

Owner-ship Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	Execution Date, if any (Month/Day/Year)	Code (Instr. 8)	(A)	Code (Instr. 3 and 4)	V	(D)	Trans- action(s) (Instr. 3 and 4)	(D) or (I)	(Instr. 4)	4)
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<S> Meritage Corp. Common Stock	<C> 10/31/02	<C>	<C> M	<C> V	<C> 4000	<C> A	<C> 4.25		<C>	<C>	
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Meritage Corp. Common Stock	10/31/02		S	V	4000	D	40.20				
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3,000 D

</TABLE>

Form 4 (continued)

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

<TABLE>
<CAPTION>

11. Nature of In-Officially or Beneficially Owned Derivative Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	3. Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (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 Securities (Instr. 3 and 4)	9. Number of Derivative Securities Owned at End of Month (Instr. 4)	10. Owner-ship of Derivative Security (Instr. 4)
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<S> MTH Common Stock Options	<C> \$4.25	<C> 10/31/02	<C> M	<C> V	<C> 4,000	<C> 7/1/99	<C> 6/30/07	<C> MTH Common Stock 4,000	<C>
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75,000 D

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Explanation of Responses:

/s/ Richard T. Morgan

11-01-2002

**Signature of Reporting Person

Date

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedures.