

Inside this Issue ...

Hotel Performance
 Projected July results
 3rd Quarter Outlook
 Partnership New

AOAO Update
 Renovation Status
 and more

Flower of the month:

White Ginger
 This naturalized ornamental
 garden plant is native to
 eastern India and used to
 make a beautiful lei.



SKYLINE AT ISLAND COLONY



June 2015

ISLAND COLONY PARTNERS NEWSLETTER

Aloha ... It's summer and the weather is exactly what travelers want when they visit—lots of sunshine and warm temperatures. Here's what's been happening at the hotel in June and what we expect going forward.

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 June 2015 versus June 2014:

E Star Report	Skyline 6/2015	Comp Set 6/2015	Skyline 6/2014	Comp Set 6/2014
RevPar	\$126.43	\$144.71	\$122.08	\$126.62
ADR	\$132.80	\$166.36	\$127.84	\$151.41

[2015 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 June 2015, 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	-0.3%	4.0%	0.8%	0.1%	2.0%	2.8%	2.8%	1.8%
ADR	3.9%	9.9%	-2.4%	2.4%	1.9%	4.6%	5.3%	6.8%
RevPAR	3.6%	14.3%	-1.6%	2.6%	3.9%	7.5%	8.3%	8.7%

Skyline at Island Colony occupancy for June reached 95%, versus our competitive set at 87%. Beating occupancy budget and being able to maintain competitive rates have allowed us to surpass revenue goals for the month of June. As the busy summer months start, our rates are in alignment with other properties within our competitive set and the market in Waikiki. We have been pacing well and look forward to a successful third quarter. Skyline's competitive set of hotels for 2015 includes Hyatt Place Waikiki Beach, Aqua Pacific Monarch, OHANA Waikiki Malia, Ilima Hotel, and Joie De Vivre Coconut Waikiki Hotel.

Here is a closer look at Aqua Pacific Monarch, one of Skyline at Island Colony's competitive set properties.



PROJECTED JULY RESULTS:

Currently at 90% occupancy, we will fall just short of budget but revenue will be the highest we have had all year. Demand throughout Waikiki has increased and visitors appear willing to pay the higher rates as they visit the islands. Increased Military and temporary lodging allowance ("TLA") bookings have given us a great base as these guests stay for approximately 60 days and pay premium rates.

3rd QUARTER OUTLOOK:

With July being strong, August is currently pacing ahead of last year while September remain flat compared to 2014. August may in fact be stronger than July, currently at 60% on the books and on pace to surpass budget goals by month's end. September shows signs that it could be a strong month. It is currently only pacing 1% behind last year and less than \$2K in revenue. We look at this 3rd quarter as "catch up time" bringing year to date totals near budget as we continue to make up for a soft first quarter.

PARTNERSHIP NEWS:

Rob Toyama is no longer with Island Colony Partners. We are in the process our hiring a new Owner Service Specialist.

We are in the planning stage of having a Partnership meeting in September or October 2015 and will keep you posted on the details.

Please update your records as we have new email addresses: Kristie Maruyama – kmaruyama@islandcolonypartners.com and Kimberly Oshiro – koshiro@islandcolonypartners.com.

AOAO UPDATE:

Fire System: Work continues on the property fire system upgrades. Contractors are on schedule and have started work in the guest rooms. Cameras in Hallways: This project is ongoing in conjunction with the hallway renovation that is still in progress.

RENOVATION STATUS:

We are planning for the next phase of renovation which will commence after the busy summer period.

INDUSTRY UPDATES:

The continued success of Hawaii's tourism industry is dependent on air access to the Hawaiian Islands, which is forecasted to grow 4.9% to more than 3 million seats during the third quarter of this year, with increases from the U.S. (+5.0%), Japan (+3.0%), Canada (+30.0%) and Oceania (+13.2%). This brings airlift capacity to the state up to 8,930,073 seats (+6.6%) through September 2015.

2015 Hawaii Tourism Conference

Thursday, August 27, 2015 - Friday, August 28, 2015

Hawaii Convention Center

The conference is the premier educational and networking event for Hawaii's visitor industry and stakeholders. It provides insightful market intelligence and tourism trends for the visitor industry, and reveals Hawaii's global marketing activities for 2016. Visit the following link for prices and registration.

<https://www.regonline.com/builder/site/Default.aspx?EventID=1708049>

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"*



William T. Tanaka, Jr.

Managing Partner, American Pacific Hotels, LLC
General Partner, Island Colony Partners

PH: 808.921.7110

Kristie L. Maruyama

Managing Director
Island Colony Partners

PH: 808.921.7110

Brian H. "Kovy" Kovaloff

Hotel Manager
Aqua Skyline at Island Colony

PH: 808.921.7140