

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF UNITED LAGUNA HILLS MUTUAL
A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

September 8, 2009

The Regular Meeting of the Board of Directors of United Laguna Hills Mutual, a California Non-Profit Mutual Benefit Corporation, met on Tuesday September 8, 2009, at 9:30 A.M. at 24351 El Toro Road, Laguna Woods, California.

Directors Present: Lloyd Foster, Bevan Strom, Marty Rubin, Maxine McIntosh, Paul Vogel, John Dalis, Gail McNulty, Arlene Miller Marv Rosenhaft, Mike Curtis, Linda Wilson

Directors Absent: None

Others Present: Milt Johns, Patty Kurzet Janet Price (10:20 A.M. – 11:47 A.M.)
Executive Session: Milt Johns, Patty Kurzet, Luis Rosas

CALL TO ORDER

Lloyd Foster, President of the Corporation, chaired and opened the meeting, and stated that it was a Regular Meeting held pursuant to notice duly given. A quorum was established and the meeting was called to order at 9:30 A.M.

PLEDGE OF ALLEGIANCE

Director Linda Wilson led the Pledge of Allegiance to the Flag.

ACKNOWLEDGEMENT OF PRESS

Ms. Janet Whitcomb from the Laguna Woods Globe, and the Channel 6 Camera Crew, by way of remote cameras, were acknowledged as present.

APPROVAL OF AGENDA

Without objection, the Board approved the agenda as submitted.

Without objection, the Board agreed to limit the total time for Member Comments to 30 minutes, and if further time is necessary, the Board would consider allotting additional time.

MEMBER COMMENTS

- Ron Stenson (285-C) commented on the recall election
- Connie Grundke (2214-B) commented on the Board's responsibilities and duties
- Helen Fisk (715-Q) commented on the legality of growing medical marijuana plants in garden plots
- Henrietta Gawronski (52-C) commented on the legality of growing medical marijuana plants in garden plots
- Frankie Henry (679-C) commented on the recall election and the Board's duty to keep expenses down
- Pamela Grundke (2214-B) commented on her support for Director Curtis and the Board's responsibility to listen to the residents and their needs
- Libby Marks (82-Q) commented on the results of the recall election

- Barbara Copley (410-D) commented on the mediation regarding the governing documents and that the confidentiality of the mediation should be released to the Community
- Jerry Sheinblum (3488-C) announced the topic to be discussed at the next CCA townhall meeting
- Kay Margason (510-C) commented on the Director's duties to listen to the concerns of the residents and to work together for the benefit of the Community
- Ralph Belitz (124-R) commented on his landscaping and the RV Lots
- Patricia Gothard (61-Q) commented on her support of Director Curtis and the Resident's Voice
- Rhoda Lindner (2013-C) commented on the recycling contract and the need for additional bins

RESPONSE TO MEMBER COMMENTS

- President Foster briefly responded to members' comments
- Director Dalis commented on cutting costs on landscaping
- Director Miller commented on the reason for letting the lawns grow
- Director McIntosh commented on landscaping and Director courtesy
- Director Rosenhaft thanked Jerry Sheinblum on his CCA report and the need to work together on behalf of the residents
- Director Rubin commented on the Board's goal on management oversight
- Director Curtis commented on the reasons for the recall election, landscaping, and regulating the growth of medical marijuana
- Director McNulty commented on the results of the recall election and the amount of people that voted, and commented on growing medical marijuana, and commented on the requirements for the Voice to become a GRF club.

APPROVAL OF MINUTES

The Board reviewed the Minutes of the Regular Board Meeting of August 11, 2009, and approved them without objection.

The Board reviewed the Minutes of the Special Board Business Planning Meeting for Version 3 of August 14, 2009, and approved them without objection.

Ms. Janet Price entered the meeting at 10:20 A.M.

The Board reviewed the Minutes of the Special Board Meeting of August 21, 2009. Director Vogel made a motion to approve the minutes. Director Strom seconded the motion.

Director Curtis amended the motion to add the following language in the third paragraph on the third page: "that the attorneys inspected the ballots vote prior to the Inspectors of Election making a decision on whether to discard or retain the ballots." Director Strom seconded the motion and discussion ensued.

Director Rosenhaft made a motion to call the question. Director Wilson seconded the motion and the motion carried unanimously.

By a vote of 1-9-0 (Director Curtis voted in favor) the amendment failed.

Director Curtis requested that the final report of the recall election be attached to the meeting minutes. The Board had no objection to attaching the report upon receipt.

Without objection the minutes were approved as written.

CHAIR'S REMARKS

President Foster announced the revised election schedule; indicated that the Board is compiling a list of items the Board needs to address after the HUD mortgage has matured and that a special meeting will be held for the board to discuss such issues; and announced that the pilot program for city light alternatives is cancelled.

NEW BUSINESS

The Secretary of the Corporation, Director Linda Wilson, read a proposed resolution approving the 2010 Business Plan. Director Wilson moved to approve the resolution. Director Vogel seconded the motion and discussion ensued.

By a vote of 9-1-0 (Director McIntosh opposed), the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-09-201

UNITED LAGUNA HILLS MUTUAL 2010 BUSINESS PLAN RESOLUTION

RESOLVED, September 8, 2009, that the Business Plan of this Corporation for the year 2010 is hereby adopted and approved; and

RESOLVED FURTHER, that pursuant to said Business Plan, the Board of Directors of this Corporation hereby estimates that the net sum of \$31,628,166 is required by the Corporation to meet the United Laguna Hills Mutual operating expenses and reserve contributions for the year 2010, from which will be deducted \$379,380 derived from prior years' surplus. In addition, the sum of \$16,405,690 is required by the Corporation to meet the Golden Rain Foundation and the Golden Rain Foundation Trust operating expenses and reserve contributions for the year 2010. Therefore, a total of \$47,654,476 is required to be collected from and paid by members of the Corporation as monthly assessments; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby approves expenditures from reserves in the sum of \$5,316,334, which shall be expended from the Replacement Fund; and

RESOLVED FURTHER, that all sums paid into the Replacement Reserve shall be used for capital expenditures only and shall be credited on the books of account of the Corporation to Paid-In Surplus as a capital contribution; and

RESOLVED FURTHER, that the Board of Directors of this Corporation hereby determines and establishes monthly assessments of the Corporation as shown on each member's breakdown of monthly assessments for the year 2010 and as filed in the records of the Corporation, said assessments to be due and payable by the members of this Corporation on the first day of each month for the year 2010; and

RESOLVED FURTHER that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

The Secretary of the Corporation, Director Linda Wilson, read a proposed resolution approving the 2010 Replacement Reserves Plan. Director Wilson moved to approve the resolution. Director McIntosh seconded the motion and discussion ensued.

Mutual Members Libby Marks (82-Q) commented on gate renovation; Mechelina De Munck (556-B) commented on money spent on Angel tickets; and Ron Beldner (203-C) commented in favor of the reserves plan.

Without objection, the debate on the motion closed.

By a vote of 9-1-0 (Director Curtis opposed) the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-09-202

**UNITED LAGUNA HILLS MUTUAL
2010 REPLACEMENT RESERVES PLAN**

WHEREAS, Civil Code § 1365.2.5 requires specific reserve funding disclosure statements for common interest developments; and

WHEREAS, planned assessments or other contributions to replacement reserves must be projected to ensure balances will be sufficient at the end of each year to meet the Corporation's obligations for repair and/or replacement of major components during the next 30 years;

NOW THEREFORE BE IT RESOLVED, September 8, 2009, that the Board has developed and hereby adopts the Replacement Reserves 30-Year Funding Plan (attached) with the objective of maintaining replacement reserve balances at or above a threshold of \$3,700,000 (indexed for projected inflation), while meeting its obligations to repair and/or replace major components; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

The Secretary of the Corporation, Director Linda Wilson, read a proposed resolution setting the date for the annual meeting. Director Wilson moved to approve the resolution. Director McIntosh seconded the motion and discussion ensued.

Director Curtis made a motion to table the resolution and call a special board meeting within 10 days to define the date the ballots should be due and to be counted. The motion failed due to the lack of a second.

Mutual Members Libby Marks (82-Q), Barbara Copley (410-D), and Ron Beldner (203-C) commented on the motion.

Director Curtis amended the motion to include in the resolution the date for when the nominating committee report is due. The motion failed due to the lack of a second.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-09-203

WHEREAS, per the Mutual's Bylaws Article V, the regular Annual Meeting of the Members of United Laguna Hills Mutual is held on the second Tuesday of October; and

WHEREAS, due to the Recall Election of four (4) United Mutual Directors held on August 21, 2009, the Annual Meeting of the Members was postponed;

NOW THEREFORE BE IT RESOLVED, September 8, 2009, that the Annual Meeting of the Board of Directors of this Corporation shall be held on Monday December 7, 2009, at 9:30 A.M. in Clubhouse Three. Thereafter, regular annual meetings of the Board of Directors shall continue to be held on the second Tuesday of October at 9:30 A.M.; and

RESOLVED FURTHER, that the per Civil Code §1363.03, the Counting of the Ballots for the 2009 Annual Director Election shall be held on December 4, 2009 by way of an Open Special Board Meeting in the Board Room; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

OLD BUSINESS

Without objection the following resolution was postponed to the Old Business portion of the October Meeting to satisfy the required statutory thirty-day notice requirement.

RESOLUTION 01-09

WHEREAS, by way of Resolution 01-08-122, the Board of Directors of this Corporation approved thermoplastic coated metal mesh benches in dark green as its bench standard style and color for benches donated to the Mutual; and

WHEREAS, currently the Mutual has no approved policy regarding standard styles, colors, or anchoring benches that are purchased or maintained by the Mutual:

WHEREAS, over the years outdoor benches have deteriorated into a state where replacement is necessary;

NOW THEREFORE BE IT RESOLVED, October 13, 2009, that the Board of Directors hereby approves the thermoplastic coated metal mesh bench in dark green as its bench standard style and color for benches purchased by the Mutual; and

RESOLVED FURTHER, that the seat height of the bench shall be at least 18" measured from the top of grade below the bench to the top of the bench seat and the bench shall have a back, arm rests and a seat with a rolled front edge; and

RESOLVED FURTHER, that the Board of Directors hereby authorizes a supplemental appropriation in the amount of \$4,500 from the Contingency Fund to replace five outdoor benches in 2009; and

RESOLVED FURTHER, that such benches shall be installed on either a concrete pad (if along sidewalk) or on concrete anchors in the grass (if the location is not along sidewalk); and

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

Director Marty Rubin provided an update on the Board's Operational Review of the Managing Agent.

GENERAL MANAGER'S REPORT

Mr. Johns announced California Association of Community Managers presented to PCM staff a Vision Award on behalf of the Community for the Community's recycling program, and announced that United's water consumption has decreased by 40% in response to the conservation requests made of it by El Toro Water District and the Metropolitan Water District. Mr. Johns also added that he understands that GRF may revoke the rule that does not allow clubs with duplicate charters.

CONSENT CALENDAR

Without objection, the Consent Calendar was approved, and the following actions were taken:

Architectural, Maintenance and Planning Committee:

RESOLUTION 01-09-204

RESOLVED, September 8, 2009, that the request of Ms. Frances Stockman of 483-D Calle Cadiz for the Mutual to refrain from painting over the Murals on the patio walls at her manor is hereby approved; and

RESOLVED FURTHER, that the Mutual shall apply over the murals, at the expense of the Member at Manor 483-D, a clear coat material that is compatible with the paint products applied to the Building and that will provide protection to the structural integrity of the patio walls equal to or greater than that provided by the paint products applied to the building. Staff will provide Ms Stockman an estimate of the cost for the application of the clear coat material before the material is applied and Ms Stockman shall have the option to have the Mutual proceed with the application of the clear coat over the murals at her expense or to have the Mutual proceed with application of paint over the mural with the same paint applied to Building 483 at the Mutual's expense; and

RESOLVED FURTHER, that all costs for repair and maintenance associated with the subject mural, including the (sealer) are the responsibility of the Mutual Member(s) at 483-D; and

RESOLVED FURTHER, that a required Mutual permit must be obtained through the Permits and Inspections Office located in Laguna Woods Village Community Center, and will be issued at no cost to the member.

RESOLUTION 01-09-205

RESOLVED, September 8, 2009, that the request of Mr. and Mrs. Jerry Kathnelson of 614-N Avenida Sevilla to retain tile on the steps to their manor is hereby approved; and

RESOLVED FURTHER, that all costs for repair and future maintenance associated with the subject alteration are the responsibility of the Mutual Member(s) at Manor 614-N; and

RESOLVED FURTHER, that a required Mutual permit must be obtained through the Permits and Inspections Office located in Laguna Woods Village Community Center.

RESOLUTION 01-09-206

RESOLVED, September 8, 2009, that the request of Ms. Renate Zajackowski of 792-A Via Los Altos to retain ledge stone planter boxes, slate wall tile, and a non-standard painted wall in the front patio area at her manor is hereby approved; and

RESOLVED FURTHER, that all costs for repair and maintenance associated with the subject alterations are the responsibility of the Mutual Member(s) at 792-A; and

RESOLVED FURTHER, that a required Mutual permit must be obtained through the Permits and Inspections Office located in Laguna Woods Village Community Center; and

RESOLVED FURTHER, that the transition at the entry gates is modified in such a way so that a ½" transition is obtained, to minimize any tripping hazard.

RESOLUTION 01-09-207

RESOLVED, September 8, 2009, that the request of the former owner of 828-B Via Alhambra, Mr. Mike Abdelaaty, to retain a reduced-sized window installed in the Living Room of the manor is hereby denied; and

RESOLVED FURTHER, that Mr. and Mrs. John Duffy, the new owners, are hereby required to replace the window within 30 days of the Board's decision on the matter with a new construction window of the same size and configuration as the original window and that complies with the Mutual's alteration standards for windows; and

RESOLVED FURTHER, that the funds held in escrow for the purpose of replacing the window shall be utilized.

RESOLUTION 01-09-208

RESOLVED, September 8, 2009, that the request of Mr. Travis Owen of 836-C Ronda Sevilla to retain a retractable awning system at his manor is hereby denied; and

RESOLVED FURTHER, that Mr. Owen is hereby required to remove the awning system within 30 days of the Board's decision on the matter.

RESOLUTION 01-09-209

RESOLVED, September 8, 2009, that the request of Mr. Fariborz Roohparvar of 886-P Ronda Sevilla to retain a satellite dish installed on the balcony of his manor is hereby denied; and

RESOLVED FURTHER, that the Board requires relocation and proper installation of the satellite dish or an applicable replacement dish, along with the repair of the balcony surface by the Mutual at Member expense within 30 days of the Board's decision on the matter.

RESOLUTION 01-09-210

RESOLVED, September 8, 2009, that the request of Ms. Rosemarie Huntley of 896-N Ronda Sevilla to retain an oversized storage cabinet installed in the carport designated for her manor is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the subject alteration are the responsibility of the Mutual Member(s) at Manor 896-N; and

RESOLVED FURTHER, that a required Mutual permit must be obtained through the Permits and Inspections Office located in Laguna Woods Village Community Center.

RESOLUTION 01-09-211

RESOLVED, September 8, 2009, that the request of Mr. Lee Rhodes of 2107-N Ronda Granada to perform an interior remodel and entry door relocation at his manor is hereby approved; and

RESOLVED FURTHER, that all future costs and maintenance associated with the subject alteration are the responsibility of the Mutual Member(s) at 2107-N; and

RESOLVED FURTHER, that all required Mutual and City of Laguna Woods permits must be obtained and the appropriate City of Laguna Woods building permit number must be submitted to the Mutual through the Permits and Inspections Office located in the Laguna Woods Village Community Center.

RESOLUTION 01-09-212

WHEREAS, Mr. and Mrs. Erwin Dewald of 2141-0 Ronda Granada have installed unauthorized and non-compliant drop shades over their balcony and have failed to either remove the shades or bring them into compliance with the Mutual Alteration Standard Section 40 – Exterior Roll-Up Shade (Sun Screens); and

NOW THEREFORE BE IT RESOLVED, September 8, 2009, that the Board of Directors of this Corporation hereby requires Mr. and Mrs. Dewald of 2141-0 Ronda Granada to remove the unauthorized drop shades within 30 days of the Board's decision on the matter; and

RESOLVED FURTHER, that in accordance with the Mutual's member disciplinary process, failure to comply may result in a Member Disciplinary Hearing before the Board of Directors of this Corporation.

Landscape Committee Recommendation:

No meeting was held.

Finance Committee Recommendations:

RESOLUTION 01-09-213

WHEREAS, Member ID 947-359-03 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

WHEREAS, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

NOW THEREFORE BE IT RESOLVED, September 8, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-359-03; and

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

RESOLUTION 01-09-214

WHEREAS, Member ID 947-372-13 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

WHEREAS, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

NOW THEREFORE BE IT RESOLVED, September 8, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-372-13; and

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

RESOLUTION 01-09-215

WHEREAS, Member ID 947-385-39 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

WHEREAS, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

NOW THEREFORE BE IT RESOLVED, September 8, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-385-39; and

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

RESOLUTION 01-09-216

WHEREAS, Member ID 947-386-23 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

WHEREAS, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

NOW THEREFORE BE IT RESOLVED, September 8, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-386-23; and

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

RESOLUTION 01-09-217

WHEREAS, Member ID 947-415-20 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

WHEREAS, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with

no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

NOW THEREFORE BE IT RESOLVED, September 8, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-415-20; and

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

RESOLUTION 01-09-218

WHEREAS, Member ID 947-421-11 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

WHEREAS, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

NOW THEREFORE BE IT RESOLVED, September 8, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-421-11; and

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

RESOLUTION 01-09-219

WHEREAS, Member ID 947-452-35 is currently delinquent to United Laguna Hills Mutual with regard to the monthly assessment; and

WHEREAS, a Notice of Delinquent Assessment (Lien) will be filed upon adoption of this resolution following at least a majority vote of the Board (with no delegation of such action by the Board), acting in an open meeting, and for which the Board's vote is recorded in the minutes;

NOW THEREFORE BE IT RESOLVED, September 8, 2009, that the Board of Directors hereby approves the recording of a Lien for Member ID 947-452-35; and

RESOLVED FURTHER, that the officers and agents of this corporation are hereby authorized on behalf of the corporation to carry out the purpose of this resolution.

Items Postponed from Previous Meeting

No items came before the Board.

COMMITTEE REPORTS and SERVICES

FINANCE REPORT

Director Paul Vogel gave the Treasurer's and the Finance Committee Reports.

The Secretary of the Corporation read a proposed resolution approving the Collection and Lien Enforcement Policy and Procedures for Assessment Delinquencies. Director Wilson moved to approve the resolution. Director McIntosh seconded the motion and discussion ensued.

Without objection, the Board agreed to change the words on page 12 and 13 from "owners" to "members."

Without objection, the Board agreed to change the letter "m" in "mutual" to upper case.

Mutual Member Patricia Gothard (61-Q) commented on recycling.

By a vote of 10-0-0, the motion carried and the Board of Directors adopted the following resolution:

RESOLUTION 01-09-220

WHEREAS, Section 1365 of the California Civil Code requires that homeowner associations have a specific policy relating to collection of delinquent assessment accounts and enforcement of liens placed upon such delinquent properties;

NOW THEREFORE BE IT RESOLVED, September 8, 2009, that the Board of Directors of this Corporation hereby approves the attached Collection and Lien Enforcement Policy and Procedures for Assessment Delinquencies, effective January 1, 2010; and

RESOLVED FURTHER, that Resolution 01-08-224 adopted November 18, 2008 is hereby superseded and cancelled; and

RESOLVED FURTHER that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Director Wilson made a motion to direct staff to revise the Member Disciplinary Procedure Policy Report re Leasing Violations. Director Rosenhaft seconded the motion. President Foster provided a brief summary of the need for the proposed revised report. The motion carried unanimously.

Mutual Member Barbara Copley (410-D) commented on leasing restrictions.

On behalf of Director Marv Rosenhaft, Director Strom reported from the Architectural, Maintenance and Planning Committee.

Ms. Price left the meeting at 11:47 A.M.

The Secretary of the Corporation read the following proposed resolution adopting a policy which prohibits any future installation of hard surface flooring in second floor manors:

RESOLUTION 01-09

WHEREAS, the installation of hard surface flooring in manors has generated a number of nuisance complaints to the Mutual due to noise transmitted to neighboring units when members have replaced original flooring types, i.e. carpet and vinyl flooring, with hard surface flooring; and

WHEREAS, the United Laguna Hills Mutual Occupancy Agreement requires that "a member shall not obstruct or interfere with the rights of other members or annoy them by unreasonable noise.;" and legal counsel has opined that the Mutual has the authority to establish reasonable rules in order to regulate unreasonable noises;

NOW THEREFORE BE IT RESOLVED, October 13, 2009, that the Board of Directors hereby adopts a policy which prohibits any future installation of hard surface flooring in second floor manors, effective January 1, 2010; and

RESOLVED FURTHER, that the Board hereby directs staff to create a voluntary registry of existing hard surface flooring throughout the Mutual to address and track which manors currently have hard surface floors (where the member can enter their floors in the registry within 90 days of the creation of the registry); that the current compliance/disciplinary process will be used to handle a nuisance dispute involving a registered floor but that unregistered hard surface floors that cause a nuisance dispute concerning the transmission of noise from that flooring to a neighboring unit will result in the requirement that the offending Member restore the flooring to the Mutual's original flooring types at member expense; and

RESOLVED FURTHER, that the Board hereby directs staff to hold funds for the removal of unregistered hard surface flooring and replacement with original flooring types during the resale inspection; and

RESOLVED FURTHER, that the officers and agents of this Corporation are hereby authorized on behalf of the Corporation to carry out the purpose of this resolution.

Director Wilson moved to approve the resolution. Director Strom seconded the motion and discussion ensued.

Director Curtis made a motion to refer the resolution back to the committee for further review. The motion failed due to the lack of a second.

Mutual Members Ralph Belitz (124-R), Barbara Copley (410-D), and Ron Beldner (203-C) commented on the resolution and insulation.

Director Curtis made a motion to refer the resolution back to the committee for a better definition of hard flooring. The motion failed due to the lack of a second.

Director Wilson made a motion to postpone the resolution to the Old Business portion of the October Meeting to satisfy the required statutory thirty-day notice requirement. Director Strom seconded the motion. By a vote of 9-1-0 (Director Curtis opposed), the motion carried.

On behalf of Director Linda Wilson, Director Gail McNulty reported from the Landscape Committee.

Director Marty Rubin reported from the Resident Relations Information Services.

Director Maxine McIntosh reported from the Traffic Committee.

GRF HIGHLIGHTS

Director Strom reported on the Golf Ad Hoc Committee Meeting.

Director McNulty made a motion to dispense with GRF Highlights. Director Dalis seconded the motion and discussion ensued. The motion carried without objection.

President Foster reminded the Board about the 3 minute time limitation for each Director during Directors' Forum.

DIRECTORS' FORUM

- Director Dalis commented on the structure of the Community
- Director Miller commented on landscaping
- Director Rubin commented on finding a way to open up communications with the residents
- Director Wilson announced the upcoming "Great California Shake Out"
- Director Curtis commented on the Operational Review, his opinion as to why he was banned from the second floor and closed sessions of United, and expressed his sentiments on returning to closed session, and commented on the large attorneys fees for the recall election and the Board's duty to look into the Incentive Plan
- Director McIntosh responded to Director Curtis' comment on the Board's reason to hold the Annual meeting at a later time so the outgoing Board members can extend their time on the Board
- Director Rosenhaft expressed his sentiments that the residents and the Boards should be civil to each other

- Director Strom commented on the need to depend on legal advice

MEETING RECESS

The Regular Open Session Meeting recessed for lunch at 12:30 P.M. and reconvened back into the Regular Executive Session at 1:00 P.M.

Summary of Previous Closed Session Meetings per Civil Code Section §1363.05

During its August 11, 2009 Regular Executive Session, the Board reviewed, revised, and approved the minutes of the Regular Executive Session Meeting of July 14, 2009. The Board also discussed member disciplinary matters and heard five (4) Disciplinary Hearings and one (1) Disciplinary Appeal Hearing, imposed fines totaling \$1,050 for violations of the Mutual's rules and regulations; and reviewed the Litigation Status Report.

ADJOURNMENT

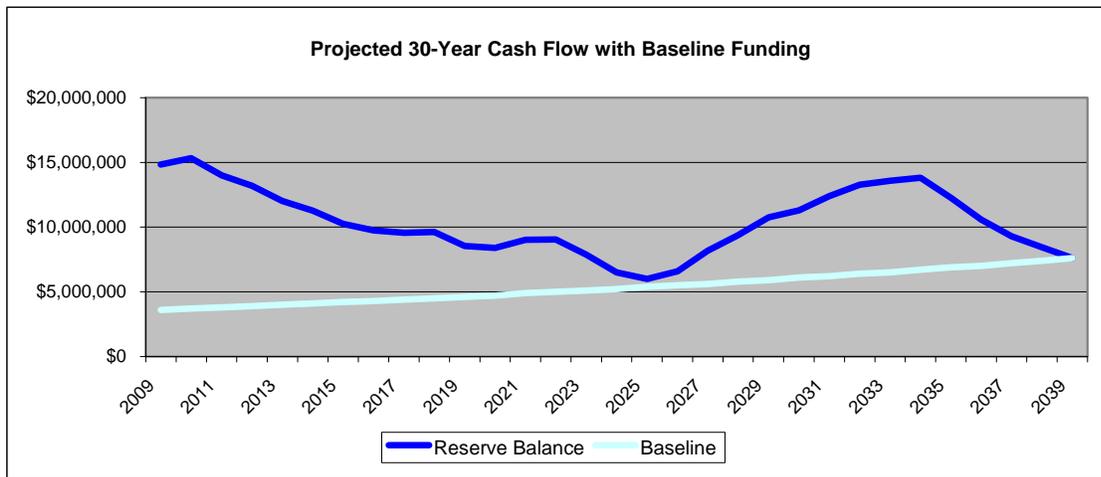
With no further business before the Board of Directors, the meeting was adjourned at 5:40 P.M.

Linda Wilson, Secretary

**United Laguna Hills Mutual
 2010 PROPOSED RESERVES PLAN
 Replacement Reserve 30-Year Funding Plan**

Baseline (Threshold): \$ 3,700,000
 Indexed for projected inflation

Year	Assessment		Interest Earnings	Other Additions	Planned Expenditures	Reserve Balance
	Per Manor Per Month	Total Contribution				
2009	\$ 73.00	\$ 5,538,948	\$ 236,476	\$ 375,000	\$ 3,734,184	\$ 14,839,245
2010	\$ 73.00	\$ 5,538,948	\$ 261,635		\$ 5,316,334	\$ 15,323,494
2011	\$ 74.00	\$ 5,614,824	\$ 254,322		\$ 7,196,412	\$ 13,996,228
2012	\$ 75.00	\$ 5,690,700	\$ 235,765		\$ 6,738,565	\$ 13,184,128
2013	\$ 76.00	\$ 5,766,576	\$ 218,589		\$ 7,153,208	\$ 12,016,085
2014	\$ 77.00	\$ 5,842,452	\$ 201,913		\$ 6,798,904	\$ 11,261,546
2015	\$ 79.00	\$ 5,994,204	\$ 186,547		\$ 7,197,677	\$ 10,244,619
2016	\$ 81.00	\$ 6,145,956	\$ 173,485		\$ 6,808,284	\$ 9,755,776
2017	\$ 83.00	\$ 6,297,708	\$ 167,621		\$ 6,652,547	\$ 9,568,558
2018	\$ 85.00	\$ 6,449,460	\$ 166,452		\$ 6,563,467	\$ 9,621,003
2019	\$ 87.00	\$ 6,601,212	\$ 157,612		\$ 7,830,456	\$ 8,549,370
2020	\$ 90.00	\$ 6,828,840	\$ 147,037		\$ 7,123,362	\$ 8,401,885
2021	\$ 93.00	\$ 7,056,468	\$ 151,188		\$ 6,581,603	\$ 9,027,939
2022	\$ 96.00	\$ 7,284,096	\$ 156,682		\$ 7,433,500	\$ 9,035,216
2023	\$ 99.00	\$ 7,511,724	\$ 146,721		\$ 8,814,050	\$ 7,879,611
2024	\$ 102.00	\$ 7,739,352	\$ 124,793		\$ 9,236,470	\$ 6,507,286
2025	\$ 105.00	\$ 7,966,980	\$ 108,560		\$ 8,574,669	\$ 6,008,156
2026	\$ 108.00	\$ 8,194,608	\$ 109,276		\$ 7,722,289	\$ 6,589,751
2027	\$ 111.00	\$ 8,422,236	\$ 128,064		\$ 6,965,905	\$ 8,174,146
2028	\$ 111.00	\$ 8,422,236	\$ 152,137		\$ 7,383,472	\$ 9,365,047
2029	\$ 111.00	\$ 8,422,236	\$ 174,459		\$ 7,214,118	\$ 10,747,625
2030	\$ 111.00	\$ 8,422,236	\$ 191,224		\$ 8,063,370	\$ 11,297,715
2031	\$ 111.00	\$ 8,422,236	\$ 205,529		\$ 7,528,693	\$ 12,396,787
2032	\$ 111.00	\$ 8,422,236	\$ 222,605		\$ 7,775,237	\$ 13,266,391
2033	\$ 111.00	\$ 8,422,236	\$ 232,829		\$ 8,345,985	\$ 13,575,471
2034	\$ 111.00	\$ 8,422,236	\$ 237,487		\$ 8,431,846	\$ 13,803,348
2035	\$ 112.00	\$ 8,498,112	\$ 226,192		\$ 10,254,237	\$ 12,273,415
2036	\$ 113.00	\$ 8,573,988	\$ 198,288		\$ 10,459,283	\$ 10,586,408
2037	\$ 114.00	\$ 8,649,864	\$ 172,344		\$ 10,126,211	\$ 9,282,405
2038	\$ 115.00	\$ 8,725,740	\$ 153,629		\$ 9,732,922	\$ 8,428,852
2039	\$ 116.00	\$ 8,801,616	\$ 139,136		\$ 9,758,105	\$ 7,611,499



UNITED LAGUNA HILLS MUTUAL

YEAR 2010 COLLECTION AND LIEN ENFORCEMENT POLICY AND PROCEDURES FOR ASSESSMENT DELINQUENCIES

The following is a statement of the specific procedures, policies and practices employed by United Laguna Hills Mutual, a California nonprofit mutual benefit corporation (the "Mutual") in enforcing lien rights or other legal remedies for default in payment of its assessments against its members (the "Policy Statement"). This Policy Statement is provided pursuant to the requirements of California Civil Code Section 1365(e).

The collection of delinquent assessments is of vital concern to all members of the Mutual. Such efforts ensure that all members pay their fair share of the costs of services and facilities provided and maintained by the Mutual. Members' failure to pay assessments when due creates a cash-flow problem for the Mutual and causes those members who make timely payment of their assessments to bear a disproportionate share of the community's financial obligations.

WE SINCERELY TRUST THAT ALL MEMBERS, IN THE SPIRIT OF COOPERATION, WILL MAKE TIMELY PAYMENTS AND AVOID THE IMPOSITION OF LATE CHARGES AND POSSIBLE RESULTANT LEGAL ACTION. IT IS IN THE BEST INTEREST OF YOU AND EVERY OTHER MEMBER OF THE MUTUAL FOR EACH OF YOU TO MAKE YOUR MONTHLY PAYMENTS ON TIME.

REGARDLESS OF WHETHER THE MUTUAL RECORDS A LIEN ON YOUR PROPERTY DURING THE COLLECTION OF PAST-DUE ASSESSMENTS, ALL MEMBERS HAVE A PERSONAL AND ONGOING OBLIGATION TO PAY ASSESSMENTS AND CHARGES.

Delinquency reports are made monthly by the Mutual's managing agent to the Board of the Mutual, identifying the delinquent member, amount and the length of time the assessments have been in arrears. Additionally, to ensure the prompt payment of monthly assessments the Mutual employs the following collection and lien enforcement procedures:

1. Regular assessments are due and payable to the Mutual, in advance, in equal monthly installments, on the first day of each month. Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the special assessment or in the ballot presenting the special assessment to the members for approval. In no event shall a special assessment be due and payable earlier than thirty (30) days after the special assessment is duly imposed. If the current monthly assessment is not received by the Mutual on or before the close of business on the sixteenth (16th) day of the month (or if a special assessment is not received by the Mutual on or before the close of business on the fifteenth (15th) day after it is due), a Reminder Notice is sent to the member. PLEASE NOTE THAT TO BE CONSIDERED TIMELY, THE PAYMENT MUST BE RECEIVED BY THE MUTUAL WITHIN THIS FIFTEEN (15) DAY GRACE PERIOD. SIMPLY PLACING THE PAYMENT IN THE MAIL BEFORE THE GRACE PERIOD EXPIRES IS NOT SUFFICIENT. It is the policy of the Mutual not to routinely waive any duly imposed late charges, interest, or actually incurred "Costs of Collection." "Costs

of Collection” as used in this Policy Statement include, without limitation, an administrative collection fee, currently in the amount of Two Hundred Dollars (\$200) (the “Administrative Collection Fee”), which is charged by the Mutual’s managing agent to cover staff’s costs to prepare the files for delivery to the Mutual’s legal counsel in order to carry out legal actions authorized hereunder, as well as direct costs incurred in recording and/or mailing documents attendant to this legal process. This Administrative Collection Fee may be increased by majority vote of the Mutual’s Board, and may be collected by the Mutual’s legal counsel on its behalf, and remitted to the Mutual’s managing agent, or may be directly collected by the Mutual’s managing agent. IT IS THE MEMBER’S RESPONSIBILITY TO ALLOW AMPLE TIME TO DROP OFF OR MAIL ALL PAYMENTS SO THAT THEY ARE RECEIVED BEFORE THE DELINQUENCY DATE. All notices or invoices for assessments will be sent to members by first-class mail addressed to the member at his or her address as shown on the books and records of the Mutual. However, it is the member’s responsibility to be aware of the assessment payment due dates and to advise the Mutual of any changes in the member’s mailing address.

A late payment charge for a delinquent assessment will be assessed in the amount of Twenty Dollars (\$20.00) and will be imposed on any assessment payment that is more than fifteen (15) days in arrears. Further, both state law and the Mutual’s governing documents provide for interest on the delinquent assessment and the late charge, and accordingly interest may be imposed thirty (30) days after the assessment is due, at an annual percentage rate not to exceed twelve percent (12%) or the maximum interest rate allowed by law, whichever is less. Such interest may be imposed and collected per the foregoing sentence regardless of whether the member’s delinquent account is referred to the Mutual’s legal counsel for further handling.

2. If full payment of the delinquent amount is not received by the close of business on the day which is fifteen (15) days after the date of the Reminder Notice, a Demand Letter will be sent to the member by Certified Mail. Additionally, the Mutual will attempt to contact the member by telephone to remind the member of the delinquency and determine when payment will be made. However, no assurances can be given that the Mutual will in fact reach the member by telephone, and the member is responsible to pay off the delinquency whether or not a telephone reminder is actually received by the member.
3. If full payment of the delinquent amount is not received by the close of business on the thirtieth (30th) day after the date of the Demand Letter, the Mutual may, at its option, and based on the circumstances of the delinquency, including but not limited to, the total delinquent amount owing and the member’s payment history, undertake to collect the delinquency by: (1) legal actions, discussed further below, (2) termination of the delinquent member’s membership in the Mutual as a result of any foreclosure, or (3) other appropriate means.
4. The failure to pay each assessment payment on a timely basis imposes financial pressure and burdens on the Mutual’s budget. The monthly

assessments are the Mutual's principal and only regular source of revenue to meet current operating and reserve expenses incurred on behalf of the members of the Mutual. Special assessments must be received in a timely fashion in order to finance the special projects for which said special assessments are imposed. Accordingly, in order to reduce the amount and duration of delinquencies and to encourage the prompt and full payment of all assessments, the Mutual has been vested with certain enforcement rights and remedies which are in addition to those which exist generally for creditors. For example, the Mutual may, after following appropriate procedures prescribed by law and the Mutual's governing documents, suspend a delinquent member's right to vote on matters as to which the member would otherwise be entitled to vote (based on applicable law and/or the Mutual's governing documents), or to use facilities or receive services provided by the Mutual, or both, until the delinquency is paid in full, including interest, a late charge, and/or the Administrative Collection Fee, as may have been imposed or incurred in a particular instance. Failure to pay the assessments or failure to pay interest, a late fee, and/or the Administrative Collection Fee may also result in suspension of membership in and the ability to use the facilities or services provided by the Golden Rain Foundation of Laguna Woods or by this Mutual.

The Mutual may also take various legal actions to enforce the collection of delinquencies. These actions may be taken separately or concurrently.

First, a civil action in small claims court may be filed (or a lien recorded as to which the Mutual is prohibited from foreclosing while the amount of the delinquent assessments, exclusive of any late charges, fees, attorney's fees, interest, and Costs of Collection is less than One Thousand Eight Hundred Dollars (\$1,800), or the delinquent assessments are not yet more than twelve (12) months delinquent), with a management company representative or bookkeeper appearing and participating on behalf of the Mutual.

The amount that may be recovered in small claims court may not exceed the jurisdictional limits of the small claims court, and shall be the sum of the following: (a) the amount owed as of the date of filing of the complaint in the small claims court proceeding; and (b) in the discretion of the court, an additional amount equal to the amount owed for the period from the date the complaint is filed until satisfaction of the judgment, which total amount may include accruing unpaid assessments and any reasonable late charges, fees and Costs of Collection (which costs shall, as stated above, include, without limitation, the Administrative Collection Fee), attorney's fees and interest, all up to the jurisdictional limits of the small claims court.

Alternatively, if the amount of delinquent assessments (again, not including any late charges, fees, attorney's fees, interest, or Costs of Collection), exceeds One Thousand Eight Hundred Dollars (\$1,800), or any unpaid assessments are more than twelve (12) months delinquent, then, subject to specified conditions, the Mutual may initiate foreclosure proceedings to collect the amounts owed.

These conditions include that, prior to initiating a foreclosure, the Mutual shall offer the member, and if so requested by the member, the Mutual must participate in dispute

resolution pursuant to the Mutual's "meet and confer" program, or alternative dispute resolution ("ADR"). THE DECISION TO PURSUE DISPUTE RESOLUTION OR A PARTICULAR TYPE OF ADR SHALL BE THE CHOICE OF THE MEMBER, EXCEPT THAT BINDING ARBITRATION SHALL NOT BE AVAILABLE IF THE MUTUAL INTENDS TO INITIATE A JUDICIAL FORECLOSURE.

Another condition is that the decision to initiate foreclosure of a lien for delinquent assessments that has been validly recorded shall be made only by the Board, and may not be delegated to an agent of the Mutual. The Board shall approve the decision by a majority vote of the Board in an executive session. The vote must be recorded in the minutes of the next meeting of the Board open to all members; however, the confidentiality of the member shall be maintained by identifying the matter in the minutes only by the Parcel Number, and not by the name of the member or members. A Board vote to approve foreclosure of a lien shall take place at least thirty (30) days prior to any public sale.

The Board must provide notice by personal service to a member or their legal representative, if the Board votes to foreclose. For a non-occupying member, the Board must provide written notice by first-class mail, postage prepaid, at the most current address shown on the books of the Mutual. In the absence of written notification by a non-occupying member to the Mutual, the address of the member's manor ("unit" or "leasehold interest") may be treated as the member's mailing address.

A non-judicial foreclosure by the Mutual to collect upon a debt for delinquent assessments is subject to a statutory right of redemption. The redemption period within which the unit may be redeemed from a foreclosure sale ends ninety (90) days after the sale, per California Civil Code Section 1367.4.

If a foreclosure action is prosecuted to judgment and the judgment is in favor of the Mutual, assets of the member may be seized or a lien may be placed on such assets to satisfy the judgment.

Pursuant to the provisions of the Davis-Stirling Common Interest Development Act, applicable regulations, and the Occupancy Agreement, the delinquent amount, as well as late payment penalties for the delinquent assessments and/or interest charges and/or charges for Costs of Collection that are incurred by the Mutual or its managing agent acting on behalf of the Mutual in its efforts to collect delinquent assessments (including, but not limited to, attorney's fees, title company and foreclosure service company charges, charges imposed to defray the cost of preparing and mailing demand letters (such as the Administrative Collection Fee), recording costs and costs associated with small claims court actions) may be enforced as a lien against the member's leasehold interest in the Manor.

Moreover, pursuant to the Davis-Stirling Common Interest Development Act, monetary penalties that have been imposed by the Mutual as a means of reimbursing the Mutual for costs incurred by the Mutual in the repair of damage to common areas and/or community facilities for which a member or a member's guests or tenants were

responsible may also be enforced as a lien against the member's leasehold interest in the Manor.

Prerequisites to Recording a Lien: Offer of ADR and Thirty (30) Day Pre-Lien Notice to the Delinquent Member. Before a Notice of Delinquent Assessment can be recorded in the chain of title to the manor of a delinquent member, the Mutual must offer the member, and if so requested by the member, the Mutual must participate in dispute resolution pursuant to the Mutual's "meet and confer" program (per the requirements set forth in Article 5 commencing with Section 1363.810 of Chapter 4) or ADR as set forth in Article 2 (commencing with Section 1369.510 of Chapter 7), both in the California Civil Code.

THE DECISION TO PURSUE DISPUTE RESOLUTION OR A PARTICULAR TYPE OF ADR SHALL BE THE CHOICE OF THE MEMBER. However, binding arbitration is not available if the Mutual intends to initiate a judicial foreclosure. If the member elects not to proceed with dispute resolution or any type of ADR, then the Mutual must send the member a certified notice providing information regarding the sums claimed as being delinquent ("Pre-Lien Notice"). No lien can be recorded until thirty (30) days after this Pre-Lien Notice has been given. This certified Pre-Lien Notice from the Mutual must include the following information:

- (a) A general description of the collection and lien enforcement procedures of the Mutual and the method of calculation of the amount that is claimed to be owed (this Policy Statement is intended to satisfy that disclosure requirement);
- (b) A statement that the notified member has the right to inspect the Mutual's records pursuant to Section 8333 of the Corporations Code;
- (c) A statement in 14-point capital letters (or boldface type): "IMPORTANT NOTICE: IF YOUR UNIT IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION";
- (d) An itemized statement of the charges owed by the member, including items on the statement that indicate the amount of any delinquent assessments, the fees and Costs of Collection, reasonable attorney's fees, and late charges, and interest, if any;
- (e) A statement that the member shall not be liable to pay the charges, interests and Costs of Collection if it is determined that the assessment was paid on time to the Mutual;
- (f) A statement that the notified member has a right to meet with the Board to discuss a payment plan (further discussed below);

- (g) A statement that the member has the right to dispute the assessment debt by submitting a written request for dispute resolution to the Board pursuant to the Mutual's "meet and confer" program; and
- (h) A statement that the member has the right to request ADR with a neutral third party before the Mutual may initiate foreclosure against the member's unit, except that binding arbitration shall not be available if the Mutual intends to initiate a judicial foreclosure.

Member's Right to Request a Meeting with the Board, or Dispute Resolution or ADR. Upon receipt of the certified Pre-Lien Notice described above, the noticed member has several possible courses of action that can be taken at this point in the collection process, such as:

- (a) The member has the right to dispute the assessment debt by submitting a written request for dispute resolution to the Mutual pursuant to the Mutual's "meet and confer" program, which is required by Civil Code Sections 1363.810-1363.850;
- (b) The noticed member may exercise his or her right to participate in alternative dispute resolution with a neutral third party under Civil Code Sections 1369.510-1369.590 before the Mutual may initiate foreclosure against the member's unit, except that binding arbitration shall not be available if the Mutual intends to initiate a judicial foreclosure.
- (c) The noticed member has a right to submit a written request to meet with the Board of Directors to discuss a payment plan for the delinquent assessment, as long as the request for a meeting is made within fifteen (15) days following the postmark on the Mutual's Pre-Lien Notice to the member. That meeting must take place within forty-five (45) days (calculated from the postmark on the member's request) and must be conducted in executive session. When a member has made a timely request for a meeting to discuss a payment plan, the Mutual must provide the requesting member with the Mutual's standards for payment plans, if any standards have been adopted. There is no statutory authorization for the Board to delegate this meeting obligation to a property manager, but the Board may designate a committee of one or more members to meet with the member if there is no regularly scheduled Board meeting that will occur within forty-five (45) days of the member's request.

Payment plans may incorporate any assessments that accrue during the payment plan period. Payment plans may not impede the Mutual's ability to record a lien on the member's unit to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the member is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the Mutual

may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan.

Also, Civil Code Section 1369.590 requires the Mutual to include the following statement in this Policy Statement:

“Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 1369.520 of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.”

If any “meet and confer” session or ADR is engaged in by and between the member and the Mutual (or any neutral third parties, as the case may be), and these efforts do not result in a payment plan, then, assuming the new statutory minimum as to the delinquent amount or duration of the delinquency had been met, a proceeding may be commenced to foreclose the lien against the member’s leasehold interest in the Manor. and sell the member’s leasehold interest in the Manor. at a private sale or by a judicial sale. If this occurs, the member may lose his or her leasehold interest in his or her Manor.

Additionally, in accordance with state law, payments received on delinquent assessments shall be applied to the member’s account in the following order of priority: first, to the principal owed; then to accrued interest and late charges; then to attorney’s fees; then to title company and foreclosure service company charges and other Costs of Collection. Payments on account of principal shall be applied in reverse order so that the oldest arrearages are retired first. Interest shall continue to accrue on unpaid balances of principal, and other costs and charges imposed in accordance with Civil Code section 1366(e).

The Mutual is prohibited from recording a lien or initiating a foreclosure action without participating in dispute resolution or ADR procedures if so requested by the member. If it is determined through dispute resolution or ADR that the Mutual has filed a lien for delinquent assessments in error, the Mutual is required to promptly reverse all late charges, fees, interest, attorney’s fees, Costs of Collection, costs imposed for the Pre-Lien Notice, and costs of recordation and release of the lien, and pay all costs related to any dispute resolution or ADR that has been pursued.

Members have a right to identify in writing to the Mutual a secondary address for purposes of collection notices delivered pursuant to this Policy Statement, and upon receipt of a written request from a member identifying a secondary address, the Mutual must send additional notices to this secondary address.

Although the matters set forth above summarize the policies and practices ordinarily employed to collect delinquent monthly assessments, the Mutual reserves the right to employ other or additional policies and practices as may be necessary or appropriate when the uniqueness of the circumstances or habitualness of the delinquency so requires.

BOARD OF DIRECTORS

UNITED LAGUNA HILLS MUTUAL