

Minutes of the July 26, 2012 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 5767 Country Club Parkway, San Jose, California, on July 26th, and was called to order at 6:42 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, Bruce Apkarian and Richard Manso. Stephen Kay was 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.

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

Agenda item 2: The minutes of the May 24th, 2012 meeting were then reviewed by the Board of Directors. Mr. Sandberg made a motion to approve the minutes. Mr. Manso seconded the motion. Mr. Sandberg noted one correction in paragraph 12. Mr. Manso noted corrections and clarifications to paragraph 17. With those items noted, the Board voted to approve the minutes as follows: Voting yes: Messrs. Katwan, Manso, Apkarian and Sandberg. Absent – Mr. Kay.

Agenda item 3: Mr. Abelite distributed an article of interest he received from GHAD counsel David Preiss. The article was about a landslide lawsuit brought by home owners in the City of Clayton.

Agenda item 4: The Board considered the election of new Board officers for the GHAD. After some discussion, Mr. Katwan made a motion to nominate the following Directors for the following positions:

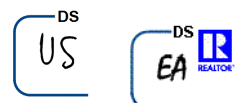
- Mr. Katwan - Chairman.
- Mr. Manso - Vice Chairman.
- Mr. Apkarian - Treasurer.
- Mr. Sandberg - Clerk of the Board.

Mr. Manso seconded the motion. The Board voted unanimously to approve the motion. The Board directed Mr. Abelite to update the web site to reflect the Board member positions and to update the Morgan Stanley Smith Barney signatures cards.

Agenda item 5. Manager’s report.

Mr. Abelite reported that the new GHAD website went live earlier in the month. Mr. Abelite noted that photographs and biographies were missing for Messrs. Katwan and Kay. The Board provided comment to straighten the photo showing the Silver Creek monument.

Mr. Abelite reported that the yearly Newsletter was finalized and at the printers. Mr. Abelite reported that once finished, printing job was being delivered folded and ready for Home Owners



Association insert into their next HOA monthly mailing. At that time, Mr. Abelite will also send a softcopy of the Newsletter to Ms. Alma Fasano of CMS (the HOA property manager) to be used as an attachment for home owners that receive their HOA information electronically.

Mr. Abelite reported that work on the Emergency Operations Plan slowed due to a family emergency. However, David Preiss conducted a major point's review of the C2 Earth Contract. Mr. Manso requested the review be forwarded to the Board. Mr. Abelite reported that the civil engineering firm of MacKay and Soms was contacted to confirm the current boundary of the GHAD.

Mr. Abelite reported that it was time to order the annual August Air Flight of the District and that he will do so shortly.

Mr. Abelite reported that it was also time to schedule the annual Fall Inspections of the v-, j- and other drainage ditches within the District. This year the focus of the Fall Inspections was to be approximately one third of the District. More specifically, the area of focus will be the blocked and over grown drainage ditches. Mr. Manso reported that as a HOA Board member, he was working on getting the HOA to clear out the blocked drainage ditches and to remove overgrown vegetation in previously noted areas. Mr. Manso reported he believes the clearing work by the HOA will occur and he requested that Mr. Abelite send an email to Ms Fasano inquiring as to the status of the work.

Mr. Abelite reported that the County Tax Roll work has all been completed. The Board discussed the notion of trying to include the remaining lots into next year's Tax Rolls. The Board directed Mr. Abelite to look into the GHAD documents and report his findings back to the Board with respect to this issue.

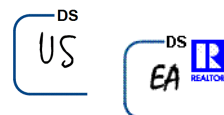
Mr. Abelite reported that he has already received a quote and an engagement letter from Deborah K. Daly who has been the Auditor for the GHAD for the last several years. The Board directed Mr. Abelite to move forward with Ms. Daly and the 2011-2012 Audit.

Mr. Abelite presented the routine financial reports to the Board. In reviewing the financials, Mr. Manso questioned the County tax roll incomes and how they vary from approved assessments. As a result, the Board directed Mr. Abelite to study the approved GHAD assessments in recent years and how the actual assessment distributions correlated. In addition, the Board discussed ensuring the GHAD has enough money set aside for future catastrophes. Mr. Abelite was directed to try and explore this issue with other GHAD's to see what they have in reserves on a per lot basis.

Field report.

Mr. Abelite reported that based on recent site visits, it appears that the Black Pool Court property is now underway with the repair of the landslide. Mr. Abelite presented a photo to the Board which showed heavy equipment was onsite and that indeed grading within the landslide area has begun. Mr. Abelite will continue to monitor this item.

This was the end of the manager's report.


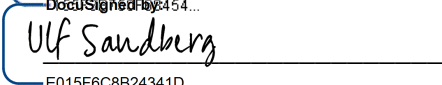


Agenda item 12: Under new business, Mr. Manso reported that in his review of the HOA achieves, he had found evidence of the GHAD making a presentation to the HOA Board years ago. Mr. Manso thought it would make sense to ask the HOA if they would like to have the GHAD do a short presentation again. The purpose of the presentation would be to educate the HOA about the GHAD which could in turn lead to improving relations. After some discussion, the Board directed Mr. Abelite to reach out to the HOA to see if they have interest in seeing a presentation from the GHAD.

The meeting was adjourned at 8:05 pm.

Respectfully Submitted,

and

	, Secretary of the Meeting	10/16/2012
	, Clerk of the Board	10/16/2012