2017 was an exciting year for Royal Aloha Vacation Club and its members. From remodeled condominiums that enhanced your vacation experience to the ability to make reservations on-line 24/7, your Club continues to work diligently to deliver on its promise to improve membership value by focusing on the following:

- Improving the quality of accommodations
- Enhancing member services
- Ensuring financial stability, today and tomorrow

By now, you’ve no doubt heard me discussing the concept of “right sizing” and maintaining a balance between the size of our membership and the number of resort units/weeks we own. As you know, Club membership has changed since we started over forty years ago. Every year, many memberships change hands, either transferred to family members or friends or resold to another party. There are however additional memberships that are terminated due to a variety of circumstances. Through it all, we continue to add new members but, unfortunately, not at the same rate of past years.

As a result, we now have more units than members would ever use at some of our destinations. Whether a unit is used or not we continue to pay for the ongoing costs of upkeep and maintenance.

Right sizing is a strategy that we implemented with great success with Acapulco. The board and management of RAVC believe it is vital to continue this effective strategy. At the upcoming 2018 annual membership meeting, RAVC will once again seek your support and favorable vote for right sizing, enabling the board to sell unused units at select properties in response to changing member needs.

Keep in mind that right sizing will not impact your ability to secure reservations. By law, we must always maintain sufficient units/weeks at our properties to serve you, our members. The fact is we have more inventory than members ever use at some of our locations like Branson, Chandler, Lake Tahoe and Spain where many weeks go unused each year. Right sizing and selectively selling a portion of the units at destinations with low occupancy will reduce expenses, keep membership dues affordable, and enable RAVC to renovate properties at high-demand destinations.

As members, your favorable vote will enhance the value and quality you receive from RAVC. Right sizing is an investment in your future and will make your vacations more memorable than ever with refreshed accommodations at affordable rates.

Please support the continued revitalization of our properties and safeguard the Club’s financial welfare for future generations by voting in favor of right sizing at the upcoming annual meeting.

ALOHA & MAHALO,

Dave DiBerardino
President & CEO
RESORT UPDATES

The past couple years have brought many wonderful updates at your Royal Aloha Vacation Club properties! All of our Waikiki units, including both the Aloha Towers and the Waikiki Sky Towers, have been renovated. The Aloha Towers renovations include modern new kitchens and bathrooms featuring contemporary granite countertops, tiled walk in showers, and beautiful luxury vinyl plank flooring often mistaken for real wood. The Waikiki Sky Towers renovations are a bit more extensive. The improvements include the installation of a dropped soffit with recessed lighting in the living room, split AC, and like Aloha Towers, high-end granite and tile finishes. Member feedback has been overwhelmingly positive!

Kona is also included in the renovation effort and is scheduled for completion by this time next year. Many updated finishes and amenities will welcome you to Kona, including much-needed air conditioning, modern granite counter tops and tiled showers, and luxury vinyl plank flooring. Some of the units are also being reconfigured to create a more open layout to let in natural light and island breezes. We’re confident you’ll love Kona’s fresh new look.

On Maui, we completely renovated and refurbished the previous managers unit (Suite 105) to create a whole new accommodation experience — very modern and inviting. We also renovated a two-bedroom unit (Suite 133) with our new signature upgrades of granite counter tops, tiled walk in showers and luxury vinyl plank flooring. Remaining Maui units will be renovated beginning in mid-2019, refreshing the look and feel.

Additionally, all Hawai'i units will be receiving new furniture, drapery and artwork within 18–24 months — completing the renovations.

Your Club has been hard at work for you — creating the best units we possibly can for your vacation experience. We can’t wait to welcome you for your next stay at one of the refreshed units!

EXCHANGE 101

YOUR KEY TO THE WORLD

Joining an exchange company opens the doors for you and your family to experience thousands of resorts in over 100 countries. RAVC allows you to deal with any exchange company you prefer — the largest of which are DAE, Interval International and RCI. Each of them has different terms and conditions, as well as benefits.

Growing numbers of exchanges are made each year to new and exciting places. In 2017 — more than 20% of members used their week to exchange and discover different locations!

Once you’ve selected and enrolled in an exchange company, and are ready to exchange, you will need to reserve a week to be deposited with them. This deposit will make available to other members within that exchange company. You, in turn, become eligible to book an available week at a destination of your choice that someone else has deposited. Booking time frames and fees for each exchange company differ and are discussed in detail, as well as other terms, on our website, www.ravc.com. Feel free to call our Reservation Counselors to guide you!

The most important idea to understand is self-descriptive as they are “exchange” companies. You book and deposit a RAVC week into their system which someone else will use, just as someone else will book a week that they own and deposit it, and you will use it — thus the term “exchange.”

While each company works somewhat differently, the basic premise is the same. By participating with an exchange company you can travel almost anywhere your heart desires. For more information visit our website or call our reservation counselors. The possibilities are truly endless!

BOOK AWAY!

Just a reminder that you can make reservations for ALL RAVC resorts online — anytime, from anywhere!

All information is “live” giving you the most up to date availability information, allowing you and your loved ones to plan that next vacation getaway! Click, book, pack...vacation!

Go to www.ravc.com, click on the ‘Members Only’ section, using your membership number as your account ID number. If you haven’t already set up your password, enter the email address we have on file, and we will send you a temporary password.

COMMENT CARDS

Tell us about your vacation experience!

No more paper forms to fill out and mail. Royal Aloha Vacation Club’s guest survey will now be emailed to you a few days after you check out. Please take a few moments to fill it out and let us know how we did.

Every quarter we will randomly select a lucky winner to receive a bonus week at any non-Hawaii Royal Aloha Vacation Club resort. You can also expand your options and trade the week with any of our three global exchange companies.

We look forward to hearing from you!

WINNERS

Tom & Jeanette T. of Lakewood, CO.

Jack S. of Holts Summit, MO.
MESSAGE FROM PAST BOARD
CHAIRMAN & PRESIDENT

VOTE TO RIGHT SIZE

At the upcoming annual membership meeting to be held in May 2018, you will be asked to vote on a resolution authorizing the board to “right size” the Club. This is a continuation of the policy approved by the membership in 2015 when they voted to authorize the board to sell the units in Acapulco. If you have enjoyed a recent vacation at one of the newly renovated RAVC units, you would have experienced firsthand the benefits of such policy. Along with our reserve fund, the proceeds from the sale of the Acapulco units provided the necessary resources for us to greatly revitalize the Club’s units at popular destinations like Hawai‘i and Oregon.

As past board chairman and president of RAVC, we know how important it is to constantly evaluate the Club’s needs and take action to ensure that RAVC members will always have value, quality and the best possible vacation experiences. Over our tenures and through today, we’ve seen many ups and downs but RAVC has always relied on steady leadership and guidance to make it one of the longest standing timeshare organizations in the world.

We have trust and confidence in the current leadership with their recommendation to continue this “right sizing” initiative in order to position RAVC to meet the demands of the future. We urge you to vote to support to continue this strategy and make your future vacations more enjoyable and memorable than ever. The striking finishes and modern décor of the newly renovated properties were made possible by the funds provided by the sale of the units at Acapulco which had high operating costs and abysmally low occupancy. By continuing this approach with other excess units in low-demand locations, the Club will be able to expand its operating efforts while still maintaining adequate units to meet anticipated member demand and also reducing operating costs to keep your membership dues affordable.

Voting to right size and sell properties that are unused is the smartest decision you will make next to joining RAVC. Right sizing will result in:

• More renovations to vacation units
• Affordable membership dues
• No impacts to reservations and availability of units/weeks
• Reduced operating expenses
• Healthy cash reserves for future needs

Although the Club has fewer members today, we are confident that the Club will be able to continue to maintain the membership benefits and provide you with enjoyable and affordable vacations for years to come if we move forward with the recommended strategy.

We hope you’ll join us in supporting RAVC’s current leadership and their recommendation to right size. Please vote in favor of this important initiative, either by proxy or attending in person, at the upcoming annual membership meeting, for your benefit and the Club’s future.

ALOHA & MAHALO!

G.A. “Red” Morris
Past Chairman, 1991–2015

Jack Corteway
Past President, 1991–2013

FINANCE CHAIR LETTER — RANDY BEESON

At the October Board meeting each year Royal Aloha’s Board of Directors reviews and approves the budget for the upcoming year. We strive to provide the members with the highest quality of vacation services, to uphold and enhance the appearance and functionality of each unit, and are prudent in planning for the future capital needs of the club. The club is fortunate to employ a staff that continues to display the Aloha spirit and works diligently to meet member needs. The objective is to maintain these goals at a price that continues to provide the highest value to our members.

As we move forward, we continue to investigate ideas for prudent cost savings measures that do not sacrifice the quality of your vacation at a RAVC property. It is also important to maintain our properties in a manner that exchange companies will want our properties for their customers. Well maintained properties allow our members the opportunity to exchange weeks for many desirable locations throughout the world. It appears that more and more of our members are recognizing and taking advantage of exchanges and traveling to new adventures. The upcoming budget fulfills our members’ standards.

The budget is made up of two components. The first component is the operating budget, which covers the day-to-day operating expenses of maintaining the club’s properties and delivering our services to you. Each year management strives to maintain these services with a minimal increase in cost. Our 2018 operating budget will increase only by 1%, even with overall inflation of around 3%.

The other component is the reserves budget. The reserve fund provides for both current renovations and improvements and future long-term refurbishment capital needs. The Club maintains a 10-year rolling forecast of these costs in order to provide adequate amount of funds to maintain the Clubs’ properties in a manner expected by our members today and tomorrow. In 2018, we project to spend nearly $1.5 million, mostly for ongoing renovations in Waikiki and Kona. This is in addition to the $6.4 million that was spent over the last four years in various properties. Thus far, our members have expressed their approval and appreciation for the new and modern look to our properties. The 2018 budget also provides for an increase in the reserve component to meet our current and future needs.

The total 2018 annual dues for members are presented in the schedule below. In total, dues are increasing about 3%. We sincerely hope in 2018 you and your family will enjoy a vacation to one of our properties, or have the opportunity to exchange for a new “bucket list” adventure somewhere in the world.

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**ONE-BEDROOM**

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**TWO-BEDROOM**

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INTERESTED IN BEING A CLUB DIRECTOR?

If you are interested in helping Royal Aloha to fulfill its mission to its members, the Club welcomes your resume. The application form is available on RAVC’s website at www.ravc.com/directorapps.pdf.

The Nominating Committee is now requesting resumes for 2019 when the membership will elect one new Member Director. If you have submitted your resume within the past couple of years and wish to be considered again or are a new applicant, email Keana Kamakele at keana@ravc.com.

CONNECT WITH US!

Be an RAVC insider. Sign up to subscribe for up-to-date news, special offers, and alerts from Royal Aloha Vacation Club by signing up for the RAVC Blog. Sign up on the website, www.ravc.com.

SUMMARY OF BOARD OF DIRECTORS FEES & EXPENSES 2017 (FISCAL YEAR)

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<th>Non-Member Directors</th>
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<tr>
<td>David DiBerardino*</td>
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<td>Bruce Coppa</td>
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<td>Robert Stalder</td>
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*Dave DiBerardino is not receiving any additional fees and expenses beyond his compensation as the president of RAVC.