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JOAN P. WHITE
SAN JUAN COUNTY, WASHINGTON

SUPERIOR COURT OF WASHINGTON, COUNTY OF SAN JUAN

CLARE LINN WELKER and ABIGAIL
METZGER WELKER, Trustees of the Big
Sky Trust UDT 11-14-2002,
Plaintiffs,

v.

MOUNT DALLAS ASSOCIATION, a
Washington non-profit corporation; et al.,
Defendants.

NO. 15-2-05069-0

DECLARATION OF SANDRA
HAWLEY IN RESPONSE TO
PLAINTIFFS MOTION FOR
SUMMARY JUDGMENT

I, Sandra J Hawley, declare as follows:

1. I am over the age of 18 and I am competent to be a witness in this lawsuit. I make the following statements based upon my personal knowledge. In February 2015 I was appointed by the Board as Treasurer of Mount Dallas Association (the Association). I was previously the elected Treasurer from 2012 to August 2014. My husband Robert C. Tauscher and I are also Defendants in this lawsuit. We own one parcel of land on San Juan Island, which we access via Mount Dallas Road and the side road Kiya Way.

2. I have been a Certified Public Accountant for over 30 years with a Bachelor's Degree in Accounting and a Master's Degree in Financial Accounting. I was a self-employed practicing CPA in Friday Harbor for 20 years. I completed more than the requisite number of hours of Certified Public Accountant Continuing Professional Education in the area of Association accounting and auditing. I have much experience in accounting for and preparing tax returns for numerous Homeowner/Condo, Water and Road Associations in San Juan County. In addition, I have conducted annual audits, reviews or compilations for many of these associations.

DECLARATION OF SANDRA HAWLEY IN - 1
SUPPORT OF MOUNT DALLAS ASSOCIATION'S
MOTION FOR SUMMARY JUDGMENT

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Eastsound, WA 98245
360-376-3299

1 3. I make this Declaration in response to the Plaintiffs' Motion for Partial Summary
2 Judgment, hearing date: April 15, 2016.

3 4. I am the Treasurer of Mount Dallas Association. I testify herein as to certain
4 Association matters from personal involvement, and to certain such matters after a careful review
5 of the Association's records. The Association was formed and incorporated in the State of
6 Washington in 1989 to manage and maintain the roads. The records show that the Association
7 files and pays all requisite State and Federal licensing fees and taxes. It also maintains liability
8 insurance for the approximately six miles of roads in the Mt. Dallas road network. Over
9 \$500,000 has been received by the Association through March 1, 2016 for its use in
10 administering and maintaining all the roads.

11 5. I restate everything that is included in my Declaration in Support of Mount Dallas
12 Association's Motion for summary Judgment dated March 17, 2016.

13 6. As a result of a vote by property owners present at the 2013 annual meeting and by an
14 email vote to all known Mount Dallas road system property owners after that annual meeting,
15 there was a majority approval of the method of allocating estimated reserve funds for future
16 chip-sealing of Mt. Dallas Road on a proportional basis starting in the year 2014.

17 7. One of the Plaintiffs, Clare Welker, was present at this 2013 annual association
18 meeting and voted in favor of this equal method for (1) operating expenses which include
19 administration and fire wise estimated costs and (2) the proportional method of collecting for
20 future reserves for the Mt. Dallas Road estimated chip sealing costs.

21 8. Plaintiffs' Motion for Partial Summary Judgment, page 1, line 18 through line 21
22 states that there is no agreement on a method for allocating Road maintenance expenses existing
23 between all owners. It is true that all involved in this lawsuit agree that there is no likelihood of
24 100% agreement. However, there is agreement between a majority of property owners and
25 Mount Dallas Association as to both a method of assessing annual expenses on an equal basis for
26 all properties and as to an actual method of proportional assessments for the Mt Dallas Reserve
27 Fund that is considered fair and equitable.

28 9. Judge Eaton discusses in the October 30, 2015 Summary Judgment Hearing beginning
at approximately 2:27:16 the idea that there may be some signed Mt Dallas Association Road
Maintenance Agreements that exist. Judge Eaton said beginning at 2:28:42 that "*There might –*

1 may be some case law out there that I am unaware of. I think it's going to be extremely difficult and
2 think that counsel would agree, you're not going to get all the necessary parties probably to sign off on
3 an agreement which means that you should negotiate the best you can to have an agreement. You can
4 ask the Court to ... confirm as a Court order and then that would be binding. Or if you have different
5 agreements that you want to propose, the Court can pick and choose. I don't know that it is relevant to
6 where you're trying to go the next several months and I think it's going to take several months to get
7 there. But for what it's worth in terms of things that have already been done or where you're trying to
8 go, it seems to me that it is legally possible for less than 100% of the owners to sign an agreement, have
9 it recorded, and have it be binding at least against those property owners. Then, those who haven't
10 signed it would only be, you would only be able to collect against them based on some EQUITABLE
11 arguments of the Court. And the Mt Buck (Buck Mountain) case makes it pretty clear that you have the
12 right to go to people who have not joined your Association who use your road and at least get some
13 equitable payment out of them based on a Court order. I'm not encouraging you to get into an
14 agreement with less than 100% of you. But I do think if there are – if there is now or should become an
15 agreement signed by all of the parties giving authority to this Association, it would be binding upon those
16 parties but not against those who didn't sign." The Association now has a majority of property
17 owners who have signed a Joinder linking their properties with the recorded Mt Dallas
18 Association Road Maintenance Agreement 2016-0302026 that is legally binding.

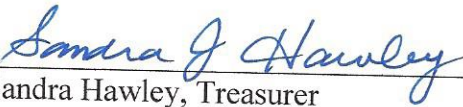
19 10. See my Declaration in Support of Mount Dallas Association's Motion for Summary
20 Judgment pages 2 through 4 and related exhibits for discussion of several different methods of
21 assessing property owners other than the Legal Method proposed by the Plaintiffs. For the year
22 2015, 62% of all assessments were paid by owners of parcels accessed via a Mt. Dallas side
23 road."

24 11. See my Declaration in Support of Mount Dallas Association's Motion for Summary
25 Judgement Exhibit E for a map that includes all properties in this Road System.
26
27
28

1 I declare under penalty of perjury under the laws of the State of Washington that the
2 foregoing is true and correct.

3 DATED THIS 4th day of April 2016.

4 Signed at Friday Harbor, Washington.

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6 

7 Sandra Hawley, Treasurer
8 Mount Dallas Association