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'I Started... Because I Really Like Golf'

The past several decades have shown Lyle Anderson's prowess as a master architect of golf course living. The proof is in the communities.

By Bill Huffman

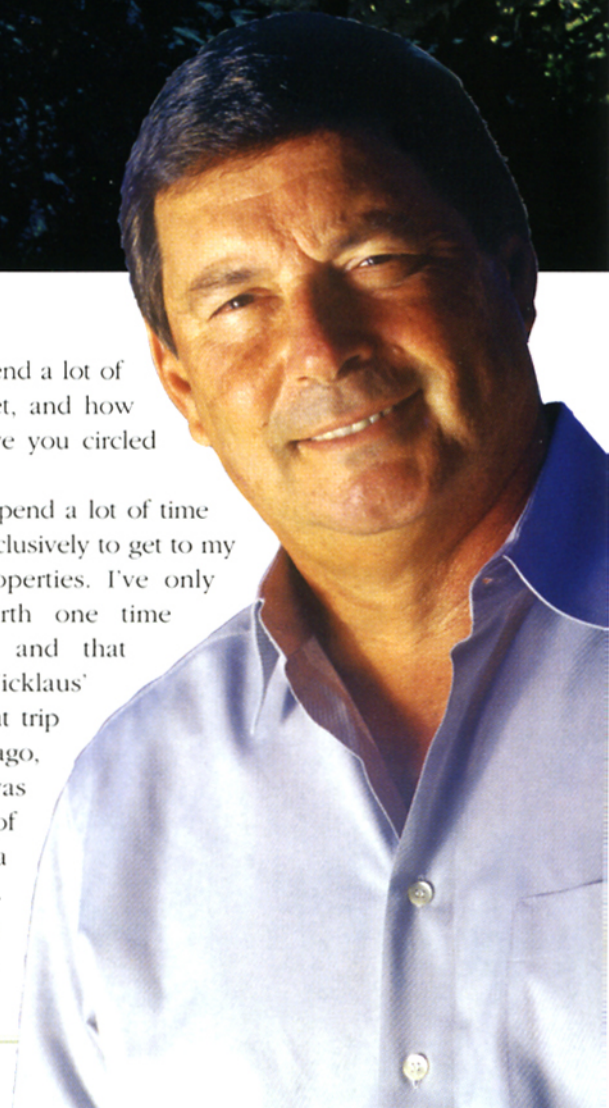
Lyle Anderson has developed some of the great golf communities in the world, including Desert Highlands, Desert Mountain, and Superstition Mountain in Arizona; Las Campanas in New Mexico; Hokuli'a on the Big Island of Hawaii; and Loch Lomond in Scotland. Anderson also has been an integral part of hosting 29 professional golf championships, and counts Hale Irwin, Jack Nicklaus, and others golf greats among his friends. The 63-year-old chairman of the Lyle Anderson Company recently sat down for a question-and-answer session with STRATOS. He cites family and the thrill of the chase as inspiration in business. Enjoy the conversation.

STRATOS: You are a long-time traveler via private jet, and I am hoping you could talk a little bit about your aviation experiences. Do you have a pilot's license?

ANDERSON: No, I don't have a pilot's license. I do have a Gulfstream III that is configured to seat 11 (people). I had a Hawker for about 10 years, and this Gulfstream now for about six years.

S: Do you spend a lot of time on your jet, and how many times have you circled the earth?

A: Yes, I do spend a lot of time on it. I use it exclusively to get to my golf course properties. I've only circled the earth one time (continuously), and that was in Jack Nicklaus' jet. We took that trip about 10 years ago, when Jack was doing a lot of design in Asia and Australia. Basically, I take mine to Hawaii,



and then to Scotland for the Loch Lomond project. It's been an excellent business tool.

S: For spending that much time in the air, have you ever had any close calls?

A: Well, not really, knock on wood. That's why you have professional pilots. That's all they do: Fly the airplane. I have two full-time pilots and a full-time mechanic. Their challenge is to not have any close calls. I'm sure it would be fun to get a pilot's license, but I just love what I do, and I don't think I'd make a good pilot because my mind is always on my business or my family or something else besides flying.

S: Give your basic philosophy on how you have built your golf-real estate empire. Is there one key or many?

A: I started developing because I really like golf. I used to buy land, hold it, and sell it. I wanted more of a challenge, and the idea of building a golf course was very appealing to me. That and the real estate component around it. The philosophy evolved from getting involved with Jack Nicklaus, and the quality in the way he played the game, built golf courses, and approached life. He's a very quality-driven person, and I adopted that philosophy. At the end of the day, doing your best, building the best, is what brings you through. High quality always wins in the end.

S: You have done so many of those high-end, quality-driven projects, it's probably old hat by now. But have you ever felt like you were out on a limb?

A: Oh, yeah, plenty of times. I feel like business is really complicated, and it doesn't always go your way. All of us who own a businesses with any significant growth, you're always kind of on the edge.

S: What was the worst it ever got, in terms of being out on a limb?

A: Probably in the late 1980s in Arizona, when you could look to your right and look to your left, and if you were still standing you were the only one left. I think nine companies survived (Resolution



An aerial view of a stretch of countryside and the course at Loch Lomond in Scotland.



The clubhouse at Superstition Mountain, located about 40 minutes from downtown Phoenix in the eastern portion of the city.

Trust Corporation), and we were fortunate to be one of them.

S: This might be like asking a father which one of his children he likes best, but what project are you most proud of?

A: Gosh, I can't say any one over another. They're all very special efforts. Desert Highlands was quality all the way. It's where we learned that word. I drive around Desert Highlands today, and I get tears in my eyes. Desert Mountain has six courses and incredible variety. That was where we first decided to build a golf community with the preservation of the desert in mind. Of all the property that's been built there, it's still only 20 percent developed and the rest is pure Sonoran Desert. There's more wildlife than when we first moved in up there. And Las Campanas, again, very low-density, one house for every 2 1/2 acres. Las Campanas blends into all the terrain, and it's one of the most beautiful places I've ever seen. Loch Lomond is a spiritual place. The loch, the lake, I feel very close to it even though I'm not Scottish. Superstition Mountain was a project that Jack and I did with our sons, and it turned out better than I could have envisioned, just a great community. And then there is Hokuli'a, which I think one day will be recognized as one of

the finest communities ever built in Hawaii. We've had some challenges there, and certainly it's been the most difficult, but we've learned through the strife, and I have absolute confidence it will turn out great.

S: Do the legal entanglements over the zoning of Hokuli'a surprise you?

A: I don't feel we've been treated fairly there; quite the contrary, we've been treated poorly. But that's often the way life is: There are challenges, and you have to overcome them and find the positives.

S: You have a lot of survival skills. Where do those come from?

A: Probably my childhood. I grew up in the Seattle area, and my dad leased a nine-hole course in Earlington, and we lost it all in a flood when I was six. My family went on Red Cross, we were broke and destitute, and I ended up living across the street for the next three years with a Chinese family who were our neighbors.

S: That's quite a blow for a young kid. Were there lasting scars?

A: Yes, it has a long-lasting impact, when you lose everything like that. I remember my dad and I were in a row boat during the flood, and we were retrieving our belongings from our flooded house, and my dad turned to me and said, "Lyle, don't fall out of the boat. You'll drown." That always has stuck with me.

S: Wow, how do you ever get over something like that?

A: You don't, but you learn. It's probably why I take monumental risks, because I was at the end of the line early as a child. And I still fantasize about being broke to this day. In one of those (fantasies), I'm in Iowa with \$100 in my pocket, and I'm trying to figure out the best way to start all over again.

S: Besides golf, do you have any other outdoor pursuits?

A: Absolutely. For years and years, I used to really like to run, and now I really like to walk. I also do some fishing, and just like being outdoors. Mostly I've done deep-sea fishing in Hawaii, although I've been to Alaska fishing for salmon and trout. I just like being out on the water. I'm a good half-day fisherman—four or five hours and have some fun, and release all the fish!

S: The relationship with Jack Nicklaus, what is it that makes that relationship so special to you?

A: I think Jack and I based our relationship on quality and trust right from the beginning, and we tested each other, and now we trust each other. Jack and I just hit it off, and we're close friends. Our families have interacted, and we have traveled a lot together. I like the way he cares about other people and his family. I admire the way he keeps his commitments.

S: How about other professional golfers? Do you have other relationships?



Lyle Anderson's friendships with golf legends Jack Nicklaus and Hale Irwin remain strong, as Anderson calls on both to assist with new projects. Shown here at the launch of Hokuli'a in Hawaii.

A: I've gotten to know several of them well. One that comes to mind is Hale Irwin. We've become very good friends, do a lot of things together. Hale is a lot like Jack, in that he does everything well and is an extremely good person. And both those guys are unmatched when it comes to competitiveness.

S: As a visionary, what trends do you see when it comes to the affluent lifestyle?

A: I think what we're seeing now is a much bigger variety of interests because people have a lot more time. A stable economy has given us more time and money, and a lot more people have more opportunities to do things. As a developer, I'm working on this project down in Mexico, where we're only going to do one golf course because there are so many other things to do—horseback riding, kayaking, boating. So variety is the key to the future, and we're really changing what we're doing in regard to golf developments.

S: Are you saying golf is now overrated when it comes to the upscale real-estate market?

A: Golf still is an important element, and we want to do it the best we can. Golf is not waning, but it's not growing like it once was, probably because it's so time-consuming, and there are so many other things to do.

S: How much golf do you still play?

A: I used to play golf twice a week, but it took all day to play, and that was a drawback when it came to my businesses. Hale Irwin and I like to go out, and we just hit a few balls and play a few holes. Hey, four or five holes are fine, because we've got a lot of other things to do. I enjoy hitting golf balls, but a few holes, that's it. So that's my idea of golf these days—an hour and a half and I'm done."

S: If you could change the game, considering how time-consuming it is, how would you change it?

A: I'd make it 12 holes instead of 18. I've always thought another way to do it would be make it 24 holes, or four six-hole courses that each return to the clubhouse. Then you could play six holes or 12 holes or the traditional 18, if that's what you want."

S: So golf could use a little tweaking?

A: From a time standpoint, yes. I still think it's the greatest sport ever. Great in that no two courses are the same, you get to travel the world to play it in all kinds of conditions, and you meet so many great people along the way.

S: Who is the most influential person in your life?

A: Certainly my father was one who was very influential. But I've been blessed to know a lot of people who were influential. Sometimes I wish I had listened to them more. That's a hard thing to do, to listen.

S: You've already accomplished so much, but are there other projects in the future for the Lyle Anderson Company?

A: We're looking to expand all over Mexico, possibly with some water-front resort projects. We also have some additional properties in Arizona. One of those in Arizona is the Festival

Inside the clubhouse at Las Campanas in New Mexico. The architecture and design motif is indicative of the region.



project, where we have 7,000 acres near the northwest corner of the White Tank Mountains. We may look further into Europe, too, particularly in the United Kingdom, because we have a presence there. We're also looking for something in California. Granted, there's not much land left in California, but we have some people who have owned inland property there for some time, and that would be the project.

S: How many hours do you work a week?

A: Well, it's not really work. I tend to blend my professional business activities with my personal life a lot, so I don't consider it work. I've got a fully managed business, 50 employees in the office, and probably 1,500 employees overall.

S: When you say 'fully managed,' what does that mean?

A: We've got about 50 companies under one umbrella. I'm the chairman, and I don't have a board—you're looking at it. Instead, Steve Elliott is the CEO, Pat Whalen is the President, and Bill Siwek is the CFO, and they do the day-to-day.

S: What is your worth in dollars? Have your holdings ever made Fortune 500?

A: I don't think about that. I've had a bank do it for a reference point. But the kind of holdings I have vary so much. I think we're doing OK, and I don't see any reason to know anything more than that. . . . Without question, my family is my greatest asset.

S: You're a big family man with a wife (Missy), three children (Taber, 41, Troy, 37, and Cynthia, 31), a step-daughter (Ashley, 18), and four grandchildren. What's the best part of that?

A: It's all wonderful, and I'm blessed. Being a grandfather is the greatest. I can't spend enough time with the grandkids; it's that much fun. I guess you try and spend more time with your grandchildren because you probably didn't have as much time to spend with your kids when they were growing up. But the bottom line is, I'm very proud of all of them.

S: You're very modest, most people would agree. Is that by design, or are you just not interested in fame and fortune?

A: I don't know that there is any reason for it. I'm not interested in fame; there's a lot of headaches that go with it. I don't even like doing these types of articles, but my people

tell me I need to do it because the exposure helps the business, otherwise I wouldn't do it at all. I'm probably more shy than most, that's true.

S: If you hadn't been a developer, what profession would you have pursued?

A: I probably would have gravitated to stocks and bonds, because I've always liked to work with money and investments. I did that for a little while, back when I didn't really have any money to speak of.

S: You're a good player, what's your handicap? What's your favorite game on the course?

A: I don't know my handicap because I haven't turned in a

LYLE ANDERSON

AGE: 63

BORN: Seattle, Washington

COLLEGE: University of Washington, degree in electrical engineering, 1964

RESIDENCE: Paradise Valley, Arizona

POSITION: Chairman of the Lyle Anderson Company, Lyle Anderson

COMMUNITIES AND PROJECTS:

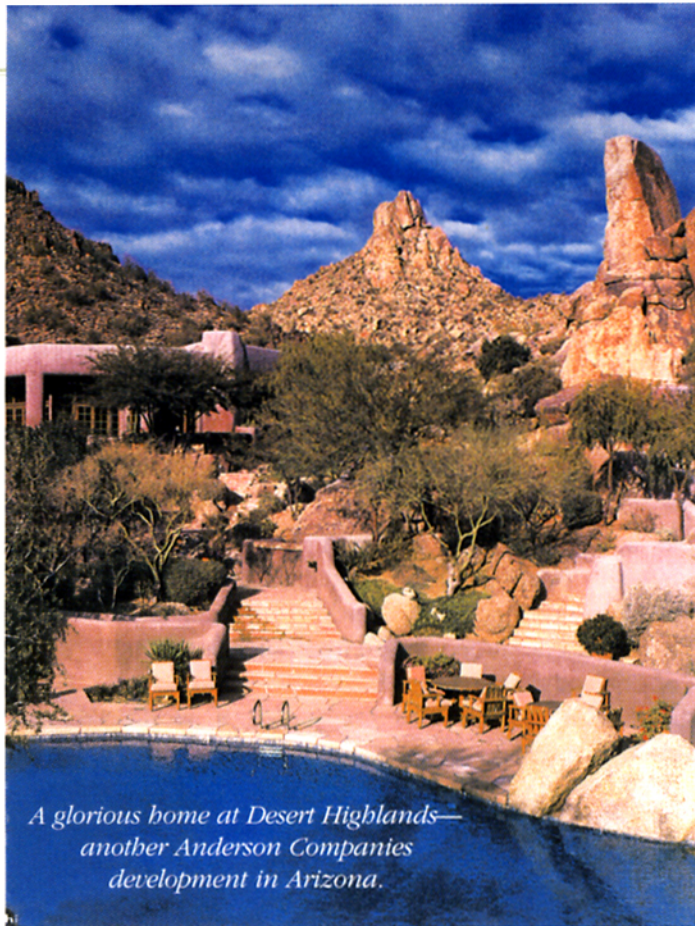
Arizona—Desert Highlands, Desert Mountain, Festival, Superstition Mountain

New Mexico—Las Campanas

Hawaii—Hokuli'a, Big Island

Scotland—Loch Lomond Golf Club

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score for so long. But if I went out and played for a few days, probably a five or a six. I play a little against Hale. I play him even-up with two balls, where I get to take my best score of the two balls, and he has to play the worst of his two. We love to play it, because it's like playing a scramble by yourself. Very interesting.

S: Have you ever thought of retirement?

A: Retirement is not in my vocabulary. At the same time, I spend a lot more time doing things other than business. But I have no intentions of retiring from what I do... I don't have any problem not working. I just can't be away from it too much.

S: What is it you like so much about your work?

A: Well, my work is kind of like cooking. I'm Italian, and I love to cook. So when you cook, you're really not cooking for yourself, you're cooking for everyone else, and you're always the last one to sit down and eat. That's Italian. So, it's true, I don't really have to work because I have enough money. So why do I do what I do? I like it, and while I don't like it all—I certainly don't like what's going on in Hawaii right now—I like the big picture. Heck, I could pull out a box of macaroni and cheese, and that would be fine for me. But like I said, I love to cook.

