After recording return to:

Brian C. Balch
Sperling & Balch
12211 E. Broadway #3
Spokane, WA 99206

Reference # (if applicable): 9407290529
Grantor(s): (1) ___________________________ (2) ___________________________
Grantee(s): (1) ___________________________ (2) ___________________________
Additional Grantor(s) on pg. ________ Additional Grantee(s) on pg. ________
Legal Description (abbreviated): Block E 33.24.43
Additional legal(s) on page
Assessor's Tax Parcel ID# 34331. 9065, 34331. 9066, 34334. 9061

AMENDMENT NO. 2 TO DECLARATION OF COVENANTS OF RIDGE AT HANGMAN

The Declaration Establishing Covenants, Conditions and Restrictions for The Ridge at Hangman, a Planned Unit Development, recorded July 29, 1994 under Spokane County, Washington Auditor's File No. 9407290529, is hereby amended as follows:

1. Section 4.2.28 of the Covenants is deleted in its entirety.

2. A new Section 12.10 is added to the Covenants reading as follows:

   12.10 Open Space Tract. The approximate 104 acre parcel, adjacent to portions of platted phases I, II and IV of The Ridge at Hangman, P.U.D., which parcel is legally described on Exhibit "A" attached hereto ("Open Space Tract"), has been designated as an open space tract in perpetuity.

   The Open Space Tract shall be managed in a manner consistent with the intent of the Wildlife Enhancement Plan contained in the original Environmental Impact Statement, namely: to preserve and permit expansion of wildlife habitat on the Open Space Tract and to protect and enhance wildlife on the Open Space Tract. The following uses are permitted on the Open Space Tract:

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1. Farming uses consistent with growing and harvesting alfalfa and/or other grain crops beneficial to wildlife management and preservation. Weed prevention and control shall be permitted.

2. Utility uses, including any improvements to the existing Ridge at Hangman water system, such as the drilling of new wells or the installation of related piping and equipment; and uses associated with the repair, maintenance and monitoring of such water systems; and other utility uses that benefit the Association or its homeowners shall be permitted.

3. Public easements for sanitary drainfields as may be reasonably necessary for any Lot or portion of the real property which is part of any Phase of The Ridge at Hangman P.U.D., easements for access for construction and maintenance of any such drainfields, easements necessary for disposal and disbursement of surface water, and easements as reasonable or necessary for bank maintenance or stabilization.

4. Other related activities as deemed reasonable or necessary to manage and maintain the Open Space Tract consistent with the overall objective of the preservation of wildlife on the Open Space Tract.

The following uses shall not be permitted on the Open Space Tract:

1. Any use of the Open Space Tract which that is inconsistent with the overall objectives of the preservation and protection of wildlife, including public access.

2. Hunting, trapping or intentional flushing of birds, deer, elk or other protected animals or any other activity that may be harmful to or which constitute harassment of such wildlife.

3. No dogs or cats are permitted on the Open Space Tract, and each homeowner at the Ridge at Hangman shall be responsible for assuring compliance with regard to their household pets.

3. Notwithstanding anything to the contrary in the Declaration Establishing Covenants, Conditions and Restrictions for The Ridge at Hangman as originally drafted, as previously amended, or amended hereby, so long as the developer, Ridge Associates Limited Partnership, or any successor individual or entity designated as such by the original developer, has any ownership interest in any portion of any lot or other property within The Ridge at Hangman, Section 13.10 as stated above shall not be amended or modified without the prior written consent and participation in
execution of the amendment by the said Ridge Associates Limited Partnership or any successor designated as such.

4. Except as modified by this Amendment and any previous Amendments, the Declaration Establishing Covenants, Conditions and Restrictions for The Ridge at Hangman shall remain in full force and effect.

5. This Amendment to Declaration Establishing Covenants, Conditions and Restrictions for The Ridge at Hangman has been adopted and approved by the vote or written consent of the Owners representing more than fifty percent (50%) of the votes in the Association, with this Amendment to be effective upon his recordation with the Spokane County, Washington Auditor.

DATED this 23 day of December 1999.

RIDGE AT HANGMAN
HOMEOWNERS ASSOCIATION

By: [Signature]

Brian M. McCoy, President

By: [Signature]

Happy Hawn, Secretary

STATE OF IDAHO
COUNTY OF BLAINE

On this 23 day of December 1999, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Brian M. McCoy and Happy Hawn to me known to be the President and Secretary of the Ridge at Hangman Homeowners Association, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument.
Witness my hand and official seal hereto affixed the day and year last above written.

Robin L. Taylor
Notary Public in and for the State of Idaho
residing at Hailey, Idaho
My commission expires 3/11/2004

ROBIN L. TAYLOR
Print Name
Exhibit "A"

LEGAL DESCRIPTION FOR WILDLIFE AREA

A parcel of land in the east half of Section 33, Township 24 North, Range 43 East, W.M., in Spokane County, Washington; being more particularly described as follows:

Beginning at the northeast corner of said Section 33; thence N.89°55'00"W., along the north line of said Section 33, 746.79 feet; thence S.54°34'47"W., 223.35 feet; thence S.59°08'36"E., 357.20 feet; thence S.34°24'50"W., 669.81 feet; thence S.53°40'13"W., 360.37 feet; thence S.17°10'21"W., 360.68 feet; thence N.72°55'44"W., 139.85 feet; thence N.85°14'20"W., 201.74 feet; thence S.25°09'37"W., 435.32 feet; thence S.13°47'01"E., 113.88 feet; thence S.15°32'14"W., 217.70 feet; thence S.13°57'33"E., 309.20 feet; thence S.10°51'09"W., 233.35 feet, to a point on the south line of the northeast quarter of said Section 33; thence S.88°53'32"E., along the said south line of the northeast quarter of said Section 33, 579.00 feet; thence S.00°29'06"W., 332.32 feet; thence S.88°53'32"E., 660.00 feet; thence S.00°29'06"W., 660.00 feet; thence S.88°53'32"E., 657.00 feet, to a point on the east line of said Section 33; thence N.00°29'06"E., along the said east line of said Section 33, 992.32 feet to the east quarter corner of said Section 33; thence, continuing along the said east line of said Section 33, N.00°28'21"E., 2645.41 feet to the northeast corner of said Section 33 and the POINT OF BEGINNING;

EXCEPT any portion lying within the plats of The Ridge at Hangman, Phases I, II, and IV.

Area = 104± Acres