

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. 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

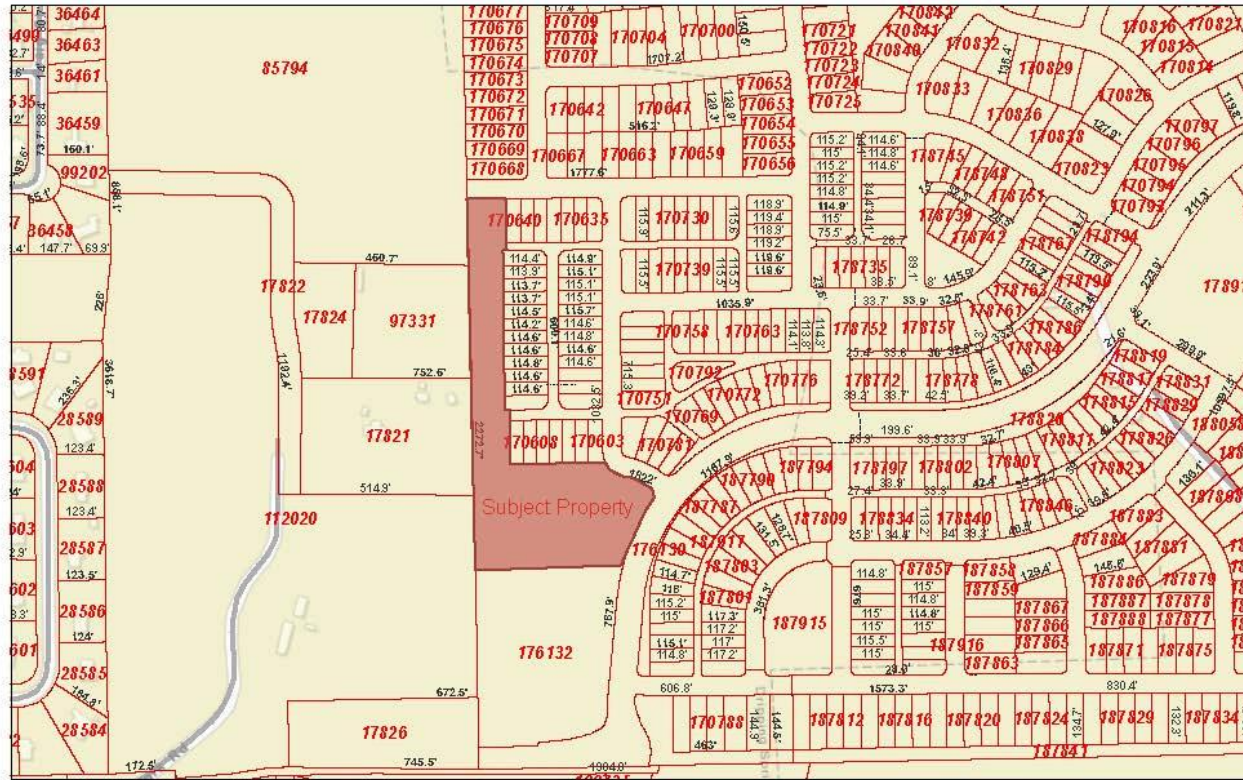
HOA:

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

By: _____
Name: Brandon Hammann
Its: President

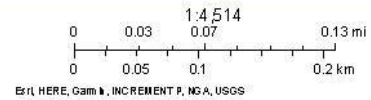
EXHIBIT A TO LICENSE AGREEMENT

PROPERTY



10/8/2024

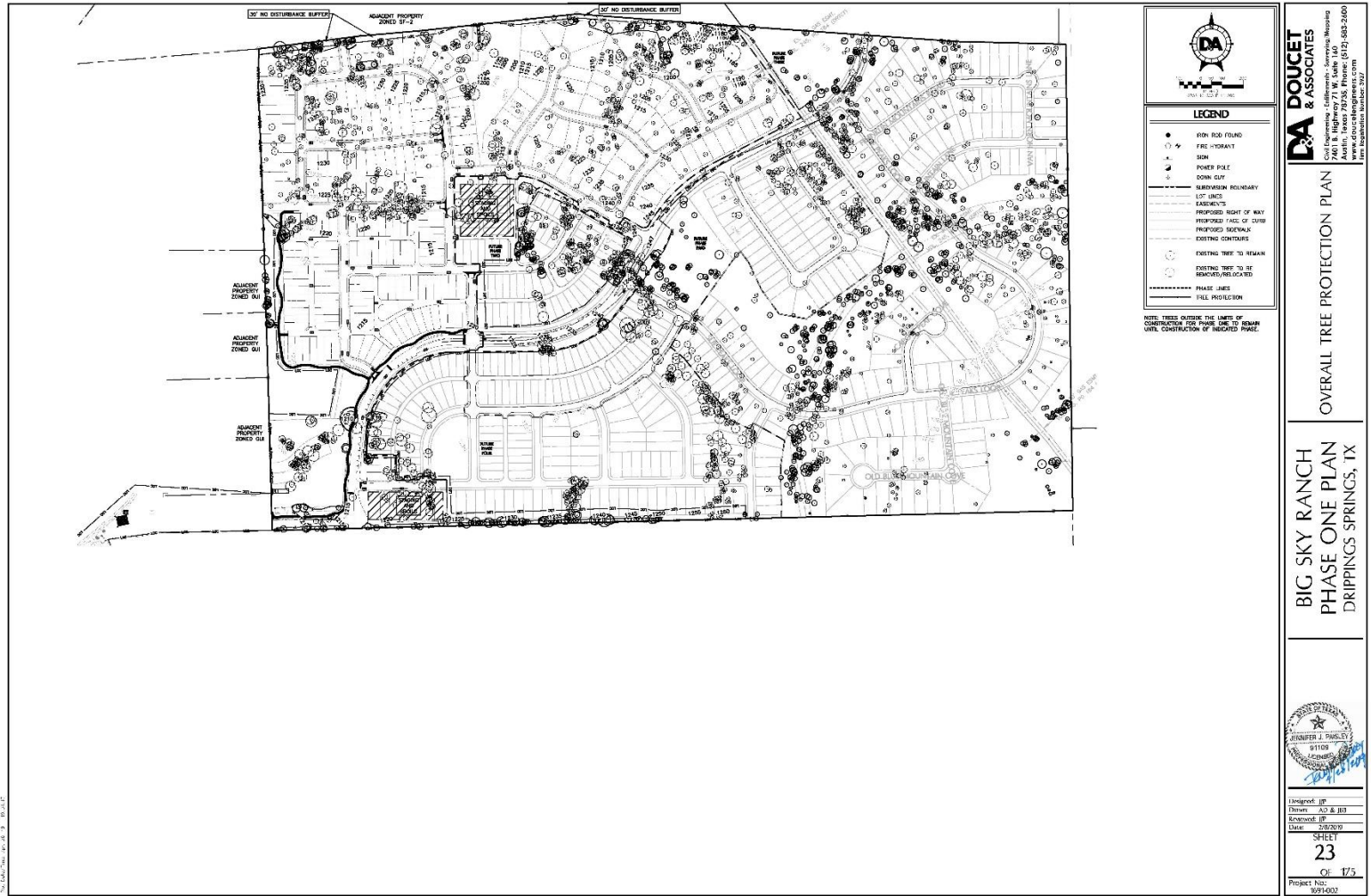
- Parcels
- Lot Lines
- Abstracts
- Streets

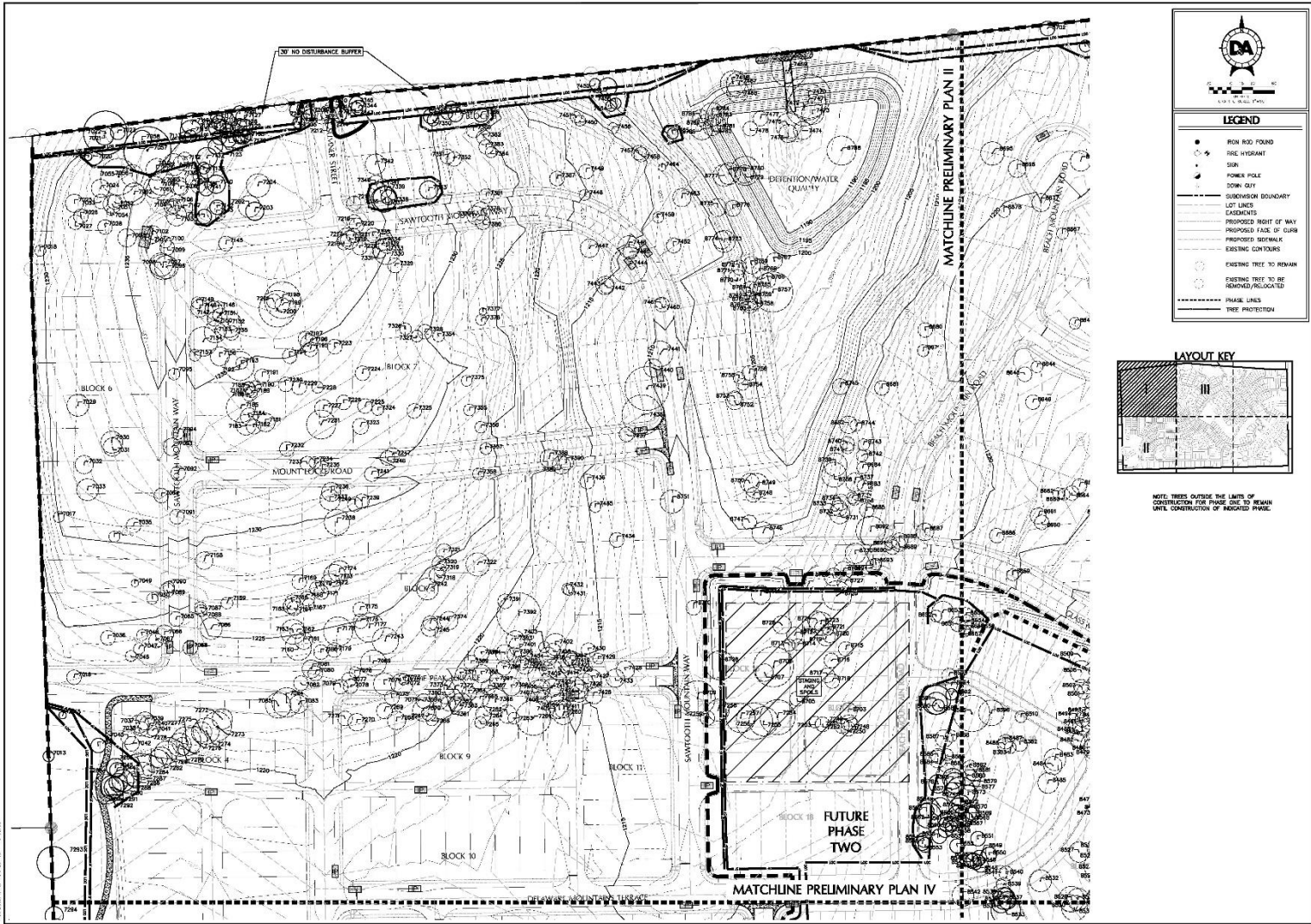


Disclaimer: This product is for informational purposes only and has not been prepared or verified for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of the parcels.

EXHIBIT B TO LICENSE AGREEMENT

TREE PROTECTION PLAN SURVEY12



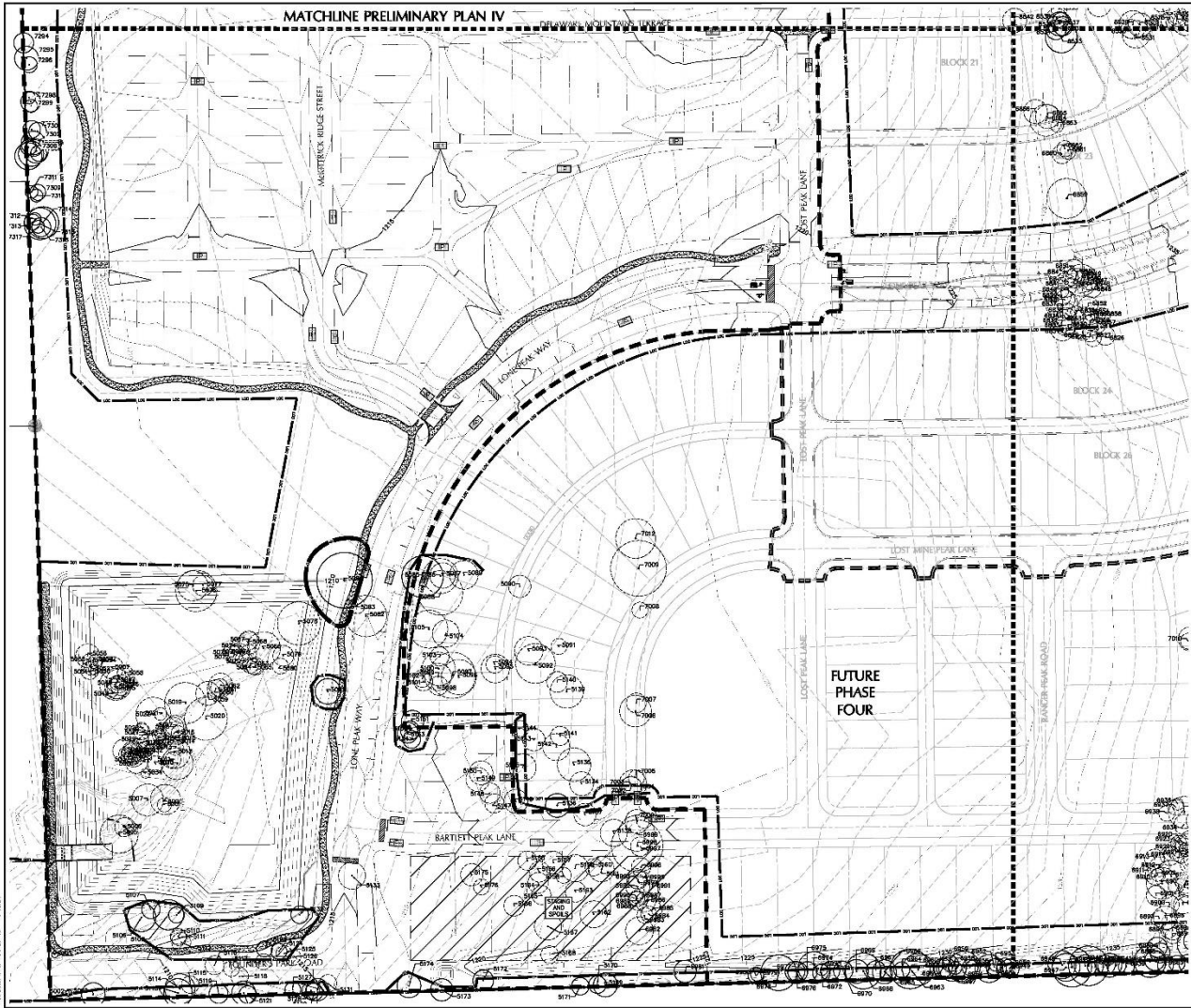


DA DOUCET & ASSOCIATES
 Civil Engineering - Surveying - Surveying Mapping
 Austin, Texas 78735 Phone: (512) 883-2400
 www.doucetengineers.com
 11m Registration Number 2227

TREE PROTECTION PLAN I

**BIG SKY RANCH
 PHASE ONE PLAN
 DRIPPING SPRINGS, TX**

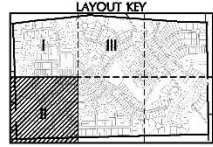
Designed: J.P.
Drawn: A.S. & J.P.
Reviewed: J.P.
Date: 7/26/24
Sheet 24
Of 175
Project No.: 1691402



DA DOUCET & ASSOCIATES
 Civil Engineering - Surveying - Surveying Mapping
 Austin, Texas 78735 Phone: (512) 882-2400
 www.doucetengineers.com
 Firm Registration Number: 2527

LEGEND

- IRON ROD FOUND
- FIRE HYDRANT
- POWER POLE
- DOWN GUT
- 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



NOTE: TREES OUTSIDE THE LIMITS OF CONSTRUCTION FOR PHASE ONE TO REMAIN UNTIL CONSTRUCTION OF BLOCKED PHASE.

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 Austin, Texas 78735 Phone: (512) 882-2400
 www.doucetengineers.com
 Firm Registration Number: 2527

TREE PROTECTION PLAN II

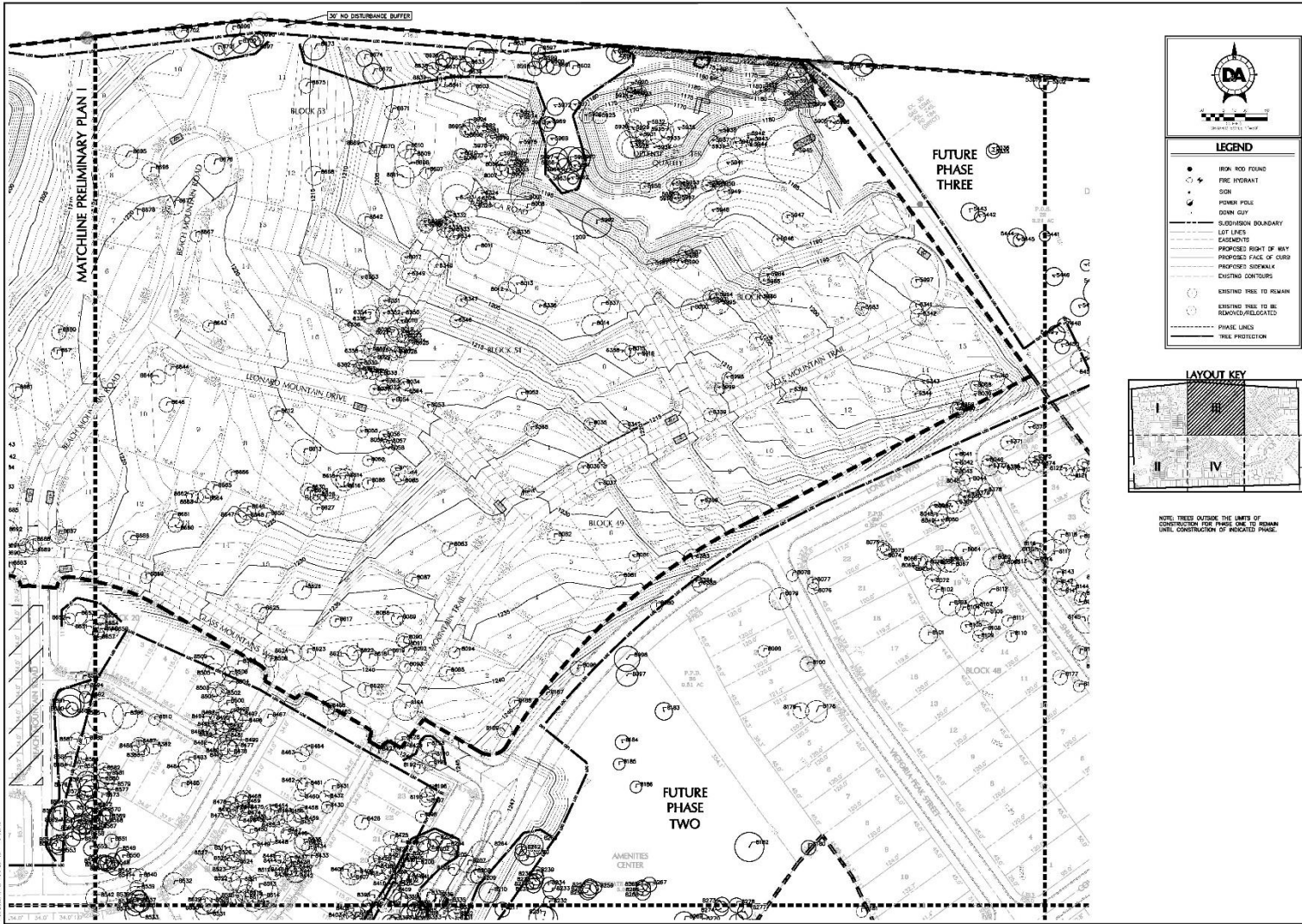
**BIG SKY RANCH
 PHASE ONE PLAN
 DRIPPING SPRINGS, TX**


JENNIFER J. PASLEY
 01108
 (Seal)

Designed: J.P.
 Drawn: A.J. & J.B.
 Reviewed: J.P.
 Date: 10/20/19

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 Of 175

Project No.: 1891402



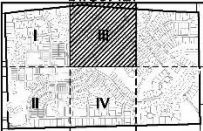


DA DOUCET & ASSOCIATES
 Civil Engineering - Surveying - Surveying Mapping
 Austin, Texas 78735 Phone: (512) 883-2400
 www.doucetengineers.com
 TDM Registration Number 2327

LEGEND

- IRON ROD FOUND
- ⚡ FIRE HYDRANT
- ⚡ POWER POLE
- ⚡ DOWN GUY
- SUBDIVISION BOUNDARY
- LOT LINES
- EXISTENTS
- 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



NOTE: TREES OUTSIDE THE LIMITS OF CONSTRUCTION FOR PHASE ONE TO REMAIN UNLESS CONSTRUCTION OF PHASE ONE.

TREE PROTECTION PLAN III

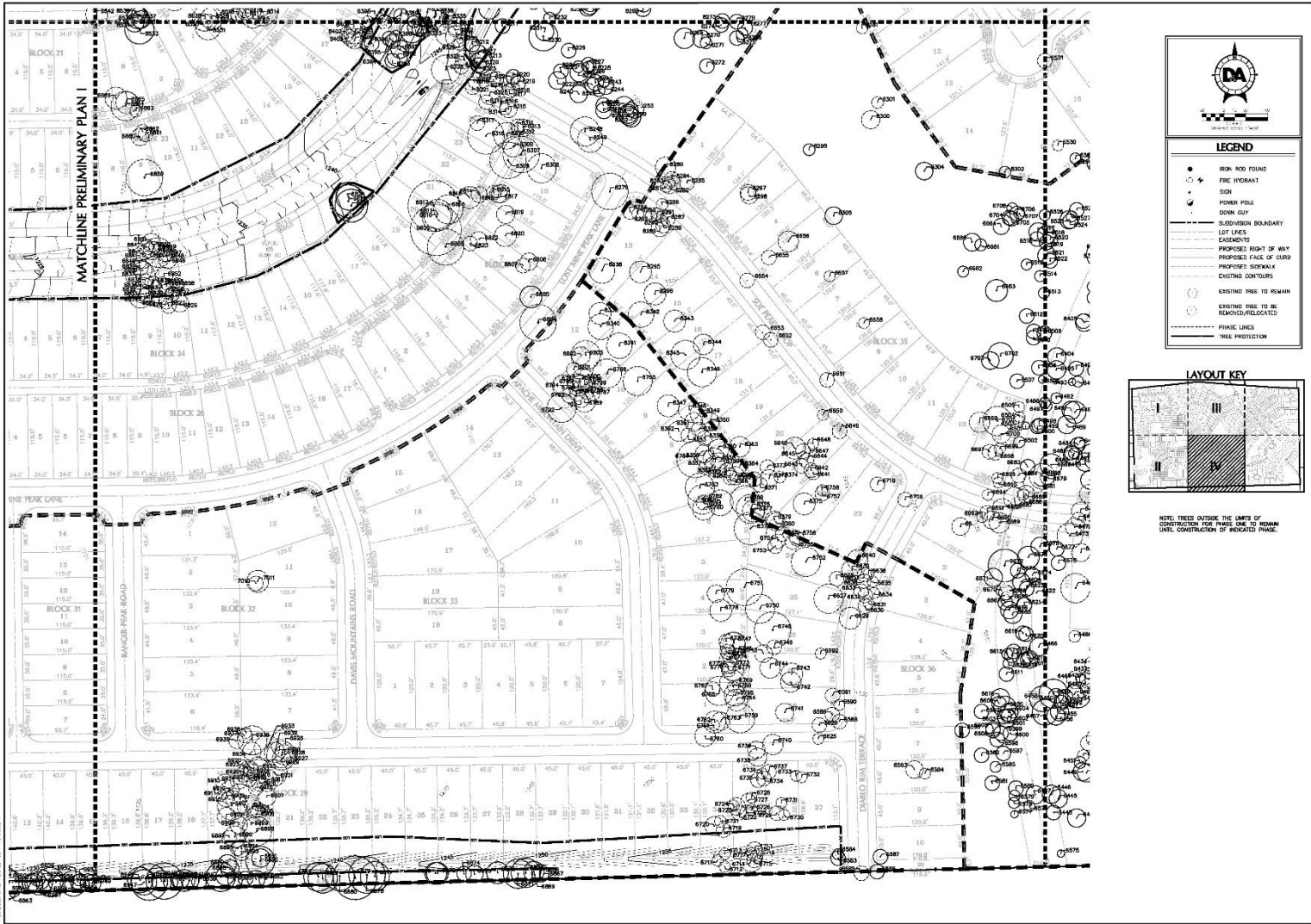
**BIG SKY RANCH
 PHASE ONE PLAN
 DRIPPING SPRINGS, TX**



Designed: J.P.
 Drawn: A.J. & J.P.
 Equipment: J.P.
 Date: 08/20/19

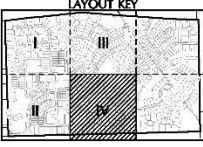
26

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 Project No.: 1691402



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 DEMONSTRATED
- PHASE LINES
- TREE PROTECTION



NOTE: TREES OUTSIDE THE LIMITS OF CONSTRUCTION FOR PHASE ONE TO REMAIN UNLESS CONSTRUCTION OF PHASED PHASE.

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 Civil Engineering - Surveying - Surveying Mapping
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 www.doucetengineers.com
 1111 Exposition Boulevard 2022

TREE PROTECTION PLAN IV

**BIG SKY RANCH
 PHASE ONE PLAN
 DRIPPING SPRINGS, TX**

Designed: jip
 Drawn: AJS & JBP
 Reviewed: jip
 Date: 08/20/24

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 Of 175

Project No.: 1691402

