

Purpose

The Wellesley HOA Board is implementing a structured and automated process for issuing, invoicing, tracking, and collecting fines related to violations of restrictive covenants and HOA rules. This process is intended to improve consistency, transparency, and financial accountability.

Violation & Fine Escalation Process

1. Initial Notice

The Director of Covenants and Compliance will issue a written notice of violation to the homeowner.

- Homeowners are typically given **7 days to correct the violation.**
- A copy of the HOA policy and procedures will accompany the notice.

2. Fine Schedule (If Violation Is Not Corrected)

If the violation remains after the correction deadline:

- Week 1: **\$25 fine imposed**
- Week 2: **Additional \$50 fine imposed**
- Week 3: **Additional \$75 fine imposed**
- Week 4: **Additional \$100 fine imposed**
- Week 5 and beyond: **Additional \$100 fine each week** until the violation is corrected.

Board Authority for Immediate Escalation

The Board may, by majority vote, determine that a violation constitutes willful negligence of the Association's restrictive covenants. In such cases, the Board reserves the right to immediately escalate fines up to \$500 without following the standard escalation schedule.

3. Lien Authority

Fines are treated as **special dues assessments** and may become a lien against the property.

- A lien notice may be recorded **as soon as four weeks after the correction deadline.**

4. Definition of Compliance

A violation is not considered cured until:

- The violation has been physically corrected **AND**
- **All outstanding fines have been paid.**

Roles & Responsibilities

Director of Covenants & Compliance

- Issues violation notices and determines when fines should begin.
- Sends a copy of the citation/violation notice to the HOA Treasurer and CPA to initiate invoicing.

CPA (Carnes & Company)

- Generates and sends **email invoices** to homeowners once notified.
- Requires the homeowner's **email address** to begin invoicing.
- Continues escalating fines per the approved schedule until instructed to stop.
- Can format invoices and include **free-form descriptions** of violations and payment instructions.

Treasurer

- Maintains a **tracking spreadsheet** of all fines for oversight and reconciliation purposes.
 - Coordinates with the CPA and Compliance Director to ensure accurate fine status.
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Payment Methods

Homeowners may remit payment by:

- **Online Portal:** Select “Fine for Violation of Wellesley’s Covenants”
- **Mail:**
Wellesley HOA
PO Box 512
Ooltewah, TN 37363

Contact Email: WellesleyCompliance@gmail.com

Implementation Notes

- The Board will **quality-check the invoice format** before rollout to homeowners.
 - Examples of fine invoices and late-dues invoices may be presented at the **annual HOA meeting** to improve transparency.
 - The automated process is intended to modernize HOA financial operations and provide clear answers to homeowners regarding fine collection.
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