

Yes... We're Still Open for Business

Well if there's anything constant about Vegas, its change and the Royal Resort is no exception. The economic times have been hard on all of us, and as hotel occupancy rates decline and as many timeshare visits are deferred, your Board of Directors is intent on doing all it can to help minimize operating costs and arrange, where needed, to have your dues payments spread out over time.

The biggest of recent changes to affect the Royal, is that its current owner, Golden West Properties, has decided to curtail hotel operations for the foreseeable future, starting in April 2009. The Royal Resort will most certainly remain open and continue to serve both its timeshare "Right to Use" and "Deeded" owner groups. The Board's focus will be to make this hotel operations change appear seamless to all owners and continue to offer you the best Vegas experience we can. A "tiger team" of sorts, has been formed by the Board, to completely scrub and rework the 2009 budget, accommodating these hotel changes. We believe costs and staffing and can be trimmed in several areas allowing us to see no change in the high quality of service and accommodations we currently enjoy.

Along those lines, your Board has taken a hard look at all vendors conducting business on the property and has had to make difficult decisions regarding the restaurant and the lobby bar. Though they've enjoyed the benefits of your patronization, both vendors have repeatedly been delinquent in making their lease payments to the Royal and are now substantially in arrears. Both have become an ever increasing expense to the Royal's bottom line. They have been notified numerous times to pay-up, to no avail. So, both the restaurant and the lobby bar have been asked to vacate the premises in April.

We will be looking for opportunities to replace these vendors and realize it may take some time given the current economic conditions. The Board will be diligently working to ensure the Royal remains a convenient, relaxing oasis near the hustling – bustling chaos and excitement of the strip.

Our first obligation is to you and your investment at the Royal as well as to ensure you continue to enjoy the superb service that Trading Places International (TPI) and Royal Resort General Manager, Victor Perez, had been providing. In that spirit, TPI and Victor are reviewing / renegotiating existing Royal Resort contracts to pare down expenses where possible.

We continually seek to maintain quality and trim costs where we can, but the building owner's dramatic change in hotel operations will make that effort and the next few months particularly challenging. A challenge we most assuredly feel up to. If you have ideas that will assist us in trimming costs while maintaining quality, please contact us via snail mail, e-mail or our website– www.royalhotelvegas.com

With Regards
Your Board of Directors