

Inappropriate Items Included in Plaintiff's Budget "Maintain and Repair Roads" Sections

The sections of the Plaintiff's budgets titled "Maintain and Repair Roads" are greatly exaggerated including items not associated with maintaining any easement in the nature of a private right-of-way, or of any land to which any such easement is attached:

The Plaintiff's budget for 2013/2014 (Attachment A, Pages 2 and 3), Section "1 - Maintain and Repair Roads" include items not associated with maintaining any easement in the nature of a private right-of-way, or of any land to which any such easement is attached, including but not limited to:

- 1.11 "Insurance" – The insurance item includes fire, auto, general liability and Directors and Officers insurance. The Plaintiff has placed the entire insurance burden in Maintain and Repair Roads while a great portion this item is attributed the insuring the pond, lodge, other structures, playground, dog park, Refuse Collection and Disposal, Pine Needle Collection, etc. The insurer reports the roads are not insured. The distribution of this item should audited by a neutral party not selected by the Plaintiff and applied accordingly.
- 1.15 "Franchise Tax" – This item may be the sole burden of the shareholder. However, if the court rules this is a shared cost, the Plaintiff has placed the entire Franchise Tax burden on the roads and not shared the item with Refuse Collection and Disposal, Pine Needle Collection and Maintain Common Areas and General Administration. If that is the case, the distribution of this item should audited by a neutral party not selected by the Plaintiff and applied accordingly.
- 1.16 "Property Taxes" – The roads are not taxed by Tuolumne County or any other agency. This item should be disqualified in its entirety.

- 1 ○ 1.17 “Taxes and Licenses” – This item is related to a license for planting fish
2 which was not purchased nor paid for. This item should be disqualified.
- 3 ○ 1.18 “Accounting” – The Plaintiff has placed the entire Accounting burden on the
4 roads and not shared the item with Refuse Collection and Disposal, Pine Needle
5 Collection and Maintain Common Areas and General Administration. The
6 distribution of this item should audited by a neutral party not selected by the
7 Plaintiff and applied accordingly.
- 8 ○ 1.19 “Credit Card Charges” – These items are undefined and should be
9 disqualified as a result.
- 10 ○ 1.20 “Professional Services Consulting” – These items are undefined and should
11 be disqualified as a result.
- 12 ○ 1.21 “Legal Consulting” – These items are undefined and should be disqualified
13 as a result.
- 14 ○ 1.22 “Health & Safety (Porta-Poties)” – These are related to the so called
15 “Common Areas” and more specifically the Pond and Playground for recreational
16 purposes. This item should be disqualified.
- 17 ○ 1.23 “Contingency (Merge lots, etc.)” – These items are undefined. The Plaintiff
18 has placed the entire Contingency burden on the roads and not shared the item
19 with Refuse Collection and Disposal, Pine Needle Collection and Maintain
20 Common Areas and General Administration. The item itself and the distribution
21 of this item, if applicable, should audited by a neutral party not selected by the
22 Plaintiff and applied accordingly, otherwise this item should be disqualified.
- 23 ○ 1.24 “One time setup new org. (actg, bank, utilities, etc.)” – This item belongs
24 exclusively to the shareholders. This item should be disqualified.
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- 1 ○ 1.25 “Member Communications” – Only shareholders receive communications.
2 This item belongs exclusively to the shareholders. This item should be
3 disqualified.
- 4 ○ 1.23 (This item number is used twice in the Plaintiff’s Budget) – “Road
5 Equipment Maintenance” – The Plaintiff has placed the entire Road Equipment
6 Maintenance burden on the roads and not shared the item with Refuse Collection
7 and Disposal, Pine Needle Collection and Maintain Common Areas where the
8 Plaintiff uses the same equipment as much or more than Maintaining Roads and
9 Snow Removal. The distribution of this item should audited by a neutral party
10 not selected by the Plaintiff and applied accordingly.
- 11 ○ 1.24 (This item number is used twice in the Plaintiff’s Budget) “Road Equipment
12 Reserves” – The creation of reserve funds is not provided by Civil Code 845.
13 This item should be disqualified as a result.
- 14 ○ 1.25 (This item number is used twice in the Plaintiff’s Budget) “Roads Fuel” –
15 The Plaintiff has placed the entire Roads Fuel burden on the roads and not shared
16 the item with Refuse Collection and Disposal, Pine Needle Collection and
17 Maintain Common Areas where the Plaintiff uses the same equipment as much or
18 more than Maintaining Roads and Snow Removal. The distribution of this item
19 should audited by a neutral party not selected by the Plaintiff and applied
20 accordingly.
- 21 ○ 1.26 “Road Supplies” – These items are undefined and should be disqualified as a
22 result

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24 The Plaintiff’s budget for 2014/2015 (Attachment A, Page 4), Section “2 - Maintain and
25 Repair Roads” include items not associated with maintaining any easement in the nature of a

1 private right-of-way, or of any land to which any such easement is attached, including but not
2 limited to:

- 3 ○ 2.11 “Insurance” – The insurance item includes fire, auto, general liability and
4 Directors and Officers insurance. The Plaintiff has placed the entire insurance
5 burden in Maintain and Repair Roads while a great portion this item is attributed
6 the insuring the pond, lodge, other structures, playground, dog park, Refuse
7 Collection and Disposal, Pine Needle Collection, etc. The insurer reports the
8 roads are not insured. The distribution of this item should audited by a neutral
9 party not selected by the Plaintiff and applied accordingly.
- 10 ○ 2.13 “Property Taxes” – The roads are not taxed by Tuolumne County or any
11 other agency. This item should be disqualified in its entirety.
- 12 ○ 2.14 “Taxes and Licenses” – This item is related to a license for planting fish
13 which was not purchased nor paid for. This item should be disqualified.
- 14 ○ 2.14 “Accounting” – The Plaintiff has placed the entire Accounting burden on the
15 roads and not shared the item with Refuse Collection and Disposal, Pine Needle
16 Collection and Maintain Common Areas and General Administration. The
17 distribution of this item should audited by a neutral party not selected by the
18 Plaintiff and applied accordingly.
- 19 ○ 2.16 “Credit Card Charges” – These items are undefined and should be
20 disqualified as a result.
- 21 ○ 2.17 “Professional Services Consulting” – These items are undefined and should
22 be disqualified as a result.
- 23 ○ 2.18 “Legal Consulting” – These items are undefined and should be disqualified
24 as a result.

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- 1 ○ 2.19 “Health & Safety (Porta-Poties)” – These are related to the so called
2 “Common Areas” and more specifically the Pond and Playground for recreational
3 purposes. This item should be disqualified.
- 4 ○ 2.20 “Contingency (Merge lots, etc.)” – These items are undefined. The Plaintiff
5 has placed the entire Contingency burden on the roads and not shared the item
6 with Refuse Collection and Disposal, Pine Needle Collection and Maintain
7 Common Areas and General Administration. The item itself and the distribution
8 of this item, if applicable, should audited by a neutral party not selected by the
9 Plaintiff and applied accordingly, otherwise this item should be disqualified.
- 10 ○ 2.22 “Member Communications” – Only shareholders receive communications.
11 This item belongs exclusively to the shareholders. This item should be
12 disqualified.
- 13 ○ 2.24 (This item number is used twice in the Plaintiff’s Budget) “Road Equipment
14 Reserves” – The creation of reserve funds is not provided by Civil Code 845.
15 This item should be disqualified as a result.
- 16 ○ 2.25 (This item number is used twice in the Plaintiff’s Budget) “Roads Fuel” –
17 The Plaintiff has placed the entire Roads Fuel burden on the roads and not shared
18 the item with Refuse Collection and Disposal, Pine Needle Collection and
19 Maintain Common Areas where the Plaintiff uses the same equipment as much or
20 more than Maintaining Roads and Snow Removal. The distribution of this item
21 should audited by a neutral party not selected by the Plaintiff and applied
22 accordingly.
- 23 ○ 2.26 “Road Supplies” – These items are undefined and should be disqualified as a
24 result.
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1 The Plaintiff's budget for 2015/2016 (Attachment A, Pages 5 and 6), Section "1 -
2 Maintain and Repair Roads" include items not associated with maintaining any easement in the
3 nature of a private right-of-way, or of any land to which any such easement is attached, including
4 but not limited to:

- 5 ○ 1.11 "Insurance" – The insurance item includes fire, auto, general liability and
6 Directors and Officers insurance. The Plaintiff has placed the entire insurance
7 burden in Maintain and Repair Roads while a great portion this item is attributed
8 the insuring the pond, lodge, other structures, playground, dog park, Refuse
9 Collection and Disposal, Pine Needle Collection, etc. The insurer reports the
10 roads are not insured. The distribution of this item should be audited by a neutral
11 party not selected by the Plaintiff and applied accordingly.
- 12 ○ 1.12 "Property Taxes" – The roads are not taxed by Tuolumne County or any
13 other agency. This item should be disqualified in its entirety.
- 14 ○ 1.13 "Taxes and Licenses" – This item is related to a license for planting fish
15 which was not purchased nor paid for. This item should be disqualified.
- 16 ○ 1.14 "Accounting" – The Plaintiff has placed the entire Accounting burden on the
17 roads and not shared the item with Refuse Collection and Disposal, Pine Needle
18 Collection and Maintain Common Areas and General Administration. The
19 distribution of this item should be audited by a neutral party not selected by the
20 Plaintiff and applied accordingly.
- 21 ○ 1.15 "Credit Card Charges" – These items are undefined and should be
22 disqualified as a result.
- 23 ○ 1.16 "Professional Services Consulting" – These items are undefined and should
24 be disqualified as a result.

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- 1.17 “Legal Consulting” – These items are undefined and should be disqualified as a result.
- 1.18 “Member Communications” – Only shareholders receive communications. This item belongs exclusively to the shareholders. This item should be disqualified.
- 2.24 “Road Equipment Maintenance” – The Plaintiff has placed the entire Road Equipment Maintenance burden on the roads and not shared the item with Refuse Collection and Disposal, Pine Needle Collection and Maintain Common Areas where the Plaintiff uses the same equipment as much or more than Maintaining Roads and Snow Removal. The distribution of this item should audited by a neutral party not selected by the Plaintiff and applied accordingly.
- 2.25 “Road Equipment Reserves” – The creation of reserve funds is not provided by Civil Code 845. This item should be disqualified as a result.
- 2.26 “Roads Fuel” – The Plaintiff has placed the entire Roads Fuel burden on the roads and not shared the item with Refuse Collection and Disposal and Pine Needle Collection where the Plaintiff uses the same equipment as much or more than Maintaining Roads and Snow Removal. The distribution of this item should audited by a neutral party not selected by the Plaintiff and applied accordingly.
- 2.27 “Road Supplies” – These items are undefined and should be disqualified as a result.