Hotel Performance Test Annual Review Worksheet

Template — not legal advice, and not financial advice. Your management agreement defines the test, the measurement years, the cure, and any exclusions. Fill this in from the agreement and the operator's year-end report, and have counsel confirm the reading before the board acts.

Property: _____ Operator: _____ Test year: _____
Board meeting: _____

1. The test as written (from the agreement)

Item	What the agreement says	Section reference
First test year		
Budget prong measure (e.g., gross operating profit vs. budget) and threshold		
Competitive-set prong measure (e.g., RevPAR index) and threshold		
Both prongs must fail, or either?		
Consecutive years required		
Excluded periods (stabilization, renovation, force majeure)		
Operator cure right: amount, deadline, how many times		
Owner's deadline to give notice after a failure		
Termination fee or key-money repayment on termination		

2. This year's results

Prong	Threshold	Actual	Pass / fail	Source document
Budget prong				
Competitive-set prong				

☐ Competitive set used this year matches the set approved under the agreement

☐ Any change to the set during the year, who approved it, and the effect

☐ Excluded months or rooms listed and agreed with the operator

3. History

Year	Budget prong	Comp-set prong	Cure paid?	Notes

4. Key money (if any)

☐ Amount received and date

☐ Amount unamortized at year end

☐ Events that make it repayable (termination, sale, default) and the amount for each

5. Board options

☐ No failure: record the result and the next test date

☐ Failure, cure not yet offered: record the notice deadline and who sends notice

☐ Cure offered: accept, or decline if the agreement allows (counsel's view attached)

☐ Failure with termination right: compare terminating, amending, and staying (attach the cost of each)

6. Conflicts

☐ Directors with ties to the operator, its affiliates, or competitive-set hotels disclosed and recused

7. Resolution (fill brackets)

RESOLVED, that the Board [accepts the performance test result for [YEAR] / directs [OFFICER] to give notice of failure under Section [__] / accepts the operator's cure payment of [AMOUNT]], as presented on [DATE].

8. Closure evidence

☐ Operator's year-end report and the comp-set report attached

☐ Notice or acceptance letter attached (if any)

☐ Next year's check-in date set: _____

Related: Hotel management agreements guide (https://preparedboard.com/guides/hotel-management-agreement-board-oversight) · Revenue management for hotel boards (https://preparedboard.com/guides/hotel-revenue-management-board-questions) · HMA renewal decision checklist (https://preparedboard.com/templates/hospitality-hma-renewal-checklist).

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