

Minutes of the May 25, 2010 Meeting of the Board of Directors of the Silver Creek Valley Country Club Geologic Hazard Abatement District.

A meeting of the Board of Directors of the Silver Creek Valley Country Club Geologic Hazard Abatement District (“District”, “GHAD”) was held at Silver Creek Valley Country Club, at 5460 Country Club Parkway, San Jose, California, on May 25, 2010 and was called to order at 6:30 PM.

The following directors were present at the beginning of the meeting and constituted a quorum for the transaction of business: Reyad Katwan, Baiba Scott, Ulf Sandberg and Stephen Kay. All sitting Directors were present and there is one vacant Board seat.

It was noted by the Directors that the Agenda had been properly posted at the guard gate at least 72 hours prior to the meeting by Ed Abelite.

The first agenda item was public comments and a review of the correspondence. There was no public comment and no correspondence presented.

Also present at the GHAD meeting were the GHAD’s investment account representatives from Morgan Stanley Smith Barney. Alma Guirmarin and William Corbin. The account representatives were in attendance at the request of the Board from the previous Board meeting. The account representatives reviewed with the Board the conservative investment policy of the District. The account representatives also presented a 66 page report specific to the Districts Investment Portfolio. The Board and the Account representatives discussed portfolio performance and portfolio risk. It was determined that the Portfolio was performing as expected given economic conditions. It was also determined that the risk levels were in line with the District conservative fiscal policy. The Board also discussed setting up limited accounting viewing access to the Morgan Stanley Accounts.

Alma Guirmarin also pointed out that the District has approximately \$300,000 in excess cash right now and she advised that GHAD should invest those District funds into the appropriate markets for the District. She advised that the normal process for doing so occurs in real time during business trading hours and accordingly she suggested we continue that past practice of her calling the GHAD manager, with a spot quote, getting approval and she would execute the trade. The Board agreed with that continued and routine authorization technique. Alma Guirmarin will be calling Ed Abelite in the next few days to work on the placement of those funds back into the conservative markets.

At this point, the Morgan Stanley Smith Barney account executives concluded their presentation and left the meeting. At this point, the Board suggested that Ed Abelite email a softcopy of the GHAD investment policy to all the Board Members. The Board also wanted to get a better understanding of the Morgan Stanley Smith Barney Fee structure to the District. Ed Abelite was to follow up and report.

The minutes of the April 6th, 2010 meeting were then reviewed by the Board of Directors. Baiba Scott made a motion to approve the minutes. Ulf Sandberg seconded the motion. After a brief discussion, it was noted to revise the minutes as follows: a) Change Steve Kay’s name to Stephen Kay. b) Change the sentence sequencing in paragraphs 2 and 3 to better describe which Board

members were absent. C) Spelling change paragraph 7. D) Full name of Alma Guirmarin. Paragraph 7.

The Board voted unanimously to approve the minutes as corrected.

The minutes of the April 12th, 2010 meeting were then reviewed by the Board of Directors. Stephen Kay made a motion to approve the minutes. Ulf Sandberg seconded the motion. After a brief discussion, it was noted to revise the minutes as follows: Correct Director Sandberg name spelling. The Board voted unanimously to approve the minutes as corrected.

The minutes of the April 29th, 2010 meeting were then reviewed by the Board of Directors. Stephen Kay made a motion to approve the minutes. Baiba Scott seconded the motion. After a brief discussion, it was noted to revise the minutes as follows: Change the sentence sequencing in paragraphs 2 and 3 to better describe which Board members were absent. The Board voted unanimously to approve the minutes as corrected.

The Board then was updated as to the progress of seeking out a replacement Director candidate for the vacant Williams seat. Ed Abelite discussed that an ad was already sent to be placed into the Informer Magazine. Ed Abelite also reported that he was awaiting a formal approval to advertise in the HOA newsletter via Alma Fazano of Community Management Services.

The Board then discussed a replacing recently resigned Director Jim Williams position as Clerk of the Board. Stephen Kay made a motion to appoint Ulf Sandberg as the new Clerk of the Ghad Board. Baiba Scott seconded the motion. After a brief discussion, the Board voted unanimously to appoint Ulf Sandberg as the new Clerk of the Board.

At this point, Ed Abelite gave an Administrative report in regards to various items that he had worked on since the previous Board meeting. Items discussed were:

- GHAD Audit processing and progress.
- The Morgan Stanley Smith Barney accounts have been updated.
- The hard drives provided to the District by Roy Nelson were all now converted to a Windows based operating system.
- The GHAD now has new phone and efax numbers.
- Thank you plaques for Gustafson, Highlander and Williams have been ordered and delivery is any day now.
- UPP Geologist re-introduction discussion.
- Carol Hunt who has performed Assessors Tax role processing for the District was re-engaged.
- Ed Abelite reported that relationships and communications with Roy Nelson have grown quieter.
- Ed Abelite reported on anticipated future tasks and their priorities.

This concluded the Administrative report.

GHAD Field business:

AT&T Fiber Optic trenching: Ed Abelite reported the Letter to AT&T went out right after the previous GHAD meeting. Abelite also reported seeing no construction activity.

La Seyne Place: Ed Abelite reported that a letter was issued regarding the La Seyne hillside slope issue the Listing agent, the current home Owner and the HOA. There was nothing further to report on this item.

Blackpool Court property: Reyad Katwan reported that he visited the Blackpool court and viewed the asphalt areas showing expansion cracks. He felt there was no need do anything further regarding those cracks. Abelite reported to the Board he will contact the Blackpool Court home Owner and then, depending on that follow up occurred, would send a letter to memorialize the situation and the Boards position. A draft letter will be circulated to the Board before issuance to the Home Owner.

New Business:

- The Board processed some invoices and checks for payment.
- The Board reviewed previously proposed meeting dates and determined to calendar the following dates for future GHAD meeting for the rest of the year: Tuesday, July the 20th, 2010, Thursday, August 19th, 2010, Thursday September 16th, 2010, Tuesday, October 19th, 2010, and Tuesday November 18th, 2010. All meeting start times shall be at 6:30 pm and the meeting are to be located at Silver Creek Valley Country Club.

The meeting was adjourned at 8:17 PM.

Respectfully Submitted,

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Ulf Sanberg
DocuSigned By: Ulf Sanberg

, Clerk of the Board.