



Thanks for a great 2024. Looking ahead to 2025, we'll have some major projects to which we can look forward. We'll also face some challenges that are somewhat unprecedented. But first, let's reflect on a few of the accomplishments that your resort put together this year. With the increase to maintenance dues for this year, LVL was able to accomplish many tasks and hire contractors to help us get several projects completed.

The original RV storage area has been re-built and re-graded after flooding rendered part of it unusable. The caballeros storage area has been completely re-worked with six inches of new base rock placed on the south side of the lot. This, along with a lot of work from the reservations, security and maintenance departments, has resulted in many new RV's arriving in the storage area and trimmed the waiting list down to single digits. With this work completed, the spotters have now been able to further organize units by manufacturer, size and type between the two storage areas. Many times, this year, only one of the two trucks was operable, when multiple check-ins were upon us and a new staff member was behind the wheel. Sorting the units in this manner helps maximize the spotters' time and gives them a better chance of meeting the 3pm check-in time. Hopefully a less hurried approach will result in less accidents happening while performing spotting duty.

The spillway at Riata Lake has been rebuilt to help mitigate the inflow of silt to the main lake. Work continues down the creek from Riata Lake to further alleviate the influx of silt. The culvert by the reservations building has been replaced and encased in concrete on the inflow side. The ditch there has been lined with larger rock, which also helps alleviate our silt issues. Controlling this will remain a focus in 2025. Once the silt is under control, we can turn our attention towards dredging the lake.

We purchased a different patrol vehicle for the security guards. We are pleased to report that we find it much easier and faster to do patrols when their vehicle starts and runs. Speaking of starting and running, repairs have been made to both RV spotter trucks this year, to the tune of more than \$6,000 (total vehicle repair spending coming in at over \$13,000). These two work horses are nearing their end of use time with us. While we're on the subject of work horses, the stables purchased three horses this year to replace the three that were ready to retire. Stop by and say hi to the new arrivals when you get the opportunity. They are primed and ready to take you on trail rides.

The roads from the boathouse to the bathhouse were chip and sealed. Many of the sites around the resort have received new rock and have been leveled. Many ditches around the resort have been re-dug. Sites that were no longer sought after by owners have been taken off the books with the tables and fire rings having been repurposed. Also, we await a start date from the roofing crew that will be replacing the roof at the service center. We've also updated some of the signage around the resort, with more signs to be updated in 2025.

In case you missed it, the Financial Services department is now able to take ACH payments. The elimination of the PayPal payment option has resulted in savings of over \$16,000 that has been put into the operating budget. If you are interested in setting up ACH payments, contact Financial Services at 1-800-489-2100 or financialservices@lostvalleylake.com They have also worked with the outside collection agency to more quickly regain resort usage for Owners that were in arrears. Also, for your convenience, the online reservation form is available. With the complexities between levels of ownership, this is just about as close as we can get to making reservations online. Please be aware that there may be times that you are asked to fill out this form, even when making reservations in person. Requests for reservations are processed and set in the order of which they are received. When there are pending forms that have been received online, in person reservation requests will follow that same pathway until all pending requests have been processed. Following this procedure allows LVL to retain the element of first come, first served.

Working with a permit from the U.S. Fish and Wildlife Service, our goose population control program remained in effect in 2024. For over 20 years, resort staff have worked with F.W.S. and the Missouri Department of Conservation and have followed their advice, directions, techniques, protocols, rules and permit limitations to keep the goose population within acceptable numbers. Too many geese in one area can have potential health implications for the public and destroy property as well. Their droppings can contain *Cryptosporidium*, *E-coli*, *Giardia*, *Chlamydia*, *Listeria*, *Salmonella* and be a contributing factor in the contraction of swimmers' itch. Their grazing habits can be responsible for soil erosion, especially around lake shores where the geese tend to gather in large numbers. The geese present at LVL today have increased their aggressiveness towards humans, especially children. Using the allowed permitted methods, we have had little to moderate success at preventing the goose population from climbing. To keep populations from getting out of hand, the next advisable step, according to advice received from both Federal and State authorities regarding the subject, is to use the currently available, legal hunting season to reduce the number of geese present on the resort. The evidence supporting this advice is derived from experiences at other places that have many similarities to LVL,

where hunting the geese made them uncomfortable enough to want to relocate. This is not an idea to be taken lightly, however. When considering the options available for controlling geese, the Board of Directors took the action of granting limited permission for the use of firearms on the resort for the express and sole purpose of reducing the goose population at LVL. The people that will be responsible for conducting this activity will be pre-approved by management, possess all applicable certifications, permits and licenses and will abide by all applicable laws, rules and regulations pertaining to legal hunting methods of Canada Geese. To be positively clear, this action applies only to those with express permission to carry out the stated endeavor of a legal hunt. For all other intents and purposes, the no weapons policy at LVL remains fully intact and enforceable. It is also important to note that this action will be halted if it does not achieve immediate, desired results. The potential for future actions of this nature would then be reconsidered at a later date.

The I.T. department continues to make improvements to the Wi-Fi service on the resort. It is prudent to point out that access to this network is included in with your maintenance dues. It is, to say the least, pricey to install a fiber network. There was no special assessment passed on to the owners to pay for the installation of this network, nor is there an additional fee to access this network. LVL (not Riata Ranch) has several owners who “work from home” using the network that is provided at no extra cost to them. I.T. reports that there are several areas around the resort where owners are able to use streaming tv services (Netflix, Sling, etc.) that consume considerable amounts of data. From the areas that offer overnight accommodations, there are also a plethora of services that appear to provide pornographic content that are heavily accessed on the network. I.T. is working on the ability to make those services unavailable via LVL servers. After all, we are trying to maintain a family atmosphere. To know that many people are simultaneously using streaming services that consume mass amounts of data indicates that the build-out and continued improvements made by the I.T. crew are providing a stable connection for those who want or need to stay connected.

With a budget that has a total spending limit that is the nearly same as it was 15 years, it is imperative that we make each dollar count. Several seasons ago, we revised our budget approach for better accountability of those dollars. One of the line items in the budget where this would be most notable is spending on electricity. We’ve done things such as replacing old light fixtures with new LED fixtures and added sensors, so the lights shut off when nobody is in a room. Also, we have modified the staff’s tactics for checking rental units after owners leave. We are getting to those units sooner after check-out time, turning off lights and air conditioners that owners left set at 59 degrees in the midst of peak summertime heat. Another aspect of controlling energy consumption is to keep guest numbers within what is allowed under the bylaws. We have cancelled the stays of several

people who were found to be on property without ownership. By requiring I.D. upon entry to the resort, we learned that some executive level owners were selling their free week to strangers. They would check them in and then leave. The money they made was then used to pay for their dues. Some were actually making money by charging their “guest” more than what their dues cost. That’s just one example of how the guest policy was being abused and why, for costs (and security) sake, it needs to be controlled. We’ve also adjusted building hours to times when people were most likely to be using them. While there are times when less owners are on the resort than there were a few years ago, the average stay duration has increased. With owners staying for longer durations, it is important that they play a part in keeping electricity consumption in check. We would like to extend our thanks to the many owners that have respected this process and played a large part in helping to control this expense. By regulating your HVAC units, turning off lights that aren’t being used and reporting to LVL staff your fellow owners that aren’t being as vigilant about their usage as they could be, you help keep your costs as low as possible. We are on pace to come in nearly \$20,000 under budget on electricity this year. Of course this provides a big boost to our beleaguered budget. Thanks, again.

Another expense that is projected to be under budget this year is LVL employee salaries. In fact, total salary spending this year is expected to be lower than it was five years ago. Mandatory increases to the minimum wage in each of those preceding years made it difficult to stay within budget. LVL is a big place. With large areas, a large variety of amenities, and labor-intensive services offered to our owners, it takes a lot of staff members to keep it all going. Granted, a large part of our ability to keep salaries within budgetary constraints is our inability to recruit staff. Evidently there aren’t a lot of people seeking employment that involves working with the public. Working variable shifts, nights, weekends, and holidays for near minimum wage is also not high on the priority list for job candidates. Add to that, there are no healthcare benefits or viable opportunities for retirement available to offer them. Mix all of that up and you have an easy-bake recipe for being significantly under-staffed. Please, forgive us if we fall behind the customary pace at times. In 2024, we were able to keep our starting wage just above the Missouri mandatory minimum wage. We will not be able to do so in 2025. The recent, voter approved, changes to the minimum wage will add over 10% to the starting pay for new hires. Along with a mandatory minimum wage increase, sick pay for all hourly staff will be mandatory starting May 1, 2025. The combined impact of the new standard will result in no less than a \$60,000 hole being blown into the budget, leaving little to no room for raises for the experienced staff members that may already be earning at a rate equivalent to or above the new minimum wage. Couple this with an increased cost for insuring the property that will come in at an additional \$40,000 (\$290,000 total projected for 2025) and we may have no choice

but to pursue fallback measures to save money wherever and whenever possible. Some jobs, building hours and services, may have to be cut back to comply with the new minimum wage standard and stay within budget. With little to no ability to provide raises for those staff members that have been with LVL for a while, it is to be expected that they will look elsewhere for employment. Some already have. In some instances, these are the staff members who have already volunteered to learn additional jobs, without additional pay, while attempting to maintain LVL service capabilities across multiple departments. They will take with them their experience. They will also take with them the ability to interact with the public, a skill that is not easily taught and extremely difficult to find amongst the candidates in the job pool today. To say the least, you will notice when they are not with LVL any longer. To keep LVL chugging ahead, your department heads will face greater pressure. Their experience, ingenuity and determination to make ends meet will play a crucial role in getting us through, assuming they stick around. The upside to you, the owner, is that if we continue to spend less on big ticket items such as salaries and electricity, the 3% yearly budgetary reserve would be available to expand the funds set aside for the construction of the new sewer treatment plant. This new plant is a project and expense that no one wants to bear but must fully funded and carried out.

Regarding the new sewer treatment plant, we have met with engineers and the MODNR to hammer out the final details of the new facility. Getting this plant built without further assessing owners, is paramount. Much time and effort has gone into planning the budget each of the past five years to simultaneously fund the daily operations of LVL, complete projects around the resort and expand the nest egg that will pay for this project. It hasn't been easy, but it has been necessary, and the fruits of that effort are becoming apparent. By retaining money reserves from previous years and allowing them to grow, we are getting closer to having this project funded without having to mortgage the future

I'm sure that many of you have heard that we are in the market for a new restaurant proprietor. After several seasons operating the restaurant at LVL, the Purdy family is no longer able to stay with us. Their families' legacy and involvement with the LVL restaurant originated in the 1990's. We would like to thank them for their service to the resort and wish them well in the future. If you are at the resort or in the local area and want to go out for tasty cuisine, their original location, Purdy's Stony Hill Hall, remains open for business and is only a 15-minute drive from LVL.

Another departure from the LVL/MAR family will be our resort developer. After having developed both properties and serving over 40 years at the helm, Mr. Gentry is looking forward to his well-earned retirement. We thank him for the wonderful resort he has built. We thank him for his vision and devotion towards establishing a place for families to gather

and build together memories that last a lifetime. At the same time, we want to welcome his daughter, Tracey, to the forefront as his successor. She certainly has big shoes to fill and some tall tasks ahead. We wish her all the best and look forward to her ideas and leadership. Currently on her agenda is the development of an updated sales product that focuses on shorter, term-based membership instead of ownership. Trends in this industry indicate that people in the world today have little to no interest in the forever type of product. With that product as our only, currently available option, LVL is at a disadvantage in attempting to recruit new friends for our owners. As we all know, life can unfold in a variety of different directions. Many families can only commit to the shorter term. LVL will be in a position better suited for growth with a membership option available to them.

For years, owners have asked about the status of improving cell service at LVL. This is something that our developer has been devoted to getting done. We are pleased to say that the construction of a new tower, located on the developer's property, near LVL, is expected to begin soon and be functional by summer 2025. T-Mobile will be the first carrier to offer service with additional service providers expected to come aboard soon thereafter.

On New Year's Eve, come help us ring in the new year. The Rec. crew has a good time planned for all ages, featuring live band "Centerstage" playing from 9pm-12:30am at Lake Expo! To sign up for this event, call 314-658-9985. Please visit our website: visitlostvalleylake.com for information about the planned events and updates regarding all things LVL. Thanks, again, for 2024. Working together, LVL owners, developers, Board of Directors, staff and management got a lot accomplished. From what's left of your staff at LVL, enjoy the upcoming holidays. If not with us, then with whomever you have the luxury of spending quality time..... Rates for maintenance dues and associate cards in 2025 are listed below.

Sincerely,

Paul Adams

LVL Chief Operations Manager

Executive: \$1,179.63 Charter/General: \$1,011.79 Wilderness: \$768.32

Exec. Assoc. Card \$245 Char/Gen Assoc, Card \$225 Wild. Assoc. Card \$165