

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of report (Date of earliest event reported) March 25, 2014

MERITAGE HOMES CORPORATION

(Exact Name of Registrant as Specified in Charter)

Maryland

(State or Other Jurisdiction
of Incorporation)

1-9977

(Commission File
Number)

86-0611231

(IRS Employer
Identification No.)

8800 East Raintree Drive, Suite 300, Scottsdale, Arizona 85260

(Address of Principal Executive Offices) (Zip Code)

(480) 515-8100

(Registrant's telephone number, including area code)

17851 N. 85th Street, Suite 300, Scottsdale, Arizona 85255

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENT OF CERTAIN OFFICERS

On March 25, 2014, Meritage Homes Corporation (the “Company”) entered into amended and restated employment agreements with each of Steven J. Hilton, its Chairman and CEO, Larry W. Seay, its Executive Vice President and Chief Financial Officer, C. Timothy White, its Executive Vice President and General Counsel, and Steven Davis its Executive Vice President-Chief Operating Officer. The Company also entered into an amendment of the amended and restated change of control agreements between the Company and each of these officers.

Following is a description of the key provisions of the amended and restated employment agreements and amendments to the amended and restated change of control agreements. The descriptions contained in this Form 8-K are qualified in their entirety by the terms of the actual agreements filed herewith as exhibits to this Form 8-K and incorporated by reference herein.

Employment Agreements

Effective Date:	January 1, 2014		
Expiration Date:	December 31, 2016		
Renewal Provisions:	Each agreement is subject to automatic one year renewal provisions, unless on or before August 31, 2016 (or August 31 of any renewal term), the executive officer or the Company notifies the other that it wishes to terminate the agreement.		
Base Salary:	Steven J. Hilton	\$	1,000,000
	Larry W. Seay	\$	600,000
	C. Timothy White	\$	525,000
	Steven Davis	\$	500,000

Annual Cash Incentive

Bonus: Each agreement entitles the executive officer to an annual cash incentive bonus based upon the achievement of certain performance goals established by the Executive Compensation Committee of the Board of Directors (the “Compensation Committee”). The amount of the target bonus and payout ranges for each officer is set forth below. The amount of the bonus to be paid is contingent upon the achievement of the performance criteria established by the Compensation Committee. Where the actual performance falls below the threshold level, no incentive bonus will be paid with respect to that performance goal. In addition to the financial performance goals established by the Compensation Committee, the Compensation Committee may also consider individual performance for certain officer positions as appropriate.

Executive Officer	Threshold	Intermediate	Target	Maximum
Steven J. Hilton	\$625,000	\$1,250,000	\$2,500,000	\$5,000,000
Larry W. Seay	\$150,000	\$ 300,000	\$ 600,000	\$1,200,000
C. Timothy White	\$150,000	\$ 300,000	\$ 600,000	\$1,200,000
Steven M. Davis	\$250,000	\$ 500,000	\$1,000,000	\$2,000,000

Where actual results fall between the performance levels set forth above, payments will be calculated based on linear interpolation. The fiscal year 2014 performance targets set by the Compensation Committee are based on the Company's (i) earnings before interest, taxes, depreciation, amortization and other charges specified by the Compensation Committee (“EBITDA”), (ii) number of home closings and (iii) customer satisfaction ratings.

Performance Share Awards:

Each agreement entitles the executive officer to an annual performance share award (or restricted stock unit award), subject to the achievement of certain performance goals over a three year performance period, as established by the Compensation Committee. Each executive officer will be entitled to a number of shares based on a target dollar value on the grant date. The number of performance shares awarded will be determined based by dividing the target dollar amount as provided in the respective officer's employment agreement by the closing price of the Company's common stock on such date. The number of shares payable under the performance share award will be an amount ranging from 0% to 150% of the target number of shares awarded, depending on the level of achievement of the specified performance goals over the three year performance period. The target dollar value of the annual performance share award applicable to each executive officer is set forth below.

Executive Officer	Target Dollar Value of Performance Share Award
Steven J. Hilton	\$1,000,000
Larry W. Seay	\$450,000
C. Timothy White	\$425,000
Steven Davis	\$500,000

On February 18, 2014, we reported on Form 8-K the target performance share awards for 2014 to the above listed executive officers and that information is incorporated by reference herein.

Restricted Stock Unit Awards:

Each agreement entitles the executive officer to an annual grant of restricted stock units that vest over a three year period beginning on January 1 of each year. The number of restricted stock units to be granted to each executive officer will be equal to the dollar value specified for each executive officer in his employment agreement divided by the closing price of the Company's stock on the grant date. The dollar value of restricted stock units to be granted annually to each officer is set forth below.

Executive Officer	Target Dollar Value of Performance Share Award
Steven J. Hilton	\$1,000,000
Larry W. Seay	\$450,000
C. Timothy White	\$425,000
Steven Davis	\$500,000

On February 18, 2014, we reported on Form 8-K the restricted stock unit awards for 2014 to the above listed executive officers and that information is incorporated by reference herein.

Other Benefits:

Each employment agreement provides the executive officer with certain specified other benefits. With respect to Mr. Hilton, he is entitled to receive payments annually to purchase life insurance in the amount of \$5,000,000; disability insurance with monthly benefits of \$20,000; reimbursement for business use of his airplane at an amount equal to comparable charter rates; and the use of a Company car. With respect to Messrs. Seay, White and Davis, they are entitled to receive payments annually for life insurance in the amount of \$3,000,000 and disability insurance with monthly benefits of \$20,000.

Termination Provisions:

Each employment agreement provides for certain payments upon termination of employment, including voluntary resignation, resignation by the officer for good reason, termination by the Company, with and without cause, death or disability, and retirement. Following is a summary of the key termination provisions of each executive officer's employment agreement.

	Voluntary Resignation by Officer Without Good Reason	Voluntary Resignation by Officer With Good Reason (1) (4)	Termination by the Company Without Cause (1) (4)	Termination by the Company With Cause	Death or Disability	Retirement (1) (2)
Base salary and paid time off through date of termination	X	X	X	X	X	X
Annual cash incentive awards, performance share awards and restricted stock unit awards earned in a previous year but not yet paid	X	X	X	X	X	X
Pro rata annual cash incentive bonus for period in which termination occurs		X	X			X
Target bonus for the performance period in which the termination occurs (5)					X	
Certain previously granted time based awards and restricted stock units that are outstanding shall immediately vest and become unrestricted		X	X		X	X
Performance shares awarded shall be delivered and shall continue to vest subject to achievement of specified performance goals		X	X			X
Previously granted performance based restricted stock units that have not vested will immediately vest and become unrestricted following the end of the applicable performance period based on actual performance achieved		X	X			X
Target number of previously granted performance based restricted stock awards that have not vested will immediately vest and become unrestricted (5)					X	
Any outstanding stock options shall vest and remain exercisable for the remainder of the original term		X	X		X	X
Payment for health coverage equal to 150% of monthly COBRA premium		X	X		X	
Severance payment equal to two times (A) the executive officer's base salary on the date of termination and two times (B) the higher of (x) the average of the bonus compensation paid to the executive officer for the two years prior to his termination of employment or (y) the annual bonus paid to the executive officer for the year preceding the date of termination (3)		X	X			
(1) Mr. Hilton shall render reasonable consulting services during the 24-month period following termination. Messrs. Seay, White and Davis shall render reasonable consulting services during the 12-month period following termination.						
(2) In order to qualify for the above retirement termination benefits, in addition to any time restrictions as contemplated in each individual employment agreement, executive must complete 15 cumulative years as a named executive officer or member of the board.						
(3) In the case for Messrs. Seay, White and Davis for termination without cause, the severance payment has a multiple of one in the calculation.						
(4) Mr. Hilton's severance payment may not be less than \$5 million and may not exceed \$10 million. Messrs. Seay, White and Davis' severance payments may not exceed \$2 million, each.						
(5) For the 2014 performance period, the annual incentive bonus and performance share compensation will be equal to the actual performance results. Target compensation amounts as referenced above are paid out for performance periods beginning on or after January 1, 2015.						

Other Provisions:

- Consistent with his prior employment agreements, Mr. Hilton's Employment Agreement provides that the Company shall use its reasonable efforts to cause Mr. Hilton to be nominated for election as a director and recommended to the stockholders for election to the Board of Directors.
- Each employment agreement provides that the executive officer must execute a customary release to be entitled to the termination payments provided in the agreements.
- Each employment agreement includes customary non-solicitation and confidentiality provisions, and in the case of Mr. Hilton, non-compete provisions in certain circumstances, that govern each executive officer's conduct post-termination.
- Each employment agreement provides for a clawback of incentive awards where the Company's financial results are misstated as a result of the executive officer's misconduct or gross negligence, provided, however, any clawback amounts will first be offset against future bonuses and then against bonuses previously earned and delivered.

Amendments to Change of Control Agreements

As previously disclosed, each of the executive officers listed above is party to a change of control agreement with the Company that provides for certain payments upon a change of control. These change of control agreements are "double trigger" such that cash payment benefits are triggered only upon a change of control and the termination of the executive officer by the Company without cause (or by the executive officer for good reason) within 150 days before or two years following a change of control. On March 25, 2014, the change of control agreement for each of the executive officers listed above was amended to, among other things:

- Provide that a termination of employment arising from expiration of the executive officer's employment agreement will be treated as a termination of employment by the Company without cause.
 - Modify the equity award acceleration provisions to provide that upon a change of control (i) any stock options, restricted stock, restricted stock units and other equity based awards shall be immediately accelerated and become fully vested, paid or issued as applicable (ii) any stock option grants that remain outstanding as of the date of termination shall continue to vest and (iii) all restrictions on awards granted shall lapse.
 - Clarify that any severance payments made under the executive officer's employment agreement will reduce the severance payment otherwise payable under the change of control agreement.
 - Provide that the severance payment to Messrs. Seay, White and Davis shall not exceed \$6 million, each. Mr. Hilton's severance payment maximum remained unchanged at \$15 million from his previous employment agreement.
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ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

- 10.1 Steven J. Hilton Fourth Amended and Restated Employment Agreement
 - 10.2 Larry W. Seay Fourth Amended and Restated Employment Agreement
 - 10.3 C. Timothy White Second Amended and Restated Employment Agreement
 - 10.4 Steven Davis Second Amended and Restated Employment Agreement
 - 10.5 Steven J. Hilton Second Amendment to Third Amended and Restated Change of Control Agreement
 - 10.6 Larry W. Seay Second Amendment to Third Amended and Restated Change of Control Agreement
 - 10.7 C. Timothy White Second Amendment to Amended and Restated Control Agreement
 - 10.8 Steven Davis Second Amendment to Amended and Restated Control Agreement
 - 10.9 Representative Form of Performance Share Award Agreement
 - 10.10 Representative Form of Restricted Stock Unit Agreement
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 28, 2014

MERITAGE HOMES CORPORATION

/s/ Larry W. Seay
By: Larry W. Seay
Executive Vice President and Chief Financial
Officer

STEVEN J. HILTON
FOURTH AMENDED AND RESTATED
EMPLOYMENT AGREEMENT
(Effective as of January 1, 2014)

This Employment Agreement (“Agreement”) is entered into on March 25, 2014 by and between Meritage Homes Corporation, a Maryland corporation (“Company”) and Steven J. Hilton, an individual (“Executive”) effective as of January 1, 2014 (“Effective Date”).

RECITALS

WHEREAS, the Company and the Executive previously entered into three amended and restated employment agreements defining the terms and conditions of Executive’s employment with the Company, dated as of July 1, 2003, January 1, 2007 and January 1, 2010 (“Original Agreement”);

WHEREAS, the Original Agreement provided Executive with certain rights, responsibilities and benefits;

WHEREAS, the Company and Executive believe that it is in the best interest of each to make certain other changes to Executive’s terms and conditions of his employment with the Company; and

WHEREAS, the Company desires to continue to obtain the services of Executive, and Executive desires to provide services to the Company, in accordance with the terms, conditions and provisions of this Agreement.

NOW THEREFORE, in consideration of the covenants and mutual agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in reliance upon the representations, covenants and mutual agreements contained herein, the Company and Executive agree to amend and restate the Original Agreement as follows:

1. **Employment.** Subject to the terms and conditions of this Agreement, the Company agrees to employ Executive as Chairman and Chief Executive Officer of the Company, and Executive agrees to diligently perform the duties associated with such positions. Executive will report directly to the Board of Directors of the Company (“Board”). Executive will devote substantially all of his business time, attention and energies to the business of the Company and will comply with the charters, policies and guidelines established by the Company from time to time applicable to its directors and senior management executives.

2. **Term.** Executive will be employed under this Agreement until December 31, 2016 (“Agreement Term”), unless Executive’s employment is terminated earlier pursuant to Section 7. Thereafter, the Agreement will automatically renew for additional periods of one year (“Renewal Term(s)”), unless on or before August 31, 2016 (or August 31 of any Renewal Term), either Executive

or the Company notifies the other in writing that it wishes to terminate employment under this Agreement at the end of the term then in effect. If, pursuant to the foregoing, the Company notifies the Executive that it wishes to terminate employment under this Agreement at the end of the term then in effect, such termination of employment shall be treated as a termination without cause by the Company, and the provisions of Section 7(c) shall apply.

3 . **Director Status.** For so long as Executive is Chief Executive Officer, the Company shall use reasonable best efforts, subject to applicable law and regulation of the New York Stock Exchange (“NYSE”), to cause Executive to be nominated for election as a director and to be recommended to the stockholders for election as a director. Upon any termination of employment as Chief Executive Officer, Executive will be deemed to have resigned from the Board, unless (a) the Executive is not terminated for Cause (as defined below) and owns common stock of the Company with a fair market value on the date of termination, based on the closing price of the Company’s common stock on such date, of a minimum of four times Executive’s Base Salary in effect under Section 4 on such date, or (b) within 30 days thereof a majority of the independent directors of the Board (as defined by rules of the NYSE) vote to enable Executive to continue serving on the Board through the balance of his term.

4 . **Base Salary.** The Company will pay Executive a base salary (“Base Salary”) at the annual rate of \$1,000,000 per year. The Compensation Committee (the “Committee”) may adjust Executive’s Base Salary from time to time, provided that the Base Salary (as previously increased, if applicable) may not be reduced without Executive’s consent. The Base Salary will be payable in accordance with the payroll practices of the Company in effect from time to time, but not less frequently than monthly.

5. **Incentive Compensation.**

(a) **Bonus.** For each calendar year during the Agreement Term and any Renewal Term, Executive shall be entitled to annual incentive compensation (the “**Bonus**”) under the Company’s 2006 Annual Incentive Plan (which is also known as the Company’s 2006 Executive Management Incentive Plan and the Meritage Homes Corporation Executive Management Incentive Plan) or any successor thereto (“**Incentive Plan**”), subject to the achievement of certain performance goals established by the Committee pursuant to the Incentive Plan and other terms and conditions, as set forth on Exhibit A.

(b) **Long-Term Incentives.** For each calendar year during the Agreement Term and any Renewal Term, Executive shall be entitled to (i) a Performance Share Award or a Restricted Stock Unit Award under the Company’s 2006 Stock Incentive Plan or any successor thereto (“**Stock Incentive Plan**”), subject to the achievement of certain performance goals established by the Committee pursuant to the Stock Incentive Plan and other terms and conditions, as set forth on Exhibit B, and (ii) a Restricted Stock Unit Award under the Stock Incentive Plan, subject to a three-year vesting schedule and other terms and conditions, as set forth on Exhibit C.

6. **Executive Benefits.** During the term of this Agreement, Executive will be entitled to reimbursement of reasonable and customary business expenses. The Company will provide

Executive with such fringe benefits and other Executive benefits as are regularly provided by the Company to its senior executives (*e.g.*, health and long-term disability insurance, Paid Time Off, 401(k), etc.); provided, however, that nothing herein shall preclude the Company from amending or terminating any employee or general executive benefit plan or program. In addition, the Company shall provide the Executive with the benefits set forth on Exhibit D, which benefits may not be terminated, reduced or modified in any respect during the term hereof without the written consent of Executive. The Company shall pay all reasonable attorneys' fees incurred for drafting and reviewing this Fourth Amended and Restated Employment Agreement and all related documents within 60 days after it is signed by the parties.

7. **Termination.**

(a) **Voluntary Resignation by Executive without Good Reason.** If Executive voluntarily terminates his employment with the Company without Good Reason, then:

(i) the Company shall within 15 days after termination pay Executive his Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 5(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) no Bonus shall be payable for the performance period in which termination occurs;

(iv) no Performance Share Awards or Restricted Stock Unit Awards under Section 5(b)(i) or other performance based awards shall be payable for the performance period in which termination occurs;

(v) any Restricted Stock Unit Awards under Section 5(b)(ii) or other time based awards that are not vested prior to or on account of such termination shall be forfeited; and

(vi) the Company shall not pay or reimburse Executive for COBRA premiums for the period that the Company is required to offer COBRA coverage as a matter of law.

(b) **Voluntary Resignation by Executive with Good Reason.** If Executive voluntarily terminates his employment with the Company with Good Reason, then:

(i) the Company shall within 15 days after termination pay Executive's Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 5(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) the Company shall pay Executive a pro rata Bonus based upon actual performance for the performance period in which termination occurs, determined in accordance with paragraph F of Exhibit A and paid at such time as Bonuses are paid to other executives but not later than March 15 of the calendar year following the end of the performance period;

(iv) all previously granted time based awards that are outstanding (including any Restricted Stock Unit Awards and other similar time based awards but not restricted stock awards which shall be dealt with under Section 7(b)(v) below) shall immediately vest and become unrestricted and the Company shall deliver to Executive the Shares subject to the time based awards;

(v) all previously granted time based restricted stock awards that are outstanding shall immediately vest and become unrestricted;

(vi) the Company shall deliver to Executive the Shares (as defined in paragraph A of Exhibit B) subject to the previously granted Performance Share Awards and Restricted Stock Unit Awards under Section 5(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended, determined based upon actual performance in accordance with Exhibit B and delivered at such time as performance share awards for other Executives are settled but not later than March 15 of the calendar year following the end of the applicable performance period for each such award;

(vii) all previously granted performance based restricted stock awards for any performance periods that have not yet ended shall vest and become unrestricted immediately following the end of the applicable performance period for such awards based upon actual performance achieved during the applicable performance period;

(viii) any stock option grants that remain outstanding as of the date of termination shall immediately vest, if not previously vested, and shall remain exercisable for the remainder of the original term but not later than the 10th anniversary of the original date of grant;

(ix) the Company shall pay Executive an amount equal to 150% of the monthly COBRA premium payable for the coverage in effect on the date of termination for Executive and, if applicable, his dependents under the Company's group health plan, multiplied by 18;

(x) at the Company's option, the Executive shall render reasonable consulting services to the Company during the 24-month period following termination of employment as may be requested from time to time by the Chairman of the Committee; and

(xi) the Company will pay Executive an amount equal to the sum of (A) two times the Executive's Base Salary on the Date of Termination of employment, and (B) two times the higher of (x) the average of the Bonus compensation paid to Executive for the two years prior to his termination of employment or (y) the annual Bonus paid to Executive for the year preceding the date of termination. For purposes of determining the amount of the Executive's Bonus paid for any year during the above two-year period, the amount of the Bonus compensation considered paid for purposes of this provision shall be the greater of (a) the Bonus paid to the Executive, or (b) the fair value on the day of grant (which, for restricted stock, restricted stock units and performance share awards shall equal the closing market price of the Company's common stock on such day, and for options, stock appreciation rights and similar awards shall equal the value calculated pursuant to the Black-Scholes or similar valuation model as of the day of grant) of the shares of the Company's restricted stock, restricted stock units, performance shares, stock options and other equity awards that became vested in such year; provided, however that the total amount set forth in Section 7(b)(xi) shall not be less than \$5 million and shall not exceed \$10 million.

Unless otherwise provided in this Agreement, any amount payable or deliverable under Sections 7(b)(iv), (ix) and (xi) shall be paid in a lump-sum payment or delivered within 60 days following Executive's termination of employment. Notwithstanding anything in this Section 7(b) to the contrary, if the 60 day period spans two calendar years, the payment or delivery to which Executive is entitled under this Section 7(b) shall be made in the second calendar year.

(c) **Termination without Cause by the Company.** If the Company terminates Executive without Cause, then:

(i) the Company shall within 15 days after termination pay Executive's Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 5(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) the Company shall pay Executive a pro rata Bonus based upon actual performance for the performance period in which termination occurs, determined in accordance with paragraph F of Exhibit A and paid at such time as Bonuses are paid to other executives but not later than March 15 of the calendar year following the end of the performance period;

(iv) all previously granted time based awards that are outstanding (including any Restricted Stock Unit Awards and other similar time based awards but not restricted stock awards which shall be dealt with under Section 7(c)(v) below) shall immediately vest and become unrestricted and the Company shall deliver to Executive the Shares subject to the time based awards;

(v) all previously granted time based restricted stock awards that are outstanding shall immediately vest and become unrestricted;

(vi) the Company shall deliver to Executive the Shares subject to previously granted Performance Share Awards and Restricted Stock Unit Awards under Section 5(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended, determined based upon actual performance in accordance with Exhibit B and delivered at such time as performance share awards for other executives are settled but not later than March 15 of the calendar year following the end of the applicable performance period for each such award;

(vii) all previously granted performance based restricted stock awards for any performance periods that have not yet ended shall vest and become unrestricted immediately following the end of the applicable performance period for such awards based upon actual performance achieved during the applicable performance period;

(viii) any stock option grants that remain outstanding as of the date of termination shall immediately vest, if not previously vested, and shall remain exercisable for the remainder of the original term but not later than the 10th anniversary of the original date of grant;

(ix) the Company shall pay Executive an amount equal to 150% of the monthly COBRA premium payable for the coverage in effect on the date of termination for Executive and, if applicable, his dependents under the Company's group health plan, multiplied by 18;

(x) at the Company's option, the Executive shall render reasonable consulting services to the Company during the 24-month period following termination of employment as may be requested from time to time by the Chairman of the Committee; and

(xi) the Company will pay Executive an amount equal to the sum of (A) two times Executive's Base Salary on the Date of Termination of employment, and (B) two times the higher of (x) the average of the Bonus compensation paid to Executive for the two years prior to his termination of employment or (y) the annual Bonus paid to Executive for the year preceding the date of termination. For purposes of determining the amount of the Executive's Bonus paid for any year during the above two-year period, the amount of the Bonus compensation considered paid for purposes of this provision shall be the greater of (a) the Bonus paid to the Executive, or (b) the fair value on the day of grant (which, for restricted stock, restricted stock units and performance share awards shall equal the closing market price of the Company's common stock on such day, and for options, stock

appreciation rights and similar awards shall equal the value calculated pursuant to the Black-Scholes or similar valuation model as of the day of grant) of the shares of the Company's restricted stock, restricted stock units, performance shares, stock options and other equity awards that became vested in such year; provided, however that the total amount set forth in Section 7(c)(xi) shall not be less than \$5 million and shall not exceed \$10 million.

Unless otherwise provided in this Agreement, any amount payable or deliverable under Sections 7(c)(iv), (ix) and (xi) shall be paid in a lump-sum payment or delivered within 60 days following Executive's termination of employment. Notwithstanding anything in this Section 7(c) to the contrary, if the 60 day period spans two calendar years, the payment or delivery to which Executive is entitled under this Section 7(c) shall be made in the second calendar year.

(d) **Termination for Cause by the Company.** If the Company terminates Executive's employment for Cause, then:

(i) the Company shall within 15 days after termination pay Executive's Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 5(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) no Bonus shall be payable for the performance period in which termination occurs;

(iv) no Performance Share Awards or Restricted Stock Unit Awards under Section 5(b)(i) or other performance based awards shall be payable for any performance periods that have not yet ended; and

(v) any Restricted Stock Unit Awards under Section 5(b)(ii), and any time based restricted stock awards or other similar time based awards that are not vested prior to such termination shall be forfeited.

Upon a termination for Cause by the Company, the provisions of Section 8 (Restrictive Covenant) shall automatically become applicable for the two-year period set forth therein, without any further payment due Executive. Executive acknowledges and agrees that the compensation herein is adequate consideration for such covenants.

(e) **Termination upon Death or Disability.** If Executive's employment is terminated as a result of Executive's death or Disability, then:

(i) the Company shall within 15 days after termination pay Executive's Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 5(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) the Company shall pay Executive his Target Bonus for the performance period in which termination occurs as described in paragraph C of Exhibit A (provided that for any performance period beginning prior to January 1, 2015, the amount paid shall be the Bonus based upon actual performance for the performance period (rather than the Target Bonus) in which termination occurs determined in accordance with Exhibit A, and paid at such time as Bonuses are paid to other executives but not later than March 15 of the calendar year following the end of the performance period);

(iv) all previously granted time based awards that are outstanding (including any Restricted Stock Unit Awards and other similar time based awards but not restricted stock awards which shall be dealt with under Section 7(e)(v) below) shall immediately vest and become unrestricted and the Company shall deliver to the Executive the Shares subject to the time based awards;

(v) all previously granted time based restricted stock awards shall immediately vest and become unrestricted;

(vi) the Company shall deliver to Executive the target number of Shares subject to previously granted Performance Share Awards under Section 5(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended as described in paragraph C of Exhibit B or otherwise (provided that for any performance period beginning prior to January 1, 2015, the Company shall deliver to Executive the Shares subject to previously granted Performance Share Awards under Section 5(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended, determined based upon actual performance in accordance with Exhibit B (rather than delivering the target number of Shares) and delivered at such time as Performance Share Awards for other executives are settled but not later than March 15 of the calendar year following the end of the applicable performance period);

(vii) the target number of shares subject to previously granted performance based restricted stock awards for any performance periods that have not yet ended shall immediately vest and become unrestricted;

(viii) any stock option grants that remain outstanding as of the date of termination shall immediately vest, if not previously vested, and shall remain exercisable for the remainder of the original term but not later than the 10th anniversary of the original date of grant; and

(ix) the Company shall pay Executive an amount equal to 150% of the monthly COBRA premium payable for the coverage in effect on the date of termination for Executive (if Executive's employment is terminated as a result of Disability) and, if applicable, his dependents under the Company's group health plan, multiplied by 18.

Unless otherwise provided in this Agreement, any amount payable or deliverable under Sections 7(e)(iii) (but only for payment of Target Bonuses), (iv), (vi) (but only for target number of Shares); and (ix) shall be paid in a lump-sum payment or delivered within 60 days following Executive's termination of employment. Notwithstanding anything in this Section 7(e) to the contrary, if the 60 day period spans two calendar years, the payment or delivery to which Executive is entitled under this Section 7(e) shall be made in the second calendar year. If Executive dies or becomes Disabled during any period that the Company is obliged to make payments under Section 7, the Company shall pay the Executive (or in the case of death, the Executive's estate) any unpaid amounts described in Section 7, at the time such amounts would otherwise have been paid to Executive.

(f) **Retirement.** If Executive voluntarily terminates his employment with the Company without Good Reason after completion of 15 cumulative years of service as a named executive officer and/or a member of the Board and after the second anniversary of the Effective Date, the provisions of Section 7(a) shall apply (except as modified in this Section 7(f)) and in addition thereto:

(i) the Company shall pay Executive a pro rata Bonus based upon actual performance for the performance period in which termination occurs, determined in accordance with paragraph F of Exhibit A and paid at such time as Bonuses are paid to other executives but not later than March 15 of the calendar year following the end of the performance period;

(ii) all previously granted time based awards that are outstanding (including any Restricted Stock Unit Awards and other similar time based awards but not restricted stock awards) shall immediately vest and become unrestricted and the Company shall deliver to Executive the Shares subject to the time based awards;

(iii) the Company shall deliver to Executive the Shares subject to the previously granted Performance Share Awards and Restricted Stock Unit Awards under Section 5(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended, determined based upon actual performance in accordance with Exhibit B and delivered at such time as performance share awards for other Executives are settled but not later than March 15 of the calendar year following the end of the applicable performance period for such awards;

(iv) all previously granted performance based restricted stock awards for any performance periods that have not yet ended shall vest and become unrestricted immediately following the end of the applicable performance period for such awards based upon actual performance achieved during the applicable performance period;

(v) any stock option grants that remain outstanding as of the date of termination shall immediately vest, if not previously vested, and shall remain exercisable for the remainder of the original term but not later than the 10th anniversary of the original date of grant; and

(vi) at the Company's option, the Executive shall render reasonable consulting services to the Company during the 24-month period following termination of employment as may be requested from time to time by the Chairman of the Committee.

Unless otherwise provided in this Agreement, any amount deliverable under Section 7(f)(ii) shall be delivered within 60 days following Executive's termination of employment. Notwithstanding anything in this Section 7(f) to the contrary, if the 60 day period spans two calendar years, the delivery to which Executive is entitled under this Section 7(f) shall be delivered in the second calendar year.

(g) Directors and Officers Liability Insurance; Indemnification. In the event of termination of Executive's employment, (i) Executive shall remain covered under the directors and officers liability insurance maintained by the Company in commercially reasonable amounts (as determined by the Board) to the same extent as executives of the Company; and (ii) Executive shall remain eligible for indemnification by the Company to the extent provided for in the Company by-laws in effect from time to time, provided that such indemnification shall not be less favorable than the indemnification provided for in the Company's by-laws in effect as of January 1, 2014.

(h) Definitions. For purposes of this Agreement:

(1) "Cause" and "Good Reason" shall have the meanings ascribed to them in the Third Amended and Restated Change of Control Agreement between Executive and the Company, effective January 1, 2010, as amended ("CIC Agreement"), provided, that Good Reason also exists under this Agreement if (A) the Company fails to cause any successor to immediately assume the terms of this Agreement, or (B) the Company materially breaches its obligations under this Agreement and such breach is not cured within a reasonable period of time not to exceed 30 days after written notice from the Executive;

(2) "Date of Termination" shall mean (i) if this Agreement is terminated as a result of Executive's death, the date of Executive's death, (ii) if this Agreement is terminated by Executive for Good Reason, the date on which he notifies the Company in writing (but following the Company's opportunity to cure as provided in the CIC Agreement), (iii) if this Agreement is terminated by Executive without Good Reason or on account of retirement, the later of (A) the date on which Executive notifies the Company in writing and (B) the date of termination specified in the written notice, (iv) if this Agreement is terminated by the Company for Disability, the date a notice of termination is given, (v) if this Agreement is terminated by the Company for Cause, the date a final determination is provided to Executive by the Company (following the procedures set forth in the CIC Agreement), or

(vi) if this Agreement is terminated by the Company without Cause, the date notice of termination is given to Executive by the Company;

(3) “**Disability**” shall mean Executive is, by reason of any medically determinable physical or mental impairment which actually hinders Executive’s ability to perform his job and which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than six months under an accident and health plan established by the Company for its employees.

(i) **Procedures for Notices of Termination.** The procedures set forth in Section 8(a), (b) and (d) of the CIC Agreement shall apply under this Agreement in connection with a notice of termination as to the kind of termination events described in those subsections.

(j) **Release Agreement.** Notwithstanding anything to the contrary herein, no payment (other than payments described in (i) and (ii) of Sections 7(a), (b), (c), (d) and (e); payments under Section 7(e) on account of death; and any payment under Section 7(g)) shall be made under this Section 7 unless Executive executes (and does not revoke) a legal release (“Release Agreement”), in substantially the form attached hereto as Exhibit E, in which Executive releases the Company, its affiliates, directors, officers, employees, agents and others affiliated with the Company from any and all claims, including claims relating to Executive’s employment with the Company and the termination of Executive’s employment. The Release Agreement shall be provided to Executive within 5 days following Executive’s termination of employment. The Release Agreement must be executed and returned to the Company within the 21 or 45 day (as applicable) period described in the Release Agreement and it must not be revoked by Executive within the 7-day revocation period described in the Release Agreement.

(k) **Compliance with Code Section 409A.** Any payment under this Section 7 or Section 8(c) (if applicable) shall be subject to the provisions of this Section 7(k) (except for a payment pursuant to Section 7(e) as a result of Executive’s death). If and to the extent required by Code Section 409A, any payment or benefit required to be paid under this agreement on account of termination of Executive’s employment shall be made only after Executive incurs a “separation from service” within the meaning of Code Section 409A. If Executive is a “Specified Employee” of the Company for purposes of Code Section 409A at the time of a payment event set forth in Section 7 or Section 8(c) and if no exception from Code Section 409A applies in whole or in part, then the severance or other payments pursuant to Section 7 or Section 8(c) (if applicable) that are subject to Section 409A shall be made to Executive by the Company or commence on the later of the date otherwise provided therein or the first day of the seventh month following the date of the Executive’s separation from service (the “409A Payment Date”). Should this paragraph 7(k) result in a delay of payments to Executive, the Company shall begin to make such payments as described in this paragraph 7(k), provided that any amounts that would have been payable earlier but for the application of this paragraph 7(k), shall be paid in lump-sum on the 409A Payment Date along with accrued interest at the rate of interest announced by Bank of America, Arizona from time to time as its prime rate from the date that payments to you should have been made under this Agreement. The balance of the Consulting Severance and Non-Competition Payments (as defined in Section 8

(c) if applicable, shall be payable in accordance with regular payroll timing. For purposes of this provision, the term Specified Employee shall have the meaning set forth in Code Section 409A(a)(2)(B)(i) or any successor provision and the treasury regulations and rulings issued thereunder. It is the intention of both the Company and Executive that the benefits and rights to which Executive could be entitled pursuant to this Agreement comply with Code Section 409A, to the extent that the requirements of Code Section 409A are applicable thereto, and the provisions of this Agreement shall be construed in a manner consistent with that intention. If Executive or the Company believes, at any time, that any such benefit or right that is subject to Code Section 409A does not comply, it shall promptly advise the other and shall negotiate reasonably and in good faith to amend the terms of such benefits and rights such that they comply with Code Section 409A (with the most limited possible economic effect on Executive and on the Company). Any reimbursement under this Agreement, to the extent it constitutes a deferral of compensation under Code Section 409A, shall meet the following requirements: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year, (ii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred, and (iii) the right to reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

(l) **No Duty to Mitigate.** Any payments under this Section 7 or Section 8(c) (if applicable) will be made to Executive without regard to whether Executive looks for or obtains alternative employment following termination of employment with the Company hereunder.

(m) **Expenses and Interest.** If a good faith dispute shall arise with respect to the enforcement of any rights under this Agreement or if any arbitration or legal proceeding shall be brought in good faith to enforce or interpret any provision hereof, or to recover damages for breach hereof, the prevailing party shall recover any reasonable attorneys' fees and necessary costs and disbursement incurred as a result of such dispute or legal proceeding, and prejudgment interest on any money judgment obtained calculated at the rate of interest announced by Bank of America, Arizona from time to time as its prime rate from the date that payments were or should have been made under this Agreement.

8. **Restrictive Covenant.** In consideration of Executive's employment, Executive agrees to the following:

(a) During the Restriction Period (as defined below), Executive will not, directly or indirectly, either as an executive, partner, owner, lender, director, adviser or consultant or in any other capacity or through any entity:

(1) directly or indirectly, hire or solicit for employment for any other business entity (other than the Company) any person who is, or within the six month period preceding the date of such activity was, an employee of or consultant to the Company (other than as a result of a general solicitation for employment); or

(2) solicit any customer or supplier of the Company (including lot developers and land bankers) for a production homebuilding business or otherwise attempt to induce any such customer or supplier to discontinue or materially modify its relationship with the Company. During the Restriction Period, Executive may utilize the services of Company suppliers for business operations permitted under Section 8(b), *i.e.*, custom homebuilding, land banking and land or lot development, so long as these activities do not disrupt or adversely affect the Company's relationships with such suppliers.

(b) During Executive's employment hereunder, and following Executive's termination (except for a termination without Good Reason under Section 7(a) or retirement under Section 7(f)) unless the Company makes the election under Section 8(c) for the remainder of the Restriction Period, Executive will not, directly or indirectly, either as an executive, partner, member, owner, lender, director, adviser or consultant or in any other capacity or through any entity engage in any production homebuilding or home sales within 100 miles of any Company project, provided, that, for purposes of this Section 8(b), Executive (i) may own stock in the Company and less than 1% of any other publicly traded homebuilder, and (ii) may engage in custom homebuilding (up to 5 homes annually for third parties and 2 for family members), land banking or lot or land development; provided, however, that Executive may not directly or indirectly engage in the sale of finished lots within the restricted area described above, unless at least 10 business days prior to any offer to a third party, the lots are offered to the Company, and if the Company (or its nominee) determines to purchase the property, the applicable selling party negotiates a sale in good faith. If no such sale is then consummated, then the applicable selling party may pursue a sale with a third party. If the terms of such third-party sale are materially different than the offer made to the Company, the Company (or its nominee) will have the right of first refusal to purchase the lots within three business days of notice of the proposed sale to such a third party. This notice must contain the specific terms and conditions thereof and the proposed buyer. If the Company (or a nominee) does not respond in writing to the right of first offer within 10 days or the right of first refusal within three days, the Company will be deemed to have waived the applicable right. The Company or a nominee can substitute cash for any non-cash consideration (at the fair market value thereof). This right will arise again if the third party offer is materially modified or amended.

(c) If Executive has a termination without Good Reason under Section 7(a) or for retirement under Section 7(f), the Company may elect to have Executive comply with the restrictive covenant provisions contained in Section 8(b) after Executive's termination of employment without Good Reason under Section 7(a) or Executive's retirement under Section 7(f) for the remainder of the Restriction Period. If the Company so elects, the Company will pay Executive \$5 million (the "Consulting, Severance and Non-Competition Payment"), in monthly installments of \$208,333.33 in cash or by check, over the next two years (the "Consulting Period") (subject to Executive's compliance with this Agreement, including the requirements of Sections 8 and 9 as provided herein); provided however, that in no event will the Executive be required to provide services to Company pursuant to this Section 8(c) or Section 7 at a level that exceeds 20% of the average level of bona fide services Executive provided to Company in the immediately preceding 36 months. Unless otherwise provided in this Agreement, the scheduled payments under this Section 8(c) shall commence to be paid within 60 days following Executive's termination of employment. Notwithstanding anything in this Section 8(c) to the contrary, if the 60 day period spans two calendar

years, the scheduled payments to which Executive is entitled under this Section 8(c) shall commence to be paid in the second calendar year. Any amounts remaining due under this Section 8(c) shall be paid in a lump sum payment to Executive (or his estate) within thirty (30) days of Executive's death or Disability, subject to the requirements of Section 7(k).

(d) The provisions of this Section 8 shall begin as of the Effective Date, will survive the termination of this agreement under Section 7 and will expire two years from the Date of Termination, provided that, to the extent required, the notices under Section 7 are given and the payments are made as provided therein ("Restriction Period"); and further provided in accordance with the provisions of Section 8(b), if Executive terminates his employment without Good Reason under Section 7(a) or if the Executive retires under Section 7(f), the provisions of Section 8(b) and the reasonable assistance described in Section 10 shall not apply after Executive's termination of employment unless the Company elects to have the provisions apply and makes the payments to Executive in accordance with Section 8(c).

(e) Executive represents to the Company that he is willing and able to engage in businesses that are not competing businesses hereunder and that enforcement of the restrictions set forth in this Section 8 would not be unduly burdensome to Executive. Executive hereby agrees that the period of time provided for in this Section 8 and other provisions and restrictions set forth herein are reasonable and necessary to protect the Company and its successors and assigns in the use and employment of the goodwill of the business conducted by Executive. Executive agrees that, if Executive in any material respect violates the terms of Section 8(a), 8(b) or Section 9, the Company shall not be obliged to pay any remaining Consulting, Severance, and Non-Competition Payments and any other payments or benefits specified in Section 7, provided that the Company must first provide Executive with written notice of such violation and the opportunity to provide within thirty (30) days any information showing that he has not in any material respect breached such Agreement. During any notice period or any dispute regarding the violation of the terms of this Section 8 or Section 9, the Company will place such payments in an interest bearing escrow account at Bank of America, Phoenix, or its successor. Executive further agrees that damages cannot adequately compensate the Company in the event of a violation of this Section 8 and that, if such violation should occur, injunctive relief shall be essential for the protection of the Company and its successors and assigns. Accordingly, Executive hereby covenants and agrees that, in the event any of the provisions of this Section 8 shall be violated or breached, the Company shall be entitled to obtain injunctive relief against the party or parties violating such covenants without bond but upon due notice, in addition to such further or other relief as may be available at equity or law. An injunction by the Company shall not be considered an election of remedies or a waiver of any right to assert any other remedies which the Company has at law or in equity. No waiver of any breach or violation hereof shall be implied from forbearance or failure by the Company to take action thereof. The prevailing party in any litigation, arbitration or similar dispute resolution proceeding to enforce this provision will recover any and all reasonable costs and expenses, including attorneys' fees.

(f) Executive agrees that the period of time in which this Section 8 is in effect shall be extended for a period equal to the duration of any breach of this Section 8 by Executive.

(g) For purposes of Sections 8 and 9, the term “Company” includes Meritage Homes Corporation and its subsidiaries and affiliates. For purposes hereunder, an affiliate shall be deemed to be any corporation or other business entity in which the Company or its subsidiaries owns a controlling interest.

9. Non-Disclosure of Confidential Information.

(a) It is understood that in the course of Executive’s employment with Company, Executive will become acquainted with Company Confidential Information (as defined below). Executive recognizes that Company Confidential Information has been developed or acquired at great expense, is proprietary to the Company, and is and shall remain the exclusive property of the Company. Accordingly, Executive agrees that except as otherwise ordered in a legal or regulatory proceeding, he will not, disclose to others, copy, make any use of, or remove from Company’s premises any Company Confidential Information, except as Executive’s duties may specifically require, without the express written consent of the Company, during Executive’s employment with the Company and thereafter until such time as Company Confidential Information becomes generally known, or readily ascertainable by proper means by persons unrelated to the Company.

(b) Upon any termination of employment, Executive shall promptly deliver to the Company the originals and all copies of any and all materials, documents, notes, manuals, or lists containing or embodying Company Confidential Information, or relating directly or indirectly to the business of the Company, in the possession or control of Executive, unless Executive remains a member of the Board, and in such case Executive may retain and receive all Company Confidential Information provided to other Board members.

(c) Executive hereby agrees that the period of time provided for in this Section 9 and other provisions and restrictions set forth herein are reasonable and necessary to protect the Company and its successors and assigns in the use and employment of the goodwill of the business conducted by Executive. Executive further agrees that damages cannot adequately compensate the Company in the event of a violation of this Section 9 and that, if such violation should occur, injunctive relief shall be essential for the protection of the Company and its successors and assigns. Accordingly, Executive hereby covenants and agrees that, in the event any of the provisions of this Section 9 shall be violated or breached, the Company shall be entitled to obtain injunctive relief against the party or parties violating such covenants, without bond but upon due notice, in addition to such further or other relief as may be available at equity or law. Obtainment of such an injunction by the Company shall not be considered an election of remedies or a waiver of any right to assert any other remedies which the Company has at law or in equity. No waiver of any breach or violation hereof shall be implied from forbearance or failure by the Company to take action thereof. The prevailing party in any litigation, arbitration or similar dispute resolution proceeding to enforce this provision will recover any and all reasonable costs and expenses, including attorneys’ fees.

(d) “Company Confidential Information” shall mean confidential, proprietary information or trade secrets of Company and its subsidiaries and affiliates including without limitation the following: (1) customer lists and customer information as compiled by Company; (2) Company’s internal practices and procedures; (3) Company’s financial condition and financial

results of operation; (4) supply of materials information, including sources and costs, designs, information on land and lot inventories, and current and prospective projects; (5) strategic planning, manufacturing, engineering, purchasing, finance, marketing, promotion, distribution, and selling activities; (6) all other information which Executive has a reasonable basis to consider confidential or which is treated by Company as confidential; and (7) all information having independent economic value to Company that is not generally known to, and not readily ascertainable by proper means by, persons who can obtain economic value from its disclosure or use. Notwithstanding the foregoing provisions, the following shall not be considered "Company Confidential Information": (i) the general skills of the Executive as an experienced real estate and homebuilding entrepreneur and senior management level employee; (ii) information generally known by senior management executives within the homebuilding and/or land development industry; (iii) persons, entities, contacts or relationships of Executive that are also generally known in the industry; and (iv) information which becomes available on a non-confidential basis from a source other than Executive which source is not prohibited from disclosing such confidential information by legal, contractual or other obligation.

10. **Cooperation; No Disparagement.** During the Restriction Period, Executive agrees to provide reasonable assistance to the Company (including assistance with litigation matters), upon the Company's request, concerning the Executive's previous employment responsibilities and functions with the Company. Additionally, at all times after the Executive's employment with the Company has terminated, Company and Executive agree to refrain from making any disparaging or derogatory remarks, statements and/or publications regarding the other, its employees or its services. In consideration for such cooperation, Company shall compensate Executive for the time Executive spends on such cooperative efforts (at an hourly rate based on Executive's total compensation during the year preceding the Date of Termination) and Company shall reimburse Executive for the reasonable out-of-pocket expenses Executive incurs in connection with such cooperative efforts.

11. **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any applicable law, then such provision will be deemed to be modified to the extent necessary to render it legal, valid and enforceable, and if no such modification will make the provision legal, valid and enforceable, then this Agreement will be construed as if not containing the provision held to be invalid, and the rights and obligations of the parties will be construed and enforced accordingly.

12. **Assignment by Company.** Nothing in this Agreement shall preclude the Company from consolidating or merging into or with, or transferring all or substantially all of its assets to, another corporation or entity that assumes this Agreement and all obligations and undertakings hereunder. Upon such consolidation, merger or transfer of assets and assumption, the term "Company" as used herein shall mean such other corporation or entity, as appropriate, and this Agreement shall continue in full force and effect.

13. **Entire Agreement.** This Agreement, the CIC Agreement, and any agreements concerning stock options, restricted stock, restricted stock units or other benefits, embody the complete agreement of the parties hereto with respect to the subject matter hereof and supersede

any prior written, or prior or contemporaneous oral, understandings or agreements between the parties that may have related in any way to the subject matter hereof. This Agreement may be amended only in writing executed by the Company and Executive.

14. **Governing Law.** This Agreement and all questions relating to its validity, interpretation, performance and enforcement, shall be governed by and construed in accordance with the internal laws, and not the law of conflicts, of the State of Arizona.

15. **Notice.** Any notice required or permitted under this Agreement must be in writing and will be deemed to have been given when delivered personally or by overnight courier service or three days after being sent by mail, postage prepaid, at the address indicated below or to such changed address as such person may subsequently give such notice of:

if to Company: Meritage Homes Corporation
8800 East Raintree, Suite 300
Scottsdale, Arizona 85260
Attention: Chairman of the Committee

if to Executive: Steven J. Hilton
10387 Rob's Camp Road
Scottsdale, Arizona 85255
Phone: (480) 515-0480

16. **Arbitration.** Any dispute, controversy, or claim, whether contractual or non-contractual, between the parties hereto arising directly or indirectly out of or connected with this Agreement, relating to the breach or alleged breach of any representation, warranty, agreement, or covenant under this Agreement, unless mutually settled by the parties hereto, shall be resolved by binding arbitration in accordance with the Employment Arbitration Rules of the American Arbitration Association (the "AAA"). The parties agree that before the proceeding to arbitration that they will mediate their disputes before the AAA by a mediator approved by the AAA. Any arbitration shall be conducted by arbitrators approved by the AAA and mutually acceptable to Company and Executive. All such disputes, controversies or claims shall be conducted by a single arbitrator, unless the dispute involves more than \$50,000 in the aggregate in which case the arbitration shall be conducted by a panel of three arbitrators. If the parties hereto are unable to agree on the mediator or the arbitrator(s), then the AAA shall select the arbitrator(s). The resolution of the dispute by the arbitrator(s) shall be final, binding, nonappealable, and fully enforceable by a court of competent jurisdiction under the Federal Arbitration Act. The arbitrator(s) shall award damages to the prevailing party. The arbitration award shall be in writing and shall include a statement of the reasons for the award. The arbitration shall be held in the Phoenix/Scottsdale metropolitan area. The Company shall pay all AAA, mediation, and arbitrator's fees and costs. The arbitrator(s) shall award reasonable attorneys' fees and costs to the prevailing party.

EXHIBIT A
BONUS

- A. Bonus Opportunity. For each Performance Period, as defined in paragraph B below, Executive shall be entitled to a Bonus based on his Target Bonus, as set forth in paragraph C below, subject to the achievement of certain performance goals.
- B. Performance Period. For purposes of this Exhibit A, the Performance Period shall be the 12 month period beginning on January 1 of each calendar year during the Agreement Term and any Renewal Term.
- C. Target Bonus and Bonus. Executive's Target Bonus shall be \$2,500,000. Executive's Bonus that is payable for any Performance Period, if any, shall be an amount ranging from 0% to 200% of the Target Bonus, contingent upon the achievement of one or more performance goals established by the Committee for such Performance Period, as set forth in paragraph D. Notwithstanding the foregoing, the Bonus payable to the Executive shall not exceed the maximum bonus that could be payable under the Incentive Plan.
- D. Performance Goals. Subject to and in accordance with the requirements under Section 162(m) of the Code, no later than 90 days after the commencement of each Performance Period, the Committee shall, in its sole discretion, establish in writing one or more preestablished, objective performance goals for such Performance Period. Such performance goal(s) shall state, in terms of an objective formula or standard, the amount of the Target Bonus payable to Executive upon achievement of each such performance goal (or any specified threshold, intermediate, target, maximum or other level with respect thereto).
- E. Incentive Plan. This Exhibit A, subject to any action taken by the Committee pursuant thereto shall be subject to the terms and conditions of, the Incentive Plan. If there is any conflict between the provisions of the Agreement or this Exhibit A and the Incentive Plan, or any award agreement, the Agreement or this Exhibit A (as applicable) shall control.
- F. Pro Rata Bonus. A pro rata Bonus, where applicable, shall be an amount equal to (1) the Bonus otherwise determined by the Committee based upon actual performance for the Performance Period in accordance with the foregoing provisions of this Exhibit A, multiplied by (2) a fraction, the numerator of which is the number of days that Executive is employed by the Company during the Performance Period, and the denominator of which is the total number of days in the Performance Period.
- G. Payment. Except as otherwise provided in the Agreement, any Bonus payable under this Exhibit A (including any pro rata Bonus determined under paragraph F) shall be paid in cash to Executive at the time(s) determined by the Committee in its reasonable discretion, provided that the Bonus shall be paid in its entirety no later than March 15 of the calendar year following the calendar year to which the payment relates.

EXHIBIT B
PERFORMANCE SHARE AWARD

- A. Performance Share Opportunity. For each Performance Period, as defined in paragraph B below, Executive shall be granted a Performance Share Award (“PSA”) under the Stock Incentive Plan giving Executive the right to receive shares of common stock of the Company (“Shares”), based on a target specified in paragraph C below and subject to the achievement of certain performance goals.
- B. Performance Period. For purposes of this Exhibit B, the Performance Period shall be the three year period beginning on January 1 of each calendar year during the Agreement Term and any Renewal Term.
- C. Shares. A target number of Shares with a fair market value on the date of grant, based on the closing price of the Company’s stock on such date, of \$1,000,000 shall be established for the PSA for each Performance Period. The PSA that is payable for any Performance Period, if any, shall be an amount ranging from 0% to 150% of such target number of Shares, contingent upon the achievement of one or more performance goals established by the Committee for such Performance Period, as set forth in paragraph D. Notwithstanding the foregoing, the maximum number of shares deliverable pursuant to any PSA shall not exceed the maximum number of shares that could be granted during a calendar year under the Stock Incentive Plan.
- D. Performance Goals. Subject to and in accordance with the requirements under Section 162(m) of the Code, no later than 90 days after the commencement of each Performance Period, the Committee shall, in its sole discretion, establish in writing one or more preestablished, objective performance goals for such Performance Period. Such performance goal(s) shall state, in terms of an objective formula or standard, the amount of the target number of Shares determined under paragraph C for such Performance Period payable to Executive upon achievement of each such performance goal (or any specified threshold, intermediate, target, maximum or other level with respect thereto).
- E. Stock Incentive Plan. This Exhibit B, subject to any action taken by the Committee pursuant thereto, shall be subject to the terms and conditions of, the Stock Incentive Plan. If there is any conflict between the provisions of the Agreement or this Exhibit B and the Stock Incentive Plan or any award agreement, the Agreement or this Exhibit B (as applicable) shall control.
- F. Payment. Except as otherwise provided in the Agreement, any PSAs payable under this Exhibit B shall be settled by delivery of whole Shares (with cash for any fractional share) to Executive at the time(s) determined by the Committee in its reasonable discretion, provided that such Shares shall be delivered (and such cash, if any, shall be paid) no later than March 15 of the calendar year following the Performance Period to which the payment relates.

- G. Restricted Stock Units. The Company may grant Executive performance based restricted stock units in lieu of the PSAs; provided, however, that such restricted stock units shall be on the same terms and conditions as the PSAs and the provisions herein and in the Agreement with respect to PSAs shall apply to the performance based restricted stock units.

EXHIBIT C
RESTRICTED STOCK UNIT AWARD

- A. Restricted Stock Unit. For each Vesting Period, as defined in paragraph B below, Executive shall be granted in January or February of each calendar year a Restricted Stock Unit Award (“RSU”) under the Stock Incentive Plan giving Executive the right to receive shares of common stock of the Company (“Shares”) with a fair market value on the date of grant, based on the closing price of the Company’s stock on such date, of \$1,000,000. Notwithstanding the foregoing, the maximum number of Shares deliverable pursuant to any RSU shall not exceed the maximum number of Shares that could be granted during a calendar year under the Stock Incentive Plan, reduced by the maximum number of shares deliverable pursuant to a PSA granted under Exhibit B during the same calendar year.
- B. Vesting Period. For purposes of this Exhibit C, the Vesting Period for any RSU shall be the three year period beginning on January 1 of each calendar year.
- C. Vesting. The RSU for any Vesting Period shall become fully vested and nonforfeitable as of the earlier of (i) the last day of the Vesting Period, provided that Executive remains continuously employed by the Company through and including such day, and (ii) the Executive’s termination of employment to the extent provided in the Agreement. Any RSU Award that does not vest prior to or on account of the Executive’s termination of employment shall be forfeited.
- D. Stock Incentive Plan. This Exhibit C shall be subject to the terms and conditions of, the Stock Incentive Plan. If there is any conflict between the provisions of the Agreement or this Exhibit C and the Stock Incentive Plan or any award agreement, the Agreement or this Exhibit C (as applicable) shall control.
- E. Payment. Except as otherwise provided in the Agreement, any RSUs which become fully vested and nonforfeitable under paragraph C of this Exhibit C shall be settled by delivery of whole Shares (with cash for any fractional share) to Executive within 60 days after the end of the Vesting Period. Notwithstanding anything in this Exhibit C to the contrary, if the 60 day payment distribution period spans two calendar years, the payment to which Executive is entitled under this paragraph E shall be made in the second calendar year.

EXHIBIT D
SPECIFIED BENEFITS

1. Payments annually for Executive to purchase life insurance in the amount of \$5,000,000.

2. The Company shall provide Executive with disability insurance with monthly benefits of \$20,000 in the event of Executive's total disability (or reimbursement for the premiums paid by Executive for such policy); provided that in lieu of such disability benefit, the Executive may elect to receive any combination of disability and/or long term care benefit(s) so long as the Company's cost of such other benefit(s) does not exceed the Company's cost of a comparable disability benefit.

3. The Executive shall be paid for his business use of his airplane an amount equal to comparable charter rates within 60 days of such use pursuant to the Company's travel policy in effect from time to time and subject to review annually.

4. Use of Company car (same as current policy) pursuant to the Company's travel policy in effect from time to time and subject to review annually.

5. Taxes related to any payments and benefits above shall be the sole responsibility of the Executive.

LARRY W. SEAY
FOURTH AMENDED AND RESTATED
EMPLOYMENT AGREEMENT
(Effective as of January 1, 2014)

This Employment Agreement (“Agreement”) is entered into on March 25, 2014 by and between Meritage Homes Corporation, a Maryland corporation (“Company”) and Larry W. Seay, an individual (“Executive”) effective as of January 1, 2014 (“Effective Date”).

RECITALS

WHEREAS, the Executive is currently employed by the Company as Chief Financial Officer and Executive Vice President of the Company;

WHEREAS, the Company and the Executive previously entered into three amended and restated employment agreements defining the terms and conditions of Executive’s employment with the Company, dated as of July 1, 2003, January 1, 2007 and January 1, 2010 (“Original Agreement”);

WHEREAS, the Original Agreement provided Executive with certain rights, responsibilities and benefits;

WHEREAS, the Company and Executive believe that it is in the best interest of each to make certain other changes to Executive’s terms and conditions of his employment with the Company; and

WHEREAS, the Company desires to continue to obtain the services of Executive, and Executive desires to provide services to the Company, in accordance with the terms, conditions and provisions of this Agreement.

NOW THEREFORE, in consideration of the covenants and mutual agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in reliance upon the representations, covenants and mutual agreements contained herein, the Company and Executive agree to amend and restate the Original Agreement as follows:

1. **Employment.** Subject to the terms and conditions of this Agreement, the Company agrees to employ Executive as Executive Vice President and Chief Financial Officer of the Company, and Executive agrees to diligently perform the duties associated with such positions. Executive will report directly to the Chairman and Chief Executive Officer. Executive will devote substantially all of his business time, attention and energies to the business of the Company and will comply with the charters, policies and guidelines established by the Company from time to time applicable to its directors and senior management executives.

2 . **Term.** Executive will be employed under this Agreement until December 31, 2016 (“Agreement Term”), unless Executive’s employment is terminated earlier pursuant to Section 6.

Thereafter, the Agreement will automatically renew for additional periods of one year (“Renewal Term(s)”), unless on or before August 31, 2016 (or August 31 of any Renewal Term), either Executive or the Company notifies the other in writing that it wishes to terminate employment under this Agreement at the end of the term then in effect. If, pursuant to the foregoing, the Company notifies the Executive that it wishes to terminate employment under this Agreement at the end of the term then in effect, such termination of employment shall be treated as a termination without cause by the Company, and the provisions of Section 6(c) shall apply.

3 . **Base Salary.** The Company will pay Executive a base salary (“Base Salary”) at the annual rate of \$600,000 per year. The Compensation Committee (“Committee”) of the Board of Directors of the Company (“Board”) may adjust Executive’s Base Salary from time to time, provided that the Base Salary (as previously increased, if applicable) may not be reduced without Executive’s consent. The Base Salary will be payable in accordance with the payroll practices of the Company in effect from time to time, but not less frequently than monthly.

4. **Incentive Compensation.**

(a) **Bonus.** For each calendar year during the Agreement Term and any Renewal Term, Executive shall be entitled to annual incentive compensation (the “**Bonus**”) under the Company’s 2006 Annual Incentive Plan (which is also known as the Company’s 2006 Executive Management Incentive Plan and the Meritage Homes Corporation Executive Management Incentive Plan) or any successor thereto (“**Incentive Plan**”), subject to the achievement of certain performance goals established by the Committee pursuant to the Incentive Plan and other terms and conditions, as set forth on Exhibit A.

(b) **Long-Term Incentives.** For each calendar year during the Agreement Term and any Renewal Term, Executive shall be entitled to (i) a Performance Share Award or a Restricted Stock Unit Award under the Company’s 2006 Stock Incentive Plan or any successor thereto (“**Stock Incentive Plan**”), subject to the achievement of certain performance goals established by the Committee pursuant to the Stock Incentive Plan and other terms and conditions, as set forth on Exhibit B, and (ii) a Restricted Stock Unit Award under the Stock Incentive Plan, subject to a three-year vesting schedule and other terms and conditions, as set forth on Exhibit C.

5. **Executive Benefits.** During the term of this Agreement, Executive will be entitled to reimbursement of reasonable and customary business expenses. The Company will provide Executive a \$1,200 per month automobile allowance and such fringe benefits and other Executive benefits as are regularly provided by the Company to its senior executives (*e.g.*, health and life insurance, Paid Time Off, 401(k), etc.); provided, however, that nothing herein shall preclude the Company from amending or terminating any employee or general executive benefit plan or program. In addition, the Company shall provide the Executive with the benefits set forth on Exhibit D, which benefits may not be terminated, reduced or modified in any respect during the term hereof without the written consent of Executive. The Company shall pay all reasonable attorneys’ fees incurred for drafting and reviewing this Fourth Amended and Restated Employment Agreement and all related documents within 60 days after it is signed by the parties.

6. **Termination.**

(a) **Voluntary Resignation by Executive without Good Reason.** If Executive voluntarily terminates his employment with the Company without Good Reason, then:

(i) the Company shall within 15 days after termination pay Executive his Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) no Bonus shall be payable for the performance period in which termination occurs;

(iv) no Performance Share Awards or Restricted Stock Unit Awards under Section 4(b)(i) or other performance based awards shall be payable for the performance period in which termination occurs;

(v) any Restricted Stock Unit Awards under Section 4(b)(ii) or other time based awards that are not vested prior to or on account of such termination shall be forfeited; and

(vi) the Company shall not pay or reimburse Executive for COBRA premiums for the period that the Company is required to offer COBRA coverage as a matter of law.

(b) **Voluntary Resignation by Executive with Good Reason.** If Executive voluntarily terminates his employment with the Company with Good Reason, then:

(i) the Company shall within 15 days after termination pay Executive's Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) the Company shall pay Executive a pro rata Bonus based upon actual performance for the performance period in which termination occurs, determined in accordance with paragraph F of Exhibit A and paid at such time as Bonuses are paid to other executives but not later than March 15 of the calendar year following the end of the performance period;

(iv) all previously granted time based awards that are outstanding (including any Restricted Stock Unit Awards and other similar time based awards but not restricted stock awards which shall be dealt with under Section 6(b)(v) below) shall immediately vest and become unrestricted and the Company shall deliver to Executive the Shares subject to the time based awards;

(v) all previously granted time based restricted stock awards that are outstanding shall immediately vest and become unrestricted;

(vi) the Company shall deliver to Executive the Shares (as defined in paragraph A of Exhibit B) subject to the previously granted Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended, determined based upon actual performance in accordance with Exhibit B and delivered at such time as performance share awards for other Executives are settled but not later than March 15 of the calendar year following the end of the applicable performance period for each such award;

(vii) all previously granted performance based restricted stock awards for any performance periods that have not yet ended shall vest and become unrestricted immediately following the end of the applicable performance period for such awards based upon actual performance achieved during the applicable performance period;

(viii) any stock option grants that remain outstanding as of the date of termination shall immediately vest, if not previously vested, and shall remain exercisable for the remainder of the original term but not later than the 10th anniversary of the original date of grant;

(ix) the Company shall pay Executive an amount equal to 150% of the monthly COBRA premium payable for the coverage in effect on the date of termination for Executive and, if applicable, his dependents under the Company's group health plan, multiplied by 18;

(x) at the Company's option, the Executive shall render reasonable consulting services to the Company during the 12-month period following termination of employment as may be requested from time to time by the Chairman of the Committee, in accordance with, and subject to, Section 9; and

(xi) the Company will pay Executive an amount equal to the sum of (A) two times the Executive's Base Salary on the Date of Termination of employment, and (B) two times the higher of (x) the average of the Bonus compensation paid to Executive for the two years prior to his termination of employment or (y) the annual Bonus paid to Executive for the year preceding the date of termination. For purposes of determining the amount of the Executive's Bonus paid for any year during the above two-year period, the amount of the Bonus compensation considered paid for purposes of this provision shall be the greater of

(a) the Bonus paid to the Executive, or (b) the fair value on the day of grant (which, for restricted stock, restricted stock units and performance share awards shall equal the closing market price of the Company's common stock on such day, and for options, stock appreciation rights and similar awards shall equal the value calculated pursuant to the Black-Scholes or similar valuation model as of the day of grant) of the shares of the Company's restricted stock, restricted stock units, performance shares, stock options and other equity awards that became vested in such year; provided, however that the total amount set forth in Section 6(b)(xi) shall not exceed \$2 million.

Unless otherwise provided in this Agreement, any amount payable or deliverable under Sections 6(b)(iv), (ix) and (xi) shall be paid in a lump-sum payment or delivered within 60 days following Executive's termination of employment. Notwithstanding anything in this Section 6(b) to the contrary, if the 60 day period spans two calendar years, the payment or delivery to which Executive is entitled under this Section 6(b) shall be made in the second calendar year.

(c) **Termination without Cause by the Company.** If the Company terminates Executive without Cause, then:

(i) the Company shall within 15 days after termination pay Executive's Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) the Company shall pay Executive a pro rata Bonus based upon actual performance for the performance period in which termination occurs, determined in accordance with paragraph F of Exhibit A and paid at such time as Bonuses are paid to other executives but not later than March 15 of the calendar year following the end of the performance period;

(iv) all previously granted time based awards that are outstanding (including any Restricted Stock Unit Awards and other similar time based awards but not restricted stock awards which shall be dealt with under Section 6(c)(v) below) shall immediately vest and become unrestricted and the Company shall deliver to Executive the Shares subject to the time based awards;

(v) all previously granted time based restricted stock awards that are outstanding shall immediately vest and become unrestricted;

(vi) the Company shall deliver to Executive the Shares subject to previously granted Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) and other similar previously granted performance awards for any performance periods

that have not yet ended, determined based upon actual performance in accordance with Exhibit B and delivered at such time as performance share awards for other executives are settled but not later than March 15 of the calendar year following the end of the applicable performance period for each such award;

(vii) all previously granted performance based restricted stock awards for any performance periods that have not yet ended shall vest and become unrestricted immediately following the end of the applicable performance period for such awards based upon actual performance achieved during the applicable performance period;

(viii) any stock option grants that remain outstanding as of the date of termination shall immediately vest, if not previously vested, and shall remain exercisable for the remainder of the original term but not later than the 10th anniversary of the original date of grant;

(ix) the Company shall pay Executive an amount equal to 150% of the monthly COBRA premium payable for the coverage in effect on the date of termination for Executive and, if applicable, his dependents under the Company's group health plan, multiplied by 18;

(x) at the Company's option, the Executive shall render reasonable consulting services to the Company during the 12-month period following termination of employment as may be requested from time to time by the Chairman of the Committee, in accordance with, and subject to Section 9; and

(xi) the Company will pay Executive an amount equal to the sum of (A) Executive's Base Salary on the Date of Termination of employment, and (B) the higher of (x) the average of the Bonus compensation paid to Executive for the two years prior to his termination of employment or (y) the annual Bonus paid to Executive for the year preceding the date of termination. For purposes of determining the amount of the Executive's Bonus paid for any year during the above two-year period, the amount of the Bonus compensation considered paid for purposes of this provision shall be the greater of (a) the Bonus paid to the Executive, or (b) the fair value on the day of grant (which, for restricted stock, restricted stock units and performance share awards shall equal the closing market price of the Company's common stock on such day, and for options, stock appreciation rights and similar awards shall equal the value calculated pursuant to the Black-Scholes or similar valuation model as of the day of grant) of the shares of the Company's restricted stock, restricted stock units, performance shares, stock options and other equity awards that became vested in such year; provided, however that the total amount set forth in Section 6(c)(xi) shall not exceed \$2 million.

Unless otherwise provided in this Agreement, any amount payable or deliverable under Sections 6(c)(iv), (ix) and (xi) shall be paid in a lump-sum payment or delivered within 60 days following Executive's termination of employment. Notwithstanding anything in this Section 6(c) to the contrary, if the 60 day period spans two calendar years, the payment or delivery to which Executive is entitled under this Section 6(c) shall be made in the second calendar year.

(d) **Termination for Cause by the Company.** If the Company terminates Executive's employment for Cause, then:

(i) the Company shall within 15 days after termination pay Executive's Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) no Bonus shall be payable for the performance period in which termination occurs;

(iv) no Performance Share Awards or Restricted Stock Unit Awards under Section 4(b)(i) or other performance based awards shall be payable for any performance periods that have not yet ended; and

(v) any Restricted Stock Unit Awards under Section 4(b)(ii), and any time based restricted stock awards or other similar time based awards that are not vested prior to such termination shall be forfeited.

Upon a termination for Cause by the Company, the provisions of Section 7 (Restrictive Covenant) shall automatically become applicable for a six-month period (rather than the two-year period set forth therein), without any further payment due Executive. Executive acknowledges and agrees that the compensation herein is adequate consideration for such covenants.

(e) **Termination upon Death or Disability.** If Executive's employment is terminated as a result of Executive's death or Disability, then:

(i) the Company shall within 15 days after termination pay Executive's Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) the Company shall pay Executive his Target Bonus for the performance period in which termination occurs as described in paragraph C of Exhibit A (provided that for any performance period beginning prior to January 1, 2015, the amount paid shall be the Bonus based upon actual performance for the performance period (rather than the Target

Bonus) in which termination occurs determined in accordance with Exhibit A, and paid at such time as Bonuses are paid to other executives but not later than March 15 of the calendar year following the end of the performance period);

(iv) all previously granted time based awards that are outstanding (including any Restricted Stock Unit Awards and other similar time based awards but not restricted stock awards which shall be dealt with under Section 6(e)(v) below) shall immediately vest and become unrestricted and the Company shall deliver to the Executive the Shares subject to the time based awards;

(v) all previously granted time based restricted stock awards shall immediately vest and become unrestricted;

(vi) the Company shall deliver to Executive the target number of Shares subject to previously granted Performance Share Awards under Section 4(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended as described in paragraph C of Exhibit B or otherwise (provided that for any performance period beginning prior to January 1, 2015, the Company shall deliver to Executive the Shares subject to previously granted Performance Share Awards under Section 5(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended, determined based upon actual performance in accordance with Exhibit B (rather than delivering the target number of Shares) and delivered at such time as Performance Share Awards for other executives are settled but not later than March 15 of the calendar year following the end of the applicable performance period);

(vii) the target number of shares subject to previously granted performance based restricted stock awards for any performance periods that have not yet ended shall immediately vest and become unrestricted;

(viii) any stock option grants that remain outstanding as of the date of termination shall immediately vest, if not previously vested, and shall remain exercisable for the remainder of the original term but not later than the 10th anniversary of the original date of grant; and

(ix) the Company shall pay Executive an amount equal to 150% of the monthly COBRA premium payable for the coverage in effect on the date of termination for Executive (if Executive's employment is terminated as a result of Disability) and, if applicable, his dependents under the Company's group health plan, multiplied by 18.

Unless otherwise provided in this Agreement, any amount payable or deliverable under Sections 6(e)(iii) (but only for payment of Target Bonuses), (iv), (vi) (but only for target number of Shares) and (ix) shall be paid in a lump-sum payment or delivered within 60 days following Executive's termination of employment. Notwithstanding anything in this Section 6(e) to the contrary, if the 60 day period spans two calendar years, the payment or delivery to which Executive is entitled under this Section 6(e) shall be made in the second calendar year. If Executive dies or becomes

Disabled during any period that the Company is obliged to make payments under Section 6, the Company shall pay the Executive (or in the case of death, the Executive's estate) any unpaid amounts described in Section 6, at the time such amounts would otherwise have been paid to Executive.

(f) **Retirement.** If Executive voluntarily terminates his employment with the Company without Good Reason after completion of 15 cumulative years of service as a named executive officer and/or a member of the Board and after the first anniversary of the date that this Agreement is signed by the parties, the provisions of Section 6(a) shall apply (except as modified in this Section 6(f)) and in addition thereto:

(i) the Company shall pay Executive a pro rata Bonus based upon actual performance for the performance period in which termination occurs, determined in accordance with paragraph F of Exhibit A and paid at such time as Bonuses are paid to other executives but not later than March 15 of the calendar year following the end of the performance period;

(ii) all previously granted time based awards that are outstanding (including any Restricted Stock Unit Awards and other similar time based awards but not restricted stock awards) shall immediately vest and become unrestricted and the Company shall deliver to Executive the Shares subject to the time based awards;

(iii) the Company shall deliver to Executive the Shares subject to the previously granted Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended, determined based upon actual performance in accordance with Exhibit B and delivered at such time as performance share awards for other Executives are settled but not later than March 15 of the calendar year following the end of the applicable performance period for such awards;

(iv) all previously granted performance based restricted stock awards for any performance periods that have not yet ended shall vest and become unrestricted immediately following the end of the applicable performance period for such awards based upon actual performance achieved during the applicable performance period;

(v) any stock option grants that remain outstanding as of the date of termination shall immediately vest, if not previously vested, and shall remain exercisable for the remainder of the original term but not later than the 10th anniversary of the original date of grant; and

(vi) at the Company's option, the Executive shall render reasonable consulting services to the Company during the 12-month period following termination of employment as may be requested from time to time by the Chairman of the Committee, in accordance with, and subject to, Section 9.

Unless otherwise provided in this Agreement, any amount deliverable under Section 6(f)(ii) shall be delivered within 60 days following Executive's termination of employment. Notwithstanding anything in this Section 6(f) to the contrary, if the 60 day period spans two calendar years, the delivery to which Executive is entitled under this Section 6(f) shall be delivered in the second calendar year.

(g) **Directors and Officers Liability Insurance; Indemnification.** In the event of termination of Executive's employment, (i) Executive shall remain covered under the directors and officers liability insurance maintained by the Company in commercially reasonable amounts (as determined by the Board) to the same extent as executives of the Company; and (ii) Executive shall remain eligible for indemnification by the Company to the extent provided for in the Company by-laws in effect from time to time, provided that such indemnification shall not be less favorable than the indemnification provided for in the Company's by-laws in effect as of January 1, 2014.

(h) **Definitions.** For purposes of this Agreement:

(1) "**Cause**" and "**Good Reason**" shall have the meanings ascribed to them in the Third Amended and Restated Change of Control Agreement between Executive and the Company, effective January 1, 2010, as amended ("**CIC Agreement**"), provided, that Good Reason also exists under this Agreement if (A) the Company fails to cause any successor to immediately assume the terms of this Agreement, or (B) the Company materially breaches its obligations under this Agreement and such breach is not cured within a reasonable period of time not to exceed 30 days after written notice from the Executive;

(2) "**Date of Termination**" shall mean (i) if this Agreement is terminated as a result of Executive's death, the date of Executive's death, (ii) if this Agreement is terminated by Executive for Good Reason, the date on which he notifies the Company in writing (but following the Company's opportunity to cure as provided in the CIC Agreement), (iii) if this Agreement is terminated by Executive without Good Reason or on account of retirement, the later of (A) the date on which Executive notifies the Company in writing and (B) the date of termination specified in the written notice, (iv) if this Agreement is terminated by the Company for Disability, the date a notice of termination is given, (v) if this Agreement is terminated by the Company for Cause, the date a final determination is provided to Executive by the Company (following the procedures set forth in the CIC Agreement), or (vi) if this Agreement is terminated by the Company without Cause, the date notice of termination is given to Executive by the Company;

(3) "**Disability**" shall mean Executive is, by reason of any medically determinable physical or mental impairment which actually hinders Executive's ability to perform his job and which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than six months under an accident and health plan established by the Company for its employees.

(i) **Procedures for Notices of Termination.** The procedures set forth in Section 8(a), (b) and (d) of the CIC Agreement shall apply under this Agreement in connection with a notice of termination as to the kind of termination events described in those subsections.

(j) **Release Agreement.** Notwithstanding anything to the contrary herein, no payment (other than payments described in (i) and (ii) of Sections 6(a), (b), (c), (d) and (e); payments under Section 6(e) on account of death; and any payment under Section 6(g)) shall be made under this Section 6 unless Executive executes (and does not revoke) a legal release (“Release Agreement”), in substantially the form attached hereto as Exhibit E, in which Executive releases the Company, its affiliates, directors, officers, employees, agents and others affiliated with the Company from any and all claims, including claims relating to Executive’s employment with the Company and the termination of Executive’s employment. The Release Agreement shall be provided to Executive within 5 days following Executive’s termination of employment. The Release Agreement must be executed and returned to the Company within the 21 or 45 day (as applicable) period described in the Release Agreement and it must not be revoked by Executive within the 7-day revocation period described in the Release Agreement.

(k) **Compliance with Code Section 409A.** Any payment under this Section 6 shall be subject to the provisions of this Section 6(k) (except for a payment pursuant to Section 6(e) as a result of Executive’s death). If and to the extent required by Code Section 409A, any payment or benefit required to be paid under this agreement on account of termination of Executive’s employment shall be made only after Executive incurs a “separation from service” within the meaning of Code Section 409A. If Executive is a “Specified Employee” of the Company for purposes of Code Section 409A at the time of a payment event set forth in Section 6 and if no exception from Code Section 409A applies in whole or in part, then the severance or other payments pursuant to Section 6 that are subject to Section 409A shall be made to Executive by the Company or commence on the later of the date otherwise provided therein or the first day of the seventh month following the date of the Executive’s separation from service (the “409A Payment Date”). Should this paragraph 6(k) result in a delay of payments to Executive, the Company shall begin to make such payments as described in this paragraph 6(k), provided that any amounts that would have been payable earlier but for the application of this paragraph 6(k), shall be paid in lump-sum on the 409A Payment Date along with accrued interest at the rate of interest announced by Bank of America, Arizona from time to time as its prime rate from the date that payments to you should have been made under this Agreement. For purposes of this provision, the term Specified Employee shall have the meaning set forth in Code Section 409A(a)(2)(B)(i) or any successor provision and the treasury regulations and rulings issued thereunder. It is the intention of both the Company and Executive that the benefits and rights to which Executive could be entitled pursuant to this Agreement comply with Code Section 409A, to the extent that the requirements of Code Section 409A are applicable thereto, and the provisions of this Agreement shall be construed in a manner consistent with that intention. If Executive or the Company believes, at any time, that any such benefit or right that is subject to Code Section 409A does not comply, it shall promptly advise the other and shall negotiate reasonably and in good faith to amend the terms of such benefits and rights such that they comply with Code Section 409A (with the most limited possible economic effect on Executive and on the Company). Any reimbursement under this Agreement, to the extent it constitutes a deferral of compensation under Code Section 409A, shall meet the following

requirements: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year, (ii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred, and (iii) the right to reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

(1) **No Duty to Mitigate.** Any payments under this Section 6 will be made to Executive without regard to whether Executive looks for or obtains alternative employment following termination of employment with the Company hereunder.

(m) **Expenses and Interest.** If a good faith dispute shall arise with respect to the enforcement of any rights under this Agreement or if any arbitration or legal proceeding shall be brought in good faith to enforce or interpret any provision hereof, or to recover damages for breach hereof, the prevailing party shall recover any reasonable attorneys' fees and necessary costs and disbursement incurred as a result of such dispute or legal proceeding, and prejudgment interest on any money judgment obtained calculated at the rate of interest announced by Bank of America, Arizona from time to time as its prime rate from the date that payments were or should have been made under this Agreement.

7. **Restrictive Covenant.**

(a) Executive hereby covenants and agrees that for a period of two years from the Date of Termination, Executive will not:

(1) Directly or indirectly, hire or solicit for employment for any other business entity other than the Company (whether as an employee, consultant, independent contractor, or otherwise) any person who is, or within the six month period preceding the date of such activity was, an employee, independent contractor or the like of the Company or any of its subsidiaries, unless Company gives its written consent to such employment or offer of employment.

(2) Call on or directly or indirectly solicit or divert or take away from Company or any of its subsidiaries (including, without limitation, by divulging to any competitor or potential competitor or company or its subsidiaries) any person, firm, corporation or other entity who was a customer or prospective customer of the Company during Executive's term of employment.

(b) The covenants set forth in this Section 7 shall begin as of the Effective Date and will survive the Executive's termination of employment under Section 6.

8. **Non-Disclosure of Confidential Information.**

(a) It is understood that in the course of Executive's employment with Company, Executive will become acquainted with Company Confidential Information (as defined below). Executive recognizes that Company Confidential Information has been developed or acquired at great expense, is proprietary to the Company, and is and shall remain the exclusive property of the Company. Accordingly, Executive agrees that except as otherwise ordered in a legal or regulatory proceeding, he will not, disclose to others, copy, make any use of, or remove from Company's premises any Company Confidential Information, except as Executive's duties may specifically require, without the express written consent of the Company, during Executive's employment with the Company and thereafter until such time as Company Confidential Information becomes generally known, or readily ascertainable by proper means by persons unrelated to the Company.

(b) Upon any termination of employment, Executive shall promptly deliver to the Company the originals and all copies of any and all materials, documents, notes, manuals, or lists containing or embodying Company Confidential Information, or relating directly or indirectly to the business of the Company, in the possession or control of Executive.

(c) Executive hereby agrees that the period of time provided for in this Section 8 and other provisions and restrictions set forth herein are reasonable and necessary to protect the Company and its successors and assigns in the use and employment of the goodwill of the business conducted by Executive. Executive further agrees that damages cannot adequately compensate the Company in the event of a violation of this Section 8 and that, if such violation should occur, injunctive relief shall be essential for the protection of the Company and its successors and assigns. Accordingly, Executive hereby covenants and agrees that, in the event any of the provisions of this Section 8 shall be violated or breached, the Company shall be entitled to obtain injunctive relief against the party or parties violating such covenants, without bond but upon due notice, in addition to such further or other relief as may be available at equity or law. Obtainment of such an injunction by the Company shall not be considered an election of remedies or a waiver of any right to assert any other remedies which the Company has at law or in equity. No waiver of any breach or violation hereof shall be implied from forbearance or failure by the Company to take action thereof. The prevailing party in any litigation, arbitration or similar dispute resolution proceeding to enforce this provision will recover any and all reasonable costs and expenses, including attorneys' fees.

(d) "**Company Confidential Information**" shall mean confidential, proprietary information or trade secrets of Company and its subsidiaries and affiliates including without limitation the following: (1) customer lists and customer information as compiled by Company; (2) Company's internal practices and procedures; (3) Company's financial condition and financial results of operation; (4) supply of materials information, including sources and costs, designs, information on land and lot inventories, and current and prospective projects; (5) strategic planning, manufacturing, engineering, purchasing, finance, marketing, promotion, distribution, and selling activities; (6) all other information which Executive has a reasonable basis to consider confidential or which is treated by Company as confidential; and (7) all information having independent economic value to Company that is not generally known to, and not readily ascertainable by proper means by, persons who can obtain economic value from its disclosure or use. Notwithstanding the

foregoing provisions, the following shall not be considered "Company Confidential Information": (i) the general skills of the Executive as an experienced real estate and homebuilding entrepreneur and senior management level employee; (ii) information generally known by senior management executives within the homebuilding and/or land development industry; (iii) persons, entities, contacts or relationships of Executive that are also generally known in the industry; and (iv) information which becomes available on a non-confidential basis from a source other than Executive which source is not prohibited from disclosing such confidential information by legal, contractual or other obligation.

9. **Cooperation; No Disparagement.** During the one-year period following the Executive's Date of Termination, Executive agrees to provide reasonable assistance to the Company (including assistance with litigation matters), upon the Company's request, concerning the Executive's previous employment responsibilities and functions with the Company. Additionally, at all times after the Executive's employment with the Company has terminated, Company and Executive agree to refrain from making any disparaging or derogatory remarks, statements and/or publications regarding the other, its employees or its services. In consideration for such cooperation, Company shall compensate Executive for the time Executive spends on such cooperative efforts (at an hourly rate based on Executive's total compensation during the year preceding the Date of Termination) and Company shall reimburse Executive for the reasonable out-of-pocket expenses Executive incurs in connection with such cooperative efforts. In addition, in no event will the Executive be required to provide services to the Company pursuant to this Section 9 at a level that exceeds 20% of the average level of bona fide services Executive provided to Company in the immediately preceding 36 months.

10. **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any applicable law, then such provision will be deemed to be modified to the extent necessary to render it legal, valid and enforceable, and if no such modification will make the provision legal, valid and enforceable, then this Agreement will be construed as if not containing the provision held to be invalid, and the rights and obligations of the parties will be construed and enforced accordingly.

11. **Assignment by Company.** Nothing in this Agreement shall preclude the Company from consolidating or merging into or with, or transferring all or substantially all of its assets to, another corporation or entity that assumes this Agreement and all obligations and undertakings hereunder. Upon such consolidation, merger or transfer of assets and assumption, the term "Company" as used herein shall mean such other corporation or entity, as appropriate, and this Agreement shall continue in full force and effect.

12. **Entire Agreement.** This Agreement, the CIC Agreement, and any agreements concerning stock options, restricted stock, restricted stock units or other benefits, embody the complete agreement of the parties hereto with respect to the subject matter hereof and supersede any prior written, or prior or contemporaneous oral, understandings or agreements between the parties that may have related in any way to the subject matter hereof. This Agreement may be amended only in writing executed by the Company and Executive.

13. **Governing Law.** This Agreement and all questions relating to its validity, interpretation, performance and enforcement, shall be governed by and construed in accordance with the internal laws, and not the law of conflicts, of the State of Arizona.

14. **Notice.** Any notice required or permitted under this Agreement must be in writing and will be deemed to have been given when delivered personally or by overnight courier service or three days after being sent by mail, postage prepaid, at the address indicated below or to such changed address as such person may subsequently give such notice of:

if to Company: Meritage Homes Corporation
8800 East Raintree, Suite 300
Scottsdale, Arizona 85260
Attention: Chief Executive Officer

if to Executive: Larry W. Seay
802 W. El Caminito Drive
Phoenix, Arizona 85021
Phone: (602) 943-3128

15. **Arbitration.** Any dispute, controversy, or claim, whether contractual or non-contractual, between the parties hereto arising directly or indirectly out of or connected with this Agreement, relating to the breach or alleged breach of any representation, warranty, agreement, or covenant under this Agreement, unless mutually settled by the parties hereto, shall be resolved by binding arbitration in accordance with the Employment Arbitration Rules of the American Arbitration Association (the "AAA"). The parties agree that before the proceeding to arbitration that they will mediate their disputes before the AAA by a mediator approved by the AAA. Any arbitration shall be conducted by arbitrators approved by the AAA and mutually acceptable to Company and Executive. All such disputes, controversies or claims shall be conducted by a single arbitrator, unless the dispute involves more than \$50,000 in the aggregate in which case the arbitration shall be conducted by a panel of three arbitrators. If the parties hereto are unable to agree on the mediator or the arbitrator(s), then the AAA shall select the arbitrator(s). The resolution of the dispute by the arbitrator(s) shall be final, binding, nonappealable, and fully enforceable by a court of competent jurisdiction under the Federal Arbitration Act. The arbitrator(s) shall award damages to the prevailing party. The arbitration award shall be in writing and shall include a statement of the reasons for the award. The arbitration shall be held in the Phoenix/Scottsdale metropolitan area. The Company shall pay all AAA, mediation, and arbitrator's fees and costs. The arbitrator(s) shall award reasonable attorneys' fees and costs to the prevailing party.

16. **Withholding; Release; No Duplication of Benefits.** All of Executive's compensation under this Agreement will be subject to deduction and withholding authorized or required by applicable law. The Company's obligation to make any post-termination payments hereunder (other than those payments described in Section 6(j) and expense reimbursements through a date of termination), shall be subject to receipt by the Company from Executive of the Release Agreement, and compliance by Executive with the covenants set forth in Sections 7 and 8 hereof. If there is any conflict between the provisions of the CIC Agreement and this Agreement, such conflict shall

be resolved so as to provide on an individual item by item basis the greater benefit to Executive. However, in order to avoid duplication of any monetary benefits, any payments or benefits due under Executive's CIC Agreement or under any employee severance plan to the extent such a plan exists or is subsequently implemented by the Company, will not be paid if the corresponding item under this Agreement is equal or greater and is paid.

17. **Effect of Restatement of Financial Results.** Notwithstanding anything in this Agreement to the contrary, to the extent any financial results are misstated as a result of Executive's willful misconduct or gross negligence, and as a result such financial results are subsequently restated downward resulting in lower levels of bonuses pursuant to Section 4 and the accompanying Exhibit A, offsets shall be made against future bonuses. If such future bonuses are insufficient to offset the full difference between awarded bonuses and restated bonuses and/or if such restatement occurs at the end of the Agreement Term and subsequent Renewal Term(s), if any, bonuses previously earned and delivered under this Agreement may be clawed-back.

18. **Successors and Assigns.** This Agreement is solely for the benefit of the parties and their respective successors, assigns, heirs and legatees. Nothing herein shall be construed to provide any right to any other entity or individual.

19. **Related Party Transactions.** Executive may not engage in any related party transactions with the Company unless approved in the specific instance by the Audit Committee of the Board.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first above written.

MERITAGE HOMES CORPORATION, a Maryland corporation

By: /s/ Steven J. Hilton
Name: Steven J. Hilton
Title: Chairman and CEO

EXECUTIVE: LARRY W. SEAY

/s/ Larry W. Seay

EXHIBIT A
BONUS

- A. Bonus Opportunity. For each Performance Period, as defined in paragraph B below, Executive shall be entitled to a Bonus based on his Target Bonus, as set forth in paragraph C below, subject to the achievement of certain performance goals.
- B. Performance Period. For purposes of this Exhibit A, the Performance Period shall be the 12 month period beginning on January 1 of each calendar year during the Agreement Term and any Renewal Term.
- C. Target Bonus and Bonus. Executive's Target Bonus shall be \$600,000. Executive's Bonus that is payable for any Performance Period, if any, shall be an amount ranging from 0% to 200% of the Target Bonus, contingent upon the achievement of one or more performance goals established by the Committee for such Performance Period, as set forth in paragraph D. Notwithstanding the foregoing, the Bonus payable to the Executive shall not exceed the maximum bonus that could be payable under the Incentive Plan.
- D. Performance Goals. Subject to and in accordance with the requirements under Section 162(m) of the Code, no later than 90 days after the commencement of each Performance Period, the Committee shall, in its sole discretion, establish in writing one or more preestablished, objective performance goals for such Performance Period. Such performance goal(s) shall state, in terms of an objective formula or standard, the amount of the Target Bonus payable to Executive upon achievement of each such performance goal (or any specified threshold, intermediate, target, maximum or other level with respect thereto).
- E. Incentive Plan. This Exhibit A, subject to any action taken by the Committee pursuant thereto, shall be subject to the terms and conditions of, the Incentive Plan. If there is any conflict between the provisions of the Agreement or this Exhibit A and the Incentive Plan, or any award agreement, the Agreement or this Exhibit A (as applicable) shall control.
- F. Pro Rata Bonus. A pro rata Bonus, where applicable, shall be an amount equal to (1) the Bonus otherwise determined by the Committee based upon actual performance for the Performance Period in accordance with the foregoing provisions of this Exhibit A, multiplied by (2) a fraction, the numerator of which is the number of days that Executive is employed by the Company during the Performance Period, and the denominator of which is the total number of days in the Performance Period.
- G. Payment. Except as otherwise provided in the Agreement, any Bonus payable under this Exhibit A (including any pro rata Bonus determined under paragraph F) shall be paid in cash to Executive at the time(s) determined by the Committee in its reasonable discretion, provided that the Bonus shall be paid in its entirety no later than March 15 of the calendar year following the calendar year to which the payment relates.

EXHIBIT B
PERFORMANCE SHARE AWARD

- A. Performance Share Opportunity. For each Performance Period, as defined in paragraph B below, Executive shall be granted a Performance Share Award (“PSA”) under the Stock Incentive Plan giving Executive the right to receive shares of common stock of the Company (“Shares”), based on a target specified in paragraph C below and subject to the achievement of certain performance goals.
- B. Performance Period. For purposes of this Exhibit B, the Performance Period shall be the three year period beginning on January 1 of each calendar year during the Agreement Term and any Renewal Term.
- C. Shares. A target number of Shares with a fair market value on the date of grant, based on the closing price of the Company’s stock on such date, of \$450,000 shall be established for the PSA for each Performance Period. The PSA that is payable for any Performance Period, if any, shall be an amount ranging from 0% to 150% of such target number of Shares, contingent upon the achievement of one or more performance goals established by the Committee for such Performance Period, as set forth in paragraph D. Notwithstanding the foregoing, the maximum number of shares deliverable pursuant to any PSA shall not exceed the maximum number of shares that could be granted during a calendar year under the Stock Incentive Plan.
- D. Performance Goals. Subject to and in accordance with the requirements under Section 162(m) of the Code, no later than 90 days after the commencement of each Performance Period, the Committee shall, in its sole discretion, establish in writing one or more preestablished, objective performance goals for such Performance Period. Such performance goal(s) shall state, in terms of an objective formula or standard, the amount of the target number of Shares determined under paragraph C for such Performance Period payable to Executive upon achievement of each such performance goal (or any specified threshold, intermediate, target, maximum or other level with respect thereto).
- E. Stock Incentive Plan. This Exhibit B, subject to any action taken by the Committee pursuant thereto, shall be subject to the terms and conditions of the Stock Incentive Plan. If there is any conflict between the provisions of the Agreement or this Exhibit B and the Stock Incentive Plan or any award agreement, the Agreement or this Exhibit B (as applicable) shall control.
- F. Payment. Except as otherwise provided in the Agreement, any PSAs payable under this Exhibit B shall be settled by delivery of whole Shares (with cash for any fractional share) to Executive at the time(s) determined by the Committee in its reasonable discretion, provided that such Shares shall be delivered (and such cash, if any, shall be paid) no later than March 15 of the calendar year following the Performance Period to which the payment relates.

- G. Restricted Stock Units. The Company may grant Executive performance based restricted stock units in lieu of the PSAs; provided, however, that such restricted stock units shall be on the same terms and conditions as the PSAs and the provisions herein and in the Agreement with respect to PSAs shall apply to the performance based restricted stock units.

EXHIBIT C
RESTRICTED STOCK UNIT AWARD

- A. Restricted Stock Unit. For each Vesting Period, as defined in paragraph B below, Executive shall be granted in January or February of each calendar year a Restricted Stock Unit Award (“RSU”) under the Stock Incentive Plan giving Executive the right to receive shares of common stock of the Company (“Shares”) with a fair market value on the date of grant, based on the closing price of the Company’s stock on such date, of \$450,000. Notwithstanding the foregoing, the maximum number of Shares deliverable pursuant to any RSU shall not exceed the maximum number of Shares that could be granted during a calendar year under the Stock Incentive Plan, reduced by the maximum number of shares deliverable pursuant to a PSA granted under Exhibit B during the same calendar year.
- B. Vesting Period. For purposes of this Exhibit C, the Vesting Period for any RSU shall be the three year period beginning on January 1 of each calendar year.
- C. Vesting. The RSU for any Vesting Period shall become fully vested and nonforfeitable as of the earlier of (i) the last day of the Vesting Period, provided that Executive remains continuously employed by the Company through and including such day, and (ii) the Executive’s termination of employment to the extent provided in the Agreement. Any RSU Award that does not vest prior to or on account of the Executive’s termination of employment shall be forfeited.
- D. Stock Incentive Plan. This Exhibit C shall be subject to the terms and conditions of, the Stock Incentive Plan. If there is any conflict between the provisions of the Agreement or this Exhibit C and the Stock Incentive Plan or any award agreement, the Agreement or this Exhibit C (as applicable) shall control.
- E. Payment. Except as otherwise provided in the Agreement, any RSUs which become fully vested and nonforfeitable under paragraph C of this Exhibit C shall be settled by delivery of whole Shares (with cash for any fractional share) to Executive within 60 days after the end of the Vesting Period. Notwithstanding anything in this Exhibit C to the contrary, if the 60 day payment distribution period spans two calendar years, the payment to which Executive is entitled under this paragraph E shall be made in the second calendar year.

EXHIBIT D
SPECIFIED BENEFITS

1. Payments annually for Executive to purchase life insurance in the amount of \$3,000,000 (or reimbursement for the premiums paid by Executive for such policy).

2. The Company shall provide Executive with disability insurance with monthly benefits of \$20,000 in the event of Executive's total disability (or reimbursement for the premiums paid by Executive for such policy); provided that in lieu of such disability benefit, the Executive may elect to receive any combination of disability and/or long term care benefit(s) so long as the Company's cost of such other benefit(s) does not exceed the Company's cost of a comparable disability benefit.

3. Taxes related to any payments and benefits above shall be the sole responsibility of the Executive.

C. TIMOTHY WHITE
SECOND AMENDED AND RESTATED
EMPLOYMENT AGREEMENT
(Effective as of January 1, 2014)

This Employment Agreement (“Agreement”) is entered into on March 25, 2014 by and between Meritage Homes Corporation, a Maryland corporation (“Company”) and C. Timothy White, an individual (“Executive”) effective as of January 1, 2014 (“Effective Date”).

RECITALS

WHEREAS, the Executive is currently employed by the Company as Executive Vice President, General Counsel and Secretary of the Company;

WHEREAS, the Company and the Executive previously entered into an amended and restated employment agreement defining the terms and conditions of Executive’s employment with the Company, dated as of January 1, 2010 (“Original Agreement”);

WHEREAS, the Original Agreement provided Executive with certain rights, responsibilities and benefits;

WHEREAS, the Company and Executive believe that it is in the best interest of each to make certain other changes to Executive’s terms and conditions of his employment with the Company; and

WHEREAS, the Company desires to continue to obtain the services of Executive, and Executive desires to provide services to the Company, in accordance with the terms, conditions and provisions of this Agreement.

NOW THEREFORE, in consideration of the covenants and mutual agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in reliance upon the representations, covenants and mutual agreements contained herein, the Company and Executive agree to amend and restate the Original Agreement as follows:

1. **Employment.** Subject to the terms and conditions of this Agreement, the Company agrees to employ Executive as Executive Vice President, General Counsel and Secretary of the Company, and Executive agrees to diligently perform the duties associated with such positions. Executive will report directly to the Chairman and Chief Executive Officer. Executive will devote substantially all of his business time, attention and energies to the business of the Company and will comply with the charters, policies and guidelines established by the Company from time to time applicable to its directors and senior management executives.

2 . **Term.** Executive will be employed under this Agreement until December 31, 2016 (“Agreement Term”), unless Executive’s employment is terminated earlier pursuant to Section 6. Thereafter, the Agreement will automatically renew for additional periods of one year (“Renewal

Term(s)”), unless on or before August 31, 2016 (or August 31 of any Renewal Term), either Executive or the Company notifies the other in writing that it wishes to terminate employment under this Agreement at the end of the term then in effect. If, pursuant to the foregoing, the Company notifies the Executive that it wishes to terminate employment under this Agreement at the end of the term then in effect, such termination of employment shall be treated as a termination without cause by the Company, and the provisions of Section 6(c) shall apply.

3 . **Base Salary.** The Company will pay Executive a base salary (“Base Salary”) at the annual rate of \$525,000 per year. The Compensation Committee (“Committee”) of the Board of Directors of the Company (“Board”) may adjust Executive’s Base Salary from time to time, provided that the Base Salary (as previously increased, if applicable) may not be reduced without Executive’s consent. The Base Salary will be payable in accordance with the payroll practices of the Company in effect from time to time, but not less frequently than monthly.

4. **Incentive Compensation.**

(a) **Bonus.** For each calendar year during the Agreement Term and any Renewal Term, Executive shall be entitled to annual incentive compensation (the “**Bonus**”) under the Company’s 2006 Annual Incentive Plan (which is also known as the Company’s 2006 Executive Management Incentive Plan and the Meritage Homes Corporation Executive Management Incentive Plan) or any successor thereto (“**Incentive Plan**”), subject to the achievement of certain performance goals established by the Committee pursuant to the Incentive Plan and other terms and conditions, as set forth on Exhibit A.

(b) **Long-Term Incentives.** For each calendar year during the Agreement Term and any Renewal Term, Executive shall be entitled to (i) a Performance Share Award or a Restricted Stock Unit Award under the Company’s 2006 Stock Incentive Plan or any successor thereto (“**Stock Incentive Plan**”), subject to the achievement of certain performance goals established by the Committee pursuant to the Stock Incentive Plan and other terms and conditions, as set forth on Exhibit B, and (ii) a Restricted Stock Unit Award under the Stock Incentive Plan, subject to a three-year vesting schedule and other terms and conditions, as set forth on Exhibit C.

5 . **Executive Benefits.** During the term of this Agreement, Executive will be entitled to reimbursement of reasonable and customary business expenses. The Company will provide Executive a \$1,200 per month automobile allowance and such fringe benefits and other Executive benefits as are regularly provided by the Company to its senior executives (*e.g.*, health and life insurance, Paid Time Off, 401(k), etc.); provided, however, that nothing herein shall preclude the Company from amending or terminating any employee or general executive benefit plan or program. In addition, the Company shall provide the Executive with the benefits set forth on Exhibit D, which benefits may not be terminated, reduced or modified in any respect during the term hereof without the written consent of Executive. The Company shall pay all reasonable attorneys’ fees incurred for drafting and reviewing this Second Amended and Restated Employment Agreement and all related documents within 60 days after it is signed by the parties.

6. **Termination.**

(a) **Voluntary Resignation by Executive without Good Reason.** If Executive voluntarily terminates his employment with the Company without Good Reason, then:

(i) the Company shall within 15 days after termination pay Executive his Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) no Bonus shall be payable for the performance period in which termination occurs;

(iv) no Performance Share Awards or Restricted Stock Unit Awards under Section 4(b)(i) or other performance based awards shall be payable for the performance period in which termination occurs;

(v) any Restricted Stock Unit Awards under Section 4(b)(ii) or other time based awards that are not vested prior to or on account of such termination shall be forfeited; and

(vi) the Company shall not pay or reimburse Executive for COBRA premiums for the period that the Company is required to offer COBRA coverage as a matter of law.

(b) **Voluntary Resignation by Executive with Good Reason.** If Executive voluntarily terminates his employment with the Company with Good Reason, then:

(i) the Company shall within 15 days after termination pay Executive's Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) the Company shall pay Executive a pro rata Bonus based upon actual performance for the performance period in which termination occurs, determined in accordance with paragraph F of Exhibit A and paid at such time as Bonuses are paid to other executives but not later than March 15 of the calendar year following the end of the performance period;

(iv) all previously granted time based awards that are outstanding (including any Restricted Stock Unit Awards and other similar time based awards but not restricted stock awards which shall be dealt with under Section 6(b)(v) below) shall immediately vest and become unrestricted and the Company shall deliver to Executive the Shares subject to the time based awards;

(v) all previously granted time based restricted stock awards that are outstanding shall immediately vest and become unrestricted;

(vi) the Company shall deliver to Executive the Shares (as defined in paragraph A of Exhibit B) subject to the previously granted Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended, determined based upon actual performance in accordance with Exhibit B and delivered at such time as performance share awards for other Executives are settled but not later than March 15 of the calendar year following the end of the applicable performance period for each such award;

(vii) all previously granted performance based restricted stock awards for any performance periods that have not yet ended shall vest and become unrestricted immediately following the end of the applicable performance period for such awards based upon actual performance achieved during the applicable performance period;

(viii) any stock option grants that remain outstanding as of the date of termination shall immediately vest, if not previously vested, and shall remain exercisable for the remainder of the original term but not later than the 10th anniversary of the original date of grant;

(ix) the Company shall pay Executive an amount equal to 150% of the monthly COBRA premium payable for the coverage in effect on the date of termination for Executive and, if applicable, his dependents under the Company's group health plan, multiplied by 18;

(x) at the Company's option, the Executive shall render reasonable consulting services to the Company during the 12-month period following termination of employment as may be requested from time to time by the Chairman of the Committee in accordance with, and subject to, Section 9; and

(xi) the Company will pay Executive an amount equal to the sum of (A) two times the Executive's Base Salary on the Date of Termination of employment, and (B) two times the higher of (x) the average of the Bonus compensation paid to Executive for the two years prior to his termination of employment or (y) the annual Bonus paid to Executive for the year preceding the date of termination. For purposes of determining the amount of the Executive's Bonus paid for any year during the above two-year period, the amount of the Bonus compensation considered paid for purposes of this provision shall be the greater of (a) the Bonus paid to the Executive, or (b) the fair value on the day of grant (which, for restricted stock, restricted stock units and performance share awards shall equal the closing

market price of the Company's common stock on such day, and for options, stock appreciation rights and similar awards shall equal the value calculated pursuant to the Black-Scholes or similar valuation model as of the day of grant) of the shares of the Company's restricted stock, restricted stock units, performance shares, stock options and other equity awards that became vested in such year; provided, however that the total amount set forth in Section 6(b)(xi) shall not exceed \$2 million.

Unless otherwise provided in this Agreement, any amount payable or deliverable under Sections 6(b)(iv), (ix) and (xi) shall be paid in a lump-sum payment or delivered within 60 days following Executive's termination of employment. Notwithstanding anything in this Section 6(b) to the contrary, if the 60 day period spans two calendar years, the payment or delivery to which Executive is entitled under this Section 6(b) shall be made in the second calendar year.

(c) **Termination without Cause by the Company.** If the Company terminates Executive without Cause, then:

(i) the Company shall within 15 days after termination pay Executive's Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) the Company shall pay Executive a pro rata Bonus based upon actual performance for the performance period in which termination occurs, determined in accordance with paragraph F of Exhibit A and paid at such time as Bonuses are paid to other executives but not later than March 15 of the calendar year following the end of the performance period;

(iv) all previously granted time based awards that are outstanding (including any Restricted Stock Unit Awards and other similar time based awards but not restricted stock awards which shall be dealt with under Section 6(c)(v) below) shall immediately vest and become unrestricted and the Company shall deliver to Executive the Shares subject to the time based awards;

(v) all previously granted time based restricted stock awards that are outstanding shall immediately vest and become unrestricted;

(vi) the Company shall deliver to Executive the Shares subject to previously granted Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended, determined based upon actual performance in accordance with Exhibit B and delivered at such time as performance share awards for other executives are

settled but not later than March 15 of the calendar year following the end of the applicable performance period for each such award;

(vii) all previously granted performance based restricted stock awards for any performance periods that have not yet ended shall vest and become unrestricted immediately following the end of the applicable performance period for such awards based upon actual performance achieved during the applicable performance period;

(viii) any stock option grants that remain outstanding as of the date of termination shall immediately vest, if not previously vested, and shall remain exercisable for the remainder of the original term but not later than the 10th anniversary of the original date of grant;

(ix) the Company shall pay Executive an amount equal to 150% of the monthly COBRA premium payable for the coverage in effect on the date of termination for Executive and, if applicable, his dependents under the Company's group health plan, multiplied by 18;

(x) at the Company's option, the Executive shall render reasonable consulting services to the Company during the 12-month period following termination of employment as may be requested from time to time by the Chairman of the Committee, in accordance with, and subject to, Section 9; and

(xi) the Company will pay Executive an amount equal to the sum of (A) Executive's Base Salary on the Date of Termination of employment, and (B) the higher of (x) the average of the Bonus compensation paid to Executive for the two years prior to his termination of employment or (y) the annual Bonus paid to Executive for the year preceding the date of termination. For purposes of determining the amount of the Executive's Bonus paid for any year during the above two-year period, the amount of the Bonus compensation considered paid for purposes of this provision shall be the greater of (a) the Bonus paid to the Executive, or (b) the fair value on the day of grant (which, for restricted stock, restricted stock units and performance share awards shall equal the closing market price of the Company's common stock on such day, and for options, stock appreciation rights and similar awards shall equal the value calculated pursuant to the Black-Scholes or similar valuation model as of the day of grant) of the shares of the Company's restricted stock, restricted stock units, performance shares, stock options and other equity awards that became vested in such year; provided, however that the total amount set forth in Section 6(c)(xi) shall not exceed \$2 million.

Unless otherwise provided in this Agreement, any amount payable or deliverable under Sections 6(c)(iv), (ix) and (xi) shall be paid in a lump-sum payment or delivered within 60 days following Executive's termination of employment. Notwithstanding anything in this Section 6(c) to the contrary, if the 60 day period spans two calendar years, the payment or delivery to which Executive is entitled under this Section 6(c) shall be made in the second calendar year.

(d) **Termination for Cause by the Company.** If the Company terminates Executive's employment for Cause, then:

(i) the Company shall within 15 days after termination pay Executive's Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) no Bonus shall be payable for the performance period in which termination occurs;

(iv) no Performance Share Awards or Restricted Stock Unit Awards under Section 4(b)(i) or other performance based awards shall be payable for any performance periods that have not yet ended; and

(v) any Restricted Stock Unit Awards under Section 4(b)(ii), and any time based restricted stock awards or other similar time based awards that are not vested prior to such termination shall be forfeited.

Upon a termination for Cause by the Company, the provisions of Section 7 (Restrictive Covenant) shall automatically become applicable for a six-month period (rather than the two-year period set forth therein), without any further payment due Executive. Executive acknowledges and agrees that the compensation herein is adequate consideration for such covenants.

(e) **Termination upon Death or Disability.** If Executive's employment is terminated as a result of Executive's death or Disability, then:

(i) the Company shall within 15 days after termination pay Executive's Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) the Company shall pay Executive his Target Bonus for the performance period in which termination occurs as described in paragraph C of Exhibit A (provided that for any performance period beginning prior to January 1, 2015, the amount paid shall be the Bonus based upon actual performance for the performance period (rather than the Target Bonus) in which termination occurs determined in accordance with Exhibit A, and paid at

such time as Bonuses are paid to other executives but not later than March 15 of the calendar year following the end of the performance period);

(iv) all previously granted time based awards that are outstanding (including any Restricted Stock Unit Awards and other similar time based awards but not restricted stock awards which shall be dealt with under Section 6(e)(v) below) shall immediately vest and become unrestricted and the Company shall deliver to the Executive the Shares subject to the time based awards;

(v) all previously granted time based restricted stock awards shall immediately vest and become unrestricted;

(vi) the Company shall deliver to Executive the target number of Shares subject to previously granted Performance Share Awards under Section 4(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended as described in paragraph C of Exhibit B or otherwise (provided that for any performance period beginning prior to January 1, 2015, the Company shall deliver to Executive the Shares subject to previously granted Performance Share Awards under Section 5(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended, determined based upon actual performance in accordance with Exhibit B (rather than delivering the target number of Shares) and delivered at such time as Performance Share Awards for other executives are settled but not later than March 15 of the calendar year following the end of the applicable performance period);

(vii) the target number of shares subject to previously granted performance based restricted stock awards for any performance periods that have not yet ended shall immediately vest and become unrestricted;

(viii) any stock option grants that remain outstanding as of the date of termination shall immediately vest, if not previously vested, and shall remain exercisable for the remainder of the original term but not later than the 10th anniversary of the original date of grant; and

(ix) the Company shall pay Executive an amount equal to 150% of the monthly COBRA premium payable for the coverage in effect on the date of termination for Executive (if Executive's employment is terminated as a result of Disability) and, if applicable, his dependents under the Company's group health plan, multiplied by 18.

Unless otherwise provided in this Agreement, any amount payable or deliverable under Sections 6(e)(iii) (but only for payment of Target Bonuses), (iv), (vi) (but only for target number of Shares) and (ix) shall be paid in a lump-sum payment or delivered within 60 days following Executive's termination of employment. Notwithstanding anything in this Section 6(e) to the contrary, if the 60 day period spans two calendar years, the payment or delivery to which Executive is entitled under this Section 6(e) shall be made in the second calendar year. If Executive dies or becomes Disabled during any period that the Company is obliged to make payments under Section 6, the

Company shall pay the Executive (or in the case of death, the Executive's estate) any unpaid amounts described in Section 6, at the time such amounts would otherwise have been paid to Executive.

(f) **Retirement.** If Executive voluntarily terminates his employment with the Company without Good Reason after completion of 15 cumulative years of service as a named executive officer and/or a member of the Board and after the first anniversary of the date that this Agreement is signed by the parties, the provisions of Section 6(a) shall apply (except as modified in this Section 6(f)) and in addition thereto:

(i) the Company shall pay Executive a pro rata Bonus based upon actual performance for the performance period in which termination occurs, determined in accordance with paragraph F of Exhibit A and paid at such time as Bonuses are paid to other executives but not later than March 15 of the calendar year following the end of the performance period;

(ii) all previously granted time based awards that are outstanding (including any Restricted Stock Unit Awards and other similar time based awards but not restricted stock awards) shall immediately vest and become unrestricted and the Company shall deliver to Executive the Shares subject to the time based awards;

(iii) the Company shall deliver to Executive the Shares subject to the previously granted Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended, determined based upon actual performance in accordance with Exhibit B and delivered at such time as performance share awards for other Executives are settled but not later than March 15 of the calendar year following the end of the applicable performance period for such awards;

(iv) all previously granted performance based restricted stock awards for any performance periods that have not yet ended shall vest and become unrestricted immediately following the end of the applicable performance period for such awards based upon actual performance achieved during the applicable performance period;

(v) any stock option grants that remain outstanding as of the date of termination shall immediately vest, if not previously vested, and shall remain exercisable for the remainder of the original term but not later than the 10th anniversary of the original date of grant; and

(vi) at the Company's option, the Executive shall render reasonable consulting services to the Company during the 12-month period following termination of employment as may be requested from time to time by the Chairman of the Committee, in accordance with, and subject to, Section 9.

Unless otherwise provided in this Agreement, any amount deliverable under Section 6(f)(ii) shall be delivered within 60 days following Executive's termination of employment. Notwithstanding anything in this Section 6(f) to the contrary, if the 60 day period spans two calendar years, the

delivery to which Executive is entitled under this Section 6(f) shall be delivered in the second calendar year.

(g) **Directors and Officers Liability Insurance; Indemnification.** In the event of termination of Executive's employment, (i) Executive shall remain covered under the directors and officers liability insurance maintained by the Company in commercially reasonable amounts (as determined by the Board) to the same extent as executives of the Company; and (ii) Executive shall remain eligible for indemnification by the Company to the extent provided for in the Company by-laws in effect from time to time, provided that such indemnification shall not be less favorable than the indemnification provided for in the Company's by-laws in effect as of January 1, 2014.

(h) **Definitions.** For purposes of this Agreement:

(1) **"Cause"** and **"Good Reason"** shall have the meanings ascribed to them in the Third Amended and Restated Change of Control Agreement between Executive and the Company, effective January 1, 2010, as amended ("CIC Agreement"), provided, that Good Reason also exists under this Agreement if (A) the Company fails to cause any successor to immediately assume the terms of this Agreement, or (B) the Company materially breaches its obligations under this Agreement and such breach is not cured within a reasonable period of time not to exceed 30 days after written notice from the Executive;

(2) **"Date of Termination"** shall mean (i) if this Agreement is terminated as a result of Executive's death, the date of Executive's death, (ii) if this Agreement is terminated by Executive for Good Reason, the date on which he notifies the Company in writing (but following the Company's opportunity to cure as provided in the CIC Agreement), (iii) if this Agreement is terminated by Executive without Good Reason or on account of retirement, the later of (A) the date on which Executive notifies the Company in writing and (B) the date of termination specified in the written notice, (iv) if this Agreement is terminated by the Company for Disability, the date a notice of termination is given, (v) if this Agreement is terminated by the Company for Cause, the date a final determination is provided to Executive by the Company (following the procedures set forth in the CIC Agreement), or (vi) if this Agreement is terminated by the Company without Cause, the date notice of termination is given to Executive by the Company;

(3) **"Disability"** shall mean Executive is, by reason of any medically determinable physical or mental impairment which actually hinders Executive's ability to perform his job and which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than six months under an accident and health plan established by the Company for its employees.

(i) **Procedures for Notices of Termination.** The procedures set forth in Section 8(a), (b) and (d) of the CIC Agreement shall apply under this Agreement in connection with a notice of termination as to the kind of termination events described in those subsections.

(j) **Release Agreement.** Notwithstanding anything to the contrary herein, no payment (other than payments described in (i) and (ii) of Sections 6(a), (b), (c), (d) and (e); payments under Section 6(e) on account of death; and any payment under Section 6(g)) shall be made under this Section 6 unless Executive executes (and does not revoke) a legal release (“Release Agreement”), in substantially the form attached hereto as Exhibit E, in which Executive releases the Company, its affiliates, directors, officers, employees, agents and others affiliated with the Company from any and all claims, including claims relating to Executive’s employment with the Company and the termination of Executive’s employment. The Release Agreement shall be provided to Executive within 5 days following Executive’s termination of employment. The Release Agreement must be executed and returned to the Company within the 21 or 45 day (as applicable) period described in the Release Agreement and it must not be revoked by Executive within the 7-day revocation period described in the Release Agreement.

(k) **Compliance with Code Section 409A.** Any payment under this Section 6 shall be subject to the provisions of this Section 6(k) (except for a payment pursuant to Section 6(e) as a result of Executive’s death). If and to the extent required by Code Section 409A, any payment or benefit required to be paid under this agreement on account of termination of Executive’s employment shall be made only after Executive incurs a “separation from service” within the meaning of Code Section 409A. If Executive is a “Specified Employee” of the Company for purposes of Code Section 409A at the time of a payment event set forth in Section 6 and if no exception from Code Section 409A applies in whole or in part, then the severance or other payments pursuant to Section 6 that are subject to Section 409A shall be made to Executive by the Company or commence on the later of the date otherwise provided therein or the first day of the seventh month following the date of the Executive’s separation from service (the “409A Payment Date”). Should this paragraph 6(k) result in a delay of payments to Executive, the Company shall begin to make such payments as described in this paragraph 6(k), provided that any amounts that would have been payable earlier but for the application of this paragraph 6(k), shall be paid in lump-sum on the 409A Payment Date along with accrued interest at the rate of interest announced by Bank of America, Arizona from time to time as its prime rate from the date that payments to you should have been made under this Agreement. For purposes of this provision, the term Specified Employee shall have the meaning set forth in Code Section 409A(a)(2)(B)(i) or any successor provision and the treasury regulations and rulings issued thereunder. It is the intention of both the Company and Executive that the benefits and rights to which Executive could be entitled pursuant to this Agreement comply with Code Section 409A, to the extent that the requirements of Code Section 409A are applicable thereto, and the provisions of this Agreement shall be construed in a manner consistent with that intention. If Executive or the Company believes, at any time, that any such benefit or right that is subject to Code Section 409A does not comply, it shall promptly advise the other and shall negotiate reasonably and in good faith to amend the terms of such benefits and rights such that they comply with Code Section 409A (with the most limited possible economic effect on Executive and on the Company). Any reimbursement under this Agreement, to the extent it constitutes a deferral of compensation under Code Section 409A, shall meet the following requirements: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year, (ii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or

before the last day of the calendar year following the calendar year in which the applicable expense is incurred, and (iii) the right to reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

(l) **No Duty to Mitigate.** Any payments under this Section 6 will be made to Executive without regard to whether Executive looks for or obtains alternative employment following termination of employment with the Company hereunder.

(m) **Expenses and Interest.** If a good faith dispute shall arise with respect to the enforcement of any rights under this Agreement or if any arbitration or legal proceeding shall be brought in good faith to enforce or interpret any provision hereof, or to recover damages for breach hereof, the prevailing party shall recover any reasonable attorneys' fees and necessary costs and disbursement incurred as a result of such dispute or legal proceeding, and prejudgment interest on any money judgment obtained calculated at the rate of interest announced by Bank of America, Arizona from time to time as its prime rate from the date that payments were or should have been made under this Agreement.

7. **Restrictive Covenant.**

(a) Executive hereby covenants and agrees that for a period of two years from the Date of Termination, Executive will not:

(1) Directly or indirectly, hire or solicit for employment for any other business entity other than the Company (whether as an employee, consultant, independent contractor, or otherwise) any person who is, or within the six month period preceding the date of such activity was, an employee, independent contractor or the like of the Company or any of its subsidiaries, unless Company gives its written consent to such employment or offer of employment.

(2) Call on or directly or indirectly solicit or divert or take away from Company or any of its subsidiaries (including, without limitation, by divulging to any competitor or potential competitor or company or its subsidiaries) any person, firm, corporation or other entity who was a customer or prospective customer of the Company during Executive's term of employment.

(b) The covenants set forth in this Section 7 shall begin as of the Effective Date and will survive the Executive's termination of employment under Section 6.

8. **Non-Disclosure of Confidential Information.**

(a) It is understood that in the course of Executive's employment with Company, Executive will become acquainted with Company Confidential Information (as defined below). Executive recognizes that Company Confidential Information has been developed or acquired at great expense, is proprietary to the Company, and is and shall remain the exclusive property of the Company. Accordingly, Executive agrees that except as otherwise ordered in a legal or regulatory

proceeding, he will not, disclose to others, copy, make any use of, or remove from Company's premises any Company Confidential Information, except as Executive's duties may specifically require, without the express written consent of the Company, during Executive's employment with the Company and thereafter until such time as Company Confidential Information becomes generally known, or readily ascertainable by proper means by persons unrelated to the Company.

(b) Upon any termination of employment, Executive shall promptly deliver to the Company the originals and all copies of any and all materials, documents, notes, manuals, or lists containing or embodying Company Confidential Information, or relating directly or indirectly to the business of the Company, in the possession or control of Executive.

(c) Executive hereby agrees that the period of time provided for in this Section 8 and other provisions and restrictions set forth herein are reasonable and necessary to protect the Company and its successors and assigns in the use and employment of the goodwill of the business conducted by Executive. Executive further agrees that damages cannot adequately compensate the Company in the event of a violation of this Section 8 and that, if such violation should occur, injunctive relief shall be essential for the protection of the Company and its successors and assigns. Accordingly, Executive hereby covenants and agrees that, in the event any of the provisions of this Section 8 shall be violated or breached, the Company shall be entitled to obtain injunctive relief against the party or parties violating such covenants, without bond but upon due notice, in addition to such further or other relief as may be available at equity or law. Obtainment of such an injunction by the Company shall not be considered an election of remedies or a waiver of any right to assert any other remedies which the Company has at law or in equity. No waiver of any breach or violation hereof shall be implied from forbearance or failure by the Company to take action thereof. The prevailing party in any litigation, arbitration or similar dispute resolution proceeding to enforce this provision will recover any and all reasonable costs and expenses, including attorneys' fees.

(d) **"Company Confidential Information"** shall mean confidential, proprietary information or trade secrets of Company and its subsidiaries and affiliates including without limitation the following: (1) customer lists and customer information as compiled by Company; (2) Company's internal practices and procedures; (3) Company's financial condition and financial results of operation; (4) supply of materials information, including sources and costs, designs, information on land and lot inventories, and current and prospective projects; (5) strategic planning, manufacturing, engineering, purchasing, finance, marketing, promotion, distribution, and selling activities; (6) all other information which Executive has a reasonable basis to consider confidential or which is treated by Company as confidential; and (7) all information having independent economic value to Company that is not generally known to, and not readily ascertainable by proper means by, persons who can obtain economic value from its disclosure or use. Notwithstanding the foregoing provisions, the following shall not be considered "Company Confidential Information": (i) the general skills of the Executive as an experienced real estate and homebuilding entrepreneur and senior management level employee; (ii) information generally known by senior management executives within the homebuilding and/or land development industry; (iii) persons, entities, contacts or relationships of Executive that are also generally known in the industry; and (iv) information which becomes available on a non-confidential basis from a source other than Executive

which source is not prohibited from disclosing such confidential information by legal, contractual or other obligation.

9. **Cooperation; No Disparagement.** During the one-year period following the Executive's Date of Termination, Executive agrees to provide reasonable assistance to the Company (including assistance with litigation matters), upon the Company's request, concerning the Executive's previous employment responsibilities and functions with the Company. Additionally, at all times after the Executive's employment with the Company has terminated, Company and Executive agree to refrain from making any disparaging or derogatory remarks, statements and/or publications regarding the other, its employees or its services. In consideration for such cooperation, Company shall compensate Executive for the time Executive spends on such cooperative efforts (at an hourly rate based on Executive's total compensation during the year preceding the Date of Termination) and Company shall reimburse Executive for the reasonable out-of-pocket expenses Executive incurs in connection with such cooperative efforts. In addition, in no event will the Executive be required to provide services to the Company pursuant to this Section 9 at a level that exceeds 20% of the average level of bona fide services Executive provided to Company in the immediately preceding 36 months.

10. **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any applicable law, then such provision will be deemed to be modified to the extent necessary to render it legal, valid and enforceable, and if no such modification will make the provision legal, valid and enforceable, then this Agreement will be construed as if not containing the provision held to be invalid, and the rights and obligations of the parties will be construed and enforced accordingly.

11. **Assignment by Company.** Nothing in this Agreement shall preclude the Company from consolidating or merging into or with, or transferring all or substantially all of its assets to, another corporation or entity that assumes this Agreement and all obligations and undertakings hereunder. Upon such consolidation, merger or transfer of assets and assumption, the term "Company" as used herein shall mean such other corporation or entity, as appropriate, and this Agreement shall continue in full force and effect.

12. **Entire Agreement.** This Agreement, the CIC Agreement, and any agreements concerning stock options, restricted stock, restricted stock units or other benefits, embody the complete agreement of the parties hereto with respect to the subject matter hereof and supersede any prior written, or prior or contemporaneous oral, understandings or agreements between the parties that may have related in any way to the subject matter hereof. This Agreement may be amended only in writing executed by the Company and Executive.

13. **Governing Law.** This Agreement and all questions relating to its validity, interpretation, performance and enforcement, shall be governed by and construed in accordance with the internal laws, and not the law of conflicts, of the State of Arizona.

14. **Notice.** Any notice required or permitted under this Agreement must be in writing and will be deemed to have been given when delivered personally or by overnight courier service or

three days after being sent by mail, postage prepaid, at the address indicated below or to such changed address as such person may subsequently give such notice of:

if to Company: Meritage Homes Corporation
8800 East Raintree, Suite 300
Scottsdale, Arizona 85260
Attention: Chief Executive Officer and
Chief Financial Officer

if to Executive: C. Timothy White
6601 E. Malcomb Drive
Paradise Valley, Arizona 85253
Phone: (602) 689-2081

15. **Arbitration.** Any dispute, controversy, or claim, whether contractual or non-contractual, between the parties hereto arising directly or indirectly out of or connected with this Agreement, relating to the breach or alleged breach of any representation, warranty, agreement, or covenant under this Agreement, unless mutually settled by the parties hereto, shall be resolved by binding arbitration in accordance with the Employment Arbitration Rules of the American Arbitration Association (the "AAA"). The parties agree that before the proceeding to arbitration that they will mediate their disputes before the AAA by a mediator approved by the AAA. Any arbitration shall be conducted by arbitrators approved by the AAA and mutually acceptable to Company and Executive. All such disputes, controversies or claims shall be conducted by a single arbitrator, unless the dispute involves more than \$50,000 in the aggregate in which case the arbitration shall be conducted by a panel of three arbitrators. If the parties hereto are unable to agree on the mediator or the arbitrator(s), then the AAA shall select the arbitrator(s). The resolution of the dispute by the arbitrator(s) shall be final, binding, nonappealable, and fully enforceable by a court of competent jurisdiction under the Federal Arbitration Act. The arbitrator(s) shall award damages to the prevailing party. The arbitration award shall be in writing and shall include a statement of the reasons for the award. The arbitration shall be held in the Phoenix/Scottsdale metropolitan area. The Company shall pay all AAA, mediation, and arbitrator's fees and costs. The arbitrator(s) shall award reasonable attorneys' fees and costs to the prevailing party.

16. **Withholding; Release; No Duplication of Benefits.** All of Executive's compensation under this Agreement will be subject to deduction and withholding authorized or required by applicable law. The Company's obligation to make any post-termination payments hereunder (other than those payments described in Section 6(j) and expense reimbursements through a date of termination), shall be subject to receipt by the Company from Executive of the Release Agreement, and compliance by Executive with the covenants set forth in Sections 7 and 8 hereof. If there is any conflict between the provisions of the CIC Agreement and this Agreement, such conflict shall be resolved so as to provide on an individual item by item basis the greater benefit to Executive. However, in order to avoid duplication of any monetary benefits, any payments or benefits due under Executive's CIC Agreement or under any employee severance plan to the extent such a plan exists or is subsequently implemented by the Company, will not be paid if the corresponding item under this Agreement is equal or greater and is paid.

17. **Effect of Restatement of Financial Results.** Notwithstanding anything in this Agreement to the contrary, to the extent any financial results are misstated as a result of Executive's willful misconduct or gross negligence, and as a result such financial results are subsequently restated downward resulting in lower levels of bonuses pursuant to Section 4 and the accompanying Exhibit A, offsets shall be made against future bonuses. If such future bonuses are insufficient to offset the full difference between awarded bonuses and restated bonuses and/or if such restatement occurs at the end of the Agreement Term and subsequent Renewal Term(s), if any, bonuses previously earned and delivered under this Agreement may be clawed-back.

18. **Successors and Assigns.** This Agreement is solely for the benefit of the parties and their respective successors, assigns, heirs and legatees. Nothing herein shall be construed to provide any right to any other entity or individual.

19. **Related Party Transactions.** Executive may not engage in any related party transactions with the Company unless approved in the specific instance by the Audit Committee of the Board.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first above written.

MERITAGE HOMES CORPORATION, a Maryland corporation

By: /s/ Steven J. Hilton
Name: Steven J. Hilton
Title: Chairman and CEO

EXECUTIVE: C. TIMOTHY WHITE

/s/ C. Timothy White

EXHIBIT A
BONUS

- A. Bonus Opportunity. For each Performance Period, as defined in paragraph B below, Executive shall be entitled to a Bonus based on his Target Bonus, as set forth in paragraph C below, subject to the achievement of certain performance goals.
- B. Performance Period. For purposes of this Exhibit A, the Performance Period shall be the 12 month period beginning on January 1 of each calendar year during the Agreement Term and any Renewal Term.
- C. Target Bonus and Bonus. Executive's Target Bonus shall be \$600,000. Executive's Bonus that is payable for any Performance Period, if any, shall be an amount ranging from 0% to 200% of the Target Bonus, contingent upon the achievement of one or more performance goals established by the Committee for such Performance Period, as set forth in paragraph D. Notwithstanding the foregoing, the Bonus payable to the Executive shall not exceed the maximum bonus that could be payable under the Incentive Plan.
- D. Performance Goals. Subject to and in accordance with the requirements under Section 162(m) of the Code, no later than 90 days after the commencement of each Performance Period, the Committee shall, in its sole discretion, establish in writing one or more preestablished, objective performance goals for such Performance Period. Such performance goal(s) shall state, in terms of an objective formula or standard, the amount of the Target Bonus payable to Executive upon achievement of each such performance goal (or any specified threshold, intermediate, target, maximum or other level with respect thereto).
- E. Incentive Plan. This Exhibit A, subject to any action taken by the Committee pursuant thereto, shall be subject to the terms and conditions of, the Incentive Plan. If there is any conflict between the provisions of the Agreement or this Exhibit A and the Incentive Plan, or any award agreement, the Agreement or this Exhibit A (as applicable) shall control.
- F. Pro Rata Bonus. A pro rata Bonus, where applicable, shall be an amount equal to (1) the Bonus otherwise determined by the Committee based upon actual performance for the Performance Period in accordance with the foregoing provisions of this Exhibit A, multiplied by (2) a fraction, the numerator of which is the number of days that Executive is employed by the Company during the Performance Period, and the denominator of which is the total number of days in the Performance Period.
- G. Payment. Except as otherwise provided in the Agreement, any Bonus payable under this Exhibit A (including any pro rata Bonus determined under paragraph F) shall be paid in cash to Executive at the time(s) determined by the Committee in its reasonable discretion, provided that the Bonus shall be paid in its entirety no later than March 15 of the calendar year following the calendar year to which the payment relates.

EXHIBIT B
PERFORMANCE SHARE AWARD

- A. Performance Share Opportunity. For each Performance Period, as defined in paragraph B below, Executive shall be granted a Performance Share Award (“PSA”) under the Stock Incentive Plan giving Executive the right to receive shares of common stock of the Company (“Shares”), based on a target specified in paragraph C below and subject to the achievement of certain performance goals.
- B. Performance Period. For purposes of this Exhibit B, the Performance Period shall be the three year period beginning on January 1 of each calendar year during the Agreement Term and any Renewal Term.
- C. Shares. A target number of Shares with a fair market value on the date of grant, based on the closing price of the Company’s stock on such date, of \$425,000 shall be established for the PSA for each Performance Period. The PSA that is payable for any Performance Period, if any, shall be an amount ranging from 0% to 150% of such target number of Shares, contingent upon the achievement of one or more performance goals established by the Committee for such Performance Period, as set forth in paragraph D. Notwithstanding the foregoing, the maximum number of shares deliverable pursuant to any PSA shall not exceed the maximum number of shares that could be granted during a calendar year under the Stock Incentive Plan.
- D. Performance Goals. Subject to and in accordance with the requirements under Section 162(m) of the Code, no later than 90 days after the commencement of each Performance Period, the Committee shall, in its sole discretion, establish in writing one or more preestablished, objective performance goals for such Performance Period. Such performance goal(s) shall state, in terms of an objective formula or standard, the amount of the target number of Shares determined under paragraph C for such Performance Period payable to Executive upon achievement of each such performance goal (or any specified threshold, intermediate, target, maximum or other level with respect thereto).
- E. Stock Incentive Plan. This Exhibit B, subject to any action taken by the Committee pursuant thereto, shall be subject to the terms and conditions of the Stock Incentive Plan. If there is any conflict between the provisions of the Agreement or this Exhibit B and the Stock Incentive Plan or any award agreement, the Agreement or this Exhibit B (as applicable) shall control.
- F. Payment. Except as otherwise provided in the Agreement, any PSAs payable under this Exhibit B shall be settled by delivery of whole Shares (with cash for any fractional share) to Executive at the time(s) determined by the Committee in its reasonable discretion, provided that such Shares shall be delivered (and such cash, if any, shall be paid) no later than March 15 of the calendar year following the Performance Period to which the payment relates.

- G. Restricted Stock Units. The Company may grant Executive performance based restricted stock units in lieu of the PSAs; provided, however, that such restricted stock units shall be on the same terms and conditions as the PSAs and the provisions herein and in the Agreement with respect to PSAs shall apply to the performance based restricted stock units.

EXHIBIT C
RESTRICTED STOCK UNIT AWARD

- A. Restricted Stock Unit. For each Vesting Period, as defined in paragraph B below, Executive shall be granted in January or February of each calendar year a Restricted Stock Unit Award (“RSU”) under the Stock Incentive Plan giving Executive the right to receive shares of common stock of the Company (“Shares”) with a fair market value on the date of grant, based on the closing price of the Company’s stock on such date, of \$425,000. Notwithstanding the foregoing, the maximum number of Shares deliverable pursuant to any RSU shall not exceed the maximum number of Shares that could be granted during a calendar year under the Stock Incentive Plan, reduced by the maximum number of shares deliverable pursuant to a PSA granted under Exhibit B during the same calendar year.
- B. Vesting Period. For purposes of this Exhibit C, the Vesting Period for any RSU shall be the three year period beginning on January 1 of each calendar year.
- C. Vesting. The RSU for any Vesting Period shall become fully vested and nonforfeitable as of the earlier of (i) the last day of the Vesting Period, provided that Executive remains continuously employed by the Company through and including such day, and (ii) the Executive’s termination of employment to the extent provided in the Agreement. Any RSU Award that does not vest prior to or on account of the Executive’s termination of employment shall be forfeited.
- D. Stock Incentive Plan. This Exhibit C shall be subject to the terms and conditions of, the Stock Incentive Plan. If there is any conflict between the provisions of the Agreement or this Exhibit C and the Stock Incentive Plan or any award agreement, the Agreement or this Exhibit C (as applicable) shall control.
- E. Payment. Except as otherwise provided in the Agreement, any RSUs which become fully vested and nonforfeitable under paragraph C of this Exhibit C shall be settled by delivery of whole Shares (with cash for any fractional share) to Executive within 60 days after the end of the Vesting Period. Notwithstanding anything in this Exhibit C to the contrary, if the 60 day payment distribution period spans two calendar years, the payment to which Executive is entitled under this paragraph E shall be made in the second calendar year.

EXHIBIT D
SPECIFIED BENEFITS

1. Payments annually for Executive to purchase life insurance in the amount of \$3,000,000 (or reimbursement for the premiums paid by Executive for such policy).

2. The Company shall provide Executive with disability insurance with monthly benefits of \$20,000 in the event of Executive's total disability (or reimbursement for the premiums paid by Executive for such policy); provided that in lieu of such disability benefit, the Executive may elect to receive any combination of disability and/or long term care benefit(s) so long as the Company's cost of such other benefit(s) does not exceed the Company's cost of a comparable disability benefit.

3. Taxes related to any payments and benefits above shall be the sole responsibility of the Executive.

STEVEN DAVIS
SECOND AMENDED AND RESTATED
EMPLOYMENT AGREEMENT
(Effective as of January 1, 2014)

This Employment Agreement (“Agreement”) is entered into on March 25, 2014 by and between Meritage Homes Corporation, a Maryland corporation (“Company”) and Steven Davis, an individual (“Executive”) effective as of January 1, 2014 (“Effective Date”).

RECITALS

WHEREAS, the Executive is currently employed by the Company as Executive Vice President and Chief Operating Officer of the Company;

WHEREAS, the Company and the Executive previously entered into an amended and restated employment agreement defining the terms and conditions of Executive’s employment with the Company, dated as of January 1, 2010 (“Original Agreement”);

WHEREAS, the Original Agreement provided Executive with certain rights, responsibilities and benefits;

WHEREAS, the Company and Executive believe that it is in the best interest of each to make certain other changes to Executive’s terms and conditions of his employment with the Company; and

WHEREAS, the Company desires to continue to obtain the services of Executive, and Executive desires to provide services to the Company, in accordance with the terms, conditions and provisions of this Agreement.

NOW THEREFORE, in consideration of the covenants and mutual agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in reliance upon the representations, covenants and mutual agreements contained herein, the Company and Executive agree to amend and restate the Original Agreement as follows:

1. **Employment.** Subject to the terms and conditions of this Agreement, the Company agrees to employ Executive as Executive Vice President and Chief Operating Officer of the Company, and Executive agrees to diligently perform the duties associated with such positions. Executive will report directly to the Chairman and Chief Executive Officer. Executive will devote substantially all of his business time, attention and energies to the business of the Company and will comply with the charters, policies and guidelines established by the Company from time to time applicable to its directors and senior management executives.

2 . **Term.** Executive will be employed under this Agreement until December 31, 2016 (“Agreement Term”), unless Executive’s employment is terminated earlier pursuant to Section 6. Thereafter, the Agreement will automatically renew for additional periods of one year (“Renewal

Term(s)”), unless on or before August 31, 2016 (or August 31 of any Renewal Term), either Executive or the Company notifies the other in writing that it wishes to terminate employment under this Agreement at the end of the term then in effect. If, pursuant to the foregoing, the Company notifies the Executive that it wishes to terminate employment under this Agreement at the end of the term then in effect, such termination of employment shall be treated as a termination without cause by the Company, and the provisions of Section 6(c) shall apply.

3 . **Base Salary.** The Company will pay Executive a base salary (“Base Salary”) at the annual rate of \$500,000 per year. The Compensation Committee (“Committee”) of the Board of Directors of the Company (“Board”) may adjust Executive’s Base Salary from time to time, provided that the Base Salary (as previously increased, if applicable) may not be reduced without Executive’s consent. The Base Salary will be payable in accordance with the payroll practices of the Company in effect from time to time, but not less frequently than monthly.

4. **Incentive Compensation.**

(a) **Bonus.** For each calendar year during the Agreement Term and any Renewal Term, Executive shall be entitled to annual incentive compensation (the “**Bonus**”) under the Company’s 2006 Annual Incentive Plan (which is also known as the Company’s 2006 Executive Management Incentive Plan and the Meritage Homes Corporation Executive Management Incentive Plan) or any successor thereto (“**Incentive Plan**”), subject to the achievement of certain performance goals established by the Committee pursuant to the Incentive Plan and other terms and conditions, as set forth on Exhibit A.

(b) **Long-Term Incentives.** For each calendar year during the Agreement Term and any Renewal Term, Executive shall be entitled to (i) a Performance Share Award or a Restricted Stock Unit Award under the Company’s 2006 Stock Incentive Plan or any successor thereto (“**Stock Incentive Plan**”), subject to the achievement of certain performance goals established by the Committee pursuant to the Stock Incentive Plan and other terms and conditions, as set forth on Exhibit B, and (ii) a Restricted Stock Unit Award under the Stock Incentive Plan, subject to a three-year vesting schedule and other terms and conditions, as set forth on Exhibit C.

5. **Executive Benefits.** During the term of this Agreement, Executive will be entitled to reimbursement of reasonable and customary business expenses. The Company will provide Executive a \$1,200 per month automobile allowance and such fringe benefits and other Executive benefits as are regularly provided by the Company to its senior executives (*e.g.*, health and life insurance, Paid Time Off, 401(k), etc.); provided, however, that nothing herein shall preclude the Company from amending or terminating any employee or general executive benefit plan or program. In addition, the Company shall provide the Executive with the benefits set forth on Exhibit D, which benefits may not be terminated, reduced or modified in any respect during the term hereof without the written consent of Executive. The Company shall pay all reasonable attorneys’ fees incurred for drafting and reviewing this Second Amended and Restated Employment Agreement and all related documents within 60 days after it is signed by the parties.

6. **Termination.**

(a) **Voluntary Resignation by Executive without Good Reason**. If Executive voluntarily terminates his employment with the Company without Good Reason, then:

(i) the Company shall within 15 days after termination pay Executive his Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) no Bonus shall be payable for the performance period in which termination occurs;

(iv) no Performance Share Awards or Restricted Stock Unit Awards under Section 4(b)(i) or other performance based awards shall be payable for the performance period in which termination occurs;

(v) any Restricted Stock Unit Awards under Section 4(b)(ii) or other time based awards that are not vested prior to or on account of such termination shall be forfeited; and

(vi) the Company shall not pay or reimburse Executive for COBRA premiums for the period that the Company is required to offer COBRA coverage as a matter of law.

(b) **Voluntary Resignation by Executive with Good Reason**. If Executive voluntarily terminates his employment with the Company with Good Reason, then:

(i) the Company shall within 15 days after termination pay Executive's Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) the Company shall pay Executive a pro rata Bonus based upon actual performance for the performance period in which termination occurs, determined in accordance with paragraph F of Exhibit A and paid at such time as Bonuses are paid to other executives but not later than March 15 of the calendar year following the end of the performance period;

(iv) all previously granted time based awards that are outstanding (including any Restricted Stock Unit Awards and other similar time based awards but not restricted stock awards which shall be dealt with under Section 6(b)(v) below) shall immediately vest and become unrestricted and the Company shall deliver to Executive the Shares subject to the time based awards;

(v) all previously granted time based restricted stock awards that are outstanding shall immediately vest and become unrestricted;

(vi) the Company shall deliver to Executive the Shares (as defined in paragraph A of Exhibit B) subject to the previously granted Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended, determined based upon actual performance in accordance with Exhibit B and delivered at such time as performance share awards for other Executives are settled but not later than March 15 of the calendar year following the end of the applicable performance period for each such award;

(vii) all previously granted performance based restricted stock awards for any performance periods that have not yet ended shall vest and become unrestricted immediately following the end of the applicable performance period for such awards based upon actual performance achieved during the applicable performance period;

(viii) any stock option grants that remain outstanding as of the date of termination shall immediately vest, if not previously vested, and shall remain exercisable for the remainder of the original term but not later than the 10th anniversary of the original date of grant;

(ix) the Company shall pay Executive an amount equal to 150% of the monthly COBRA premium payable for the coverage in effect on the date of termination for Executive and, if applicable, his dependents under the Company's group health plan, multiplied by 18;

(x) at the Company's option, the Executive shall render reasonable consulting services to the Company during the 12-month period following termination of employment as may be requested from time to time by the Chairman of the Committee, in accordance with, and subject to, Section 9; and

(xi) the Company will pay Executive an amount equal to the sum of (A) two times the Executive's Base Salary on the Date of Termination of employment, and (B) two times the higher of (x) the average of the Bonus compensation paid to Executive for the two years prior to his termination of employment or (y) the annual Bonus paid to Executive for the year preceding the date of termination. For purposes of determining the amount of the Executive's Bonus paid for any year during the above two-year period, the amount of the Bonus compensation considered paid for purposes of this provision shall be the greater of (a) the Bonus paid to the Executive, or (b) the fair value on the day of grant (which, for

restricted stock, restricted stock units and performance share awards shall equal the closing market price of the Company's common stock on such day, and for options, stock appreciation rights and similar awards shall equal the value calculated pursuant to the Black-Scholes or similar valuation model as of the day of grant) of the shares of the Company's restricted stock, restricted stock units, performance shares, stock options and other equity awards that became vested in such year; provided, however that the total amount set forth in Section 6(b)(xi) shall not exceed \$2 million.

Unless otherwise provided in this Agreement, any amount payable or deliverable under Sections 6(b)(iv), (ix) and (xi) shall be paid in a lump-sum payment or delivered within 60 days following Executive's termination of employment. Notwithstanding anything in this Section 6(b) to the contrary, if the 60 day period spans two calendar years, the payment or delivery to which Executive is entitled under this Section 6(b) shall be made in the second calendar year.

(c) **Termination without Cause by the Company.** If the Company terminates Executive without Cause, then:

(i) the Company shall within 15 days after termination pay Executive's Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) the Company shall pay Executive a pro rata Bonus based upon actual performance for the performance period in which termination occurs, determined in accordance with paragraph F of Exhibit A and paid at such time as Bonuses are paid to other executives but not later than March 15 of the calendar year following the end of the performance period;

(iv) all previously granted time based awards that are outstanding (including any Restricted Stock Unit Awards and other similar time based awards but not restricted stock awards which shall be dealt with under Section 6(c)(v) below) shall immediately vest and become unrestricted and the Company shall deliver to Executive the Shares subject to the time based awards;

(v) all previously granted time based restricted stock awards that are outstanding shall immediately vest and become unrestricted;

(vi) the Company shall deliver to Executive the Shares subject to previously granted Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended, determined based upon actual performance in accordance with

Exhibit B and delivered at such time as performance share awards for other executives are settled but not later than March 15 of the calendar year following the end of the applicable performance period for each such award;

(vii) all previously granted performance based restricted stock awards for any performance periods that have not yet ended shall vest and become unrestricted immediately following the end of the applicable performance period for such awards based upon actual performance achieved during the applicable performance period;

(viii) any stock option grants that remain outstanding as of the date of termination shall immediately vest, if not previously vested, and shall remain exercisable for the remainder of the original term but not later than the 10th anniversary of the original date of grant;

(ix) the Company shall pay Executive an amount equal to 150% of the monthly COBRA premium payable for the coverage in effect on the date of termination for Executive and, if applicable, his dependents under the Company's group health plan, multiplied by 18;

(x) at the Company's option, the Executive shall render reasonable consulting services to the Company during the 12-month period following termination of employment as may be requested from time to time by the Chairman of the Committee, in accordance with, and subject to, Section 9; and

(xi) the Company will pay Executive an amount equal to the sum of (A) Executive's Base Salary on the Date of Termination of employment, and (B) the higher of (x) the average of the Bonus compensation paid to Executive for the two years prior to his termination of employment or (y) the annual Bonus paid to Executive for the year preceding the date of termination. For purposes of determining the amount of the Executive's Bonus paid for any year during the above two-year period, the amount of the Bonus compensation considered paid for purposes of this provision shall be the greater of (a) the Bonus paid to the Executive, or (b) the fair value on the day of grant (which, for restricted stock, restricted stock units and performance share awards shall equal the closing market price of the Company's common stock on such day, and for options, stock appreciation rights and similar awards shall equal the value calculated pursuant to the Black-Scholes or similar valuation model as of the day of grant) of the shares of the Company's restricted stock, restricted stock units, performance shares, stock options and other equity awards that became vested in such year; provided, however that the total amount set forth in Section 6(c)(xi) shall not exceed \$2 million.

Unless otherwise provided in this Agreement, any amount payable or deliverable under Sections 6(c)(iv), (ix) and (xi) shall be paid in a lump-sum payment or delivered within 60 days following Executive's termination of employment. Notwithstanding anything in this Section 6(c) to the contrary, if the 60 day period spans two calendar years, the payment or delivery to which Executive is entitled under this Section 6(c) shall be made in the second calendar year.

(d) **Termination for Cause by the Company.** If the Company terminates Executive's employment for Cause, then:

(i) the Company shall within 15 days after termination pay Executive's Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) no Bonus shall be payable for the performance period in which termination occurs;

(iv) no Performance Share Awards or Restricted Stock Unit Awards under Section 4(b)(i) or other performance based awards shall be payable for any performance periods that have not yet ended; and

(v) any Restricted Stock Unit Awards under Section 4(b)(ii), and any time based restricted stock awards or other similar time based awards that are not vested prior to such termination shall be forfeited.

Upon a termination for Cause by the Company, the provisions of Section 7 (Restrictive Covenant) shall automatically become applicable for a six-month period (rather than the two-year period set forth therein), without any further payment due Executive. Executive acknowledges and agrees that the compensation herein is adequate consideration for such covenants.

(e) **Termination upon Death or Disability.** If Executive's employment is terminated as a result of Executive's death or Disability, then:

(i) the Company shall within 15 days after termination pay Executive's Base Salary through the Date of Termination and any accrued but unused Paid Time Off amounts;

(ii) the Company shall pay Executive any Bonus and any Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) that are earned in a previous year that has not yet been paid, which Bonus and performance awards shall be paid at such time as Bonuses and performance awards are paid to other executives but not later than March 15 of the year of termination;

(iii) the Company shall pay Executive his Target Bonus for the performance period in which termination occurs as described in paragraph C of Exhibit A (provided that for any performance period beginning prior to January 1, 2015, the amount paid shall be the Bonus based upon actual performance for the performance period (rather than the Target Bonus) in which termination occurs determined in accordance with Exhibit A, and paid at

such time as Bonuses are paid to other executives but not later than March 15 of the calendar year following the end of the performance period);

(iv) all previously granted time based awards that are outstanding (including any Restricted Stock Unit Awards and other similar time based awards but not restricted stock awards which shall be dealt with under Section 6(e)(v) below) shall immediately vest and become unrestricted and the Company shall deliver to the Executive the Shares subject to the time based awards;

(v) all previously granted time based restricted stock awards shall immediately vest and become unrestricted;

(vi) the Company shall deliver to Executive the target number of Shares subject to previously granted Performance Share Awards under Section 4(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended as described in paragraph C of Exhibit B or otherwise (provided that for any performance period beginning prior to January 1, 2015, the Company shall deliver to Executive the Shares subject to previously granted Performance Share Awards under Section 5(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended, determined based upon actual performance in accordance with Exhibit B (rather than delivering the target number of Shares) and delivered at such time as Performance Share Awards for other executives are settled but not later than March 15 of the calendar year following the end of the applicable performance period);

(vii) the target number of shares subject to previously granted performance based restricted stock awards for any performance periods that have not yet ended shall immediately vest and become unrestricted;

(viii) any stock option grants that remain outstanding as of the date of termination shall immediately vest, if not previously vested, and shall remain exercisable for the remainder of the original term but not later than the 10th anniversary of the original date of grant; and

(ix) the Company shall pay Executive an amount equal to 150% of the monthly COBRA premium payable for the coverage in effect on the date of termination for Executive (if Executive's employment is terminated as a result of Disability) and, if applicable, his dependents under the Company's group health plan, multiplied by 18.

Unless otherwise provided in this Agreement, any amount payable or deliverable under Sections 6(e)(iii) (but only for payment of Target Bonuses), (iv), (vi) (but only for target number of Shares) and (ix) shall be paid in a lump-sum payment or delivered within 60 days following Executive's termination of employment. Notwithstanding anything in this Section 6(e) to the contrary, if the 60 day period spans two calendar years, the payment or delivery to which Executive is entitled under this Section 6(e) shall be made in the second calendar year. If Executive dies or becomes Disabled during any period that the Company is obliged to make payments under Section 6, the

Company shall pay the Executive (or in the case of death, the Executive's estate) any unpaid amounts described in Section 6, at the time such amounts would otherwise have been paid to Executive.

(f) **Retirement.** If Executive voluntarily terminates his employment with the Company without Good Reason after completion of 15 cumulative years of service as a named executive officer and/or a member of the Board, the provisions of Section 6(a) shall apply (except as modified in this Section 6(f)) and in addition thereto:

(i) the Company shall pay Executive a pro rata Bonus based upon actual performance for the performance period in which termination occurs, determined in accordance with paragraph F of Exhibit A and paid at such time as Bonuses are paid to other executives but not later than March 15 of the calendar year following the end of the performance period;

(ii) all previously granted time based awards that are outstanding (including any Restricted Stock Unit Awards and other similar time based awards but not restricted stock awards) shall immediately vest and become unrestricted and the Company shall deliver to Executive the Shares subject to the time based awards;

(iii) the Company shall deliver to Executive the Shares subject to the previously granted Performance Share Awards and Restricted Stock Unit Awards under Section 4(b)(i) and other similar previously granted performance awards for any performance periods that have not yet ended, determined based upon actual performance in accordance with Exhibit B and delivered at such time as performance share awards for other Executives are settled but not later than March 15 of the calendar year following the end of the applicable performance period for such awards;

(iv) all previously granted performance based restricted stock awards for any performance periods that have not yet ended shall vest and become unrestricted immediately following the end of the applicable performance period for such awards based upon actual performance achieved during the applicable performance period;

(v) any stock option grants that remain outstanding as of the date of termination shall immediately vest, if not previously vested, and shall remain exercisable for the remainder of the original term but not later than the 10th anniversary of the original date of grant; and

(vi) at the Company's option, the Executive shall render reasonable consulting services to the Company during the 12-month period following termination of employment as may be requested from time to time by the Chairman of the Committee, in accordance with, and subject to Section 9.

Unless otherwise provided in this Agreement, any amount deliverable under Section 6(f)(ii) shall be delivered within 60 days following Executive's termination of employment. Notwithstanding anything in this Section 6(f) to the contrary, if the 60 day period spans two calendar years, the

delivery to which Executive is entitled under this Section 6(f) shall be delivered in the second calendar year.

(g) **Directors and Officers Liability Insurance; Indemnification**. In the event of termination of Executive's employment,

(i) Executive shall remain covered under the directors and officers liability insurance maintained by the Company in commercially reasonable amounts (as determined by the Board) to the same extent as executives of the Company; and

(ii) Executive shall remain eligible for indemnification by the Company to the extent provided for in the Company by-laws in effect from time to time, provided that such indemnification shall not be less favorable than the indemnification provided for in the Company's by-laws in effect as of January 1, 2014.

(h) **Definitions**. For purposes of this Agreement:

(1) "**Cause**" and "**Good Reason**" shall have the meanings ascribed to them in the Third Amended and Restated Change of Control Agreement between Executive and the Company, effective January 1, 2010, as amended ("**CIC Agreement**"), provided, that Good Reason also exists under this Agreement if (A) the Company fails to cause any successor to immediately assume the terms of this Agreement, or (B) the Company materially breaches its obligations under this Agreement and such breach is not cured within a reasonable period of time not to exceed 30 days after written notice from the Executive;

(2) "**Date of Termination**" shall mean

(i) if this Agreement is terminated as a result of Executive's death, the date of Executive's death,

(ii) if this Agreement is terminated by Executive for Good Reason, the date on which he notifies the Company in writing (but following the Company's opportunity to cure as provided in the CIC Agreement),

(iii) if this Agreement is terminated by Executive without Good Reason or on account of retirement, the later of (A) the date on which Executive notifies the Company in writing and (B) the date of termination specified in the written notice,

(iv) if this Agreement is terminated by the Company for Disability, the date a notice of termination is given,

(v) if this Agreement is terminated by the Company for Cause, the date a final determination is provided to Executive by the Company (following the procedures set forth in the CIC Agreement), or

(vi) if this Agreement is terminated by the Company without Cause, the date notice of termination is given to Executive by the Company;

(3) “**Disability**” shall mean Executive is, by reason of any medically determinable physical or mental impairment which actually hinders Executive’s ability to perform his job and which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than six months under an accident and health plan established by the Company for its employees.

(i) **Procedures for Notices of Termination.** The procedures set forth in Section 8(a), (b) and (d) of the CIC Agreement shall apply under this Agreement in connection with a notice of termination as to the kind of termination events described in those subsections.

(j) **Release Agreement.** Notwithstanding anything to the contrary herein, no payment (other than payments described in (i) and (ii) of Sections 6(a), (b), (c), (d) and (e); payments under Section 6(e) on account of death; and any payment under Section 6(g)) shall be made under this Section 6 unless Executive executes (and does not revoke) a legal release (“Release Agreement”), in substantially the form attached hereto as Exhibit E, in which Executive releases the Company, its affiliates, directors, officers, employees, agents and others affiliated with the Company from any and all claims, including claims relating to Executive’s employment with the Company and the termination of Executive’s employment. The Release Agreement shall be provided to Executive within 5 days following Executive’s termination of employment. The Release Agreement must be executed and returned to the Company within the 21 or 45 day (as applicable) period described in the Release Agreement and it must not be revoked by Executive within the 7-day revocation period described in the Release Agreement.

(k) **Compliance with Code Section 409A.** Any payment under this Section 6 shall be subject to the provisions of this Section 6(k) (except for a payment pursuant to Section 6(e) as a result of Executive’s death). If and to the extent required by Code Section 409A, any payment or benefit required to be paid under this agreement on account of termination of Executive’s employment shall be made only after Executive incurs a “separation from service” within the meaning of Code Section 409A. If Executive is a “Specified Employee” of the Company for purposes of Code Section 409A at the time of a payment event set forth in Section 6 and if no exception from Code Section 409A applies in whole or in part, then the severance or other payments pursuant to Section 6 that are subject to Section 409A shall be made to Executive by the Company or commence on the later of the date otherwise provided therein or the first day of the seventh month following the date of the Executive’s separation from service (the “409A Payment Date”). Should this paragraph 6(k) result in a delay of payments to Executive, the Company shall begin to make such payments as described in this paragraph 6(k), provided that any amounts that would have been payable earlier but for the application of this paragraph 6(k), shall be paid in lump-sum on the 409A Payment Date along with accrued interest at the rate of interest announced by Bank of America, Arizona from time to time as its prime rate from the date that payments to you should have been made under this Agreement. For purposes of this provision, the term Specified Employee shall

have the meaning set forth in Code Section 409A(a)(2)(B)(i) or any successor provision and the treasury regulations and rulings issued thereunder. It is the intention of both the Company and Executive that the benefits and rights to which Executive could be entitled pursuant to this Agreement comply with Code Section 409A, to the extent that the requirements of Code Section 409A are applicable thereto, and the provisions of this Agreement shall be construed in a manner consistent with that intention. If Executive or the Company believes, at any time, that any such benefit or right that is subject to Code Section 409A does not comply, it shall promptly advise the other and shall negotiate reasonably and in good faith to amend the terms of such benefits and rights such that they comply with Code Section 409A (with the most limited possible economic effect on Executive and on the Company). Any reimbursement under this Agreement, to the extent it constitutes a deferral of compensation under Code Section 409A, shall meet the following requirements: (i) the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year, (ii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred, and (iii) the right to reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

(l) **No Duty to Mitigate.** Any payments under this Section 6 will be made to Executive without regard to whether Executive looks for or obtains alternative employment following termination of employment with the Company hereunder.

(m) **Expenses and Interest.** If a good faith dispute shall arise with respect to the enforcement of any rights under this Agreement or if any arbitration or legal proceeding shall be brought in good faith to enforce or interpret any provision hereof, or to recover damages for breach hereof, the prevailing party shall recover any reasonable attorneys' fees and necessary costs and disbursement incurred as a result of such dispute or legal proceeding, and prejudgment interest on any money judgment obtained calculated at the rate of interest announced by Bank of America, Arizona from time to time as its prime rate from the date that payments were or should have been made under this Agreement.

7. **Restrictive Covenant.**

(a) Executive hereby covenants and agrees that for a period of two years from the Date of Termination, Executive will not:

(1) Directly or indirectly, hire or solicit for employment for any other business entity other than the Company (whether as an employee, consultant, independent contractor, or otherwise) any person who is, or within the six month period preceding the date of such activity was, an employee, independent contractor or the like of the Company or any of its subsidiaries, unless Company gives its written consent to such employment or offer of employment.

(2) Call on or directly or indirectly solicit or divert or take away from Company or any of its subsidiaries (including, without limitation, by divulging to any competitor or potential competitor or company or its subsidiaries) any person, firm, corporation or other entity who was a customer or prospective customer of the Company during Executive's term of employment.

(b) The covenants set forth in this Section 7 shall begin as of the Effective Date and will survive the Executive's termination of employment under Section 6.

8. **Non-Disclosure of Confidential Information.**

(a) It is understood that in the course of Executive's employment with Company, Executive will become acquainted with Company Confidential Information (as defined below). Executive recognizes that Company Confidential Information has been developed or acquired at great expense, is proprietary to the Company, and is and shall remain the exclusive property of the Company. Accordingly, Executive agrees that except as otherwise ordered in a legal or regulatory proceeding, he will not, disclose to others, copy, make any use of, or remove from Company's premises any Company Confidential Information, except as Executive's duties may specifically require, without the express written consent of the Company, during Executive's employment with the Company and thereafter until such time as Company Confidential Information becomes generally known, or readily ascertainable by proper means by persons unrelated to the Company.

(b) Upon any termination of employment, Executive shall promptly deliver to the Company the originals and all copies of any and all materials, documents, notes, manuals, or lists containing or embodying Company Confidential Information, or relating directly or indirectly to the business of the Company, in the possession or control of Executive.

(c) Executive hereby agrees that the period of time provided for in this Section 8 and other provisions and restrictions set forth herein are reasonable and necessary to protect the Company and its successors and assigns in the use and employment of the goodwill of the business conducted by Executive. Executive further agrees that damages cannot adequately compensate the Company in the event of a violation of this Section 8 and that, if such violation should occur, injunctive relief shall be essential for the protection of the Company and its successors and assigns. Accordingly, Executive hereby covenants and agrees that, in the event any of the provisions of this Section 8 shall be violated or breached, the Company shall be entitled to obtain injunctive relief against the party or parties violating such covenants, without bond but upon due notice, in addition to such further or other relief as may be available at equity or law. Obtainment of such an injunction by the Company shall not be considered an election of remedies or a waiver of any right to assert any other remedies which the Company has at law or in equity. No waiver of any breach or violation hereof shall be implied from forbearance or failure by the Company to take action thereof. The prevailing party in any litigation, arbitration or similar dispute resolution proceeding to enforce this provision will recover any and all reasonable costs and expenses, including attorneys' fees.

(d) "**Company Confidential Information**" shall mean confidential, proprietary information or trade secrets of Company and its subsidiaries and affiliates including without

limitation the following: (1) customer lists and customer information as compiled by Company; (2) Company's internal practices and procedures; (3) Company's financial condition and financial results of operation; (4) supply of materials information, including sources and costs, designs, information on land and lot inventories, and current and prospective projects; (5) strategic planning, manufacturing, engineering, purchasing, finance, marketing, promotion, distribution, and selling activities; (6) all other information which Executive has a reasonable basis to consider confidential or which is treated by Company as confidential; and (7) all information having independent economic value to Company that is not generally known to, and not readily ascertainable by proper means by, persons who can obtain economic value from its disclosure or use. Notwithstanding the foregoing provisions, the following shall not be considered "Company Confidential Information": (i) the general skills of the Executive as an experienced real estate and homebuilding entrepreneur and senior management level employee; (ii) information generally known by senior management executives within the homebuilding and/or land development industry; (iii) persons, entities, contacts or relationships of Executive that are also generally known in the industry; and (iv) information which becomes available on a non-confidential basis from a source other than Executive which source is not prohibited from disclosing such confidential information by legal, contractual or other obligation.

9. **Cooperation; No Disparagement.** During the one-year period following the Executive's Date of Termination, Executive agrees to provide reasonable assistance to the Company (including assistance with litigation matters), upon the Company's request, concerning the Executive's previous employment responsibilities and functions with the Company. Additionally, at all times after the Executive's employment with the Company has terminated, Company and Executive agree to refrain from making any disparaging or derogatory remarks, statements and/or publications regarding the other, its employees or its services. In consideration for such cooperation, Company shall compensate Executive for the time Executive spends on such cooperative efforts (at an hourly rate based on Executive's total compensation during the year preceding the Date of Termination) and Company shall reimburse Executive for the reasonable out-of-pocket expenses Executive incurs in connection with such cooperative efforts. In addition, in no event will the Executive be required to provide services to the Company pursuant to this Section 9 at a level that exceeds 20% of the average level of bona fide services Executive provided to Company in the immediately preceding 36 months.

10. **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any applicable law, then such provision will be deemed to be modified to the extent necessary to render it legal, valid and enforceable, and if no such modification will make the provision legal, valid and enforceable, then this Agreement will be construed as if not containing the provision held to be invalid, and the rights and obligations of the parties will be construed and enforced accordingly.

11. **Assignment by Company.** Nothing in this Agreement shall preclude the Company from consolidating or merging into or with, or transferring all or substantially all of its assets to, another corporation or entity that assumes this Agreement and all obligations and undertakings hereunder. Upon such consolidation, merger or transfer of assets and assumption, the term "Company" as used

herein shall mean such other corporation or entity, as appropriate, and this Agreement shall continue in full force and effect.

12. **Entire Agreement.** This Agreement, the CIC Agreement, and any agreements concerning stock options, restricted stock, restricted stock units or other benefits, embody the complete agreement of the parties hereto with respect to the subject matter hereof and supersede any prior written, or prior or contemporaneous oral, understandings or agreements between the parties that may have related in any way to the subject matter hereof. This Agreement may be amended only in writing executed by the Company and Executive.

13. **Governing Law.** This Agreement and all questions relating to its validity, interpretation, performance and enforcement, shall be governed by and construed in accordance with the internal laws, and not the law of conflicts, of the State of Arizona.

14. **Notice.** Any notice required or permitted under this Agreement must be in writing and will be deemed to have been given when delivered personally or by overnight courier service or three days after being sent by mail, postage prepaid, at the address indicated below or to such changed address as such person may subsequently give such notice of:

if to Company: Meritage Homes Corporation
 8800 East Raintree, Suite 300
 Scottsdale, Arizona 85260
 Attention: Chief Executive Officer and
 Chief Financial Officer

if to Executive: Steven Davis
 13720 E. Yucca Street
 Scottsdale, Arizona 85259

15. **Arbitration.** Any dispute, controversy, or claim, whether contractual or non-contractual, between the parties hereto arising directly or indirectly out of or connected with this Agreement, relating to the breach or alleged breach of any representation, warranty, agreement, or covenant under this Agreement, unless mutually settled by the parties hereto, shall be resolved by binding arbitration in accordance with the Employment Arbitration Rules of the American Arbitration Association (the "AAA"). The parties agree that before proceeding to arbitration that they will mediate their disputes before the AAA by a mediator approved by the AAA. Any arbitration shall be conducted by arbitrators approved by the AAA and mutually acceptable to Company and Executive. All such disputes, controversies or claims shall be conducted by a single arbitrator, unless the dispute involves more than \$50,000 in the aggregate in which case the arbitration shall be conducted by a panel of three arbitrators. If the parties hereto are unable to agree on the mediator or the arbitrator(s), then the AAA shall select the arbitrator(s). The resolution of the dispute by the arbitrator(s) shall be final, binding, nonappealable, and fully enforceable by a court of competent jurisdiction under the Federal Arbitration Act. The arbitrator(s) shall award damages to the prevailing party. The arbitration award shall be in writing and shall include a statement of the reasons for the award. The arbitration shall be held in the Phoenix/Scottsdale metropolitan area.

The Company shall pay all AAA, mediation, and arbitrator's fees and costs. The arbitrator(s) shall award reasonable attorneys' fees and costs to the prevailing party.

16. **Withholding; Release; No Duplication of Benefits.** All of Executive's compensation under this Agreement will be subject to deduction and withholding authorized or required by applicable law. The Company's obligation to make any post-termination payments hereunder (other than those payments described in Section 6(j) and expense reimbursements through a date of termination), shall be subject to receipt by the Company from Executive of the Release Agreement, and compliance by Executive with the covenants set forth in Sections 7 and 8 hereof. If there is any conflict between the provisions of the CIC Agreement and this Agreement, such conflict shall be resolved so as to provide on an individual item by item basis the greater benefit to Executive. However, in order to avoid duplication of any monetary benefits, any payments or benefits due under Executive's CIC Agreement or under any employee severance plan to the extent such a plan exists or is subsequently implemented by the Company, will not be paid if the corresponding item under this Agreement is equal or greater and is paid.

17. **Effect of Restatement of Financial Results.** Notwithstanding anything in this Agreement to the contrary, to the extent any financial results are misstated as a result of Executive's willful misconduct or gross negligence, and as a result such financial results are subsequently restated downward resulting in lower levels of bonuses pursuant to Section 4 and the accompanying Exhibit A, offsets shall be made against future bonuses. If such future bonuses are insufficient to offset the full difference between awarded bonuses and restated bonuses and/or if such restatement occurs at the end of the Agreement Term and subsequent Renewal Term(s), if any, bonuses previously earned and delivered under this Agreement may be clawed-back.

18. **Successors and Assigns.** This Agreement is solely for the benefit of the parties and their respective successors, assigns, heirs and legatees. Nothing herein shall be construed to provide any right to any other entity or individual.

19. **Related Party Transactions.** Executive may not engage in any related party transactions with the Company unless approved in the specific instance by the Audit Committee of the Board.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first above written.

MERITAGE HOMES CORPORATION, a Maryland corporation

By: /s/ Steven J. Hilton
Name: Steven J. Hilton
Title: Chairman and CEO

EXECUTIVE: STEVEN DAVIS

/s/ Steven M. Davis

EXHIBIT A
BONUS

- A. Bonus Opportunity. For each Performance Period, as defined in paragraph B below, Executive shall be entitled to a Bonus based on his Target Bonus, as set forth in paragraph C below, subject to the achievement of certain performance goals.
- B. Performance Period. For purposes of this Exhibit A, the Performance Period shall be the 12 month period beginning on January 1 of each calendar year during the Agreement Term and any Renewal Term.
- C. Target Bonus and Bonus. Executive's Target Bonus shall be \$1,000,000. Executive's Bonus that is payable for any Performance Period, if any, shall be an amount ranging from 0% to 200% of the Target Bonus, contingent upon the achievement of one or more performance goals established by the Committee for such Performance Period, as set forth in paragraph D.1. Notwithstanding the foregoing, the Bonus payable to the Executive shall not exceed the maximum bonus that could be payable under the Incentive Plan.
- D. Performance Goals.
1. Subject to and in accordance with the requirements under Section 162(m) of the Code, no later than 90 days after the commencement of each Performance Period, the Committee shall, in its sole discretion, establish in writing one or more preestablished, objective performance goals for such Performance Period. Such performance goal(s) shall state, in terms of an objective formula or standard, the amount of the Target Bonus payable to Executive upon achievement of each such performance goal (or any specified threshold, intermediate, target, maximum or other level with respect thereto).
 2. Notwithstanding anything herein to the contrary, in addition to the performance goals described in paragraph D.1, for any Performance Period the Committee may also, in its sole discretion, establish one or more individual performance goals for Executive, whether objective or subjective, and may reduce the Bonus that is otherwise payable to Executive for such Performance Period if Executive fails to achieve such individual performance goals in such amount or percentage as the Committee may determine; provided, however, that any such reduction in Executive's Bonus shall not result in an increase in any amount payable to any other employee of the Company
- E. Incentive Plan. This Exhibit A, subject to any action taken by the Committee pursuant thereto, shall be subject to the terms and conditions of, the Incentive Plan. If there is any conflict between the provisions of the Agreement or this Exhibit A and the Incentive Plan, or any award agreement, the Agreement or this Exhibit A (as applicable) shall control.

- F. Pro Rata Bonus. A pro rata Bonus, where applicable, shall be an amount equal to (1) the Bonus otherwise determined by the Committee based upon actual performance for the Performance Period in accordance with the foregoing provisions of this Exhibit A, multiplied by (2) a fraction, the numerator of which is the number of days that Executive is employed by the Company during the Performance Period, and the denominator of which is the total number of days in the Performance Period.
- G. Payment. Except as otherwise provided in the Agreement, any Bonus payable under this Exhibit A (including any pro rata Bonus determined under paragraph F) shall be paid in cash to Executive at the time(s) determined by the Committee in its reasonable discretion, provided that the Bonus shall be paid in its entirety no later than March 15 of the calendar year following the calendar year to which the payment relates.

EXHIBIT B
PERFORMANCE SHARE AWARD

- A. Performance Share Opportunity. For each Performance Period, as defined in paragraph B below, Executive shall be granted a Performance Share Award (“PSA”) under the Stock Incentive Plan giving Executive the right to receive shares of common stock of the Company (“Shares”), based on a target specified in paragraph C below and subject to the achievement of certain performance goals.
- B. Performance Period. For purposes of this Exhibit B, the Performance Period shall be the three year period beginning on January 1 of each calendar year during the Agreement Term and any Renewal Term.
- C. Shares. A target number of Shares with a fair market value on the date of grant, based on the closing price of the Company’s stock on such date, of \$500,000 shall be established for the PSA for each Performance Period. The PSA that is payable for any Performance Period, if any, shall be an amount ranging from 0% to 150% of such target number of Shares, contingent upon the achievement of one or more performance goals established by the Committee for such Performance Period, as set forth in paragraph D. Notwithstanding the foregoing, the maximum number of shares deliverable pursuant to any PSA shall not exceed the maximum number of shares that could be granted during a calendar year under the Stock Incentive Plan.
- D. Performance Goals. Subject to and in accordance with the requirements under Section 162(m) of the Code, no later than 90 days after the commencement of each Performance Period, the Committee shall, in its sole discretion, establish in writing one or more preestablished, objective performance goals for such Performance Period. Such performance goal(s) shall state, in terms of an objective formula or standard, the amount of the target number of Shares determined under paragraph C for such Performance Period payable to Executive upon achievement of each such performance goal (or any specified threshold, intermediate, target, maximum or other level with respect thereto).
- E. Stock Incentive Plan. This Exhibit B, subject to any action taken by the Committee pursuant thereto, shall be subject to the terms and conditions of the Stock Incentive Plan. If there is any conflict between the provisions of the Agreement or this Exhibit B and the Stock Incentive Plan or any award agreement, the Agreement or this Exhibit B (as applicable) shall control.
- F. Payment. Except as otherwise provided in the Agreement, any PSAs payable under this Exhibit B shall be settled by delivery of whole Shares (with cash for any fractional share) to Executive at the time(s) determined by the Committee in its reasonable discretion, provided that such Shares shall be delivered (and such cash, if any, shall be paid) no later than March 15 of the calendar year following the Performance Period to which the payment relates.

- G. Restricted Stock Units. The Company may grant Executive performance based restricted stock units in lieu of the PSAs; provided, however, that such restricted stock units shall be on the same terms and conditions as the PSAs and the provisions herein and in the Agreement with respect to PSAs shall apply to the performance based restricted stock units.

EXHIBIT C
RESTRICTED STOCK UNIT AWARD

- A. Restricted Stock Unit. For each Vesting Period, as defined in paragraph B below, Executive shall be granted in January or February of each calendar year a Restricted Stock Unit Award (“RSU”) under the Stock Incentive Plan giving Executive the right to receive shares of common stock of the Company (“Shares”) with a fair market value on the date of grant, based on the closing price of the Company’s stock on such date, of \$500,000. Notwithstanding the foregoing, the maximum number of Shares deliverable pursuant to any RSU shall not exceed the maximum number of Shares that could be granted during a calendar year under the Stock Incentive Plan, reduced by the maximum number of shares deliverable pursuant to a PSA granted under Exhibit B during the same calendar year.
- B. Vesting Period. For purposes of this Exhibit C, the Vesting Period for any RSU shall be the three year period beginning on January 1 of each calendar year.
- C. Vesting. The RSU for any Vesting Period shall become fully vested and nonforfeitable as of the earlier of (i) the last day of the Vesting Period, provided that Executive remains continuously employed by the Company through and including such day, and (ii) the Executive’s termination of employment to the extent provided in the Agreement. Any RSU Award that does not vest prior to or on account of the Executive’s termination of employment shall be forfeited.
- D. Stock Incentive Plan. This Exhibit C shall be subject to the terms and conditions of, the Stock Incentive Plan. If there is any conflict between the provisions of the Agreement or this Exhibit C and the Stock Incentive Plan or any award agreement, the Agreement or this Exhibit C (as applicable) shall control.
- E. Payment. Except as otherwise provided in the Agreement, any RSUs which become fully vested and nonforfeitable under paragraph C of this Exhibit C shall be settled by delivery of whole Shares (with cash for any fractional share) to Executive within 60 days after the end of the Vesting Period. Notwithstanding anything in this Exhibit C to the contrary, if the 60 day payment distribution period spans two calendar years, the payment to which Executive is entitled under this paragraph E shall be made in the second calendar year.

EXHIBIT D
SPECIFIED BENEFITS

1. Payments annually for Executive to purchase life insurance in the amount of \$3,000,000 (or reimbursement for the premiums paid by Executive for such policy).

2. The Company shall provide Executive with disability insurance with monthly benefits of \$20,000 in the event of Executive's total disability (or reimbursement for the premiums paid by Executive for such policy); provided that in lieu of such disability benefit, the Executive may elect to receive any combination of disability and/or long term care benefit(s) so long as the Company's cost of such other benefit(s) does not exceed the Company's cost of a comparable disability benefit.

3. Taxes related to any payments and benefits above shall be the sole responsibility of the Executive.

**SECOND AMENDMENT
TO THE
THIRD AMENDED AND RESTATED
CHANGE OF CONTROL AGREEMENT FOR
STEVEN J. HILTON**

Meritage Homes Corporation, a Maryland corporation (the “Company”), and Steven J. Hilton (“Executive”) entered into the Third Amended and Restated Change of Control Agreement effective as of January 1, 2010 (the “Agreement”). By execution of this Amendment, the Company now desires to amend the Agreement as set forth below.

1. This Second Amendment shall be effective as of January 1, 2014.

2. The first paragraph of Section 2 of the Agreement is hereby amended by adding the following sentence at the end thereof:

For purposes of this Agreement, if your employment terminates under the Employment Agreement between you and the Company, as amended and restated from time to time, at the end of its term pursuant to the Company’s notice pursuant to Section 2 of your Employment Agreement, such termination shall constitute termination of your employment with the Company without Cause.

3. The last sentence of the second paragraph of Section 2 of the Agreement is hereby amended in its entirety to read as follows:

Notwithstanding the above, the Severance Payment shall not exceed \$15 million and shall be reduced to the extent necessary to ensure that the sum of the Severance Payment plus any other amounts treated as a parachute payment under Code Section 280G shall not exceed an amount that could be paid on account of a Change of Control that is not subject to the imposition of any excise tax under Code Section 4999 and is not otherwise subject to the non-deductibility provisions of Code Section 280G, but only if and to the extent such reduced amount would provide a greater benefit (net of all taxes) to you than an unreduced Severance Payment (net of all taxes) that would be subject to the excise tax under Code Section 4999.

4. The first sentence of the fifth paragraph of Section 2 of the Agreement is hereby amended in its entirety to read as follows:

Notwithstanding anything in this Agreement to the contrary, in order to receive the Severance Payment described in this Section 2, you must execute (and not revoke) a legal release (“Release Agreement”), substantially in the form attached to your Employment Agreement, in which you release the Company and its affiliates, directors, officers, employees, agents and others affiliated

with the Company from any and all claims, including claims relating to your employment with the Company and the termination of your employment.

5. Section 3 of the Agreement is hereby amended in its entirety to read as follows:

If you are entitled to severance under Section 2, you will not continue to receive disability insurance benefits, life insurance benefits, long-term care benefits and, subject to statutory COBRA rights, group health insurance benefits following termination of your employment, but the Company shall pay you an amount equal to the sum of (i) 150% of the monthly premiums (or, if applicable, the annual premiums) payable by the Company for the coverage in effect on the date of termination for your disability, life insurance and long-term care benefits, multiplied by 24 (or, if applicable, two) plus (ii) 150% of the monthly COBRA premium payable for the coverage in effect on the date of termination for you and, if applicable, your dependents under the Company's group health insurance plan, multiplied by 18. Such cash payment shall be made within 60 days of your termination of employment (and, if the 60 day payment distribution period spans two calendar years, payment shall be made in the second calendar year).

6. Section 4 of the Agreement is hereby amended in its entirety to read as follows:

4. Equity Award and Annual Bonus Acceleration.

Notwithstanding anything in this Agreement or in any award agreement to the contrary, except as provided in this Section 4, upon a Change of Control, (i) any stock options, restricted stock and other equity based awards (including, but not limited to, restricted stock units, performance units and performance shares) shall be immediately accelerated and become fully vested without further action, (ii) any stock option grants that remain outstanding as of the date of termination shall remain exercisable until the expiration of the term thereof but not later than the 10th anniversary of the original date of grant, and (iii) all restrictions on awards granted shall lapse; provided, however, that, for the avoidance of doubt, any such awards which constitute nonqualified deferred compensation within the meaning of Code Section 409A shall be payable (a) within 20 days following a Change of Control described in Treas. Reg. Section 1.409A-3(i)(5) (and, if the 20 day payment distribution period spans two calendar years, payment shall be made in the second calendar year), or (b) as otherwise provided in such award upon a Change of Control not described in Treas. Reg. Section 1.409A-3(i)(5); and provided further, that the number of shares of common stock of the Company ("Shares") subject to previously granted Performance Share Awards or any other similar performance awards granted under the Company's 2006 Stock Incentive Plan that you will be entitled to pursuant to the provisions of this Section 4 for any performance period that has not yet ended will equal, subject to the provisions of the Stock Incentive Plan, the greater of (1) the target number of Shares subject to such Performance Share Awards and other similar performance awards for such performance period, and (2) the number of shares that you would have earned for the performance period determined by projecting actual performance for the period prior to the Change of Control through the end of the applicable performance period; and further provided, that the amount of your annual bonus under the 2006 Annual Incentive Plan that you will be entitled to pursuant to the provisions of this Section 4 for the performance period in which the Change of Control occurs will, subject to the provisions of the Incentive Plan, equal the greater of (1) your target

bonus for such performance period and (2) the bonus that you would have earned for the performance period determined by projecting the actual performance for the period prior to the Change of Control through the end of the performance period, payable within 20 days following the Change of Control if you are employed as of the date of the Change of Control or if you have a termination of employment with the Company without Cause after the beginning of the performance period and within 150 days prior to the Change of Control.

7. Clause (v) of Section 7 of the Agreement is hereby amended in its entirety to read as follows:

(v) willfully fails to perform duties under this Agreement or under any employment agreement between you and the Company, as in effect from time to time (“Employment Agreement”) after notice by the Board and an opportunity to cure;

8. Section 18 of the Agreement is hereby amended in its entirety to read as follows:

This Agreement supplements, and does not replace, your Employment Agreement. If there is any conflict between the provisions of this Agreement and your Employment Agreement, such conflict shall be resolved so as to provide on an individual item by item basis the greater benefit to you. However, in order to avoid duplication of any monetary benefits, any payments or benefits due under your Employment Agreement or under any employee severance plan to the extent such plan exists or is subsequently implemented by the Company, will not be paid if the corresponding item under this Agreement is equal or greater and is paid; provided, however, that if you have a termination prior to a Change of Control for Good Reason or a termination without Cause, any payments pursuant to Section 7(b)(xi) or Section 7(c)(xi) of your Employment Agreement will reduce the Severance Payment amount hereunder.

9. Section 19 of the Agreement is hereby amended in its entirety to read as follows:

This Agreement, your Employment Agreement and any award agreements for stock options, restricted stock, other equity based awards (including, but not limited to, restricted stock units, performance units and performance shares) and bonuses set forth the entire agreement between you and the Company concerning the subject matter discussed in this Agreement and supersede all prior agreements, promises, covenants, arrangements, communications, representations, or warranties, whether written or oral, by any officer, employee or representative of the Company.

10. Section 20 of the Agreement is hereby deleted in its entirety.

11. This Second Amendment amends only provisions of the Agreement as noted herein, and those provisions not expressly amended shall be considered in full force and effect.

IN WITNESS WHEREOF, the Company has caused this Second Amendment to be executed as of this 25th day of March, 2014.

MERITAGE HOMES CORPORATION, a Maryland corporation

By: /s/ Raymond Oppel
Name: Raymond Oppel
Title: Executive Compensation Committee Chair

EXECUTIVE: STEVEN J. HILTON

/s/ Steven J. Hilton

**SECOND AMENDMENT
TO THE
THIRD AMENDED AND RESTATED
CHANGE OF CONTROL AGREEMENT FOR
LARRY W. SEAY**

Meritage Homes Corporation, a Maryland corporation (the “Company”), and Larry W. Seay (“Executive”) entered into the Third Amended and Restated Change of Control Agreement effective as of January 1, 2010 (the “Agreement”). By execution of this Amendment, the Company now desires to amend the Agreement as set forth below.

1. This Second Amendment shall be effective as of January 1, 2014.

2. The first paragraph of Section 2 of the Agreement is hereby amended by adding the following sentence at the end thereof:

For purposes of this Agreement, if your employment terminates under the Employment Agreement between you and the Company, as amended and restated from time to time, at the end of its term pursuant to the Company’s notice pursuant to Section 2 of your Employment Agreement, such termination shall constitute termination of your employment with the Company without Cause.

3. The last sentence of the second paragraph of Section 2 of the Agreement is hereby amended in its entirety to read as follows:

Notwithstanding the above, the Severance Payment shall not exceed \$6 million and shall be reduced to the extent necessary to ensure that the sum of the Severance Payment plus any other amounts treated as a parachute payment under Code Section 280G shall not exceed an amount that could be paid on account of a Change of Control that is not subject to the imposition of any excise tax under Code Section 4999 and is not otherwise subject to the non-deductibility provisions of Code Section 280G, but only if and to the extent such reduced amount would provide a greater benefit (net of all taxes) to you than an unreduced Severance Payment (net of all taxes) that would be subject to the excise tax under Code Section 4999.

4. The first sentence of the fifth paragraph of Section 2 of the Agreement is hereby amended in its entirety to read as follows:

Notwithstanding anything in this Agreement to the contrary, in order to receive the Severance Payment described in this Section 2, you must execute (and not revoke) a legal release

("Release Agreement"), substantially in the form attached to your Employment Agreement, in which you release the Company and its affiliates, directors, officers, employees, agents and others affiliated with the Company from any and all claims, including claims relating to your employment with the Company and the termination of your employment.

5. Section 3 of the Agreement is hereby amended in its entirety to read as follows:

If you are entitled to severance under Section 2, you will not continue to receive disability insurance benefits, life insurance benefits, long-term care benefits and, subject to statutory COBRA rights, group health insurance benefits following termination of your employment, but the Company shall pay you an amount equal to the sum of (i) 150% of the monthly premiums (or, if applicable, the annual premiums) payable by the Company for the coverage in effect on the date of termination for your disability, life insurance and long-term care benefits, multiplied by 24 (or, if applicable, two) plus (ii) 150% of the monthly COBRA premium payable for the coverage in effect on the date of termination for you and, if applicable, your dependents under the Company's group health insurance plan, multiplied by 18. Such cash payment shall be made within 60 days of your termination of employment (and, if the 60 day payment distribution period spans two calendar years, payment shall be made in the second calendar year).

6. Section 4 of the Agreement is hereby amended in its entirety to read as follows:

4. **Equity Award and Annual Bonus Acceleration.**

Notwithstanding anything in this Agreement or in any award agreement to the contrary, except as provided in this Section 4, upon a Change of Control, (i) any stock options, restricted stock and other equity based awards (including, but not limited to, restricted stock units, performance units and performance shares) shall be immediately accelerated and become fully vested without further action, (ii) any stock option grants that remain outstanding as of the date of termination shall remain exercisable until the expiration of the term thereof but not later than the 10th anniversary of the original date of grant, and (iii) all restrictions on awards granted shall lapse; provided, however, that, for the avoidance of doubt, any such awards which constitute nonqualified deferred compensation within the meaning of Code Section 409A shall be payable (a) within 20 days following a Change of Control described in Treas. Reg. Section 1.409A-3(i)(5) (and, if the 20 day payment distribution period spans two calendar years, payment shall be made in the second calendar year), or (b) as otherwise provided in such award upon a Change of Control not described in Treas. Reg. Section 1.409A-3(i)(5); and provided further, that the number of shares of common stock of the Company ("Shares") subject to previously granted Performance Share Awards or any other similar performance awards granted under the Company's 2006 Stock Incentive Plan that you will be entitled to pursuant to the provisions of this Section 4 for any performance period that has not yet ended will equal, subject to the provisions of the Stock Incentive Plan, the greater of (1) the target number of Shares subject to such Performance Share Awards and other similar performance awards for such performance period, and (2) the number of shares that you would have earned for the performance period determined by projecting actual performance for the period prior to the Change of Control

through the end of the applicable performance period; and further provided, that the amount of your annual bonus under the 2006 Annual Incentive Plan that you will be entitled to pursuant to the provisions of this Section 4 for the performance period in which the Change of Control occurs will, subject to the provisions of the Incentive Plan, equal the greater of (1) your target bonus for such performance period and (2) the bonus that you would have earned for the performance period determined by projecting the actual performance for the period prior to the Change of Control through the end of the performance period, payable within 20 days following the Change of Control if you are employed as of the date of the Change of Control or if you have a termination of employment with the Company without Cause after the beginning of the performance period and within 150 days prior to the Change of Control.

7. Clause (v) of Section 7 of the Agreement is hereby amended in its entirety to read as follows:

(v) willfully fails to perform duties under this Agreement or under any employment agreement between you and the Company, as in effect from time to time (“Employment Agreement”) after notice by the Board and an opportunity to cure;

8. Section 18 of the Agreement is hereby amended in its entirety to read as follows:

This Agreement supplements, and does not replace, your Employment Agreement. If there is any conflict between the provisions of this Agreement and your Employment Agreement, such conflict shall be resolved so as to provide on an individual item by item basis the greater benefit to you. However, in order to avoid duplication of any monetary benefits, any payments or benefits due under your Employment Agreement or under any employee severance plan to the extent such plan exists or is subsequently implemented by the Company, will not be paid if the corresponding item under this Agreement is equal or greater and is paid; provided, however, that if you have a termination prior to a Change of Control for Good Reason or a termination without Cause, any payments pursuant to Section 6(b)(xi) or Section 6(c)(xi) of your Employment Agreement will reduce the Severance Payment amount hereunder.

9. Section 19 of the Agreement is hereby amended in its entirety to read as follows:

This Agreement, your Employment Agreement and any award agreements for stock options, restricted stock, other equity based awards (including, but not limited to, restricted stock units, performance units and performance shares) and bonuses set forth the entire agreement between you and the Company concerning the subject matter discussed in this Agreement and supersede all prior agreements, promises, covenants, arrangements, communications, representations, or warranties, whether written or oral, by any officer, employee or representative of the Company.

10. Section 20 of the Agreement is hereby deleted in its entirety.

11. This Second Amendment amends only provisions of the Agreement as noted herein, and those provisions not expressly amended shall be considered in full force and effect.

IN WITNESS WHEREOF, the Company has caused this Second Amendment to be executed as of this 25th day of March, 2014.

MERITAGE HOMES CORPORATION, a Maryland corporation

By: /s/ Steven J. Hilton
Name: Steven J. Hilton
Title: Chairman and CEO

EXECUTIVE: LARRY W. SEAY

/s/ Larry W. Seay

**SECOND AMENDMENT
TO THE
AMENDED AND RESTATED
CHANGE OF CONTROL AGREEMENT FOR
C. TIMOTHY WHITE**

Meritage Homes Corporation, a Maryland corporation (the “Company”), and C. Timothy White (“Executive”) entered into an Amended and Restated Change of Control Agreement effective as of January 1, 2010 (the “Agreement”). By execution of this Amendment, the Company now desires to amend the Agreement as set forth below.

1. This Second Amendment shall be effective as of January 1, 2014.

2. The first paragraph of Section 2 of the Agreement is hereby amended by adding the following sentence at the end thereof:

For purposes of this Agreement, if your employment terminates under the Employment Agreement between you and the Company, as amended and restated from time to time, at the end of its term pursuant to the Company’s notice pursuant to Section 2 of your Employment Agreement, such termination shall constitute termination of your employment with the Company without Cause.

3. The last sentence of the second paragraph of Section 2 of the Agreement is hereby amended in its entirety to read as follows:

Notwithstanding the above, the Severance Payment shall not exceed \$6 million and shall be reduced to the extent necessary to ensure that the sum of the Severance Payment plus any other amounts treated as a parachute payment under Code Section 280G shall not exceed an amount that could be paid on account of a Change of Control that is not subject to the imposition of any excise tax under Code Section 4999 and is not otherwise subject to the non-deductibility provisions of Code Section 280G, but only if and to the extent such reduced amount would provide a greater benefit (net of all taxes) to you than an unreduced Severance Payment (net of all taxes) that would be subject to the excise tax under Code Section 4999.

4. The first sentence of the fifth paragraph of Section 2 of the Agreement is hereby amended in its entirety to read as follows:

Notwithstanding anything in this Agreement to the contrary, in order to receive the Severance Payment described in this Section 2, you must execute (and not revoke) a legal release

("Release Agreement"), substantially in the form attached to your Employment Agreement, in which you release the Company and its affiliates, directors, officers, employees, agents and others affiliated with the Company from any and all claims, including claims relating to your employment with the Company and the termination of your employment.

5. Section 3 of the Agreement is hereby amended in its entirety to read as follows:

If you are entitled to severance under Section 2, you will not continue to receive disability insurance benefits, life insurance benefits, long-term care benefits and, subject to statutory COBRA rights, group health insurance benefits following termination of your employment, but the Company shall pay you an amount equal to the sum of (i) 150% of the monthly premiums (or, if applicable, the annual premiums) payable by the Company for the coverage in effect on the date of termination for your disability, life insurance and long-term care benefits, multiplied by 24 (or, if applicable, two) plus (ii) 150% of the monthly COBRA premium payable for the coverage in effect on the date of termination for you and, if applicable, your dependents under the Company's group health insurance plan, multiplied by 18. Such cash payment shall be made within 60 days of your termination of employment (and, if the 60 day payment distribution period spans two calendar years, payment shall be made in the second calendar year).

6. Section 4 of the Agreement is hereby amended in its entirety to read as follows:

4. **Equity Award and Annual Bonus Acceleration.**

Notwithstanding anything in this Agreement or in any award agreement to the contrary, except as provided in this Section 4, upon a Change of Control, (i) any stock options, restricted stock and other equity based awards (including, but not limited to, restricted stock units, performance units and performance shares) shall be immediately accelerated and become fully vested without further action, (ii) any stock option grants that remain outstanding as of the date of termination shall remain exercisable until the expiration of the term thereof but not later than the 10th anniversary of the original date of grant, and (iii) all restrictions on awards granted shall lapse; provided, however, that, for the avoidance of doubt, any such awards which constitute nonqualified deferred compensation within the meaning of Code Section 409A shall be payable (a) within 20 days following a Change of Control described in Treas. Reg. Section 1.409A-3(i)(5) (and, if the 20 day payment distribution period spans two calendar years, payment shall be made in the second calendar year), or (b) as otherwise provided in such award upon a Change of Control not described in Treas. Reg. Section 1.409A-3(i)(5); and provided further, that the number of shares of common stock of the Company ("Shares") subject to previously granted Performance Share Awards or any other similar performance awards granted under the Company's 2006 Stock Incentive Plan that you will be entitled to pursuant to the provisions of this Section 4 for any performance period that has not yet ended will equal, subject to the provisions of the Stock Incentive Plan, the greater of (1) the target number of Shares subject to such Performance Share Awards and other similar performance awards for such performance period, and (2) the number of shares that you would have earned for the performance period

determined by projecting actual performance for the period prior to the Change of Control through the end of the applicable performance period; and further provided, that the amount of your annual bonus under the 2006 Annual Incentive Plan that you will be entitled to pursuant to the provisions of this Section 4 for the performance period in which the Change of Control occurs will, subject to the provisions of the Incentive Plan, equal the greater of (1) your target bonus for such performance period and (2) the bonus that you would have earned for the performance period determined by projecting the actual performance for the period prior to the Change of Control through the end of the performance period, payable within 20 days following the Change of Control if you are employed as of the date of the Change of Control or if you have a termination of employment with the Company without Cause after the beginning of the performance period and within 150 days prior to the Change of Control.

7. Clause (v) of Section 7 of the Agreement is hereby amended in its entirety to read as follows:

(v) willfully fails to perform duties under this Agreement or under any employment agreement between you and the Company, as in effect from time to time (“Employment Agreement”) after notice by the Board and an opportunity to cure;

8. Section 18 of the Agreement is hereby amended in its entirety to read as follows:

This Agreement supplements, and does not replace, your Employment Agreement. If there is any conflict between the provisions of this Agreement and your Employment Agreement, such conflict shall be resolved so as to provide on an individual item by item basis the greater benefit to you. However, in order to avoid duplication of any monetary benefits, any payments or benefits due under your Employment Agreement or under any employee severance plan to the extent such plan exists or is subsequently implemented by the Company, will not be paid if the corresponding item under this Agreement is equal or greater and is paid; provided, however, that if you have a termination prior to a Change of Control for Good Reason or a termination without Cause, any payments pursuant to Section 6(b)(xi) or Section 6(c)(xi) of your Employment Agreement will reduce the Severance Payment amount hereunder.

9. Section 19 of the Agreement is hereby amended in its entirety to read as follows:

This Agreement, your Employment Agreement and any award agreements for stock options, restricted stock, other equity based awards (including, but not limited to, restricted stock units, performance units and performance shares) and bonuses set forth the entire agreement between you and the Company concerning the subject matter discussed in this Agreement and supersede all prior agreements, promises, covenants, arrangements, communications, representations, or warranties, whether written or oral, by any officer, employee or representative of the Company.

10. Section 20 of the Agreement is hereby deleted in its entirety.

11. This Second Amendment amends only provisions of the Agreement as noted herein, and those provisions not expressly amended shall be considered in full force and effect.

IN WITNESS WHEREOF, the Company has caused this Second Amendment to be executed as of this 25th day of March, 2014.

MERITAGE HOMES CORPORATION, a Maryland corporation

By: /s/ Steven J. Hilton
Name: Steven J. Hilton
Title: Chairman and CEO

EXECUTIVE: C. TIMOTHY WHITE

/s/ C. Timothy White

**SECOND AMENDMENT
TO THE
AMENDED AND RESTATED
CHANGE OF CONTROL AGREEMENT FOR
STEVEN DAVIS**

Meritage Homes Corporation, a Maryland corporation (the “Company”), and Steven Davis (“Executive”) entered into an Amended and Restated Change of Control Agreement effective as of January 1, 2010 (the “Agreement”). By execution of this Amendment, the Company now desires to amend the Agreement as set forth below.

1. This Second Amendment shall be effective as of January 1, 2014.

2. The first paragraph of Section 2 of the Agreement is hereby amended by adding the following sentence at the end thereof:

For purposes of this Agreement, if your employment terminates under the Employment Agreement between you and the Company, as amended and restated from time to time, at the end of its term pursuant to the Company’s notice pursuant to Section 2 of your Employment Agreement, such termination shall constitute termination of your employment with the Company without Cause.

3. The last sentence of the second paragraph of Section 2 of the Agreement is hereby amended in its entirety to read as follows:

Notwithstanding the above, the Severance Payment shall not exceed \$6 million and shall be reduced to the extent necessary to ensure that the sum of the Severance Payment plus any other amounts treated as a parachute payment under Code Section 280G shall not exceed an amount that could be paid on account of a Change of Control that is not subject to the imposition of any excise tax under Code Section 4999 and is not otherwise subject to the non-deductibility provisions of Code Section 280G, but only if and to the extent such reduced amount would provide a greater benefit (net of all taxes) to you than an unreduced Severance Payment (net of all taxes) that would be subject to the excise tax under Code Section 4999.

4. The first sentence of the fifth paragraph of Section 2 of the Agreement is hereby amended in its entirety to read as follows:

Notwithstanding anything in this Agreement to the contrary, in order to receive the Severance Payment described in this Section 2, you must execute (and not revoke) a legal release (“Release Agreement”), substantially in the form attached to your Employment Agreement, in which you release the Company and its affiliates, directors, officers, employees, agents and others affiliated with the Company from any and all claims, including claims relating to your employment with the Company and the termination of your employment.

5. Section 3 of the Agreement is hereby amended in its entirety to read as follows:

If you are entitled to severance under Section 2, you will not continue to receive disability insurance benefits, life insurance benefits, long-term care benefits and, subject to statutory COBRA rights, group health insurance benefits following termination of your employment, but the Company shall pay you an amount equal to the sum of (i) 150% of the monthly premiums (or, if applicable, the annual premiums) payable by the Company for the coverage in effect on the date of termination for your disability, life insurance and long-term care benefits, multiplied by 24 (or, if applicable, two) plus (ii) 150% of the monthly COBRA premium payable for the coverage in effect on the date of termination for you and, if applicable, your dependents under the Company’s group health insurance plan, multiplied by 18. Such cash payment shall be made within 60 days of your termination of employment (and, if the 60 day payment distribution period spans two calendar years, payment shall be made in the second calendar year).

6. Section 4 of the Agreement is hereby amended in its entirety to read as follows:

4. **Equity Award and Annual Bonus Acceleration.**

Notwithstanding anything in this Agreement or in any award agreement to the contrary, except as provided in this Section 4, upon a Change of Control, (i) any stock options, restricted stock and other equity based awards (including, but not limited to, restricted stock units, performance units and performance shares) shall be immediately accelerated and become fully vested without further action, (ii) any stock option grants that remain outstanding as of the date of termination shall remain exercisable until the expiration of the term thereof but not later than the 10th anniversary of the original date of grant, and (iii) all restrictions on awards granted shall lapse; provided, however, that, for the avoidance of doubt, any such awards which constitute nonqualified deferred compensation within the meaning of Code Section 409A shall be payable (a) within 20 days following a Change of Control described in Treas. Reg. Section 1.409A-3(i)(5) (and, if the 20 day payment distribution period spans two calendar years, payment shall be made in the second calendar year), or (b) as otherwise provided in such award upon a Change of Control not described in Treas. Reg. Section 1.409A-3(i)(5); and provided further, that the number of shares of common stock of the Company (“Shares”) subject to previously granted Performance Share Awards or any other similar performance awards granted under the Company’s 2006 Stock Incentive Plan that you will be entitled to pursuant to the provisions of this Section 4 for any performance period that has not yet ended will equal, subject to the provisions of the Stock Incentive Plan, the greater of (1) the target number of Shares subject to such

Performance Share Awards and other similar performance awards for such performance period, and (2) the number of shares that you would have earned for the performance period determined by projecting actual performance for the period prior to the Change of Control through the end of the applicable performance period; and further provided, that the amount of your annual bonus under the 2006 Annual Incentive Plan that you will be entitled to pursuant to the provisions of this Section 4 for the performance period in which the Change of Control occurs will, subject to the provisions of the Incentive Plan, equal the greater of (1) your target bonus for such performance period and (2) the bonus that you would have earned for the performance period determined by projecting the actual performance for the period prior to the Change of Control through the end of the performance period, payable within 20 days following the Change of Control if you are employed as of the date of the Change of Control or if you have a termination of employment with the Company without Cause after the beginning of the performance period and within 150 days prior to the Change of Control.

7. Clause (v) of Section 7 of the Agreement is hereby amended in its entirety to read as follows:

(v) willfully fails to perform duties under this Agreement or under any employment agreement between you and the Company, as in effect from time to time (“Employment Agreement”) after notice by the Board and an opportunity to cure;

8. Section 18 of the Agreement is hereby amended in its entirety to read as follows:

This Agreement supplements, and does not replace, your Employment Agreement. If there is any conflict between the provisions of this Agreement and your Employment Agreement, such conflict shall be resolved so as to provide on an individual item by item basis the greater benefit to you. However, in order to avoid duplication of any monetary benefits, any payments or benefits due under your Employment Agreement or under any employee severance plan to the extent such plan exists or is subsequently implemented by the Company, will not be paid if the corresponding item under this Agreement is equal or greater and is paid; provided, however, that if you have a termination prior to a Change of Control for Good Reason or a termination without Cause, any payments pursuant to Section 6(b)(xi) or Section 6(c)(xi) of your Employment Agreement will reduce the Severance Payment amount hereunder.

9. Section 19 of the Agreement is hereby amended in its entirety to read as follows:

This Agreement, your Employment Agreement and any award agreements for stock options, restricted stock, other equity based awards (including, but not limited to, restricted stock units, performance units and performance shares) and bonuses set forth the entire agreement between you and the Company concerning the subject matter discussed in this Agreement and supersede all prior agreements, promises, covenants, arrangements, communications,

representations, or warranties, whether written or oral, by any officer, employee or representative of the Company.

10. Section 20 of the Agreement is hereby deleted in its entirety.

11. This Second Amendment amends only provisions of the Agreement as noted herein, and those provisions not expressly amended shall be considered in full force and effect.

IN WITNESS WHEREOF, the Company has caused this Second Amendment to be executed as of this 25th day of March, 2014.

MERITAGE HOMES CORPORATION, a Maryland corporation

By: /s/ Steven J. Hilton
Name: Steven J. Hilton
Title: Chairman and CEO

EXECUTIVE: STEVEN DAVIS

/s/ Steven M. Davis

**MERITAGE HOMES CORPORATION
PERFORMANCE SHARE AWARD AGREEMENT**

This Performance Share Award Agreement (“Agreement”) is between Meritage Homes Corporation (“Company”), and the Meritage Homes Employee listed on the signature page (the “Grantee”), as of _____, 2014 (“Date of Grant”).

RECITALS

A. The Company has adopted the Meritage Homes Corporation 2006 Stock Incentive Plan (“Plan”) to provide incentives to attract and retain those individuals whose services are considered unusually valuable by providing them an opportunity to own stock in the Company.

B. The Company believes that entering into this Agreement with the Grantee is consistent with those purposes.

NOW, THEREFORE, the Company and Grantee agree as follows:

AGREEMENT

1. GRANT OF PERFORMANCE SHARES. Subject to the terms of this Agreement and the Plan, the Company grants to Grantee the number of Performance Shares specified in Attachment A. Each Performance Share represents the right to receive one share of Stock, subject to the terms and conditions set forth in this Agreement and the Plan. The number of Performance Shares that the Grantee actually earns for the Performance Period will be determined in accordance with Section 3.A. Capitalized terms that are used but not defined herein have the meanings ascribed to them in the Plan.

1. PERFORMANCE PERIOD. For purposes of this Agreement, the term “Performance Period” shall be the period commencing on January 1, 2014 and ending on December 31, 2016.

2. PERFORMANCE GOALS.

A. The number of Performance Shares earned by the Grantee for the Performance Period will be determined at the end of the Performance Period based on the level of achievement of the Performance Goals, as determined in accordance with Attachment A. The earned Performance Shares shall be rounded to the nearest whole Performance Share. All determinations of whether Performance Goals have been achieved, the number of Performance Shares earned by the Grantee, and all other matters related to this Award shall be made by the Committee.

B. Promptly following completion of the Performance Period (and no later than sixty (60) days following the end of the Performance Period), the Committee will review and certify in writing (a) whether, and to what extent, the Performance Goals for the Performance Period have been achieved, and (b) the number of Performance Shares that the Grantee has earned, if any.

3. **VESTING OF PERFORMANCE SHARES.** Except as otherwise provided in this Agreement, the Performance Shares earned in accordance with Section 3.A. will vest and become nonforfeitable as of the end of the Performance Period and will be paid in accordance with Section 7.

4. **TERMINATION.**

A. **General Rule.** Except as otherwise provided in an employment agreement, if any, entered into between the Grantee and the Company, or as otherwise expressly provided in this Agreement, if the Grantee's employment terminates for any reason at any time before the end of the Performance Period, the Grantee's Performance Shares shall be automatically forfeited upon such termination of employment and the Company shall not have any further obligations to the Grantee under this Agreement.

B. **Death or Disability.** Notwithstanding Section 5.A., if the Grantee terminates employment during the Performance Period due to death or Disability, all of the Performance Shares that are earned pursuant to Section 3.A., determined at the end of the Performance Period and as if Grantee's employment had not terminated, will vest. The Performance Shares shall be delivered at such time as the Performance Shares are delivered to other participants, but not later than March 15 of the calendar year following the end of the Performance Period.

C. **Termination without Cause, for Good Reason or Retirement.** Notwithstanding Section 5.A., if the Grantee's employment (1) is terminated by the Company without Cause, (2) by Grantee with "good reason," but only if so provided in an employment agreement entered into between the Grantee and the Company, or (3) upon retirement after [January 1, 2016] and after completion of 15 cumulative years of service as a named executive officer and/or a member of the Board, all of the outstanding Performance Shares that are earned pursuant to Section 3.A., determined at the end of the Performance Period and as if Grantee's employment had not terminated, will vest. The Performance Shares shall be delivered at such time as the Performance Shares are delivered to other participants, but not later than March 15 of the calendar year following the end of the Performance Period.

5. **CHANGE OF CONTROL.** Notwithstanding Section 5.A., upon the closing of a transaction that results in a Change of Control, the Grantee shall receive the greater of (1) the target Performance Share Award for the Performance Period or (2) the number of Performance Shares that the Grantee would earn for the Performance Period determined by projecting the actual performance for the period prior to the transaction that results in a Change of Control through the end of the Performance Period. If the transaction that results in the Change of Control satisfies the requirements of Treas. Reg. § 1.409A-3(i)(5), the Performance Shares shall be delivered within 20 days following the closing of the transaction that results in the Change of Control (and if the 20 day distribution period spans two calendar years, Performance Shares shall be delivered in the second calendar year). If the transaction that results in the Change of Control does not satisfy the requirements of Treas. Reg. § 1.409A-3(i)(5), the Performance Shares shall be delivered following the end of the Performance Period at such time as the Performance Shares are delivered to other participants, but not later than March 15 of the calendar year following the end of the Performance Period.

6. **PAYMENT OF PERFORMANCE SHARES.** Payment for Performance Shares earned for the Performance Period shall be made in shares of Stock and shall be issued to the Grantee, except as otherwise provided in this Agreement, as soon as practicable following the end of the Performance Period, but not later than March 15 of the calendar year following the end of the Performance Period.

7. **TRANSFERABILITY.** Subject to any exceptions set forth in this Agreement or the Plan, the Performance Shares or the rights relating thereto may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by the Grantee, except by will or the laws of descent and distribution, and upon any such transfer by will or the laws of descent and distribution, the transferee shall hold such Performance Shares subject to all of the terms and conditions that were applicable to the Grantee immediately prior to such transfer.

8. **RIGHTS AS SHAREHOLDER; DIVIDEND EQUIVALENTS.**

A. The Grantee shall not have any rights of a shareholder with respect to the shares of Stock underlying the Performance Shares, including, but not limited to, voting rights and the right to receive or accrue dividends or dividend equivalents.

B. Upon and following the vesting of the Performance Shares and the issuance of shares, the Grantee shall be the record owner of the shares of Stock issued in payment for the Performance Shares unless and until such shares are sold or otherwise disposed of, and as record owner shall be entitled to all rights of a shareholder of the Company (including voting and dividend rights).

9. **NO RIGHT TO CONTINUED SERVICE.** Neither the Plan nor this Agreement shall confer upon the Grantee any right to be retained in any position, as an Employee, Consultant or Director of the Company. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of the Company to terminate the Grantee's employment or service at any time, with or without Cause.

10. **ADJUSTMENTS.** If any change is made to the outstanding Stock or the capital structure of the Company, if required, the Performance Shares shall be adjusted or terminated in any manner as contemplated by Article 13 of the Plan.

11. **FEDERAL AND STATE TAXES.** Grantee may incur certain liabilities for Federal, state, or local taxes in connection with the grant of the Performance Shares hereunder, and the Company may be required by law to withhold such taxes. Upon determination of the year in which such taxes are due and the determination by the Company of the amount of taxes required to be withheld, Grantee shall pay an amount equal to the amount of Federal, state, or local taxes required to be withheld to the Company. If Grantee fails to make such payment in a timely manner, the Company may withhold and set-off against compensation payable to Grantee the amount of such required payment.

12. **COMPLIANCE WITH LAW.** The issuance and transfer of shares of Stock in connection with the Performance Shares shall be subject to compliance by the Company and the Grantee with all applicable requirements of federal and state securities laws and with all applicable

requirements of any stock exchange on which the Company's shares of Stock may be listed. No shares of Stock shall be issued or transferred unless and until any then applicable requirements of state and federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel.

13. PERFORMANCE SHARES SUBJECT TO PLAN. This Agreement is subject to the Plan as approved by the Company's shareholders. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail. Notwithstanding the foregoing, as provided in Grantee's employment agreement, Grantee's employment agreement may prevail over the Plan and this Agreement.

14. SUCCESSORS AND ASSIGNS. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Grantee and the Grantee's beneficiaries, executors, administrators and the person(s) to whom the Performance Shares may be transferred by will or the laws of descent or distribution.

15. GOVERNING LAW. This Agreement shall be governed in all respects, whether as to validity, construction, capacity, performance, or otherwise, by the laws of the State of Maryland, without regard to conflicts-of-laws principles that would require the application of any other law.

16. SEVERABILITY. If any provision of this Agreement, or the application of any such provision to any person or circumstance, is held to be unenforceable or invalid by any court of competent jurisdiction or under any applicable law, the parties hereto shall negotiate an equitable adjustment to the provisions of this Agreement with the view to effecting, to the greatest extent possible, the original purpose and intent of this Agreement, and in any event, the validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

17. DISCRETIONARY NATURE OF PLAN. The Plan is discretionary and may be amended, cancelled or terminated by the Company at any time, in its discretion. The grant of the Performance Shares in this Agreement does not create any contractual right or other right to receive any Performance Shares or other Awards in the future. Future Awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Grantee's employment with the Company.

18. AMENDMENT OF AGREEMENT. This Agreement may only be amended with the written approval of Grantee and the Company.

19. SECTION 162(m). All payments under this Agreement are intended to constitute "qualified performance-based compensation" within the meaning of Section 162(m) of the Code. This Award shall be construed and administered in a manner consistent with such intent.

20. SECTION 409A. This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Grantee on account of non-compliance with Section 409A of the Code.

21. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

22. ACCEPTANCE. The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the Performance Shares subject to all of the terms and conditions of the Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the vesting or settlement of the Performance Shares or disposition of the underlying shares and that the Grantee has been advised to consult a tax advisor prior to such vesting, settlement or disposition.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized representative and Grantee has signed this Agreement, in each case as of the day and year first written above.

MERITAGE HOMES CORPORATION

By: _____

Name: _____

Title: _____

(“Grantee”)

(Print or type Grantee’s full name)

Grantee’s Signature

Attachment A

A-1

**MERITAGE HOMES CORPORATION
RESTRICTED STOCK UNIT AWARD AGREEMENT
EXECUTIVE OFFICER**

This Restricted Stock Unit Award Agreement (“Agreement”) is between Meritage Homes Corporation (“Company”), and the Company Employee as noted in Attachment A (the “Grantee”), as of _____, 2014 (“Date of Grant”).

RECITALS

A. The Company has adopted the Meritage Homes Corporation 2006 Stock Incentive Plan (“Plan”) to provide incentives to attract and retain those individuals whose services are considered unusually valuable.

B. The Company believes that entering into this Agreement with the Grantee is consistent with those purposes.

NOW, THEREFORE, the Company and Grantee agree as follows:

AGREEMENT

1. **GRANT OF RESTRICTED STOCK UNITS.** On the Date of Grant and subject to the terms of this Agreement and the Plan, the Company grants to Grantee an Award of the number of Restricted Stock Units as noted on Attachment A. Each Restricted Stock Unit represents the right to receive one share of Stock, subject to the terms and conditions set forth in this Agreement and the Plan. Capitalized terms that are used but not defined have the meaning ascribed to them in the Plan.

2. **RIGHTS OF GRANTEE.** Subject to the provisions of this Agreement and the Plan, Grantee shall not have any rights of a Company stockholder with respect to the Stock underlying the Restricted Stock Units unless and until the Restricted Stock Units vest and are settled by the issuance of such shares of Stock. Upon and following the settlement of the Restricted Stock Units, the Grantee shall be the record owner of the Stock issued in payment of the Restricted Stock Units unless and until such shares are sold or otherwise disposed of, and as record owner shall be entitled to all rights of a shareholder of the Company (including voting rights). The Grantee shall not be entitled to any dividend equivalents with respect to the Restricted Stock Units to reflect any dividends payable on Stock.

Grantee agrees to not sell, transfer, pledge, exchange, hypothecate or grant any security interest in, or otherwise dispose of, any Restricted Stock Units before the date on which the Restricted Stock Units vest and the restrictions lapse as noted in Attachment A or enter into any agreement or make any commitment to do so. Any attempted sale, transfer, pledge, exchange, hypothecation or disposition of the Restricted Stock Units (prior to the vesting date) shall be null and void, and the Company shall not recognize or give effect to such transaction on its books and records or recognize the person or persons to whom such sale, transfer, pledge, exchange, hypothecation or disposition has been made as the legal or beneficial owner of the Restricted Stock Units. Notwithstanding the

foregoing, the above transfer restrictions shall not apply to any transfers made in accordance with or permitted by Section 12.5 of the Plan.

3. VESTING OF RESTRICTED STOCK UNITS/LAPSE OF RESTRICTIONS.

A. **Vesting Schedule.** Subject to the other conditions in this Agreement, the Restricted Stock Units shall vest and the restrictions on the Restricted Stock Units will lapse in accordance with the terms of Attachment A.

B. **Condition That Must be Satisfied Before Restrictions Lapse.** Except as set forth in Section 3.A. or Section 3.C., the Restricted Stock Units will not vest and the restrictions will not lapse unless the Grantee remains employed by the Company (or a Subsidiary) as of the date the restrictions lapse in accordance with Attachment A.

C. **Exceptions to Vesting Schedule.** Notwithstanding the above and in accordance with Grantee's Employment Agreement or Change of Control Agreement, the Restricted Stock Units shall immediately vest and all restrictions on the Restricted Stock Units shall lapse on the earliest of (i) Grantee's voluntary termination of employment for "Good Reason," (ii) Grantee's termination of employment by the Company without Cause, (iii) Grantee's death or Disability, (iv) Grantee's retirement after [January 1, 2016] and after completing 15 cumulative years of services as a named executive officer and/or a member of the Board or (v) the closing of a transaction that results in a Change of Control. For purposes of this Agreement, the term "Good Reason," shall have the definition set forth in Grantee's Employment Agreement with the Company.

D. **Settlement of Restricted Stock Units.** Subject to Sections 4 and 7 hereof, if the Restricted Stock Units vest pursuant to Section 3.A. or 3.C.(i)-(iv), within 60 days following the date on which the Restricted Stock Units vest, the Company shall (i) issue and deliver to the Grantee the number of shares of Stock equal to the number of vested Restricted Stock Units; and (ii) issue to Grantee a stock certificate (or, at the Company's option, electronically through the DWAC system) representing those shares of Stock that have vested and become unrestricted. If the Restricted Stock Units vest pursuant to Section 3.C.(v) and if at the time of vesting the Restricted Stock Units fit within an exception to Section 409A of the Code or the transaction that results in the Change of Control satisfies the requirements of Treas. Reg. § 1.409A-3(i)(5), within 20 days following the closing of the transaction that results in a Change of Control, the Company shall (i) issue and deliver to the Grantee the number of shares of Stock equal to the number of vested Restricted Stock Units; and (ii) issue to Grantee a stock certificate (or, at the Company's option, electronically through the DWAC system) representing those shares of Stock that have vested and become unrestricted. If the Restricted Stock Units vest pursuant to Section 3.C.(v) and if at the time of vesting the Restricted Stock Units are subject to Section 409A and the transaction that results in a Change of Control does not satisfy the requirements of Treas. Reg. § 1.409A-3(i)(5), within 60 days following the earliest of the end of the Performance Period and any termination described in Section 3.C.(i)-(iv), the Company shall (i) issue and deliver to the Grantee the number of shares

of Stock equal to the number of vested Restricted Stock Units; and (ii) issue to Grantee a stock certificate (or, at the Company's option, electronically through the DWAC system) representing those shares of Stock that have vested and become unrestricted. If the Grantee is deemed a Specified Employee at a time when the Grantee becomes eligible for settlement of the Restricted Stock Units upon his Separation from Service, then to the extent necessary to prevent any accelerated or additional tax under Section 409A of the Code, such settlement will be delayed until the earlier of: (i) the date that is six months following the Grantee's Separation from Service and (ii) the Grantee's death.

4. **COMPLIANCE WITH LAW.** The issuance and transfer of shares of Stock in connection with the Restricted Stock Units shall be subject to compliance by the Company and the Grantee with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Company's shares of Stock may be listed. No shares of Stock shall be issued or transferred unless and until any then applicable requirements of state and federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel.

5. **ADJUSTMENT OF SHARES.** The number of Restricted Stock Units issued to Grantee pursuant to this Agreement shall be adjusted by the Committee pursuant to Article 13 of the Plan in the event of a change in the Company's capital structure.

6. **AMENDMENT OF AGREEMENT.** This Agreement may only be amended with the written approval of Grantee and the Company.

7. **SECTION 409A.** This Agreement is intended to comply with Section 409A of the Code or an exemption thereunder and shall be construed and interpreted in a manner that is consistent with the requirements for avoiding additional taxes or penalties under Section 409A of the Code. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A of the Code and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Grantee on account of non-compliance with Section 409A of the Code.

If the Company concludes that this Agreement is subject to the requirements of Section 409A, neither the time nor the schedule of the payment of the Restricted Stock Units may be accelerated or subject to a further deferral except as permitted pursuant to Section 409A of the Code and the applicable regulations. In addition, if the Company concludes that this Agreement is subject to Section 409A, payment of the Restricted Stock Units may be delayed only in accordance with Section 409A of the Code and the applicable regulations and the Grantee may not make any election regarding the time or the form of the payment of the Restricted Stock Units. If a payment of Restricted Stock Units has a distribution period following termination of employment that spans two calendar years, the Restricted Stock Units shall be issued and delivered in the second calendar year.

8. **GOVERNING LAW.** This Agreement shall be governed in all respects, whether as to validity, construction, capacity, performance, or otherwise, by the laws of the State of Maryland, without regard to conflicts-of-laws principles that would require the application of any other law.

9. **SEVERABILITY.** If any provision of this Agreement, or the application of any such provision to any person or circumstance, is held to be unenforceable or invalid by any court of competent jurisdiction or under any applicable law, the parties hereto shall negotiate an equitable adjustment to the provisions of this Agreement with the view to effecting, to the greatest extent possible, the original purpose and intent of this Agreement, and in any event, the validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

10. **ACCEPTANCE.** The Grantee hereby acknowledges receipt of a copy of the Plan and this Agreement. The Grantee has read and understands the terms and provisions thereof, and accepts the Restricted Stock Units subject to all of the terms and conditions of the Plan and this Agreement. The Grantee acknowledges that there may be adverse tax consequences upon the vesting or settlement of the Restricted Stock Units or disposition of the underlying shares and that the Grantee has been advised to consult a tax advisor prior to such vesting, settlement or disposition. The Grantee also acknowledges that FICA tax will become due when the Restricted Stock Units are no longer subject to a substantial risk of forfeiture (e.g., once Grantee is eligible for accelerated vesting due to potential retirement pursuant to Section 3.C.).

11. **ENTIRE AGREEMENT.** Subject to the terms of the Grantee's Employment Agreement, this Agreement constitutes the entire, final, and complete agreement between the parties hereto with respect to the subject matter hereof and supersede all prior agreements, promises, understandings, negotiations, representations, and commitments, both written and oral, between the parties hereto with respect to the subject matter hereof. Neither party hereto shall be bound by or liable for any statement, representation, promise, inducement, commitment, or understanding of any kind whatsoever not expressly set forth in this Agreement.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized representative and Grantee has signed this Agreement, in each case as of the day and year first written above.

MERITAGE HOMES CORPORATION

By: _____

Name: _____

Title: _____

("Grantee")

(Print or type Grantee's full name)

Grantee's Signature

Attachment A

Grantee: _____

Number of Restricted Stock Units Granted: _____

Grant Date: _____

Except as otherwise provided in this Agreement, the Restricted Stock Units will vest in accordance with the following schedule:

<u>Vesting Date</u>	<u>Number of Restricted Stock Units that Vest</u>
[Vesting date]	[Number or percentage of Restricted Stock Units that vest on the Vesting Date]