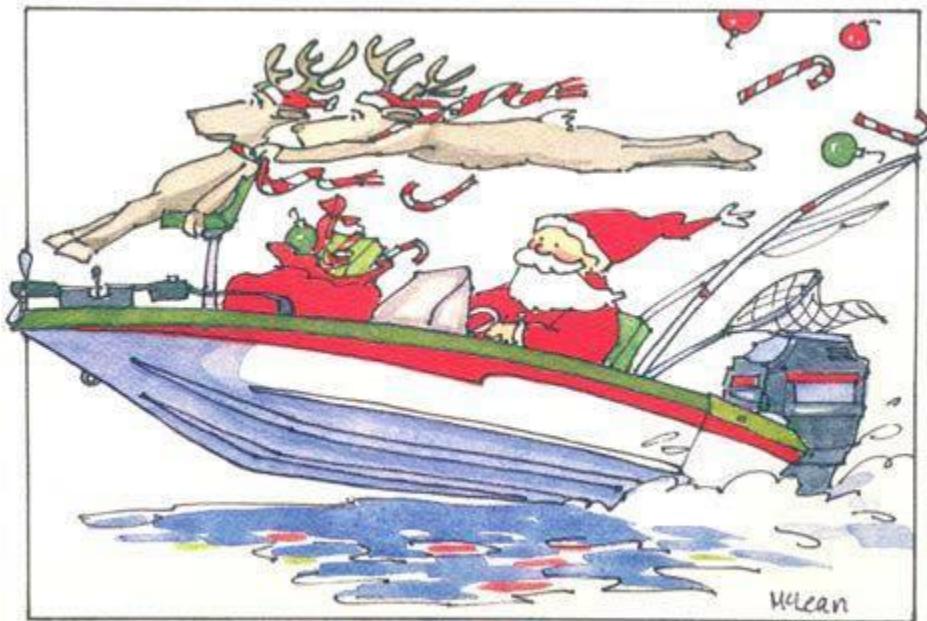




Merry Christmas
and Happy New Year



Merry Christmas,

The significance of Christmas and my deeply rooted faith in Christ is stronger today than at anytime of my life. I am so thankful to have found a faith that allows me to love. A faith that pushes me to honor God and a faith that challenges me to love others more than myself. I wish I could remember who defined love this way. "Love is seeking the best for another person." My natural tendency, and likely yours, is to do what is best for me. So, this Christmas season is a great reminder of my Christian faith, to seek the best for another person.



If you are struggling, if you are looking from moving from a life of success to a life of significance, or if you are looking for what's next? I might suggest finding or deepening a life with Christ. I hope you will decide to serve somebody this Christmas season. I hope you will find the joy and peace that passes all human understanding.

This letter has a bit of an awkward transition and maybe should have been divided into two newsletters, but I thought some of you might have a little extra reading time and might be interested in the results of our recent survey.



Thank you to the more than 200 members who completed the recent survey about Private Water Fishing. This represented more than 1/3 of our members who completed the survey. What you think about the club and how we operate it is paramount to what we need to keep and what we need to change.

Here is what you told us:

***83% of our members feel we are a good or great value. 97% feel we are a fair, good, or great value.**

***It was virtually a 3-way tie on what is most important to our members.**

- 1) Having the lake to yourself
- 2) Catching more fish than public lakes
- 3) Catching bigger fish than public lakes

*** Having more lakes close to where you live is a resounding issue for our members. This is loud and clear; our members don't want to drive far to fish.**

*** The most common questions or comments had to do with the following subjects**

- 1) *More lakes to fish...but more specially, more lakes close to home*
- 2) *Pricing*
- 3) *Boats*
- 4) *Why is there 2-person minimum? And I don't like it.*
- 5) *Web-site enhancements*
- 6) *Lake availability...this is closely related to #1.*

Obviously, we cannot address all concerns to all people, we will not be able to please everybody all the time, and there are some things that are immutable. However, the survey does let us know things that we can change, things that we will change, and areas we need to work on to be better adapt to a changing world.

I wanted to address your concerns over the next few newsletters. Let's tackle the most popular concern first!

We want more lakes closer to where we live.



This was loud and clear, many of our members would rather fish lakes with fewer and/or smaller fish than to drive longer distances. This is not a surprise, because the lakes closest to our 4 metro markets are the most popular lakes. This is especially true in the DFW market. The 12 lakes in and around (within an hour) DFW are generally the most popular lakes in the club. As the DFW, Houston, Austin and San Antonio continue to explode in population it is harder and harder to meet the demand of finding lakes within an hour of a metro area.

If you live in a downtown area, it can now take you 45 minutes just to get out of "city". Urban sprawl is taking the space once occupied by farms and ranches. Land that was \$5000 an acre just 10 years ago is now \$30,000, \$50,000 or even \$100,000 an acre. Farmers and Ranchers are selling to make way for housing developments and retail shopping centers. Consequently, the number of lakes is going down. These lakes are now gone. They have given way to urban sprawl. The drive time (traffic) is increasing, and our members appear to be even more and more time strapped. If you do the math of less lakes, and more folks moving to Texas you will likely conclude that something must change. So, this is where we must change. Do we raise pricing on these "close" lakes to curb demand? Do we allow more than one reservation on a particular property? Do we make these lakes two-person minimums to justify the use of the lake for the day? Do we increase the number of days we fish a lake in each month? Do we fight like heck to convince a shrinking number of ranchers to lease? You see the challenge? You want cheaper pricing, you want more availability to lakes close to home, you want less fishing pressure on the lakes. Hum????

Reality vs Impression

I also want to re-iterate some facts. We have added 52 new lakes to our portfolio over the past 9 years. The ratio of memberships to lakes is BETTER today than it was 9 years ago. We have fewer members to each lake leased than we did 9 years ago! 75% of our lakes are underutilized and more than 50% of the lakes are wildly underutilized. Our offering of lakes is far superior today than it was 9 years ago. To illustrate this fact, our #3 lake (in terms of dollars/reservations generated) in 2009 is not even in the top ½ of lakes today. This #3 lake is 2 to 3 hours from a major market. If this lake was within an hour of a major market it would be a top 3 lake again. But our members no longer want to fight the traffic or give up 5 hours of drive time. What has changed? You want to fish lakes close to home. You don't want to drive to fish. The lakes close to home are the lakes that are booked. So, the perception is that things are always booked. The

reality is that outside of Spring weekends most of the lakes outside of the metro areas have incredible availability. We have some lakes that if they are within an hour of the metroplex they would stay completely booked year-round, but since they are 2 or even 3 hours away, they see virtually no reservations.

So, what are we going to do?

We have chosen to fight to reach a shrinking pool of farmers and ranchers in and around the metro areas. This option is a considerable expense of both time and resources. Reaching farmers and ranchers and convincing them to lease is not for the faint of heart. Targeting and convincing landowners is something that a 30-year sales career has prepared me to accomplish. While this may be the toughest of our options for the PWF staff, it is likely the best option for our members.



We are having success. We have been reaching more landowners than in any previous year we have owned the club. We already have signed contracts with 6 new lakes with at least 1 lake in all 4 major markets. These lakes will open on or around March 1st, 2019. We are also in conversations with another 10+ landowners who have heard our story and are now interested. Our goal is to open 12+ lakes in 2019. Most of them will be within 2 hours of a metro area and some of them will be within an hour of a metro area.

I have always tried to be as transparent with you as I can, and perhaps in some cases too transparent. I trust, it is a style that most appreciate. Thanks for joining the ride. Our mission continues to be a company that creates outdoor experiences that are good for the soul. Our vision is to be a company that fosters relaxation and lifelong memories by providing hassle free fishing and hunting opportunities.

Sincerely,

Steve Alexander





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