

REGRETS BUT RESOLVE:

Written by TMAC GOLF

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Times change and often that implies its a good thing. However, in these difficult times its the equivalent of maintaining or clinging to your faith. At a chaotic time in the real estate and financial markets, the Lyle Anderson companies, with a history of four successful decades in the real estate business, are doing just that as it is focused on plans for what it expects to be a strong future.

The Anderson companies recently informed residents, property owners, club members and employees at their Superstition Mountain (Arizona), Las Campanas (New Mexico), Hokuli'a (Hawaii) and Loch Lomond Golf Club (Scotland) properties that directors not appointed by it are now in control of the properties.

Those directors, according to the company, have indicated they are seeking new developers or to structure new development entities. Independently and simultaneously, the Anderson companies continue their efforts to find new capital to further the development of these properties.

"While we truly regret the changes at these properties that have come amidst unprecedented, negative conditions in the financial world, my companies and their developments have weathered a number of real estate cycles over the years and have always emerged in a stronger position after each," said owner and Chairman, Lyle Anderson. "We are determined to do the same thing now. In fact, we are using this time to prepare for a strong future focusing on three areas.

"First, I have been working and continue to work very hard to put together a capital structure in which my companies can participate in taking the properties mentioned above forward as envisioned. All of us at my companies care a great deal about these properties. They are important parts of our lives, and we take pride that to date we have stayed with them from the beginning. I believe we are uniquely situated to deal with a long term investment horizon, and that the properties have immense intrinsic value over time because of their superb locations and uniqueness in their respective markets.

"Second, the several other significant properties my companies own that are not connected financially with the properties mentioned have great long term promise, including an ownership interest in Desert Mountain. We continue to make plans for those properties. We believe our many years of experience developing master planned communities with special emphasis on quality and golf will be a benefit in that process.

"Third, for over 40 years, land investment has been at the core of our business. In that regard, I believe one of the greatest inherent values of our communities and clubs, in addition to our commitment to quality, is the remarkable nature of the lands themselves. We now intend to devote significant effort to further land investment. I believe that the coming months will provide excellent opportunities to purchase quality real estate that presently is significantly undervalued from a long term perspective, and I believe this applies both to raw land and entitled projects. While there are challenges, my more than forty years in the business convinces me that it will be a time of unusual opportunity.

"As for the four developments named above, we began at least two years ago exploring wide-ranging options for bringing additional equity into the projects. This included engaging Deutsche Bank Securities in 2007 to assist in the effort to bring in new equity or debt/equity participants," continued Anderson. "We were then hit by the declines and subsequent chaos in the debt and equity markets at a time when several large investors were in the midst of their

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due diligence on the companies in late 2007 and early 2008. These discussions are ongoing and a number of the investors still express strong interest given the quality and long term value of the properties.

"The greatest regret I have about the developments we no longer control is the concern that this has caused residents, property owners, members and employees. We all love these properties and I have a close personal relationship with many who live and work there. It is my hope that either my companies, an entity in which we are involved or even another reputable developer will soon be involved at these locations. I believe that what is needed is hard work and patience in these economic times."