

**Crestbrook Homes Association**  
**Policy Resolution No. 2026-1**  
**Procedures Regarding Delinquent Assessment Payments**

WHEREAS, the Declaration of Covenants, Conditions, and Restrictions (as amended and supplemented) for Crestbrook Homes Association (the "Declaration"), the By-Laws of Crestbrook Homes Association (the "By-Laws") and the Articles for Incorporation of Crestbrook Homes Association (the "Articles of Incorporation"), collectively known as the Governing Documents, provide that the Lots are subject to the Governing Documents and the Rules and Regulations of the Association; and

WHEREAS, Article V, Section 1 of the recorded Declaration creates an obligation for an Owner to pay Annual Assessments and Special Assessments; and

WHEREAS, the Governing Documents and the Rules and Regulations of Crestbrook Homes Association (the "Association") provide that the Board of Directors (the "Board") is empowered to implement procedures for collection of the Annual Assessments and Special Assessments from the Owners; and

WHEREAS, Article IV, Section 1 of the Articles of Incorporation empower the Association to exercise the powers of the Declaration and Virginia Nonstock Corporation Act; and

WHEREAS, Owners are personally responsible for the annual and special assessments that became due while they were the owners of the Lot along with interest, costs and reasonable attorneys' fees; and

WHEREAS, the Annual Assessments and Special Assessments are a continuing lien on the Lot against which each assessment is made; and

WHEREAS, the Board is authorized pursuant to Article V, Section 8 of the Declaration to assess interest at the rate of six percent (6%) per annum from the Due Date until paid if an installment of the Annual Assessment or Special Assessment is not received within thirty (30) days of the Due Date; and

WHEREAS, Article VI, Section 1(b) and Article VI, Section 8 of the Declaration provides that a delinquent Owner shall be responsible for the costs of collection, interest, and reasonable attorney's fees; and

WHEREAS, in accordance with Section 55.1-1824 of the Virginia Property Owners' Association Act (the "POAA"), the Board may assess a late charge of five percent (5%) of the unpaid assessment or the maximum amount permitted in Section 58.1-3915 of the Virginia Code if the Assessment or any installment thereof is more than sixty (60) days delinquent from the due date; and

WHEREAS, Article IV, Section 1(d) of the Declaration permits the Association to suspend the delinquent Owner's voting rights or use of the Common Area facilities when delinquent for more than sixty (60) days for payment of the assessments and for any violation of the Rules and Regulations for a period not to exceed sixty (60) days; and

WHEREAS, Article V, Section 1(b) and Section 8, Article VI, Section 12 and Article XI, Section 1 of the Declaration permits enforcement of the provisions of the Declaration by lawsuit and/or foreclosure of the Memorandum of Lien; and

WHEREAS, there is a need to establish orderly procedures for the billing and collection of Annual Assessments and Special Assessments;

NOW THEREFORE, it is hereby RESOLVED THAT the Board duly adopts the following Assessment collection procedures:

## **I. Routine Collections**

A. The amount of the Annual Assessment and Special Assessment, if applicable, shall be established by the Board. The Annual Assessment will be collected annually and any Special Assessment will be collected as provided in the notice of Special Assessment. The Due Date for the Annual Assessment is April 1. Pursuant to Article XVI, Section 1 of the By-Laws, the fiscal year of the Association shall be the twelve month period beginning January 1 and ending December 31.

B. Non-receipt of a payment coupon, coupon books, notices, or other such documents relating to the payment of Annual Assessments or Special Assessments shall not excuse an Owner from the obligation to pay Annual Assessments or Special Assessments. Pursuant to Article V, Section 8 of the Declaration, no Owner is exempt for liability for the Annual Assessments or Special Assessments by abandoning any Lot or by the abandonment of the use and enjoyment of the Common Area facilities.

C. Non-resident Owners must provide the Board with an address, in writing, where the Owner can be contacted; otherwise, all notices shall be sent to the Lot address or address on record with the Association.

## **II. Remedies for Nonpayment of Assessments**

A. Definition of "Received". As referenced herein, the term "Received" is defined as the date during normal business hours that a payment is physically or electronically available for processing by the Association through the Managing Agent. For purposes of clarification and by way of example only, "Received" does not include the following: (1) the date the Owner submits the request for payment to the Association through a bill pay system; (2) a payment that is sent to the incorrect address; (3) a payment that fails to provide identifying information for posting; or (4) the date the Owner mails the payment to the Association. It is the Owner's sole responsibility to ensure that mailed payments or payments processed electronically or through a bill pay system are Received by the Association through the Managing Agent prior to the Due

Date to avoid the imposition of a late charge, collection cost or the referral to collection counsel for further collection action. The Owner assumes the risk of any delay by third parties, even if at no fault of the Owner, for failure of the Association through Managing Agent to Receive a payment by the Due Date.

B. Late Charge. If any Assessment or installment thereof remains delinquent for sixty (60) days from the due date, in accordance with Section 55.1-1824 of the POAA, a late charge of five percent (5%) or the maximum amount permitted in accordance with Virginia Code Section 58.1-3915 shall be assessed against the delinquent Owner's account.

C. Interest. If an assessment or installment thereof is not Received within thirty (30) days from the Due Date, interest shall accrue from the Due Date at the rate of six percent (6%) per annum on the unpaid assessment.

E. Collection Costs. The cost of collection incurred by the Association shall be assessed to the delinquent Lot Owner's account. Such amounts may include, but are not limited to, notices sent by the Association to the Owner, turnover fees, postage, and any other charges authorized by the POAA, as amended. In addition, the Lot Owner shall be assessed for any additional collection costs that are incurred by legal counsel, including but not limited to Court filing fees, postage, copy expenses, courier services, and investigative services as required.

F. Notice of Delinquency. If payment is not Received by the Managing Agent within thirty (30) days of the Due Date, a Notice of Delinquency shall be sent, by regular mail, by the Managing Agent to the delinquent Owner demanding payment of the delinquent installment of the Annual Assessments or Special Assessments. As the Governing Documents of the Association do not require reminder notices to commence legal action, an Owner's failure to receive said notices shall not prohibit the ability of the account to be referred to legal counsel for collection action.

G. Final Notice. If payment is not Received by the Managing Agent within sixty (60) days of the Due Date, a Final Notice shall be sent by certified mail, by the Managing Agent to the delinquent Owner demanding payment of the delinquent installment of the Annual Assessment or Special Assessment, late fee and collection cost. The Final Notice shall place the Owner on notice that if the payment, including the late fee and collection cost, is not Received by the Managing Agent within thirty (30) days from the date of the Final Notice, the delinquent account shall automatically without further notice be referred to legal counsel for further collection action. As the Governing Documents of the Association do not require reminder notices to commence legal action, an Owner's failure to receive said final notice shall not prohibit the ability of the account to be referred to legal counsel for collection action.

H. Returned Check Charge. If the Association receives a check from an Owner which fails to clear the Owner's personal banking account, the Association shall charge the Owner a returned check charge of \$50.00, or the maximum amount permitted by law, whichever is greater. If the Association receives from any Owner, in any fiscal

year, one or more returned checks for payment of an installment of the Annual Assessment or Special Assessment, the Managing Agent may require all future payments to be made by certified funds, money order or cashier's check for the remainder of the fiscal year.

I. Referral to Legal Counsel, Acceleration and Suspension of Common Area Facilities. Whenever an Owner remains delinquent for payment of the Annual Assessments or Special Assessments for more than thirty (30) days from the due date, the Managing Agent, without any further action of the Board, shall automatically take the following action:

1. The account shall be referred to legal counsel for prompt action.
2. Legal counsel is authorized, without further action of the Board, to take the following action: If the account remains delinquent after a demand letter is sent to the Owner, a Memorandum of Lien for Unpaid Homeowner Association Assessments may be recorded against the title to the Lot, and a civil action for judgment may be brought against the Owner for unpaid Annual Assessments and Special Assessments, interest, late fees, reasonable attorneys' fees and collection costs. Legal counsel is authorized to take post-judgment action to collect the unpaid Annual Assessments and Special Assessments, interest, late fees, attorneys' fees and collection costs as awarded by the Court.
3. The Board or Managing Agent, as authorized by the Board, may elect to suspend the use of any common area facilities so long as suspension does not endanger the health, safety, or property of the Owner or its tenants. The Owner shall be mailed a written notice after he is at least sixty (60) days delinquent providing a reasonable opportunity for Owner to cure the delinquency to avoid the commencement of the suspension or limitation of use of the common area facilities as further detailed in Section III(B) herein. If imposed, the suspension shall continue until payment is Received in full by the Association.

J. Method of Crediting Payments. After an account becomes delinquent, payment received from an Owner will be credited to the account in the following order of priority:

- a. Charges for attorney's fees and court costs.
- b. Late fees, interest, management fees, resale disclosure packet fees (and delivery), case opening or transfer fee, and returned check charges.
- c. Any and all installments of the Special Assessments, oldest outstanding first.
- d. The Annual Assessments, oldest outstanding first.

**III. Suspension of Privileges**

A. Voting. Pursuant to Article IV, Section 1(d) of the Declaration, an Owner may not vote if they are delinquent on the payment of the Annual Assessment or Special Assessment. Notice of the suspension of the right to vote does not require notice and a hearing.

This Resolution is effective JANUARY 14TH, 2026.

The Board directs that this Resolution shall be reasonably published or distributed to the Owners of the Association.

ATTEST:

CRESTBROOK HOMES ASSOCIATION

By: Mark Babcock  
President

Lewis T. Hoop  
Secretary