

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
CHINQUAPIN HOMEOWNERS ASSOCIATION REGARDING EXTRAORDINARY AND  
UNFORESEEN SIGNIFICANT  
INCREASE IN COST OF FIRE INSURANCE**

The Board of Directors of Chinquapin Homeowners Association ("CHOA") acting by unanimous written consent pursuant to Section 307(b) of California Corporations Code and of the Bylaws of the Corporation, take the following actions and adopt the following Resolution:

WHEREAS, the Board of Directors of CHOA is charged with maintaining fire insurance to protect the Chinquapin project; and

WHEREAS, the Board in November 2019 budgeted a twenty percent (20%) increase in the expected cost of the fire insurance premium for the calendar year 2020, which in years past would have been a more than adequate budget line item; however the recently received premium for fire insurance for 2020 is \$945,000, leaving a \$525,000 shortfall over the budgeted amount; and

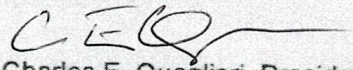
WHEREAS, the Board has "shopped" the insurance marketplace thoroughly without success, and as the insurance premium must be paid on or before December 30, 2019 the CHOA Board herein adopts the following Resolution;

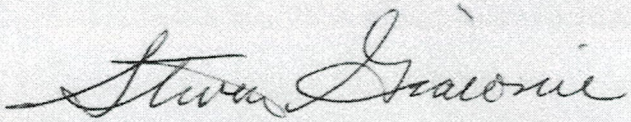
NOW, THEREFORE, be it

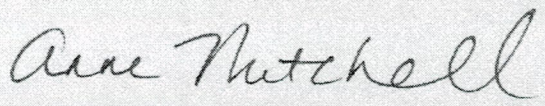
RESOLVED that officers and/or directors of CHOA are authorized, empowered and directed to take all such steps as they may deem necessary to pay for the extraordinary fire insurance premium by emergency assessment as described above; and further this Resolution shall be distributed to the unit owners within Chinquapin with a notice of assessment; and further

RESOLVED that CHOA will pay the unforeseen extraordinary insurance expense of \$945,000 on or before December 30, 2019, by paying said premium with the funds budgeted for insurance in the year 2020 and by borrowing \$525,000 on a short-term basis from the CHOA reserve fund. The reserve fund will be repaid within one (1) year by an emergency assessment of approximately \$3,000 per unit, approved and implemented in accordance with the Davis-Stirling Act and specifically Civil Code section 5610(c). The following persons constitute the Board of Directors of record of CHOA, as of this date.

Dated: December 19, 2019

  
Charles E. Quaglieri, President

  
Steve Giacomi, Treasurer

  
Anne Mitchell, Secretary