

Minutes of the July 28, 2011 Meeting of the Board of Directors of the Silver Creek Valley Country Club Geologic Hazard Abatement District.

A meeting 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 July 28, 2011 and was called to order at 6:36 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), Ulf Sandberg, Stephen Kay, and Richard Manso. No Board Members were absent. The General Manager of the GHAD, Ed Abelite was present at the meeting and was asked by Mr. Katwan to be the Secretary of the meeting and to keep the minutes of the meeting.

Alma Guimarin and J. Scott McCoy of Morgan Stanley Smith Barney were also present at the meeting. Ms. Cat Urbas was present from the public.

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 May 24, 2011 meeting were then reviewed by the Board of Directors. Mr. Manso made a motion to approve the minutes. Mr. Sandberg seconded the motion. After some discussion, wording on page 3, line 7 was changed and the Board voted unanimously to approve the minutes.

Agenda item 3: The third agenda item was a presentation by Ms. Guimarin and Mr. McCoy of Morgan Stanley Smith Barney to the Board to consider placing a portion of the GHADs investments into Fixed Income Investments in an effort to obtain higher yields. Ms. Guimarin pointing out asset allocations across various types of GHAD investments. Ms. Guimarin also pointed out that as each GHAD investment was maturing, each subsequent investment was being placed into lower yielding instruments for safety and policy reasons. Thus Ms. Guimarin felt duty bound to bring in Mr. McCoy, a Director of Wealth Management. Mr. McCoy presented a proposed portfolio with guidelines that fit the GHAD’s investment policy and would offer slightly higher yields than those of current asset allocation approaches.

After some discussion Mr. Manso made a motion to move forward with the proposed investment changes as presented by Morgan Stanley Smith Barney. Mr. Sandberg seconded the motion. Upon further discussion, the motion was amended to instruct Mr. Abelite to move forward with implementation on a slower pace in order to see what the state of the economy would be in the next month. The Board voted unanimously to approve the proposed investment changes.


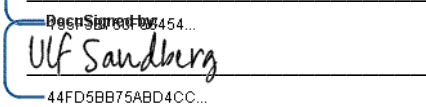


Agenda item 4: There were no comments or correspondence from the Public.

At this point several Board members indicated their need to leave the meeting. Seeing that there was not going to be enough Board members present to conduct a meeting, the meeting was adjourned at 7:48 pm.

Respectfully Submitted,

and

	, Secretary of the Meeting	1/6/2012
	, Clerk of the Board	1/6/2012