

14
ORIGINAL

AGREEMENT TO MAKE SUBDIVISION IMPROVEMENTS
FOR CLASS 1 SUBDIVISION
BETWEEN COUNTY AND OWNER

THIS AGREEMENT, made and entered into by and between the **COUNTY OF EL DORADO**, a political subdivision of the State of California, (hereinafter referred to as "County"), and **MERITAGE HOMES OF CALIFORNIA, INC.**, a California corporation, duly qualified to conduct business in the State of California, whose principal place of business address is 17851 North 85th Street, Suite 300, Scottsdale, Arizona 85255, and whose local office address is 1671 East Monte Vista Avenue, Suite 214, Vacaville, California 95688 (hereinafter referred to as "Owner"); concerning **WEST VALLEY VILLAGE UNIT 5B Phase-2, TM 99-1359R** (hereinafter referred to as "Subdivision"); the Final Map of which was filed with the El Dorado County Board of Supervisors on the 15 day of July, 2014.

RECITALS

Owner is vested with fee title to Subdivision; a tract of land located in the County of El Dorado, State of California, and described as **West Valley Village Unit 5B Phase-2**. Owner desires to construct on said property certain public improvements as hereinafter described, in connection with the Subdivision.

In consideration for the complete construction and dedication of all the public improvements specified in this Agreement, the approval and acceptance by County's Board of Supervisors of the Conditions of Approval, and the Final Map to be filed and recorded, the parties agree as follows:

AGREEMENT

OWNER WILL:

1. Make or cause to be made all those public improvements in Subdivision required by Section 16.16.010 of the El Dorado County Ordinance Code (hereinafter referred to as "Code") and shown or described in the improvement plans, specifications and cost estimates entitled Improvement Plans for West Valley Village Unit 5B Phase-2, TM NO. 99-1359R which were approved by the County Engineer, Community Development Agency, Transportation Division, on March 12, 2014. Attached hereto is Exhibit A, marked "Schedule of Improvements;" which is incorporated herein and made by reference a part hereof. The Exhibit describes quantities, units and costs associated with the improvements to be made.

2. Prior to commencing construction, obtain all necessary environmental clearances, acquire any necessary right-of-way and obtain any necessary permits from any outside agencies.

3. Complete the Subdivision improvements contemplated under this Agreement within two (2) years from the date that the Subdivision Final Map is filed with the El Dorado County Board of Supervisors.

4. Install or cause to be installed, modify or cause to be modified, any and all erosion and sediment control features, whether temporary or permanent, deemed necessary by the County Engineer to ensure compliance with the Clean Water Act, the Statewide General Permit, and County's, Grading, Erosion and Sediment Control Ordinances. Failure to comply with this provision shall constitute a material breach of this Agreement.

5. Post security acceptable to County as provided in Section 16.16.050 of the Code. In the event that the Sureties issuing the posted securities are subsequently downgraded to a rating unacceptable to County in its sole discretion, Owner shall, upon twenty (20) days written notice by County, post replacement securities that are acceptable to County.

6. Provide for and pay the costs of related civil engineering services, including the costs of inspection and utility relocation when required, and attorneys' fees, costs, and expenses of legal services.

7. Provide deposit for and pay to County all costs of construction oversight, inspection, administration and acceptance of the work by County in accordance with the County Engineer Fee Schedule adopted by Resolution of the Board of Supervisors of El Dorado County.

8. Have as-built plans prepared by a civil engineer acceptable to County's Community Development Agency, Transportation Division and filed with the Transportation Division Director as provided in Section 16.16.060 of the Code.

9. Repair at Owner's sole cost and expense, any defects, in workmanship or materials, which appear in the work within one (1) year following acceptance of the work by County.

10. To the fullest extent allowed by law, defend, indemnify and hold County and its officers, agents, employees and representatives harmless against and from any and all claims, suits, losses, damages and liability for damages of every name, kind and description, including attorneys fees and costs incurred, brought for, or on account of, injuries to or death of any person, including but not limited to workers, County employees, and the public, or damage to property, or any other economic or consequential losses, which are claimed to or in any way arise out of or are connected with Owner's work, design, operation, construction of the improvements, or performance of this Agreement, regardless of the existence or degree of fault or negligence on the part of County, Owner, any contractor(s), subcontractor(s) and employee(s) of any of these, except for the sole, or active negligence of County, its officers, agents, employees and representatives, or as expressly provided by

statute. This duty of Owner to indemnify and save County harmless includes the duties to defend set forth in California Civil Code section 2778.

This duty to indemnify is separate and apart from any insurance requirements and shall not be limited thereto.

11. Enter into another agreement with County for all road improvements to be performed on County property. Such agreement shall also include a requirement that Owner furnish insurance and bonds that comply with the standard County insurance and bonding requirements in the amounts stated, to be approved by the County's Risk Management Division.

12. Provide continuous, sufficient access to Owner's successors and assigns, including but not limited to its Surety and Surety's agents, to the Subdivision to enable the public improvements to be constructed and completed. Access shall be continuous until completion of said public improvements, and release by County of the security underlying this Agreement.

13. Agree that said agreement to provide continuous, sufficient access is irrevocable and shall run with the land and shall be binding upon and inure to the benefit of the heirs, successors, assigns and personal representatives of Owner.

COUNTY WILL:

14. Upon execution of this Agreement and receipt of good and sufficient security as required by Section 16.16.050 of the Code, and upon compliance with all requirements of law, including all County ordinances, approve the Final Map of the Subdivision.

15. Upon receipt of a Certificate from the County Engineer stating that a portion of the public improvements agreed to be performed herein has been completed, describing generally the work so completed and the estimated total cost of completing the remainder of the public improvements agreed upon to be performed herein, accept new security as provided in Section 16.16.040 of the Code.

16. Release the security posted in accordance with Sections 16.16.040 and 16.16.052 of the Code.

17. Require Owner to make such alterations, deviations, additions to, or deletions from, the improvements shown and described on the plans, specifications, and cost estimates as may be deemed by the County Engineer to be necessary or advisable for the proper completion or construction of the whole work contemplated.

18. Require Owner to maintain, and to make such alterations, deviations, additions to, or deletions from, the project erosion control features shown and described on the plans, specifications and cost estimates and the Storm Water Pollution Prevention Plan (SWPPP) as may be deemed by the County Engineer to be necessary or advisable for compliance with the Clean Water Act, Statewide General Permit requirements and County's Grading, Erosion and Sediment Control Ordinances.

19. Upon completion of the public improvements agreed to be performed herein, adopt a resolution accepting or rejecting the streets of said Subdivision into County's road system for maintenance.

20. Retain a portion of the security posted in the amount of ten percent (10%) of the estimated cost of all of the improvements for one (1) year following acceptance of the work by County to secure the repair of any hidden defects in workmanship or materials which may appear.

21. Require Owner to pay County for costs, expenses and reasonable attorneys' fees to be paid by Owner should County be required to commence an action to enforce the provisions of this Agreement, to enforce the security obligations provided herein, and all attorneys' fees, costs, and expenses of litigation incurred by County even if Owner subsequently proceeds to complete the work.

ADDITIONAL PROVISIONS:

22. The estimated cost of installing all of the improvements is **Three Million Two Hundred Forty Thousand Four Hundred Ten Dollars and Seventy Cents (\$3,240,410.70).**

23. Owner shall conform to and abide by all Federal, State and local building, labor and safety laws, ordinances, rules and regulations. All Work and materials shall be in full accordance with the latest rules and regulations of the State Fire Marshal, safety orders of the Division of Industrial Safety, California Electrical Code, California Building Code, California Plumbing Code, and any and all other applicable laws and regulations. Nothing in this Agreement, including but not limited to the improvement plans and specifications and cost estimates, is to be construed to permit work not conforming to these codes.

24. Inspection of the work and/or materials or statements by any officer, agent, or employee of County indicating that the work or any part thereof complies with the requirements of this Agreement, or acceptance of the whole or any part of said work and/or materials, or payments therefore, or any combination or all of these acts, shall not relieve Owner of its obligation to fulfill this Agreement as prescribed; nor shall County be stopped from bringing any action for damages arising from the failure to comply with any terms and conditions hereof.

25. This Agreement may be amended by mutual consent of the parties hereto. Said amendments shall become effective only when in writing and fully executed by duly authorized officers of the parties hereto.

26. Neither this Agreement, nor any part thereof may be assigned by Owner without the express written approval of County.

27. All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and return receipt requested.

Notices to County shall be in duplicate and addressed as follows:

County of El Dorado
Community Development Agency
Transportation Division
2850 Fairlane Court
Placerville, CA 95667

Attn.: Andrew S. Gaber, P.E.
Deputy Director
Development/ROW/Environmental

County of El Dorado
Community Development Agency
Transportation Division
2850 Fairlane Court
Placerville, CA 95667

Attn.: Dave Spiegelberg, P.E.
Senior Civil Engineer

or to such other location as County directs.

Notices to Owner shall be addressed as follows:

Meritage Homes of California, Inc.
1671 East Monte Vista Avenue, Suite 214
Vacaville, California 95688
Attn.: Barry Grant,
Division President

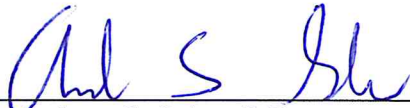
or to such other location as Owner directs.

28. The County officer or employee with responsibility for administering this Agreement is Bard R. Lower, Transportation Division Director, Community Development Agency, or successor.

29. Any action arising out of this Agreement, including, but not limited to, litigation, mediation, or arbitration, shall be brought in El Dorado County, California, and shall be resolved in accordance with the laws of the State of California.


30. The parties to this Agreement represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties to the obligations set forth herein.

Requesting Division and Contract Administrator Concurrence:

By: 
Andrew S. Gaber, P.E.
Deputy Director, DRE
Community Development Agency

Dated: JUNE 2, 2014

Requesting Department Concurrence:

By: 
Steven M. Pedretti, Director
Community Development Agency

Dated: 6/3/14

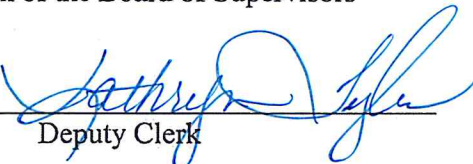
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates indicated below, the latest of which shall be deemed to be the effective date of this Agreement.

--COUNTY OF EL DORADO--

By: 
Norma Santiago
Board of Supervisors
"County"

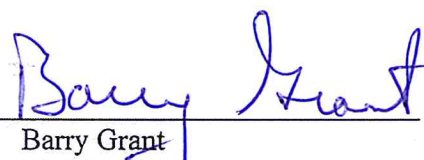
Dated: 7-15-14

Attest:
James S. Mitrison
Clerk of the Board of Supervisors

By: 
Deputy Clerk

Dated: 7-15-14

--MERITAGE HOMES OF CALIFORNIA, INC.--

By: 
Barry Grant
Division President
"Owner"

Dated: 5/8/2014

Notary Acknowledgment Attached

OWNER

ACKNOWLEDGMENT

State of California

County of Solano

On May 8, 2014 before me, Rebecca A. Goddard, Notary Public
(here insert name and title of the officer)

personally appeared Barry Grant

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature]



(Seal)

Exhibit A Schedule of Improvements



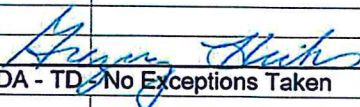
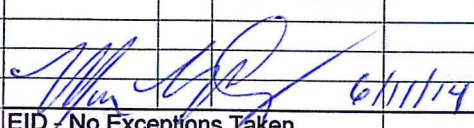
WEST VALLEY VILLAGE UNIT 5B - PHASE 2 ENGINEERS BOND ESTIMATE

Item No.	Description	Quantity	Unit	Unit Price	Total Amount
EARTHWORK					
1	Clear and Grub	3	ac	8,550.00	25,650.00
2	Excavation	10,000	cy	5.70	57,000.00
3	Finish Pads	0	ea	350.00	-
4	Retaining Walls - Rockery	0	sf	40.00	-
5	Retaining Walls - Alternate (CMU or Keystone)	0	sf	70.00	-
STREETS & MISCELLANEOUS					
6	3" AC	78,788	sf	2.05	161,515.40
7	8" AB	78,788	sf	2.75	216,667.00
8	Type 1 Rolled Curb & Gutter	4,751	lf	30.50	144,905.50
9	Type 2 Vertical Curb & Gutter	1,453	lf	30.50	44,316.50
10	Sidewalk	12,939	sf	6.10	78,927.90
11	Extra for Handicapped Ramp	6	ea	2,000.00	12,000.00
12	Barricade	130	lf	50.80	6,604.00
13	Commercial Driveway	389	sf	7.50	2,917.50
14	Street Signs	3	ea	406.40	1,219.20
DRAINAGE					
15	12" Storm Drain	195	lf	50.80	9,906.00
16	18" Storm Drain	2,010	lf	55.90	112,359.00
17	24" Storm Drain	142	lf	61.00	8,662.00
18	CP 4A DI w/Reinforcements	2	ea	800.00	1,600.00
19	CP 4A DI w/48" Manhole Base	9	ea	4,000.00	36,000.00
20	CP 4A DI w/48" Manhole Base w/6Y Gallery	1	ea	5,000.00	5,000.00
21	Std. Grated Inlet	3	ea	3,600.00	10,800.00
22	48" SDMH	6	ea	3,048.00	18,288.00
23	C.P. 6Y Pelican Gallery	1	ea	1,828.00	1,828.00
24	RSP Backing	30	cy	81.30	2,439.00
25	Connect to E Drain Line	2	ea	500.00	1,000.00
26	TV Storm Drain	2,279	lf	2.05	4,671.95
SANITARY SEWER					
27	2" Line	269	lf	25.00	6,725.00
28	6" Line	3,234	lf	40.65	131,462.10
29	Std. 48" SSMH	12	ea	5,000.00	60,000.00
30	Std. 48" SSMH w/Lining	1	ea	8,000.00	8,000.00
31	Gravity Service	48	ea	508.00	24,384.00
32	Pumped Service	8	ea	1,500.00	12,000.00
33	Backwater Valve	25	ea	690.00	17,250.00
34	Cleanout	1	ea	508.00	508.00
35	Tie-In to Existing Line	1	ea	1,500.00	1,500.00
36	T.V. Sewer Line	3,234	lf	2.05	6,629.70

Exhibit A Schedule of Improvements



WEST VALLEY VILLAGE UNIT 5B - PHASE 2 ENGINEERS BOND ESTIMATE

Item No.	Description	Quantity	Unit	Unit Price	Total Amount
WATER					
37	8" Line including Fittings	1,266	lf	40.65	51,462.90
38	12" Line including Fittings	1,621	lf	61.00	98,881.00
39	8" Gate Valve	2	ea	1,200.00	2,400.00
40	12" Gate Valve	2	ea	2,340.00	4,680.00
41	Fire Hydrant Assembly	7	ea	2,540.00	17,780.00
42	1" ARV	2	ea	965.20	1,930.40
43	2" BOV	1	ea	711.20	711.20
44	4" BOV	1	ea	2,032.00	2,032.00
45	Tie-In to Existing Line	1	ea	1,500.00	1,500.00
46	Service	44	ea	900.00	39,600.00
RECYCLED WATER					
47	6" Line including Fittings	2,852	lf	35.60	101,531.20
48	6" Gate Valve	4	ea	905.50	3,622.00
49	1" ARV	2	ea	965.20	1,930.40
50	2" BOV	3	ea	711.20	2,133.60
51	Tie-In to Existing Line	1	ea	1,500.00	1,500.00
52	Service	40	ea	900.00	36,000.00
DRY UTILITIES					
53	Mainline Trenching	66	Lot	1,600.00	105,600.00
54	Conduit and Boxes	66	Lot	1,219.00	80,454.00
55	Wiring and Transformers	66	Lot	1,219.00	80,454.00
56	Utility Service	66	Lot	8,128.00	536,448.00
MISCELLANEOUS					
57	Erosion Control Measures ad SWPPP Compliance	66	lot	500.00	33,000.00
58	Dust Control	66	lot	200.00	13,200.00
Sub-total Direct Construction Cost					2,449,586.45
1	Mobilization-5% of Direct Cost	5%			122,479.32
Total Direct Construction Cost					2,572,065.77
1	Bond Enforcement Costs	2%			51,441.32
2	Construction Staking	4%			102,882.63
3	Construction Management	10%			257,206.58
4	Contingency	6%			153,931.77
5	Inspection	4%			102,882.63
Total Estimated Cost					3,240,410.70
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div>  CDA - TD No Exceptions Taken </div> <div> 6/10/14 </div> </div>					
<div style="display: flex; justify-content: flex-end; align-items: flex-end;">  EID No Exceptions Taken </div>					

Certificate Of Partial Completion Of Subdivision Improvements

I hereby certify that the following improvements in the **West Valley Village Unit 5B, Phase 2** Subdivision have been completed, to wit:

	<u>Total Amount</u>	<u>Percent Complete</u>	<u>Remaining Amount</u>
Earthwork	\$112,817.25	0.0%	\$112,817.25
Streets & Miscellaneous	\$913,284.65	0.0%	\$913,284.65
Drainage	\$290,136.14	0.0%	\$290,136.14
Sanitary Sewer	\$318,037.90	0.0%	\$318,037.90
Water	\$272,992.22	0.0%	\$272,992.22
Recycled Water	\$174,044.60	0.0%	\$174,044.60
Dry Utilities	\$1,096,034.94	0.0%	\$1,096,034.94
Miscellaneous	\$63,063.00	0.0%	\$63,063.00
Totals	\$3,240,410.70	0.0%	\$3,240,410.70

I estimate the total cost of completing the remainder of the improvements, agreed to be performed by the Owner to be **Three Million Two Hundred Forty Thousand Four Hundred Ten Dollars and Seventy Cents (\$3,240,410.70)**.

The Performance Bond is for the amount of **Three Million Two Hundred Forty Thousand Four Hundred Ten Dollars and Seventy Cents (\$3,240,410.70)**. (100% of Remaining Amount Total,)

The Labor and Materialmens Bond is for the amount of **One Million Six Hundred Twenty Thousand Two Hundred Five Dollars and Thirty-Five Cents (\$1,620,205.35)**. (50% of the Total Amount)

DATED: 7.30.14



[Signature]
David R. Crosariol, RCE 34520
CTA Engineering & Surveying
3233 Monier Circle
Rancho Cordova, CA 95742

ACCEPTED BY THE COUNTY OF EL DORADO

DATED: June 2, 2014

[Signature]
Andrew S. Gaber, P.E.
Deputy Director, DRE
Transportation Division
Community Development Agency

SECRETARY'S CERTIFICATE

MERITAGE HOMES OF CALIFORNIA, INC.

I, C. Timothy White, do hereby certify that I am the duly appointed Executive Vice President – Secretary and General Counsel of Meritage Homes of California, Inc., a California corporation (the “Company”).

I also do hereby certify that Barry Grant is the Division President of the Northern California Division of the Company, and is authorized by and on behalf of the Company, to execute documents necessary or appropriate relating to his position as the Company's Division President, including, but not limited to, documents, contracts, and agreements for: (i) the sale of completed homes (attached and detached), including deeds, closing statements, escrow instructions, HUD statements and forms, and related closing documents and instructions; (ii) the acquisition of real property, including land acquisition contracts, purchase contracts, option contracts, and related ancillary documents (such as deeds, closing documents and instructions); (iii) land planning and development, such as easements, declarations of covenant, conditions and restrictions/condominium declarations, joint development agreements, development agreements; and (iv) general and other contracts and agreements with subcontractors, vendors, service providers, and other third parties in the ordinary course of business.

Dated: May 8, 2014

By: _____



Name: C. Timothy White

Title: Executive Vice President –
Secretary and General Counsel

Bond No. 024057245
Premium Included in performance bond

LABORERS AND MATERIALMENS BOND FORM

Whereas, the Board of Supervisors of the County of El Dorado, a political subdivision of the State of California, and **MERITAGE HOMES OF CALIFORNIA, INC.**, (hereinafter designated as "Principal") have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which said agreement, dated _____, _____, and identified as the Subdivision Improvement Agreement for **West Valley Village Unit 5B – Phase 2 (TM 99-1359R)** between the County and the Developer, AGMT # 13-53756, hereby referred to and made part hereof; and

Whereas, under the terms of said Agreement, Principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the County of El Dorado to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California.

Now, therefore, we, the Principal and Liberty Mutual Insurance Company (hereinafter designated "Surety"), are held firmly bound unto the County of El Dorado and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of the aforesaid agreement and referred to in the aforesaid Civil Code in the sum of **One Million Six Hundred Twenty Thousand Two Hundred Five Dollars and Thirty-Five Cents (\$1,620,205.35)**, for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the County of El Dorado in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 15 (commencing

with Section 3082) of Part 4 of Division 3 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

In witness whereof, this instrument has been duly executed by the Principal and Surety above named, on May 8, 20 14.

"Surety"

Liberty Mutual Insurance Company

By Brandy L. Baich
Brandy L. Baich
Attorney-in-Fact
Print Name

"Principal"

Meritage Homes of California, Inc

By Barry Grant
Barry Grant, Division President
1671 East Monte Vista Avenue
Suite 214
Vacaville, California 95688

NOTARY ACKNOWLEDGMENTS ATTACHED

PRINCIPAL

ACKNOWLEDGMENT

State of California

County of Solano

On May 8, 2014 before me, Rebecca A. Goddard
(here insert name and title of the officer)

personally appeared Barry Grant

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature]



(Seal)

Liberty Mutual Insurance Company

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Certificate No. 6417641

American Fire and Casualty Company
The Ohio Casualty Insurance Company

Liberty Mutual Insurance Company
West American Insurance Company

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That American Fire & Casualty Company and The Ohio Casualty Insurance Company are corporations duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Brandy L. Baich; David G. Jensen; Erin Brown; Terry Crull; Vicki L. Breunig

all of the city of Scottsdale, state of AZ each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 15th day of January, 2014.

American Fire and Casualty Company
The Ohio Casualty Insurance Company
Liberty Mutual Insurance Company
West American Insurance Company

By:

David M. Carey
David M. Carey, Assistant Secretary

STATE OF PENNSYLVANIA ss
COUNTY OF MONTGOMERY

On this 15th day of January, 2014, before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of American Fire and Casualty Company, Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.

By:

Teresa Pastella
Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of American Fire and Casualty Company, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV – OFFICERS – Section 12. Power of Attorney. Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII – Execution of Contracts – SECTION 5. Surety Bonds and Undertakings. Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation – The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization – By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Gregory W. Davenport, the undersigned, Assistant Secretary, of American Fire and Casualty Company, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 8th day of May, 20 14.

By:

Gregory W. Davenport
Gregory W. Davenport, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

Bond No. 024057245
Premium: \$23,493.00

PERFORMANCE BOND AGREEMENT FORM

Whereas, the Board of Supervisors of the County of El Dorado, a political subdivision of the State of California, and **MERITAGE HOMES OF CALIFORNIA, INC.** (hereinafter designated as "Principal") have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which said agreement, dated _____, 2014, and identified as project **West Valley Village Unit 5B – Phase 2 (TM 99-1359R)** is hereby referred to and made part hereof; and

Whereas, Said Principal is required under the terms of said agreement to furnish a bond for the faithful performance of said agreement.

Now, therefore, we, the Principal and Liberty Mutual Insurance Company, (hereinafter designated as "Surety"), are held and firmly bound unto the County of El Dorado, as Oblige, in the penal sum of **Three Million Two Hundred Forty Thousand Four Hundred Ten Dollars and Seventy Cents (\$3,240,410.70)** lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bound Principal his or its heirs, executors and administrators, successors, or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the County of El Dorado, its officers, agents

and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

This guarantee shall insure the County of El Dorado during the work required by any Contract and for a period of one (1) year from the date of acceptance of the work against faulty or improper materials or workmanship that may be discovered during that time.

As a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the County of El Dorado in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work performed thereunder or the specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

In witness whereof, this instrument has been duly executed by the Principal and Surety above named on May 8, 2014.

"Surety"

Liberty Mutual Insurance Company

By Brandy L. Baich

Brandy L. Baich
Attorney-in-Fact
Print Name

"Principal"

Meritage Homes of California, Inc

By Barry Grant

Barry Grant, Division President
1671 East Monte Vista Avenue
Suite 214
Vacaville, California 95688

NOTARY ACKNOWLEDGMENTS ATTACHED

PRINCIPAL

ACKNOWLEDGMENT

State of California

County of Solano

On May 8, 2014 before me, Rebecca A. Goddard, Notary Public
(here insert name and title of the officer)

personally appeared Barry Grant

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature]



(Seal)

State of Arizona

On May 8, 2014 before me, Erin J. Brown, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

☒ personally known to me
☐ proved to me on the basis of satisfactory evidence

WITNESS my hand and official seal.

 **ERIN J. BROWN**
Notary Public - State of Arizona
MARICOPA COUNTY
My Commission Expires
April 28, 2017

Liberty Mutual Insurance Company

THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Certificate No. 6417642

American Fire and Casualty Company
The Ohio Casualty Insurance Company

Liberty Mutual Insurance Company
West American Insurance Company

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That American Fire & Casualty Company and The Ohio Casualty Insurance Company are corporations duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Brandy L. Baich; David G. Jensen; Erin Brown; Terry Crull; Vicki L. Breunig

all of the city of Scottsdale, state of AZ each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 15th day of January, 2014.

American Fire and Casualty Company
The Ohio Casualty Insurance Company
Liberty Mutual Insurance Company
West American Insurance Company

By: David M. Carey
David M. Carey, Assistant Secretary

STATE OF PENNSYLVANIA ss
COUNTY OF MONTGOMERY

On this 15th day of January, 2014, before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of American Fire and Casualty Company, Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.

By: Teresa Pastella
Teresa Pastella, Notary Public

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By: Gregory W. Davenport
Gregory W. Davenport, Assistant Secretary

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