satisfaction Metrics

Guest Satisfaction Metrics may include:

- Average guest review scores;
- Guest ratings;
- Review volume;

- Guest feedback trends;
- Repeat guest indicators.

The objective is to evaluate the quality of the guest experience.

---

## Section 6.10 Marketing Performance Metrics

Marketing Performance Metrics may include:

- Website traffic;
- Direct booking inquiries;
- Conversion rates;
- Email engagement;
- Campaign performance;
- Lead generation activity.

Marketing metrics are intended to evaluate the effectiveness of efforts to attract and retain guests.

---

## Section 6.11 Comparative Reporting

Whenever practical, performance metrics should be presented using comparative measures including:

- Prior month comparisons;
- Prior year comparisons;
- Budget comparisons;
- Trend analysis.

Comparative reporting improves understanding and supports informed decision-making.

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## Section 6.12 Interpretation of Metrics

Performance metrics should be evaluated collectively rather than in isolation.

The parties acknowledge that no single metric fully reflects hospitality performance.

Accordingly, financial, operational, marketing, guest satisfaction, and strategic metrics should be considered together when evaluating enterprise performance.

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## Section 6.13 Governance Objective

The reporting definitions and performance metrics established under this Article are intended to promote consistency, transparency, comparability, and accountability throughout the hospitality enterprise.

The objective is to provide owners, the Association Board, and the Hospitality Company with a common language for evaluating performance and strategic progress.

## ARTICLE VII

# REPORT DISTRIBUTION, ACCESS & RECORD RETENTION

### Section 7.1 Purpose

The purpose of this Article is to establish standards governing report distribution, information access, record retention, and the protection of hospitality enterprise reporting information. The objective is to ensure that participating owners and the Association Board receive timely access to information while preserving appropriate confidentiality and operational integrity.

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### Section 7.2 Distribution Procedures

The Hospitality Company shall distribute reports required under this Appendix in a timely and reasonably accessible manner.

Reports may be distributed through:

- Electronic mail;
- Secure owner portals;
- Hospitality management software platforms;
- Board reporting systems;
- Other approved electronic methods.

Electronic delivery shall satisfy reporting requirements unless otherwise required by applicable law or governing documents.

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### Section 7.3 Reporting Schedule

The Hospitality Company shall make reasonable efforts to provide reports according to the following schedule:

#### Monthly Reports

Within twenty (20) days following the end of the reporting month.

#### Quarterly Reports

Within thirty (30) days following the end of each calendar quarter.

#### Annual Reports

Within ninety (90) days following the end of the fiscal year.

The Board may authorize reasonable modifications to reporting schedules when circumstances warrant.

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## Section 7.4 Owner Access Rights

Participating owners shall have reasonable access to information necessary to evaluate:

- Unit performance;
- Hospitality enterprise performance;
- Financial performance;
- Governance decisions;
- Strategic progress.

Information access shall be administered in a manner intended to promote transparency while protecting confidential and proprietary information.

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## Section 7.5 Board Access Rights

The Association Board shall have access to information reasonably necessary to fulfill its governance and oversight responsibilities.

Such access may include:

- Financial reports;
- Strategic reviews;
- Performance reports;
- Budget information;
- Operational reporting;
- Governance documentation.

The Board's access rights shall support informed governance and effective oversight.

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## Section 7.6 Electronic Reporting Standards

The Hospitality Company may utilize electronic reporting systems and technology platforms to facilitate efficient reporting and information access.

Whenever practical, reporting systems should provide:

- Secure access;
- Historical reporting;
- Download capability;
- Search functionality;
- Owner-specific reporting.

The objective is to improve transparency and operational efficiency.

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## Section 7.7 Confidential Information

Certain information maintained by the hospitality enterprise may be confidential, proprietary, competitively sensitive, or protected by privacy considerations.

Examples include:

- Guest information;
- Reservation data containing personal information;
- Pricing methodologies;
- Marketing strategies;
- Vendor contracts;
- Proprietary operating procedures;
- Technology systems and configurations.

Access to such information may be limited when reasonably necessary to protect the interests of the hospitality enterprise and its stakeholders.

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## Section 7.8 Record Retention Standards

The Hospitality Company shall maintain reporting records in accordance with reasonable business practices and applicable legal requirements.

Records may include:

- Financial reports;
- Owner reports;
- Strategic reports;
- Governance records;
- Budget documentation;
- Performance reports.

Records shall be retained in a manner reasonably intended to preserve continuity, transparency, and historical reference.

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## Section 7.9 Ownership of Reporting Information

All hospitality reporting information, owner reporting records, performance data, guest relationship data, reservation history, and related hospitality business records generated through the hospitality enterprise shall remain assets of the hospitality enterprise and its participating owners.

Such information shall not be considered the property of any individual manager, vendor, software provider, or service provider.

This provision is intended to preserve business continuity and protect long-term owner interests.

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## Section 7.10 Governance Objective

The report distribution, information access, and record retention standards established under this Article are intended to promote transparency, accountability, continuity, and owner confidence.

The parties acknowledge that reliable access to information is essential to informed governance and the long-term success of the hospitality enterprise.

# ARTICLE VIII

## EXECUTION & ADOPTION

### Section 8.1 Effective Date

This Financial Reporting Standards Appendix shall become effective upon approval and adoption in accordance with applicable governance requirements and governing documents. The effective date shall be identified on the execution page unless otherwise specified.

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### Section 8.2 Authority to Adopt

The parties acknowledge that this Appendix has been developed to establish reporting, transparency, and performance measurement standards supporting the Impala Hospitality Program.

Execution of this Appendix constitutes acknowledgement that all required approvals have been obtained and that the adopting parties possess the authority necessary to approve and implement its provisions.

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### Section 8.3 Relationship to Companion Documents

This Appendix shall be interpreted in conjunction with:

- Constitution of Impala Oceanside Resorts;
- Hospitality Services Operating Charter;
- Hospitality Company Management Agreement;
- Governance Approval Framework;
- Owner Participation Agreements;
- Applicable Association governing documents.

Together, these documents form the integrated governance and operating framework of the hospitality enterprise.

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### Section 8.4 Certification of Adoption

The undersigned hereby certify that this Financial Reporting Standards Appendix was approved in accordance with the governance requirements applicable to the hospitality enterprise and participating ownership interests.

The parties further acknowledge their commitment to maintaining reporting practices consistent with the principles of transparency, accountability, and informed governance.

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### Section 8.5 Statement of Reporting Intent

The purpose of this Appendix is not merely to establish reporting requirements. Rather, the purpose is to create a culture of transparency, accountability, and informed decision-making throughout the hospitality enterprise.

The parties acknowledge that meaningful reporting strengthens owner confidence, improves governance effectiveness, supports operational excellence, and contributes to long-term value creation.

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## EXECUTION

IN WITNESS WHEREOF, the parties have adopted this Financial Reporting Standards Appendix as part of the Impala Hospitality Governance Framework Series.

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### NORTH ISLAND CONDOMINIUM ASSOCIATION (NICA)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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### IMPALA HOSPITALITY COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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## CERTIFICATION OF APPROVAL

The undersigned hereby certify that this Financial Reporting Standards Appendix was approved in accordance with the governance requirements applicable to the hospitality enterprise and participating ownership interests.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_