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KUKIO BEACH CLUB • KOHALA KONA, HAWAII

EXECUTIVE GOLFER

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THE PUBLISHER'S PAGE

By Edward F. Pazdur
Publisher

How Thomas Jefferson was the key influence behind the success of Mike Meldman. How he created preeminent high-end golf communities after starting as a Lake Tahoe blackjack dealer.

Meldman is a strapping, athletic, and handsome guy. He loves to dress casually in jeans and sandals. He also has little patience, comes quickly to the point and will not waste time. He's the epitome of self-made wealth and self-confidence.

SAN FRANCISCO, CALIFORNIA: Mike Meldman, 44, has always had a sense for adventure and a boldness of vision. These traits, combined with enthusiasm, energy, and charisma, took him from his beginnings in Milwaukee, Wisconsin, where he was born and Phoenix, Arizona, where he was raised, led him to Stanford University in Palo Alto, California, and then propelled him to become Chairman and CEO of one of the country's preeminent private golf club and community development companies.

At Stanford, Meldman majored in U.S. History and was strongly influenced by the principles of Thomas Jefferson. Drawing on Jefferson's philosophies, Meldman was imbued with the belief that one must be bold, prudent, and accept hardships. Meldman attributes his success in the business world to his understanding of this Jeffersonian philosophy.

His business concepts were sound but his dilemma was where and how to apply it.

HIS FIRST EXPERIENCES IN REAL ESTATE

After Stanford, and after a summer stint as a blackjack dealer in Lake Tahoe, Nevada, Meldman went to work in real estate in Northern California for a small commercial firm.



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 Chairman & CEO,
 Discovery Land Company

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Executive Golfer's
 circulation is audited by
 Business Publications Audit

COVER: Kukio Beach Club, with 28 holes of Tom Fazio designed golf, is a private 1,000 acre community with more than two miles of beach frontage on Kona's white-sand beach.

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AUGUST 2003/VOL. 31/NUMBER 242

Executive Golfer is a global magazine published bimonthly in America since 1972.

Subscriptions in the U.S.: Six issues (one year, which includes one Private Country Club Guest Policy Directory, a \$25 value) \$9.00; twelve issues (two years) \$16.00. Canada: Six issues (one year) \$22.50. Japan: Six issues (one year) \$55.00 (airmail). All other foreign countries: Six issues (one year) \$35.00 (airmail). Make your check payable to Pazdur Publishing Company and mail to 2171 Campus Drive, Suite 330, Irvine, CA 92612. All foreign payments must be made in U.S. dollars. Not for sale on newsstands.

Executive Golfer is published by Pazdur Publishing Inc. Edward F. Pazdur is Chairman/CEO, Theda Ahern Pazdur is President/CFO, and Mark E. Pazdur is Senior Vice President.

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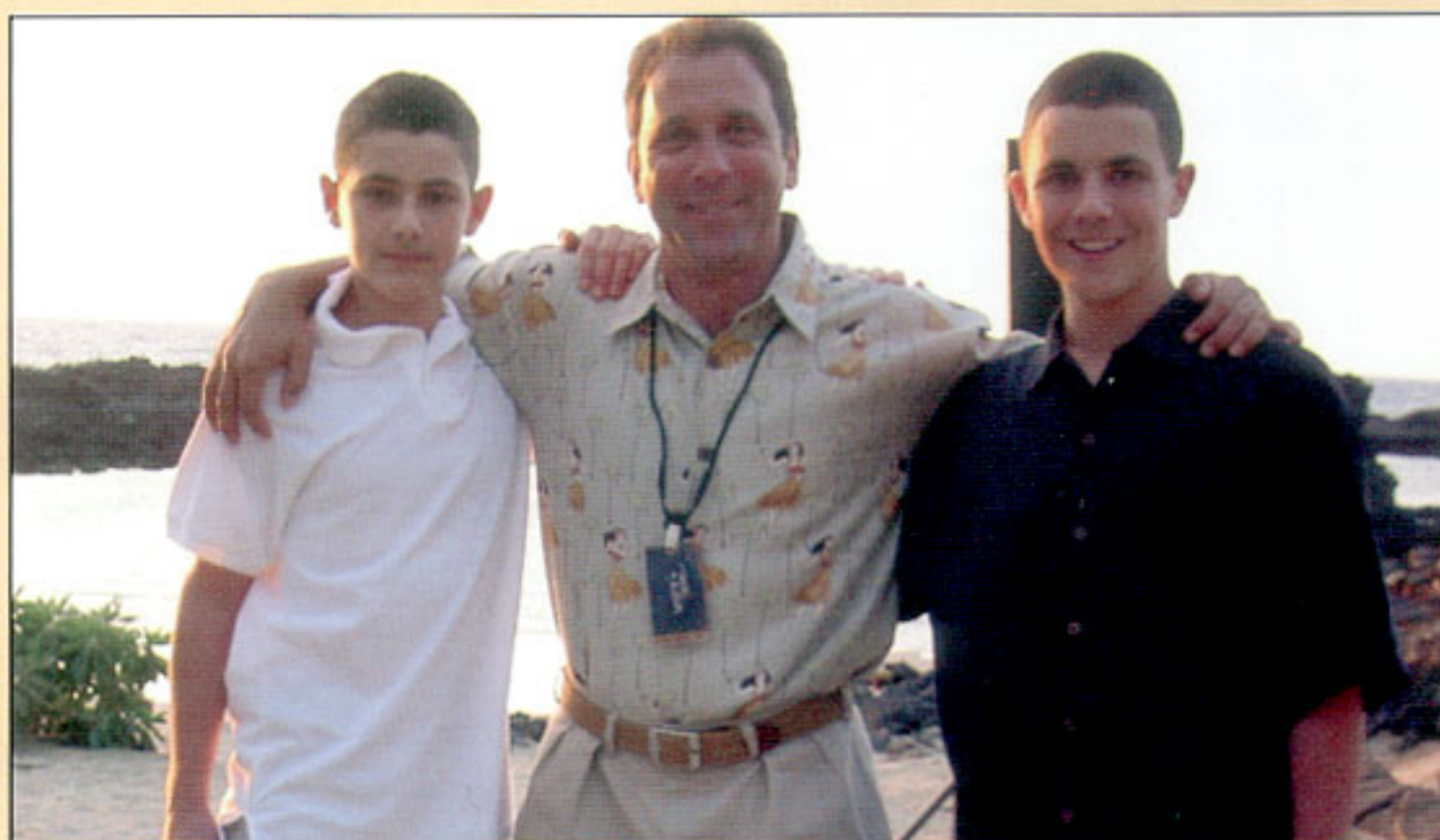
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THE PUBLISHER'S PAGE

After his first year, Meldman decided to switch over to Cushman and Wakefield, a larger, established real estate firm. "The market got soft," said Meldman, "so I went out and started buying land on my own. This experience taught me how to identify strategic acquisition opportunities, create appealing and feasible master plans for a piece of property, and then breathe life into a new project with first-class execution."

We met in the conference room of his San Francisco office where he sat comfortably dressed in sandals, blue jeans, and an open-collared cotton shirt.

He's an athletic and handsome guy. He tends to be quiet, easy going, and is a devoted father to his two sons; Hunter, 15, and Will, 12. Conversely, he has little patience, comes quickly to the point, and will not waste time. Meldman is the epitome of self-made wealth and self-made confidence.



Mike Meldman's two sons; Will, 12 (left), and Hunter, 15, enjoy sports together by big game fishing, surfing, spearfishing, and scuba diving in Hawaii; and water skiing, wilderness camping, fly-fishing, and snowboarding in Montana.

NEARLY BROKE, HERE'S HOW HE DID IT

I was curious how a young man, in his late 20s and nearly broke, could start buying up ranches and optioning properties. "How," I asked, "were you able to do it? Did you inherit a fortune and use it as a stake?"

"No," replied Meldman, "I syndicated the property with friends and credible businessmen. Then, in the late '80s and early '90s, I hooked up with an aggressive investment firm based in San Francisco."

Early on, Meldman and his partners learned some valuable lessons about entitlements. "The thing I learned about the entitlement business is not to be in it," said Meldman.

He speaks from experience. In 1986, he and some partners bought a 300-acre parcel of land in Portola Valley, California, zoned for only 39 lots. It took them 12 years to process the

subdivision before he could sell any of those lots. Meldman laughs, "That deal was a good lesson for me on the franchise value of entitlements. The key is finding entitled property in need of capital and development expertise and then creating a development concept within the entitlements."

I asked Meldman if this was the key to his first success.

"Yes, I have stuck to these principles ever since. It paved the way for my first private golf club community project." Estancia, which is close to his hometown in Scottsdale, Arizona, was built a decade ago. According to Meldman, the original landholders had the property entitled but with a much different, higher density conceptual plan. Meldman was able to rework the plan, decreasing the density and finding financial partners to back the deal. "Although we had fewer units to sell, the concept worked because people recognized

principles, catapulted Discovery Land Company to a major player in high-end golf communities.

"Traditionally," said Meldman, "members have viewed their golf club as a place to escape *from* their families. Our communities are designed as places to escape *with* your family."

"What do you mean by that?"

"I am particularly proud of our

Will, have been spending summers at Iron horse and have learned to fly fish, tie their own flies, have conquered Whitefish Lake as expert wakeboarders, and carved through the powder of Big Mountain on snowboards. At Kukio, they have become accomplished scuba divers, spearfishermen, surfers, and can paddle through waves in a canoe."

On the success of Estancia,

"I am particularly proud of our signature Outdoor Pursuits program. It is a huge part of the club in all of the projects."

—MIKE MELDMAN



"Traditionally, members have viewed their golf club as a place to escape from their families. Our communities are designed to escape with your family."

—MIKE MELDMAN



Meldman and Discovery Land Company have applied a philosophy of championship caliber golf, a member-friendly club structure, world-class cuisine, state-of-the-art fitness and spa amenities, gated secured communities with high-end member service to all of their projects across the United States.

Meldman credits much of his success to his three key partners at Discovery; Joey Arenson for acquisitions and legal matters, Sky Joyner for financial management, and Ed Divita for construction management.

IT'S HARD TO PLAY FAVORITES

Meldman's projects are very high-end, high quality golf communities. I've selected the cream of his crop and list them for you on page 19. My favorite is Kukio, a 670-acre beach club with two courses designed by Tom Fazio. The first course is completed and the second will open in the fall of this year. It is the only

value in the low density concept that better suited the remarkable character of the land, and paid premiums for an exclusive, high-end private golf club experience that wasn't diluted with too many members."

HE GOES OUT ON HIS OWN

Meldman started Discovery Land Company in 1997. His sharp personal instincts fueled by his Jeffersonian

signature Outdoor Pursuits program," he replied. "It is a huge part of the club in all of the projects, although each program has its own twist. At Iron Horse in Montana, we can make you a mountain man. At Kukio Beach Club, we can help you enjoy the ocean as if you had lived in Hawaii your entire life.

"My own family is a perfect example of Outdoor Pursuits in action. My two sons, Hunter and

Fazio golf course on the Big Island and in the entire state of Hawaii. And, by the way Meldman gets excited discussing Kukio, extols the amenities and the sheer beauty of the landscape, it sounds to me like Kukio is his crown jewel.

THE IMPORTANCE OF THE FAMILY

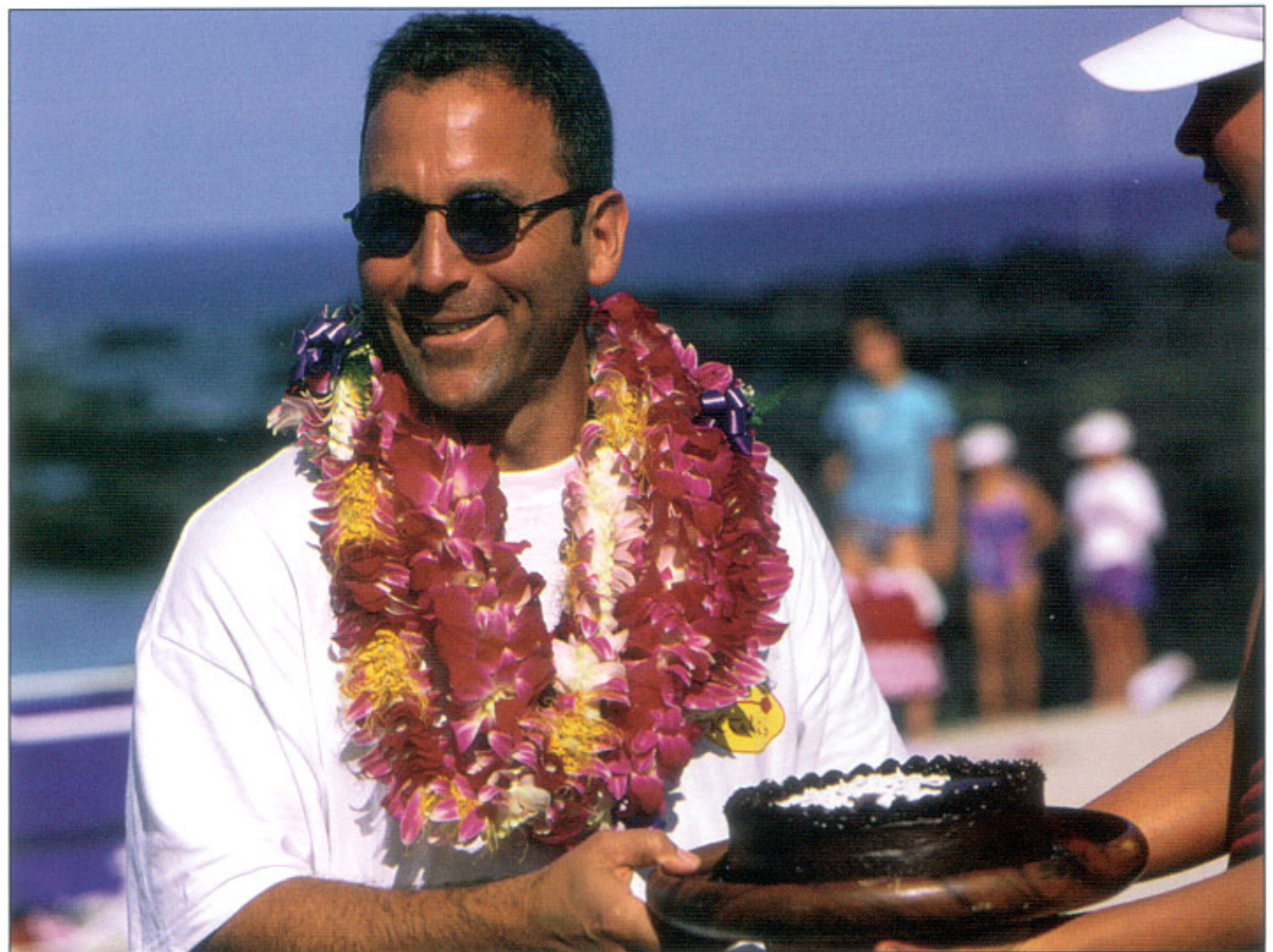
"Kukio is exactly what I am trying to achieve at all our clubs," explained Meldman. "It is all about family experiences."

According to Meldman, the events of 9/11 have altered people's perspective on how they view their second home. "It has become more than just a real estate investment," said Meldman. "People now look at their second home as an investment and as a reward to themselves for a lifetime of hard work and an investment in their family." Meldman believes that buyers in his communities view these investments as "heirloom" or "generational" investments, ones that they will enjoy with their families for years to come.

"Great private golf is the core, but Discovery communities go beyond that. All of our projects have phenomenal golf—but the member service, high-quality fitness, world-class cuisine, spa amenities, pools, tennis, and Outdoor Pursuits are the key components to involving the entire family," explained Meldman.

"One last question," I promised Meldman after an interview of almost 90 minutes, "Is there a developer or a person in the industry you admire or someone you look up to? Possibly even a mentor?"

Meldman is gracious when it comes to his success and gives credit to many of the strategic partners he has developed along the way. For instance, Tom Fazio, one of the country's foremost golf course architects, has designed the majority of the golf courses in Meldman's portfolio.



(Above) Mike Meldman celebrates the groundbreaking event earlier this year at his Kukio Beach Club on the Big Island of Hawaii. (Left) Meldman with golf course architect, Tom Fazio, who designed Mirabel, Estancia, Vaquero, and Iron Horse.

"Tom and I share similar attitudes toward investing in quality," replied Meldman, "and the quality and character of his courses are a perfect match for Discovery's projects."

Likewise, Meldman has had loyal financial partners, such as Westbrook Partners and Nationwide Realty Investors, who have believed in his vision and supported his high-end concept.

Meldman's growth in developing high-end, high quality golf communities is fascinating. At 44, he's still a youngster in the industry, having started in California and expanded to Arizona, Montana, Texas, and

Hawaii. And, he does not plan to stop there. "I think there is an opportunity for one of our projects in a great number of major markets in the United States," says Meldman.

We'll keep you posted. ♦

For more information about Mike Meldman and the Discovery Land Company communities, please write to Discovery Land Company, 100 California Street, Suite 700, San Francisco, California 94111; or fax (415) 276-1991; or visit www.discoverylandco.com; or you may phone (415) 676-5800.

You may email Edward Pazdur at: edward@executivegolfermagazine.com.

SOME CURRENT DISCOVERY LAND COMPANY PROJECTS



Kukio

Kukio Beach Club, located at Kohala Kona, Big Island of Hawaii, is a 670-acre golf community with 250 homesites. The Beach Club will include a full-service restaurant, bars, a spa, and a library.



Mirabel

Mirabel Golf Club, in Scottsdale, Arizona, is a 713-acre golf course development with 350 homesites. The desert lodge-styled clubhouse will provide a swimming facility, tennis, and dining.



CordeValle

CordeValle Golf Club is a 1,700-acre development in Silicon Valley, California, featuring a luxurious Auberge Resort hotel and spa with board rooms, banquet facilities, a clubhouse, and a vineyard.



Vaquero

Vaquero is located in Westlake, Texas, near Dallas, on 520 acres with 330 homesites. The property includes an 18-hole course and a 28,000-square-foot clubhouse featuring Texas Hill Country themes.



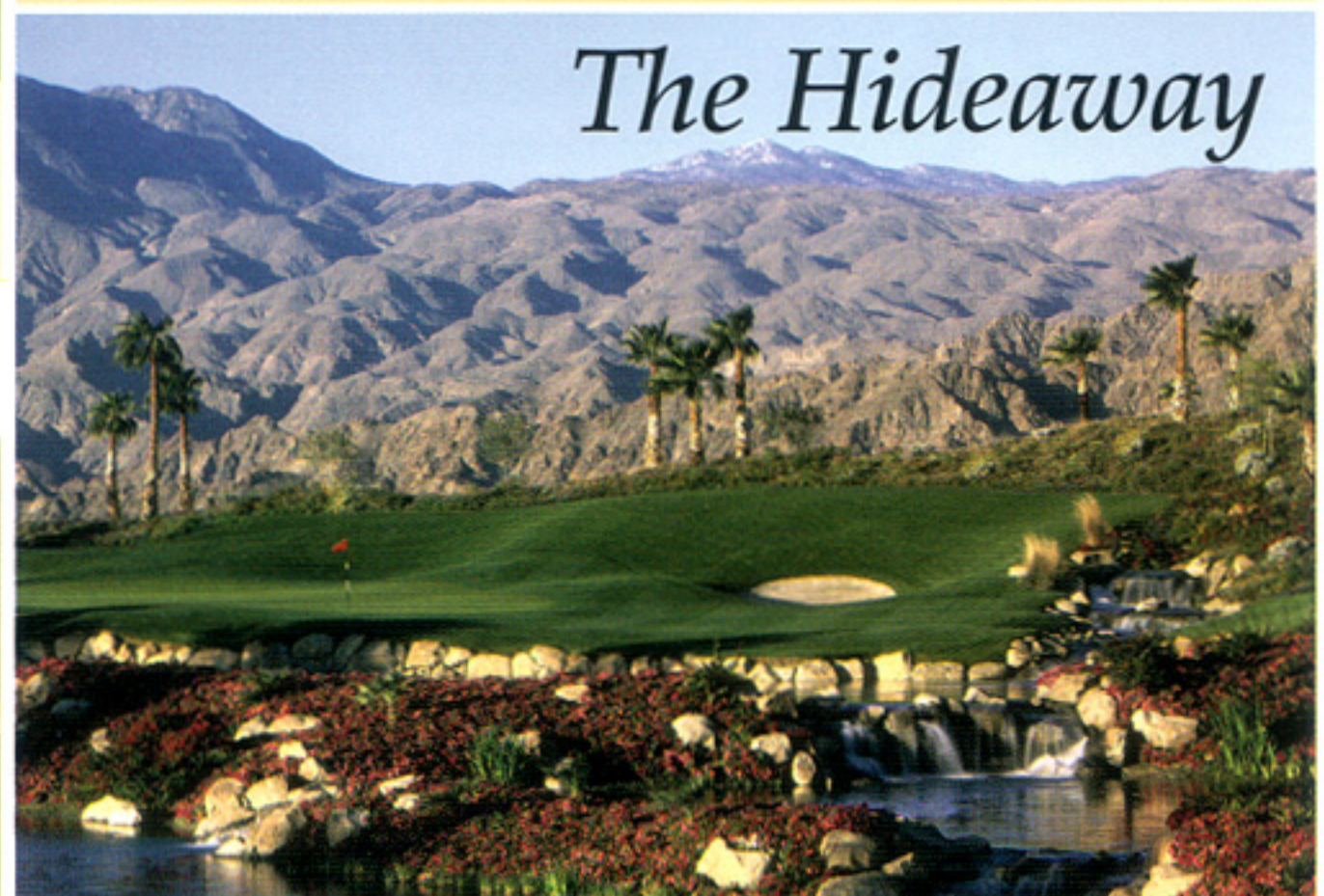
Estancia

Meldman's first project: The Estancia Club, on 620 acres, is located in Scottsdale, Arizona, with 315 homesites. The 33,000-square-foot clubhouse has a Tuscany theme.



Iron Horse

Iron Horse Golf Club, in Whitefish, Montana, is an 820-acre community with 310 homesites. The clubhouse is styled after the great lodges in Glacier National Park.



The Hideaway

The Hideaway, a community in La Quinta, California, will provide 36 holes of golf and a Spanish Revival-style clubhouse, the epicenter of social and recreational activities.