

## 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 trees may be removed from the Drip Field Facilities. Upon completion of the Drip Field Facilities, Meritage shall replant trees on the Property to replace any trees removed during the development of the Drip Field Facilities. The total number of replacement trees shall be based on the aggregate Caliper Inches of the trees removed. 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. Meritage shall replant trees whose combined Caliper Inches match or exceed the total Caliper Inches of the trees removed, as established in the Overall Tree Protection Plan survey prepared by Doucet & Associates, dated February 8, 2019, and attached for convenience hereto as Exhibit B. 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 replacement trees’ species and locations must be approved by the City to ensure compliance with applicable local ordinances and tree preservation regulations. 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](mailto: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](mailto: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](mailto: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](mailto: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

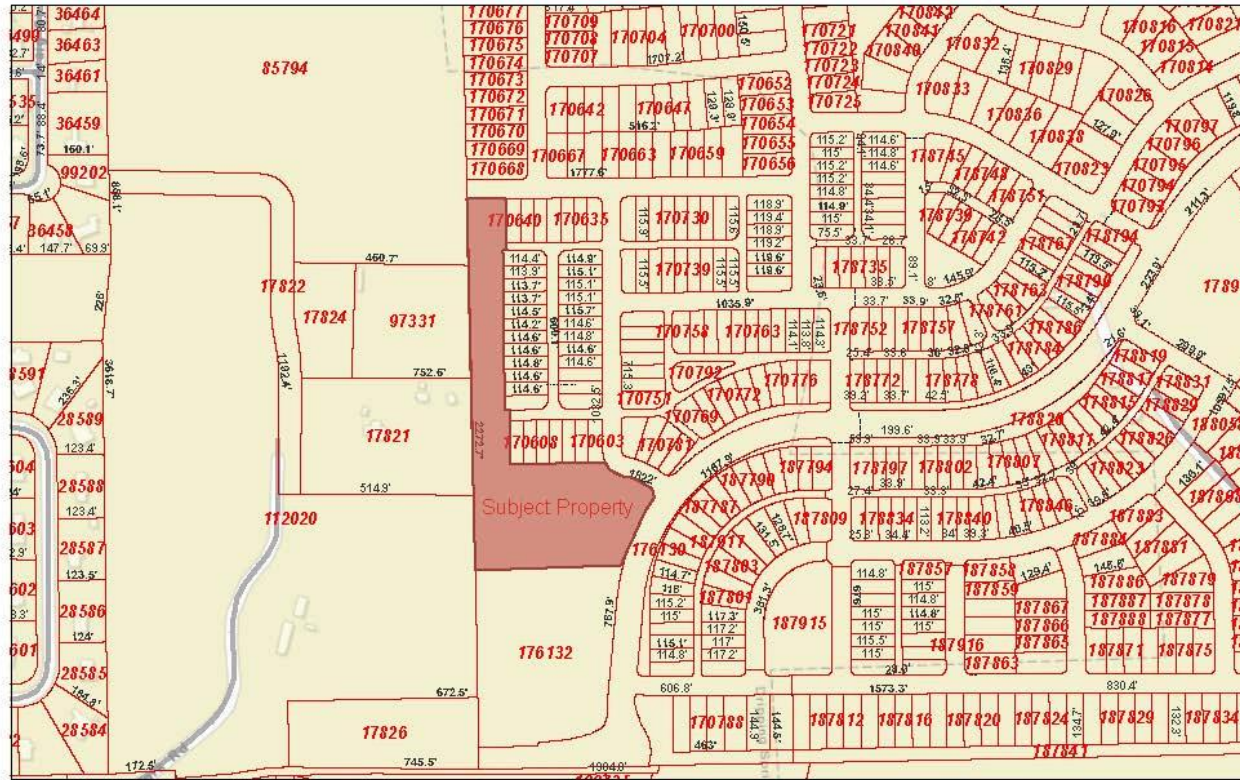
**HOA:**

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

By: \_\_\_\_\_  
Name: Brandon Hammann  
Its: President

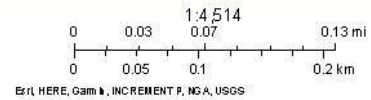
**EXHIBIT A TO LICENSE AGREEMENT**

**PROPERTY**



10/8/2024

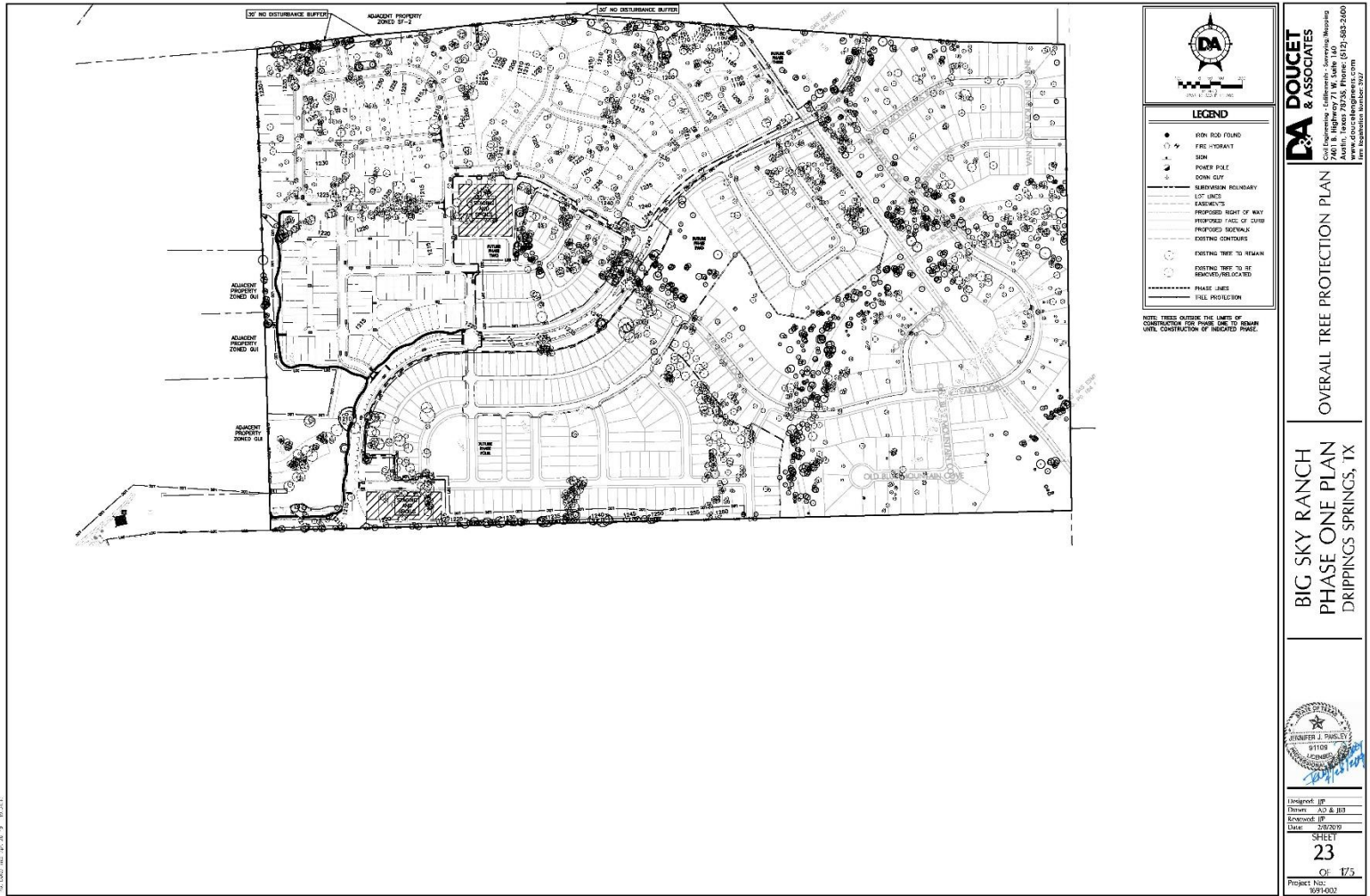
- Parcel
- Lot Lines
- Abstract
- Streets

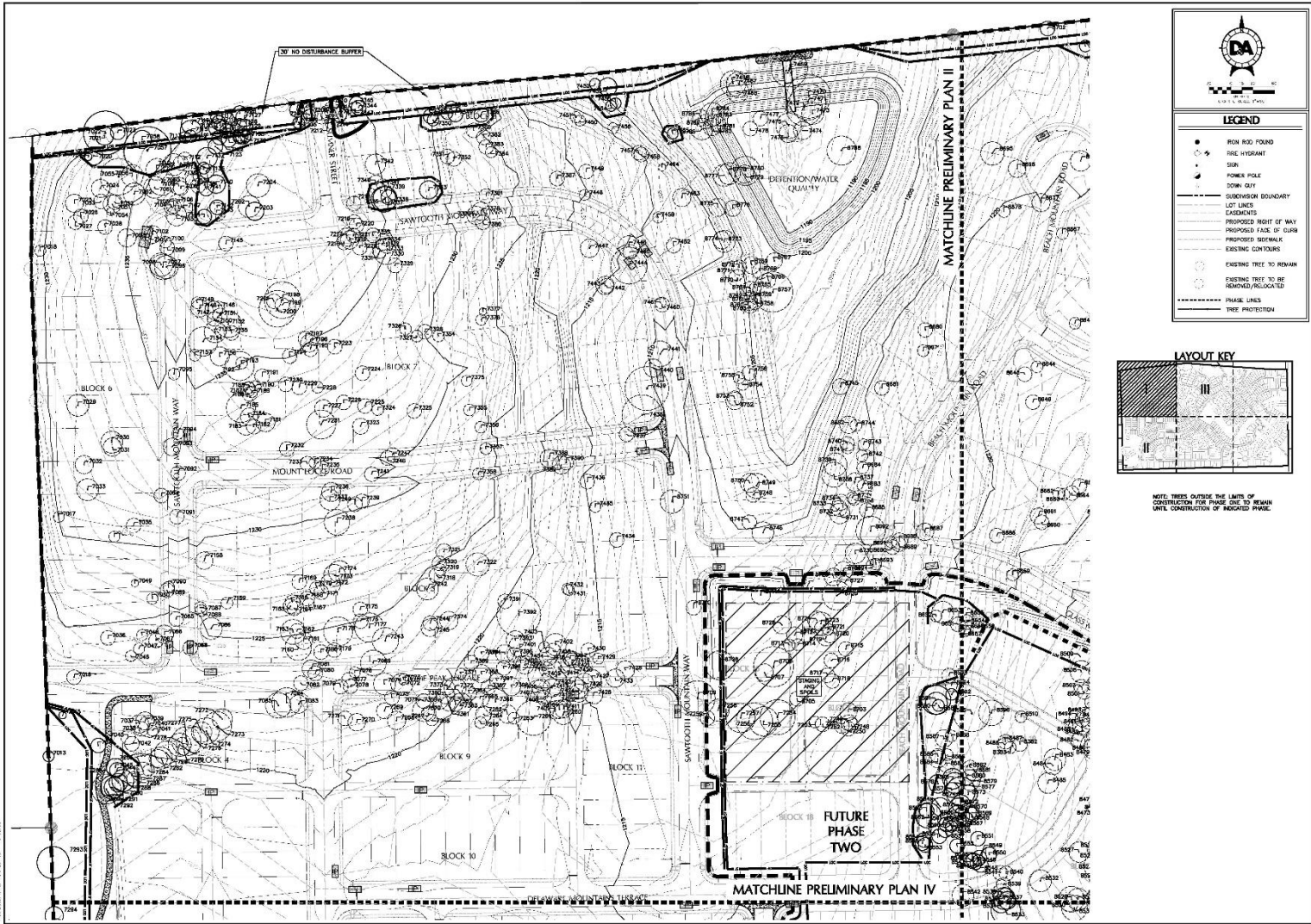


Disclaimer: This product is for informational purposes only and has not been prepared or verified for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of the parcels.

**EXHIBIT B TO LICENSE AGREEMENT**

**TREE PROTECTION PLAN SURVEY 126**



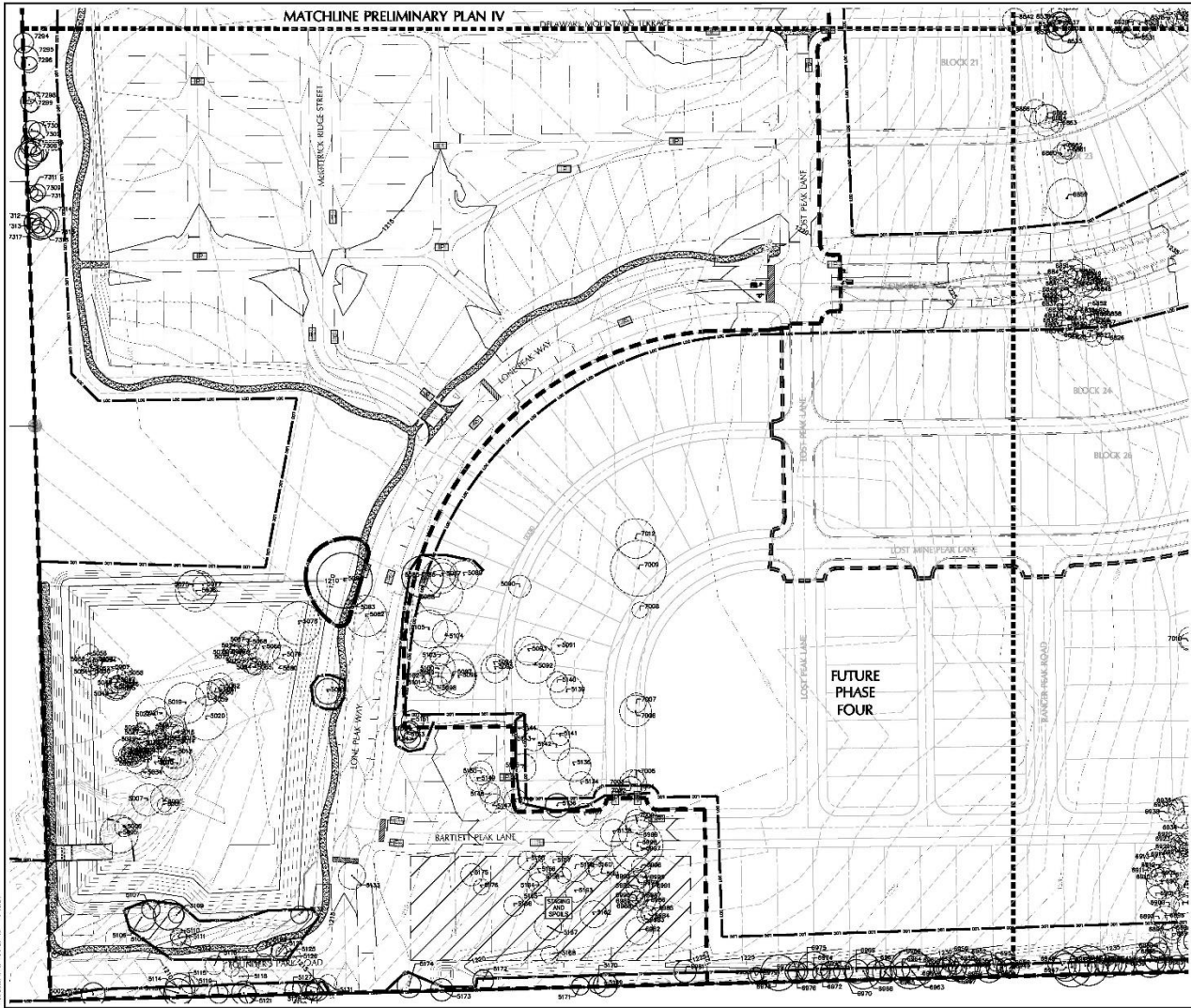


**DA DOUCET & ASSOCIATES**  
 Civil Engineering - Surveying - Planning - Mapping  
 Austin, Texas 78735 Phone: (512) 883-2400  
 www.doucetengineers.com  
 11m Registration Number 2227

TREE PROTECTION PLAN I

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

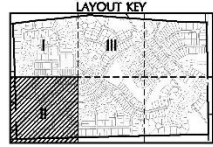
Designed: J.P.
Drawn: A.S. & J.P.
Reviewed: J.P.
Date: 7/26/24
SHEET <b>24</b>
Of 175
Project No.: 1691402



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

**LEGEND**

- IRON ROD FOUND
- ⊕ FSE HYDRANT
- POWER POLE
- ⊙ SIGN
- ⬇ 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 BLOCKS TWO, THREE AND FOUR.

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

TREE PROTECTION PLAN II

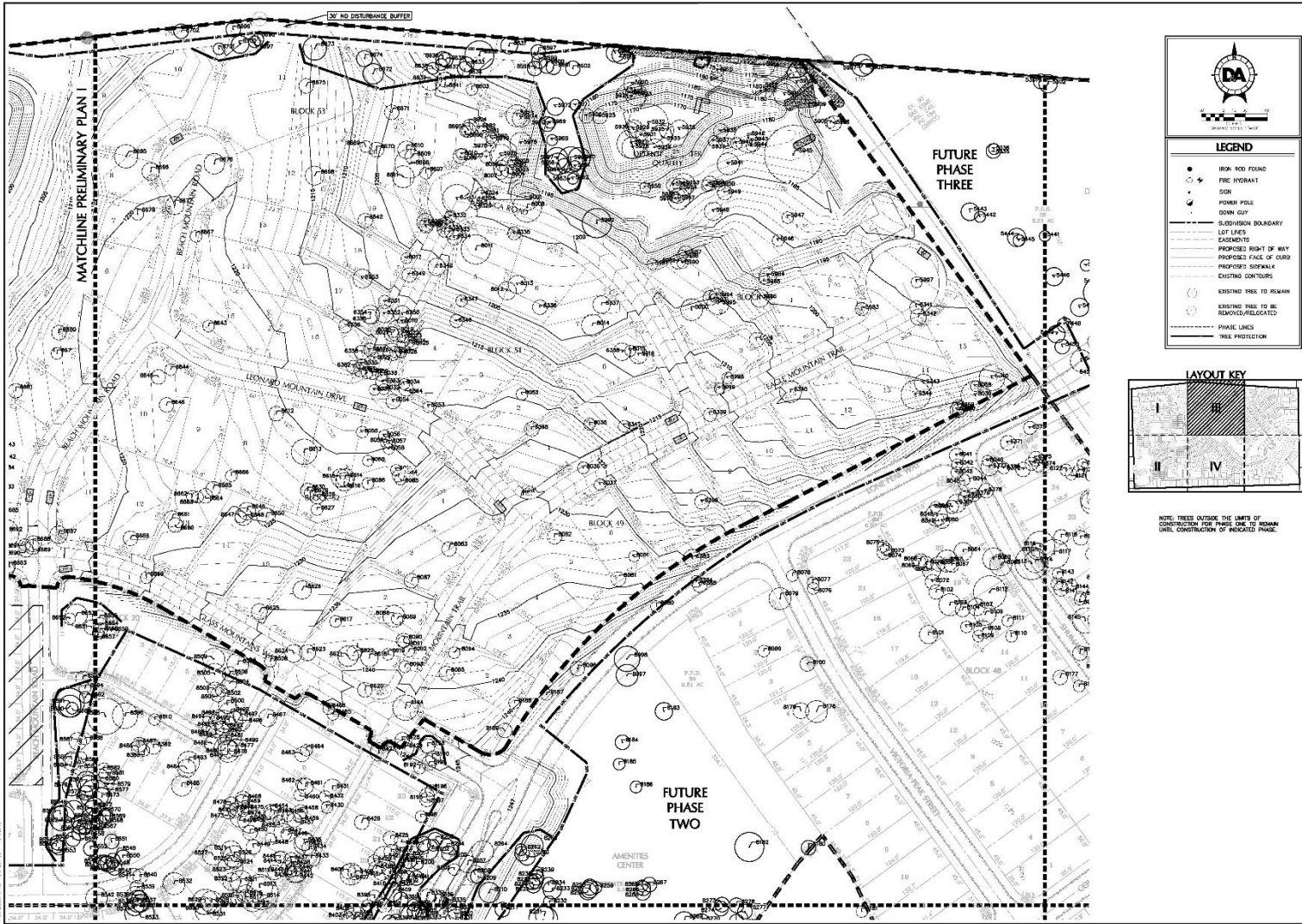
BIG SKY RANCH  
PHASE ONE PLAN  
DRIPPING SPRINGS, TX

Designed by: \_\_\_\_\_  
Drawn by: AJ & JBP  
Reviewed by: \_\_\_\_\_  
Date: 10/20/19

Sheet  
**25**  
Of 175

Project No.: 1891402





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

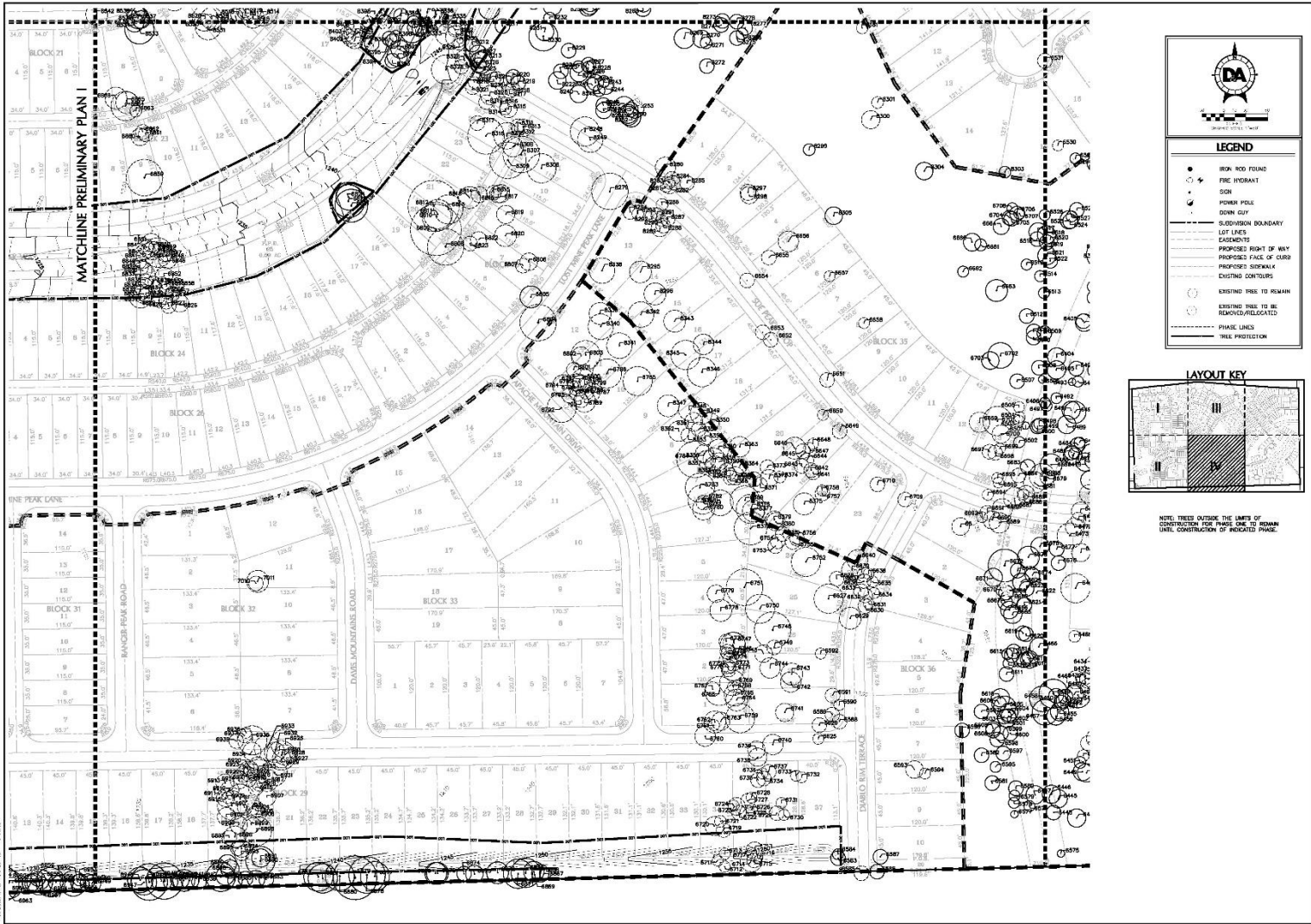
**TREE PROTECTION PLAN III**

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

Designed: JJP  
 Drawn: AJG & JPP  
 Equipment: JJP  
 Date: 08/20/19

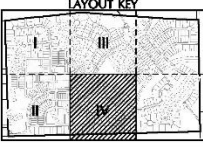
Sheet  
**26**  
 Of 175

Project No.: 1891402



**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.

**DA DOUCET & ASSOCIATES**  
 Civil Engineering - Surveying - Surveying Mapping  
 Austin, Texas 78735 Phone: (512) 882-2400  
 www.doucetengineers.com  
 Lic. Expiration: October 2022

**TREE PROTECTION PLAN IV**

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

Designed: jip  
 Drawn: AJB & JBP  
 Reviewed: jip  
 Date: 08/29/18  
 SHEET  
**27**  
 Of 175  
 Project No.: 1891402

Block 10 (11) - Phase 1										Block 10 (12) - Phase 1										Block 10 (13) - Phase 1										Block 10 (14) - Phase 1									
Plot	Area	Acres	Owner	Adm	Prop	Sub	Notes	Tree	Size	Plot	Area	Acres	Owner	Adm	Prop	Sub	Notes	Tree	Size	Plot	Area	Acres	Owner	Adm	Prop	Sub	Notes	Tree	Size	Plot	Area	Acres	Owner	Adm	Prop	Sub	Notes	Tree	Size
1	...	...	...	...	...	...	...	...	...	1	...	...	...	...	...	...	...	...	...	1	...	...	...	...	...	...	...	...	...	1	...	...	...	...	...	...	...	...	...

Project: "/>

**DOUCET & ASSOCIATES**  
 Civil Engineering - Surveying - Planning  
 Austin, Texas 78735 Phone: (512) 433-2400  
 www.doucetengineers.com  
 em.doucet@engineers.com

**TREE LIST I**

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



Designed by: J.P.  
 Date: 02/25/19  
 Checked by: J.P.  
 Date: 02/25/19  
**SHEET 28**  
 OF 175  
 Project No: 1891-002

BIG SKY RANCH - Tree Schedule													
Serial	Species	Size	DBH	Height	Health	Notes	Serial	Species	Size	DBH	Height	Health	Notes
1	FRAX	10	3.5	15	1		1	FRAX	10	3.5	15	1	
2	FRAX	10	3.5	15	1		2	FRAX	10	3.5	15	1	
3	FRAX	10	3.5	15	1		3	FRAX	10	3.5	15	1	
4	FRAX	10	3.5	15	1		4	FRAX	10	3.5	15	1	
5	FRAX	10	3.5	15	1		5	FRAX	10	3.5	15	1	
6	FRAX	10	3.5	15	1		6	FRAX	10	3.5	15	1	
7	FRAX	10	3.5	15	1		7	FRAX	10	3.5	15	1	
8	FRAX	10	3.5	15	1		8	FRAX	10	3.5	15	1	
9	FRAX	10	3.5	15	1		9	FRAX	10	3.5	15	1	
10	FRAX	10	3.5	15	1		10	FRAX	10	3.5	15	1	
11	FRAX	10	3.5	15	1		11	FRAX	10	3.5	15	1	
12	FRAX	10	3.5	15	1		12	FRAX	10	3.5	15	1	
13	FRAX	10	3.5	15	1		13	FRAX	10	3.5	15	1	
14	FRAX	10	3.5	15	1		14	FRAX	10	3.5	15	1	
15	FRAX	10	3.5	15	1		15	FRAX	10	3.5	15	1	
16	FRAX	10	3.5	15	1		16	FRAX	10	3.5	15	1	
17	FRAX	10	3.5	15	1		17	FRAX	10	3.5	15	1	
18	FRAX	10	3.5	15	1		18	FRAX	10	3.5	15	1	
19	FRAX	10	3.5	15	1		19	FRAX	10	3.5	15	1	
20	FRAX	10	3.5	15	1		20	FRAX	10	3.5	15	1	
21	FRAX	10	3.5	15	1		21	FRAX	10	3.5	15	1	
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23	FRAX	10	3.5	15	1		23	FRAX	10	3.5	15	1	
24	FRAX	10	3.5	15	1		24	FRAX	10	3.5	15	1	
25	FRAX	10	3.5	15	1		25	FRAX	10	3.5	15	1	
26	FRAX	10	3.5	15	1		26	FRAX	10	3.5	15	1	
27	FRAX	10	3.5	15	1		27	FRAX	10	3.5	15	1	
28	FRAX	10	3.5	15	1		28	FRAX	10	3.5	15	1	
29	FRAX	10	3.5	15	1		29	FRAX	10	3.5	15	1	
30	FRAX	10	3.5	15	1		30	FRAX	10	3.5	15	1	
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47	FRAX	10	3.5	15	1		47	FRAX	10	3.5	15	1	
48	FRAX	10	3.5	15	1		48	FRAX	10	3.5	15	1	
49	FRAX	10	3.5	15	1		49	FRAX	10	3.5	15	1	
50	FRAX	10	3.5	15	1		50	FRAX	10	3.5	15	1	

**DA DOUCET & ASSOCIATES**  
 Civil Engineering - Landscape - Surveying - Mapping  
 1010 E. Loop West, Suite 200  
 Austin, Texas 78702 Phone: (512) 483-2400  
 www.doucetengines.com  
 Registration Number: 2727

TREE LIST II

BIG SKY RANCH  
 PHASE ONE PLAN  
 DRIPPING SPRINGS, TX



Designed: JJP  
 Drawn: AJB & JPB  
 Reviewed: JJP  
 Date: 2/2/2019  
**29**  
 OF 175  
 Project No.:  
 1891-002