LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this "**Agreement**") is entered into as of October ___, 2024 (the "**Effective Date**") by and between the **CITY OF DRIPPING SPRINGS, TEXAS** (the "**City**"), **MERITAGE HOMES OF TEXAS, LLC**, an Arizona limited liability company ("**Meritage**"), and **BIG SKY RANCH RESIDENTIAL COMMUNITY, INC.**, a Texas non-profit corporation (the "**HOA**").

WHEREAS, Meritage desires the right to enter upon that certain real property owned by the City that is further described and/or depicted in Exhibit A attached hereto (the "**Property**") for the purpose described in this Agreement, and City desires to grant a license for such purpose subject to and in accordance with this Agreement; and

WHEREAS, the HOA and the City desire to enter into this Agreement to provide for the HOA's maintenance obligations with respect to the Drip Field Facilities (as hereinafter defined).

NOW THEREFORE, for and in consideration of the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Grant of License. From and after the date hereof, Meritage and its agents, employees, contractors and subcontractors, shall have the non-exclusive right and license, which shall be coupled with an interest and be irrevocable, to enter upon the Property to place and install a customary drip field with subsurface irrigation piping and related facilities (the "**Drip Field Facilities**") in connection with the development of Meritage's adjacent real residential subdivision commonly known as Big Sky Ranch and having a legal description of BIG SKY RANCH PHASE ONE AT DRIPPING SPRINGS, BLOCK 1, Lot 8, ACRES 4.15 (the "**Subdivision**"). The license granted under this Section shall terminate upon the completion, and acceptance by the City of, the Drip Field Facilities (the "**Termination Date**"). Notwithstanding the foregoing, (a) from and after the Termination Date, the HOA and its agents, employees, contractors and subcontractors, shall have the non-exclusive right and license, which shall be coupled with an interest and be irrevocable, to enter upon the Property to maintain the Drip Field Facilities, and (b) the HOA shall be responsible for maintaining the Drip Field Facilities in good condition and repair after the Termination Date, which obligation shall expressly survive the Termination Date.

2. Tree Planting. No additional protected trees (as defined in the most recently adopted tree preservation and landscape ordinance) may be removed from the Drip Field Facilities unless approved by the City If any additional trees are removed with written approval of the City, the inches to be replanted will be 1 to 1 for standard trees and 3 to 1 for heritage trees, as defined the in the most recently adopted tree preservation and landscaping ordinance. Upon completion of the Drip Field Facilities, and in recognition of the measures Meritage is taking to ensure no further trees will need to be removed, Meritage shall replant the equivalent of 78 Caliper Inches of replacement trees or other vegetation of species and at locations approved by the City. For purposes of this Agreement, "**Caliper Inches**" shall be defined as the diameter of a tree trunk measured at six (6) inches above ground level for trees up to four (4) inches in diameter, and at twelve (12) inches above ground level for trees larger than four (4) inches in diameter. Replanting must occur within sixty (60) days of the completion of the Drip Field Facilities unless otherwise extended by written agreement with the City. The obligations of this section shall expressly survive the Termination date.

3. Insurance. At any time while Meritage, the HOA or its contractors, subcontractors, agents or employees are conducting construction or maintenance activities on the Property, such party shall obtain and maintain in full force and effect, at its own expense: (a) a policy of insurance written by one or more responsible insurance carrier(s) which will include City as an additional insured, insuring against liability for injury to persons and/or property and death of any person or persons occurring in, on or about the Property arising from Meritage's or the HOA's (as applicable) activities on such property, and the combined single limit of liability under such insurance shall not be less than $1,000,000 per occurrence and $2,000,000 in the aggregate; and (b) all employee's compensation insurance required under applicable Worker's Compensation Acts. To ensure that the required insurance coverage reflects inflation and maintains its adequacy over time, the minimum liability coverage limits specified in subsection (a) shall be automatically increased every five (5) years, beginning on the fifth anniversary of the Effective Date of this Agreement. The increase shall be determined by the cumulative percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items, as published by the U.S. Bureau of Labor Statistics (or any successor index thereto), measured from the Effective Date of the Agreement or the last date of adjustment, whichever is more recent. In no event shall the liability coverage limits be decreased below the original amounts specified, regardless of any change in the CPI-U.

4. Indemnification. MERITAGE OR THE HOA (AS APPLICABLE) WILL INDEMNIFY, DEFEND AND HOLD CITY HARMLESS FOR, FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, COSTS, LIABILITIES AND LOSSES ARISING OUT OF PHYSICAL INJURY TO PERSONS OR PROPERTY DAMAGE TO THE EXTENT CAUSED BY MERITAGE OR THE HOA (AS APPLICABLE) OR THEIR RESPECTIVE AGENTS, DESIGNEES OR REPRESENTATIVES WHILE PRESENT ON THE PROPERTY PURSUANT TO THIS AGREEMENT; PROVIDED, HOWEVER, MERITAGE'S OR THE HOA'S (AS APPLICABLE) OBLIGATIONS UNDER THIS SECTION SHALL NOT EXTEND TO (A) THE DISCOVERY OF ADVERSE CONDITIONS OR THE DISCOVERY, UNINTENTIONAL RELEASE, DISTURBANCE OR MOVEMENT OF ANY HAZARDOUS SUBSTANCE, (B) THE CONSEQUENCES OF THE NEGLIGENCE, RECKLESSNESS OR WILLFUL MISCONDUCT OF CITY OR ITS AGENTS OR CONTRACTORS, (C) ANY DIMINUTION IN VALUE IN THE PROPERTY ARISING FROM OR RELATED TO MERITAGE'S WORK ON THE PROPERTY PURSUANT TO THIS AGREEMENT.

5. Notices. No notice, request, demand, instruction, or other document to be given hereunder to a party shall be effective for any purpose unless personally delivered to the person at the appropriate address set forth below (in which event such notice shall be deemed effective only upon such delivery), delivered by air courier next-day delivery (e.g. Federal Express), delivered by US registered or certified mail, return receipt requested, sent via telecopier (with confirmed receipt), or sent via email as follows:

To City:	City of Dripping Springs 511 Mercer Street PO Box 384 Dripping Springs, Texas 78620 Attention: Ginger Faught, Deputy City Administrator E-mail: gfaught@cityofdrippingsprings.com
To Meritage:	Meritage Homes of Texas, LLC 12301 Research Blvd., Building 4 – 4th Floor Austin, Texas 78759 Attention: Brandon Hammann E-mail: brandon.hammann@meritagehomes.com

With A Copy To:	Meritage Homes Corporation 18655 North Claret Dr., Suite 400 Scottsdale, Arizona 85255 Attention: Jay Berryman E-mail: jay.berryman@meritagehomes.com
HOA:	Big Sky Ranch Residential Community, Inc. 12301 Research Blvd., Building 4 – 4th Floor Austin, Texas 78759 Attention: Brandon Hammann E-mail: brandon.hammann@meritagehomes.com

4. Attorneys' Fees. In the event of any action concerning the subject matter of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party its costs and expenses of enforcing its rights hereunder, including reasonable attorneys' fees.

5. Binding on Successors. The terms and conditions herein contained shall be binding upon and inure to the benefit of the successors and assignees of the parties hereto.

6. Applicable Law. This Agreement shall be construed in accordance with the laws of the State of Texas.

7. Partial Invalidity. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect and shall in no way be impaired or invalidated, and the parties agree to substitute for the invalid or unenforceable provision a valid and enforceable provision that most closely approximates the intent and economic effect of the invalid or unenforceable provision.

8. Entire Agreement. All recitals and exhibits referred to herein are attached hereto and incorporated herein by this reference. This Agreement contains the entire agreement and understanding of the parties with respect to the subject matter hereof and cannot be amended or modified except by a written agreement, executed by each of the parties hereto. The terms and provision of this Agreement shall be read together as a single, integrated document.

9. Cooperation. The parties agree to execute such additional documents and to perform such additional acts as may be reasonably necessary to affect the purpose and intent of this Agreement.

10. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall, for all purposes, be deemed an original and all such counterparts, taken together, shall constitute one and the same instrument.

[*Signature page follows.*]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the Effective Date.

CITY:

CITY OF DRIPPING SPRINGS, TEXAS

By:_____
Name:_____
Its:_____

MERITAGE:

MERITAGE HOMES OF TEXAS, LLC, an Arizona limited liability company

By:_____
Name: Brandon Hammann
Its: Vice President of Land Development

HOA:

BIG SKY RANCH RESIDENTIAL COMMUNITY, INC., a Texas non-profit corporation

By:_____
Name: Brandon Hammann
Its: President

EXHIBIT A TO LICENSE AGREEMENT

PROPERTY

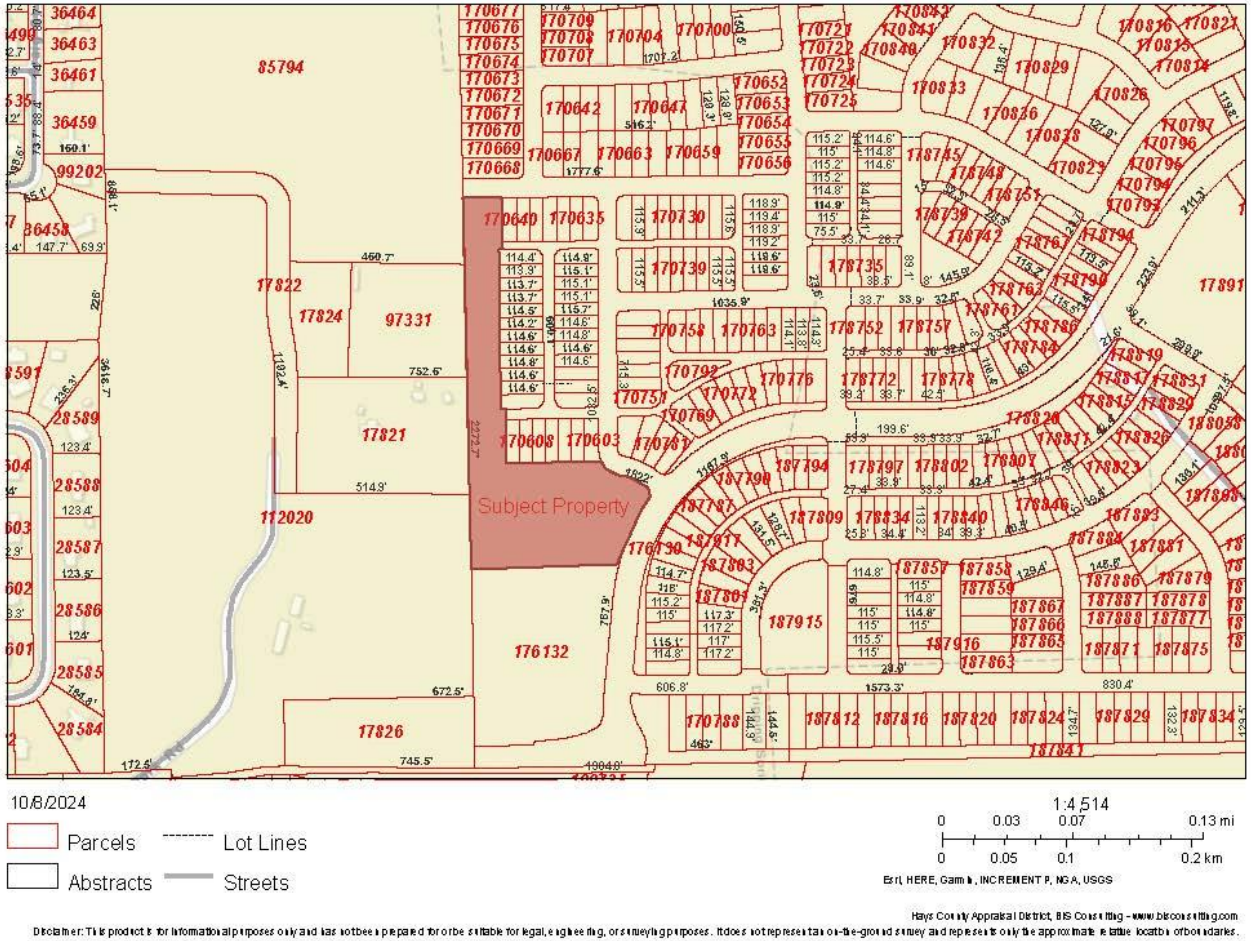
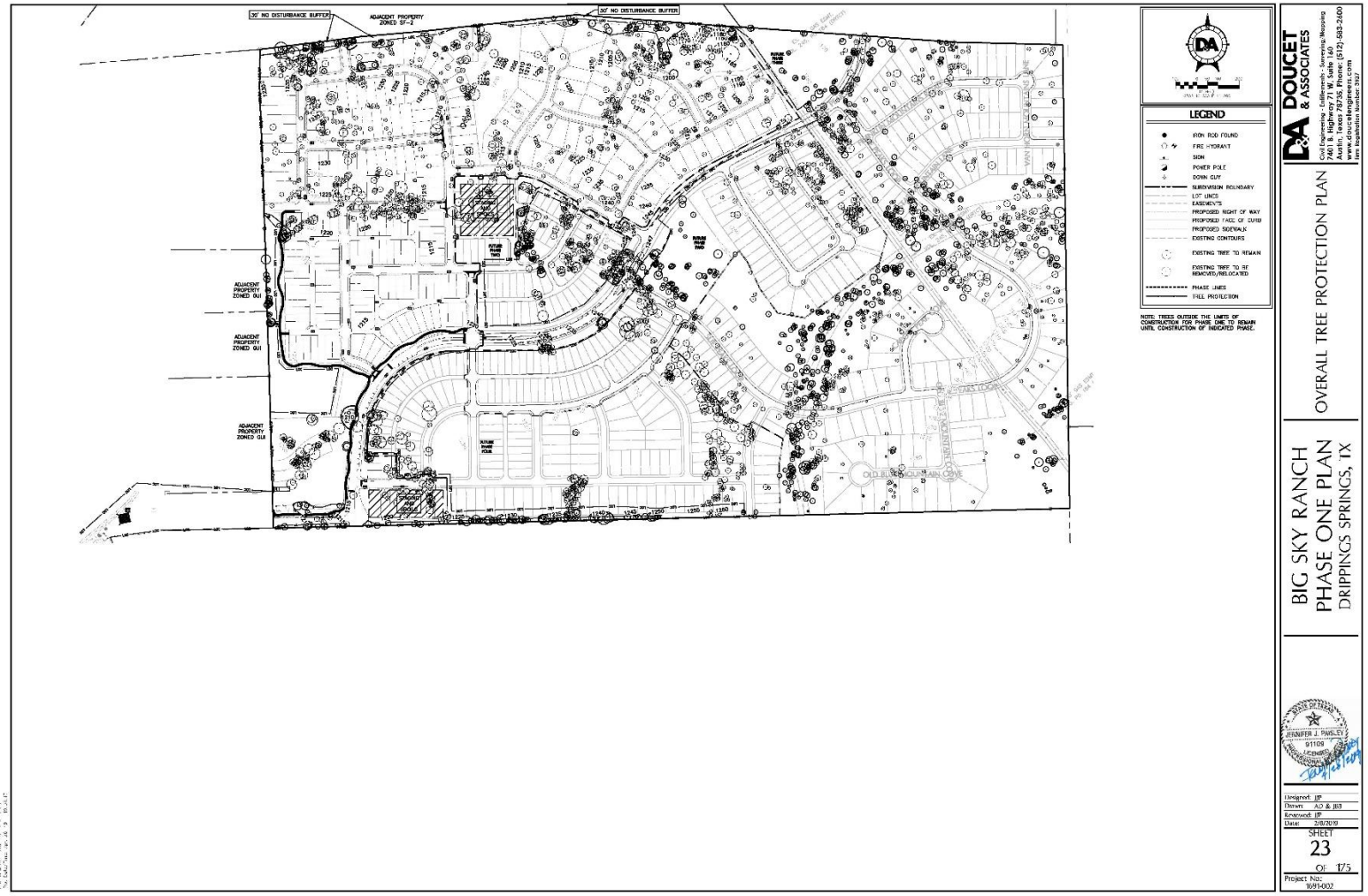
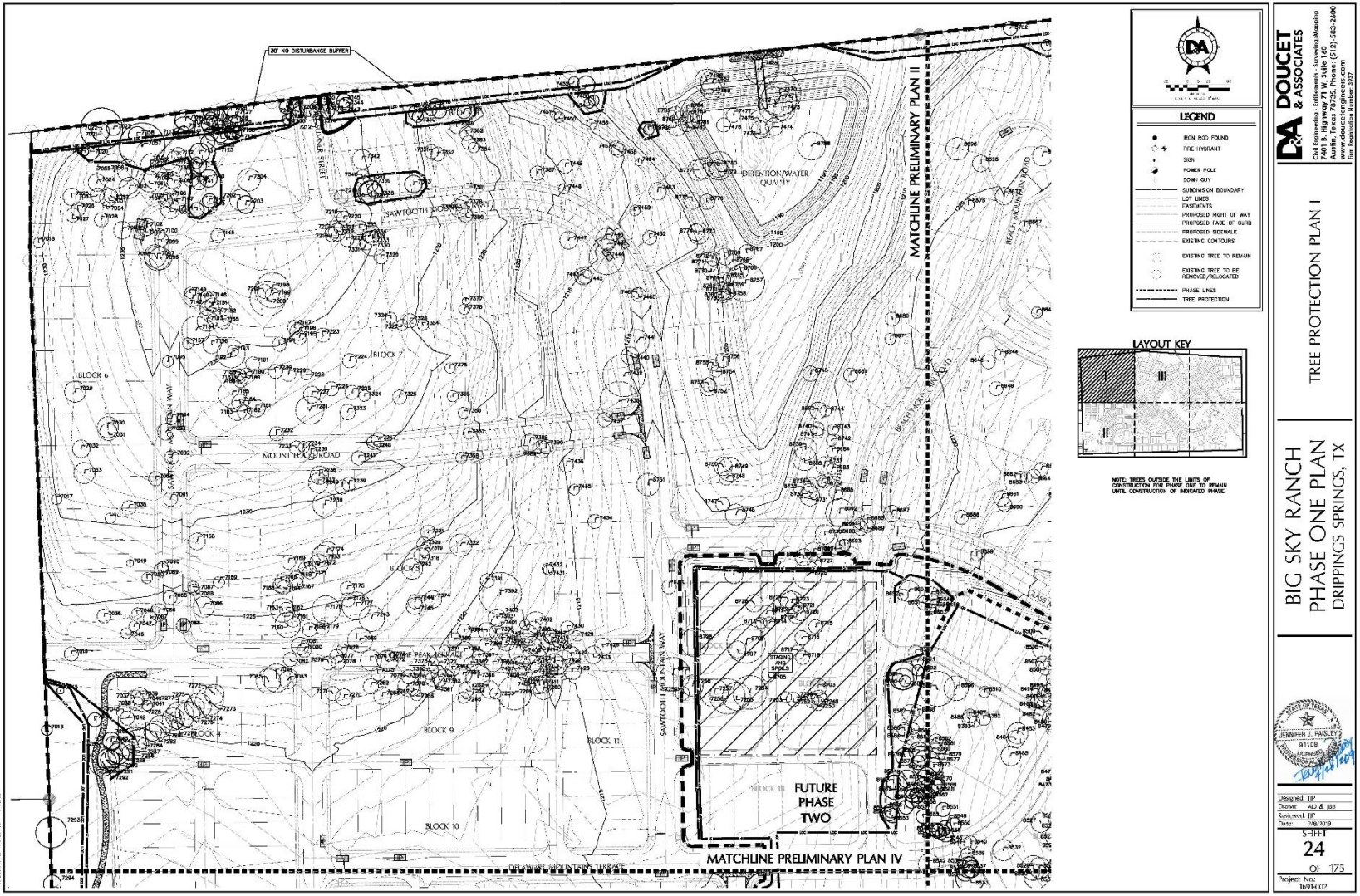
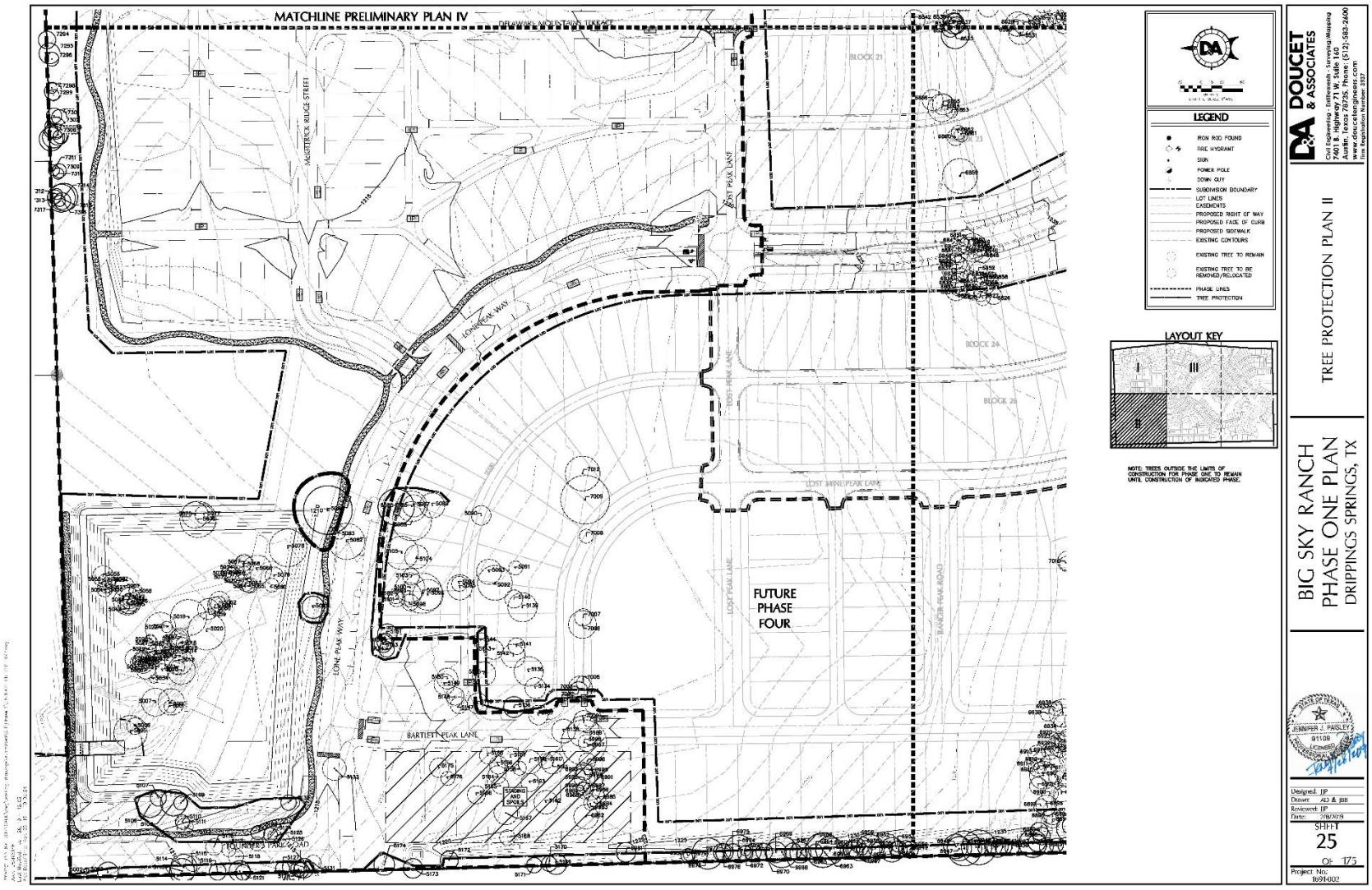


EXHIBIT B TO LICENSE AGREEMENT

TREE PROTECTION PLAN SURVEY12




30' NO DISTURBANCE BUFFER
MATCHLINE PRELIMINARY PLAN II
MATCHLINE PRELIMINARY PLAN IV
DETENTION/WATER QUALITY
FUTURE PHASE TWO
BLOCK 6
BLOCK 7
BLOCK 8
BLOCK 9
BLOCK 10
BLOCK 11
BLOCK 18
SAWTOOTH MOUNTAIN WAY
MOUNT LOCK ROAD
BEAR MOUNTAIN ROAD
DELAWARE MOUNTAIN TERRACE
LEGEND
IRON ROD FOUND
FIRE HYDRANT
SIGN
POWER POLE
DOWN GUY
SUBDIVISION BOUNDARY
LOT LINES
EASEMENTS
PROPOSED RIGHT OF WAY
PROPOSED FACE OF CURB
PROPOSED SIDEWALK
EXISTING CONTOURS
EXISTING TREE TO REMAIN
EXISTING TREE TO BE REMOVED/RELOCATED
PHASE LINES
TREE PROTECTION
LAYOUT KEY
I
II
III
NOTE: TREES OUTSIDE THE LIMITS OF CONSTRUCTION FOR PHASE ONE TO REMAIN UNTIL CONSTRUCTION OF INDICATED PHASE.
DOUCET & ASSOCIATES
Civil Engineering • Entitlements • Surveying/Mapping
7401 B. Highway 71 W, Suite 160
Austin, Texas 78735 Phone: (512)-583-2600
www.doucetengineers.com
TREE PROTECTION PLAN I
BIG SKY RANCH
PHASE ONE PLAN
DRIPPING SPRINGS, TX
JENNIFER J. PARSLEY
91109
LICENSED
PROFESSIONAL
ENGINEER
Designed JJP
Drawn ALD & JBB
Reviewed JJP
Date: 7/8/2019
SHEET
24
OF 175
Project No:
16914-002


MATCHLINE PRELIMINARY PLAN IV
MERIDIAN MOUNTAIN TERRACE
MERIDIAN RIDGE STREET
LONE PEAK WAY
LOST PEAK LANE
LOST MINE PEAK LANE
RANGER PEAK ROAD
BARTLETT PEAK LANE
FUTURE PHASE FOUR
BLOCK 21
BLOCK 24
BLOCK 26
LEGEND
IRON ROD FOUND
FIRE HYDRANT
SIGN
POWER POLE
DOWN GUY
SUBDIVISION BOUNDARY
LOT LINES
EASEMENTS
PROPOSED RIGHT OF WAY
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PROPOSED SIDEWALK
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www.doucetengineers.com
TREE PROTECTION PLAN II
BIG SKY RANCH
PHASE ONE PLAN
DRIPPING SPRINGS, TX
JENNIFER J. PARSLEY
91109
Designed: JJP
Drawn: ALD & BBB
Reviewed: JJP
Date: 2/8/2019
SHEET
25
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Project No:
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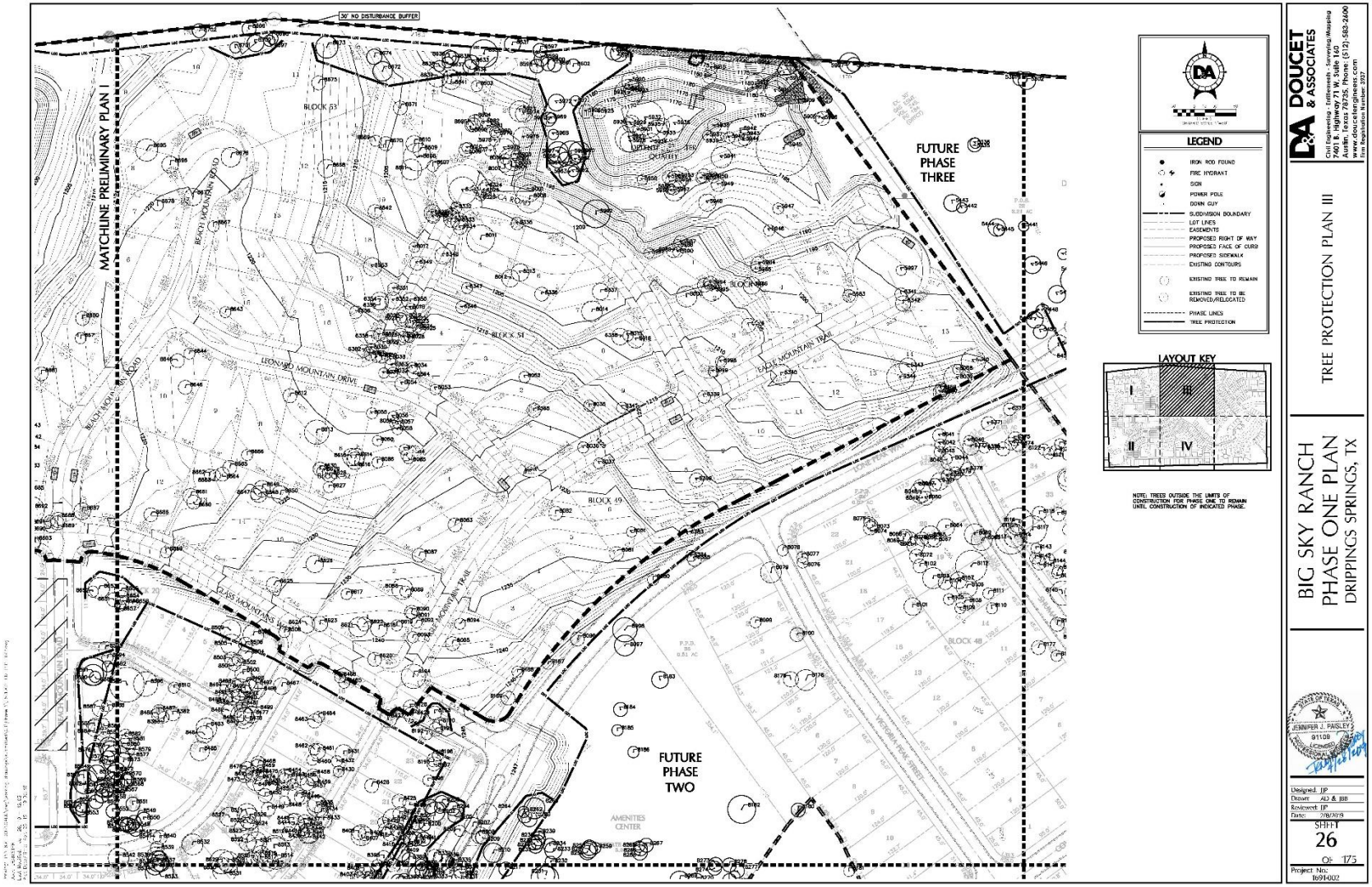
30' NO DISTURBANCE BUFFER
MATCHLINE PRELIMINARY PLAN 1
FUTURE PHASE THREE
FUTURE PHASE TWO
AMENITIES CENTER
BLOCK 53
BLOCK 51
BLOCK 49
BLOCK 48
BLOCK H
BEACH MOUNTAIN ROAD
LEONARD MOUNTAIN DRIVE
EAGLE MOUNTAIN TRAIL
GLASS MOUNTAINS WAY
VICTORIA FALLS STREET
LEGEND
IRON ROD FOUND
FIRE HYDRANT
SIGN
POWER POLE
DOWN GUY
SUBDIVISION BOUNDARY
LOT LINES
EASEMENTS
PROPOSED RIGHT OF WAY
PROPOSED FACE OF CURB
PROPOSED SIDEWALK
EXISTING CONTOURS
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EXISTING TREE TO BE REMOVED/RELOCATED
PHASE LINES
TREE PROTECTION
LAYOUT KEY
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III
IV
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Austin, Texas 78735 Phone: (512)-583-2600
www.doucetengineers.com
TREE PROTECTION PLAN III
BIG SKY RANCH
PHASE ONE PLAN
DRIPPING SPRINGS, TX
JENNIFER J. PARSLEY
91109
LICENSED
PROFESSIONAL
ENGINEER
Designed: JJP
Drawn: ALD & JBB
Reviewed: JJP
Date: 7/8/2019
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Project No:
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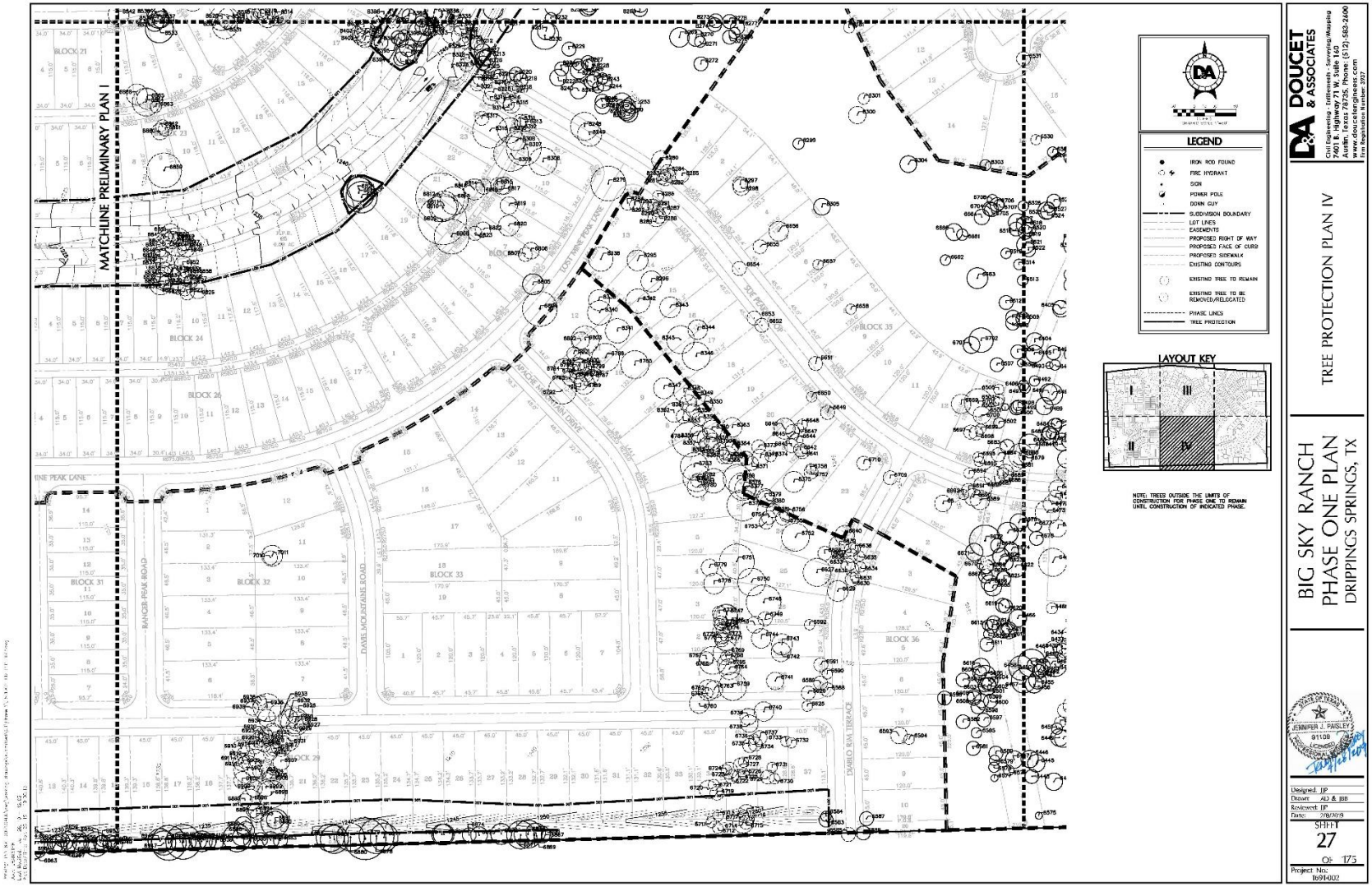
MATCHLINE PRELIMINARY PLAN I
LEGEND
IRON ROD FOUND
FIRE HYDRANT
SIGN
POWER POLE
DOWN GUY
SUBDIVISION BOUNDARY
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TREE PROTECTION PLAN IV
BIG SKY RANCH
PHASE ONE PLAN
DRIPPING SPRINGS, TX
JENNIFER J. PARSLEY
91109
Designed: JJP
Drawn: ALD & JBB
Reviewed: JJP
Date: 2/8/2019
SHEET
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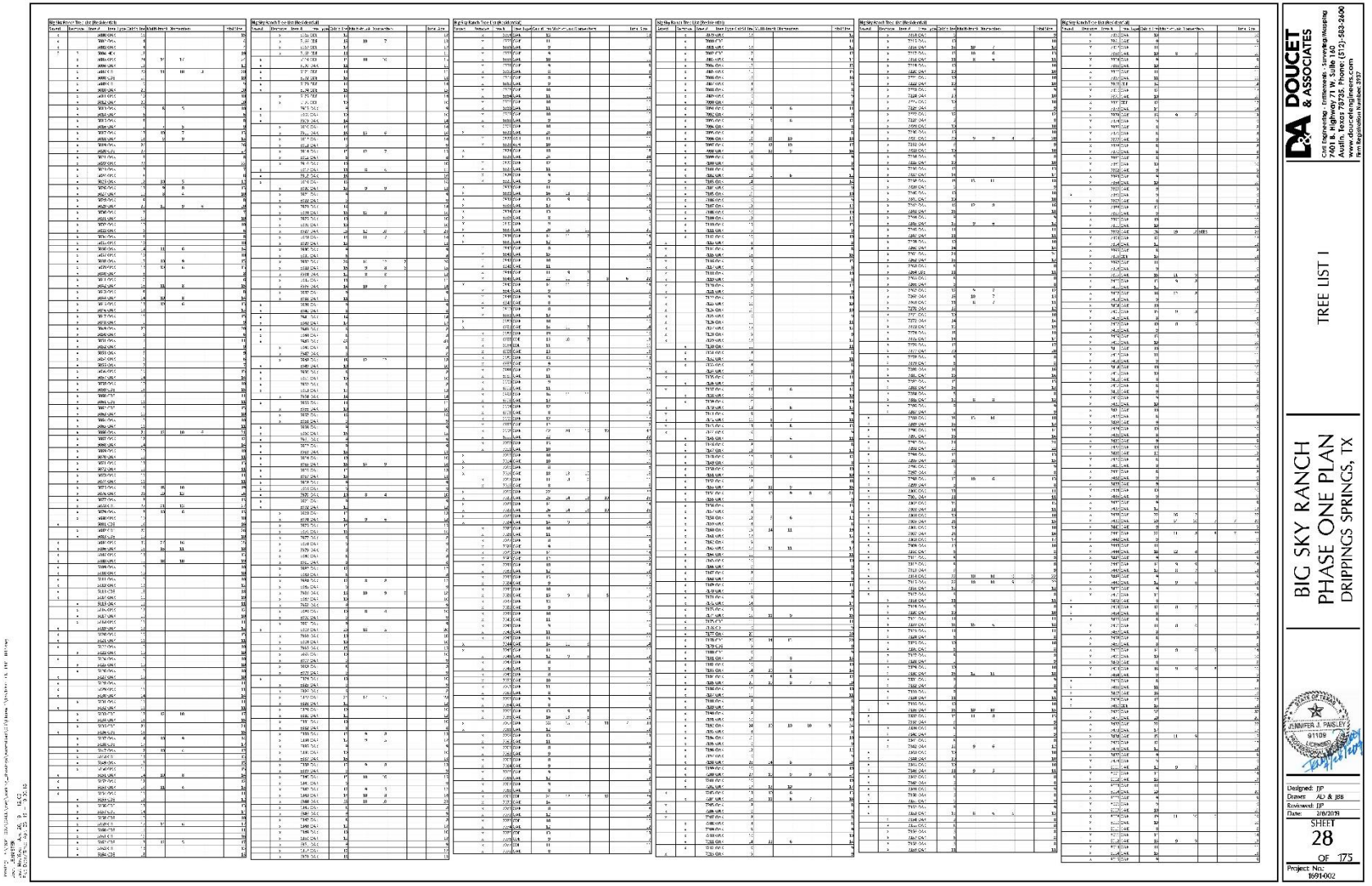
Project No:
1691-002


DOUCET & ASSOCIATES
Civil Engineering - Entitlements - Surveying/Mapping
7401 B. Highway 71 W, Suite 160
Austin, Texas 78735. Phone: (512)-583-2600
www.doucetengineers.com
Firm Registration Number: 3937
TREE LIST I
BIG SKY RANCH
PHASE ONE PLAN
DRIPPINGS SPRINGS, TX
JENNIFER J. PANSLEY
91109
Designed: JJP
Drawn: AD & JBB
Reviewed: JJP
Date: 2/8/2019
SHEET
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OF 175
Project No.:
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DOUCET & ASSOCIATES
Civil Engineering · Entitlements · Surveying/Mapping
7401 B. Highway 71 W, Suite 160
Austin, Texas 78735. Phone: (512)-583-2600
www.doucetengineers.com
TBPE Registration Number: 2337

TREE LIST II

BIG SKY RANCH
PHASE ONE PLAN
DRIPPINGS SPRINGS, TX

JENNIFER J. PAISLEY
91109
LICENSED
PROFESSIONAL
ENGINEER

Designed: JJP
Drawn: AD & JBB
Reviewed: JJP
Date: 2/8/2019
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