

Inside this Issue ...

Hotel Performance
 April Projected Results
 Future Outlook
 Partnership News

AOAO Update
 Renovation Status
 and more

The Ohia Lehua (five species are endemic to the Hawaiian Islands, and the red lehua flower is the official flower of Hawaii Island).

Flower of the month:



SKYLINE AT ISLAND COLONY



March 2017

ISLAND COLONY PARTNERS NEWSLETTER

ALOHA Island Colony Partners - In March, the Hawaii Tourism Authority (HTA) issued research studies offering comprehensive findings about the profiles, preferences and sentiments of LGBT travelers as it relates to Hawaii. Noteworthy points from the U.S. study include the following:

- 70% of those surveyed consider Hawaii an LGBT-friendly destination, but only 27% expressed interest in making a trip to the Islands in the next two years.
- Hawaii is competing against sun and surf destinations in Florida and southern California, as well as urban destinations like San Francisco, Las Vegas and Western Europe.
- The typical LGBT U.S. visitor to Hawaii has a household income of more than \$100,000. 71% of LGBT U.S. visitors to Hawaii travel with a partner.

HOTEL PERFORMANCE

To the right is an abbreviated statistical presentation of Revenue per Available Room (RevPAR) and composite of Average Daily Rate (ADR) for the month of March 2017 versus March 2016:

E Star Report	Skyline 3/2017	Comp Set 3/2017	Skyline 3/2016	Comp Set 3/2016
RevPAR	\$115.61	\$141.97	\$109.23	\$134.13
ADR	\$125.60	\$167.00	\$129.14	\$160.48

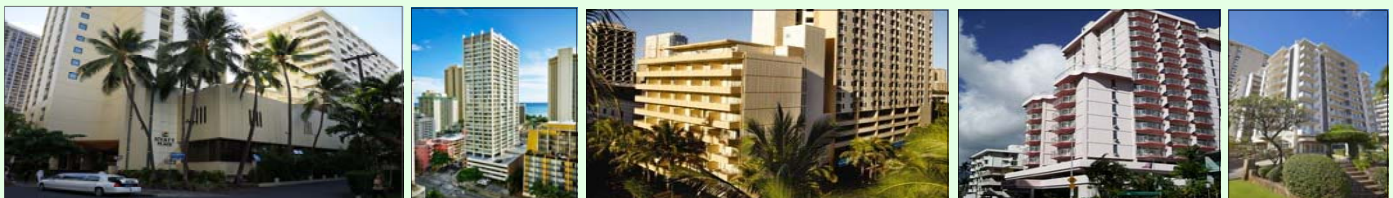
[2016 Comp Set = similar competitor hotels including Hyatt Place Waikiki Beach, Aqua Pacific Monarch, OHANA Waikiki Malia, Ilima Hotel and Coconut Waikiki Hotel]

The following chart shows percentage changes in Occupancy, ADR, and RevPAR for the current month of March 2017, 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	8.8%	1.7%	0.4%	0.7%	0.4%	0.7%	-1.5%	0.8%
ADR	-2.7%	4.1%	0.6%	1.8%	0.6%	1.8%	4.0%	2.7%
RevPAR	5.8%	5.9%	1.0%	2.5%	1.0%	2.5%	2.4%	3.6%

Aqua Skyline at Island Colony finished the month of March ahead of budget, making March the third consecutive month we have exceeded budget goals. Pick-up and pace for March had been strong up until the last week, when we saw great pick-up with competitive rates, which helped us finish the month about \$4K ahead.

Skyline's competitive set of hotels for 2017 includes Hyatt Place Waikiki Beach, Aqua Hotel Pacific Monarch, OHANA Waikiki Malia, Ilima Hotel, and Joie De Vivre Coconut Waikiki Hotel.



PROJECTED APRIL RESULTS

Currently the month of April is pacing behind last year, and we will likely fall about \$9K short of revenue goals for the month. Pick-up and demand for April has been weak during the second half of the month. At the end of the month, the Waikiki Spam Jam festival will bring in great revenue and occupancy as we close out the month on a high note.

FUTURE OUTLOOK

The month of May will be a struggle to surpass revenue goals for the month as we are pacing behind last year. Our Sales and Marketing Team has revamped our website and have been running promotions to help gain business. Summer months are pacing well, even without RIMPAC this year. We look to gain great base and build on rate and occupancy as we move closer to the summer booking window.

PARTNERSHIP NEWS

In our ongoing efforts to enforce the 30-day minimum rental restrictions, the Partnership office is continually monitoring online rental activities in addition to notifying owners and agents who may be in violation of the 30-day rule.



Finally, we just wanted to thank all of the amazing Moms out there on this Mother's Day!

AOAO UPDATE

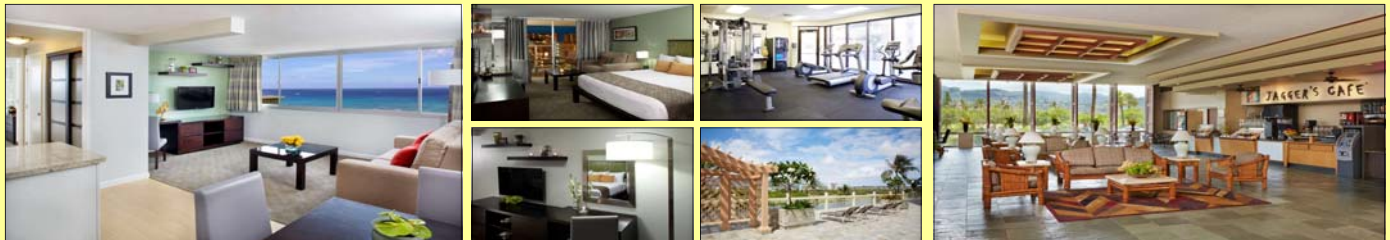
One Bedroom Window Replacement: Contractors have started one bedroom window replacement on the 20-21 stacks on the ocean side of the building. Work continues daily, weather permitting.

Driveway: On Monday, March 27, 2017 contractors started masonry work in the lobby/porte cochere area in order to meet ADA requirements. Work continues and is expected to be completed by the end of the month.

Pool Deck Bathroom Renovations: Contractors have started work on renovating the restrooms on the 6th floor common area. Work will finish by the end of May.

RENOVATION STATUS

We are currently finalizing bids to replace deteriorating curtains in the one bedroom units. With the AOA's installation of the new windows in the one-bedroom units, this will be a nice touch added to the units. Once this has been approved, work will commence



Aqua Skyline at Island Colony—photo gallery

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"*

SKYLINE AT ISLAND COLONY

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