

MERITAGE HOMES CORPORATION
AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS CHARTER

I. PURPOSE AND AUTHORITY

The primary function of the Audit Committee is to assist the Board of Directors (the “Board”) of Meritage Homes Corporation (the “Corporation”) in fulfilling its oversight responsibilities by reviewing and reporting to the Board on the integrity of the financial reports and other financial information provided by the Corporation to any governmental body or the public, and on compliance by the Corporation with applicable legal and regulatory requirements, including those relating to the Corporation’s internal audit department, the Corporation’s systems of internal control over financial reporting and the Corporation’s auditing, accounting and financial reporting processes. The Audit Committee should encourage continuous improvement of, foster adherence to the Corporation’s policies, procedures and practices at all levels, and provide an open avenue of communication among the independent accountants, financial and senior management, the internal audit department, and the Board.

The Audit Committee shall have the authority to obtain advice or assistance from consultants, legal counsel, accounting or other advisors as appropriate to perform its duties hereunder, and to determine the terms, costs and fees for such engagements. Without limitation, the Audit Committee shall have the sole authority to retain and terminate any registered public accounting firm engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attest services for the Corporation and to determine and approve the terms, costs and fees for such engagements. The Corporation shall provide appropriate funding, as determined by the Audit Committee, to permit the Audit Committee to perform its duties under this charter, to compensate its advisors and to compensate any registered public accounting firm engaged by the Corporation. The Audit Committee may request any officer or employee of the Corporation or the Corporation’s outside counsel or independent accountants to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

II. COMPOSITION

The Audit Committee shall be comprised of three or more directors. The members of the Audit Committee shall meet the independence and experience requirements of the New York Stock Exchange and Securities and Exchange Commission (“SEC”).

All members of the Audit Committee shall have a working familiarity with basic finance and accounting practices, and at least one member shall be an audit committee financial expert as determined by the Board in accordance with the rules of the SEC. Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant.

No Audit Committee member shall simultaneously serve on the audit committee of more than three public companies without prior disclosure to the Audit Committee and the Board and an affirmative determination by the Board that such service does not impair the ability of such

member to serve effectively on the Audit Committee, which determination shall be disclosed in the annual proxy statement.

The members of the Audit Committee shall be appointed by the Board and shall serve until their successors are duly elected and qualified or their earlier resignation or removal. Unless a Chair is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership.

III. MEETINGS

The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee should meet periodically (and at least annually) with management, the internal audit department, and the independent accountants in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believe should be discussed privately. In addition, the Audit Committee, or at least its Chair, should meet with the independent accountants and management quarterly to review the Corporation's financial statements consistent with Section IV.3 below. The Audit Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Audit Committee shall:

DOCUMENTS/REPORTS REVIEW

1. Review and update this Charter periodically, at least annually, as conditions dictate. The Audit Committee shall annually review the Audit Committee's own performance.
2. Review the Corporation's annual financial statements and any reports or other financial information submitted to any governmental body, or the public, including any certification, report, opinion or review rendered by the independent accountants, and recommend whether the audited financial statements shall be included in the Corporation's Form 10-K.
3. Review the Corporation's quarterly financial statements, including any certification, report, opinion or review rendered by the independent accountants, prior to its filing. The Chair of the Audit Committee may represent the entire Audit Committee for purposes of this review.
4. Prepare the report required by the rules of the SEC to be included in the Corporation's annual proxy statement.

INDEPENDENT ACCOUNTANTS

5. Be directly and solely responsible for the appointment, compensation, retention and oversight of any independent accountants (including resolution of

disagreements between management and the independent accountants regarding financial reporting) engaged by the Corporation for the purpose of preparing or issuing an audit report or related work, with each such accountant reporting directly to the Audit Committee.

6. Approve in advance the engagement of the independent accountants for all audit services and non-audit services, based on independence, qualifications and, if applicable, performance, and approve the fees and other terms of any such engagement.
7. Review the performance of the independent accountants and approve any proposed discharge of the independent accountants when circumstances warrant.
8. Periodically consult with the independent accountants out of the presence of management about internal controls and the fullness and accuracy of the Corporation's financial statements.
9. Discuss with the independent accountant at least annually (a) their internal quality-control procedures, (b) any material issues raised by the most recent quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm and any steps taken to deal with any such issues, and (c) all relationships between the independent accountant and the Corporation.
10. Annually evaluate the qualifications, performance and independence of the independent accountant, including considering whether the accountant's quality controls are adequate and whether the provision of non-audit services is compatible with maintaining the accountant's independence, taking into account the opinions of management and internal audit.
11. Consult with the independent accountants to assure the rotation of the lead audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit every five years, consider issues related to the timing of such rotation and the transition to new lead and reviewing partners, and consider whether, in order to assure continuing auditor independence, there should be regular rotation of the audit firm, and report to the Board on its conclusions.
12. Not permit the hiring of employees or former employees of the independent accountant if it would adversely affect their independence.
13. As deemed appropriate, discuss with the national office of the independent accountant issues on which they were consulted by the Corporation's audit team and matters of audit quality and consistency.
14. Meet with the independent accountant annually prior to the audit to discuss the planning and staffing of the audit, and annually approve the audit plan.

INTERNAL AUDIT DEPARTMENT

15. Review the appointment, replacement, and, as desired, compensation, of the Director of Internal Audit and other members of the internal audit department.
16. Review the performance of the internal audit department, and approve any proposed discharge of the director of the internal audit department when circumstances warrant.
17. Periodically consult with the director of the internal audit department out of the presence of management about internal controls and the Corporation's financial statements.
18. Quarterly, review significant reports prepared for management or the Board by the internal audit department.
19. Discuss with management and the internal audit department the internal audit department's responsibilities, budget and staffing and the planned scope of internal audit tasks.
20. Meet periodically with the internal audit department to discuss results of the internal audit department's work and the progress of the audit tasks.
21. Be available for consultation at the request of the director of the internal audit department.
22. Maintain procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters. Adopt, as necessary, appropriate remedial measures or actions with respect to such complaints or concerns.

FINANCIAL REPORTING POLICIES AND PROCESSES

23. Review and discuss with management and the independent accountants the Corporation's annual audited financial statements. Such discussion shall include a discussion of any significant financial reporting issues and judgments made in connection with the preparation of such financial statements, including (a) any significant changes in the Corporation's selection or application of accounting principles, (b) any major issues as to the adequacy of the Corporation's internal controls, (c) any special audit steps adopted in light of any material control deficiencies, (d) the development, selection and disclosure of critical accounting estimates, and (e) analyses of the effect of alternative assumptions, estimates or GAAP methods on the Corporation's financial statements.
24. Review and discuss with management and the independent accountant the Corporation's quarterly financial statements.

25. Review and discuss with management and the independent accountants the Corporation's disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing in the Corporation's periodic reports.
26. Review and discuss with management the Corporation's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies.
27. Review and discuss with management and the independent accountants the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation's financial statements, as well as the disclosure regarding such transactions and structures in the Corporation's public filings.
28. Review and discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Corporation's risk assessment and risk management policies.
29. Review with management its assessment of the effectiveness and adequacy of the Corporation's internal control structure and procedures for financial reporting, review annually with the independent accountants the attestation to and report on the assessment made by management, and consider with management, the internal audit department, and the independent accountants whether any changes to the internal controls are appropriate in light of management's assessment or the independent accountant's attestation.
30. Review with the chief executive and chief financial officer of the Corporation any report on significant deficiencies in the design or operation of the internal controls that could adversely affect the Corporation's ability to record, process, summarize or report financial data, any material weaknesses in internal controls identified to the auditors, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls.
31. Establish regular and separate systems of reporting to the Audit Committee by each of management and the independent accountants any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.
32. Following completion of the annual audit, review separately with management and the independent accountants any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
33. Review any significant disagreements among management and the independent accountants in connection with the preparation of the financial statements.

34. Review with the independent accountants and management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. (This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Audit Committee.)

ETHICAL AND LEGAL COMPLIANCE

35. Review periodically the Corporation's Code of Ethics policies and ensure that management has established a system to enforce these policies.
36. Review management's monitoring of the Corporation's compliance with the Corporation's conduct policies, and ensure that management has the proper review system in place to ensure that Corporation's financial statements, reports and other financial information disseminated to governmental organizations, and the public, satisfy legal requirements.
37. Review, with the Corporation's counsel, legal compliance matters including corporate securities trading policies.
38. Review and approve in advance any related-party transactions.
39. Review, with the Corporation's counsel, any legal matter that could have a significant impact on the Corporation's financial statements.
40. Regularly report to the Board on the Audit Committee's activities, recommendations and conclusions.
41. Perform any other activities consistent with this Charter, the Corporation's Bylaws and governing law, as the Audit Committee or the Board deems necessary or appropriate.

Dated: August 12, 2009