

Minutes of the October 28, 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 October 28, 2010 and was called to order at 6:36 PM.

The following directors were present at the beginning of the meeting and constituted a quorum for the transaction of business: Stephen Kay, Reyad Katwan, and Richard Manso. Director Ulf Sandberg was absent. Director Baiba Scott arrived after the meeting was called into session as noted below.

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 minutes of the September 16th, 2010 meeting were then reviewed by the Board of Directors. Richard Manso made a motion to approve the minutes. Stephen Kay seconded the motion. With a correction on page 1, paragraph 6, line 1 adding the word “item” as noted by Richard Manso, the Board voted unanimously to approve the minutes.

At this point, Director Baiba Scott arrived and joined the Board Meeting.

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

Because of a time certain schedule set for agenda item 4, the next items brought forward to be discussed were items 5 and 6. Item 5 was “Executive Session” and there was no scheduled executive session.

The next agenda item number 6 was a review and discussion of the proposed “New Board member and Officer Indemnification Agreement”. Director Manso indicated that he tendered comments back to GHAD’s Counsel David Preiss via email earlier in the day. These comments suggested the inclusion the following sections in the agreement:

- Advancement of Expenses,
- Selection of Counsel,
- Scope.

Director Manso explained each of the three additional sections to the Board. The Board instructed Abelite to direct Counsel David Preiss to draft these sections into the proposed agreement and have the Agreement ready for the Board to approve at the next meeting.

The next agenda item number 7 was a review and approval of the proposed “Independent Contractor Agreement between GHAD and General Manager” (Agreement). Baiba Scott made a motion to approve the Agreement. Richard Manso seconded the motion. Discussion followed. Abelite reported to the Board that corrections were required as follows:

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- Section 6.5 - the address for GHAD notices required changes.
- Section 6.5 - the address for Contractor required changes.
- Exhibit A correct spelling for the word “archives”.

With the above changes noted and approved, the Board voted unanimously to approve the Agreement. The Board then instructed Abelite to prepare the Agreement for signature.

At this point Mr. Rexford Upp joined the Board meeting as an invited attendee scheduled as item 4 on the Agenda. The Board briefly introduced themselves to Mr. Upp. Mr. Upp then introduced himself to the Board and talked briefly about his firm’s history with GHAD since the early 1990’s.

Mr. Upp then spoke to the displayed Infrared Air Flight photo at the meeting. He said that this photo was a good tool for historical record keeping purposes for the area and he said no further work was required on this Infrared photo. The photo was simply to be stored for possible future reference.

Mr. Upp also commented that the annual “Stereo” photos were also good historical documents and that the GHAD should continue photographing and storing those images as well. Again, these photos were to be stored for possible future reference.

Mr. Upp then went on to discuss the “Fall Inspections”. He explained to the Board members the purpose of the Fall Inspections and how they were handled in the past. He commented on how the previous Manager was the record keeper of the Fall Inspection data findings. Mr. Upp then brought up his proposal as to how these Fall Inspections could be better handled in the future. He presented to the Board examples of how his firm handles similar inspection database keeping for another project up in the San Mateo County area. Mr. Upp pointed out that there would be some up front set up costs to start the new method of record keeping, but after that initial set up, the Fall Inspections would be able to be processed more efficiently while providing better record keeping formats. The Board and Mr. Upp then discussed what to do about the previous records. It was decided that the previous records did not require any effort other than securing them in the GHAD’s archives for future use, if ever needed.

The Board authorized Mr. Upp to move forward with implementing the new method of Fall Inspection record keeping. Abelite and Mr. Upp were instructed to work together for this purpose.

At this point, Mr. Upp informed the Board that his firm was contacted by Mr. Halvorson of Blackpool Court. Mr. Halvorson had contacted Mr. Upp in an effort to retain him for the purposes of creating a written response to the City’s permit response from Public Works. Mr. Upp asked the Board what the Board thought of Mr. Upp’s firm working on the Halvorson project. The Board discussed this and decided to respectfully ask that Mr. Upp decline working with Mr. Halvorson on the Blackpool Court project. Mr. Upp agreed.

The Board indicated to Mr. Rupp that the primary basis for this decision by the Board was the fact that Mr. Upp’s firm has represented the GHAD exclusively on this geotechnical issue for several years and if in the future, should there ever be a geotechnical need for the GHAD in regards to this to issue again, the Board wanted to continue to maintain an exclusive relationship with Mr. Upp’s firm on this specific issue. The Board noted Mr. Halvorson has many other Soils Engineers

available to choose from in the area that can serve his needs well. At the same time, the Board indicated that as a Public Agency, the GHAD is prepared to share information to Mr. Halvorson if needed.

This portion of the meeting with Mr. Upp ended and he left.

Abelite then gave a report in regards to various items that he had worked on since the previous Board meeting. Items discussed were as follows:

- Abelite reported the auditor is simply awaiting Board comments for the 2007/2008 Audit and she can then finalize it for approval. Abelite reported on the list of corrections he found in the Audit. Director Manso also noted a required correction on the last page of the audit. That change was to remove the word employee from Finding 2.
- Abelite reported that the Audit 2008/2009 is well underway.
- Abelite reported that he worked on the Board Member and Officer Indemnification Agreement.
- Abelite reported that he worked on the Independent Contractor Agreement between GHAD and the General Manager.
- Abelite gave a brief report as to the status of obtaining Insurance for the GHAD. Abelite reported that the GHAD's insurance needs are generally small for the insurance industry. That is the GHAD risks are minor and so it is difficult to underwrite the risk. Furthermore, because of the nature of the GHAD's organization, there are very few providers. Abelite reported to the Board that he felt that best efforts to obtain multiple Insurance quotes were done. The final Insurance recommendations will be brought to the next GHAD meeting.
- Abelite presented the most recent Smith Barney GHAD account statement to the Board.
- Abelite reported that he saw no new work at either the AT&T project or the La Seyne Place hillside slope restoration project.
- Abelite reported that he had corresponded by email with Mr. Halvorson in the recent past. Abelite had checked in as to permit progress with the City of San Jose. Halvorson's email response indicated frustration with the City process and that he thought the previous Blackpool Court Owner, Mr. Brunetti has angered the city in some way. Nevertheless, Mr. Halvorson indicated he was still working on the project permitting to get it ready for construction.


This concluded the Administrative and Field reports by Abelite.

Under the New Business section - Item 10. Director Manso let the Board know that he had been contacted by Randy Krenzin, who lived on La Seyne Place, for the purposes of hiring Director Manso as his legal representative. Director Manso indicated that Mr. Krenzin was seeking to attempt to purchase some HOA property contiguous to his rear yard and wanted Director Manso's legal help to do so. After some discussion, the Board saw no reason that Director Manso should recuse himself from working on this legal issue.

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The meeting was adjourned at 8:15 pm.

Respectfully Submitted,



DocuSigned By: Ulf Sanberg

, Clerk of the Board.

12/9/2010