

Kula Lodge

RESTAURANT, RETAIL & LODGING

OFFERING MEMORANDUM



KulaLodgeMaui.com (Password: 232323)



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EXECUTIVE SUMMARY



Entity to be Sold

The entity being sold is the Kula Lodge Developers, LLC (“Kula Lodge”). The property currently includes the existing 5-unit chalet, restaurant and country market located on Haleakala Highway in Kula, Maui, Hawaii. The property is located on 3.77 acres of land with unobstructed panoramic Ocean and Mountain views of the Valley Isle of Maui.

Entity Name

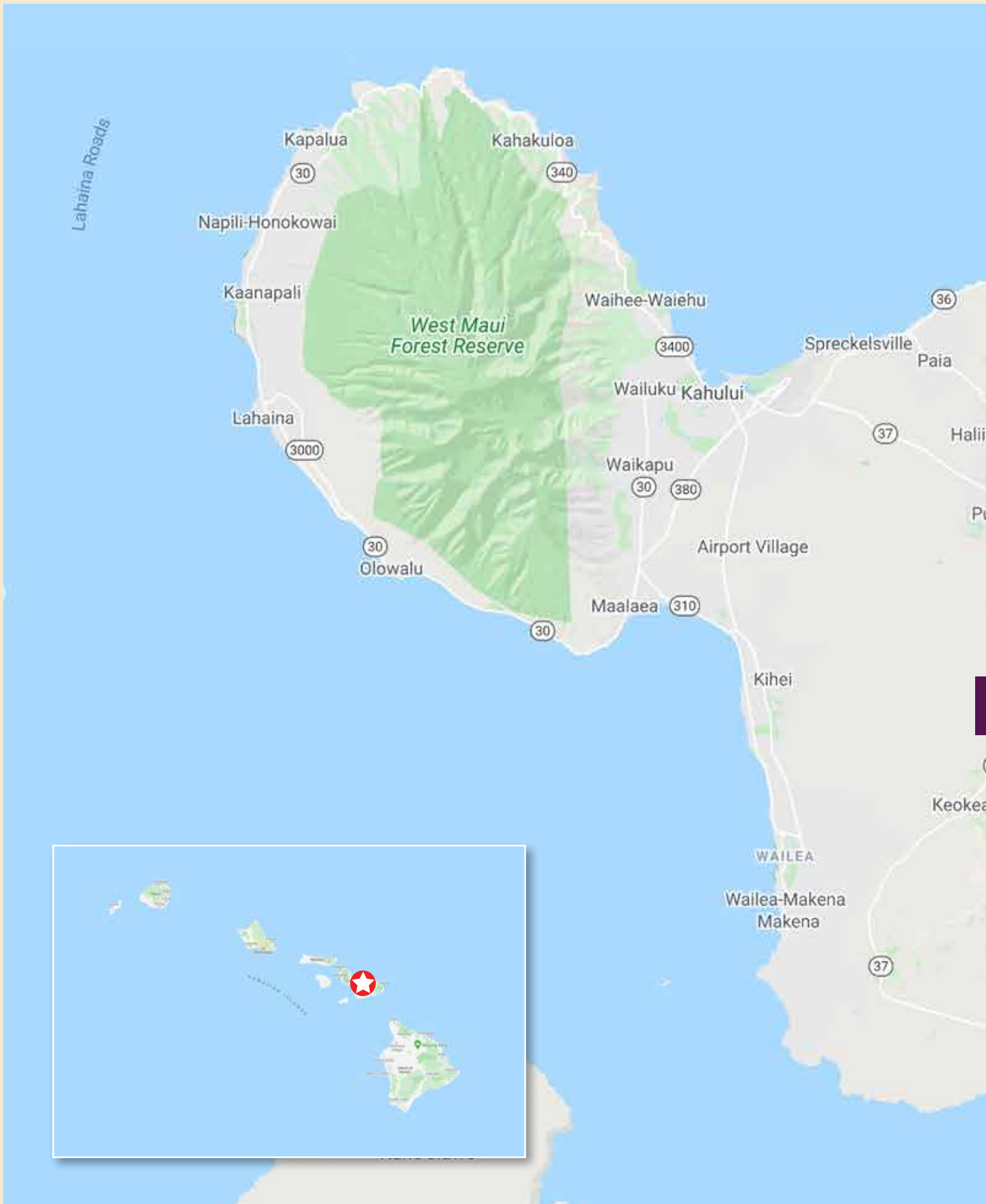
Kula Lodge Developers, LLC (“Kula Lodge”)

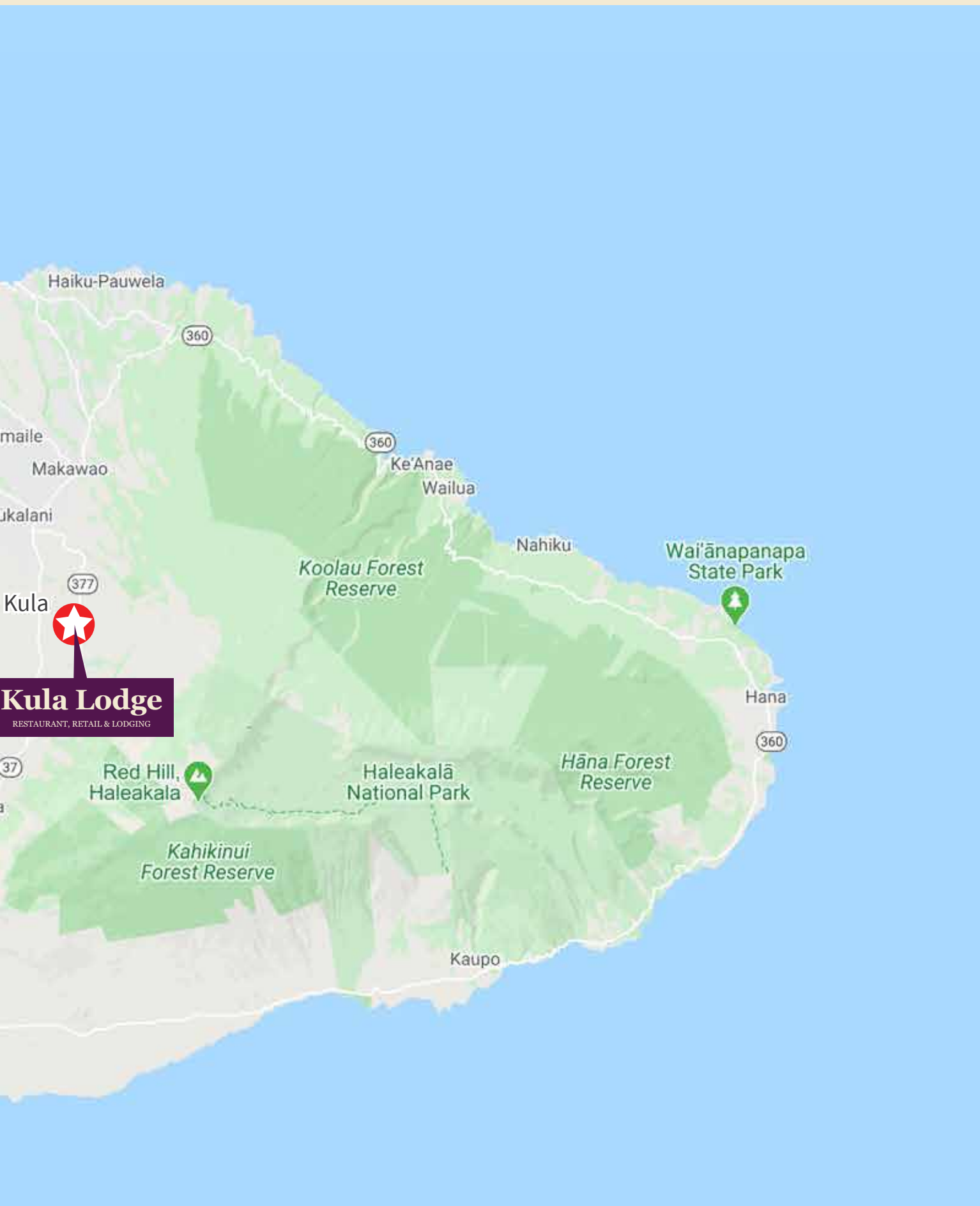
Location of Kula Lodge

Kula Lodge is located at 15200 Kula Highway at 3200 foot elevation, on the direct route to the summit of Haleakala. This address advantageously places the hotel & restaurant on the route to the summit with 1.9 Million visitors* passing by this location on the way to Haleakala’s summit/ Haleakala National Park

INVESTMENT OVERVIEW

- 5 hotel suites
- Full-service, three meal-a-day restaurant
- Spa & Healing Center
- Country Marketplace
- Curtis Wilson Cost Art Gallery
- Flower Gift Shop





COMPETITIVE ADVANTAGES

The Kula Lodge has strong competitive advantages including:

- Excellent location on Haleakala Highway near the entrance to Haleakala National Park. Market dynamics such as strong overall visitation makes Haleakala National Park one of the single most popular visitor attractions on the island of Maui
- Only full service restaurant and bar on Haleakala Highway
- Kula Lodge is a landmark property and the most popular visitor stop on the way to and from Haleakala Crater.
- Only country market on Haleakala Highway
- Excellent visibility from the highway
- Strong market niche as a hotel, restaurant and country market
- Spectacular views of the West Maui Mountains and the valley between east Maui and west Maui from the guestrooms and restaurant.





OTHER CONSIDERATIONS

Other things to consider in evaluating this acquisition are the following:

- With a redevelopment, this property will be positioned as a luxury boutique hotel, spa and healing center, restaurant and country marketplace.
- Currently, the property is not branded by franchise agreement and is operating independently, not encumbered by a management contractor.
- Limited competition due to extensive barriers to gain entry into this exclusive market segment in this location. The current owners have worked over 25-years to get approvals of entitlements from the County of Maui to expand the facility. Due to this extensive permitting process, it is unlikely that any new competition in this location would gain County of Maui approvals in the foreseeable future.

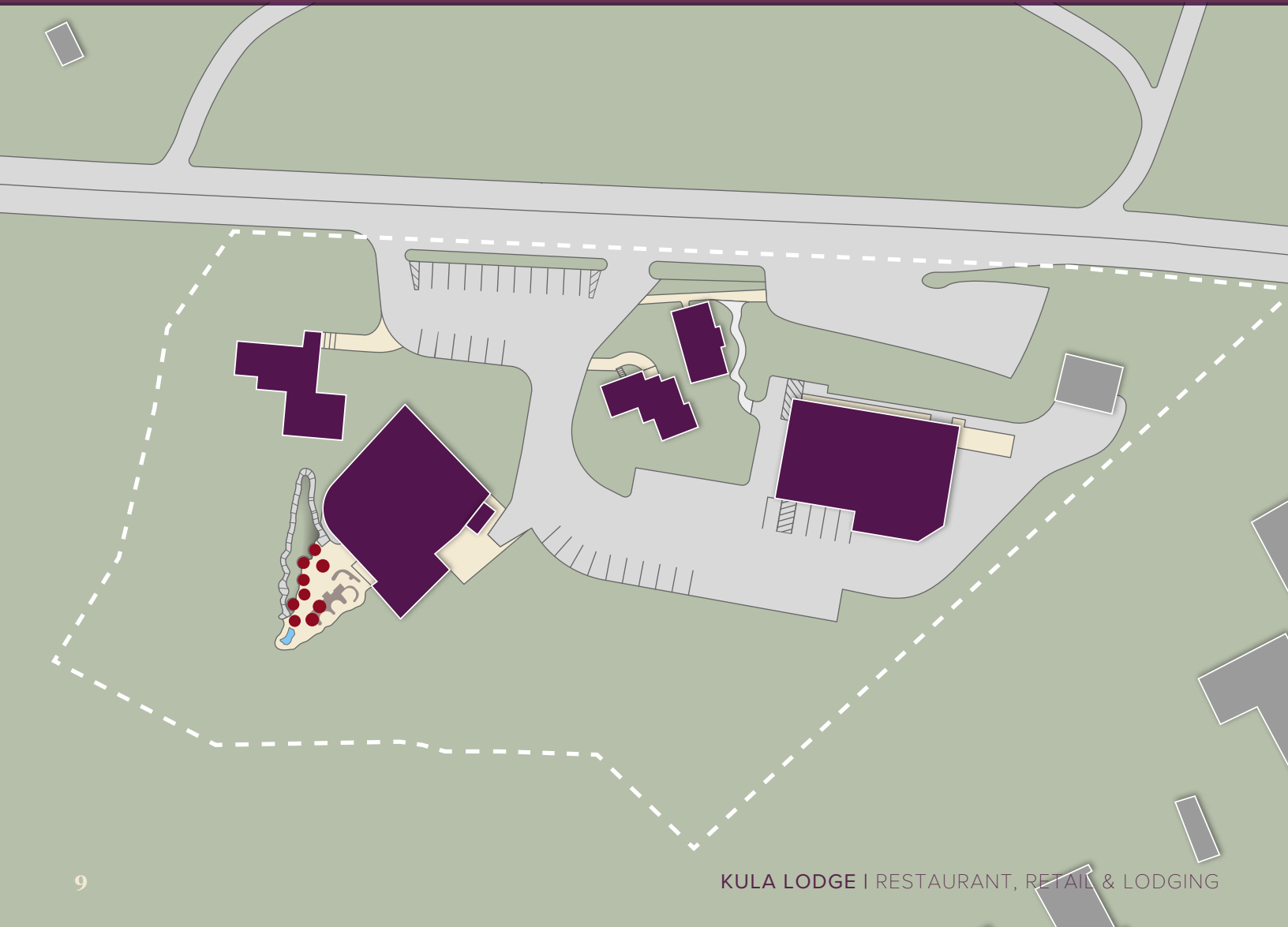


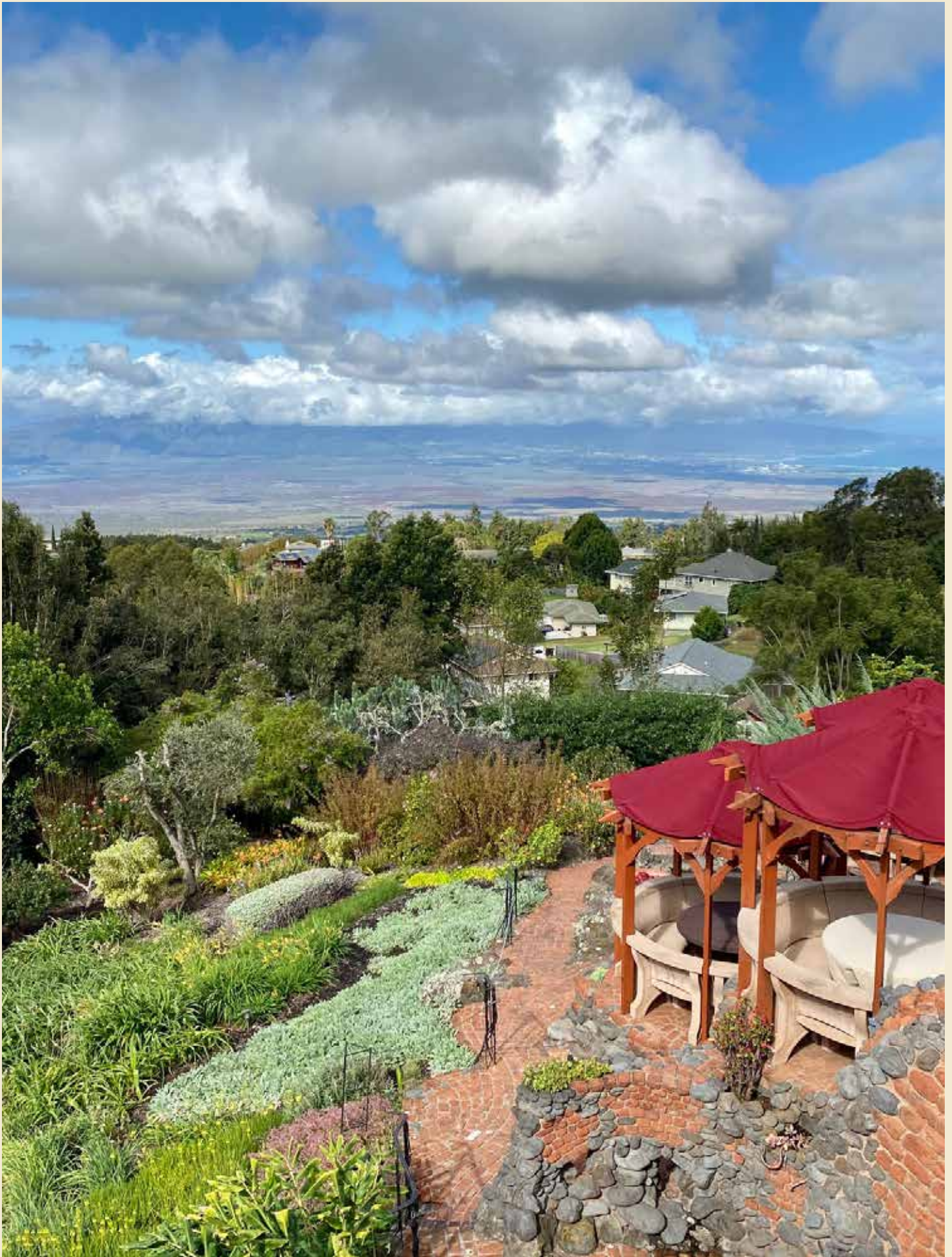
Description of Kula Lodge

Located in Maui’s most affluent city of Kula on the western slopes of Haleakala at 3200 feet, the Lodge sits in a garden of flowers and foliage. Nearby flower farms color the earth with carnations, protea and other blossoms. The property offers spectacular panoramic views of the Pacific Ocean and West Maui Mountains. At night the lights glitter in the towns of Kahului and Wailuku in the isthmus that connects East and West Maui.

Often used for weddings and special occasions, a unique garden terrace with incredible views and a wood-burning brick oven surrounds the restaurant. Herbs grown in the garden below are used in local preparations at the restaurant that serves breakfast, lunch and dinner. The sunset view at dinner paired with fabulous food and wine offers an unforgettable dining experience.

	CURRENT	POTENTIAL/ PLANNED
Year Built	1948	--
Number of suites	5	15
Unit size	350 to 500 s.f	650 s.f.
Site Area	3.77 acres	3.77 acres
Restaurant	150-seats	260-seats inside, + outdoor dining
Parking	68 stalls	101 stalls







PROPERTY OVERVIEW





CURRENT OPERATION

Kula Lodge & Restaurant currently consists of a full service restaurant and bar, five chalet suites, country marketplace and art gallery.

The original restaurant operation was started in 1955 in a converted house, once the family home of the James family. It has since been expanded to include the hotel units, gift shops and country marketplace.

Kula Lodge is currently family owned.



HOTEL OCCUPANCY AND ROOM RATE

From HTA's Hawai'i Hotel Performance December 2018 Report, Hawai'i hotels statewide ended 2018 with modest increases in revenue per available room (RevPAR) and average daily rate (ADR) with small decreases occupancy.

All counties reported RevPAR increases for 2018. Maui County hotels led the state overall in RevPAR at \$292 (+7.3%), driven by a 9.0 percent increase in ADR (\$385), which offset lower occupancy (75.9%, -1.2 percentage points).



** Page 29 Hawaii Tourism Authority 2018 Annual Visitor Research Report*



RESTAURANT

The restaurant at Kula Lodge has been a favorite of both visitors and Maui residents for great dining and great meals and breathtaking views of Maui. Perched high above the green hills of Kula on the Valley Island of Maui, the Restaurant is a comfortable place to relax on the way back from Haleakala, Hana or Maui's Ulupalakua Winery. Arriving from the other direction, the Kula Lodge is a gateway to rich scenery of Upcountry Maui, as wonderful place to meet or treat your friends and the only full-service restaurant in Kula.

The restaurant seats up to one hundred and fifty guests, and features a very special outdoor area. Cradled in the trees at more than three-thousand feet, the Kula Lodge Garden Terrace features a wood-burning pizza oven and an open view of the entire west side of Maui. This is the perfect place to bring a hungry family for a sunset spectacular that will be remembered for a lifetime.



GROUNDS

Located on the slopes of Haleakala the lodge and restaurant is surrounded by nature's bounty. The beautiful flower-lined paths of protea and tropical flowers offer an experience with nature. The beautiful views from the 3200 feet elevation overlooking the isthmus connecting Haleakala to the west Maui Mountain and the Pacific Ocean takes one's breath away.

Kula is the Undiscovered Maui, a place only the adventurous discover. Here you will find birds singing from Jacaranda trees and flowers that grow to startling sizes and beauty.

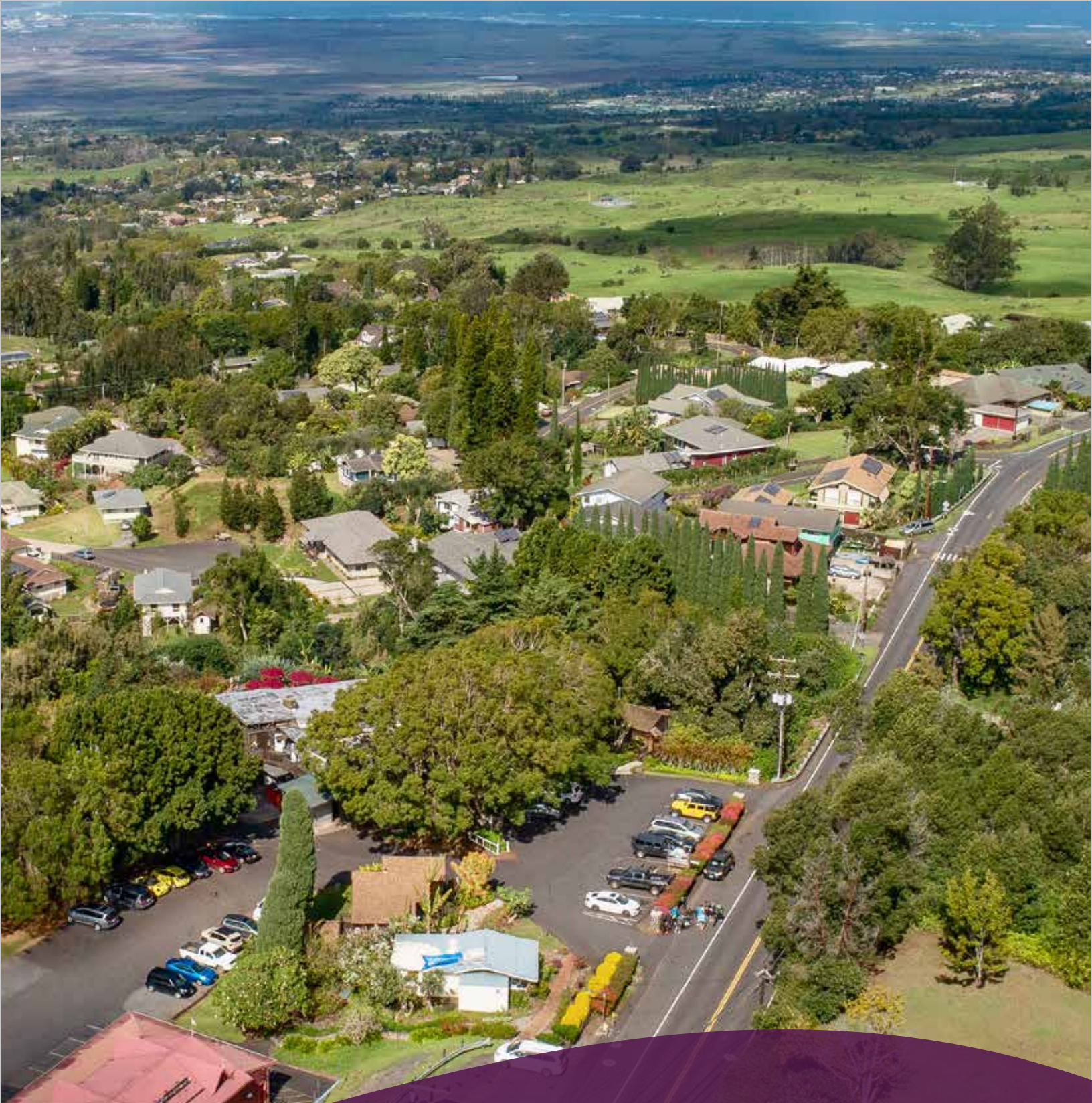


KULA MARKETPLACE

The Marketplace features art and culinary talents of Maui and Hawaii's renowned artists and craftsmen. Drawing from the inspiration of Hawaii's abundant and pristine natural treasures, Kula Marketplace is grateful to showcase these gifts in the most beautiful upcountry setting. Kula Marketplace is one of a kind.

You will find museum quality sculptures to award winning photography to homemade jams and jellies to the finest pastries and chocolates and island designer wear to hand thrown pottery. You'll also find heirloom quilts, luxurious bath and body and international gourmet fare. Kula Marketplace is eclectic and inspirational.

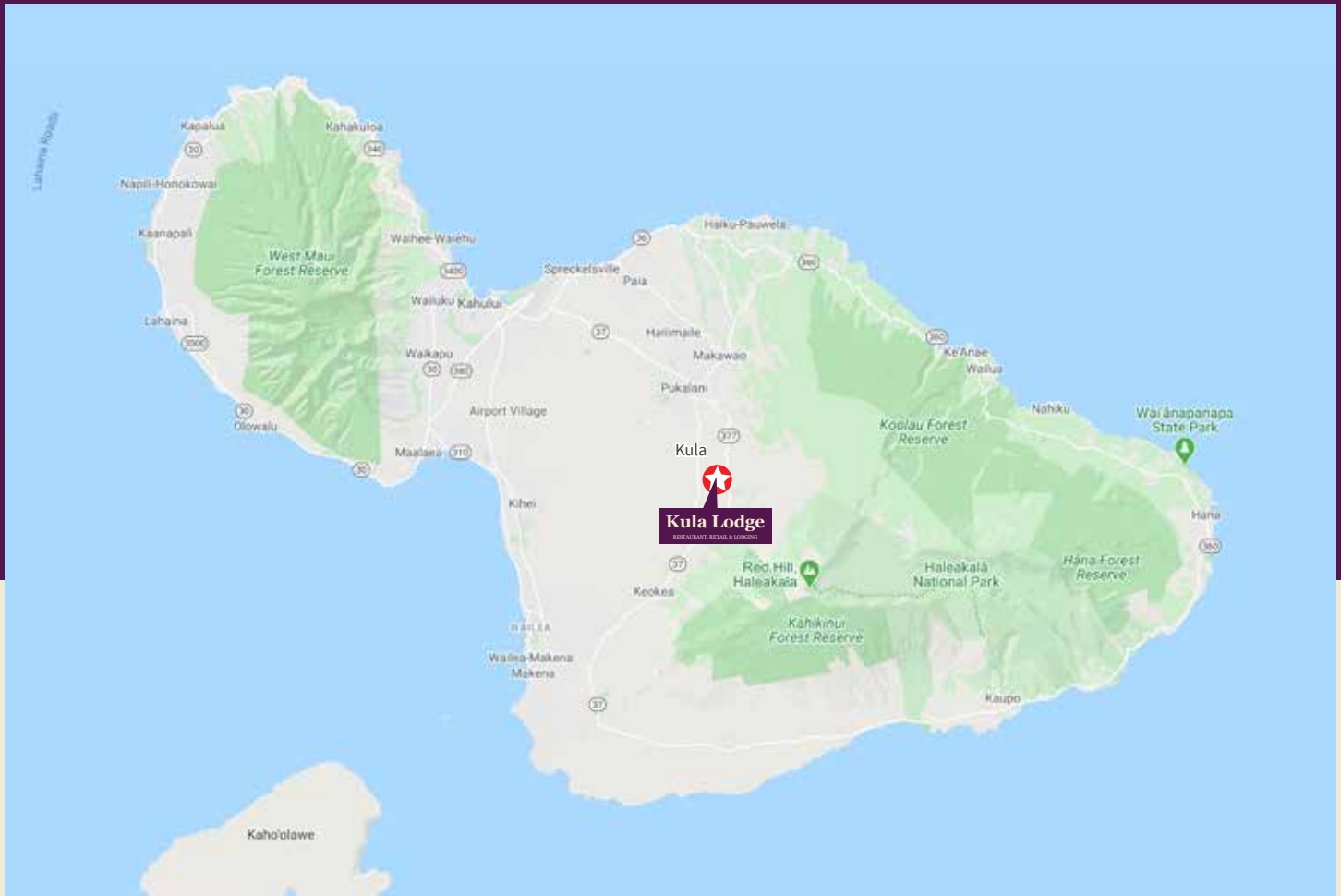




LOCATION & MARKET OVERVIEW

Island of Maui Overview

State of Hawaii consists of eight major and 124 minor islands forming a chain that extends over 1,600 miles across the mid-Pacific Ocean. Of the eight major islands, six comprise approximately 98 percent of the total area. In descending order of physical size, these islands are Hawaii, Maui, Oahu, Kauai, Molokai, and Lanai. The seventh island in size, Niihau is privately owned, and the eighth island, Kahoolawe, is uninhabited and was historically used for military purposes.



POPULATION

Maui County is the third most populated of the four counties of Hawaii, with a total population of 155,072 (2010 Census). Maui County consists of the Islands of Maui, Molokai, Lanai, Kalawao, and Kahoolawe. Over ninety percent of the County's residents live on the Island of Maui with the remainder on the Islands of Molokai and Lanai. Kahoolawe, a former military firing range, is uninhabited. The Island of Maui consists of a total of 734.5 square miles, or 470,080 acres. Historical population data for Maui County are illustrated on the graph below.

Like all the Hawaiian Islands, warm air temperatures year-round, and ocean waters that range from 72-77 °F in winter to 77-81 °F in summer bless Maui, Molokai and Lanai. The Islands' distance from other continents, the moderating effects of the surrounding water and the tropical location combine to create this pleasant climate. Hawaii's topography, particularly the mountains and valleys and location of each island, contribute to the great variety of microclimates within very small areas. On Maui, the West Maui Mountains and Haleakala are the primary geological features affecting the weather.

Source: State of Hawaii - Dept. of Business, Economic Development & Tourism, and U.S. Census



**Table 1. County and Subcounty Population Estimates For The State Of Hawaii:
April 1, 2010 to July 1, 2018**

yEAR	STATE TOTAL	HONOLULU COUNTY		BALANCE OF HONOLULU COUNTy	HAWAII COUNTy	KAUAI COUNTy	MAUI COUNTy 1/
		TOTAL	URBAN HONOLULU CDP				
2010: April 1 2/	1,360,307	953,206	337,721	615,485	185,076	67,095	154,930
2010: July 1	1,363,963	956,296	339,143	617,153	185,358	67,213	155,096
2011: July 1	1,379,252	967,287	343,040	624,247	187,066	67,898	157,001
2012: July 1	1,394,905	978,073	346,868	631,205	189,164	68,691	158,977
2013: July 1	1,408,453	986,222	349,275	636,947	191,466	69,660	161,105
2014: July 1	1,414,862	987,649	349,627	638,022	193,736	70,324	163,153
2015: July 1	1,422,484	991,339	351,684	639,655	195,941	71,074	164,130
2016: July 1	1,428,105	992,692	351,883	640,809	198,126	71,575	165,712
2017: July 1	1,424,203	986,429	349,651	636,778	199,503	71,780	166,491
2018: July 1	1,420,491	980,080	347,397	632,683	200,983	72,133	167,295

1/ Maui County including Kalawao County. 2/ April 1 estimates base.

Source: U.S. Census Bureau, Population Division, "Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2018" (May 2019); and calculations by the Hawaii State Department of Business, Economic Development & Tourism.



Haleakala Crater

Visitor Industry

Tourism accounts for the largest share of Maui's economy. Maui caters primarily to tourists from the mainland, especially visitors from the west coast U.S. and Canada. This demographic is a primary market for luxury accommodations and they spend their money on restaurants, outdoor activities and tours. It appears that Maui will continue to be a strongly favored destination for Mainland tourists.

According to the Hawaii Tourism Authority (HTA), Spending by air visitors to Maui rose 6.4 percent to \$5.0 billion in 2018, boosted by growth in arrivals (+5.7% to 2,914,912 visitors) and visitor days (+6.2%). Daily spending on Maui (+0.2% to \$213 per person) was comparable to 2017



Table 1. Total Visitors by Air

	OCTOBER			yEAR-TO-DATE		
	2019P	2018	% CHANGE	2019P	2018	% CHANGE
TOTAL VISITORS	779,909	741,274	5.2	8,544,350	8,111,364	5.3
Domestic	544,611	514,006	6.0	6,031,579	5,600,855	7.7
International	235,298	227,268	3.5	2,512,771	2,510,509	0.1
VISITOR DAYS	6,634,746	6,409,659	3.5	74,772,557	72,725,591	2.8
AVERAGE DAILY CENSUS	214,024	206,763	3.5	245,962	239,229	2.8
TOTAL AIR SEATS	1,063,333	1,021,853	4.1	11,293,484	11,022,285	2.5
TOTAL LOAD FACTOR (%)	89.3	87.6	1.9	88.8	86.8	2.3
ISLANDS VISITED						
O'ahu	473,499	460,568	2.8	5,163,637	4,889,414	5.6
O'ahu only	366,776	361,363	1.5	4,013,464	3,725,621	7.7
O'ahu one day or less	18,064	14,975	20.6	185,201	173,632	6.7
Kaua'i	102,632	103,503	-0.8	1,145,941	1,165,163	-1.6
Kaua'i only	56,686	56,585	0.2	645,855	647,501	-0.3
Kaua'i one day or less	9,472	8,778	7.9	104,756	100,143	4.6
Maui County	243,590	220,093	10.7	2,607,308	2,474,607	5.4
Maui	240,135	216,518	10.9	2,562,006	2,433,569	5.3
Maui only	160,137	142,149	12.7	1,694,340	1,570,776	7.9
Maui one day or less	14,138	10,259	37.8	139,372	121,086	15.1
Moloka'i *	4,511	4,586	-1.6	54,284	49,277	10.2
Moloka'i only *	642	607	5.8	6,728	6,608	1.8
Moloka'i one day or less*	1,751	2,250	-22.2	29,938	23,550	27.1
L na'i *	7,062	5,604	26.0	75,213	63,155	19.1
L na'i only *	880	779	13.0	9,901	10,065	-1.6
L na'i one day or less*	3,926	2,993	31.2	44,224	34,123	29.6
Hawai'i Island	131,947	115,199	14.5	1,467,277	1,427,917	2.8
Kona side	116,100	101,596	14.3	1,294,439	1,244,475	4.0
Hilo side	44,808	38,410	16.7	507,612	509,170	-0.3
Hawai'i Island only	65,778	59,417	10.7	779,221	732,648	6.4
Hawai'i Island one day or less	7,665	6,170	24.2	89,046	78,411	13.6
Any Neighbor Island	413,133	379,911	8.7	4,530,886	4,385,743	3.3
NI only	306,410	280,706	9.2	3,380,713	3,221,950	4.9
O'ahu & NI	106,723	99,205	7.6	1,150,173	1,163,793	-1.2
Any one island only	650,899	620,901	4.8	7,149,509	6,693,220	6.8
Multiple Islands	129,010	120,373	7.2	1,394,841	1,418,144	-1.6
Avg. Islands Visited	1.23	1.22	0.7	1.23	1.24	-0.9
Average Length of Stay in Hawai'i	8.51	8.65	-1.6	8.75	8.97	-2.4
ACCOMMODATIONS						
Plan to stay in Hotel	478,648	452,871	5.7	5,096,278	4,905,740	3.9
Hotel only	420,443	393,696	6.8	4,427,063	4,222,516	4.8
Plan to stay in Condo	122,351	124,585	-1.8	1,417,179	1,391,669	1.8
Condo only	98,012	96,100	2.0	1,109,360	1,063,651	4.3
Plan to stay in Timeshare	66,052	66,272	-0.3	708,265	700,579	1.1
Timeshare only	53,073	52,437	1.2	555,753	539,720	3.0

* Sample sizes for Moloka'i and L na'i are relatively small. Source <http://files.hawaii.gov/dbedt/visitor/tourism/2019/Oct19.pdf>

October 2019 Island Highlights

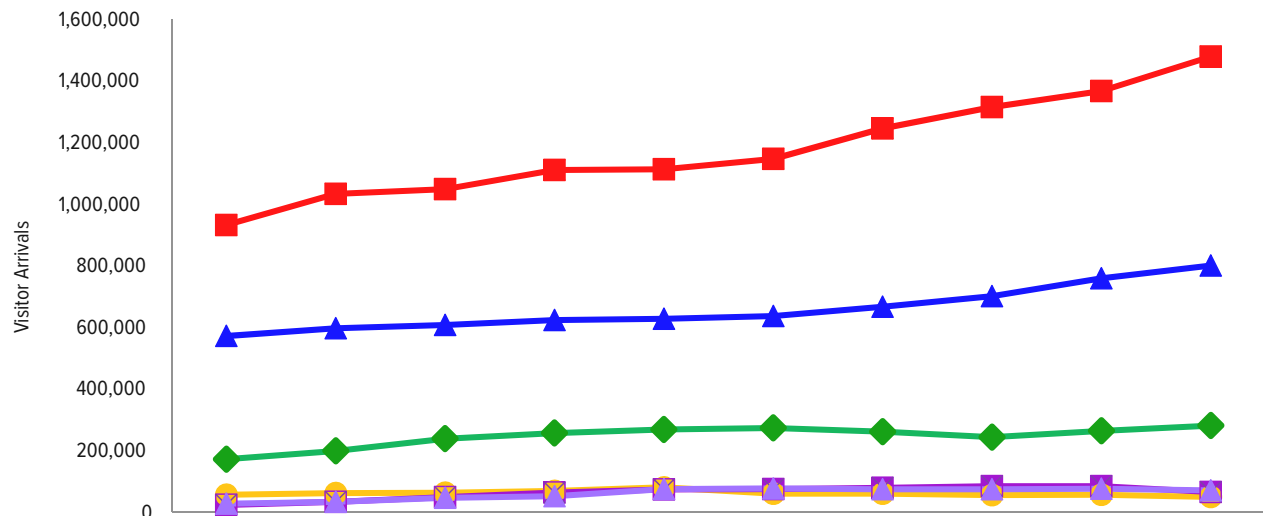
TOTAL Ex PENDITURES (\$MIL.)	2019P	2018	% CHANGE	2019P yTD	2018 yTD	% CHANGE
TOTAL EXPENDITURES (\$mil.)	1,325.1	1,313.2	0.9	14,672.1	14,637.4	0.2
Total by air	1,317.4	1,305.7	0.9	14,630.3	14,601.6	0.2
O'ahu	608.6	592.1	2.8	6,786.2	6,629.6	2.4
Maui	377.1	381.3	-1.1	4,227.4	4,193.3	0.8
Moloka'i	3.9	4.4	-11.2	29.49	32.8	-10.0
L na'i	10.0	9.9	0.9	101.1	89.4	13.0
Kaua'i	140.7	147.6	-4.6	1,587.6	1,687.6	-5.9
Hawai'i Island	177.0	170.4	3.9	1,898.6	1,969.0	-3.6
Visitor arrivals by cruise ships	7.7	7.5	2.4	41.8	35.8	16.7
TOTAL VISITOR DAYS	6,725,618	6,506,595	3.4	75,305,875	73,156,463	2.9
Total by air	6,634,746	6,409,659	3.5	74,772,557	72,725,591	2.8
O'ahu	3,079,646	3,035,794	1.4	35,280,876	33,616,882	4.9
Maui	1,852,885	1,726,481	7.3	20,040,314	19,431,592	3.1
Moloka'i	25,072	24,706	1.5	229,260	232,671	-1.5
L na'i	20,683	19,243	7.5	224,310	212,672	5.5
Kaua'i	721,614	745,489	-3.2	8,407,214	8,671,861	-3.1
Hawai'i Island	934,847	857,946	9.0	10,590,584	10,559,912	0.3
Visitor arrivals by cruise ships	90,871	96,936	-6.3	533,318	430,872	23.8
VISITOR ARRIVALS	800,448	763,673	4.8	8,659,324	8,210,175	5.5
Total by air	779,909	741,274	5.2	8,544,350	8,111,364	5.3
O'ahu	473,499	460,568	2.8	5,163,637	4,889,414	5.6
Maui	240,135	216,518	10.9	2,562,006	2,433,569	5.3
Moloka'i	4,511	4,586	-1.6	54,284	49,277	10.2
L na'i	7,062	5,604	26.0	75,213	63,155	19.1
Kaua'i	102,632	103,503	-0.8	1,145,941	1,165,163	-1.6
Hawai'i Island	131,947	115,199	14.5	1,467,277	1,427,917	2.8
Visitor arrivals by cruise ships	20,539	22,399	-8.3	114,974	98,811	16.4
AVERAGE LENGTH OF STAY	8.40	8.52	-1.4	8.70	8.91	-2.4
Total by air	8.51	8.65	-1.6	8.75	8.97	-2.4
O'ahu	6.50	6.59	-1.3	6.83	6.88	-0.6
Maui	7.72	7.97	-3.2	7.82	7.98	-2.0
Moloka'i	5.56	5.39	3.2	4.22	4.72	-10.6
L na'i	2.93	3.43	-14.7	2.98	3.37	-11.4
Kaua'i	7.03	7.20	-2.4	7.34	7.44	-1.4
Hawai'i Island	7.09	7.45	-4.9	7.22	7.40	-2.4
Visitor arrivals by cruise ships	4.42	4.33	2.2	4.64	4.36	6.4
PER PERSON PER DAY SPENDING (\$)	197.0	201.8	-2.4	194.8	200.1	-2.6
Total by air	198.6	203.7	-2.5	195.7	200.8	-2.5
O'ahu	197.6	195.0	1.3	192.3	197.2	-2.5
Maui	203.5	220.9	-7.9	210.9	215.8	-2.2
Moloka'i	156.6	179.0	-12.5	128.6	140.8	-8.6
L na'i	481.7	512.9	-6.1	450.5	420.5	7.1
Kaua'i	195.0	197.9	-1.5	188.8	194.6	-3.0
Hawai'i Island	189.4	198.6	-4.7	179.3	186.5	-3.9
Visitor arrivals by cruise ships	85.1	77.9	9.3	78.4	83.2	-5.7
PER PERSON PER TRIP SPENDING (\$)	1,655.4	1,719.6	-3.7	1,694.4	1,782.8	-5.0
Total by air	1,689.1	1,761.4	-4.1	1,712.3	1,800.1	-4.9
O'ahu	1,285.4	1,285.5	0.0	1,314.2	1,355.9	-3.1
Maui	1,570.4	1,761.2	-10.8	1,650.0	1,723.1	-4.2
Moloka'i	870.3	964.3	-9.7	543.2	664.7	-18.3
L na'i	1,410.7	1,761.2	-19.9	1,343.6	1,416.1	-5.1
Kaua'i	1,371.1	1,425.7	-3.8	1,385.4	1,448.4	-4.3
Hawai'i Island	1,341.6	1,479.2	-9.3	1,293.9	1,378.9	-6.2
Visitor arrivals by cruise ships	376.4	337.0	11.7	363.7	362.6	0.3

=Preliminary data.
Source:Hawai'i Tourism Authority

VISITOR TO MAUI

The number of visitor days to Maui is one of the best indicators of the health of the visitor industry.

Figure 11. Maui Visitor Arrivals by Selected MMA 2009 - 2018

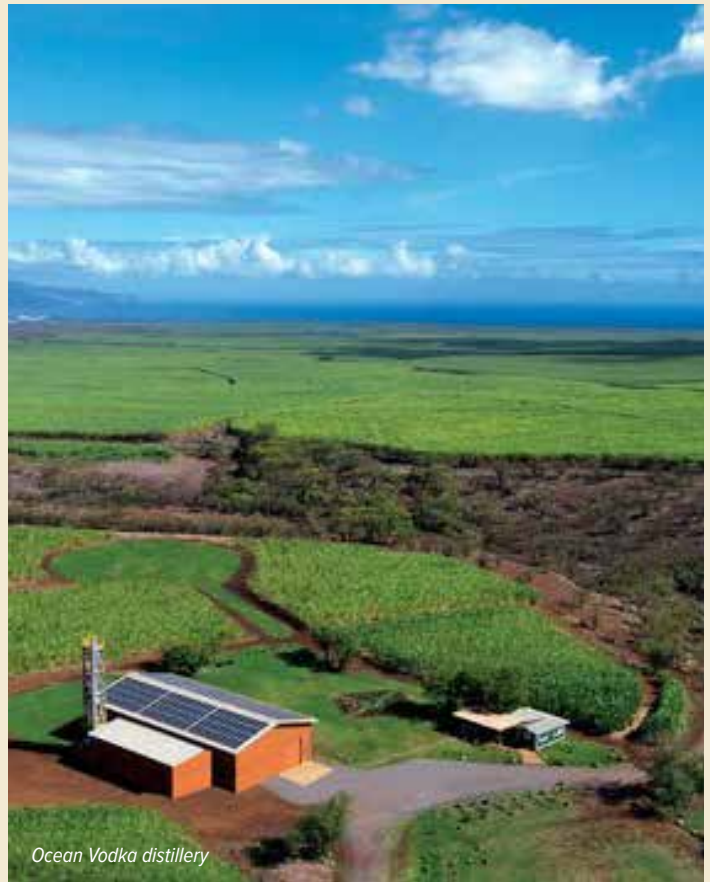


	2009	2010R	2011	2012	2013	2014R	2015	2016	2017R	2018
US West	931,078	1,032,190	1,047,825	1,109,708	1,112,225	1,145,796	1,244,689	1,313,895	1,366,003	1,477,805
US East	570,831	595,701	606,430	622,452	626,991	635,804	665,964	700,281	758,202	799,275
Japan	55,646	60,738	62,077	67,977	79,396	58,889	58,941	54,298	55,583	48,450
Canada	170,754	197,722	237,434	255,602	267,156	272,174	260,290	242,371	262,919	279,940
Other Asia	22,677	32,464	47,925	62,468	72,956	73,583	78,134	83,435	83,445	64,679
Oceania	26,599	32,675	45,651	50,625	73,744	75,933	73,399	73,197	74,940	69,544

- Maui visitors' daily lodging expenses increased to \$104 per person
- Of those that visited Maui, two out of three (65.3%) stayed exclusively there while the rest visited other islands as well
- Repeat visitors comprised 68.5 percent of Maui visitors in 2018.
- The majority of Maui visitors made their own travel arrangements (77.6%).
- The largest share of visitors to Maui in 2018 was from U.S. West (50.7%), followed by U.S. East (27.4%), Canada (9.6%), Oceania (2.4%), Other Asia (2.2%), Europe (2.1%) and Japan (1.7%) (Table 67).

- Arrivals from U.S. West (+8.2%), Canada (+6.5%) and U.S. East (+5.4%) increased but arrivals from Japan declined (-12.8%) compared to 2017 (Tables 67 & 68).
- Arrivals from Other Asia to Maui decreased 22.5 percent, with more visitors from Taiwan (+11.1%) but fewer visitors from Korea (-34.6%) and China (-10.2%).
- Over half (54.8%) of visitors who went to Maui stayed in hotels while in the state, 27.7 percent stayed in condominiums, 10.7 percent stayed in timeshares, 8.7 percent stayed in rental homes and 6.1 percent stayed with friends or relatives.
- The majority (85.5%) of Maui visitors came to the state for a vacation, 5.2 percent came to visit friends or relatives, 5.1 percent came to honeymoon, and 4.7 percent came for meetings, conventions, and incentives.

* Page 19&20 from Hawaii Tourism Authority 2018 Annual Visitor Research Report





HOTEL MARKET OVERVIEW_w



MARKET AREA

The competitive resort market area for the Kula Lodge is generally defined as the luxury hotels on Maui and particularly the Wailea Resort area. The Kula Lodge is a unique property because of its location and rustic nature and cannot be compared directly to other Maui hotels.

DEMAND GENERATORS

Kula Lodge's main attraction is its beautiful and pristine mountain location and views of the valley below and natural wildlife and flora. The climate change from the coastline resorts of Maui to cool Kula on the slopes of Haleakala is a contrast from a hot summer like climate on the coastline to a cool spring like conditions at the Kula Lodge and cold winter like conditions at the summit of Haleakala. Kula and Haleakala amaze visitors. Visitors driving up to the summit of Haleakala to see the sunrise and the enormous volcanic crater are the main demand generators for the Kula Lodge.







MARKET SEGMENTATION

For the purposes of demand analysis, the Kula Lodge's market is divided into three demand segments: 1) visitors to Haleakala, 2) visitors to Kula Lodge's chalets who are seeking a unique vacation experience on Maui, and 3) residents of the Kula neighborhood and Maui.

Visitors to Haleakala are by far the largest market segment for the Kula Lodge & Restaurant. Because of the limited supply of restaurants and lodging in up country Maui, the pivotal location of The Kula Lodge on the Haleakala Highway with close proximity to the National Park, it is uniquely positioned to capture tourists for breakfast lunch and dinner in the restaurant, and shopping in the Country Marketplace.

The visitors to the Kula Lodge chalets are visitors seeking a unique vacation experience in up country Maui. They will be pampered in the luxury suites and be able to enjoy the spa services that are planned for the property.

Kula residents are the third market segment and they will provide the base of business for the restaurant and lounge.



LODGING ACCOMMODATIONS

There are no lodging accommodations like the Kula Lodge on Maui. Kula Lodge is unique and is and will continue to be a one of a kind facility.

The target market for the Kula Lodge suites is the adventurous visitor seeking luxury accommodations in a unique setting.



TOP ISLAND

Due in part to the above geographical factors, Maui has been voted “Best Island in the World” for the last 20 years by Conde Nast readers.



Table 98. Maui County Hotel Occupancy and Room Rate 2018 vs. 2017

	OCCUPANCY (%)			AVERAGE DAILY RATE (\$)			REVPAR (\$)		
	2018	2017	ABSOLUTE CHANGE	2018	2017	% CHANGE	2018	2017	% CHANGE
JANUARY	79.5%	78.2%	1.2%	\$434.22	\$382.43	13.5%	\$345.06	\$299.22	15.3%
FEBRUARY	82.7%	79.8%	2.9%	\$429.65	\$383.02	12.2%	\$355.21	\$305.62	16.2%
MARCH	79.6%	80.0%	-0.4%	\$426.65	\$381.34	11.9%	\$339.50	\$304.89	11.3%
APRIL	79.0%	78.7%	0.4%	\$370.68	\$351.70	5.4%	\$292.91	\$276.62	5.9%
MAY	75.9%	75.6%	0.3%	\$341.44	\$311.81	9.5%	\$259.15	\$235.87	9.9%
JUNE	77.3%	77.7%	-0.4%	\$381.03	\$342.35	11.3%	\$294.61	\$266.15	10.7%
JULY	81.2%	80.3%	0.9%	\$404.05	\$371.34	8.8%	\$327.98	\$298.00	10.1%
AUGUST	72.0%	76.1%	-4.1%	\$370.75	\$344.62	7.6%	\$266.91	\$262.38	1.7%
SEPTEMBER	71.4%	73.5%	-2.1%	\$302.14	\$280.33	7.8%	\$215.70	\$205.91	4.8%
OCTOBER	70.9%	74.8%	-4.0%	\$306.66	\$295.56	3.8%	\$217.28	\$221.19	-1.8%
NOVEMBER	73.6%	75.1%	-1.5%	\$334.80	\$314.75	6.4%	\$246.46	\$236.38	4.3%
DECEMBER	69.8%	75.0%	-5.2%	\$501.31	\$478.00	4.9%	\$350.00	\$358.64	-2.4%
TOTAL	75.9%	77.0%	-1.2%	\$385.39	\$353.64	9.0%	\$292.35	\$272.35	7.3%

Source: STR, Inc
Hawai'i Tourism Authority 2018 Annual Visitor Research Report

Table 85. Air Visitor Personal Daily Spending by Category and Island in Dollars

Ex PENDITURE Ty PE	O'AHU	MAUI	MOLOKA'I	LĀNA'I	KAUA'I	HAWAII ISLAND
GRAND TOTAL	196.9	212.6	143.3	426.5	191.9	183.7
Total Food and beverage	38.1	42.0	26.4	90.8	39.9	38.0
Restaurant food	25.5	27.0	10.4	69.0	24.2	25.0
Dinner shows and cruises	4.6	4.9	2.9	16.3	4.9	2.6
Groceries and snacks	8.1	10.2	13.1	5.4	10.8	10.4
Entertainment & Recreation	18.2	17.9	14.0	20.6	21.9	19.5
Total Transportation	15.6	24.7	35.8	28.7	23.8	28.3
Interisland airfare	2.0	4.0	16.8	24.2	3.1	6.9
Ground transportation	2.1	0.7	0.8	0.7	0.5	0.7
Rental vehicles	10.5	18.6	16.9	3.7	19.1	18.5
Gasoline, parking, etc.	1.0	1.3	1.2	0.1	1.1	2.2
Total Shopping	31.4	17.3	7.3	12.0	14.8	15.9
Fashion and clothing	11.9	6.8	1.5	6.7	5.9	5.7
Jewelry and watches	3.8	3.2	0.1	1.2	2.4	2.0
Cosmetics, perfume	1.5	0.5	0.2	0.0	0.3	0.3
Leather goods	4.0	0.7	0.2	0.1	0.2	0.2
Hawai'i food products	3.7	2.2	3.1	0.6	2.3	3.8
Souvenirs	6.5	4.0	2.0	3.4	3.7	3.9
Lodging	85.4	104.1	55.2	263.3	86.5	76.0
All other expenses 1/	8.1	6.5	4.6	11.2	5.1	6.0

1/ Includes cruise package and on-ship spending on U.S. Flagged Hawai'i home-ported ships. Note: Sums may not add up to total due to rounding.

Haleakala National Park

Haleakala, originally part of Hawaii Volcanoes National Park, was re-designated as a separate entity on July 1, 1961. In addition, Haleakala National Park was designated an International Biosphere Reserve in 1980.

Haleakala National Park was established on the island of Maui to preserve the outstanding features of Haleakala Crater. Later additions to the park gave protection to the unique and fragile ecosystems and rare biotic species of Kipahulu Valley, the scenic pools along 'Ohe'o Gulch, and the coast.

Haleakala National Park stretches from the summit of Mt. Haleakala eastward to the southeast coast of Maui. The park joins these two special areas - Haleakala Crater at the summit and the Kipahulu coastal area. There are no roads that directly connect the two areas, however they can be reached separately by road from Kahului.

Haleakala National Park Visitor Statistics

The statistics show strong and steady visitorship

2014	1,142,040
2015	1,216,772
2016	1,263,558
2017	1,112,390

Source -<https://www.nationalparked.com/haleakala/visitation-statistics>







FINANCIAL INFORMATION

3-yEAR COMPARISON OVERVIEWw

KULA LODGE & RESTAURANT							
	DEC 2019	VARIANCE	VAR %	DEC 2018	VARIANCE	VAR %	DEC 2017
INCOME							
Total Income	3,492,710.24	107,344.37	3.2 %	3,385,365.87	313,984.67	10.2 %	3,071,381.20
COST OF GOODS SOLD							
Total Cost of Goods Sold	779,435.89	(10,557.51)	-1.4 %	768,878.38	(27,187.87)	-3.7 %	741,690.51
GROSS PROFIT	2,713,274.35	96,786.86	3.7 %	2,616,487.49	286,796.80	12.3 %	2,329,690.69
EXPENSES							
Total Expenses	2,067,663.41	(164.66)	0.00%	2,067,498.75	95,019.93	-10.20%	1,875,721.88
Operating Profit	645,610.94	96,622.20	17.60%	548,988.74	95,019.93	20.90%	453,968.81
Other Income & Expenses – Interest Income	183.78	(149.23)	-44.80%	333.01	239.04	254.40%	93.97
Profit Before Taxes	645,794.72	96,472.97	17.60%	549,321.75	95,258.97	21.00%	454,062.78
Net Profit	645,794.72	96,472.97	17.60%	549,321.75	95,258.97	21.00%	454,062.78
Gallery Retail Space Net Profit	\$43,680						
Spa Retail Space Net Profit	\$24,000						

KULA MARKET							
	DEC 2019	VARIANCE	VAR %	DEC 2018	VARIANCE	VAR %	DEC 2017
SALES							
TOTAL SALES	1,371,105.75	28,646.45	2.1 %	1,342,459.30	30,980.60	2.4 %	1,311,478.70
COST OF GOODS SOLD							
TOTAL COST OF GOODS SOLD	678,240.41	(73,763.01)	-12.2 %	604,477.40	8,960.91	-1.5 %	595,516.49
GROSS PROFIT	692,865.34	(45,116.56)	-6.1 %	737,981.90	22,019.69	3.1 %	715,962.21
EXPENSES							
Total Expenses	505,932.57	(25,278.50)	5.30%	480,654.07	53,741.42	10.10%	534,395.49
Operating Profit	186,932.77	(70,395.06)	-27.40%	257,327.83	75,761.11	41.70%	181,566.72
Profit Before Taxes	186,932.77	(70,395.06)	-27.40%	257,327.83	75,761.11	41.70%	181,566.72
Net Profit	186,932.77	(70,395.06)	-27.40%	257,327.83	75,761.11	41.70%	181,566.72

PROPERTY TOURS

Guided property tours will be conducted by appointment only exclusively through listing Broker. Confidentiality is utmost importance as not to interrupt current business operations.



CONFIDENTIAL OFFERING

The Entity is being offered to a select number of investors on a confidential basis. Parties interested in acquiring the Entity are expected to comply with the terms of the Non Disclosure Agreement.



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Mahalo for your time