

Minutes of the March 24, 2011 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 5460 Country Club Parkway, San Jose, California, on March 24, 2011 and was called to order at 6:34 PM.

Agenda item 1: The following directors were present at the beginning of the meeting and constituted a quorum for the transaction of business: Reyad Katwan (as Chairman), Baiba Scott and Richard Manso. Board Members Stephen Kay and Ulf Sandberg were absent. The General Manager of the GHAD, Ed Abelite was present at the meeting and was asked by Mr. Katwan to keep the minutes of the meeting

Silver Creek resident, Ms. Cat Urbas was also present at the meeting.

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 Mr. Abelite.

Agenda item 2: The minutes of the January 20, 2011 meeting were then reviewed by the Board of Directors. Ms. Scott made a motion to approve the minutes. Mr. Manso seconded the motion. The Board voted unanimously to approve the minutes with the paragraph added at the end of the second page which discussed the Board desire to have all HOA maintained ditches cleaned out by April 15, 2011.

Agenda item 3: The third agenda item was for public comments and a review of the correspondence. At this time David Preiss, counsel to the GHAD, joined the meeting via a scheduled conference call. Mr. Abelite described an inquiry to the GHAD by a lawyer named Jeffrey Lawson. Mr. Abelite also went on to describe the conversation of the return phone call to Mr. Lawson by Mr. Abelite. Mr. Preiss discussed with the Board his research into the law as it relates to providing records to the general public who are not residents with the GHAD. The Board concluded the GHAD was obligated by law to be open and responsive to inquiries from the general public. The Board requested that Mr. Preiss contact Mr. Lawson to see what he needed and to perhaps offer answers to Mr. Lawson’s questions. Mr. Preiss then concluded his meeting attendance by phone and the conference call session ended.

Agenda item 4: There was no executive session.

Agenda item 5: The Board was presented with the final draft of the 2009/2010 GHAD Audit produced by Deborah Daly, CPA. Mr. Abelite indicated that the presented audit reflected changes the Board had requested in the January GHAD Board meeting.

As a result of the discussion with Mr. Preiss in agenda item 3 above, Mr. Manso noted that Mr. Preiss mentioned that the GHAD is a “Political Subdivision of the State of California” and not a “Special District”. Mr. Manso suggested that Mr. Abelite arrange for Mr. Preiss to review some

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select pages of the audit to make sure the language describing the GHAD is corrected. Ms. Scott made a motion to approve and accept the audit subject to the changes suggested by Mr. Preiss. Mr. Manso seconded the motion. During the discussion by the Board, the Board requested that Mr. Abelite arranged for the Smith Barney advisor Alma Guimarin to come to the next Board meeting and that the GHAD's investment policy be circulated to the Board in advance of that meeting. At this point, the Board voted unanimously to approve the motion on the audit.

Agenda item 6. Mr. Abelite reported to the Board that he was not able to work on the drafting of the newsletter to be circulated to constituents of the GHAD and therefore it could not be presented to the Board. This item was deferred to the next meeting.

Agenda item 7. Mr. Abelite reminded the Board that the annual FPPC Form 700's that Board Members are to complete and submit was due April 1, 2011 for the year 2010. Mr. Abelite reported that the work by Board Members to submit such forms has been simplified by the Santa of Santa Clara through the use of a web based efilng platform. Mr. Manso mentioned he had filed his FPPC Form 700 with relative ease using the web based application. Mr. Manso said he would forward the email he received from the County to the other Board members so that they could in turn process their Form 700 filings.

Agenda item 8. Mr. Abelite reported to the Board that this is an election year for the GHAD and two seats were up for election in the November 8, 2011 election. Those Board seats are currently occupied by Ms. Scott and Mr. Manso. Mr. Abelite reported that should there be multiple candidates interested in running for seats on the GHAD Board, then the GHAD would engage in an election process. Mr. Abelite also reported that the GHAD has never had enough interested candidates that would warrant an election and as a result the GHAD has never participated in an election. The Board then directed Mr. Abelite to keep running advertisements using the HOA News Letter seeking Board Member candidates up through June of this year so that the constituents of the GHAD have been given sufficient opportunity to indicate their desire to be considered as a Director of GHAD, through an election if necessary.

Agenda item 9. As a result of the previous Board meeting, Mr. Abelite presented a variety of financial reports that could be generated using Quick Books Pro software he is using to track the GHAD's income and expenses. The purpose of the presented reporting options was to give the Board a series of choices for future financial reporting at GHAD meetings. Using a projection screen, the Board had opportunity to view the reporting features of Quick Books Pro. After some discussion, the Board instructed Mr. Abelite to present the following reports to the Board in all future GHAD meetings:

- A standard balance sheet.
- A balance sheet containing a year over year comparison.
- The most recent month profit and loss statement.
- The YTD profit and loss statement.
- A YTD expenses by vendor summary.
- The YTD quarterly budget v. actual report.
- The most recent Smith Barney statement.

The Board also agreed that these reports would only be submitted to the Board in soft copy only.

As part of the financial reporting discussion, Mr. Manso pointed out three items within the reports that warranted revision: 1. Approximately \$1,152 worth of checks to be assigned to the MM account; 2. Change Santa Clara County to be a non vendor; 3. Revise references to Kim and Ed Abelite as a Vendor to be only Ed Abelite.

Agenda item 10. Mr. Abelite then gave an administrative report in regards to various items that he had worked on since the previous Board meeting. Items discussed were as follows:

- the auditor revised and completed the 2009/2010 and was placed on this agenda for review and approval.
- during the previous period Mr. Abelite had paid vendors, reconciled a few remaining months of Bank statements and created some reporting options for the Board to consider.
- for the field inspection take over project by the GHAD geologist, Upp Geotechnology (Upp) is ready to perform field inspections now that the phase two set up is complete. Mr. Abelite has also communicated with the HOA to make sure the concrete drainage ditches are cleaned out prior to the May inspections.
- the annual stereographic flight photos have been performed and the GHAD has received the photos and digital copies of the same. The Board then started a discussion regarding how the GHAD stores its library of documents and digital media from a protection perspective. As a result of this discussion, the Board directed Mr. Abelite to explore storage options for critical library documents with a focus on all the air flight media the GHAD has accumulated over the years. It was suggested to explore companies like Iron Mountain or placing the digital files up in the “clouds”.
- no work was performed on the Landslide Emergency plan.


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

- the Board actions that were taken in regards to the failed retaining wall at 5482 Morningside Drive. This item was reported as a closed action item.
- the Board actions that were taken in regards to the rear slope added fill material at 1681 Lucca Place. This item was reported as a closed action item.
- the Board actions that were taken in regards to the rear slope erosion question at 5716 La Seyne Place. This item was reported as remaining open pending a second site visit by Mr. Abelite with the resident, Mr. Krenzin.
- no change in the matter regarding the lot on Blackpool Court. The Board directed Mr. Abelite to check in with Blackpool Court resident to determine latest status before the next Board meeting.

Agenda item 11: The Board and Ms. Urbas discussed the possibility of Ms. Urbas joining the Board as a replacement for Ms. Scott who has expressed her desire to leave the Board. Ms. Urbas had a series of questions for the Board and she also briefed the Board on her background. After some more informational exchanges, Ms. Urbas indicated her interest in joining the Board, subject to her final due diligence.

The meeting was adjourned at 8:46 pm.

Respectfully Submitted,

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, Clerk of the Board.

5/28/2011