

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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **February 3, 2005**

BEAZER HOMES USA, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction
of incorporation)

001-12822
(Commission
File Number)

54-2086934
(IRS Employer
Identification No.)

**1000 Abernathy Road, Suite 1200
Atlanta Georgia 30328**
(Address of Principal
Executive Offices)

(770) 829-3700
(Registrant's telephone number, including area code)

None
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On February 3, 2005, at the annual meeting of stockholders of Beazer Homes USA, Inc. (the "Company"), the Company's stockholders approved the Executive Value Created Incentive Plan (the "EVCIP"). The EVCIP had been previously adopted by the Company's Board of Directors subject to stockholder approval. A copy of the EVCIP is attached hereto as exhibit 10.1.

The following is a summary of the EVCIP.

The Company measures its financial performance based upon *Value Created*, which is defined as earnings before interest and taxes ("EBIT") minus a capital charge based on capital employed. The calculation of *Value Created* is represented below:

$$\text{Value Created} = \text{EBIT} - (\text{capital charge} \times \text{capital employed})$$

For the Executive VCIP, the capital charge ranges from 11% to 14%.

The Company will award incentive compensation to participants in the Executive VCIP based upon the overall company performance measured in terms of *Value Created*. The key provisions in determining awards under the Executive VCIP are as follows:

1. **Percent of Value Created Paid in Cash**—*Value Created*, if positive, is multiplied by a predetermined percentage to determine a component of the cash incentive compensation payment. This percentage is determined on a graduated scale which decreases as *Value Created* increases. For instance, for fiscal 2005, for *Value Created* of up to \$5 million, the percentage for Ian McCarthy, President and Chief Executive Officer, is 2.5%, for the next \$5 million it is 1.5%, for the next \$10 million it is 1.0%, for the next \$40 million it is 0.85% and for all *Value Created* over \$60 million it is 0.625%.

2. **Percent of Incremental Value Created Paid in Cash**—*Incremental Value Created*, if positive, is multiplied by a predetermined percentage to determine a component of the cash incentive compensation payment. This percentage is fixed regardless of the level of *Value Created* and for Mr. McCarthy will be 2.5% in fiscal 2005.
3. **Banks**—Each year, the percentages of *Value Created* and *Incremental Value Created* described above are also applied to *Value Created* and *Incremental Value Created*, respectively, whether positive or negative, and the resulting amounts are put into the participant's bank. If the amounts are negative, the banks are reduced. At the end of each year, one-third of the amount held in the bank, if positive, will be paid in cash to the participant. If negative, one-third of the bank balance may reduce or eliminate the cash payment for that year. The remaining bank amount, positive or negative, will be carried forward to future years. The bank is always at risk, is never vested, and is lost if the participant's employment with the Company terminates for any reason.
4. **Cash Payment Limit**—The total cash payable based on the calculations described above, after deduction for any amounts deferred by the participant, is subject to a limit based on a predetermined multiple of each participant's salary. Under the Executive VCIP, such multiple increases as *Value Created* increases. For fiscal 2005 for Mr. McCarthy, such multiple ranges from 3.825 times his salary for *Value Created* of \$5 million or less to 8.0 times his salary for *Value Created* of \$60 million or more.

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5. **Bank Limit**—Under the Executive VCIP, the amount held in the bank at the end of any year will be limited to an amount equal to the annual cash payment limit for that year, determined as described in 4 above.
6. **Award of Excess Bank at Discount**—The excess of the bank over the limit described above will be reduced by 75%, with the remaining 25% awarded to the participant in shares of restricted stock (subject to the availability of restricted stock under the Company's stockholder approved stock compensation plan) or deferred compensation. The remaining 75% will be forfeited. Such restricted stock or deferred compensation vests after three years.
7. **Portion of Ending Bank Awarded in Deferred Compensation**—At the end of each year, 10% of the ending bank balance, after current year adjustments, cash payments and any reduction for excess over the limit, is awarded in deferred compensation which vests in three years.
8. **Additional Performance Factors**—The annual incentive payments once calculated based on *Value Created* and *Incremental Value Created* as described above, will be adjusted based on certain performance factors. Generally, incentive payments may be increased by up to 10% based on achievement of certain profitable growth measures related to revenue and profit margin. Incentive payments may be reduced by up to 10% based on scores received under the Company's (i) customer satisfaction surveys and (ii) construction quality and workplace safety requirements, respectively. Specific targets and related adjustments to the incentive payment will be adopted by the Compensation Committee in connection with the administration of the Plan.
9. **Limit on Total Awards**—There is an absolute limit per participant per year of \$10 million on total cash paid and restricted stock and deferred compensation awarded and/or paid under item 6 above not taking into account the performance factor adjustments and of \$11 million after such adjustments are taken into account.

Item 8.01 Other Events

The Company's stockholders also approved an amendment to the Company's certificate of incorporation to increase the number of authorized shares of common stock from 30 million to 80 million shares. The Company's Board of Directors subsequently declared a 3-for-1 split of Beazer Homes common stock in the form of a stock dividend.

The Board of Directors also declared a quarterly cash dividend of \$0.10 per share on a post-split basis, effectively tripling the quarterly cash dividend. The Company's dividend policy will continue to be subject to review by the Board of Directors from time to time. Both the stock dividend and the cash dividend will be payable on March 22, 2005 to stockholders of record at the close of business on March 10, 2005.

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Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

10.1* Beazer Homes USA, Inc. 2005 Executive Value Created Incentive Plan

*Represents a management contract or compensatory plan or arrangement.

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SIGNATURES

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

Date: February 9, 2005

By: /s/ Ian J. McCarthy
Ian J. McCarthy
President and Chief Executive Officer

Beazer Homes USA, Inc.
2005 Executive Value Created Incentive Plan
Effective October 1, 2004

Participation

Participation in the 2005 **Executive Value Created Incentive Plan** (“Executive VCIP” or “Executive Plan”) is at the discretion of the Compensation Committee of the Board of Directors and is generally available only to officers who are full-time employees of Beazer Homes USA, Inc. at the level of Corporate Senior Vice President and above. Any participant who ceases to be a full-time employee will cease participation in the plan at that time.

Definitions

EBIT - Earnings Before Interest and Taxes.

Value Created (VC) - EBIT less a **Capital Charge**.

Incremental Value Created (IVC) - Increase or decrease in Value Created compared to the prior year.

Capital Employed - Total Assets, excluding cash, less Total Liabilities (other than debt). Also equal to total debt plus total equity, less cash on hand. This represents the total book value of the investment in the business. Capital Employed is determined daily.

Capital Charge – A charge for the use of capital employed in the business. For the Executive Plan, the Capital Charge is in the range of 11% to 14% of the Capital Employed. The Capital Charge for purposes of this Plan shall be determined from time to time by, and may be adjusted individually or for the participants as a whole, at the discretion of the Compensation Committee of the Board of Directors in connection with its review of the Executive Plan.

Adjustments to Capital Charge – The Compensation Committee, at its sole discretion, may approve objectively measurable adjustments to the Capital Charge, and therefore to VC and IVC, in recognition of special circumstances or to provide special incentives in the long term interests of value creation. As an example, credit to the Capital Charge may be granted for purchases of land in advance of the immediate need for development, thereby encouraging commitments for future land development.

Plan Rules

1. **Initial Bank**

Each participant may have a bank set up when they enter the Plan. The maximum initial amount in the bank is half of the participant’s salary except the initial amount in the Bank under this Plan for participants who participated in any of the Company’s prior VCIPs is their former bank balance adjusted pursuant to Section 6.

2. **Funding of the Potential Annual Awards, and Percentages of VC and IVC**

Each year the participant’s potential award will be funded based upon a set percentage of VC (if positive) and a set percentage of IVC (if positive). The percentage used of VC will vary based upon the level of VC and will decrease as VC increases. The percentage of IVC is fixed regardless of the level of VC or IVC. Exact percentages are determined by the participant’s position. Actual incentive payments to each participant are subject to adjustments for three additional performance factors: (a) Profitable Growth, (b) Customer Satisfaction and (c) Construction Quality and Workplace Safety. These additional factors are outlined in Section 9.

3. **Same Percentages of VC and IVC Put in Bank**

Each year, the same percentage of VC and the same percentage of IVC used in 2, above, are also put into a bank. Unlike the annual payment, however, both positive and negative numbers are put in to the bank. The bank balance can become negative. The bank is subject to a maximum limit (see Section 6).

4. **One-Third of Bank Paid Out Each Year**

Each year, after adding or subtracting the current year’s amounts to the bank, one-third of the bank is paid out.

5. **Maximum Cash Payment Under Plan Is Set Multiple of Salary; Excess in Bank**

After deduction of the deferred portion specified in Section 10 below, the maximum annual cash payment is determined as a set multiple of the participant’s annual salary for that year. The multiple increases as VC increases. Any excess over the maximum amount remains in the bank, subject to the limit described in Section 6.

6. **Bank Has Maximum Limit, Excess Paid in Restricted Stock and/or Deferred Compensation**

The maximum balance of the bank, after current year additions and payments, is equal to one time that year’s maximum cash payment. Twenty-five percent (25%) of any amount over this limit will be awarded in a combination of restricted stock and/or deferred compensation (see Section 13). The remaining 75% of that excess is forfeited. Any restricted stock and/or deferred compensation will vest after three years after the end of the fiscal year and is forfeited upon severance, resignation, retirement, death or termination for any reason before vesting.

7. **10% of Bank Paid in Deferred Compensation**

At the end of each year after current year adjustments have been made, all cash payments have been made and any reduction for excess over the maximum limit specified herein, 10% of the ending bank will be awarded as deferred compensation. Such deferred compensation will vest three years after the end of the fiscal year and is forfeited upon severance, resignation, retirement, death or termination for any reason before vesting.

8. **Bank Is Carried Forward And Is Lost Upon Termination**

The bank balance, positive or negative, is carried forward to the next year. Any positive balance in the bank is at risk and may be reduced or eliminated by performance in subsequent years. The bank is forfeited upon severance, resignation, retirement, death or termination for any reason.

The bank is also forfeited when a participant ceases to be a full-time employee. The bank is not deferred compensation. It represents future bonus potential based upon a combination of both past and future performance.

9. **Additional Performance Factors-Adjustments to Potential Annual Payment**

Actual Incentive Payments are funded based upon 100% of the calculated Value Created and Incremental Value Created results up to the maximum amount, and then are adjusted by the following performance factors and percentages. The Compensation Committee shall adopt from time to time a schedule showing the percentage adjustments based on scores or other elements achieved with respect to the following:

(a) Profitable Growth:	0% to +10%
(b) Customer Satisfaction:	-10% to +0%
(c) Construction Quality and Workplace Safety:	-10% to +0%

Actual incentive payments adjustments can vary from -20% to +10% of the amount that would be payable under Executive VCIP before performance factor adjustments. Each factor is outlined below.

(a) Profitable Growth: To encourage growth in both revenue and profit margin, with a higher weighting toward improving profit margin as compared to revenue growth. However, no positive adjustment to the incentive payment would occur without revenue growth over the prior year.

(b) Customer Satisfaction: To encourage customer service, referrals, and Beazer brand development, adjustments will occur based upon the results of customer satisfaction surveys:

Recommend to a Friend:	-5.0% to + 0%
Total Satisfaction:	-2.5% to + 0%
Overall Service Satisfaction:	-2.5% to + 0%

(c) Construction Quality and Workplace Safety: To encourage high standards of construction, workplace safety, and administrative process, Construction and Safety Evaluation scores will be used to adjust incentive payments using the following percents:

Construction Quality:	-2.5% to + 0%
Workplace Safety:	-2.5% to + 0%
Overall Score:	-5.0% to + 0%

Overall Score incorporates Construction, Safety and the Administrative factors of Engineering, Purchasing, and Insurance.

10. **Election to Defer Portion of Annual Cash Payment**

Not later than the December 31st preceding the calendar year to which a bonus relates, participants may elect to defer a portion of the cash bonus under the Corporate Management Stock Purchase Program (CMSPP) and/or the Deferred Compensation Plan. Details of the CMSPP and the DCP are available separately from the Corporate Human Resources Department.

11. **Annual Total Award Limit**

The maximum total amount of cash paid and, restricted stock (valued at the current stock price) and deferred compensation paid and/or awarded under Section 6 to any participant in any one year is \$10,000,000 excluding the Performance Factor adjustment and \$11,000,000 including the Performance Factor adjustment.

12. **Payments At Discretion of Compensation Committee; Review and Amendment**

Payments under this Plan are made subject to the sole discretion of the Compensation Committee of the Board of Directors. Without limiting the foregoing, the Committee may reduce or disallow any payment or award under this Plan on a case by case basis in appropriate circumstances, including the

following: (a) if a participant has breached any corporate policy or ethical standard, or (b) if a participant has pursued any particular business policy to advance self-interest at the expense of the interests or policies of the Company, provided that no such reduction or disallowance shall be allowed to cause an increase in any other participant's payment or award under this Plan. Annually, the Compensation Committee will review and confirm the calculations of payments and awards to be made and document such review in writing prior to such payments and awards being made. The Compensation Committee intends to review the Executive Value Created Incentive Plan for potential changes at least every three years and reserves the right to amend it for any fiscal year prior to the commencement of such fiscal year, subject to shareholder approval if required by law, the rules of the NYSE or in order to continue to qualify payments hereunder as "performance-based compensation" under Internal Revenue Code Section 162(m) as described in Section 14.

13. **Restricted Stock And Deferred Compensation**

Restricted stock awarded under this Plan is awarded based upon the closing stock price as of the date of such award. The combination of restricted stock and deferred compensation to be awarded under Section 6 will be determined by the Compensation Committee based upon an aggregate limitation of 40,000 shares of restricted stock in any one year. Restricted stock and deferred compensation awarded under this Executive Plan are subject to the terms of any Beazer plan under which such restricted stock is issued or deferred compensation is awarded above, such reduction will be made pro rata among those participants receiving restricted stock.

14. **Status of Value Created Incentive Plan and Tax Deductibility**

This Executive VCIP is effective October 1, 2004, subject to shareholder approval at the Company's Annual Meeting in February 2005. Subject to that approval, the prior Value Created Incentive Plan is terminated for the participants under this Executive Plan. Cash, restricted stock and deferred compensation payments made under this Executive VCIP are intended to qualify as "performance-based compensation" under Internal Revenue Code Section 162(m).

