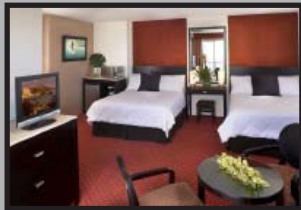


Aqua Aloha Surf & Spa, Aqua Bamboo & Spa, Aqua Continental, Aqua Island Colony, Aqua Coconut Plaza, Aqua Waikiki Marina, Aqua Palms & Spa, Aqua Waikiki Wave, Hotel Renew, The Equus, Aqua Aloha Surf & Spa, Aqua Bamboo & Spa, Aqua Continental, Aqua Island Colony, Aqua Coconut Plaza, Aqua Waikiki Marina, Aqua Palms & Spa, Aqua Waikiki Wave, Hotel Renew, The Equus

**AQUA**  
HOTELS AND RESORTS

AQUAspa

## 2007 END-OF-YEAR MARKETING REVIEW



2007 was a great year of growth for Aqua Hotels & Resorts! Yes – growth ... but not by the typical room inventory increase or hotel acquisition rationale.

Instead, 2007 was a year where Aqua grew as a company. Aqua added a third hotel brand – the Aqua Elite category with the addition of hotel renew, Waikiki's ultra chic designer hotel. Aqua also listened to our guests and grew the list of available complimentary amenities by adding local and toll-free phone calls, bottled water and fresh fruit, use of the in-room safe and more. And, Aqua spent the year developing and growing our sales and marketing department by adding and promoting qualified people like Robin Harlow, Tulinh Luciano-DeSmith and Amber Record to better serve you and our guests.

2007 was also a year of acknowledgement by Pacific Business News for Mike Paulin and Aqua Hotels & Resorts, naming Aqua #8 in their annual 'Fastest 50' small business survey. As we transition into 2008, we are excited about the fabulous new packages and programs we have to offer and we're looking forward to increasing revenues for our owners and for you, our valued partners in travel.

As you should know by know, there's always something new and exciting going on at Aqua Hotels & Resorts!

Aloha,  
Elizabeth Churchill, VP Sales & Marketing

## Hotel News and Announcements for 2007

### PACIFIC BUSINESS NEWS

August 10, 2007

Aqua Hotels & Resorts, with 320 employees at 10 properties in Waikiki, is No. 8 in PBN's Fastest 50 list this year.

### **Name change for Aqua Aloha Surf**

September 4, 2007

On August 1, Aqua Aloha Surf underwent a name change and is now the Aqua Aloha Surf & Spa. Located at 444 Kanekapolei, the 202-room hotel with an urban surf theme is one of five properties in Aqua's Boutique Collection.

### **Aqua Hotels and Resorts announces Ocean Tower Hotel in Waikiki changes its name to hotel renew**

November 30, 2007

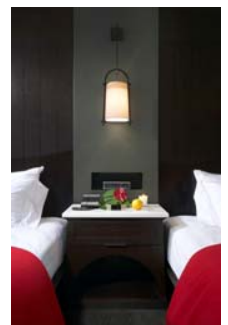
Ocean Tower Hotel, located at 129 Paoakalani Avenue, has officially changed its name to **hotel renew** as of December 1, 2007. The property will become the first hotel in Aqua's new *Elite* brand and Oahu's first true designer boutique hotel, offering the utmost in personalized service and innovative business and entertainment technology. The hotel is currently rated #1 on TripAdvisor.

### **hotel renew, Waikiki's newest luxury designer boutique, announces a special preview rate during the months of December and January**

December 6, 2007

hotel renew is celebrating its recent Aqua Elite positioning and first holiday season by offering a special preview rate starting at \$149 per night during the months of December and January.

hotel renew



## Packages and Specials Announced in 2007

### Aqua Hotels announces a “SPA-licious” special

February 1, 2007 – Aqua Hotels & Resorts recently introduced a “SPA-licious” package that is great for a rejuvenating long weekend.

The SPA-licious package is available until December 21, 2007 with rates starting at \$144 per night at the Aqua Aloha Surf, \$160 per night at the Aqua Palms & Spa, \$163 per night at the Aqua Bamboo & Spa and \$177 at the Aqua Waikiki Wave. The SPA-licious package comes with a host of complimentary services including a choice of two, one-hour spa treatments at any AquaSPA location, daily continental breakfast, in-room high-speed internet access and WiFi, daily local newspaper, local and toll-free phone calls, bottled water on arrival and more. A three-night minimum stay is required when booking this package.



### “Get Acquainted with The Equus”

**Aqua’s introductory special is good during Waikiki’s peak season**

February 12, 2007 – Aqua Hotels & Resorts announced that it is offering a “Get Acquainted with The Equus” introductory special that is valid until June 30, 2007. The newly renovated and upgraded guest rooms offer a fresh ‘Ralph Lauren meets upcountry Hawaii paniolo’ look and feel.

### Aqua Hotels offering \$49 ‘fam’ rates to Travel Agents

February 21, 2007 – Aqua Hotels & Resorts is offering \$49 “Travel Agent Familiarization Rates” at seven of its Waikiki hotels from now until June 15, 2007.

Travel agents are truly VIPs to Aqua and hotel managers will be providing the best room available to agents upon check-in. The \$49 “Travel Agent Familiarization Special” is offered on a space available basis to bona fide travel agents with IATA designations. This offer is valid for a maximum of three nights and can be used at one Aqua hotel or split between several. Travel agents must occupy the room and present their IATA card at check-in.”

### Aqua Hotels & Resorts offering “Spring into Spa” special

April 5, 2007 – Aqua Hotels & Resorts is celebrating spring with a “Spring into Spa” package at nine of its Waikiki hotels, effective immediately until December 19, 2007. Guests booking Aqua’s “Spring into Spa” special receive a FREE one-hour AquaSPA treatment for EVERY night confirmed at rack rate, with no minimum night requirement. AquaSPA coupons are issued upon check-in for the number of nights booked. “Spring into Spa” is the ultimate spa vacation package for people who enjoy the renewal benefits of massage treatments.

### Aqua Hotels’ “Savvy Surfer<sup>sm</sup>” program making waves

August 6, 2007 – Aqua Hotels & Resorts recently introduced “Savvy Surfer<sup>sm</sup>” – a Web-only special that is making waves by offering the lowest guaranteed non-qualified rates when booking rooms at any of Aqua’s 10 Waikiki hotels at [www.aquaresorts.com](http://www.aquaresorts.com). The level of discount varies on a daily basis for each hotel; however, savvy Web surfers will find that Aqua’s chain-wide rates are surprisingly affordable throughout the year.

The Savvy Surfer<sup>sm</sup> offer is available year-round and can also be booked by calling Aqua’s toll-free reservations number at 1-866-406-2782 and requesting Savvy Surfer<sup>sm</sup> rates or by visiting [www.aquaresorts.com](http://www.aquaresorts.com). Savvy Surfer<sup>sm</sup> cannot be combined with any other offer.



### Aqua Hotels introduces a “No Commitments” wedding program

November 6, 2007 – Aqua Hotels & Resorts is offering a hassle-free “No Commitments” wedding program for couples planning their nuptials in Waikiki. Aqua’s “No Commitments” Wedding Program features:

**No Commitments** – No contracts are ever required. Just the standard cancellation policy of 7 days notice prior to arrival for peak season and 3 days notice prior to arrival for low season is in effect.

**No Minimum** – There is no minimum room requirement. Aqua will accommodate just the couple or a wedding party of any size.

**No Worries** – Count on Aqua to provide personalized service and recommendations and create a customized plan based on the needs of the couple.

**No Complications** – Aqua provides a link to place on the couple’s wedding webpage, include in wedding invitations, etc. Aqua makes it simple by providing a special program code for guests so they can choose and book the Aqua hotel of their choice via [www.aquaresorts.com](http://www.aquaresorts.com).

Couples and their wedding party can select from one or 10 Aqua hotels throughout Waikiki allowing everyone the option of choosing their personal favorite. In all instances, a discount starting at 10% off the best available room rate is extended once a special code is provided. When selecting one of the five stylish Aqua Boutique hotels, guests also experience the personalized services and ambiance of an upscale property and receive many complimentary amenities including daily continental breakfast and high-speed internet access.

## Product Upgrades and Community Relations in 2007

### Aqua's List of FREE Guest Services and Amenities Keeps Growing

May 8, 2007 – Aqua Hotels & Resorts is adding to their list of complimentary lifestyle amenities available to guests staying at its Waikiki hotels. In 2006, based on customer comments and feedback, a number of additional complimentary guest services and amenities were offered:

- Daily local newspaper
- Coffee and tea service in the lobby
- Weekly Manager's Reception
- Signature Macadamia Nut and Coconut cookies upon departure

Recently, further additions were made to Aqua's hotel and guest room enhancement program:

- Complimentary local and toll-free phone calls
- Complimentary use of the in-room safe
- Custom Aqua robe
- Hawaiian Artesian bottled water on arrival
- Complimentary apples at the front desk
- Live plants
- Custom bath amenities (Noni/Papaya/Pineapple shampoo, conditioner, body scrub, body lotion, hand and bath soap)
- A complete collection of new collateral materials including: key cards, key card packets, note pads, pens, Do Not Disturb signs, guest services directory, guest comment cards and Aqua's signature "Fish" filled with information for guests
- Express check-out



Aqua's colorful signature 'Fish'



Signature cocktail, the "Bamboozle" offered at the weekly Manager's Reception at the Aqua Bamboo & Spa



Custom bath amenities

The array of complimentary amenities is available to guests booking the Aqua Boutique Collection – Aqua Aloha Surf, Aqua Bamboo & Spa, Aqua Palms & Spa, Aqua Waikiki Wave and The Equus. In addition, a selection of complimentary amenities is also available at Aqua Lite hotels. For a complete guide to the amenities available at each hotel, visit [www.aquaresorts.com](http://www.aquaresorts.com)

### Aqua Hotels sponsoring The Brothers Cazimero May Day Concert 30th annual event scheduled for Tuesday, May 1 at the Waikiki Shell

April 18, 2007 – Aqua Hotels & Resorts is partnering with KGMB9 and the Mountain Apple Company to present the 30th Annual May Day Concert with The Brothers Cazimero on Tuesday, May 1, 2007 at the Waikiki Shell.

### Aqua Hotels sponsors "Pacific Gold Cup" on July 29 at Mokuleia Tournament features the largest group of visiting professional polo players to play in Hawaii at any one time in well over a decade

July 19, 2007 – Aqua Hotels & Resorts is sponsoring the final Sunday of the USPA (United States Polo Association) sanctioned inter-island series – the "Pacific Gold Cup" on July 29 at Hawaii Polo Club, located on the beach at 68-539 Farrington Highway in Mokuleia, 3.5 miles past Waiialua High School.

### New and improved Travel Consultants section featured on [www.aquaresorts.com](http://www.aquaresorts.com)

September 25, 2007 – A new and improved Travel Consultants area on Aqua's website was launched recently at [www.aquaresorts.com](http://www.aquaresorts.com).

Over the last several months, modifications and enhancements were implemented to improve navigation as well as showcase the diversity in Waikiki and characteristics of each Aqua hotel. Changes include:

- New Travel Consultants area showcasing Aqua's Lifestyle Specialist Program
- Improved navigation features throughout the web site to help agents find the Aqua hotel that best meets their customer's needs and budget
- Debut of "Brian's Waikiki Beat" – featuring exclusive insider tips on Oahu events, culture, food and dining by travel writer Brian Berusch
- New images reflecting the 'Beach Life and Urban Vibe' of Waikiki
- New room and hotel images to better represent the personality of each hotel

"The improved Travel Consultants area is much more user-, search- and navigation-friendly," said Amber Record, Aqua's eCommerce Manager. "Agents can now check online for Aqua FAQ's and Resources, Aqua Policies and Information, Travel Agent Familiarization Rates and a Waikiki Map showing the location of each Aqua hotel." Also featured is Aqua's streamlined Lifestyle Specialist Program (replaces "Get the Point") – a program which encourages and rewards loyal travel agents for their support. Agents can earn a free night for every 25 room nights booked at any Aqua hotel in Waikiki. If not already signed up, travel agents can complete the online enrollment form.



Mike and Aida Paulin with donations from Aqua employees for the annual Lokahi Christmas Project for the needy.



Thomas Zufress/Aqua, Katja Treuter/New World Travel, Heike Pleuter/Meiers Weltreisen, Mike Daily/owner of The Equus, Robin Harlow/Aqua and Angela Gaza/Meier's Weltreisen pose for a photo after the GO WEST HAWAII Travelmart event in Waikiki.



Elizabeth Churchill/Aqua, Michelle Rosenberg and Ken Shapiro/TravelAge West, Albert Roque and May Cabauatan/Aqua at the Aqua Bamboo & Spa's outer sanctuary during TravelAge West's recent site inspection of Aqua's boutique hotels.



The new AquaSPA desk in the lobby of the Aqua Palms & Spa is available for guests to make reservations for spa treatments and to ask questions about the services offered.



Model room at the Aqua Coconut Plaza. NOTE: The final renovated room may differ from what is pictured.



The new multi-purpose room on the 2nd floor of the Aqua Waikiki Wave can be used as a hospitality room, breakfast room and more.

## Key Sales and Management Appointments in 2007



**Amber Record**

### Amber Record named eCommerce Manager

Amber Record was named to the newly-created position of eCommerce Manager for the company. Record will maintain all website content and work closely with Aqua's design team to improve the look and feel of Aqua's website. Additionally, she will select and work closely with Internet Marketing providers to improve pay-per-click campaigns, site optimization and linking strategies.

She received her B.A. from the University of Colorado.



**Elizabeth Churchill**

### Elizabeth Churchill promoted to VP Sales & Marketing

Churchill has been with Aqua since 2005 and was most recently VP Marketing & Guest Services, responsible for strategic marketing and advertising, eCommerce initiatives, guest services as well as development of new project acquisitions. In her expanded role, Churchill also directs the global sales and revenue management initiatives for Aqua's ten Waikiki properties.

Churchill received her Bachelor of Science degree from Syracuse University, Syracuse, New York.



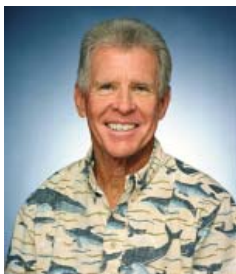
**Robin Harlow**  
Director of Travel Industry Sales



**Tulinh Luciano-DeSmith, CASE**  
Director of Market Sales



**Evelyn Shiroma**  
Sales Manager, Aqua Waikiki Wave



**William Henderson**

### William "Bill" Henderson appointed VP of Development

Henderson will focus on adding hotels to Aqua's three brands: Aqua Lite – representing the company's value product, Aqua Boutique – select group of affordable upscale properties and Aqua Elite – high-design, high-service boutique hotels.

Henderson received his BA Math/Economics from Duke University and his MBA Marketing/Finance from the University of Hawaii.



**Guy Underkoffler**

### Guy Underkoffler promoted to Senior Vice President

As Aqua's most senior operating officer, Underkoffler's responsibilities run throughout the organization, with primary focus on product quality and integrity, customer satisfaction, owner relations, human resources, financial performance and business development.

Underkoffler joined Aqua Hotels and Resorts as Controller in March 2003 when the company operated two properties – Aqua Waikiki Marina and Aqua Bamboo & Spa.

Immediately prior to joining Aqua, Underkoffler was Controller for the historic Fairmont Miramar Hotel in Santa Monica.

Underkoffler graduated from Shippensburg University in Pennsylvania in with a degree in accounting and data processing.

AquaSPA – Spa facilities, AquaFIT – Access to fitness centers, AquaFRESH – Newly renovated accommodations, AquaKIT – Microwave, refrigerator and coffee maker, AquaCONNECT – Free in-room high-speed Internet Access and/or WiFi, AquaSTART – Free daily continental breakfast, AquaPROMISE – 24x7 Hotline to Aqua Owner Mike Paulin



Daily local newspaper, Coffee and tea service in the lobby. Weekly Manager's Reception, Signature Macadamia Nut and Coconut cookies. Complimentary local and toll-free phone calls, Complimentary use of the in-room safe, Custom Aqua robes. Hawaiian Artesian bottled water on arrival, Complimentary apples at the front desk, Custom bath amenities, Complete collection of new collateral materials, Express check-out