

**[PROPOSED] THIRD AMENDMENT
TO AMENDED DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS
OF
WALNUT CREEK MUTUAL NO. THIRTY**
a California nonprofit corporation

This Third Amendment to the Amended Declaration of Covenants, Conditions and Restrictions of Walnut Creek Mutual No. Thirty (hereafter "Third Amendment") is incorporated into and made a part of the Amended Declaration of Covenants, Conditions and Restrictions of Walnut Creek Mutual No. Thirty, recorded in the office of the County Recorder of Contra Costa County on May 23, 2003 as Document No. 2003-0243523-00 (the "CC&Rs"). The CC&Rs and all amendments thereto, including this Third Amendment, together shall constitute the "Amended CC&Rs." If any term or provision in this Third Amendment conflicts with earlier versions of the CC&Rs, the Third Amendment shall control.

The legal description of the development is:

Lot 1, as shown on the "Map of Subdivision 4297, City of Walnut Creek, Contra Costa County, California," filed July 6, 1972, in Book 148 of Maps, Pages 7, 8 and 9, in the Office of the County Recorder of Contra Costa County.

AMENDMENTS

The existing Article 13 "Insurance" is hereby **amended as follows**:

In **section 13.1.1**, the reference to Civil Code section 1365.9 shall be **amended** to read Civil Code section 5805.

In **section 13.1.2**, the reference to Civil Code section 1365.7 shall be **amended** to read Civil Code section 5800.

Existing **section 13.2.3** shall be **deleted in its entirety** and the following section **substituted in its place**:

13.2.3 Coverage Levels. The amount of such insurance must be the best and highest amount available, taking into consideration availability and reasonable cost. If coverage for one hundred percent (100%) of the aggregate full insurable value of the insured property is not available through one or more carriers, the Mutual must obtain coverage for the highest percentage of the property available to the extent such percentage is also economically feasible. When determining the economic feasibility of a given amount of coverage, the Board may consider

- (a) The risk analysis/risk assessment is obtained from a qualified risk manager or insurance broker who is using industry standards to evaluate the cost and availability of insurance products for similarly situated communities;
- (b) The market availability of coverage;
- (c) The possibility of various possible maximum loss scenarios laid out by the qualified risk manager, insurance broker, or third-party consultant used by GRF;
- (d) The overall cost-effectiveness of available coverage;
- (e) The difference in cost between different percentages of coverage;
- (f) The relative risks of experiencing different percentages of loss, such as the risk of a 50% loss vs. a 100% loss;
- (g) Actual or anticipated increases in other required Mutual expenses; and
- (h) Such other financial and economic factors that a reasonable Board would consider under the circumstances.

Existing **section 13.3** shall be **deleted in its entirety**.