

Exhibit C

City of San Antonio Service Agreement for the LGI Homes-Texas, LLC Property Annexation

Introduction

The City ("City") of San Antonio, Texas, is making this Service Agreement ("Agreement") available pursuant to Chapter 43 of the Texas Local Government Code. This Agreement relates to the annexation by the City of the LGI Homes-Texas, LLC Property, "Annexation Area" consisting of approximately 45.739 acres, located at 10925 Green Road in East Bexar County, described as CB 5088 P-28 ABS 308 (FORMERLY P-6). The property owner has requested annexation by the City and will be developing the property as a residential subdivision.

ARTICLE 1. EFFECTIVE TERM

This Agreement shall be in effect for a ten-year period commencing on the effective date of the annexation, unless otherwise stated in this Agreement. Renewal of the Agreement shall be at the option of the City. Such option may be exercised by the adoption of an ordinance by the City Council, which refers to this Agreement and specifically renews this Agreement for a stated period of time. The Agreement may be extended upon the mutual consensus of the City and the Property Owner.

ARTICLE 2. INTENT

It is the intent of the City that services under this Agreement shall provide full municipal services as required and defined by the Texas Local Government Code. The City reserves the right guaranteed to it by the Texas Local Government Code, to amend this Agreement if the City Council determines that changed conditions or subsequent occurrence or any other legally sufficient circumstances exist under the Local Government Code, or other Texas laws to make this Agreement unworkable or obsolete or unlawful.

ARTICLE 3. SERVICE AGREEMENT

In general this Agreement includes three service components: *(1) Annexation Service Requirements, (2) Additional Services and (3) a Capital Improvement Program.* As used in this Agreement, providing services includes having services provided by any method or means by which the City extends municipal services to any other area of the City. This may include causing or allowing private utilities, governmental entities and other public and private non-profit service organizations to provide such services by contract in whole or in part. It may also include separate agreements with associations or similar entities. Services are provided and fees are assessed in accordance with City of San Antonio Municipal Code, as may be amended.

1. Annexation Service Requirements – The following services will be provided in the Annexation Area commencing on the effective date of the annexation for full purposes, unless

otherwise noted.

A. Police Protection – The San Antonio Police Department (SAPD) will provide protection and law enforcement services in the newly annexed area upon the effective date of annexation. These services include:

- Routine patrols and responses;
- Handling of complaints and incident reports;
- Special units, such as traffic enforcement, criminal investigations, covert operations, K-9 Unit, Family Assistance Crisis Teams, Bomb Squad, and Special Weapons and Tactics Team (SWAT); and
- Any other services or programs provided to the citizens of San Antonio at the time of annexation.

The City currently has six Police Substations. Each Substation is responsible for a Patrol "Service Area," under the command of a Captain. These Service Areas are divided into Patrol Sections. The Patrol Sections, with supervisory responsibilities are assigned to Sergeants, are divided into "Patrol Districts." The "Patrol Districts" are geographically defined areas established for several reasons, including but not limited to:

- Serving as a manpower distribution tool based on call volume, population, area size, and geographic variables;
- Providing a means of establishing primary responsibility to individual officers, during their tour of duty, for various activities within a specific geographic area; and
- Providing an efficient and effective means of assigning, identifying, and locating officers, within a generalized area, using currently available technology.

These factors will also determine the need for hiring additional patrol officers to ensure all patrol districts are adequately staffed 24 hours a day, seven days a week, and to maintain an average response time comparable to other areas of the city. SAPD San Antonio Fear Free Environment Unit (SAFFE) officers will be available to meet as requested to discuss police issues.

The Annexation Area will be incorporated into the East Patrol District #4310 which is served by the East Patrol Substation, located at 3635 East Houston Street (Rosa Parks Way), San Antonio, TX 78219. Patrol districts are staffed with at least one officer, 24 hours a day, 7 days a week. There is no specific number of officers that can be assigned to a patrol district. Many times multiple officers are assigned to single districts.

Police services are initiated by on-sight officer activity, citizen requests, and any other means available. The most common means by which officers receive their assignments is through direct supervisory command and radio/computer transmissions by police dispatchers.

B. Fire Protection and Emergency Medical Service (EMS) – The San Antonio Fire Department (SAFD) will provide fire protection services and EMS to the Annexation Area consistent with the provision of services in like areas of San Antonio. Service will be provided through the use of fire engines, ladder trucks, full-time and peak period EMS ambulances, Medical Officers and Chief Officers.

C. Solid Waste Collection Services – The City’s Solid Waste Management Department will provide solid waste collection services at a level equivalent to those property owners within the current City limits. Services are provided and fees are assessed in accordance with Chapter 14 of the City Municipal Code, as may be amended. Fees for services are assessed monthly on CPS Energy Utility bills. In accordance to state law, residents may continue to use a private waste hauler for solid waste services for the first two years after annexation. After two years all single family residential properties accessible from public streets must use City-provided service.

Monthly Solid Waste Fees are set annually by City Council:

- **Environmental Services Fees** – All residential and non-residential properties shall be assessed a monthly Environmental Service Fee of \$3.24 per unit for Fiscal Year (FY) 2019. The Environmental Fee is comprised of a \$2.24 Solid Waste Environmental Fee and a \$1.00 Parks Environmental Fee. These fees are intended to defray municipal expenses necessary to cleaning up illegally dumped waste, collecting and disposing of dead animals, performing regulatory maintenance on closed landfills, providing environmental services to the City's park system, and equitably sharing costs for neighborhood clean-ups benefiting residents and businesses that do not pay a monthly solid waste processing fee.

If residential customers elect to use City-provided services the additional monthly fees based on current Fiscal Year approved fees below apply in accordance with the cart size selected:

Size of Garbage Cart	FY 2019 Monthly Fees
Small (48 gallons)	\$16.76
Standard(64 gallons)	\$18.76
Large (96 gallons)	\$26.76

D. Operation and Maintenance of Water and Wastewater Facilities – The East Central Special Utility District and San Antonio River Authority (SARA) will maintain and operate the water and wastewater facilities that are within its certified service area.

E. Operation and Maintenance of Roads and Streets, including Street Lighting – The Transportation and Capital Improvements Department (TCI) is responsible for the maintenance and repair of the City streets, bridges, and/or alley infrastructure within its jurisdiction. Curbs, sidewalks, driveways approaches, curb ramps and other street infrastructures are constructed in accordance with the City and the Americans with Disability Act (ADA) standards. Service requests or community concerns for TCI’s response, such as potholes and street base and pavement repairs are initiated by contacting the City's 311 call center or online services. These services include:

- Emergency Pavement Repair
- Street Base and Pavement Repair
- Preventative Street Maintenance
- Guard Post and Guard Rail Maintenance
- De-icing and Snow Removal Services
- Neighborhood Access and Mobility Program (NAMP)

- Emergency Street Closure Services
- Street Re-striping and Marking Services

Infrastructure Management Program (IMP) is a five-year rolling program which focuses on the maintenance of City infrastructure. Services needs are identified city-wide and are scheduled for street maintenance, alley maintenance, drainage maintenance, sidewalks, traffic signals, pavement marking and Advance Transportation District (ATD) projects. The IMP provides the City a structured program schedule, potential for additional multiple year contract awards and improved utility coordination. During the annual budget process, the IMP is presented to City Council for approval. Amendments may occur throughout the year due to coordination with utilities or unforeseen conditions, such as inclement weather. The goal of the IMP is to provide the best possible maintenance for the City.

Transportation Systems Management & Operations will provide regulatory signage services in the Annexation Area. Traffic signal, stop and all other regulatory studies are conducted in conjunction with growth of traffic volumes. Traffic signs, signals, and markings are installed in conformance with the Texas Manual on Uniform Traffic Control Devices. Faded, vandalized, or missing signs are replaced as needed. "Call back" service is provided 24 hours a day, 365 days a year for emergency repair of critical regulatory signs. Requests for signage should be called into the 311 call center.

Storm Water Utility – The Storm Water Utility is housed within the TCI Department. The Storm Water Utility is responsible for drainage services as well as the installation, operation, and maintenance of drainage infrastructure throughout San Antonio.

The Storm Water Utility Fee is intended to cover capital and maintenance expenses associated with drainage projects and fund operational services related to the Municipal Separate Storm Sewer System (MS4) Permit as required by Federal regulations. The storm water utility fee is billed by SAWS on behalf of the City. The Services are currently provided by the SAWS, in accordance with the SAWS's approved business plan and as limited by applicable codes, laws, ordinances and special agreements. The fee will be assessed for the Annexation Area as the storm water will drain into the exiting City facilities. More information about the storm water rate plan is available at the TCI department website at: <https://www.sanantonio.gov/TCI/Projects/Storm-Water-Fee>.

Street lighting – The planning of public street lights is coordinated by the City's Development Services Department (DSD). CPS Energy will maintain public street lighting. The City assumes the cost of electricity for public street lights.

F. Operation and Maintenance of Parks, Playgrounds and Swimming Pools – Maintenance responsibilities for municipally owned parks in newly annexed area are the responsibility of the City. Any proposed or existing privately owned parks, playgrounds, swimming pools, recreational facilities and common spaces in the Annexation Area are the responsibility of the property owner(s).

G. Operation and Maintenance of Any Other Publicly Owned Facility, Building, or Service

– Should the City acquire any other facilities, buildings, or services necessary for municipal services located within the Annexation Area, an appropriate City department will provide maintenance services for them.

2. ADDITIONAL SERVICES – Certain services, in addition to the above services, will be provided within the Annexation Area. They are as follows:

A. Code Compliance – The Code Compliance Division of DSD enforces City codes and regulations to protect the health, safety and general welfare of the community. Current enforcement is provided to the following and is not limited to:

- Vacant dangerous premises and structures,
- Junked vehicles,
- Weeded vacant lots,
- Zoning (Unified Development Code),
- Property maintenance,
- Minimum housing, including unsanitary premises,
- Front yard parking,
- Alley and right-of-way violations,
- Monthly inspections of salvage/junk yards,
- Monitoring and enforcing materials received at salvage/junk yards, and
- Enforcement of garage sale permits
- The Code and ordinances enforced by DSD are subject to changes by the City Council

B. Zoning – The Property owner will initiate the zoning process for a permanent zoning classification. The Zoning Commission will conduct at least one public hearing and make a recommendation to the City Council regarding the proposed zoning. The City Council will consider the proposed zoning district concurrently with the annexation of the area at a public hearing. Zoning will be effective upon the effective date of annexation.

C. Building Permits – Incomplete construction may require building permits and/or inspections from the DSD in accordance with City codes and the tables below:

Vacant Lot Only; Construction not yet begun	Complete set of plans required
Foundation Only, up to 25%	Complete set of plans required; Engineer's letter required on foundation
Foundation and Partial Framing over 25% but not over 50% complete	Complete set of plans required minus foundation plans; Engineer's letter required on foundation
Foundation and Partial Framing over 50% complete	No plans required; fill out application only and declare percentage completed
Foundation, framing, sheetrock, mechanical, electric,	No plans required; fill out

plumbing, etc. Approximately 75% to 99% completed. Needs textone, flatwork, fence, finals only, etc.	application only for meter and CPS release
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	No slab poured	Slab poured	Frame, no sheetrock	Sheetrocked
Building	100%	75%	50% Frame Inspection Required	25% Frame Inspection Required
Plumbing	100%	66% Rough-in required 100% gas permit	66% Rough-in required 100% gas permit	33% Plumbing final and 50% gas permit
Electrical	100%	100%	100% Rough-in required	50% Final Inspection
Mechanical	100%	100%	100% Rough-in required	Equipment only. Permit for air handler, cooling coil and condenser required
Plans	Yes 100%	Yes 100%	No (0%) (Steel frame – engineer’s sealed plans on site)	No (0%) (Steel frame – engineer’s sealed plans on site)

For new construction initiated after annexation permits, plan reviews, and inspections for all applicable codes shall be obtained and successfully passed. Other field inspections may be applicable for new commercial construction depending on the specific use and/or location of the project.

Permits may be applied for at the Cliff Morton Development and Business Services Center located at 1901 South Alamo Street, San Antonio, TX. In addition, as part of the permitting process, applicant will be required to adhere to the City’s Tree and Landscape requirements. A one-stop development service counter has been created to assist the public with any development questions that relate to building, plan review, street and sidewalk construction and storm water related issues.

D. Certificate of Occupancy – New and existing businesses must obtain a Certificate of Occupancy and related licenses required by City code from the DSD, San Antonio Metropolitan Health District, and/or City Tax Office. In accordance with the adopted International Building Code, no person may occupy a building or a space without first obtaining a Certificate of Occupancy. Certificates of Occupancy may be applied for at the Cliff Morton Development and Business Services Center.

E. Library Services – The nearest libraries to the Annexation Area are the Molly Pruitt Library,

5110 Walzem Road, San Antonio, TX 78218 and the Schaefer Library located at 6322 US Hwy 87 East, San Antonio, TX 78222.

The San Antonio Public Library locations provide the following services:

- Library materials for adults, young adults and children including books, periodicals, compact disks, DVD, videos, audio books, and electronic books;
- Programming for adults, young adults and children such as regularly scheduled story time;
- Book discussion groups and other topics of interest to the community; and
- Access to the website, databases and other computer programs, is available seven days a week through the web address: www.mysapl.org/digital.

Professional staff is available to assist library customers with reference and reader's advisory questions and public meeting room space are available. More information is available at the San Antonio Public Library Website: www.mysapl.org.

F. Health Department Services – The San Antonio Metropolitan Health District (Metro Health) currently provides certain public health services to include communicable disease control, emergency preparedness and response, and health education to individuals residing in the Annexation Area through an interlocal agreement with Bexar County-University Health Systems. Upon full purpose annexation, the following additional services will become available:

- Investigation of public health related complaints including food borne illness, recreational water quality, and public swimming pools and spas, and investigation of toxic exposures;
- Permitting and routine sanitation inspections of food establishments, schools, day cares, swimming pools and mobile living parks;
- Enforcement of the City's smoking ordinance in public places and Tobacco 21 ordinance;
- Investigation of reported elevated Blood Lead Levels (BLL) in children;
- Access to community health clinics; and
- Referrals to medical assistance program benefits

Metro Health would provide additional services for oversight of day care centers, semi-public swimming pools, air pollution education and source registration. For more information, visit the Metro Health website at: www.sanantonio.gov/health.

G. Animal Care Services – Newly annexed area will receive the same level of service as within the current San Antonio City Limits. These services include, but may not be limited to, animal enforcement and control, educational and public outreach, low cost animal related resources as microchips and spay/neuter services, and community cat program services.

H. Other Services – City Departments with jurisdiction in the area will provide services according to City policy and procedure.

3. CAPITAL IMPROVEMENTS PROGRAM – The City will initiate the construction of capital improvements as may be necessary for providing municipal services to the Annexation Area. The timing for the construction of capital projects that may be necessary for the delivery of municipal services will be done in accordance with the requirements of Subchapter C of Chapter 43, Local Government Code.

Each component of the Capital Improvement Program is subject to the City providing the related service directly. In the event that the related service is provided through a contract service provider, the capital improvement may not be constructed or acquired by the City but may be provided by the contract provider. The City may also lease buildings in lieu of construction of any necessary buildings.

A. Police Protection – No capital improvements are necessary at this time to provide police services.

B. Fire Protection – No capital improvements are necessary to provide fire services.

C. Emergency Medical Service – No capital improvements are necessary at this time to provide EMS services.

D. Solid Waste Collection – No capital improvements are necessary at this time to provide solid waste collection services.

E. Roads and Streets – No newly constructed road or street related capital improvements are necessary at this time to provide services. The City will assume maintenance responsibilities for all public streets.

F. Parks, Playgrounds and Swimming Pools – No capital improvements are necessary at this time to provide parks and recreation services.

G. Library Services – No capital improvements are necessary at this time.

H. Capital Improvements Planning – The Annexation Area will be included with other territory within the municipality in connection with planning for new or expanded facilities and/or services. All other capital improvements will be considered through the 6-Year Capital Budget that represents the City's long-range physical infrastructure development and improve plan. Major funding sources are General Obligation Bonds, Certificates of Obligation, Storm Water Revenue Bonds, and Community Development Block Grants as applicable. Capital projects are placed in inventory by the City Council representative through input from community plans, existing neighborhood plans, community associations, neighborhood requests and other community processes.

ARTICLE 4. AMENDMENT: GOVERNING LAW

This Agreement may not be amended or repealed except as provided by the Texas Local Government Code or other controlling law. Neither changes in the methods or means of

implementing any part of the service programs nor changes in the responsibilities of the various departments of the City shall constitute amendments to this Agreement, and the City reserves the right to make such changes. This Agreement is subject to and shall be interpreted in accordance with the Constitution and laws of the United States of America and the State of Texas, the Texas Local Government Code, and the orders, rules and regulations of governmental bodies and officers having jurisdiction.

ARTICLE 5. FORCE MAJEURE

In case of an emergency, such as Force Majeure as that term is defined in this Agreement, in which the City is forced to temporarily divert its personnel and resources away from the Annexation Area for humanitarian purposes or protection of the general public, the City obligates itself to take all reasonable measures to restore services to the Annexation Area of the level described in this Agreement as soon as possible. Force Majeure shall include, but not be limited to, acts of God, acts of the public enemy, war, blockages, insurrection, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, droughts, tornadoes, hurricanes, arrest and restraint of government, explosions, collisions and other inability of the City, whether similar to those enumerated or otherwise, which is not within the control of the City. Unavailability or shortage of funds shall not constitute Force Majeure for purposes of this Agreement.

This policy is set by the City Council and can be amended in the future by ordinance.

THEREFORE, IN WITNESS WHEREOF, the Parties have executed this Service Agreement this _____ day of _____, 2019.

CITY OF SAN ANTONIO

BY: _____

Name: _____

Title: _____

**REPRESENTATIVES OF THE
LGI HOMES-TEXAS LLC
Property Annexation**

State of Texas §

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County of Bexar §

This instrument was acknowledged before me on this ____ day of _____, 2019 by _____, with a title of _____ for the City of San Antonio, Texas municipal Corporation, on behalf of said corporation.

Date: _____

Notary Public, State of Texas

My Commission expires: _____