

2007 Annual Letter -- March 5, 2008

We all know that time speeds up as we get older, yet 2007 simply exploded past most of us. For Catherine and me, it was accelerated by the total impact of travel (planning, packing, actual travel, and recovery-physical, at home and the office) and two building projects, both of which finally were completed by year's end. There was also sadness from the unexpected passing of a very good friend of many years and a weekend pause for a 40th year college reunion that touched our souls. These events, rather than the shrill headlines and ultimate unimportance of political maneuvering and posturing at the national level, absorbed my attention this last solar round trip.

In January, we went to Breckenridge, Colorado, as ski house guests of a good friend, Linda Graebner, a very talented and recently retired executive, who has an exceptional vacation home above 10,000 feet. The skiing was grand for all except Catherine, who really had a problem with the altitude and has decided to retire from alpine skiing and spend equal time at a new sport she is far better at: SCUBA diving.

In February, we flew to the Bahama Islands (first time for both of us) and for a week lived aboard a 65' motor yacht (the Never Better) owned by another woman executive retiree, Dot Wade, the senior sister of my long time real estate partner in San Antonio, Dick Wade. The Bahamas are really a giant playground if you have an adequate boat, and Dot has that in spades. However, we also saw quite a few yachts (two dozen, perhaps) of four times the size or more; Dot has a professional crew of two, but these awesome vessels require at least 20 or more crew and are far larger than Coast Guard cutters. Yachting can be conspicuous consumption in the extreme, and we were cheek to jowl with people into serious spending. At Sampson Cay, however, Catherine and I thought we would relax by going snorkeling in the shallow harbor and then near a vacant fish cleaning station; suddenly we were surrounded by two dozen 5'-6' nurse sharks, who didn't care how much money we had but were still quite curious about us. It became a cardiovascular workout in a hurry as we backpedaled slowly out of the area.

Even on yachts, staying in touch by email is possible especially when you are berthed at a modern marina, and on February 10th I received a note from Tom Kingsbury, a good friend since teenage. Since Tom and I had gone sailing together in 1995 in the British Virgin Islands, I thought his timing was especially propitious. We had attended high school and played football together in Rochester, MN, home of the famed Mayo Clinic; like mine, his dad was not a medical doctor but had been the chief business officer of the Clinic. In recent years, Tom and I spoke frequently on the phone as he was also an investor/Director of mine in Silkbush, our South African vineyard that he had visited six years earlier. We were both excited about the potential for selling its wine in the US in future years, and that we had started the construction of a two bedroom/two bath guest cottage for visitors. I had known Tom (a few months younger than I) had not been feeling 100% since summer of 2006, and his daughter and I were on his back to go to the Mayo Clinic for a check out. Well, the email from Tom informed us that the Clinic had just concluded he had inoperable pancreatic cancer, invariably a short term death sentence. Tom and his wonderful companion of the last several years, Jacque Potter, together fought the good fight but we lost him on August 30th. (Rats, to use Tom's strongest expression. I really miss my pal.)

I had decided almost immediately that we would name our new vineyard house the Kingsbury Cottage, but did not have the photos until early August to show him a beautiful, near completion, home. By then, Tom was weak and having a hard time speaking, but he told me he was truly honored by knowing his

name would live on at the farm he had come to love. Tom Kingsbury was a consummate gentleman, who reminded me of my wonderful father who I lost two years ago. I miss them both a lot, but the loss of a contemporary, who always was fit, didn't smoke and drank sparingly, is especially disconcerting. Accidents and war's casualties take the youth but we seldom are ready for fatal diseases striking those younger than you. Another of life's cruel lessons to learn.

While I have taken to sprinkling my annual letter with personal photos, this time I am also including the link to the Kingsbury Cottage/Manor house section of the Silkbusch website, where there are six pictures. (See: www.silkbush.net/estate) While you are there, you may enjoy browsing our African photo galleries, too. We have over 650 photos, with accompanying text, a number of maps, and a section entitled: **Planning a trip to South Africa?** We have received numerous compliments about the attractive site, including its usefulness for those thinking about a vacation to the Dark Continent.





While all since the first of my 22 trips to South Africa have been inherently “business trips,” every time Catherine is able to accompany me, we tack on a week or more of vacation, too. This last trip included two weeks of vacation, since she had never been on the Garden Route to the Eastern Cape, and it had been almost seven years since I had been in that direction. We spent almost a week driving to and enjoying the scenery and people of an area very much like the wilder parts of the Pacific Coast of California and up toward Oregon. (For those with the time/interest, Silkbrush Photo Gallery 5 has 69 pictures, and over 80% were from our 2007 jaunt. (See: www.silkbrush.net/gallery/thumbs.php?gallery=galleryfive)

Our journey also included a visit of the Addo Elephant Park, a national park less than two hours north of coastal Port Elizabeth (PE). Addo is set up for “drive-yourself” tours for game viewing, and while we had been to much more remote (and expensive) game parks in Botswana and elsewhere in East Africa, this was nonetheless lots of fun. So if one doesn’t have the time/ budget for Kruger Park or the Ngorongoro Crater of Tanzania, Addo just might work for a day or two.

Vacationing in Africa often requires one to be flexible and creative, and we did have to roll with the punches for this trip. About six months earlier, Catherine and I had decided our last week was going to be spent in Mozambique, at an Indian Ocean resort where we could become certified SCUBA divers. To prepare ourselves, we took a two-day course of classroom/pool instructions in San Rafael at a dive center, and then passed written tests to get our “Open Water Referrals.” Most of the other students were less than half our ages, but no matter, we were ready for the coral reefs of Africa... we thought.

About two weeks before leaving on the trip, an email arrived from Cecielia Grant, our travel agent in Pretoria, informing us a major storm had wiped out the Bazaruto island resort for the season. So back to the Internet drawing board, where we picked out a live-aboard dive boat tour based in Mombasa (Kenya). Since we had been just southeast of there (on Zanzibar) two years earlier, this sounded good,

although it meant an additional 12 hours of travel each way from South Africa, almost to the equator. So this became Plan B, and we fully prepaid the trip before we left the States.

Flash forward to our third week in Africa, roaming around on the Wild Coast and picking up the odd email and cell phone message, when we learned the dive boat's main engine had conked out and we needed to come up with Plan C! Actually, we settled on Plan C-1, where we flew from PE, to Jo'berg, to Nairobi, to Zanzibar, to the island of Pemba, and then about an hour's drive on the only paved road on Pemba to the Manta Reef Resort. (*You really have to want to get there.* On top of travel that took almost 24 hours, this was the last week of the season the resort would be open; a couple of months of very rainy weather starts about mid-April every year! The storms were coming.)

When we arrived we learned that virtually all the other guests at the Manta Reef were highly experienced SCUBA divers with anywhere from 100 to 1,000 ocean dives under their belts. (Our instructors did not tell us until several days later they had been very concerned when a "middle aged" couple showed up from CA with no ocean diving experience whatsoever!) Not to worry, however, as after a few training dives during which we did not drown, we were cleared to go to the deep reef diving areas with the "big kids." There are significant underwater currents along the reefs, and therefore most of the diving for us was done at a depth of some 60 feet, scooting along at 3-5 knots and looking at beautiful coral reefs and abundant marine life. This is called "drift diving," and considered an advanced SCUBA activity! Having never dived in the ocean before, it seemed perfectly normal to us. However, I was the least efficient in controlling my air supply, usually staying down for about 40 minutes, whereas Catherine and the real pros were good for close to an hour. (Good for her!)

By the way, we accomplished 16 dives and received our PADI cards which now allow us to rent gear and compressed air, throughout the world and try not to kill ourselves. We did not take a lot of photos at the dive resort, as we were usually in very primitive boats (dhows) or underwater; however, the last fifteen photos on SILKBUSH Gallery 9 are from our great Pemba adventure. This includes a couple of shots from the air of beautiful Mt. Kilimanjaro, and its rapidly melting glacier cap; Hemingway's famous **Snows of ...** may soon really be an anachronism.



When we returned to bucolic Kenwood, in the heart of Sonoma's wine country where Catherine has lived for 27 years and raised two fine young adults (Casey and Jessica), our new barn was really taking shape. At least the building looked like a barn, as the photos below show, but it really is a three car garage, half bath, office, and small winery on the first floor, and an 840 sf (Sonoma County limit) guest unit and a 400+ sf covered deck on the second level. Most of the exposed wood is "timber frame" construction, formed by massive wood trusses held by mortise and tenon joints, and hickory pegs. Few have used these traditional building techniques in the last fifty years in more urbanized California; the local planning department was stunned. The end product, however, has been described as a "work of art" by quite a few and we are very pleased.





Ever since the great grape crop of 2005, Catherine and our painting contractor pal, Gary Doty, have been home wine makers. Therefore, we included a loading dock on the south side of the barn and a large barrel maturation room at the rear. Our barn contractor was a couple months late in delivering the finished structure, but grapes don't wait, so we rigged up a temporary blue plastic sun shade and the crush and fermentation began. While most amateur winemakers are pleased to do 10 gallons or so, we are typically doing 600 gallons (10 barrels) or more! Sometimes the grapes are free, sometimes we have to give a third of the wine to the vineyard owners, and the bottling crew is always paid in wine, too; it's a pretty big undertaking to produce 250 twelve bottle cases but the end product is quite nice and considerably less expensive than the liquor store. On a lark, Catherine entered their first efforts, the '05 Syrah and '05 Bordeaux blend (44% Cabernet, 38% Merlot, 18% Cab Franc) in the Orange County Amateur Wine Competition, just for fun. We were all astounded that they took, respectively, Silver and Gold Medals!



Even more pleasing is another work of art, my 93 year old mother, Jean Adams Jefferson, who just keeps rolling along. She decided to move into an assisted living complex after Dad passed away two years ago, and it has just worked out so well for her. She goes to Physical Fitness every morning, they have all sorts of other planned activities, and of course she does not have to cook meals unless she chooses. She is spry, mentally keen, and in good spirits; she misses Dad as we all do, but her presence and well being are a joy to all. We suspect she could be the unelected Mayor of The Wellington, as she has the energy and friendliness of people a third her age. Go, Mom!

My MBA grad school class held its 40th (gasp) Reunion at Stanford in October, a fun event capped off by a luncheon at our White Oak Winery in the Alexander Valley. Our wines were featured and drew more fans, but the real highlight of the event was listening to Paul Bucha speak. I had asked Paul and (former) ten year Congressman Jim Kolbe to co-anchor a program on Non Traditional careers. Jim gave a very good talk about his life in Arizona and then national politics, but Paul, as we expected, stole the show. "Bud" Bucha had been an All American swimmer at West Point before coming to the GSB; his summer job between the two years had been 91 days of Ranger (Green Beret) and Airborne (Paratrooper) training. But the event Capt. Bucha became famous for was the result of a two-day engagement shortly after the 1968 Vietnam Tet offensive for which he later received the Congressional Medal of Honor. (For much of the saga about a truly remarkable man, who then spent years working overseas for Ross Perot, who had personally sought him out, included Bud's getting incarcerated and endangered EDS coworkers out of revolutionary Iran in 1979, check out a riveting 88 minute video at <http://www.pritzkermilitarylibrary.org/playPublicVideo.do?videoID=143&encodeType=rm>.)

Although it started that way, the rest of Paul's adult life has not been that of a theatric, career military guy/war hero, but a truly compassionate and brilliant man, who accomplishes amazing things. Paul had kept most of his men alive in Vietnam by being unconventional and has subsequently lead a life characterized by honor and devotion to duty. He had flown out from the East Coast the day earlier, spoke inspirationally to old friends for part of an hour, and we naturally anticipated he would be with us

for the big dinner get-together that evening. Sorry, he told me privately, but he had to fly to Dallas immediately that Saturday afternoon for another event that General Colin Powell had made him promise he would attend. I am exceedingly proud to have known Paul for over 40 years ago and to call him a friend. There's no better leader or a better American.

As 2007 drew to a close, it slowly dawned on me that this was my 65th year on earth, traditionally the time for retirement for most in the US workforce. While I am not contemplating retirement soon, I am fully aware many friends and peers have already "hung 'em up." So perhaps my recent birthday (Feb. 11th) should have had some significance to me and others around me... but I doubt it.

Having selected the "self employment," or the entrepreneurial life, some 35 years ago, where one makes up their own rules about things like hours, aspirations, and (implicitly) retirement, nobody is putting me out to pasture. The independent streak in me celebrates that for a moment, but the more contemplative mind muses, "maybe someone should?" (Sort of like the old saying that having a heart attack is nature's way of saying, Slow Down!)

Questioning my behavior further, I wonder a bit if not sheer momentum and ego is keeping me going, instead of rational thought and behavior. But realizing that not only I but also those who have been my business partners some 21-29 years must all significantly change our *modus operandi* this year, the excitement of what lies ahead of us fires me up immensely. Will we be able to pull this off? Why not? Let's give it a go, and other little rah-rah emotional lines capture what I am asking that the five of us do by 2009. It may not be Real Retirement but it is as close as I am going to come for some years ahead.

Here is my Two-Year Plan, subject to revisions:

1. Later this year, I will move much of my San Rafael office to a small office in my new Barn in Kenwood. I'll then be up there four days a week, spending Wednesday in San Rafael with my three business partners, and Lincoln Strong, a recent college grad who we have hired full time. (I'll be spending two nights a week in Mill Valley.).
2. By early 2009, we will close the San Rafael office completely, and start working out of our homes and the barn. Every 15 days (coincident with payday), we will have a management meeting in Kenwood. Lincoln may office with me a majority of the time but will work closely with the other partners, too
3. By spring 2009, I will be in Kenwood almost 100% of the time, as by then our new 4,000 sq. ft. home should be under construction.
4. By late fall 2009, the new house should be complete, and it will be about time to sell my home of 35 years in Mill Valley. (I certainly hope the Marin residential real estate market is strong by then!)

The upshot of this is my company, my location, and my life is going to change substantially over the next year or two. So while I am way too busy to even think about retirement, all these steps are necessary so I could truly retire not too many years thereafter if the notion appealed to me.

If running a small business was not sufficiently consuming in itself, building houses is very demanding. No matter how detailed the plans and contracts are, there are small decisions every day and usually a big decision every week or two. These things can't be shrugged off without potentially disastrous results, so one has to stay in the game constantly. Net result: many other personal items will fall in the

cracks, like family birthdays, extemporaneous holidays, and political considerations.

At the moment, I am not emotionally involved whatsoever in who gets elected President this fall, just despairing of the choices offered. That understood, it would not be a Jefferson Annual Letter without some political diatribe, would it? Politically I have been calling myself a "Non-Democrat" for some time. The leading Democratic candidates are very bright, articulate, and not qualified to lead a parade, much less our country. (However, I am enjoying the Wronged Woman fight it out with the Minority Man, with the Handsome Trial Attorney having been largely ignored. Fascinating theater.) The Republican sideshow featured the Wealthy Mormon, the Philandering Mayor, a Southern Preacher, the Ex POW Senator, the Law & Order DA and a Libertarian. How about that for Republican Reality TV, all competing to get stomped next fall by the Other Guy (or Gal) because of an elective Middle Eastern War and lousy economy! Amazing when you get an incompetent like Dubya in a job so demanding that Nobody Alive can do it, and only because the Dems always send up someone even more incompetent. (At least George II stays physically fitter than 95% of the rest of us 'Mericans, making him a role model for some.) Frankly, I am willing to vote for a woman, a Black, an attorney, a Mormon, a Christian, a movie star or a Senior Citizen, but I certainly am not going to vote for anybody because they sport one of those labels. It's almost like we are reverting to Tribalism in the US. This is just nuts.

It is sad that the Republicans cannot sell the seriousness of the situation we find ourselves in: the Chinese/Japanese can now afford to bid up the price of oil to extreme levels, using the Dollars we swapped them for everything else we need or want cheap. So the standard of living for most in the US will continue to decline gradually, as the dolts watch TV, don't do their homework, and get their butts kicked by the smart, hard working Yellow Peril and Los Mojados (Mexican slang for "the wetbacks," our very important but controversial undocumented work force). There is still a minority of younger Americans doing great work, but the Majority is Environmental Toast. Pity. We have Clean Air, Clean Water, Clean beaches and vistas, but we are getting our clocks cleaned, to boot.

The rabid socialists control the Left wing and the Evangelicals run the Right wing and both hate each other. Yet both groups think they are better qualified than the other to negotiate a more peaceful world with Arabs, Persians, and North Koreans. Who is kidding whom?

In my opinion, we have two irreconcilable domestic groupings: the Urbans (the Democrats) and the Rurals (the Republicans) who lead radically different lives. If a stranger's car blocks your driveway in San Francisco, you anonymously call the cops to get it removed, and the stranger is infuriated; however, if a stranger is in your driveway in Montana or Arizona, they usually need your help. (Of course, if it's a Unibomber, you just shoot him and call the cops later.) So, it's quite easy to understand the Big Government vs. Little Government orientation based on day-to-day living experiences. Accordingly, the Independents, the Suburb dwellers like me, will be stuck making a choice between two smiling, lying, lunatic egomaniacs, each of whom want the impossible job in which you are guaranteed to fail.

Of course, the real tragedy is that of illegal Hispanic immigration: they pick my grapes, cook my food in most restaurants, repair my cars, remodel my house, but legally can't vote. Chase out this hard working 4% of the US population (and likely 10% of the true workforce) and we'll have a Great Depression Rerun; open the borders wider and we'll have "informal settlements" in every park in the US and quickly bankrupt our social service programs. There are no good solutions available but lots of political posturing. I just keep working on expanding my high school Spanish vocabulary, and thankful that *ahora, yo soy el patron viejo*. (I'm planning on getting the best service in the Old Real Estate Investors home, *amigos*.)

In closing, I believe Iraq was a major tragedy before we got there and continues as just a lesser one, unfortunately now with our money and blood, and undue world-wide blame. Whether our five-year intervention will have any positive effect may not be determined for a generation or more, but it looks now like the Other Guys will get a chance to mismanage the US Ship of State for a while. That is until the day the Arabs dictate that only practicing Muslims are authorized to buy their oil; how will liberal Democratic women react to that?

Growing grapes and selling wine is a walk in the park compared to international politics. See you all sometime soon, hopefully in wonderful Sonoma County. Please drink very responsibly a lot of under priced White Oak wine. A bottle a week is all we ask ...

All the best ~

Dave Jefferson