Trolli Michele D
Form 4
April 13, 2010

# FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Trolli Michele D
(Last) (First) (Middle)
465 MAIN STREET, LAFAYETTE COURT, 8TH FLOOR
(Street)
BUFFALO, NY 14203
(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
M&T BANK CORP [MTB]

3. Date of Earliest Transaction (Month/Day/Year)
04/09/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Exec. VP & Chief Info. Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1.Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 04/09/2010 | | A (1) | | 157.74 | A (1) | $ 0 (2) | 20,706.79 | D | |
| Common Stock | 04/09/2010 | | F | | 52 | D | $ 85.34 | 20,654.79 | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**
**(*e.g.*, puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | |

# Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| Trolli Michele D<br>465 MAIN STREET, LAFAYETTE COURT<br>8TH FLOOR<br>BUFFALO, NY 14203 | | | Exec. VP & Chief Info. Officer | |

# Signatures

| | |
|---|---|
| By: Brian R. Yoshida, Esq. (Attorney-In-Fact) | 04/13/2010 |
| **Signature of Reporting Person | Date |

# Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

**(1)** The reported transaction involves an award of fully vested restricted stock issued under the M&T Bank Corporation 2009 Equity Incentive Compensation Plan. The stock represents a portion of the reporting person's salary and may be subject to restrictions on transfer. For more information, please see the Current Report on Form 8-K filed by M&T Bank Corporation on January 25, 2010.

**(2)** The restricted stock was granted under an equity incentive compensation plan maintained by M&T Bank Corporation, and therefore the reporting person paid no price for the restricted stock.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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$
(16,947
)

(22.2

)%
Homes closed

132

179

(47
)

(26.3
)%
Average sales price

$
451.2

$
427.4

$
23.8

5.6
 %
South Carolina

Dollars

$
23,866

$
27,748

$
(3,882

)

(14.0
)%
Homes closed

70

88

(18
)

(20.5
)%
Average sales price

$
340.9

$
315.3

$
25.6

8.1
%
Tennessee

Dollars

$
11,287

$
21,380

$
(10,093
)

(47.2
)%
Homes closed

30

61

(31
)

(50.8
)%
Average sales price

$
376.2

$
350.5

$
25.7

7.3
%
East Region Totals

Dollars

$
202,527

$
256,360

$
(53,833
)

(21.0
)%
Homes closed

492

666

(174
)

(26.1
)%
Average sales price

$
411.6

$
384.9

$
26.7

6.9
%

25

| | Six Months Ended June 30, | | Quarter over Quarter | |
|---|---|---|---|---|
| | 2017 | 2016 | Chg $ | Chg % |
| Home Closing Revenue | | | | |
| Total | | | | |
| Dollars | $1,458,397 | $1,391,462 | $66,935 | 4.8 % |
| Homes closed | 3,487 | 3,438 | 49 | 1.4 % |
| Average sales price | $418.2 | $404.7 | $13.5 | 3.3 % |
| West Region | | | | |
| Arizona | | | | |
| Dollars | $241,565 | $169,047 | $72,518 | 42.9 % |
| Homes closed | 715 | 496 | 219 | 44.2 % |
| Average sales price | $337.9 | $340.8 | $(2.9 ) | (0.9 )% |
| California | | | | |
| Dollars | $272,364 | $276,778 | $(4,414 ) | (1.6 )% |
| Homes closed | 441 | 487 | (46 ) | (9.4 )% |
| Average sales price | $617.6 | $568.3 | $49.3 | 8.7 % |
| Colorado | | | | |
| Dollars | $155,649 | $147,799 | $7,850 | 5.3 % |
| Homes closed | 282 | 307 | (25 ) | (8.1 )% |
| Average sales price | $551.9 | $481.4 | $70.5 | 14.6 % |
| West Region Totals | | | | |
| Dollars | $669,578 | $593,624 | $75,954 | 12.8 % |
| Homes closed | 1,438 | 1,290 | 148 | 11.5 % |
| Average sales price | $465.6 | $460.2 | $5.4 | 1.2 % |
| Central Region - Texas | | | | |
| Central Region Totals | | | | |
| Dollars | $400,388 | $366,878 | $33,510 | 9.1 % |
| Homes closed | 1,105 | 1,021 | 84 | 8.2 % |
| Average sales price | $362.3 | $359.3 | $3.0 | 0.8 % |
| East Region | | | | |
| Florida | | | | |
| Dollars | $148,022 | $166,664 | $(18,642) | (11.2)% |
| Homes closed | 333 | 413 | (80 ) | (19.4)% |
| Average sales price | $444.5 | $403.5 | $41.0 | 10.2 % |
| Georgia | | | | |
| Dollars | $45,841 | $49,397 | $(3,556 ) | (7.2 )% |
| Homes closed | 128 | 146 | (18 ) | (12.3)% |
| Average sales price | $358.1 | $338.3 | $19.8 | 5.9 % |
| North Carolina | | | | |
| Dollars | $116,467 | $126,884 | $(10,417) | (8.2 )% |
| Homes closed | 263 | 297 | (34 ) | (11.4)% |
| Average sales price | $442.8 | $427.2 | $15.6 | 3.7 % |
| South Carolina | | | | |
| Dollars | $49,921 | $48,919 | $1,002 | 2.0 % |
| Homes closed | 143 | 155 | (12 ) | (7.7 )% |
| Average sales price | $349.1 | $315.6 | $33.5 | 10.6 % |
| Tennessee | | | | |
| Dollars | $28,180 | $39,096 | $(10,916) | (27.9)% |

| | | | | |
|---|---|---|---|---|
| Homes closed | 77 | 116 | (39 ) | (33.6)% |
| Average sales price | $366.0 | $337.0 | $29.0 | 8.6 % |
| East Region Totals | | | | |
| Dollars | $388,431 | $430,960 | $(42,529) | (9.9 )% |
| Homes closed | 944 | 1,127 | (183 ) | (16.2)% |
| Average sales price | $411.5 | $382.4 | $29.1 | 7.6 % |

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| | Three Months Ended June 30, | | Quarter over Quarter | |
|---|---|---|---|---|
| | 2017 | 2016 | Change $ | Change % |
| Home Orders [1] | | | | |
| Total | | | | |
| Dollars | $878,718 | $845,346 | $33,372 | 3.9 % |
| Homes ordered | 2,153 | 2,073 | 80 | 3.9 % |
| Average sales price | $408.1 | $407.8 | $0.3 | 0.1 % |
| West Region | | | | |
| Arizona | | | | |
| Dollars | $129,870 | $115,812 | $14,058 | 12.1 % |
| Homes ordered | 397 | 331 | 66 | 19.9 % |
| Average sales price | $327.1 | $349.9 | $(22.8 ) | (6.5 )% |
| California | | | | |
| Dollars | $162,597 | $165,931 | $(3,334 ) | (2.0 )% |
| Homes ordered | 274 | 289 | (15 ) | (5.2 )% |
| Average sales price | $593.4 | $574.2 | $19.2 | 3.3 % |
| Colorado | | | | |
| Dollars | $76,978 | $84,398 | $(7,420 ) | (8.8 )% |
| Homes ordered | 133 | 169 | (36 ) | (21.3 )% |
| Average sales price | $578.8 | $499.4 | $79.4 | 15.9 % |
| West Region Totals | | | | |
| Dollars | $369,445 | $366,141 | $3,304 | 0.9 % |
| Homes ordered | 804 | 789 | 15 | 1.9 % |
| Average sales price | $459.5 | $464.1 | $(4.6 ) | (1.0 )% |
| Central Region - Texas | | | | |
| Central Region Totals | | | | |
| Dollars | $254,642 | $202,948 | $51,694 | 25.5 % |
| Homes ordered | 714 | 550 | 164 | 29.8 % |
| Average sales price | $356.6 | $369.0 | $(12.4 ) | (3.4 )% |
| East Region | | | | |
| Florida | | | | |
| Dollars | $120,951 | $106,913 | $14,038 | 13.1 % |
| Homes ordered | 283 | 267 | 16 | 6.0 % |
| Average sales price | $427.4 | $400.4 | $27.0 | 6.7 % |
| Georgia | | | | |
| Dollars | $32,865 | $38,356 | $(5,491 ) | (14.3 )% |
| Homes ordered | 99 | 115 | (16 ) | (13.9 )% |
| Average sales price | $332.0 | $333.5 | $(1.5 ) | (0.4 )% |
| North Carolina | | | | |
| Dollars | $61,375 | $66,944 | $(5,569 ) | (8.3 )% |
| Homes ordered | 143 | 159 | (16 ) | (10.1 )% |
| Average sales price | $429.2 | $421.0 | $8.2 | 1.9 % |
| South Carolina | | | | |
| Dollars | $22,840 | $38,468 | $(15,628) | (40.6 )% |
| Homes ordered | 66 | 118 | (52 ) | (44.1 )% |
| Average sales price | $346.1 | $326.0 | $20.1 | 6.2 % |
| Tennessee | | | | |
| Dollars | $16,600 | $25,576 | $(8,976 ) | (35.1 )% |

| | | | | |
|---|---|---|---|---|
| Homes ordered | 44 | 75 | (31 ) | (41.3 )% |
| Average sales price | $377.3 | $341.0 | $36.3 | 10.6 % |
| East Region Totals | | | | |
| Dollars | $254,631 | $276,257 | $(21,626) | (7.8 )% |
| Homes ordered | 635 | 734 | (99 ) | (13.5 )% |
| Average sales price | $401.0 | $376.4 | $24.6 | 6.5 % |

(1) Home orders for any period represent the aggregate sales price of all homes ordered, net of cancellations. We do not include orders contingent upon the sale of a customer's existing home as a sales contract until the contingency is removed.

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| | Six Months Ended June 30, | | Quarter over Quarter | |
|---|---|---|---|---|
| | 2017 | 2016 | Chg $ | Chg % |
| Home Orders [1] | | | | |
| Total | | | | |
| Dollars | $1,771,421 | $1,649,946 | $121,475 | 7.4 % |
| Homes ordered | 4,288 | 4,060 | 228 | 5.6 % |
| Average sales price | $413.1 | $406.4 | $6.7 | 1.6 % |
| West Region | | | | |
| Arizona | | | | |
| Dollars | $263,702 | $205,992 | $57,710 | 28.0 % |
| Homes ordered | 800 | 590 | 210 | 35.6 % |
| Average sales price | $329.6 | $349.1 | $(19.5 ) | (5.6 )% |
| California | | | | |
| Dollars | $356,355 | $316,943 | $39,412 | 12.4 % |
| Homes ordered | 602 | 559 | 43 | 7.7 % |
| Average sales price | $592.0 | $567.0 | $25.0 | 4.4 % |
| Colorado | | | | |
| Dollars | $159,073 | $171,024 | $(11,951 ) | (7.0 )% |
| Homes ordered | 276 | 338 | (62 ) | (18.3)% |
| Average sales price | $576.4 | $506.0 | $70.4 | 13.9 % |
| West Region Totals | | | | |
| Dollars | $779,130 | $693,959 | $85,171 | 12.3 % |
| Homes ordered | 1,678 | 1,487 | 191 | 12.8 % |
| Average sales price | $464.3 | $466.7 | $(2.4 ) | (0.5 )% |
| Central Region - Texas | | | | |
| Central Region Totals | | | | |
| Dollars | $506,415 | $419,013 | $87,402 | 20.9 % |
| Homes ordered | 1,407 | 1,141 | 266 | 23.3 % |
| Average sales price | $359.9 | $367.2 | $(7.3 ) | (2.0 )% |
| East Region | | | | |
| Florida | | | | |
| Dollars | $222,511 | $199,507 | $23,004 | 11.5 % |
| Homes ordered | 522 | 494 | 28 | 5.7 % |
| Average sales price | $426.3 | $403.9 | $22.4 | 5.5 % |
| Georgia | | | | |
| Dollars | $55,267 | $73,551 | $(18,284 ) | (24.9)% |
| Homes ordered | 168 | 220 | (52 ) | (23.6)% |
| Average sales price | $329.0 | $334.3 | $(5.3 ) | (1.6 )% |
| North Carolina | | | | |
| Dollars | $127,707 | $144,025 | $(16,318 ) | (11.3)% |
| Homes ordered | 293 | 348 | (55 ) | (15.8)% |
| Average sales price | $435.9 | $413.9 | $22.0 | 5.3 % |
| South Carolina | | | | |
| Dollars | $48,378 | $72,689 | $(24,311 ) | (33.4)% |
| Homes ordered | 138 | 225 | (87 ) | (38.7)% |
| Average sales price | $350.6 | $323.1 | $27.5 | 8.5 % |
| Tennessee | | | | |
| Dollars | $32,013 | $47,202 | $(15,189 ) | (32.2)% |

| | | | | |
|---|---|---|---|---|
| Homes ordered | 82 | 145 | (63 ) | (43.4)% |
| Average sales price | $390.4 | $325.5 | $64.9 | 19.9 % |
| East Region Totals | | | | |
| Dollars | $485,876 | $536,974 | $(51,098 ) | (9.5 )% |
| Homes ordered | 1,203 | 1,432 | (229 ) | (16.0)% |
| Average sales price | $403.9 | $375.0 | $28.9 | 7.7 % |

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| | Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2017 | | 2016 | |
| | Ending | Average | Ending | Average |
| Active Communities | | | | |
| Total | 257 | 256.5 | 241 | 242.0 |
| West Region | | | | |
| Arizona | 39 | 40.5 | 43 | 42.5 |
| California | 26 | 27.5 | 25 | 24.5 |
| Colorado | 10 | 10.0 | 12 | 13.0 |
| West Region Totals | 75 | 78.0 | 80 | 80.0 |
| Central Region - Texas | | | | |
| Central Region Totals | 92 | 88.5 | 73 | 71.5 |
| East Region | | | | |
| Florida | 30 | 31.0 | 26 | 26.0 |
| Georgia | 19 | 18.0 | 17 | 17.5 |
| North Carolina | 20 | 19.0 | 22 | 23.0 |
| South Carolina | 14 | 14.5 | 16 | 16.0 |
| Tennessee | 7 | 7.5 | 7 | 8.0 |
| East Region Totals | 90 | 90.0 | 88 | 90.5 |

| | Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2017 | | 2016 | |
| | Ending | Average | Ending | Average |
| Active Communities | | | | |
| Total | 257 | 250.0 | 241 | 247.5 |
| West Region | | | | |
| Arizona | 39 | 40.5 | 43 | 42.0 |
| California | 26 | 27.0 | 25 | 24.5 |
| Colorado | 10 | 10.0 | 12 | 14.0 |
| West Region Totals | 75 | 77.5 | 80 | 80.5 |
| Central Region - Texas | | | | |
| Central Region Totals | 92 | 86.0 | 73 | 72.5 |
| East Region | | | | |
| Florida | 30 | 28.5 | 26 | 28.5 |
| Georgia | 19 | 18.0 | 17 | 17.0 |
| North Carolina | 20 | 18.5 | 22 | 24.0 |
| South Carolina | 14 | 14.5 | 16 | 17.0 |
| Tennessee | 7 | 7.0 | 7 | 8.0 |
| East Region Totals | 90 | 86.5 | 88 | 94.5 |

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| Cancellation Rates (1) | | | | |
| Total | 13% | 11% | 13% | 11% |
| West Region | | | | |
| Arizona | 12% | 12% | 13% | 12% |
| California | 15% | 9 % | 13% | 10% |
| Colorado | 8 % | 8 % | 10% | 9 % |
| West Region Totals | 13% | 10% | 12% | 10% |
| Central Region - Texas | | | | |
| Central Region Totals | 15% | 16% | 14% | 14% |
| East Region | | | | |
| Florida | 11% | 9 % | 12% | 10% |
| Georgia | 18% | 12% | 18% | 13% |
| North Carolina | 9 % | 9 % | 8 % | 7 % |
| South Carolina | 14% | 7 % | 11% | 5 % |
| Tennessee | 8 % | 10% | 13% | 9 % |
| East Region Totals | 12% | 9 % | 12% | 9 % |

(1) Cancellation rates are computed as the number of canceled units for the period divided by the gross sales units for the same period.

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| | At June 30, 2017 | 2016 | Quarter over Quarter Change $ | Change % |
|---|---|---|---|---|
| Order Backlog [1] | | | | |
| Total | | | | |
| Dollars | $1,448,782 | $1,396,165 | $52,617 | 3.8 % |
| Homes in backlog | 3,428 | 3,314 | 114 | 3.4 % |
| Average sales price | $422.6 | $421.3 | $1.3 | 0.3 % |
| West Region | | | | |
| Arizona | | | | |
| Dollars | $183,480 | $154,851 | $28,629 | 18.5 % |
| Homes in backlog | 529 | 411 | 118 | 28.7 % |
| Average sales price | $346.8 | $376.8 | $(30.0 ) | (8.0 )% |
| California | | | | |
| Dollars | $237,629 | $224,311 | $13,318 | 5.9 % |
| Homes in backlog | 392 | 361 | 31 | 8.6 % |
| Average sales price | $606.2 | $621.4 | $(15.2 ) | (2.4 )% |
| Colorado | | | | |
| Dollars | $157,508 | $185,376 | $(27,868) | (15.0 )% |
| Homes in backlog | 267 | 363 | (96 ) | (26.4 )% |
| Average sales price | $589.9 | $510.7 | $79.2 | 15.5 % |
| West Region Totals | | | | |
| Dollars | $578,617 | $564,538 | $14,079 | 2.5 % |
| Homes in backlog | 1,188 | 1,135 | 53 | 4.7 % |
| Average sales price | $487.1 | $497.4 | $(10.3 ) | (2.1 )% |
| Central Region - Texas | | | | |
| Central Region Totals | | | | |
| Dollars | $460,761 | $402,329 | $58,432 | 14.5 % |
| Homes in backlog | 1,233 | 1,062 | 171 | 16.1 % |
| Average sales price | $373.7 | $378.8 | $(5.1 ) | (1.3 )% |
| East Region | | | | |
| Florida | | | | |
| Dollars | $190,943 | $150,849 | $40,094 | 26.6 % |
| Homes in backlog | 442 | 368 | 74 | 20.1 % |
| Average sales price | $432.0 | $409.9 | $22.1 | 5.4 % |
| Georgia | | | | |
| Dollars | $42,789 | $57,580 | $(14,791) | (25.7 )% |
| Homes in backlog | 131 | 169 | (38 ) | (22.5 )% |
| Average sales price | $326.6 | $340.7 | $(14.1 ) | (4.1 )% |
| North Carolina | | | | |
| Dollars | $98,492 | $128,619 | $(30,127) | (23.4 )% |
| Homes in backlog | 223 | 311 | (88 ) | (28.3 )% |
| Average sales price | $441.7 | $413.6 | $28.1 | 6.8 % |
| South Carolina | | | | |
| Dollars | $39,093 | $53,881 | $(14,788) | (27.4 )% |
| Homes in backlog | 111 | 158 | (47 ) | (29.7 )% |
| Average sales price | $352.2 | $341.0 | $11.2 | 3.3 % |
| Tennessee | | | | |
| Dollars | $38,087 | $38,369 | $(282 ) | (0.7 )% |
| Homes in backlog | 100 | 111 | (11 ) | (9.9 )% |

| | | | | |
|---|---|---|---|---|
| Average sales price | $380.9 | $345.7 | $35.2 | 10.2 % |
| East Region Totals | | | | |
| Dollars | $409,404 | $429,298 | $(19,894) | (4.6 )% |
| Homes in backlog | 1,007 | 1,117 | (110 ) | (9.8 )% |
| Average sales price | $406.6 | $384.3 | $22.3 | 5.8 % |

(1) Our backlog represents net sales that have not closed.

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Operating Results

Companywide. Home closing revenue for the three months ended June 30, 2017 was up nominally from prior year, increasing 0.2% to $797.8 million despite 2.3% lower closing volume, as a result of higher average sales prices of $10,500, or 2.6%. Home orders volume improved year over year, with order value growing by 3.9% to $878.7 million on 2,153 homes in the second quarter of 2017 as compared to $845.3 million on 2,073 homes in the second quarter of 2016. We maintained a relatively flat ending community count, opening 26 new communities and closing out 25 communities during the second quarter of 2017 for an ending count of 257 actively selling communities. Our company-wide orders pace of 8.4 homes ordered per average community in the second quarter of 2017 is relatively consistent with 8.6 in the prior year. We ended the quarter with 3,428 homes in backlog, up 114 units or 3.4% from 2016 and with a higher backlog value of $52.6 million, up 3.8%. For the six months ended June 30, 2017, home closing units and revenue grew by 49 units and $66.9 million for ending home closing revenue of $1.5 billion, 4.8% higher than the six month period in 2016. Orders for the six months ended June 30, 2017 were up 5.6% from the prior year and, coupled with average sales price increases, order value rose 7.4%.

West. During the three months ended June 30, 2017, the West region led the company in home closing volume and revenue, as well as year-over-year growth in these metrics. Home closing revenue rose 11.1% over the 2016 period, primarily from the 76 additional units closed, resulting in 804 closings valued at $369.6 million for the three months ended June 30, 2017. Order units and value in the West Region improved by 1.9% and 0.9%, respectively, ending the quarter with 804 orders valued at $369.4 million. Community count in the West was down, although orders pace improved with 10.3 for the quarter ended June 30, 2017 as compared to 9.9 in 2016. Arizona drove the improvements in home closings and orders in the Region during the second quarter, as well as the rising orders pace, although demand is high throughout the entire region. Colorado and California boast our highest orders pace in the company and we are actively working to open additional communities, as the pace at which we are currently selling is translating to faster community sell out than originally anticipated. Average sales prices in the Region are starting to temper as Arizona is contributing a larger percentage to the Region's results and is shifting to a higher number of lower priced, faster selling communities aimed to first-time buyers.

Year-to-date results in the West Region were similar to that of the second quarter of 2017. The number and value of units closed versus prior year improved by 11.5% and 12.8%, respectively, driven by significant growth in Arizona. Orders in Arizona were also the driver for the Region's 12.8% higher orders year to date. The Region ended the six-month period with overall growth in order value of $85.2 million on 191 more units and ending backlog of $578.6 million on 1,188 units.

Central. In the second quarter of 2017, the Central Region, made up of our Texas markets, closed 610 homes and generated $225.7 million in home closing revenue, improvements of 9.7% and 9.1%, respectively, leading to overall year over year home closing revenue growth of $18.8 million. We continue to see improved demand trends in the Central Region, evidenced by the improved orders and orders pace in the second quarter. We are answering the demand in this Region with a strong transition to first-time buyers, as evidenced in the moderately decreasing average sales prices year over year. Orders grew by 29.8% to a total of 714 units valued at $254.6 million as compared to 550 units valued at $202.9 million in the prior year. Average community count and orders pace increased by 23.8% and 5.2%, respectively, in the second quarter, directly resulting in the higher orders year over year.

Year-to-date saw overall improvements in the Region as well. Home closings and home closing revenue were up 8.2% and 9.1%, respectively, and orders and order value were up year over year by 23.3% and 20.9%, respectively. The Region ended the quarter with 1,233 homes in backlog valued at $460.8 million, 16.1% and 14.5% improvements, respectively.

East. Our East region generated 492 closings in the second quarter of 2017, a decline of 26.1% from the prior year. The decline in closing volume was partially offset with a 6.9% or $26,700 increase in average sales price, as all markets in the Region experienced higher average sales prices on their second quarter closings versus prior year. Order volume dropped by 99 units, or 13.5%, with higher average sales prices of $24,600, or 6.5%, partially offsetting the unit decline. Lower beginning backlog and a lower number of actively-selling communities entering the year have impacted home closing volume and associated revenues in the second quarter of 2017 versus 2016. The delay of certain community openings in 2017 and the transition to updated product offerings has also had an impact on our results on orders. Community count growth in high-demand sub-markets is a strategic focus for us in the East Region and has been intentionally timed to coincide with the roll-out of our new product offering throughout the majority of the region. While certain markets have seen community count growth thus far, we still have a significant number of additional new communities anticipated to open in the next several months in the region. We expect these new communities with updated plan offerings will capture the existing strong market demand and provide improved orders and orders pace in the future.

The year-to-date results of the East Region were similar to those of the second quarter, with 944 units closed, providing $388.4 million in home closing revenue, 16.2% and 9.9% lower than the 2016 period, respectively. The number and value of orders also declined by 229 units and $51.1 million, contributing to a year-over-year decline in backlog of 110 units, ending the second quarter with 1,007 units valued at $409.4 million.

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Land Closing Revenue and Gross Profit

From time to time, we may sell certain lots or land parcels to other homebuilders, developers or investors if we feel the sale will provide a greater economic benefit to us than continuing home construction or where we are looking to diversify our land positions in the specific geography. As a result of such sales, we recognized land closing revenue of $4.2 million and $2.1 million for the three months ending June 30, 2017 and 2016, respectively, and $16.4 and $4.2 million for the six months ended June 30, 2017 and 2016, respectively.

Other Operating Information (dollars in thousands)

| | Three Months Ended June 30, | | | | | | Six Months Ended June 30, | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2017 | | | 2016 | | | 2017 | | | 2016 | | |
| | Dollars | Percent of Home Closing Revenue | | Dollars | Percent of Home Closing Revenue | | Dollars | Percent of Home Closing Revenue | | Dollars | Percent of Home Closing Revenue | |
| Home Closing Gross Profit (1) | | | | | | | | | | | | |
| Total | $140,910 | 17.7 | % | $137,746 | 17.3 | % | $248,178 | 17.0 | % | $241,093 | 17.3 | % |
| West | $65,962 | 17.8 | % | $57,184 | 17.2 | % | $114,467 | 17.1 | % | $100,498 | 16.9 | % |
| Central | $45,856 | 20.3 | % | $41,016 | 19.8 | % | $79,132 | 19.8 | % | $73,118 | 19.9 | % |
| East | $29,092 | 14.4 | % | $39,546 | 15.4 | % | $54,579 | 14.1 | % | $67,477 | 15.7 | % |

(1) Home closing gross profit represents home closing revenue less cost of home closings, including impairments. Cost of home closings includes land and lot development costs, direct home construction costs, an allocation of common community costs (such as model complex costs and architectural, legal and zoning costs), interest, sales tax, impact fees, warranty, construction overhead and closing costs.

Companywide. Home closing gross profit for the three months ended June 30, 2017 increased $3.2 million versus the respective period in 2016 as a result of higher home closing revenue and a 40-basis-point improvement in home closing gross margin year over year. With improved demand and pricing power, we have been successful in some markets in minimizing the impact of rising costs. Charges incurred on asset write-offs in the second quarter of 2017 of approximately $1.2 million impacted gross margin by 20 basis points in the second quarter of 2017 and were primarily related to price reductions in a slow-moving Southern California community. Impairment charges in 2016 had a 30-basis-point impact on the prior year period home closing gross margin, as well. For the six months ended June 30, 2017, home closing gross profit increased by $7.1 million over the 2016 period, but margins declined by 30 basis points. The year-over-year decline in home closing gross margin is largely the result of reduced leverage and relatively higher costs in the first quarter of 2017 as compared to 2016, creating a drag on year-to-date margins.

West. Our West Region reported higher year-over-year home closing gross margin for the second quarter of 2017 of 17.8% compared to 17.2% in 2016, and 17.1% versus 16.9% for the six months ended June 30, 2017 and 2016, respectively. We are making concerted efforts to maximize margins in the Region and have been successful with raising average sales prices in certain markets to offset land and labor cost increases. Higher volume has also helped with the improved home closing gross margin as we leverage construction overhead costs. Margin improvement was tempered by asset write-offs, primarily in Southern California and impacted gross margin by 30 and 20 basis points for the three and six months ended June 30, 2017, respectively. 2016 asset write-offs had a 10-basis-point impact for both the three- and six-month periods.

Central. The Central Region produced the highest home closing gross margin in the company and improved 50 basis points year over year, with 20.3% in 2017 versus 19.8% in 2016. Year to date, the Region's margins were relatively flat, declining year over year by 10 basis points. We believe the volatility from oil price uncertainty has recently started to stabilize. This stability coupled with the improving demand trends across the Region, is resulting in pricing

power, which combined with increasing volume translates to solid margins in this Region.
East. The East Region gross margins in the second quarter of 2017 of 14.4% declined from 15.4% in the 2016 period. Year-to-date margin had similar year-over-year fluctuations, declining 160 basis points to 14.1% in 2017 versus 15.7% in 2016. Lower margins in the Region are largely attributed to the mix of closings from communities with older product offerings where

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demand was not as robust, limiting our pricing power. As we are in a period of growth in several of the markets in this Region, we expect that our scheduled community count openings with our new product offering in high demand areas will provide us with pricing power opportunities as well as greater leverage of overhead costs.

Financial Services Profit (in thousands)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| Financial services profit | $5,557 | $5,763 | $9,847 | $9,809 |

Financial services profit represents the net profit of our financial services operations, including the operating profit generated by our wholly-owned title company, Carefree Title, as well as our portion of earnings from a mortgage joint venture.

Selling, General and Administrative Expenses and Other Expenses ($ in thousands)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| Commissions and Other Sales Costs | | | | |
| Dollars | $(54,701) | $(56,379) | $(103,021) | $(102,556) |
| Percent of home closing revenue | 6.9 % | 7.1 % | 7.1 % | 7.4 % |
| General and Administrative Expenses | | | | |
| Dollars | $(29,591) | $(28,898) | $(59,213) | $(58,516) |
| Percent of total closing revenue | 3.7 % | 3.6 % | 4.0 % | 4.2 % |
| Earnings from Other Unconsolidated Entities, Net | | | | |
| Dollars | $570 | $573 | $943 | $416 |
| Interest Expense | | | | |
| Dollars | $(1,620) | $(1,672) | $(2,445) | $(4,960) |
| Other Income, Net | | | | |
| Dollars | $2,080 | $1,545 | $3,190 | $1,828 |
| Provision for Income Taxes | | | | |
| Dollars | $(21,625) | $(19,158) | $(34,822) | $(27,074) |

Commissions and Other Sales Costs. Commissions and other sales costs are comprised of internal and external commissions and related sales and marketing expenses such as advertising and sales office costs. These costs decreased by $1.7 million for the three months ended June 30, 2017 versus 2016 and increased $0.5 million year to date. As a percentage of home closing revenue, commissions and other sales costs declined by 20 basis points to 6.9% during the three months ended June 30, 2017, and declined by 30 basis points to 7.1% for the six months ended June 30, 2017. This is the result of improved overhead leverage and the revised commission structure we implemented in the latter half of 2016 and other cost-cutting measures.

General and Administrative Expenses. General and administrative expenses represent corporate and divisional overhead expenses such as salaries and bonuses, occupancy, insurance and travel expenses. For the three months ended June 30, 2017, general and administrative expenses were $29.6 million as compared to $28.9 million for the 2016 period. For the six months ended June 30, 2017, these costs were $59.2 million versus $58.5 million in 2016. As a percentage of total closing revenue, these costs were relatively flat, increasing by 10 basis points for the three-month period ending June 30, 2017 to 3.7%, while decreasing by 20 basis points year to date. The improved leverage year to date is mainly attributable to the additional closing revenue in 2017 over 2016. We continually strive to optimize overhead leverage through cost control efforts at both corporate and divisional levels.

Earnings from Other Unconsolidated Entities, Net. Earnings from other unconsolidated entities, net represents our portion of pre-tax earnings/(losses) from non-financial services joint ventures. Included in this amount is both the pass through of earnings/(losses) from the joint ventures' most recently available financial statements as well as any accrued expected earnings/(losses) for the periods presented that might not have been reflected in the joint ventures' financial statements provided to us. The three-month periods ended June 30, 2017 and 2016 both reported earnings of

$0.6 million. The six-month period ended June 30, 2017 reported earnings of $0.9 million as compared to $0.4 million in the 2016 period.

Interest Expense. Interest expense is comprised of interest incurred, but not capitalized, on our senior notes, convertible senior notes, other borrowings, and our Credit Facility. Interest expense decreased year over year for both the three- and six-

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month periods, as we have more inventory under development that qualifies for interest capitalization. Our non-capitalizable interest expense was $1.6 million and $2.4 million for the three and six months ended June 30, 2017, respectively, and was $1.7 million and $5.0 million, respectively, for the 2016 periods.

Other Income, Net. Other income, net, primarily consists of (i) forfeited deposits from potential homebuyers who canceled their purchase contracts with us, (ii) sublease income, (iii) interest earned on our cash and cash equivalents, and (iv) payments and awards related to legal settlements. For the three-month period, Other income, net includes $0.3 million in charges related to the early repurchase of a portion of our convertible notes. These charges were offset by a higher amount of forfeited buyer deposits and other minor activity contributing to $0.5 million increase over the prior year.

Income Taxes. Our effective tax rate was 34.2% and 32.5% for the three months ended June 30, 2017 and 2016, respectively, and 34.8% and 30.8% for the six months ended June 30, 2017 and 2016, respectively. Our tax rate has been favorably impacted in both years by the homebuilding manufacturing deduction. Due to expiration of legislation related to federal energy tax credits for tax years after 2016, only the 2016 effective tax rate reflects the benefit of federal energy credits.

Liquidity and Capital Resources

Overview

Our principal uses of capital in the first six months of 2017 were acquisition and development of new and strategic lot positions, operating expenses, home construction and the payment of routine liabilities. We used funds generated by operations and borrowings under our Credit Facility to meet our short-term working capital requirements. We remain focused on acquiring desirable land positions, generating increasing margins in our homebuilding operations and maintaining a strong balance sheet to support future needs and growth, while leveraging land options where possible.

Operating Cash Flow Activities

During the six months ended June 30, 2017 and June 30, 2016, net cash used in operations totaled $130.7 million and $110.6 million, respectively. Operating cash flows in both 2017 and 2016 benefited from cash generated by net earnings of $65.2 million and $60.8 million, respectively, offset mainly by increases in real estate of $211.4 million and $194.0 million, respectively, reflecting increased land and land development spending.

Investing Cash Flow Activities

During the six months ended June 30, 2017, net cash used in investing activities totaled $7.4 million as compared to $7.6 million for the same period in 2016. Cash used in investing activities in 2017 and 2016 is mainly attributable to the purchases of property and equipment of $8.3 and $7.6 million for 2017 and 2016, respectively.

Financing Cash Flow Activities

During the six months ended June 30, 2017, net cash provided by financing activities totaled $223.2 million as compared to net cash used in financing activities of $15.8 million for the same period in 2016. The net cash provided by financing activities in 2017 is primarily the result of $296.0 million in net proceeds received from our 5.125% bond issuance offset partially by repayments of our Credit Facility and $52.1 million of repurchases of a portion of our Convertible Senior Notes. Our 2016 results were mainly attributable to $15.5 million in payments of notes payable and other borrowings.

Overview of Cash Management

Cash flows for each of our communities depend on their stage of the development cycle, and can differ substantially from reported earnings. Early stages of development or expansion require significant cash outlays for land acquisitions, zoning plat and other approvals, community and lot development, and construction of model homes, roads, utilities, landscape and other amenities. Because these costs are a component of our inventory and not recognized in our statement of operations until a home closes, we incur significant cash outlays prior to recognition of earnings. In the later stages of a community, cash inflows may significantly exceed earnings reported for financial statement purposes, as the cash outflow associated with home and land construction was previously incurred. From a liquidity standpoint, we are currently actively acquiring and developing lots in our markets to maintain and grow our lot supply and active community count. We are also using our cash on hand and draws under our Credit Facility, as needed, to fund operations in newer markets. As demand for new homes improves and we continue to expand our business, we expect cash outlays for land purchases, land development and home construction will continue to exceed our cash generated from operations in the near term.

During the six months ended June 30, 2017, we closed 3,487 homes, purchased about 5,000 lots for $335.2 million, spent $150.4 million on land development, paid $35.7 million in lot purchase and option deposits, and started construction on 4,261 homes. The opportunity to purchase substantially finished lots in desired locations continues to be more limited and competitive as compared to prior years. As a result, we are purchasing more undeveloped land and partially-finished lots than in recent years and subsequently incurring development dollars in order to bring them to a finished status ready for home construction. We exercise strict controls and believe we have a prudent strategy for Company-wide cash management, including those related to cash outlays for land and inventory acquisition and development. We ended the second quarter of 2017 with $216.7 million of cash and cash equivalents, an $85.0 million increase from December 31, 2016, primarily the result of the net proceeds from our June 2017 bond issuance.

We expect to generate cash from the sale of our inventory, but we intend to redeploy that cash to acquire and develop strategic and well-positioned lots to grow our business. We believe that we currently have strong liquidity. Nevertheless, we may seek additional capital to strengthen our liquidity position, enable us to opportunistically acquire additional land inventory in anticipation of improving market conditions, and/or strengthen our long-term capital structure. Such additional capital may be in the form of equity or debt financing and may be from a variety of sources. There can be no assurances that we would be able to obtain such additional capital on terms acceptable to us, if at all, and such additional equity or debt financing could dilute the interests of our existing stockholders or increase our interest costs. We may also from time to time engage in opportunistic repurchases of our common stock in open market or privately-negotiated transactions as well as repurchase our outstanding senior and convertible senior notes.

In May 2017, we entered into an amendment to our Credit Facility, which among other things, increased the total commitments available from from $540.0 million to $625.0 million and extends the maturity date of a substantial portion of the Credit Facility. Of the total commitments, $60.0 million matures in July 2019 and the remaining $565.0 million matures in July 2021. In June 2017, we completed an offering of $300 million aggregate principal amount of Senior Notes due 2027, bearing interest at 5.125%. In addition, in June 2017 we redeemed $51.9 million of aggregate principal amount of our Convertible Notes in privately negotiated transactions. Our Convertible Notes may be redeemed by the note-holders on the fifth, tenth, and fifteenth anniversary dates of the Convertible Notes. The fifth anniversary is September 15, 2017. On or after September 20, 2017, we may redeem for cash all or part of the Convertible Notes at a redemption price equal to 100% of the principal amount of the notes being redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. The Company intends to issue a notice of redemption to the holders of its Convertible Notes to redeem all outstanding Convertible Notes ($74.6 million as of June 30, 2017) on September 20, 2017. Reference is made to Notes 5 and 6 in the accompanying unaudited consolidated financial statements.

We believe that our leverage ratios provide useful information to the users of our financial statements regarding our financial position and cash and debt management. Debt-to-capital and net debt-to-capital are calculated as follows (dollars in thousands):

| | As of | |
|---|---|---|
| | June 30, 2017 | December 31, 2016 |
| Notes payable and other borrowings | $1,357,530 | $1,127,314 |
| Stockholders’ equity | 1,492,439 | 1,421,495 |
| Total capital | $2,849,969 | $2,548,809 |
| Debt-to-capital (1) | 47.6 % | 44.2 % |
| Notes payable and other borrowings | $1,357,530 | $1,127,314 |
| Less: cash and cash equivalents | (216,739) | (131,702) |
| Net debt | 1,140,791 | 995,612 |
| Stockholders’ equity | 1,492,439 | 1,421,495 |
| Total net capital | $2,633,230 | $2,417,107 |
| Net debt-to-capital (2) | 43.3 % | 41.2 % |

(1) Debt-to-capital is computed as senior and convertible senior notes, net and loans payable and other borrowings divided by the aggregate of total senior and convertible senior notes, net and loans payable and other borrowings and stockholders' equity.

(2) Net debt-to-capital is computed as net debt divided by the aggregate of net debt and stockholders' equity. Net debt is total senior and convertible senior notes, net and loans payable and other borrowings, less cash and cash equivalents. The most directly comparable GAAP financial measure is the ratio of debt to total capital. We believe the ratio of net debt-to-capital is a relevant financial measure for investors to understand the leverage employed in our operations and as an indicator of our ability to obtain financing.

Credit Facility Covenants

Borrowings under the Credit Facility are unsecured but availability is subject to, among other things, a borrowing base. The Credit Facility also contains certain financial covenants, including (a) a minimum tangible net worth requirement of $987.4 million (which amount is subject to increase over time based on subsequent earnings and proceeds from equity offerings), and (b) a maximum leverage covenant that prohibits the leverage ratio (as defined therein) from exceeding 60%. In addition, we are required to maintain either (i) an interest coverage ratio (EBITDA to interest expense, as defined therein) of at least 1.50 to 1.00 or (ii) liquidity (as defined therein) of an amount not less than our consolidated interest incurred during the trailing 12 months. We were in compliance with all Credit Facility covenants as of June 30, 2017. Our actual financial covenant calculations as of June 30, 2017 are reflected in the table below.

| Financial Covenant (dollars in thousands): | Covenant Requirement | Actual |
|---|---|---|
| Minimum Tangible Net Worth | > $1,008,197 | $1,452,661 |
| Leverage Ratio | < 60% | 41% |
| Interest Coverage Ratio (1) | > 1.50 | 4.51 |
| Minimum Liquidity (1) | > $72,251 | $783,097 |
| Investments other than defined permitted investments | < $435,798 | $16,678 |

(1) We are required to meet either the Interest Coverage Ratio or Minimum Liquidity, but not both.

Off-Balance Sheet Arrangements

Reference is made to Notes 1, 3, 4, and 15 in the accompanying Notes to the unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q, which are incorporated by reference herein. These Notes discuss our off-balance sheet arrangements with respect to land acquisition contracts and option agreements, and land development joint ventures, including the nature and amounts of financial obligations relating to these items. In addition, these Notes discuss the nature and amounts of certain types of commitments that arise in connection with the ordinary course of our land development and homebuilding operations, including commitments of land development joint ventures for which we might be obligated.

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Seasonality
Historically, we have experienced seasonal variations in our quarterly operating results and capital requirements. We typically take orders for more homes in the first half of the fiscal year than in the second half, which creates additional working capital requirements in the second and third quarters to build our inventories to satisfy seasonally higher deliveries in the second half of the year. We expect this seasonal pattern to continue over the long term.

Recently Issued Accounting Pronouncements
See Note 1 to our unaudited consolidated financial statements included in this report for discussion of recently issued accounting standards.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our fixed rate debt is made up primarily of $175.0 million in principal of our 4.50% senior notes, $300.0 million in principal of our 7.15% senior notes, $300.0 million in principal of our 7.00% senior notes, $200.0 million in principal of our 6.00% senior notes, $300.0 million of our 5.125% senior notes, and $74.6 million in principal of our 1.875% convertible senior notes. Except in limited circumstances, or upon the occurrence of specific trigger events for our convertible notes, we do not have an obligation to prepay our fixed-rate debt prior to maturity and, as a result, interest rate risk and changes in fair value should not have a significant impact on our fixed rate borrowings until we would be required to repay such debt. Our Credit Facility is subject to interest rate changes as the borrowing rates are based on LIBOR or PRIME (see Note 5 in the accompanying notes to the unaudited consolidated financial statements included in this Form 10-Q).

Our operations are interest rate sensitive. As overall housing demand is adversely affected by increases in interest rates, a significant increase in mortgage interest rates may negatively affect the ability of homebuyers to secure adequate financing. Higher interest rates could adversely affect our revenues, gross margins and net income and would also increase our variable rate borrowing costs. We do not enter into, or intend to enter into, derivative financial instruments for trading or speculative purposes.

Item 4. Controls and Procedures

In order to ensure that the information we must disclose in our filings with the SEC is recorded, processed, summarized and reported on a timely basis, we have developed and implemented disclosure controls and procedures. Our management, with the participation of our chief executive officer and chief financial officer, has reviewed and evaluated the effectiveness of our disclosure controls and procedures, as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e), as of the end of the period covered by this Form 10-Q (the “Evaluation Date”). Based on such evaluation, management has concluded that, as of the Evaluation Date, our disclosure controls and procedures were effective at a reasonable assurance level in ensuring that information that is required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934 (the “Exchange Act”) is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms, and that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

During the fiscal quarter covered by this Form 10-Q, there has not been any change in our internal control over financial reporting that has materially affected, or that is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are involved in various routine legal and regulatory proceedings, including, without limitation, claims and litigation alleging construction defects. In general, the proceedings are incidental to our business, and most exposure is subject to and should be covered by warranty and indemnity obligations of our consultants and subcontractors. Additionally, some such claims are also covered by insurance. With respect to the majority of pending legal proceedings, our ultimate legal and financial responsibility, if any, cannot be estimated with certainty and, in most cases, any potential losses related to these matters are not considered probable. Historically, most disputes regarding warranty claims are resolved prior to the initiation of legal proceedings. We believe there are not any pending legal or warranty matters that could have a material adverse impact upon our consolidated financial condition, results of operations or cash flows that have not been sufficiently reserved. Information related to pending legal proceedings is presented in Note 15 - Commitments on Contingencies, in the accompanying consolidated financial statements and is incorporated by reference herein.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2016, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may eventually prove to materially adversely affect our business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities:

A summary of the Company's repurchase activity for the three months ended June 30, 2017 is as follows:

| Period | Total Number of Shares Purchased (1) | Average price paid per share | Total number of shares purchased as part of publicly announced plans or programs | Approximate dollar value of shares that may yet be purchased under the plans or programs (2) |
|---|---|---|---|---|
| April 1, 2017 - April 30, 2017 | — | $ — | — | $130,202,650 |
| May 1, 2017 - May 31, 2017 | — | $ — | — | $130,202,650 |
| June 1, 2017 - June 30, 2017 | — | $ — | — | $130,202,650 |
| Total | — | | — | |

(1) During the second quarter of 2017 the Company repurchased $51.9 million in aggregate principal amount of the Convertible Notes in privately negotiated transactions for $52.1 million in cash, inclusive of accrued interest (See Note 6 - Senior and Convertible Senior Notes, Net in the Notes to the Consolidated Financial Statements in Item I of this Form 10-Q for additional details).

(2) On February 21, 2006, we announced that our Board of Directors approved a stock repurchase program, authorizing the expenditure of up to $100 million to repurchase shares of our common stock, in open market or privately negotiated transactions, based on market conditions and subject to certain price parameters. On August 15, 2006, the Board of Directors authorized an additional $100 million under this program. There is no stated expiration date for this program. As of June 30, 2017, we had approximately $130.2 million of the authorized

amount available to repurchase shares under this program.

We have never declared cash dividends, nor do we intend to declare cash dividends in the foreseeable future. We plan to retain our cash to finance the continuing development of the business. Future cash dividends, if any, will depend upon financial condition, results of operations, capital requirements, statutory requirements, compliance with certain restrictive debt covenants, as well as other factors considered relevant by our Board of Directors.

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Item 6. Exhibits

| Exhibit Number | Description | Page or Method of Filing |
|---|---|---|
| 3.1 | Restated Articles of Incorporation of Meritage Homes Corporation | Incorporated by reference to Exhibit 3 of Form 8-K dated June 20, 2002 |
| 3.1.1 | Amendment to Articles of Incorporation of Meritage Homes Corporation | Incorporated by reference to Exhibit 3.1 of Form 8-K dated September 15, 2004 |
| 3.1.2 | Amendment to Articles of Incorporation of Meritage Homes Corporation | Incorporated by reference to Appendix A of the Proxy Statement for the Registrant's 2006 Annual Meeting of Stockholders |
| 3.1.3 | Amendment to Articles of Incorporation of Meritage Homes Corporation | Incorporated by reference to Appendix B of Proxy Statement for the Registrant's 2008 Annual Meeting of Stockholders |
| 3.1.4 | Amendment to Articles of Incorporation of Meritage Homes Corporation | Incorporated by reference to Appendix A of the Definitive Proxy Statement filed with the Securities and Exchange Commission on January 9, 2009 |
| 3.2 | Amended and Restated Bylaws of Meritage Homes Corporation | Incorporated by reference to Exhibit 3.1 of Form 8-K dated May 10, 2017 |
| 4.1 | Indenture for 5.125% Senior Notes due 2027, and Form of Note | Incorporated by reference to Exhibit 4.1 of Form 8-K dated June 6, 2017 |
| 10.1 | Amendment to Phillippe Lord Employment Agreement | Incorporated by reference to Exhibit 10.1 of Form 8-K dated May 15, 2017 |
| 10.2 | Third Amendment to Amended and Restated Credit Agreement | Incorporated by reference to Exhibit 10.1 of Form 8-K dated May 31, 2017 |
| 10.3 | Registration Rights Agreement relating to 5.125% Senior Notes due 2027 | Incorporated by reference to Exhibit 10.1 of Form 8-K dated June 6, 2017 |
| 31.1 | Rule 13a-14(a)/15d-14(a) Certification of Steven J. Hilton, Chief Executive Officer | Filed herewith |
| 31.2 | Rule 13a-14(a)/15d-14(a) Certification of Hilla Sferruzza, Chief Financial Officer | Filed herewith |
| 32.1 | Section 1350 Certification of Chief Executive Officer and Chief Financial Officer | Furnished herewith |
| 101.0 | The following financial statements from the Meritage Homes Corporation Quarterly Report on Form 10-Q for the three and six months ended June 30, 2017, were formatted in XBRL (Extensible Business Reporting Language); (i) Unaudited Consolidated Balance Sheets, (ii) Unaudited Consolidated Income Statements, (iii) | |

Unaudited Consolidated Statements of Cash Flows, and (iv) Notes to Unaudited Consolidated Financial Statements.

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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 thereunto duly authorized.

MERITAGE HOMES
CORPORATION,
a Maryland Corporation

By: /s/ HILLA SFERRUZZA
Hilla Sferruzza
Chief Financial Officer
and Chief Accounting
Officer
(Duly Authorized Officer
and Principal Financial
Officer)

Date: August 3, 2017

INDEX OF EXHIBITS

3.1 Restated Articles of Incorporation of Meritage Homes Corporation

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