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7 **SUPERIOR COURT OF WASHINGTON, COUNTY OF SAN JUAN**

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

NO. 15-2-05069-0

12 v.

**REPLY DECLARATION OF
SUSAN ALLEN TO PLAINTIFFS'
RESPONSIVE PLEADINGS**

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

16 I, SUSAN ALLEN, state as follows:

17 1. I am over the age of 18 and am competent to be a witness in this lawsuit. I make the
18 following statements based upon my personal knowledge of the matters testified to herein.

19 2. I am the President of Mount Dallas Association and have been on the Board of
20 Directors since August of 2012.

21 3. My husband, James Timothy Allen, and I are also Defendants in this lawsuit.

22 4. I make this declaration in response to the Plaintiffs and their attorney, Christopher
23 Brain's most recent pleadings.

24 5. I deny the statement Clare Welker made in his Declaration of March 31, 2016, item 5,
25 where he alleges that the Association has provided no evidence whatsoever with respect to any
26 research we have done to determine (i) a fair and equitable cost allocation method, (ii) what are
27 road maintenance expenses, (iii) our justification for charging administrative expenses equally,
28 (iv) our basis for charging costs such as insurance, licensing, etc. (v) for a reserve fund or (vi) to

Reply Declaration of Susan Allen
To Plaintiffs Responsive Pleadings

- 1

Derek Mann & Associates, PLLC
P O Box 399
Eastsound, WA 98245
360-378-3299

1 acquire lien rights. As I have said in previous declarations, the Association Board spent
2 countless hours, days and weeks in meetings, on phone calls and via email with property owners
3 regarding their thoughts on fair and equitable terms of assessments. Also, as indicated earlier,
4 the Association sent two surveys out electronically to all property owners. These surveys
5 allowed the property owners the ability to add comments and suggestions to what they believe
6 would be appropriate for assessment. We tallied these responses and incorporated them into a
7 RMA that the majority of the 85 tax parcel owners approved. We also looked at the RMA sent
8 to all owners by the Welker's attorney, Chris Brain, and we downloaded several other RMAs to
9 how others were written. The Board of Directors of the Association believes that what the
10 majority of the property owners requested in writing, via Petitions and Road Maintenance
11 Agreement Joinders represents the best research available.

12 6. On July 23, 2015, Plaintiffs' attorney, Christopher Brain, sent a letter to all
13 defendants. This letter enclosed two documents, one entitled, "Outline of Proposed Method of
14 Allocation, Assessment and Management for Mt. Dallas Road" and the second, entitled
15 "Contingent Approval Form for Proposed Allocation Method for Mt. Dallas Road". This letter
16 and attachments are attached hereto as Exhibit A. Note that Mr. Brain did not ask for any
17 comments or suggestions for alternate methods of assessments, but simply described one
18 method. The Cost Allocation proposed in this letter dated July 23, 2015, is nearly identical to the
19 method we chose to use. See section 12D in the Road Maintenance Agreement that the
20 Association filed with the San Juan County Auditor. The one difference is that the Welkers'
21 proposed charging undeveloped properties $\frac{1}{2}$ of a full share and the terms of the Road
22 Maintenance Agreement that we prepared and recorded charges $\frac{1}{4}$ of a share for undeveloped
23 properties.

24 7. On September 28, 2015, Mount Dallas Association Board Members and our attorney,
25 Derek Mann, met with Clare Welker and his attorney, Chris Brain, at Heritage National Bank in
26 Friday Harbor for about 1½ hours. At that meeting, we were in agreement about many things
27 including the Cost Allocation method mentioned above. When we discussed the fact that the
28 Welkers wanted to charge undeveloped properties at $\frac{1}{2}$ a full share and the Association at $\frac{1}{4}$ of a
share, the topic of the Association's Flat Rate Fee Method (for administrative and fire prevention
expenses) came up. Clare Welker and his attorney, Chris Brain, indicated they could see

Reply Declaration of Susan Allen
To Plaintiffs Responsive Pleadings

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1 reducing the undeveloped properties rate and using the Flat Rate Method to cover other
2 expenses.

3 I don't understand why, after we were in agreement on many things, including the Cost
4 Allocation, that several months later, the Welkers changed their minds and came up with a
5 different method. The research the Association Board did with the property owners, as well as
6 the Plaintiffs' agreement, gave us every indication that the Association's Actual Use Method
7 combined with the Flat Rate Method was the obvious answer to help resolve this lawsuit.

8 8. Note that the Contingent Approval Form accompanying Mr. Brain's letter of July 23,
9 2015, that was sent to all defendants, asks only whether we generally approve of the proposed
10 allocation method. It asked us to send back the Approval Form, but only if we generally agreed
11 with the method he proposed. It did not ask us what, if anything, we would change. Had there
12 been an invitation to make suggestions for improvements or changes to his proposal, I would
13 have suggested that he reduce the portion to be paid by owners of undeveloped parcels from 50%
14 of a developed parcel, to 25%; and I would have suggested that he add in basic administrative
15 and fire prevention costs to be shared equally among all the owners. Unfortunately, the letter
16 was not an invitation for a discussion, but was a take-it, or leave-it proposition.

17 9. I deny the statement Clare Welker made in his Declaration of March 31, 2016, items 3
18 and 4. The Association has not requested costs for side roads which are accessed exclusively
19 from Mt. Dallas Road.

20 10. I disagree with the statement that Abigail Welker makes in her Declaration that the
21 Legal Access Method, that she is now advocating, after her attorney had sent us all a proposal
22 using the Actual Use Method, provides permanent certainty for allocation of road maintenance
23 expenses. I don't even understand what she is trying to say in some of her reasoning but I do
24 know that it is far less expensive to abandon/vacate/terminate an easement than it is to
25 reconstruct a new driveway.

26 11. Clearly, Abigail Welker did not read the Association's RMA very carefully or she
27 would not have alleged that all benefitted parcel owners will responsible for maintenance/repair
28 costs in the event of a catastrophe. The Road Maintenance Agreement filed with the County
Auditor, item 12F states:

"A project fee for the repair of major, abnormal damage to the Main Road. This fee shall be

Reply Declaration of Susan Allen
To Plaintiffs Responsive Pleadings

1 prorated, based on the area of the repairs actually traversed in accessing the benefited Parcel
2 via the Furthest Access point for the parcel, and whether the Parcel is developed or
3 undeveloped.”

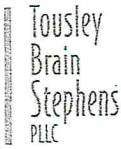
4 12. I disagree with the statement that Chris Brain made in his Declaration of March 31,
5 2016, item 4.2. The email the Association sent on November 5, 2015, did not mischaracterize
6 the court’s ruling of October 30, 2015. Nor did the Court rule that the Association had no legal
7 standing.

8 13. Attached as Exhibit B is an updated list of property owners that have signed the
9 Joinder in Road Maintenance Agreement for Mount Dallas Road. Currently 63% of the 84 tax
10 parcels have signed the joinders and agree to be contractually bound to the terms of the Road
11 Maintenance Agreement filed with the County.

12 14. I do not believe that the statement that Chris Brain made in his Declaration that
13 recording the RMA clouds title is accurate. The Road Maintenance Agreement filed with the
14 County specifically states that it only applies to the properties that have signed and recorded the
15 Joinder to the Road Maintenance Agreement. Attached as Exhibit C is a Subdivision Guarantee
16 prepared by Chicago Title, dated April 6, 2016, on my property located at 2000 Mount Dallas
17 Road, Friday Harbor, Washington. There is no evidence in the report of the Road Maintenance
18 Agreement 2016-0302026 recorded with the San Juan County Auditor because I have not
19 recorded the Joinder to the RMA.

20 Signed at Friday Harbor, Washington on April 11, 2016

21 Susan Allen
22 Susan Allen



Attorneys

1700 Seventh Avenue, Suite 2200
Seattle, Washington 98101
Telephone (206) 682-5600
Facsimile (206) 682-2992

CHRISTOPHER I. BRAIN
cbbrain@tousley.com

July 23, 2015

Timothy and Susan Alien
2000 Mt. Dallas Road
Friday Harbor WA 98250

Dear Mt. Dallas Property Owners,

We are writing to you in advance of the August 8, 2015 annual Association meeting in regard to several matters. As a result of the pending action in San Juan County Superior Court, the method for allocating and assessing road maintenance and other expenses for Mt. Dallas Road (the "Road") will be formally established and become binding on all Benefitted Properties. The method will be established pursuant to either (a) a formal Road Maintenance Agreement (the "Agreement") agreed to by all Benefitted Property owners, (b) a Court Order, if no Agreement can be reached with all Benefitted Property owners, or (c) possibly a combination of the two.

If all Benefitted Properties agree to an allocation and assessment method and Agreement, then a Court Order will likely not be required.

If all of the Benefitted Properties do not agree to an allocation and assessment method and Agreement, then there will necessarily be a Court Order entered at some point establishing the formal and binding allocation method. Nevertheless, if a substantial majority of the Benefitted Properties agree to a reasonable allocation and assessment method, we believe that the court will likely adopt the method agreed to by such substantial majority of the Benefitted Properties.

Included with this letter for your review and consideration prior to the meeting is our Outline of Proposed Method of Allocation, Assessment and Management for Mt. Dallas Road. Within the next week, and as a supplement to the above Proposal, you will receive information regarding the recent Survey of the Road prepared by Robert J. Wilson.

Regarding the enclosed Proposal, you will note a couple of key items. First, the allocation of expenses will be based (pro-rata) on the square footage of the Road to each driveway and Side Road. Because the finished width of the Road varies over its length, using square footage (as opposed to just length) provides a more reasonable and fair allocation. Second, we have set two tiers of assessment,

which are Developed (full share) and Undeveloped (1/2 share). We have done this for several reasons listed below:

1. Attempting to add other tier(s) based upon "use" is virtually impossible as it is very difficult to monitor or verify, and is essentially not relevant.
2. Normal use of the Road by passenger vehicles and light trucks has little or no impact on the condition or wear of the Road.
3. What harms chip sealed roads is (a) heavy loads and large trucks, particularly in very hot or wet conditions, and (b) large trucks or equipment starting, stopping and turning on certain sections of the Road, or driving or parking on the edge of the chip seal. As you will see, to address this, we have added to the Proposal a Repair provision. What this provision essentially provides is that if there is damage to the Road directly caused by large trucks or construction equipment servicing a given property (say during the construction of a home) that property will be responsible for the cost of repairing the damage.
4. All properties benefit from a well maintained Road, as it enhances the value of all properties, Developed or Undeveloped. As a result, there is an argument that all properties should pay a full share. This is the most common method employed in typical residential developments. However, Mt Dallas is unique in that it is not a unified residential development. It has large lots, many of which are undeveloped and access the Road over a comparatively long distance, including by Side Roads. Historically there have been tiered allocation systems for expenses for the Road and we feel that it would be reasonable to continue that in this form (i.e. a form that is not too complicated or difficult to administer).

At the end of the day, whether by Agreement or by Court Order, there will absolutely need to be a specific and legally enforceable method in place for maintaining the Road, and allocating and assessing the expenses related to such maintenance (something that despite past best efforts simply does not exist). Having such an Agreement and/or Court Order will, among other things, (1) provide certainty as to the rights and obligations of all properties using the Road, (2) satisfy what we know lenders and FNMA require for financing, (3) as such, it will facilitate a seamless sale of any property without concern over the buyer's ability to get financing, and (4) it will clearly enhance the value of all properties using the Road.

As previously noted, we are interested in solving a real problem that clearly and adversely impacts all properties using the Road in a timely manner. We are not interested in creating any issue for owners who have previously represented to lenders that there is an agreement in place or with lenders who have relied on any such representations. Having an Agreement and/or Court Order in place will cure these problems once and for all going forward.

On July 16, in response to an agenda item that Mary Stone, the Board's attorney, was going to attend the annual meeting to discuss the Welker lawsuit, I contacted Mary and indicated that I

EXHIBIT A P2

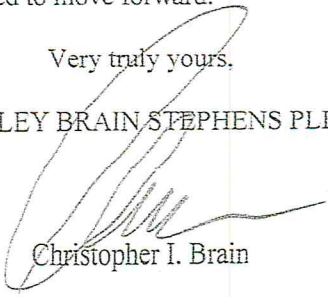
July 23, 2015
Page 3

intended to attend with Clare and Abby Welker. In response, Mary advised that the Board thought it would be inappropriate for her to attend and advised me that if I attended, I would not be allowed to address the meeting. This is unfortunate because it would have afforded a good opportunity to meet with both attorneys and discuss the proposals and issues. We now understand that Rikki Swin has offered to hold a meeting at 11:00 for those interested in discussing our Proposal before the annual meeting. I will be at Rikki's to discuss the Proposal and answer questions. If you cannot attend and have any questions, please do not hesitate to call me or my brother, Romney.

Finally, we are including a document entitled "Contingent Approval Form". Whether you are attending the meeting or not, please review the Proposal (and the supplemental Survey information that you will receive), and if you are in general agreement with what we are proposing, please sign and return the attached Conditional Approval Form. Your conditional approval is not binding and will be subject to your approving and signing any final Road Maintenance Agreement that we prepare, but it will provide us with the initial feedback that we need to move forward.

Very truly yours,

TOUSLEY BRAIN STEPHENS PLLC



Christopher I. Brain

CIB\jam
Enclosures

6027.001/302177.1

Exhibit A P3

OUTLINE OF PROPOSED METHOD OF ALLOCATION, ASSESSMENT AND MANAGEMENT

FOR

MT. DALLAS ROAD

The following sets forth the proposed method for allocating and assessing Road maintenance expenses, and managing the same (the "Proposed Allocation Method") that we have developed in conjunction with the Welkers. For purposes of this Proposed Allocation Method, and for clarity purposes, the general definitions that are attached shall apply. This Proposed Allocation Method relies in part upon a recent survey of the Road prepared by Robert J. Wilson. A copy of the survey information will be provided separately as a supplement to this Proposed Allocation Method.

Once a majority of the Benefitted Properties have confirmed their approval of this Proposed Allocation Method, then we will prepare and circulate for review, a proposed Road Maintenance Agreement, which will outline in more detail the procedures for implementing the Proposed Allocation Method.

PROPOSED ALLOCATION METHOD

1. General Assumptions:

- All Benefitted Properties shall have an obligation to maintain the Road.
- The Side Roads are to be exclusively maintained by the owners of the Benefitted Properties that are serviced by the Side Roads.
- The Association will not have any authority or responsibility to maintain the Side Roads, or to provide bookkeeping or similar services for the Side Roads.

2. General Terms With Regard To Road Maintenance:

- The condition of the Road as of the Effective Date shall be established as its Baseline Road Condition. The Baseline Road Condition will be established by the Agreement and/or the Court Order.
- The Association will manage the Road and all maintenance related to the Road.
- Maintenance (defined below). The Association will have the authority to determine what maintenance is required, to contract for the work, and to assess the Benefitted Properties in accordance with the allocation method.
- Capital Work (defined below). The Association will determine and recommend Capital Work related to the Road. The Association will be required to obtain approval of any recommended Capital Work from Benefitted Owners who own 60% of the Benefitted Properties.
- Repair (defined below). The Association will have the authority to determine liability for any Repair and to assess the Benefitted Property that created the need for the Repair.

EXHIBIT A P 4

- Upgrade (defined below). The Association will have no authority to determine or require that an Upgrade to a portion of the Road beyond the Baseline Road Condition be made. Any Upgrade decision will be up to the Benefitted Properties affected by the Upgrade. Such Benefitted Properties shall assume the full responsibility for the cost of the Upgrade. However, the Association shall have approval over the integration of the Upgrade into the Road and to approve any designs and contracts for the Upgrade work. This approval by the Association is to insure that the Upgrade integrates with the rest of the Road and to protect the other Benefitted Properties from any liability or lien claims related to the Upgrade.

3. Cost Allocation (Note that these methods are incorporated into the attached Survey):

- The center line of the Road will be used for distance calculation.
- Benefitted Properties will be assessed based on the distance from West Side Road to their driveway, with the entire portion of the intersection included in the measurement. For measurement purposes, the Side Roads will be deemed driveways as to the Benefitted Properties on the Side Roads.
- The square footage of Mt. Dallas Road (length and width) shall be determined (a) from West Side Road to the end of the Road and (b) from West Side Road to each driveway.
- The cost sharing shall be based on the ratio of the distance and square footage to the subject driveway as compared to the total distance and square footage ratios for the Road (See attached Example of Cost Sharing Computation and Allocation).
- Developed Property (defined below). A Developed Property shall pay a full share of Road Expenses.
- Undeveloped Property (defined below). An Undeveloped Properties shall pay a Road Expense allocation based upon 1/2 of a full share.
- Each Benefitted Property (Developed or Undeveloped) shall have one vote with regard to the Association.

4. Disputes:

- Any disputes regarding the Association or the Agreement will be resolved through an expedited alternative dispute resolution procedure involving mediation and/or arbitration ("ADR").

DEFINITIONS

MT. DALLAS ROAD PROPOSED ALLOCATION METHOD

(a) "Road" shall mean the Mt. Dallas Road as established by a series of recorded easements granting use of the Road to the Benefitted Properties (the "Road Documents"). [Note: We have obtained from the title company a set of all of the recorded Road Documents establishing Mr. Dallas Road and the easements to use Mt. Dallas Road. Our intent is that, along with the Survey, a copy of these Road Documents will become a part of the Association's permanent records].

EXHIBIT A PS

(b) “Benefitted Property or Properties” shall mean each legal parcel of real property entitled to the use of the Road by virtue of one or more of the Road Documents.

(c) “Association” shall mean _____ Association, a Washington non-profit corporation created under RCW 24.03 through the filing of its Articles of Incorporation on _____, 2015. The Association shall exercise its authority through its Board and Officers. [Note: For purposes of making a fresh start, we are proposing that a new association be formed to administer the Agreement and/or Court Order. Each Benefitted Property that is a member of the Association would be entitled to one vote. If all Benefitted Properties approve the Agreement, then all Benefitted Properties would become members of the Association. If less than all of the Benefitted Properties approve the Agreement, then those Benefitted Properties that approve the Agreement would become members of the Association and would assign to the Association their rights of contribution and collection of assessments (as established by the Court Order) against the non-member Benefitted Properties. The Association will be responsible for managing the Road and Road Expenses.].

(d) “Baseline Road Condition” shall mean the condition of the Road as of the Effective Date. The Association shall (i) take and maintain a digital file of photos of the Road showing its general Baseline Road Condition, and (ii) as it determines necessary, engage an engineer to determine and confirm the Baseline Road Condition.

(e) “Maintenance” shall mean the work necessary from time to time to maintain the Road substantially in its Baseline Road Condition as a result of (i) the normal wear and tear resulting from the use of the Road by the Benefitted Owners, their families and guests for residential access purposes, including commercial uses ancillary thereto and (ii) weather related damage. Maintenance shall also include work required to maintain the Road in a safe passable and driveable condition, and to maintain ditches, culverts and drainage, as well as general clearing of weeds, plants and debris within the Road easement.

(f) “Capital Work” shall mean work requiring capital expenditures over and above normal Maintenance expenses such as to repave and/or resurface part or all of the Road, if required because regular Maintenance is no longer adequate to substantially maintain the Road in its Baseline Road Condition.

(g) “Repair” shall mean work necessary to remediate damage to the Road caused by activities which are not normal wear and tear, such as damage caused by construction work or equipment attributable to a single Benefitted Property. The Benefitted Property causing the damage requiring a Repair shall be assessed and responsible for 100% of the expenses related to the Repair.

(h) “Upgrade” shall mean work related to the upgrading of the Road, or a portion of the Road, from its Baseline Road Condition, such as paving unpaved portions of the Road or widening a portion of the Road. Upgrade expenses shall only be allocated to and assessed against those Benefitted Properties that are using the Upgraded portion of the Road, such expenses to be pro-rated and assessed against such Benefitted Properties based upon the allocation of Maintenance to such Benefitted Properties. Upon completion of any Upgrade, (a) the maintenance of the Upgraded portion of the Road shall thereafter be deemed regular

EXHIBIT A P6

Maintenance and (b) the Baseline Road Condition for the Upgraded portion of the Road shall be deemed its new Upgraded condition.

(i) "Road Expenses" shall collectively mean all expenses related to Maintenance and Capital Work.

(j) "Developed Property" shall mean any Benefitted Property that has a habitable residence that uses a septic system. This would include mobile homes that are connected to septic systems. An Undeveloped Property shall become a Developed Property as of the date that such property (a) has obtained a building permit and (b) construction upon such property has commenced in accordance with such building permit.

(k) "Undeveloped Property" shall mean any Benefitted Property that does not qualify as a Developed Property.

(l) "Side Road" shall mean each separate road (such as Kiya Way) that provides access to the Road for Benefitted Properties that do not directly abut the Road. For purposes of measuring the square footage of the Road, that portion of the Road beyond the end of the chip seal which is governed by separate maintenance agreements of the Benefitted Properties using that portion of the Road shall be deemed a Side Road commencing at the end of the chip seal. The Survey shall identify the point of commencement.

(m) "Board" shall mean the board of directors of the Association.

(n) "Officers" shall mean the president, vice president, secretary, treasurer and/or other designated officers of the Association.

(o) "Survey" shall mean the completed survey of the Road that becomes a part of the Agreement and/or which is approved and adopted pursuant to a Court Order establishing the legal assessment and allocation method for the Road.

(p) "Effective Date" shall mean the effective date of the Agreement and/or Court Order establishing the method for allocation and assessment of Road Expenses.

EXAMPLE OF COST SHARING COMPUTATION AND ALLOCATION UNDER PROPOSED ALLOCATION METHOD

The following sets forth an example of the Proposed Allocation Method for Developed Properties. This example assumes for hypothetical purposes (a) that the Road is 1,000 feet long, (b) that the first 600 feet is 20 feet wide, (c) that the last 400 feet is 10 feet wide, and (d) that there are five Developed Properties accessing the Road. As such, the Road would have a total square footage of 16,000 square feet. The first 600 feet would be 12,000 square feet and the last 400 feet would be 4,000 square feet.

EXHIBIT A P 7

1. Benefitted Property A accesses the Road exactly 300 feet from Westside Road. Benefitted Property A's Road access consists of 6,000 square feet (300 feet X 20 feet). Benefitted Property A would have a Road allocation ratio of .375 (6,000 divided by 16,000).
2. Benefitted Property B and Benefitted Property C access the Road via a Side Road exactly 600 feet from Westside Road. Regardless of where Benefitted Property B and Benefitted Property C are located on the Side Road, the Road access of both properties consists of 12,000 square feet (600 feet X 20 feet). Both properties would have a road allocation ratio of .750 (12,000 divided by 16,000).
3. Benefitted Property D accesses the Road exactly 800 feet from Westside Road. Benefitted Property D's Road access consists of 14,000 square feet (600 feet X 20 feet, plus 200 feet X 10 feet). Benefitted Property D would have a Road allocation ratio of .875 (14,000 divided by 16,000).
4. Benefitted Property E accesses the Road exactly 1,000 feet from Westside Road. Benefitted Property E's Road access consists of 16,000 square feet (600 feet X 20 feet, plus 400 feet X 10 feet). Benefitted Property E would have a Road allocation ratio of 1.00 (16,000 divided by 16,000).

The total of the ratios is 3.750 (.375 + .750 + .750 + .875 + 1.00 = 3.750). Dividing each individual ratio by the total provides the allocated percentage of Road Expenses.

Assuming \$100 of Road Expenses, those expenses would be allocated as follows:

Benefitted Property A - \$10.00 (.100 allocated percentage) (.375 divided by 3.75 = .100). (.10 X \$100 = \$10.00)

Benefitted Property B - \$20.00 (.200 allocated percentage) (.750 divided by 3.75 = .200). (.20 X \$100 = \$20.00)

Benefitted Property C - \$20.00 (.200 allocated percentage) (.750 divided by 3.75 = .200). (.20 X \$100 = \$20.00)

Benefitted Property D - \$23.33 (.2333 allocated percentage) (.875 divided by 3.75 = .2333). (.2333 X \$100 = \$23.33)

Benefitted Property E - \$26.67 (.2666 allocated percentage) (1.0 divided by 3.75 = .2667). (.2667 X \$100 = \$26.67)

Exhibit A P 8

CONTINGENT APPROVAL FORM

**PROPOSED ALLOCATION METHOD
FOR
MT. DALLAS ROAD**

This form is being provided with respect to the Outline of Proposed Method of Allocation, Assessment and Management for Mt. Dallas Road (the "Proposed Allocation Method") that each of you received with the letter from Tousley Brain Stephens PLLC.

The purpose of this form is as its title suggests. We are asking that those Mt. Dallas property owners who generally approve of the Proposed Allocation Method acknowledge such approval in writing. This will (a) provide us necessary feedback in regard to the support for the Proposal and resolving the road maintenance issues, and (b) assist us in moving towards preparation of a formal road maintenance agreement that will set forth in detail the matters outlined in the Proposed Allocation Method. If you do generally approve of the Proposed Allocation Method, please return this signed form as soon as you can to:

Tousley Brain Stephens PLLC
Attn: Romney R. Brain
1700 Seventh Avenue, Suite 2200
Seattle, WA 98101
and/or

E-mail a signed pdf copy of the form to rbrain@tousley.com

To confirm, your approval and execution of this form is strictly non-binding. You will have no obligation under the Proposed Allocation Method unless and until it is incorporated into a formal road maintenance agreement that you approve and sign.

I/we generally approve of the Proposed Allocation Method as set forth in the Outline provided.

_____, 2015

[Print Name]

_____, 2015

[Print Name]

[Insert Property Address]

EXHIBIT A P 9

**Mount Dallas Association
Road Maintenance Agreement
San Juan County 2016-0302026
Joinder Status As of April 10, 2016**

Property Owners That Signed RMA Joinder

1 Albert
2 Allen #1
3 Allen #2
4 Auth
5 Ballenger
6 Blackmer
7 Bienvenu
8 Boyd
9 Davis #1
10 Davis #2
11 Dearfield
12 Duggins
13 Erskine
14 Francis #1
15 Francis #2
16 Fritz
17 Gimlett
18 Graham
19 Guard
20 Gubelman
21 Haberman
22 Hohenlohe #1
23 Hohenlohe #2
24 Kaufman
25 Lagerquest
26 Liebman #1
27 Liebman #2
28 McAlary #1
29 McAlary #2
30 McClellan
31 Meyerott #1
32 Meyerott #2
33 Przybylski
34 Rath #1
35 Rath #2
36 Rath #3
37 Roberts #1
38 Roberts #2
39 Schumy
40 Severson
41 Sheppard
42 Silverstein
43 SP Investments #1
44 SP Investments #2
45 Swanson
46 Tauscher
47 Taylor
48 Troutman/Sabin
49 Twoomey
50 Widdoes #1
51 Widdoes #2
52 Widdoes #3
53 Widdoes #4
63% Have Signed

Property Owners That Have Not Sign RMA Joinder Yet

1 Bailor
2 Borys
3 Casey
4 Chapman
5 Crawford
6 Eichler
7 Gerhardstein
8 Gero #1
9 Gero #2
10 Henneman
11 Smith #1
12 Smith #2
13 Keeler #1
14 Keeler #2
15 Keeler #3
16 Keeler #4
17 Keeler #5
18 Keeler #6
19 Kroesche
20 Moss
21 Navratil
22 Padilla
23 Schilling
24 Schoebel/Farrer
25 SJ Preservation Trust
26 Staunton/Sikorski
27 Swin #1
28 Swin #2
29 Swin #3
30 Welker
31 Whalen

37% Have Not Signed Yet

EXHIBIT B

SUBDIVISION

Issued By:



CHICAGO TITLE INSURANCE COMPANY

Guarantee/Certificate Number:

245381481

CHICAGO TITLE INSURANCE COMPANY
a corporation, herein called the Company

GUARANTEES

James Timothy Allen and Susan Dufour Allen

herein called the Assured, against actual loss not exceeding the liability amount stated in Schedule A which the Assured shall sustain by reason of any incorrectness in the assurances set forth in Schedule A.

LIABILITY EXCLUSIONS AND LIMITATIONS

1. No guarantee is given nor liability assumed with respect to the identity of any party named or referred to in Schedule A or with respect to the validity, legal effect or priority of any matter shown therein.
2. The Company's liability hereunder shall be limited to the amount of actual loss sustained by the Assured because of reliance upon the assurance herein set forth, but in no event shall the Company's liability exceed the liability amount set forth in Schedule A.

Please note carefully the liability exclusions and limitations and the specific assurances afforded by this guarantee. If you wish additional liability, or assurances other than as contained herein, please contact the Company for further information as to the availability and cost.

Chicago Title Company of Washington
315 Court Street, PO Box 790
Friday Harbor, WA 98250

Chicago Title Insurance Company

By:

President

Countersigned By:

Authorized Officer or Agent



Attest:

Secretary

Exhibit C P1

ISSUING OFFICE: Title Officer: Lori Ronhaar Chicago Title Company of Washington 315 Court Street, PO Box 790 Friday Harbor, WA 98250 Phone: 360-639-8061 Fax: 360-378-3529 Main Phone: (360)378-2126 Email: Lori.Ronhaar@CTT.com

SCHEDULE A

Liability	Premium	Tax
\$1,000.00	\$250.00	\$20.75

Effective Date: April 6, 2016 at 08:00 AM

The assurances referred to on the face page are:

That, according to those public records which, under the recording laws, impart constructive notice of matter relative to the following described property:

PARCEL A:

Those portions of the Southwest Quarter of the Northeast Quarter and the Southeast Quarter of the Northeast Quarter in Section 24, Township 35 North, Range 4 West, W.M., in San Juan County, Washington, described as follows:

Beginning at the Northwest corner of said Southwest Quarter of the Northeast Quarter;
 THENCE East along the North line of said Southwest Quarter of the Northeast Quarter and the North line of said Southeast Quarter of the Northeast Quarter to the Northeast corner of said Southeast Quarter of the Northeast Quarter;
 THENCE along the Easterly boundary of said Southeast Quarter of the Northeast Quarter South 271.80 feet;
 THENCE West to the West line of said Southeast Quarter of the Northeast Quarter;
 THENCE North 0°10' West 207.4 feet;
 THENCE North 88°28' West 660 feet;
 THENCE South 10° East 90 feet, more or less, to an angle point in the center of that easement road created by Auditor's File Nos. 58585, 58586, 62457 and 71065, records of San Juan County, Washington;
 THENCE along the centerline of said easement North 60°45'20" West 137.74 feet;
 THENCE South 62°35'40" West 163.6 feet;
 THENCE North 85°57'40" West 86.52 feet to a point on the center line of the North/South easement as described in the above referenced Auditor's File Nos.;
 THENCE South continuing along the centerline of said easement South 7°43' East 132.3 feet to an angle point referenced in said easement;
 THENCE leaving said centerline North 88°28' West 310 feet, more or less, to the West boundary of said Southwest Quarter of the Northeast Quarter;
 THENCE North along said West boundary to the POINT OF BEGINNING.

PARCEL B:

An easement for roadway and utility purposes as described in instrument recorded February 7, 1964 under Auditor's File No. 58585 and 58586, records of San Juan County, Washington.

EXHIBIT C p 2

SCHEDULE A
(continued)

Title to said real property is vested in:

James Timothy Allen and Susan Dufour Allen, husband and wife, who acquired title as joint tenants with rights of survivorship, and not as community property nor tenants in common

subject to the matters shown below under Exceptions, which Exceptions are not necessarily shown in the order of their priority.

END OF SCHEDULE A

Exhibit C P3

SCHEDULE B

GENERAL EXCEPTIONS

- A. Rights or claims of parties in possession, or claiming possession, not shown by the Public Records.
- B. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.
- C. Easements, prescriptive rights, rights-of-way, liens or encumbrances, or claims thereof, not shown by the Public Records.
- D. Any lien, or right to a lien, for contributions to employee benefit funds, or for state workers' compensation, or for services, labor, or material heretofore or hereafter furnished, all as imposed by law, and not shown by the Public Records.
- E. Taxes or special assessments which are not yet payable or which are not shown as existing liens by the Public Records.
- F. Any lien for service, installation, connection, maintenance, tap, capacity, or construction or similar charges for sewer, water, electricity, natural gas or other utilities, or for garbage collection and disposal not shown by the Public Records.
- G. Unpatented mining claims, and all rights relating thereto.
- H. Reservations and exceptions in United States Patents or in Acts authorizing the issuance thereof.
- I. Indian tribal codes or regulations, Indian treaty or aboriginal rights, including easements or equitable servitudes.
- J. Water rights, claims or title to water.
- K. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the Public Records, or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.

SPECIAL EXCEPTIONS

TAXES HAVE NOT BEEN SEARCHED AND ARE NOT A PART OF THIS GUARANTEE.

1. Easement(s) for the purpose(s) shown below and rights incidental thereto as disclosed in a document:

Purpose:	Roadway and utility purposes
Recording Date:	February 7, 1964
Recording No.:	58585, records of San Juan County, Washington
Affects:	A portion of said premises and other lands

2. Easement(s) for the purpose(s) shown below and rights incidental thereto as disclosed in a document:

Purpose:	Access and utility purposes
Recording Date:	December 1, 1975
Recording No.:	90600, records of San Juan County, Washington
Affects:	A portion of said premises

EXHIBIT C P 4

SCHEDULE B

(continued)

- 3. Easement(s) for the purpose(s) shown below and rights incidental thereto as disclosed in a document:
 In favor of: Nash A. Gubelman
 Purpose: Access and utility purposes
 Recording Date: January 23, 1975
 Recording No.: 87641, records of San Juan County, Washington
 Affects: A portion of said premises

AMENDED:
 Recording Date: January 23, 1975
 Recording No.: 87642, records of San Juan County, Washington

- 4. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:
 Purpose: Roadway and utilities
 Recording Date: February 7, 1964
 Recording No.: 58586
 Affects: Parcel B

- 5. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document
 Recording Date: January 23, 1974
 Recording No.: 87640, records of San Juan County, Washington

- 6. Agreement
 Recording Date: June 23, 1977
 Recording No.: 96942, records of San Juan County, Washington
 Providing: Road maintenance

- 7. Location of sign, trans closures and telephone riser within easement right of way for Mount Dallas Road as disclosed by Record of Survey filed in Book 18 of Surveys, pages 43, 43A and 43B, records of San Juan County, Washington

- 8. A deed of trust to secure an indebtedness in the amount shown below,
 Amount: \$672,000.00
 Dated: August 18, 2012
 Trustor/Grantor: James T. Allen and Susan Defour Allen, husband and wife
 Trustee: Northwest Trustee Services LLC
 Beneficiary: Wells Fargo Bank, N.A.
 Recording Date: August 23, 2012
 Recording No: 2012-0823012

END OF EXCEPTIONS

Exhibit C P5

SCHEDULE B

(continued)

NOTES

The following matters will not be listed as Special Exceptions in Schedule B of the policy. There will be no coverage for loss arising by reason of the matters listed below because these matters are either excepted or excluded from coverage or are not matters covered under the insuring provisions of the policy.

Note A: Note: The Public Records indicate that the address of the improvement located on said Land is as follows:

2000 Mount Dallas Road
Friday Harbor, WA 98250

Note B: Note: FOR INFORMATIONAL PURPOSES ONLY:

The following may be used as an abbreviated legal description on the documents to be recorded, per Amended RCW 65.04.045. Said abbreviated legal description is not a substitute for a complete legal description within the body of the document:

Ptn SE-NE & SW-NE, 24-35-4
Tax Account No.: 452414001000

END OF NOTES

END OF SCHEDULE B

EXHIBIT C P 6