

December 22, 2008

Hello, everyone! Well, this was a pretty strange year, wasn't it? The news was clearly dominated by strident national politics and catastrophic international financial results, so it seems that virtually all philosophical remarks on those subjects have been more than adequately addressed by others. Yes, I must sit out this season of year-end commentary, and will wait to see how the new team in Washington fares next year, now that the old one evidently is forced to nationalize every major industry in sight. It will be interesting to see how one US national bank, one insurance company, and one auto producer, perform in the years to come; perhaps about as well as one US Postal Service ... (I just can't recall any course in our graduate business school training years ago entitled "Too Big to Fail;" But I'm sure our small business unfortunately falls into the "Too Small to Matter" category.)

A parting aside: since the country needs so much money for all these corporate bailouts, one wonders if the equivalent of a political bake sale might not be timely for filling the three senatorial seats that vacate in January, assuming Hillary is confirmed. Why not auction them off of EBay, with the proceeds going to the Treasury or Federal Reserve? Instead of the two parties and three states spending millions on special elections or bribes, let's have as Senators people who paid for their positions, fair and square. (It would be interesting to see exactly what the position goes for in an open market and who really wants it.) If, as some believe, President-Elect Obama was the new Manchurian Candidate, then who are the new Manchurians and where are they hiding this time around? Certainly he is a telegenic anchorman and racial diversity's dream child that Hollywood could not have conceived in their wildest brainstorm. (Or did they?) Now with Hillary as Secretary of State, and Bill (Jefferson) Clinton as the National Loose Canon, the D.C. Liberal Theater's curtain is rising. Just charge your tickets, take your seats, and watch the show.

Returning to my daily reality on the Left Coast, by the time our fall grape harvest was about to start, it dawned I might have little to write about with the rich subjects of politics and economics off my plate. Yikes! As the Annual Author pressure increased, I wondered how to entertain my loyal readership. Had much (if anything) occurred in our lives that anyone else would care

about? Yet knowing Catherine and I had traveled a fair amount this year, and at the risk of overdoing the Summer Vacation theme, perhaps that would be where my journal would start, and we would just see where the 2008 story lead.

For the first time in close to eight years, I went to South Africa twice in the same year, in March and then again in September. The March harvest trip was first to see what sort of two bedroom/two bath house Anton and Franci had built for us on the vineyard, and, secondly, to commence a selection process for a winery designer. The new Kingsbury Cottage, as you can see by visiting www.silkbush.net/estate/kingsbury.php, is lovely and very comfortable. While it was constructed chiefly for the benefit of our partners in this somewhat romantic endeavor of growing wine grapes on the other side of the world, it is also being rented out to anyone who wants to spend a few days "on a wine farm," as they are called in this fascinating country. Everyone who has stayed there this year has been quite impressed, especially by the stunning sunrises over the cliffs behind us, the daily operations below of an operating vineyard, and the constantly changing Western sunsets across the Breerivier (Broad River) Valley and onto another mountain chain.

The "winery designer" selection effort was a leap of faith, as our application to build a large winery on the vineyard was commenced in 2006, the permit was supposed to have been issued by late 2007, and we still had no approval! There was nothing controversial about our proposed project, and we had done the required Environmental Assessment, much as if we had proposed the same project in California. But the months ticked by, and we had nothing back from the national bureaucracies that control these things. And then after a year in the queue, somebody decided we had to resubmit the entire package or incur the wrath of some key functionary; we were unsure if we had to file a lawsuit, bribe a politician, shoot a bureaucrat or organize a demonstration of workers who would be employed in such a project. We felt we were pushing on a string.

Six months later, in late September, I returned to the Beloved Country to interview more candidate designers, telling each we still had no idea if and when we would get a governmental Green Light. A couple of guys told me that other vineyard owners had simply started construction of wineries without approvals on the faith

that the bureaucrats would ultimately rubber stamp things later. This did not sound like a course we could pursue under any circumstance; there is a big difference between aggressive and foolhardy. Anyway, we chose a designer with lots of experience and top references, and told him just to wait. By the time Catherine and I had returned in early October, we still had no answers.

Nevertheless, she had finally been able to stay in the new dwelling, something very important to her, despite the very chilly and wet days we experienced. The Western Cape was experiencing their longest and coldest winter in many decades, and our sandals, shorts and swim suits never made it out of the luggage. ("Ag, shame!" as they say down there in these situations. Afrikaners can be so appropriately succinct and colorful.)

The other major reason for the second trip was to attend the big, international wine show that WOSA (Wines of South Africa) sponsors every two years in Cape Town. The three prior shows I attended (2002-2006) had always followed the close of harvest, usually in early April, so just one long trip worked quite efficiently heretofore. Since I seem to have met about 50% of the Movers/Shakers in the industry down there, and since they are all in one large hall for three days, it is a great way for the *uitlander* (foreigner) to stay in touch with the local wine Big Shots. There are also excellent presentations that are very informative, and a chance to taste a lot of the newest wines from the Cape. Whew, has the quality of the South African wine improved over the last 8-10 years! The absolute amount of wine being produced has not increased significantly, but an extensive investment in vineyard replantings and new winery technology is paying off. Most South African wine up to the Nineties had been characterized as "cheap and cheerful," but now the majority is rightfully World Class, especially at prices above US \$10/bottle.

And thank goodness South Africa has made this effort, of which we as well are a small but important part, because so many other wine producing regions of the world have been improving their games, too. In fact, we were face to face with the noble opposition on this trip because we started out by spending the first two weeks in the winelands of Argentina and Chile. This little jaunt had been on my backburner since 1990; then friends from San Antonio (Dick Wade and Vesta Brue) and I had spent several days in Buenos Aires (BsAs),

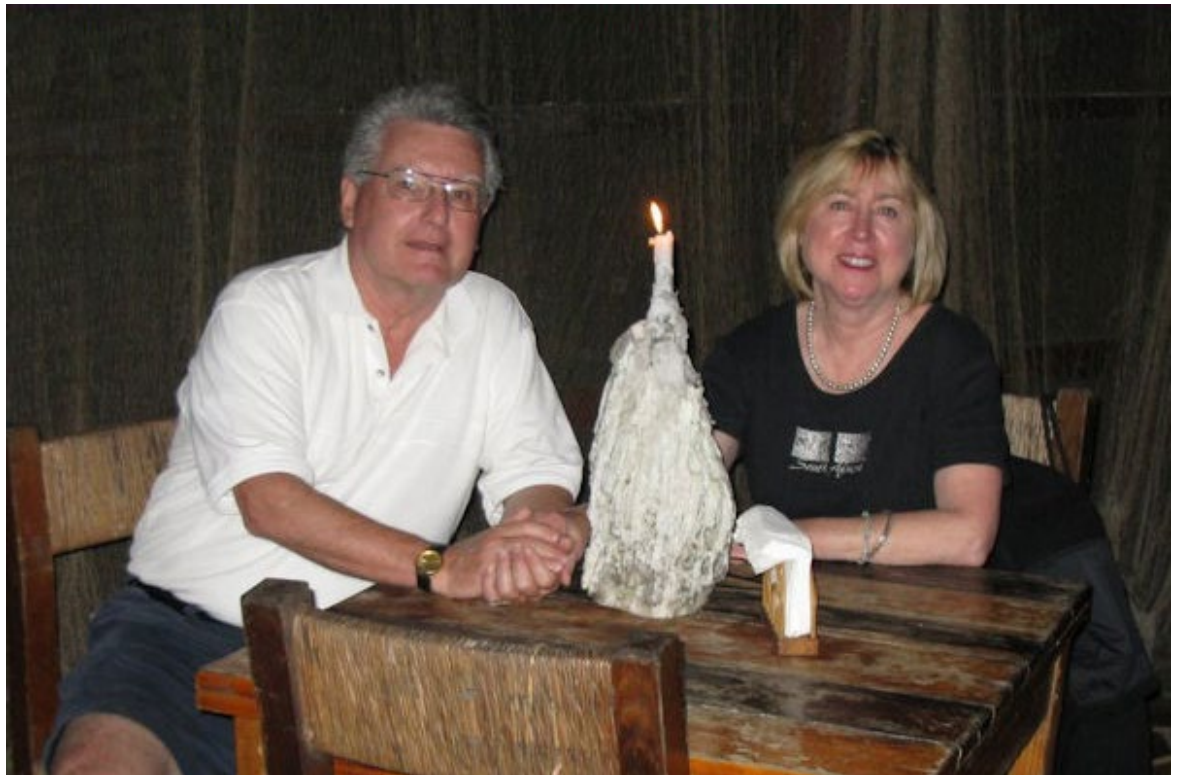
benefiting from the assistance and friendship of a long-standing local chum, Sam Summers, also Stanford GSB '67. So when another pal, Linn Larsen, Tacoma, WA, started agitating about perhaps his buying vineyard land near Mendoza, Argentina, we tentatively planned on a joint "due diligence" for September 2008. Early this year I started my homework on the better Argentine wineries, contacted about a dozen via email, and we had cordial invitations to visit about 75% of them.

For those unfamiliar with Argentina, Mendoza is tucked up against the Andes, about a two hour jet flight from BsAs, but it's only 45 minutes further west to Santiago Chile, on the Pacific Ocean side of the Andes. So, figuring since we would be "in the area," why not check out the wine scene in Chile as well? So we planned the trip closely and then let Linn and Barbara know the dates to join us in Mendoza. As luck would have it, the real estate market and fall school enrollment for their two younger sons took precedence, and our South American travel had to be done without them. In any event, after we returned I decided that we had learned so much about these two interesting countries that I had to capture much of this in a Trip Report. So the now 19 page [!] draft is enshrined at <http://www.burdell.com/dave/Chile-Argentina-Report.htm>, including some spectacular winery photos. If you are thinking about heading far south or just are interested in the people and wine from down there, check it out. The better wines from both countries are spectacular and usually reasonably priced.

While there always are the annual trips to Colorado for skiing, Minnesota for family reunions, and Texas for real estate and fishing, our other "exotic" foray was to the island of Cozumel, 10 miles off shore from the resort city of Cancun that sits on the Yucatan peninsula of Mexico. Most everyone has heard of this place for many years, but we never had the incentive to go until another college chum, Morgan White, and his wife, Joyce Nash, suggested it last summer. They are somewhat more experienced SCUBA divers than we are, and were hot to take us diving with them in November; add in the fact Catherine has a close real estate colleague, Constance, who owns a house in Cozumel, and the next thing we knew we were booked.

Un gran viaje: we just spent a week there, did 11 dives with our private Dive Master and boat, and worked on our practical Spanish. The water is relatively warm year

round, so the coral reefs are spectacular, but Caribbean storm fronts can kick up high winds/waves, and keep you from going out every day. We sat out two days, and probably should have done the same thing on a third; the pounding boat rides back against the wind are brutal. That aside, Catherine and I now have logged close to 30 total dives, one to 110 feet, and feel that while there is much more to learn, we probably can stay relatively safe while the local Lloyd Bridges types show us the fascinating sites below.



Dave & Catherine in Cozumel waiting for the lobster dinner to arrive.

While in Mexico, we got the gratifying email from our local SILKBUSH Mt. Vineyards partner/manager, Anton Roos, that a positive Record of Decision for our winery was finally issued on November 18th, over one year late. Therefore, we will spend much of 2009 coming up with a preliminary winery plan and perhaps be able to start to build it (capital willing) in late 2010, after the Soccer World Cup matches are held in South Africa.

To close out our travelogue, and return to domestic matters, Catherine went back to New Jersey in October to attend her West Morris County High School class 40th Reunion. She was quite anxious about it, as she had not made any of the earlier get-togethers and became nostalgic about visiting old friends and haunts.

While I wasn't with her, I'm sure she was as cute as any of the other 58 year old women, including her fellow baton twirlers in the Class of '68. Wine making in our Kenwood barn with partner Gary Doty just wowed her old friends, especially when she showed up with most of a case of her own Moylan Rouge label, an artistic knockoff of a Toulouse-Lautrec poster. (The last thing she heard were strong offers to run her for Senior Home Coming Queen if she returned with more of her wine the next Reunion. I am sure she is considering it ...)

We also designed and had built a "crush pad" extension to our Barn's loading dock (see photos below) so they have some 18 barrels of wine maturing in the wine cellar. This is a great example of a hobby fully out of control; I may be enabling a couple of practicing alcoholics but I am also proud of their efforts: it is very nice red wine.



Crush pad up close, looking toward tall oaks along Sonoma Creek



New covered crush pad, 36 solar panels on barn roof, and Geib vineyards in adjacent hills

Close to four years ago, I sketched out a floor plan for a new house on our 2 acres in Kenwood (Sonoma County) and Catherine and I tentatively positioned it on the site. Finally, in the spring of 2009, we should get the actual building of it underway. Over the past year, we have spent at least half a day, three weekends out of every four, reviewing the evolving plans with our designer, Rick Rocchetti, and made 5,000 small but significant decisions. (Just 5,000 decisions more to go for the inside.)

Lest I forget, just before Thanksgiving, after many years on the beautiful SF Bay in San Rafael, we moved Burdell Properties to SoNo (Southern Novato), to a creekside setting behind a Shell station and next to a vacant oil changer and a Dollar Tree store. Nevertheless, our new office is quite comfortable, and only a scant 10 miles north. But the move was a nonetheless traumatic event for the five of us, and our longstanding, wonderful Persian-American landlords, Joe and Haidy Shekou. While they had a good replacement tenant lined up, the always classy and warm Shekous were sad we were leaving; we had become good friends over the 20 years together. However, the now negligible commutes for Novatans John Rauck and Lincoln Strong are major untaxed pay

raises which they roundly applauded, and our corporate center of gravity is now properly closer to the Wine Country. As John Lennon sung, "life goes on, ohblahdee, ohblahdah".

I purposefully have left the best for last: the most important and gratifying news of 2008 is Will, Alice, Helen, and I still have our amazing mother who turned 94 in May. Hooray for Mom and all who love her! It is very difficult to convey the joy she brings into the lives of the many who have been blessed to know her. Jean Adams Jefferson is a spry and sharp gal who has seen and recalls so much. Born in 1914, the year the Great War began, Mom remembers the discovery of King Tut's tomb in 1922, when the first biplanes flew into Mankato, Minnesota, and was well into her teenage years before the stock market crashed in 1929. The Great Depression was in full swing when she had her first date with Dad on July 4, 1936. They married in 1940, the year before WWII began. She truly is one of the last survivors of the Greatest Generation that sacrificed so much and to whom we all owe un-repayable debts.

Mom has always loved to read, taught us how before we started kindergarten, and stays well informed to this day. Her opinions are never secrets. But most importantly, she is so kind to and considerate of others, has always possessed a joyful spirit, and is quick to laugh, especially at herself; these are great qualities at any age, but especially for one who has taken the body blows of losing virtually all the family and friends of her generation. Jean has been exceptionally strong emotionally, especially after we all lost Dad on Christmas Eve three years ago. Despite unexpectedly losing her best friend of 69 years, she held the family together during a time when her four grown children were shattered and adrift. We continue to learn from her and she is rightfully revered at The Wellington, the assisted living home she admitted herself to two years. We know she is the unelected Mayor there, without a platform other than the goodness of her heart. Mom, you are Christmas for us all every day and a warm and continuing inspiration. Yes, 2008 was perhaps a year to survive and 2009 will be still more difficult, but when you look at Jean Jefferson, you simply know you can do it and keep a smile on your face. That's all she asks.

My love to you all at this holiday time of year, but especially to our loving mother ~

Dave Jefferson
Novato, CA