

Inside this Issue ...

Hotel Performance
 Projected June results
 3rd Quarter Outlook
 Partnership News

AOAO Update
 Renovation Status
 and more

Flower of the month:

Pikake
 is a member of the olive family.
 The perfumed blossoms are
 extremely popular for lei.



SKYLINE AT ISLAND COLONY



May 2015

ISLAND COLONY PARTNERS NEWSLETTER

ALOHA ISLAND COLONY PARTNERS:

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 May 2015 versus May 2014:

E Star Report	Skyline 5/2015	Comp Set 5/2015	Skyline 5/2014	Comp Set 5/2014
RevPar	\$109.59	\$120.62	\$99.72	\$114.59
ADR	\$114.25	\$148.04	\$110.17	\$142.49

[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 May 2015, year-to-date, running three months, and running twelve months for Skyline at Island Colony as compared to our competitive set:

E Star Report	Current Month		Year to Date		Running 3 Months		Running 12 Months	
	Skyline	Comp Set	Skyline	Comp Set	Skyline	Comp Set	Skyline	Comp Set
Occupancy	6.0%	1.3%	1.0%	-0.7%	2.3%	1.8%	3.6%	1.8%
ADR	3.7%	3.9%	-3.7%	0.9%	-0.6%	1.8%	5.2%	6.4%
RevPAR	9.9%	5.3%	-2.7%	0.2%	1.7%	3.6%	9.0%	8.3%

Skyline at Island Colony occupancy for May reached 95.9%, versus our competitive set at 81.5%. Although ADR fell short of the competitive set by almost \$32, we finished less than \$5 below in RevPar due to our high occupancy. A large group at the end of May occupied over 100 room nights, which helped in all aspects of occupancy and revenue for the property. With gains in both occupancy and ADR for the month, Skyline's RevPAR increased by an impressive 9.9% in May, compared with a 5.3% gain for the competitive set. Yielding against our competitive set kept our hotel filled and we were able surpass budget goals for the month by almost \$20K.

Here is a closer look at Hyatt Place Waikiki Beach, one of Skyline at Island Colony's competitive set properties.



PROJECTED JUNE RESULTS:

We have surpassed budget goals for the month of June. Currently at 92.9% occupancy on the books, we look to add another \$5K in revenue prior to month's end. Exceeding budget in June will give us two consecutive months of surpassing budget as we head into the busy summer months.

3rd QUARTER OUTLOOK:

Heading into the 3rd quarter, we are pacing well compared to last year. Although RIMPAC did not return, rates and pace are still going strong as we look to come near budget in July, August and September.

For July, we are currently at 59.6% occupancy on the books. While we are pacing well we look to fall short of the record-breaking July we had in 2014.

Typically a slow month, September is pacing ahead of last year. We will be coming out with specials to help build more base business as we head into the booking window for the month.

PARTNERSHIP NEWS:

Please welcome Kristie back to the office. She has been making the transition back to the office and can be reached via email or phone.

Rob Toyama is no longer employed with us and we are in the process of finding a Owner Services Specialist. In the meantime, you can contact Kristie or Kim with any questions or concerns.

We also want to wish all the dads out there a Happy belated Father's Day. We hope you spent the day surrounded by loved ones.

Lastly, don't forget about your complimentary nights! Call us with the details right away so we can make your reservation before rooms fill up for the holiday season.

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 renovations, which is still in progress.

RENOVATION STATUS:

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

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 klaumaruyama@gmail.com, or either one of us should you have any questions.

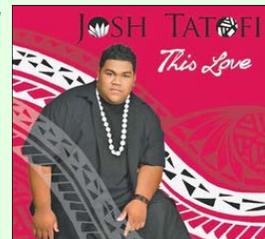
*Me ke Aloha Pumehana,
"With Warmest Aloha"*

NEW MONTHLY EVENT:

"Sunset Mele on the Rooftop" Entertainment Series Debuts at the Hawaii Convention Center

Starting July, the Hawaii Convention Center (HCC) will kick off its new monthly entertainment series, "Sunset Mele on the Rooftop," featuring a full evening of FREE performances by Hawaii's next generation of talented musicians, dancers and performing artists, as well as fun activities for the entire family to enjoy.

The new HCC-hosted series will launch on Saturday, July 11, from 5 to 9:30 p.m., with a sunset performance by up-and-coming singer-musician Josh Tatoi and a keiki hula *halau* (group), followed by a moonlight screening of a popular Disney feature film on a large outdoor movie screen.



Special characters from the Disney movie will be on hand for photo opportunities and autographs, and a Sunset Mele Market Place will feature artisans, crafters, as well as gourmet hotdogs, popcorn, beverages and more prepared by the Hawaii Convention Center's on-site culinary team to round out the evening's activities.

Guests are welcome to bring their own blankets, mats and low-seated lawn chairs to enjoy the music and film under the stars on the grass lawn of the convention center's spacious rooftop garden.

Admission to "Sunset Mele on the Rooftop" is free and parking at the Hawaii Convention Center for the event is \$5 per vehicle. Outside food, beverages and coolers will not be allowed.

The "Sunset Mele on the Rooftop" series will continue monthly through the end of the year, with each event featuring a new entertainment lineup. The second event of the series is set for Sat., Aug. 15. For more information, call (808) 943-3025.



William T. Tanaka, Jr.
Managing Partner, American Pacific Hotels, LLC
General Partner, Island Colony Partners

Kristie L. Maruyama
Managing Director
Island Colony Partners

Brian H. "Kovy" Kovaloff
Hotel Manager
Aqua Skyline at Island Colony

PH: 808.921.7110

PH: 808.921.7110

PH: 808.921.7140