# Treasurer's Report

*By Van Rametta, OHCC Treasurer*

**Attorney's Fees: Protecting Our Community**

Many residents have asked for greater transparency from the Board. We agree — and we are committed to keeping homeowners informed while protecting what makes Ocean Hills Country Club ("OHCC") a strong, well-managed community.

As your Treasurer, I closely monitor our finances. OHCC's financial health remains excellent. Our HOA dues consistently support daily operations and responsibly fund reserves, positioning the Association well for the future.

Occasionally, circumstances arise that require additional resources to protect the community. That is currently occurring in one specific area. While this does not place the Association at financial risk, transparency matters, and homeowners deserve to understand why these expenses exist and how they serve the community as a whole.

**Why Legal Action Requires a Response**

When the Association faces legal challenges, threatened legal action by owners, residents, or third parties — or when attorneys are introduced into communications — the Board is legally and ethically obligated to act on behalf of the community.

Those obligations include:

- Engaging legal counsel to review legal challenges, and/or to protect the Association and its homeowners from threatened or actual legal action
- Promptly notifying the Association's insurance carriers, including Directors & Officers insurance

These steps are not discretionary. They are part of the Board's fiduciary duty to safeguard community assets, property values, and the collective interests of all homeowners.

**What the Board Is Addressing Now**

Over the past several months, the Association has experienced an increase in owner and attorney-driven challenges and threatened legal actions initiated by some owners or specific groups of homeowners.

As a result, legal expenses — historically modest — have increased to approximately $25,000 per month. These costs reflect the Board's active efforts to defend the community, respond responsibly, and reduce long-term risk.

While significant, these expenses are being closely monitored and are paid from Association accounts funded by our homeowners HOA dues.

**The Board's Role and Responsibility**

Your Board was elected to act in the best interests of the entire community. While we always prefer cooperation over conflict, we will not ignore actions that expose the Association or its homeowners to risk.

Depending on the circumstances, appropriate actions may include:

- Defending the Association against claims
- Seeking resolution when appropriate
- Pursuing recovery of costs, including attorney's fees, when claims are unwarranted

Each action is taken deliberately, prudently, and solely to protect OHCC and its members.

***Q: Is the Board required to involve insurance and legal counsel when legal threats or attorney communications occur?***

**A: Yes.** When owners threaten legal action, or when attorneys engage with the Board or Association, we have a fiduciary obligation to retain legal counsel to protect the Association and its homeowners. Also, the Association must promptly notify its insurance carriers of any lawsuit or credible threat of legal action. Unfortunately, involving the Association's insurance carriers negatively affects the Association and its members in the long term through increased insurance premiums or even possibly cancellation of the Association's insurance policies.

This has been occurring for several months and has resulted in legal expenses approaching approximately $25,000 per month, well above normal levels. (This is a 500 percent increase over our budgeted legal expenses.) These costs reflect the Board's responsibility to defend the community and minimize broader financial and legal exposure.

We are sharing this information in the spirit of transparency to help homeowners understand how the Board protects the community when legal challenges arise.

**Balance Sheet: November 30, 2025**

| | |
|---|---|
| **Operating Cash** | **$ 712,769** |
| **Cash Reserves** | **$ 4,794,543** |
| **Other Assets** | **$ 522,677** |
| **Total Assets** | **$6,029,989** |
| | |
| **Reserve & Capital Obligations** | **$ 5,123,870** |
| **Current Liabilities** | **$ 650,384** |
| **Total Liabilities & Obligations** | **$ 5,774,254** |
| **Equity** | **$ 255,735** |

**Income and Expense Statement:**
**Eight months ended November 30, 2025**

| | **Budget** | **Actual** | **Variance** |
|---|---|---|---|
| **Income** | **$ 6,840,895** | **$ 6,868,580** | **$ 27,685** |
| **Expenses** | **$ 7,041,861** | **$ 6,946,448** | **$ 95,413** |
| **Net** | **$ (200,966)** | **$ (77,868)** | **$ (123,098)** |