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Flower of the month:

*Heliconia
 (aka lobster claw) are a favorite
 of tropical floral arrangements
 for their exotic and long
 lasting flowers*



SKYLINE AT ISLAND COLONY



February
 2016

ISLAND COLONY PARTNERS NEWSLETTER

ALOHA Island Colony Partners - According to the HTA, "February was a strong month for Hawaii's visitor industry with the bonus of leap year adding an extra day for businesses statewide to generate revenue." Intense global competition is relentless, however, so HTA will continue to maximize the use of their marketing resources to promote the Hawaii visitor experience and connect with travelers planning their next vacation.

HOTEL PERFORMANCE

Below is an abbreviated statistical presentation of Revenue per Available Room (RevPAR) and composite of Average Daily Rate (ADR) for the month of February 2016 versus February 2015:

E Star Report	Skyline 2/2016	Comp Set 2/2016	Skyline 2/2015	Comp Set 2/2015
RevPAR	\$125.16	\$144.36	\$134.84	\$140.26
ADR	\$133.19	\$171.52	\$138.44	\$169.14

[2016 Comp Set = similar competitor hotels including Hyatt Place Waikiki Beach, Aqua Pacific Monarch, OHANA Waikiki Malia, Ilima Hotel and Joie De Vivre Coconut Waikiki Hotel]

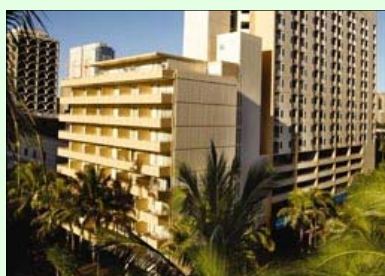
The following chart shows percentage changes in Occupancy, ADR, and RevPAR for the current month of February 2016, year-to-date, running three months, and running twelve months for Skyline at Island Colony as compared to our competitive set:

	Current	Month	Year to	Date	Running 3	Months	Running 12	Months
E_Star Report	Skyline	Comp Set	Skyline	Comp Set	Skyline	Comp Set	Skyline	Comp Set
Occupancy	-3.5%	1.5%	-3.6%	5.4%	-2.7%	6.6%	-0.5%	3.3%
ADR	-3.8%	1.4%	0.4%	1.9%	0.0%	2.1%	-2.5%	1.4%
RevPAR	-7.2%	2.9%	-3.3%	7.4%	-2.7%	8.8%	-3.0%	4.7%

Aqua Skyline at Island Colony finished the month of February at 94.0% compared to our competitive set at 84.2%. While Pro Bowl provided a boost at the start of the month, demand remained soft for remainder of the month, with the exception of the Presidents' Day/Valentine's Day long weekend. Rates were significantly reduced to fill occupancy. Although we fell short of budget goals, pick up in the month was great as we were able to do what was needed to fill rooms.



Skyline's competitive set of hotels for 2016 remain the same as 2015. L-R Hyatt Place Waikiki Beach, Aqua Pacific Monarch, OHANA Waikiki Malia, Ilima Hotel and Joie De Vivre Coconut Waikiki Hotel



PROJECTED MARCH RESULTS:

Demand in March has been down for most of Waikiki. We are fortunate to host a group that is in house for 90 days with check-in starting March 3. This 27-room group gave us a great base which allowed us to start the month ahead of pace. As the month started, pick up has been dismal as most hotels throughout Waikiki dropped rates to fill occupancy. Currently at 93% occupancy for the month, we are projected to fall short of budget as we now head into our slow season - the second quarter.

FUTURE OUTLOOK:

April and May are already pacing ahead of last year thanks to the large government group that has been staying in house since March 3 until their June 1 checkout. This group of 27 rooms gives us a great base during our typically slow period and allows us to yield up and pick up higher ADRs. As we look past this period, we are ramping up and preparing for a busy summer. We are excited to have RIMPAC back this year. During the middle of June until the end of summer, we look to have a lot of Military bookings come in and possibly some TLA business, which will bring in higher ADRs and great revenues until September.

As most hotels struggle to fill occupancy, we continue to compare rates with our daily reports and adjust accordingly to fill occupancy moving forward.

PARTNERSHIP NEWS:

Anuheia is no longer with Island Colony, but you may continue to email admin@islandcolonypartners.com. Jamie is temporarily replacing her till we find a permanent replacement.

Annual Meeting- Thank you for sending in your proxies. Your support is greatly appreciated. Although Will Tanaka decided not to run in this year's election, your votes went to George Vozikis who currently owns a few units in the rental program and has been successfully re-elected for another term.

AOAO UPDATE:

Fire System: The Fire Inspector performed an inspection of the newly installed fire system. A few minor discrepancies are being handled and once completed, the inspector will return to validate the work and sign off as approved. This should happen by the end of April.

Cameras in Hallways: This project is ongoing in conjunction with the hallway renovations which is still in progress.

Hallway Renovations: The AOAO started the 19th floor hallway renovations on March 28 and moves to the 17th floor on April 11. The project takes about 2 weeks to complete per floor and the AOAO is about 85% complete with the entire project leaving only 5 floors to be finished.

RENOVATION STATUS:

Renovation of the remaining non-renovated units has been delayed due high construction costs. As reported previously, we made a commitment to our current contractor when we were offered a reasonable price. Work will commence after the completion of his current project. Dates are unavailable at this time.

VALET PARKING FOR SHOPPERS

While Skyline owners and guests who enjoy shopping and dining can easily stroll over to the ROYAL HAWAIIAN CENTER, the Center recently announced that they have introduced valet parking for anyone not in waking distance or need extra comfort moving about Waikiki.

From 5 p.m. daily, shoppers and diners will be able to valet park their cars for a flat fee of \$15. Merchant validation not required. Tip not included.

Hours:	Monday through Thursday	5 p.m. to 10 p.m.
	Friday, Saturday, Sunday	5 p.m. to 11 p.m.

WAIKIKI COMMUNITY CENTER TO HOST 31ST ANNUAL DUKE KAHANAMOKU BEACH CHALLENGE

The Waikiki Community Center hosts its 31st annual benefit event, the Duke Kahanamoku Beach Challenge, on Sunday, April 24, 2016, from 9 a.m. to 2 p.m. at Duke's Beach and Lagoon. It will be an exhilarating day of outrigger canoe racing, stand up paddle board racing, and ancient Hawaiian makahiki land games including *huki kaula*, Hawaiian tug-of-war. The event will also feature keiki activities, a craft market and a all-star entertainment. Notable past performers have included Jake Shimabukuro, Henry Kaponu, and Natalie Ai Kamaau.

For more information, call (808) 923-1802 ext. 109 or visit www.waikikicomunitycenter.org.

As always, we appreciate your support and thank you for your continued patience and assistance during these extraordinary times. Please feel free to contact Kristie Maruyama at 808-772-2662 or via email at kmaruyama@islandcolonypartners.com, or either one of us should you have any questions.

*Me ke Aloha Pumehana,
"With Warmest Aloha"*



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