

EXHIBIT C

PAYMENT PLAN POLICY

WHEREAS, Hannah Heights Homeowners Association, Inc. (the “**Association**”) is charged with administering and enforcing that certain Declaration of Covenants, Conditions and Restrictions for Hannah Heights recorded on August 10, 2020 as Document No. 202099021206 of the Official Public Records of Real Property of Guadalupe County, Texas (the “**Declaration**”);

WHEREAS, Chapter 209 of the Texas Property Code has been amended to add Section 209.0062 (“**Section 209.0062**”), effective January 1, 2012;

WHEREAS, Section 209.0062 requires that the Association adopt and record reasonable guidelines to establish an alternative payment schedule by which an owner of any lot subject to the Declaration (an “**Owner**”) may make partial payments to the Association for delinquent regular or special assessments or any other amount owed to the Association without accruing additional monetary penalties; and

WHEREAS, the Association’s Board of Directors (the “**Board**”) desires to establish guidelines consistent with Section 209.0062.

NOW, THEREFORE, the Board has duly adopted the following Payment Plan Policy (the “**Policy**”):

1. Eligibility. Any Owner who has not defaulted on a previous payment plan during the past two (2) years from the date a payment plan request is received by the Association may be eligible to enter into a payment plan under which he or she may make monthly payments to the Association for delinquent regular or special assessments or any other amount owed to the Association (the “**Payment Plan**”).
2. Form. All Payment Plans must be in writing and in a form provided and approved by the Association.
3. Term.
 - a. The minimum term for a Payment Plan is three (3) months.
 - b. The maximum term for a Payment Plan is eighteen (18) months. In no event is the Association required to consider any Payment Plan that extends more than eighteen (18) months from the date of the Owner’s request for a Payment Plan.
 - c. If the entire amount due is not paid in full by January 31 by any homeowner, Board may, without deliberation, approve a Payment Plan that complies with the following:

- i. An eligible Owner may be allowed to pay such balance by making two (2) consecutive installment payments, with the first payment due within one (1) month days of the Board's approval of the Payment Plan, and the second payment due within three (3) months of the Board's approval of the Payment Plan.
 - ii. The amount due under the installment payments under any such plan shall be decided by the Board.
- d. Any Owner may submit to the Board a request for a Payment Plan that does not meet the foregoing guidelines, along with any other information he or she believes the Board should consider along with such request (e.g. evidence of financial hardship). The Board, in its sole discretion, may approve or disapprove such a request for a non-conforming payment plan. An Owner who is not eligible for a Payment Plan may still request a Payment Plan, and the Board, in its sole discretion, may accept or reject such a request.

4. Payments.

- a. The Association may charge an Owner reasonable costs for administering the Payment Plan (the "**Administrative Costs**") and, if interest is allowed under the Declaration, then interest will continue to accrue during the term of the Payment Plan. The Association may provide an estimate of the amount of interest that will accrue during the term of the Payment Plan. Other monetary penalties will not accrue during the term of the Payment Plan and for so long as the Owner does not default under the Payment Plan.
- b. The total of all proposed payments in a Payment Plan must equal the sum of the current balance, the estimated interest, any Administrative Costs, and any assessments that will accrue during the term of the Payment Plan.
- c. All payments under a Payment Plan shall be due by the dates specified in the Payment Plan, and shall be made by any means acceptable to the Association or its management company.

5. Default.

- a. The following shall result in an immediate default of the Payment Plan:
 - i. The Owner's failure to timely tender and deliver any payment when due under the Payment Plan; or
 - ii. The Owner's failure to tender any payment in the full amount and form specified in the Payment Plan; or

- iii. The Owner's failure to timely comply with any other requirement or obligation set forth in the Payment Plan.
 - b. Any Owner who defaults under a Payment Plan shall remain in default until his or her entire account balance is brought current.
 - c. The Association is not required to provide notice of any default.
 - d. Owners are not entitled to any opportunity to cure a default.
 - e. While an Owner is in default under a Payment Plan, the Owner's payments need not be applied to the Owner's debt in the order of priority set forth in Texas Property Code Section 209.0063(a). But, in applying a payment made while the Owner is in default, a fine assessed by the Association may not be given priority over any other amounts owed to the Association.
 - f. The failure by the Association to exercise any rights or options shall not constitute a waiver thereof or the waiver of the right to exercise such right or option in the future.
6. This Policy is effective upon recordation and supersedes any policies regarding payment plans that may have previously been in effect. Except as affected by this Policy, all other provisions contained in the Declaration and/or any other dedicatory instruments of the Association shall remain in full force and effect.