AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON APRIL 27, 1998

REGISTRATION NO. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

BEAZER HOMES USA, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	1521	58-2086934
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

5775 PEACHTREE DUNWOODY ROAD
SUITE C-550
ATLANTA, GEORGIA 30342
(404) 250-3420
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

SEE TABLE OF ADDITIONAL REGISTRANTS BELOW

IAN J. MCCARTHY
CHIEF EXECUTIVE OFFICER
5775 PEACHTREE DUNWOODY ROAD
SUITE C-550
ATLANTA, GEORGIA 30342
(404) 250-3420
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

WILLIAM F. SCHWITTER, ESQ.
PAUL, HASTINGS, JANOFSKY & WALKER LLP
399 PARK AVENUE
NEW YORK, NEW YORK 10022
(212) 318-6000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the Registration Statement becomes effective.

If any of the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. / /

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	PRINCIPAL AMOUNT AT MATURITY TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT	PROPOSED MAXIMUM AGGREGATE PRINCIPAL AMOUNT AT MATURITY	AMOUNT OF REGISTRATION FEE(1)
8 7/8% Senior Notes due 2008	$100,000,000	100%	$100,000,000	$29,500
Subsidiary Guarantees	----	----	----	----

(1) Calculated pursuant to Rule 457.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

BEAZER HOMES USA, INC.

TABLE OF ADDITIONAL REGISTRANTS

NAME	STATE OF INCORPORATION/FORMATION	PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER	IRS EMPLOYER IDENTIFICATION NO.
Beazer Homes Corp.	Tennessee	1521	62-0880780
Beazer/Squires Realty, Inc.	North Carolina	1521	56-1807308
Beazer Homes Sales Arizona Inc.	Delaware	1521	86-0728694
Beazer Realty Corp.	Georgia	1521	58-1200012
Panitz Homes Realty, Inc.	Florida	1521	59-2639673
Beazer Mortgage Corporation.	Delaware	6163	58-2203537
Beazer Homes Holdings Corp.	Delaware	1521	58-2222637
Beazer Homes Texas Holdings, Inc.	Delaware	1521	58-2222643
Beazer Homes Texas, L.P.	Delaware	1521	76-0496353

The address, including zip code, and telephone number, including area code, of the principal offices of the additional registrants listed above (the "Additional Registrants") is: c/o Beazer Homes USA, Inc., 5775 Peachtree Dunwoody Road, Suite C-550, Atlanta, GA 30342 and the telephone number at that address is (404) 250-3420.

SUBJECT TO COMPLETION, DATED APRIL 27, 1998

PROSPECTUS

BEAZER HOMES USA, INC.

OFFER TO EXCHANGE ITS 8 7/8% SENIOR NOTES DUE 2008, WHICH HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, FOR ANY AND ALL OF ITS OUTSTANDING 8 7/8% SENIOR NOTES DUE 2008

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON , , 1998, UNLESS EXTENDED.

Beazer Homes USA, Inc., a Delaware corporation (the "Company"), hereby offers, upon the terms and subject to the conditions set forth in this Prospectus and the accompanying letter of transmittal (the "Letter of Transmittal" and together with this Prospectus, the "Exchange Offer"), to exchange its 8 7/8% Senior Notes due 2008 (the "Exchange Notes"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to a Registration Statement (as defined herein) of which this Prospectus is a part, for an equal principal amount of its outstanding 8 7/8% Senior Notes due 2008 (the "Old Notes"), of which $100.0 million principal amount is outstanding. The Exchange Notes and the Old Notes are collectively referred to herein as the "Notes."

The Company will accept for exchange any and all Old Notes that are validly tendered and not withdrawn on or prior to 5:00 p.m., New York City time, on , 1998, unless the Exchange Offer is extended (the "Expiration Date"). Tenders of Old Notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date. The Exchange Notes will be issued and delivered promptly after the Expiration Date. The Exchange Offer is not conditioned upon any minimum principal amount of Old Notes being tendered for exchange. See "The Exchange Offer." Old Notes may be tendered only in integral multiples of $1,000. The Company has agreed to pay the expenses of the Exchange Offer.

The Exchange Notes will be obligations of the Company evidencing the same debt as the Old Notes and will be entitled to the benefits of the same indenture, dated as of March 25,1998 (the "Indenture"), between the Company and U.S. Bank Trust National Association (formerly known as First Trust National Association), as trustee (the "Trustee"). The form and terms of the Exchange Notes are substantially the same as the form and terms of the Old Notes except that the Exchange Notes have been registered under the Securities Act. See "The Exchange Offer."

The Exchange Notes will bear interest from March 20, 1998. Holders of Old Notes whose Old Notes are accepted for exchange will be deemed to have waived the right to receive any payment in respect of interest on the Old Notes accrued up until the date of the issuance of the Exchange Notes. Such waiver will not result in the loss of interest income to such holders, since the Exchange Notes will bear interest from the issue date of the Old Notes.

Interest on the Exchange Notes will be payable semi-annually on April 1 and October 1 of each year, commencing on October 1, 1998. The Exchange Notes will mature on April 1, 2008. Except as set forth below, the Exchange Notes will not be redeemable prior to April 1, 2003. Thereafter, the Exchange Notes will be redeemable at the option of the Company, in whole or in part, at the redemption prices set forth herein, together with accrued and unpaid interest, if any, to the date of redemption. In addition, at any time on or prior to April 1, 2001, the Company may, subject to certain requirements, redeem up to 35% of the original aggregate principal amount of the Exchange Noes with the net cash proceeds of one or more Equity Offerings (as defined herein), at 108.875% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date of redemption; PROVIDED, that at least $65 million of Notes remain outstanding immediately after any such redemption. Upon the occurrence of a Change of Control (as defined herein), each holder of the Exchange Notes may require the Company to repurchase such holder's Exchange Notes at 101% of the principal amount thereof plus accrued and unpaid interest and Liquidated Damages (as defined herein), if any, to the date of repurchase. See "Description of Notes-Change of Control."

Each broker-dealer that receives Exchange Notes for its own account in exchange for Old Notes, where such Old Notes were acquired by such broker-dealer as a result of market-making or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. The Letter of Transmittal states that, by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Notes received in exchange for Old Notes where such Old Notes were acquired by such broker-dealer as a result of market-making or other trading activities. The Company has agreed that for a period of 180 days after consummation of the Exchange Offer, it will make this Prospectus, as it may be amended or supplemented from time to time, available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

There has been no public market for the Old Notes. If a market for the Exchange Notes should develop, the Exchange Notes could trade at a discount from their principal amount. The Company does not intend to list the Exchange Notes on a national securities exchange or quotation system. There can be no assurance that an active public market for the Exchange Notes will develop.

SEE "RISK FACTORS" BEGINNING ON PAGE 14 FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE EXCHANGE NOTES.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND

EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

AVAILABLE INFORMATION

The Company has filed with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-4 (together with all amendments, exhibits, schedules and supplements thereto, the "Registration Statement") under the Securities Act with respect to the Exchange Notes offered hereby. This Prospectus, which forms a part of the Registration Statement, does not contain all the information set forth in the Registration Statement, certain parts of which have been omitted in accordance with the rules and regulations of the Commission. For further information with respect to the Company and the Exchange Notes offered hereby, reference is made to the Registration Statement. Statements contained in this Prospectus as to the contents of certain documents filed as exhibits to the Registration Statement are not necessarily complete and, in each case, are qualified by reference to the copy of the document so filed. The Registration Statement can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's regional offices at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and 7 World Trade Center, 13th Floor, New York, New York 10048. Copies of such material may be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Such material also can be reviewed through the Commission's Electronic Data Gathering, Analysis, and Retrieval System ("EDGAR"), which is publicly available through the Commission's web site (http://www.sec.gov).

The Company's Common Stock and Series A Preferred Stock is traded on the New York Stock Exchange (the "NYSE") and reports, proxy and information statements, and other information concerning the Company can be inspected at the offices of the NYSE at 20 Broad Street, New York New York 10005.

The Company intends to furnish to each holder of the Exchange Notes annual reports containing audited financial statements and quarterly reports containing unaudited financial information for the first three quarters of each fiscal year. The Company also will furnish to each holder of the Exchange Notes such other reports as may be required by applicable law.

The principal executive offices of the Company are located at 5775 Peachtree Dunwoody Road, Suite C-550, Atlanta, Georgia 30342, and its telephone number is (404) 250-3420.

DISCLOSURE REGARDING FORWARD LOOKING STATEMENTS

This Prospectus contains "forward-looking statements" within the meaning of the federal securities law. These forward-looking statements include, among others, statements concerning the Company's outlook for the future, overall and market specific trends, the Company's expectations as to funding its capital expenditures and operations, and other statements of expectations, beliefs, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. The forward-looking statements in this Prospectus are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements. Significant factors that could cause actual results to differ materially from those expressed in the forward-looking statements include, but are not limited to, the following: (i) economic changes nationally or in one of the Company's local markets; (ii) volatility of mortgage interest rates; (iii) increased competition in some of the Company's local markets; (iv) increased prices for labor, land and raw materials used in the production of houses; (v) increased land development costs of projects under development; (vi) any delays in reacting to changing consumer preference in home design; and (vii) delays or difficulties in implementing the Company's initiatives to reduce its production and overhead cost structure.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The following documents filed by the Company with the Commission (File No. 1-12822) pursuant to the Exchange Act are incorporated herein by reference:

(i) the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1997;

(ii) the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 1997;

(iii) the Company's Current Report on Form 8-K dated March 10, 1998;

(iv) the Company's Current Report on Form 8-K dated March 19, 1998; and

(v) the Company's Current Report on Form 8-K dated March 31, 1998.

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the Exchange Offer shall be deemed incorporated by reference into this Prospectus and to be a part hereof from the date such documents are filed.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

THIS PROSPECTUS INCORPORATES DOCUMENTS BY REFERENCE WHICH ARE NOT PRESENTED HEREIN OR DELIVERED HEREWITH. THE COMPANY WILL PROVIDE WITHOUT CHARGE TO EACH PERSON TO WHOM A COPY OF THIS PROSPECTUS IS DELIVERED, UPON THE WRITTEN OR ORAL REQUEST OF SUCH PERSON, A COPY OF EACH DOCUMENT INCORPORATED HEREIN BY REFERENCE. REQUESTS FOR SUCH COPIES SHOULD BE DIRECTED TO IAN J. MCCARTHY, PRESIDENT AND CHIEF EXECUTIVE OFFICER, BEAZER HOMES USA, INC., 5775 PEACHTREE DUNWOODY ROAD, SUITE C-550, ATLANTA, GEORGIA 30342.

PROSPECTUS SUMMARY

THE FOLLOWING SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE MORE DETAILED INFORMATION, INCLUDING THE FINANCIAL STATEMENTS AND NOTES THERETO, APPEARING ELSEWHERE OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS. EXCEPT WHERE OTHERWISE INDICATED, THE "COMPANY" OR "BEAZER" MEANS BEAZER HOMES USA, INC. AND ALL OF ITS SUBSIDIARIES.

THE COMPANY

Beazer Homes USA, Inc. ("Beazer" or the "Company") designs, builds and sells single family homes in the Southeast, Southwest and Central regions of the United States and, based on home closings, is one of the ten largest builders of single family detached homes in the nation. The Company's Southeast region includes Georgia, North Carolina, South Carolina, Tennessee and Florida, its Southwest region includes Arizona, California and Nevada and its Central region includes Texas. The Company's homes are designed to appeal primarily to entry-level and first time move-up home buyers. For the twelve months ended December 31, 1997, the Company had 5,710 home closings, revenues of approximately $845.6 million and EBITDA (as defined) of approximately $40.7 million.

The Company's objective is to provide its customers with homes that incorporate quality and value while seeking to maximize its return on invested capital. To achieve this objective, the Company has developed a business strategy which focuses on the following elements:

GEOGRAPHIC DIVERSITY AND GROWTH MARKETS. The Company competes in a large number of geographically diverse markets and attempts to react quickly to allocate capital to those markets which it believes provide attractive growth characteristics and opportunities for superior returns. The majority of the Company's markets have experienced significant population and employment growth in recent years. Seven of the nine states in which the Company operates were ranked among the top ten for population growth for the years 1995 through 2000 as projected by the U.S. Census Bureau. The Company strives to maintain a strong competitive position in all of its markets and believes that it is among the top five single family homebuilders in the majority of such markets. Within these markets, the Company builds homes in a variety of projects, typically with fewer than 150 homesites per project.

QUALITY HOMES FOR ENTRY-LEVEL AND FIRST TIME MOVE-UP HOME BUYERS. The Company seeks to maximize customer satisfaction by offering homes which incorporate quality materials, distinctive design features, convenient locations and competitive prices. The Company focuses on entry-level and first time move-up home buyers because it believes they represent the largest segment of the homebuilding market. In addition, the Company seeks to customize its homes to individual home buyers through the use of design options and upgrades, many of which are sold through the centralized design centers recently opened by the Company in the majority of its markets. The Company believes that through the increased sale of options and upgrades it can improve both the value of its homes to its customers and its profit margins. During fiscal 1997, the average sales price of the Company's homes closed was approximately $147,100.

DECENTRALIZED OPERATIONS WITH EXPERIENCED MANAGEMENT. The Company believes its in-depth knowledge of its local markets enables it to better serve its customers. The Company's local managers, who have significant experience in both the homebuilding industry and the markets they serve, are responsible for operating decisions regarding design, construction and marketing. The Company combines these decentralized operations with centralized corporate-level management, which controls decisions regarding overall strategy, land acquisitions and financial matters. In addition, over the past year, the Company has embarked on a centrally driven effort to redesign its sales and construction processes and to streamline its information systems. The Company's process redesign, information systems and mortgage origination efforts are part of a centrally driven emphasis on improving the Company's overall profitability.

CONSERVATIVE LAND POLICIES. The Company seeks to maximize its return on capital employed by limiting its investment in land and by focusing on inventory turnover. To implement this strategy and to reduce the risks associated with investments in land, the Company enters into option agreements to control land whenever possible. At December 31, 1997, approximately 50% of the land controlled by the Company was subject to option contracts. In addition, the Company does not speculate in unentitled land.

During the quarter ended December 31, 1997, the Company received 1,086 new contracts for homes, an increase of approximately 5% over the quarter ended December 31, 1996. Backlog at December 31, 1997 was 1,336 homes, with a total dollar value of approximately $212.7 million, a decrease in number of homes of approximately 0.8%, but an increase of approximately 7.3% in dollar value, from backlog at December 31, 1996.

During fiscal year 1996, the Company established Beazer Mortgage Company ("Beazer Mortgage"). Beazer Mortgage originates, but does not hold or service, mortgages for home buyers of the homebuilding operations of the Company. At December 31, 1997, Beazer Mortgage had branches operating in eight of the nine states in which the Company operates and opened a branch in the last state, Tennessee, in January 1998.

RECENT DEVELOPMENTS

For the two months ended February 28, 1998, the Company had 1,488 new orders for homes, a 55% increase over 961 new orders for the two months ended February 28, 1997.

Effective November 28, 1997, the Company acquired the assets of the Orlando, Florida homebuilding operations of Calton Homes, Inc. ("Calton") for approximately $16.8 million. The Orlando acquisition is part of the Company's emphasis on expanding its operations in Florida, a state which the Company believes can grow significantly in the future due to positive population and employment trends.

On December 9, 1997, the Company and Corporacion GEO S.A. de C.V. ("Corporacion GEO"), the largest builder of affordable homes in Mexico, entered into a joint venture arrangement to build homes in the United States. The joint venture will focus exclusively on the development, construction and sale of affordable housing (initially expected to be priced between $35,000 and $45,000) in the Southern United States, initially focusing on Texas. The joint venture is owned 60% by Corporacion GEO and 40% by Beazer. The Company expects that the joint venture will deliver its first homes in its initial project located in El Paso, Texas in late calendar 1998. The Company does not expect the joint venture to have a significant effect on operating results in fiscal 1998.

The Company's principal executive offices are located at 5775 Peachtree Dunwoody Road, Suite C-550, Atlanta, Georgia 30342, and its telephone number is (404) 250-3420.

THE EXCHANGE OFFER.....	$1,000 principal amount of Exchange Notes will be issued in exchange for each $1,000 amount of Old Notes validly tendered pursuant to the Exchange Offer. As of the date hereof, $100.0 million in aggregate principal amount of Old Notes are outstanding. The Company will issue the Exchange Notes to tendering holders of Old Notes promptly after the Expiration Date.
RESALES.....	Based on an interpretation by the staff of the Commission set forth in Morgan Stanley & Co., Incorporated, SEC No-Action Letter (available June 5, 1991) (the "Morgan Stanley Letter"), Exxon Capital Holdings Corporation, SEC No-Action Letter (available May 13, 1988) (the "Exxon Capital Letter") and similar letters, the Company believes that Exchange Notes issued pursuant to the Exchange Offer in exchange for Old Notes may be offered for resale, resold and otherwise transferred by any person receiving such Exchange Notes, whether or not such person is the holder (other than any such holder or other person which is (i) a broker-dealer that receives Exchange Notes for its own account in exchange for Old Notes, where such Old Notes were acquired by such broker-dealer as a result of market-making or other trading activities, or (ii) an "affiliate" of the Company within the meaning of Rule 405 under the Securities Act (collectively, "Restricted Holders")) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that (a) such Exchange Notes are acquired in the ordinary course of business of such holder or other person (b) neither such holder nor such other person is engaged in or intends to engage in a distribution of such Exchange Notes and (c) neither such holder nor other person has any arrangement or understanding with any person to participate in the distribution of such Exchange Notes. If any person were to be participating in the Exchange Offer for the purposes of participating in a distribution of the Exchange Notes in a manner not permitted by the Commission's interpretation, such person (a) could not rely upon the Morgan Stanley Letter, the Exxon Capital Letter of similar letters and (b) must comply with the registration and prospectus delivery of Securities Act in connection with a secondary resale transaction. Each broker or dealer that receives Exchange Notes for its own account in in exchange for Old Notes that were acquired by such broker or dealer as a result of market-making or other activities, must acknowledge that it will deliver a prospectus in connection with any sale of such Exchange Notes. See "Plan of Distribution."
EXPIRATION DATE.....	5:00 p.m., New York City time, on , 1998 unless the Exchange Offer is extended, in which the term "Expiration Date" means the latest date and time to which the Exchange Offer is extended.
ACCRUED INTEREST ON THE EXCHANGE NOTES AND OLD NOTES.....	The Exchange Notes will bear interest from March 20, 1998. Holders of Old Notes whose Old Notes are accepted for exchange will be deemed to have waived the right to receive any payment in respect of interest on such Old Notes accrued to the date of issuance of the Exchange Notes.
CONDITIONS TO THE EXCHANGE OFFER.....	The Exchange Offer is subject to certain customary conditions. The

	conditions are limited and relate in general to proceedings which have been instituted or laws which have been adopted that might impair the ability of the Company to proceed with the Exchange Offer. As of the date of this Prospectus, none of these events had occurred, and the Company believes their occurrence to be unlikely. If any such conditions exist prior to the Expiration Date, the Company may (a) refuse to accept any Old Notes and return all previously tendered Old Notes, (b) extend the Exchange Offer or (c) waive such conditions. See "The Exchange Offer--Conditions."
PROCEDURES FOR TENDERING NOTES.....	Each holder of Old Notes wishing to accept the Exchange Offer must complete, sign and date the Letter of Transmittal, or a facsimile thereof, in accordance with the instructions contained herein and therein, and mail or otherwise deliver such Letter of Transmittal, or such facsimile, together with the Old Notes to be exchanged and any other required documentation to the Exchange Agent (as defined) at the address set forth herein and therein. Tendered Old Notes, the Letter of Transmittal and accompanying documents must be received by the Exchange Agent by 5:00 p.m. New York City time, on the Expiration Date. See "The Exchange Offer--Procedures for Tendering." By executing the Letter of Transmittal, each holder will represent to the Company that, among other things, the Exchange Notes acquired pursuant to be Exchange Offer are being obtained in the ordinary course of business of the person receiving such Exchange Notes, whether or not such person is the holder, that neither the holder nor any such other person is engaged in or intends to engage in a distribution of the Exchange Notes or has an arrangement or understanding with any person to participate in the distribution of such Exchange Notes, and that neither the holder nor any such other person is an "affiliate," as defined under Rule 405 of the Securities Act, of the Company.
SPECIAL PROCEDURES FOR BENEFICIAL HOLDERS.....	Any beneficial holder whose Old Notes are registered in the name of its broker, dealer, commercial bank, trust company or other nominee and who wishes to tender in the Exchange Offer should contact such registered holder promptly and instruct such registered holder to tender of its behalf. If such beneficial holder wishes to tender on its own behalf, such beneficial holder must, prior to completing and executing the Letter of Transmittal and delivering its Old Notes, either make appropriate arrangements to register ownership of the Old Notes in such holder's name or obtain a properly completed bond power from the registered holder. The transfer of record ownership may take considerable time. See "The Exchange Offer--Procedures for Tendering."
GUARANTEED DELIVERY PROCEDURES.....	Holders of Old Notes who wish to tender their Old Notes and whose Old Notes are not immediately available or who cannot deliver their Old Notes and a properly completed Letter of Transmittal or any other documents required by the Letter of Transmittal to the Exchange Agent prior to the Expiration Date may tender their Old Notes according to the guaranteed delivery procedures set forth in "The Exchange Offer-- Guaranteed Delivery Procedures."
WITHDRAWAL RIGHTS.....	Tenders may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date.

ACCEPTANCE OF OLD NOTES AND DELIVERY OF EXCHANGE NOTES.....	Subject to certain conditions, the Company will accept for exchange any and all Old Notes which are properly tendered in the Exchange Offer prior to 5:00 p.m., New York City time, on the Expiration Date. The Exchange Notes issued pursuant to the Exchange Offer will be delivered promptly after the Expiration Date. See "The Exchange Offer--Terms of the Exchange Offer."
CERTAIN FEDERAL INCOME TAX CONSEQUENCES.....	The exchange of Old Notes for Exchange Notes pursuant to the Exchange Offer will not be a taxable event for federal income tax purposes. A holder's holding period for Exchange Notes will include the holding period for Old Notes. For a discussion summarizing certain U.S. federal income tax consequences to holders of the Exchange Notes, see "Certain Federal Income Tax Consequences."
EXCHANGE AGENT.....	U.S. Bank Trust National Association is serving as exchange agent (the "Exchange Agent") in connection with Exchange Offer. Deliveries by hand should be addressed to U.S. Bank Trust National Association, 100 Wall Street, 20th Floor, New York, New York 10005, Attention: Cathy Donohue (for a New York depository only) or to U.S. Bank Trust National Association, Fourth Floor--Bond Drop Window, 180 East Fifth Street, St. Paul, Minnesota 55101 (for all others). Deliveries by registered, certified or overnight mail should be addressed to U.S. Bank Trust National Association, Attention: Specialized Finance, 180 East Fifth Street, St. Paul, Minnesota 55101, and deliveries by first class mail should be addressed to U.S. Bank Trust National Association, P.O. Box 64485, St. Paul, Minnesota 55101. For information with respect to the Exchange Offer, contact the Exchange Agent at telephone number 800-934-6802 or facsimile number 612-244-1537.
USE OF PROCEEDS.....	The Company will not receive any proceeds from the Exchange Offer. See "Use of Proceeds." The Company has agreed to bear the expenses of the Exchange Offer pursuant to the Registration Rights Agreement (as defined). No underwriter is being used in connection with the Exchange Offer.

SUMMARY OF TERMS OF EXCHANGE NOTES

The Exchange Offer constitutes an offer to exchange up to $100.0 million aggregate principal amount of the Exchange Notes for up to an equal aggregate principal amount of Old Notes. The Exchange Notes will be obligations of the Company evidencing the same indebtedness as the Old Notes, and will be entitled to the benefit of the same indenture (the "Indenture"). The form and terms of the Exchange Notes are substantially the same as the form and terms of the Old Notes except that the Exchange Notes have been registered under the Securities Act. See "Description of the Notes."

COMPARISON WITH OLD NOTES

FREELY TRANSFERABLE.....	The Exchange Notes will be freely transferable under the Securities Act by holders who are not Restricted Holders. Restricted Holders are restricted from transferring the Exchange Notes without compliance with the registration and prospectus delivery requirements of the Securities Act. The Exchange Notes will be identical in all material respects (including interest rate, maturity and restrictive covenants) to the Old Notes, with the exception that the Exchange Notes will be registered under the Securities Act. See "The Exchange Offer--Terms of the Exchange Offer."
REGISTRATION RIGHTS.....	The holders of Old Notes currently are entitled to certain registration rights pursuant to the Registration Rights Agreement, dated as of March 25, 1998 (the "Registration Rights Agreement"), by and among the Company and SBC Warburg Dillon Read Inc., Donaldson, Lufkin & Jenrette Securities Corporation and Salomon Smith Barney, the initial purchasers of the Old Notes (collectively, the "Initial Purchasers"), including the right to cause the Company to register the Old Notes under the Securities Act if the Exchange Offer is not consummated prior to the Exchange Offer Termination Date (as defined). See "The Exchange Offer-- Conditions." However, pursuant to the Registration Rights Agreement, such registration rights will expire upon consummation of the Exchange Offer. Accordingly, holders of Old Notes who do not exchange their Old Notes for Exchange Notes in the Exchange Offer will not be able to reoffer, resell or otherwise dispose of their Old Notes unless such Old Notes are subsequently registered under the Securities Act or unless an exemption from the registration requirements of the Securities Act is available.

TERMS OF THE EXCHANGE NOTES

MATURITY DATE.....	April 1, 2008.
INTEREST PAYMENT DATES.....	April 1 and October 1, commencing October 1,1998.

OPTIONAL REDEMPTION.....	The Exchange Notes will be redeemable at the Company's option, in whole or in part, at any time on or after April 1, 2003, at the redemption prices set forth herein, together with accrued and unpaid interest and Liquidated Damages (as defined) if any, to the date of redemption. In addition, on or prior to April 1, 2001, in the event of one or more Equity Offerings, the Company may, at its option, redeem up to 35% of the principal amount of Exchange Notes originally issued from the net proceeds thereof at a redemption price equal to 108.875% of the principal amount thereof, together with accrued and unpaid interest and Liquidated Damages, if any, to the date of redemption; provided, that at least $65 million of Notes remain outstanding immediately after such redemption.
CHANGE OF CONTROL.....	Upon a Change of Control, each holder of the Exchange Notes will have the right to require the Company to repurchase all or a portion of such holder's Exchange Notes at a price of 101% of the principal amount thereof plus accrued interest to the repurchase date. See "Description of the Notes--Certain Covenants--Change of Control."
SUBSIDIARY GUARANTEES.....	The Exchange Notes will be unconditionally guaranteed, on a senior basis, by substantially all of the Company's existing wholly-owned direct and indirect subsidiaries and each subsidiary that in the future guarantees the Credit Facility (collectively, the "Subsidiary Guarantors"). The Subsidiary Guarantors will be joint and several, general unsecured obligations of the Subsidiary Guarantors.
RANKING.....	The Exchange Notes will be general unsecured obligations of the Company, ranking PARI PASSU in right of payment to all existing and future senior debt of the Company, including the Company's $200 million unsecured Credit Facility (the "Credit Facility") and the Company's outstanding 9% Senior Notes due 2004 (the "1994 Notes"). In addition, the Exchange Notes will be effectively subordinated to all secured obligations to the extent of the assets securing such obligations. At December 31, 1997, after giving effect to the issuance of the Exchange Notes, the Company would have had approximately $238 million of senior debt outstanding, none of which wold have been secured. The Indenture pursuant to which the Exchange Notes are being issued permits the Company to incur additional indebtedness, including senior debt, subject to certain limitations. See "Description of Notes--General" and "Description of Notes-- Certain Covenants--Limitations on Additional Indebtedness."

CERTAIN COVENANTS.....	The Indenture contains certain covenants that, among other things, limit the ability of the Company and its subsidiaries to incur additional indebtedness, pay dividends or make other distributions, make investments, dispose of assets, create certain liens, enter into sale and leaseback transactions, enter into certain transactions with affiliates, or enter into certain mergers or consolidations or sell all or substantially all of the Company's assets. See "Description of Notes--Certain Covenants."

RISK FACTORS

The homebuilding industry in cyclical and is significantly affected by changes in economic and other conditions, such as variability in real estate values and the availability and cost of mortgage financing for the Company's customers. A majority of the Company's markets have been, and are expected to continue to be, sensitive to such changes in economic conditions. For a discussion of these and other factors that should be considered in evaluating an investment in the Exchange Notes, see "Risk Factors."

SUMMARY CONSOLIDATED
FINANCIAL AND OPERATING INFORMATION
(DOLLARS IN THOUSANDS)

	FISCAL YEAR ENDED SEPTEMBER 30,			THREE MONTHS ENDED DECEMBER 31,	
	1995	1996	1997	1996	1997
				(UNAUDITED)	
INCOME STATEMENT DATA:					
Total revenue	$ 647,828	$ 866,627	$ 851,101	$ 161,083	$ 155,626
Costs and expenses:					
Home construction and land sales	552,204	732,395	720,992	135,371	130,475
Amortization of previously capitalized interest	13,268	15,134	14,857	2,740	3,047
Selling, general and administrative	63,727	88,976	91,270	18,773	19,296
Writedown of inventory	--	--	6,326	--	--
Operating income	18,629	30,122	17,656	4,199	2,808
Other income	291	71	538	190	150
Income before income taxes	18,920	30,193	18,194	4,389	2,958
Provision for income taxes	7,568	11,927	7,005	1,712	1,139
Net income	$ 11,352	$ 18,266	$ 11,189	$ 2,677	$ 1,819
OPERATING DATA:					
Units:					
New orders, net of cancellations(1)	4,841	5,621	5,551	1,034	1,086
Closings	4,363	5,935	5,785	1,113	1,038
Backlog at end of period	1,484	1,426	1,192	1,347	1,336
Aggregate sales value of homes in backlog at end of period	$ 212,163	$ 210,637	$ 190,439	$ 198,265	$ 212,650
Average sales price per home closed	$ 148.5	$ 146.0	$ 147.1	$ 144.7	$ 149.9

	FISCAL YEAR ENDED SEPTEMBER 30,			TWELVE MONTHS ENDED DECEMBER 31,
	1995	1996	1997	1997
				(UNAUDITED)
OTHER DATA:				
EBIT(2)	$ 32,188	$ 45,327	$ 39,377	$ 38,253
EBITDA(3)	33,542	46,855	41,598	40,743
Interest incurred(4)	14,737	14,176	16,159	17,593
Ratio of EBIT to interest incurred	2.18x	3.20x	2.44x	2.17x
Ratio of EBITDA to interest incurred	2.28x	3.31x	2.57x	2.32x
Ratio of Total Debt to EBITDA	3.43x	2.45x	3.49x	5.77x

	SEPTEMBER 30,			DECEMBER 31,	
	1995	1996	1997	1996	1997
				(UNAUDITED)	
BALANCE SHEET DATA:					
Cash	$ 40,407	$ 12,942	$ 1,267	$ 3,178	$ --
Inventory	285,268	320,969	361,945	347,627	423,945
Total assets	345,240	356,643	399,595	372,879	462,762
Borrowings under Credit Facility	--	--	30,000	37,000	120,000
9% Senior Notes due 2004	115,000	115,000	115,000	115,000	115,000
Total debt	115,000	115,000	145,000	152,000	235,000
Stockholders' equity	164,544	178,701	179,286	179,659	180,186

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(1) New orders for the fiscal years ended September 30, 1995 and 1996 and for the three months ended December 31, 1997 do not include 19, 256 and 96 homes in backlog, respectively, from acquired operations at the date of such acquisitions.

(2) "EBIT" means net income before (i) total interest expensed and previously capitalized interest amortized to cost of sales; (ii) income taxes; and (iii) a $6.3 million writedown to inventory in the Company's Nevada operations during fiscal 1997. For this purpose, "total interest expensed and previously capitalized interest amortized to cost of sales" is calculated in accordance with the definition of "Interest Expense" in the Indenture and set forth herein under "Description of Notes-- Certain Definitions."

(3) "EBITDA" means EBIT (as defined) plus depreciation and amortization and is calculated in accordance with the definition of "Consolidated Cash Flow Available for Fixed Charges" in the Indenture and set forth herein under "Description of Notes--Certain Definitions." EBITDA is not intended to represent cash flow for the period nor has it been presented as an alternative to net income, determined in accordance with generally accepted accounting principles, as an indicator of operating performance. In addition, this measure of EBITDA may not be comparable to similar measures reported by other companies. See "Selected Consolidated Financial Information."

(4) "Interest incurred" is calculated in accordance with the definition of the term "Interest Incurred" in the Indenture and set forth herein under "Description of Notes--Certain Definitions."

RISK FACTORS

IN ADDITION TO THE OTHER INFORMATION CONTAINED IN, OR INCORPORATED BY REFERENCE IN, THIS PROSPECTUS, THE FOLLOWING FACTORS SHOULD BE CONSIDERED CAREFULLY BY PROSPECTIVE INVESTORS.

HOMEBUILDING INDUSTRY MARKET CONDITIONS

The homebuilding industry is cyclical and is significantly affected by changes in national and local economic and other conditions, such as employment levels, availability of financing, interest rates, consumer confidence and housing demand. The risks inherent to homebuilders in purchasing and developing land increase as consumer demand for housing decreases. Because of the long-term financial commitment involved in purchasing a home, general economic uncertainties tend to result in more caution on the part of home buyers, which tends to result in fewer home purchases. Such uncertainties could adversely affect the performance of the Company and the market price for its securities. In addition, homebuilders are subject to various risks, many of which are outside the control of the homebuilder, including conditions of supply and demand in local markets, weather conditions and natural disasters, such as hurricanes, earthquakes and wildfires, delays in construction schedules, cost overruns, changes in government regulations, increases in real estate taxes and other local government fees and availability and cost of land, materials and labor. Although the principal raw materials used in the homebuilding industry generally are available from a variety of sources, such materials are subject to periodic price fluctuations. There can be no assurance that the occurrence of any of the foregoing will not have a material adverse effect on the Company.

The homebuilding industry is also subject to the potential for significant variability and fluctuations in real estate values. Although the Company believes that its projects are currently reflected on the Company's balance sheet at or below their net realizable value, no assurances can be given that in the future write-downs will not be material in amount.

INTEREST RATES; MORTGAGE FINANCING

Virtually all purchasers of the Company's homes finance their acquisitions through lenders providing mortgage financing. In general, housing demand is adversely affected by increases in interest rates, unavailability of mortgage financing, increasing housing costs and unemployment. If mortgage interest rates increase and the ability of prospective buyers to finance home purchases is adversely affected, the Company's sales, gross margins and net income and the market prices of the Company's securities may be adversely impacted. The Company's homebuilding activities are also dependent upon the availability and cost of mortgage financing for buyers of homes owned by potential customers so those customers ("move-up buyers") can sell their homes and purchase a home from the Company. In addition, the Company believes that the availability of Federal Housing Administration ("FHA") and Veterans Administration ("VA") mortgage financing is an important factor in marketing many of its homes. Any limitations or restrictions on the availability of such financing could adversely affect the Company's sales. Furthermore, changes in federal income tax laws may affect demand for new homes. Proposals have been publicly discussed to eliminate or limit the deductibility of mortgage interest for federal income tax purposes and to eliminate or limit tax-free rollover treatment provided under current law where proceeds of the sale of a principal residence are reinvested in a new principal residence. Enactment of such proposals may have an adverse effect on the homebuilding industry in general, and demand for the Company's products in particular. No prediction can be made whether any such proposals will be enacted and, if enacted, the particular form such laws would take.

VARIABILITY OF RESULTS

Although the Company had net income for fiscal years 1996 and 1997, there can be no assurance that the Company's profitability will continue on a quarterly or annual basis. The Company historically has

experienced and in the future expects to continue to experience, variability in sales and net income on a quarterly basis. Factors expected to contribute to this variability in the future include, among others (i) the timing of home closings and land sales; (ii) the Company's ability to continue to acquire additional land or options thereon on acceptable terms; (iii) the condition of the real estate market and the general economy in the markets in which the Company operates and other markets into which the Company may expand its operations; (iv) the cyclical nature of the homebuilding industry and changes in prevailing interest rates and the availability of mortgage financing; and (v) costs of material and labor and delays in construction schedules. The Company's historical financial performance is not necessarily a meaningful indicator of future results and, in general, the Company expects its financial results to vary from project to project and from quarter to quarter.

COMPETITION

The homebuilding industry is highly competitive and fragmented. Homebuilders compete for desirable properties, financing, raw materials and skilled labor. The Company competes for residential sales with other developers, individual resales of existing homes, available rental housing and, to a lesser extent, resales of condominiums. The Company's competitors include large homebuilding companies, some of which have greater financial resources than the Company, and small homebuilders, some of which may have lower costs.

FINANCING; LEVERAGE

The homebuilding industry is capital intensive and homebuilding requires significant up-front expenditures to acquire land and begin development. Accordingly, the Company incurs substantial indebtedness to finance its homebuilding activities. Although the Company believes that internally generated funds and available borrowings under the Credit Facility will be sufficient to fund the Company's capital and other expenditures (including land purchases in connection with ordinary development activities), there can be no assurance that the amounts available from such sources will be sufficient. The Company may be required to seek additional capital in the form of equity or debt financing from a variety of potential sources, including additional bank financing and/or securities offerings. The amount and types of indebtedness which the Company may incur is limited by the terms of the indentures governing the Notes and the 1994 Notes and by the terms of the Credit Facility. In addition, the availability of borrowed funds, especially for land acquisition and construction financing, may be greatly reduced nationally, and the lending community may require increased amounts of equity to be invested in a project by borrowers in connection with both new loans and the extension of existing loans. If the Company is not successful in obtaining sufficient capital to fund its planned capital and other expenditures, new projects planned or begun may be significantly delayed or abandoned. Any such delay or abandonment could result in a reduction in sales and may adversely affect the Company's future results of operations.

The Credit Facility contains numerous operating and financial maintenance covenants. There can be no assurance that the Company will be able to maintain compliance with the financial and other covenants contained in the Credit Facility. Failure to comply with such covenants (following expiration of any applicable cure periods) would result in a default under the Credit Facility and could result in the acceleration of the indebtedness thereunder, under the Notes and under the 1994 Notes.

NATURAL DISASTERS; AVAILABILITY OF HOMEOWNERS' INSURANCE

The climates and geology of many of the states in which the Company operates, including California, Florida, Georgia, South Carolina, North Carolina, Tennessee and Texas, present increased risks of natural disasters. To the extent that hurricanes, severe storms, earthquakes, droughts, floods, wildfires or other natural disasters or similar events occur, the homebuilding industry in general, and the Company's business in particular, in such states may be adversely affected.

Certain insurance companies doing business in Florida have restricted, curtailed or suspended the issuance of homeowners' insurance policies on single family and multi-family homes. This has had the effect of increasing the cost of insurance to prospective purchasers of homes in Florida. Mortgage financing for a new home is conditioned, among other things, on the availability of adequate homeowners' insurance. There can be no assurance that homeowners' insurance will be affordable to prospective purchasers of the Company's homes offered for sale in Florida. Long-term restrictions on, or unavailability of, homeowners' insurance in Florida could have an adverse effect on the homebuilding industry in that market in general, and on the Company's business within that market in particular.

OPTION CONTRACTS WITH SPECIFIC PERFORMANCE OBLIGATIONS

The Company acquires certain lots by means of option contracts, some of which have specific performance obligations. Under such contracts, the Company generally is required to purchase specific numbers of lots on fixed dates pursuant to a contractually established schedule. If the Company fails to purchase the required number of lots on the date fixed for purchase pursuant to such contracts, the party granting the option to the Company generally has the right either to terminate the option granted pursuant to the option contract in its entirety or to require the Company to purchase such lots, notwithstanding a general decline in real estate values.

GOVERNMENT REGULATIONS; ENVIRONMENTAL CONTROLS

The Company is subject to local, state and federal statutes and rules regulating certain developmental matters, as well as building and site design. In addition, certain fees, some of which may be substantial, may be imposed to defray the cost of providing certain governmental services and improvements. The Company may be subject to additional costs and delays or may be precluded entirely from building its projects because of "no growth" or "slow growth" initiatives, building permit allocation ordinances, building moratoriums or similar governmental regulations that could be imposed in the future due to health, safety, welfare or environmental concerns. The Company must also obtain certain licenses, permits and approvals from certain government agencies for certain of its activities, the granting or receipt of which are beyond the Company's control.

The Company and its competitors are subject to a variety of local, state and federal statutes, ordinances, rules and regulations concerning the protection of health and the environment. The particular environmental laws which apply to any given community vary greatly according to the community site, the site's environmental conditions and the present and former use of the site. Environmental laws may result in delays, may cause the Company to incur substantial compliance and other costs and may prohibit or severely restrict development in certain environmentally sensitive regions or areas. In addition, environmental regulations can have an adverse impact on the availability and price of certain raw materials such as lumber. The Company's projects in California are especially susceptible to restrictive government regulations and environmental laws.

HOLDING COMPANY STRUCTURE; GUARANTEES; FRAUDULENT TRANSFER STATUTES

The Company is a holding company, the assets of which consist principally of the stock and membership interests of its subsidiaries through which the Company conducts its operations. As a holding company, the Company is and will be dependent upon payments from its subsidiaries, including dividends and distributions, for the generation of funds necessary to service its obligations, including the payment of principal of and interest on the Notes. In addition, the ability of the Company's subsidiaries to make such payments to the Company is and may be subject to restrictions under applicable state laws.

Under applicable federal or state fraudulent transfer conveyance statutes, the Subsidiary Guarantees, under certain circumstances, may be subordinated to existing or future indebtedness of the Company or the Subsidiary Guarantors, and the Subsidiary Guarantees could be found to be void and/or unenforceable

in accordance with their terms. Under such statutes, if a court were to find that, at the time the Subsidiary Guarantees were issued, a Subsidiary Guarantor received less than a reasonably equivalent value or fair consideration in exchange for such obligation and was insolvent, or became insolvent by the issuance of the Subsidiary Guarantee, was engaged in a business or transaction or about to engage in a business or transaction for which its remaining assets constituted unreasonably small capital, intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they matured, or, irrespective of any consideration received or its solvency at the time, actually intended to hinder, delay or defraud its present or future creditors, such court could void such Subsidiary Guarantee, or subordinate such Subsidiary Guarantee to all other indebtedness of such Subsidiary Guarantor. In such event, there can be no assurance that any repayment of the Notes, either by the Company or the Subsidiary Guarantors, could ever be recovered by holders of the Notes.

For the purposes of the foregoing, the measure of insolvency varies depending upon the law of the jurisdiction which is being applied. Based upon financial and other information currently available to it, management of the Company believes that the Notes and the Subsidiary Guarantees are being incurred for proper purposes and in good faith and that at the time the Notes and the Subsidiary Guarantees are issued, the Company and each Subsidiary Guarantor, as the case may be, will be (i) neither insolvent nor rendered insolvent thereby, (ii) in possession of sufficient capital to run its business effectively and (iii) incurring debts within its ability to pay as the same mature or become due. In reaching these conclusions, the Company has relied upon various valuations and estimates of future cash flow that necessarily involve a number of assumptions and choices of methodology. No assurance can be given, however, that the assumptions and methodologies chosen by the Company would be adopted by a court or that a court would concur with the Company's conclusions as to its solvency.

CHANGE OF CONTROL

Upon a Change of Control, the holders of the Notes have the right to require the Company to offer to purchase all of the outstanding Notes at 101% of the principal amount thereof, plus accrued and unpaid interest to the date of purchase. There can be no assurance that the Company will have sufficient funds available or will be permitted by its other debt agreements to purchase the Notes upon the occurrence of a Change of Control. In addition, a Change of Control may require the Company to offer to purchase other outstanding indebtedness, including the 1994 Notes, and may cause a default under the Credit Facility. The inability to purchase all of the tendered Notes would constitute an Event of Default (as defined herein) under the Indenture. See "Description of Notes--Certain Covenants--Change of Control."

LACK OF PUBLIC MARKET FOR THE NOTES

The Exchange Notes will be new securities for which there is currently no public market. The Company does not intend to list the Exchange Notes on any national securities exchange or quotation system. The Initial Purchasers have advised the Company that they currently intend to make a market in the Exchange Notes but they are not obligated to do so and, if commenced, may discontinue such market making at any time. Accordingly, there can be no assurance as to the development of any market or liquidity of any market that may develop for the Exchange Notes. To the extent that Old Notes are tendered and accepted in the Exchange Offer, the aggregate principal amount of Old Notes outstanding will decrease, with a resulting decrease in the liquidity of the market therefor.

CONSEQUENCES OF FAILURE TO EXCHANGE

Holders of Old Notes who do not exchange their Old Notes for Exchange Notes pursuant to the Exchange Offer will continue to be subject to the restrictions on transfer of the Old Notes set forth in the legend thereon as a consequence of the issuance of the Old Notes pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In general, Old Notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from,

or in a transaction not subject to, the Securities Act and applicable state securities laws. The Company currently does not anticipate that it will register the Old Notes under the Securities Act.

USE OF PROCEEDS

The Company will not receive any proceeds from the Exchange Offer. In consideration of issuing the Exchange Notes as contemplated in this Prospectus, the Company will receive in exchange Old Notes of like principal amount, the terms of which are identical in all material respects to the Exchange Notes. The Old Notes surrendered in exchange for Exchange Notes will be retired and canceled and cannot be reissued. Accordingly, issuance of the Exchange Notes will not result in any increase in the indebtedness of the Company. The Company has agreed to bear the expenses of the Exchange Offer pursuant to the Registration Rights Agreement. No underwriter is being used in connection with the Exchange Offer.

CAPITALIZATION

The following table sets forth the capitalization of the Company as of December 31, 1997 and as adjusted to give effect to the sale by the Company of the Notes and the use of net proceeds therefrom. This table should be read in conjunction with the Consolidated Financial Statements, including the notes thereto, incorporated by reference into this Prospectus.

	AS OF DECEMBER 31, 1997 (DOLLARS IN THOUSANDS)	
	ACTUAL	AS ADJUSTED
Debt:		
Credit Facility	$ 120,000	$ 23,567
9% Senior Notes due 2004	115,000	115,000
8 7/8% Senior Notes due 2008, net of discount of $817	--	99,183
Total debt	235,000	237,750
Stockholders' equity:		
Preferred stock, $.01 par value; 5,000,000 shares authorized; 2,000,000 shares issued and outstanding ($50,000 aggregate liquidation preference)	20	20
Common stock, $.01 par value; 30,000,000 shares authorized; 9,355,957 shares issued and 6,064,180 shares outstanding(1)	93	93
Additional paid-in capital	187,798	187,798
Retained earnings	45,620	45,620
Treasury stock (3,291,777 shares)	(51,983)	(51,983)
Unearned restricted stock	(1,362)	(1,362)
Total stockholders' equity	180,186	180,186
Total capitalization	$ 415,186	$ 417,936

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(1) Excludes an aggregate of 560,500 shares of Common Stock reserved for outstanding options under the Company's 1994 Stock Incentive Plan and the Company's Non-Employee Director Stock Option Plan.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The selected consolidated financial information is derived from the audited consolidated financial statements of the Company as of and for the fiscal years ended September 30, 1993 through 1997. The selected historical consolidated financial information as of and for the three month periods ended December 31, 1996 and 1997 is derived from the unaudited financial statements incorporated by reference herein. Such unaudited information, in the opinion of the Company, is presented on a basis consistent with the audited Consolidated Financial Statements incorporated by reference in this Prospectus and includes all adjustments (consisting only of normal, recurring adjustments) necessary for a fair presentation of the results for such periods. Interim information for the three months ended December 31, 1996 and 1997 may not be indicative of operations for the full fiscal year.

The following selected consolidated financial information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements, related notes and other financial information included and incorporated by reference herein.

	FISCAL YEAR ENDED SEPTEMBER 30,					THREE MONTHS ENDED DECEMBER 31,	
	1993(1)	1994	1995	1996	1997	1996	1997
	(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA)					(UNAUDITED)	
INCOME STATEMENT DATA:							
Total revenue	$ 275,054	$ 536,526	$ 647,828	$ 866,627	$ 851,101	$ 161,083	$ 155,626
Costs and expenses:							
Home construction and land sales	222,461	450,570	552,204	732,395	720,992	135,371	130,475
Amortization of previously capitalized interest	3,049	9,768	13,268	15,134	14,857	2,740	3,047
Selling, general and administrative	29,585	48,811	63,727	88,976	91,270	18,773	19,296
Writedown of inventory	--	--	--	--	6,326	--	--
Operating income	19,959	27,377	18,629	30,122	17,656	4,199	2,808
Other income (expense)	(295)	24	291	71	538	190	150
Income before income taxes	19,664	27,401	18,920	30,193	18,194	4,389	2,958
Provision for income taxes	7,394	10,933	7,568	11,927	7,005	1,712	1,139
Income before cumulative effect of change in accounting for income taxes	12,270	16,468	11,352	18,266	11,189	2,677	1,819
Cumulative effect of change in accounting for income taxes	3,776	--	--	--	--	--	--
Net income	$ 16,046	$ 16,468	$ 11,352	$ 18,266	$ 11,189	$ 2,677	$ 1,819
Earnings per share(2):							
Basic	n/m	n/m	1.26	2.24	1.18	.27	.14
Diluted	n/m	n/m	1.23	2.01	1.15	.26	.14
Ratio of earnings to fixed charges(3)	3.38x	3.22x	2.13x	3.01x	1.99x	2.12x	1.28x

	1993	1994	1995	1996	1997	1996	1997
	SEPTEMBER 30,					DECEMBER 31,	
	(DOLLARS IN THOUSANDS)					(UNAUDITED)	
BALANCE SHEET DATA:							
Cash	$ 819	$ 35,980	$ 40,407	$ 12,942	$ 1,267	$ 3,178	$ --
Inventory	225,863	253,356	285,268	320,969	361,945	347,627	423,945
Total assets	245,349	314,941	345,240	356,643	399,595	372,879	462,762
Borrowings under Credit Facility	--	--	--	--	30,000	37,000	120,000
9% Senior Notes due 2004	--	115,000	115,000	115,000	115,000	115,000	115,000
Total debt	119,925	115,000	115,000	115,000	145,000	152,000	235,000
Stockholders' equity	95,595	150,406	164,544	178,701	179,286	179,659	180,186

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(1) Includes eight months of operating results for Watt Housing, which was acquired in February, 1993.

(2) Earnings per share have been restated in accordance with Statement of Financial Accounting Standards No. 128, "Earnings per Share".

(3) Computed by dividing earnings by fixed charges. "Earnings" consist of income from operations before income taxes, plus amortization of previously capitalized interest included in costs of sales and fixed charges, exclusive of capitalized interest costs. "Fixed Charges" consist of interest costs incurred, including capitalized interest costs plus amortization of loan costs and that portion of operating lease rental expense (33%) deemed to be representative of interest.

n/m -- Earnings per share figures for periods prior to and including the Company's initial public offering are not meaningful.

TERMS OF THE EXCHANGE OFFER

GENERAL

In connection with the sale of Old Notes to the Initial Purchasers pursuant to the Purchase Agreement, dated March 20, 1998, among the Company and SBC Warburg Dillon Read, Inc., Donaldson, Lufkin & Jenrette Securities Corporation and Salomon Smith Barney (collectively, the "Initial Purchasers"), the holders of the Old Notes became entitled to the benefits of the Registration Rights Agreement.

Under the Registration Rights Agreement, the Company became obligated to (a) file a registration statement in connection with a registered exchange offer within 45 days after March 20, 1998, the date the Old Notes were issued (the "Issue Date"), and (b) cause the registration statement relating to such registered exchange offer to become effective within 120 days after the Issue Date. The Exchange Offer being made hereby, if consummated within the required time periods, will satisfy the Company's obligations under the Registration Rights Agreement. This Prospectus, together with the Letter of Transmittal, is being sent to all such beneficial holders known to the Company.

Upon the terms and subject to the conditions set forth in this Prospectus and in the accompanying Letter of Transmittal, the Company will accept all Old Notes properly tendered and not withdrawn prior to 5:00 p.m., New York City time, on the Expiration Date. The Company will issue $1,000 principal amount of Exchange Notes in exchange for each $1,000 principal amount of outstanding Old Notes accepted in the Exchange Offer. Holders may tender some or all of their Old Notes pursuant to the Exchange Offer.

Based on an interpretation by the staff of the Commission set forth in the Morgan Stanley Letter, the Exxon Capital Letter and similar letters, the Company believes that Exchange Notes issued pursuant to the Exchange Offer in exchange for Old Notes may be offered for resale, resold and otherwise transferred by any person who received such Exchange Notes, whether or not such person is the holder (other than Restricted Holders) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such Exchange Notes are acquired in the ordinary course of such holder's or other person's business, neither such holder nor such other person is engaged in or intends to engage in any distribution of the Exchange Notes and such holders or other persons have no arrangement or understanding with any person to participate in the distribution of such Exchange Notes.

If any person were to be participating in the Exchange Offer for the purposes of participating in a distribution of the Exchange Notes in a manner not permitted by the Commission's interpretation, such person (a) could not rely upon the Morgan Stanley Letter, the Exxon Capital Letter or similar letters and (b) must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction.

Each broker-dealer that receives Exchange Notes for its own account in exchange for Old Notes, where such Old Notes were acquired by such broker-dealer as a result of market-making or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Notes received in exchange for Old Notes where such Old Notes were acquired by such broker-dealer as result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after consummation of the Exchange Offer, it will make this Prospectus, as it may be amended or supplemented from time to time, available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

The Company will not receive any proceeds from the Exchange Offer. See "Use of Proceeds." The Company has agreed to bear the expenses of the Exchange Offer pursuant to the Registration Rights Agreement. No underwriter is being used in connection with the Exchange Offer.

The Company shall be deemed to have accepted validly tendered Old Notes when, as and if the Company has given oral or written notice thereof to the Exchange Agent. The Exchange Agent will act as agent for the tendering holders of Old Notes for the purposes of receiving the Exchange Notes from the Company and delivering Exchange Notes to such holders.

If any tendered Old Notes are not accepted for exchange because of an invalid tender or the occurrence of certain conditions set forth herein under "-Conditions" without waiver by the Company, certificates for any such unaccepted Old Notes will be returned, without expense, to the tendering holder thereof as promptly as practicable after the Expiration Date.

Holders of Old Notes who tender in the Exchange Offer will not be required to pay brokerage commissions or fees or, subject to the instructions in the Letter of Transmittal, transfer taxes with respect to the exchange of Old Notes, pursuant to the Exchange Offer. The Company will pay all charges and expenses, other than certain applicable taxes in connection with the Exchange Offer. See "--Fees and Expenses."

In the event the Exchange Offer is consummated, the Company will not be required to register the Old Notes. In such event, holders of Old Notes seeking liquidity in their investment would have to rely on exemptions to registration requirements under the securities laws, including the Securities Act. See "Risk Factors--Consequences of Failure to Exchange."

EXPIRATION DATE; EXTENSIONS; AMENDMENT

The term "Expiration Date" shall mean the expiration date set forth on the cover page of this Prospectus, unless the Company, in its sole discretion, extends the Exchange Offer, in which case the term "Expiration Date" shall mean the latest date to which the Exchange Offer is extended.

In order to extend the Expiration Date, the Company will notify the Exchange Agent of any extension by oral or written notice and will issue a public announcement thereof, each prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. Such announcement may state that the Company is extending the Exchange Offer for a specified period of time.

The Company reserves the right (a) to delay accepting any Old Notes, to extend the Exchange Offer or to terminate the Exchange Offer and not accept Old Notes not previously accepted if any of the conditions set forth herein under "--Conditions" shall have occurred and shall not have been waived by the Company (if permitted to be waived by the Company), by giving oral or written notice of such delay, extension or termination to the Exchange Agent, or (b) to amend the terms of the Exchange Offer in any manner deemed by it to be advantageous to the holders of the Old Notes. Any such delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by oral or written notice thereof. If the Exchange Offer is amended in a manner determined by the Company to constitute a material change, the Company will promptly disclose such amendment in a manner reasonably calculated to inform the holders of the Old Notes of such amendment and the Company may extend the Exchange Offer, depending upon the significance of the amendment and the manner of disclosure to holders of the Old Notes, if the Exchange Offer would otherwise expire during such extension period.

Without limiting the manner in which the Company may choose to make public announcement of any extension, amendment or termination of the Exchange Offer, the Company shall have no obligation to publish, advertise, or otherwise communicate any such public announcement, other than by making a timely release to an appropriate news agency.

INTEREST ON THE EXCHANGE NOTES

The Exchange Notes will bear interest from March 20, 1998 payable semiannually on April 1 and October 1 of each year, commencing October 1, 1998, at the rate of 8 7/8% per annum. Holders of Old Notes whose Old Notes are accepted for exchange will be deemed to have waived the right to receive any payment in respect of interest on the Old Notes accrued up until the date of the issuance of the Exchange Notes.

PROCEDURES FOR TENDERING

To tender in the Exchange Offer, a holder must complete, sign and date the Letter of Transmittal, or a facsimile thereof, have the signatures thereon guaranteed if required by instruction 2 of the Letter of Transmittal, and mail or otherwise deliver such Letter of Transmittal or such facsimile, together with the Old Notes and any other required documents. To be validly tendered, such documents must reach the Exchange Agent on or before 5:00 p.m., New York City time, on the Expiration Date.

The tender by a holder of Old Notes will constitute an agreement between such holder and the Company in accordance with the terms and subject to the conditions set forth herein and in the Letter of Transmittal.

Delivery of all documents must be made to the Exchange Agent at its address set forth below. Holders may also request their respective brokers, dealers, commercial banks, trust companies or nominees to effect such tender for such holders.

The method of delivery of Old Notes and the Letter of Transmittal and all other required documents to the Exchange Agent is at the election and risk of the holders. Instead of delivery by mail, it is recommended that holders use an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure timely delivery to the Exchange Agent on or before 5:00 p.m. New York City time, on the Expiration Date. No Letter of Transmittal or Old Notes should be sent to the Company.

Only a holder of Old Notes may tender such Old Notes in the Exchange Offer. The term "holder" with respect to the Exchange Offer means any person in whose name Old Notes are registered on the books of the Company or any other person who has obtained a properly completed bond power from the registered holder.

Any beneficial holder whose Old Notes are registered in the name of its broker, dealer, commercial bank, trust company or other nominee and who wishes to tender should contact such registered holder promptly and instruct such registered holder to tender on its behalf. If such beneficial holder wishes to tender on its own behalf, such registered holder must, prior to completing and executing the Letter of Transmittal and delivering its Old Notes, either make appropriate arrangements to register ownership of the Old Notes in such holder's name or obtain a properly completed bond power from the registered holder. The transfer of record ownership may take considerable time.

Signatures on a Letter of Transmittal or a notice of withdrawal, as the case may be, must be guaranteed by a member firm of a registered national securities exchange or of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in the United States (an "Eligible Institution") unless the Old Notes tendered pursuant thereto are tendered (a) by a registered holder who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on the Letter of Transmittal or (b) for the account of an Eligible Institution. In the event that signatures on a Letter of Transmittal or a notice of withdrawal, as the case may be, are required to be guaranteed, such guarantee must be by an Eligible Institution.

If the Letter of Transmittal is signed by a person other than the registered holder of any Old Notes listed therein, such Old Notes must be endorsed or accompanied by appropriate bond powers and a proxy

which authorizes such person to tender the Old Notes on behalf of the registered holder, in each case signed as the name of the registered holder or holders appears on the Old Notes.

If the Letter of Transmittal or any Old Notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and unless waived by the Company, evidence satisfactory to the Company of their authority so to act must be submitted with the Letter of Transmittal.

All questions as to the validity, form, eligibility (including time of receipt), and withdrawal of the tendered Old Notes will be determined by the Company in its sole discretion, which determination will be final and binding. The Company reserves the absolute right to reject any and all Old Notes not properly tendered or any Old Notes the Company's acceptance of which would, in the opinion of counsel for the Company, be unlawful. The Company also reserves the right to waive any irregularities or conditions of tender as to particular Old Notes. The Company's interpretation of the terms and conditions of the Exchange Offer (including the instructions in the Letter of Transmittal) will be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Old Notes must be cured within such time as the Company shall determine. None of the Company, the Exchange Agent or any other person shall be under any duty to give notification of defects or irregularities with respect to tenders of Old Notes, nor shall any of them incur any liability for failure to give such notification. Tenders of Old Notes will not be deemed to have been made until such irregularities have been cured or waived. Any Old Notes received by the Exchange Agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned without cost to such holder by the Exchange Agent to the tendering holders of Old Notes, unless otherwise provided in the Letter of Transmittal, as soon as practicable following the Expiration Date.

In addition, the Company reserves the right in its sole discretion to (a) purchase or make offers for any Old Notes that remain outstanding subsequent to the Expiration Date or, as set forth under "-- Conditions," to terminate the Exchange Offer in accordance with the terms of the Registration Rights Agreement and (b) to the extent permitted by applicable law, purchase Old Notes in the open market, in privately negotiated transactions or otherwise. The terms of any such purchases or offers will differ from the terms of the Exchange Offer.

By tendering, each holder will represent to the Company that, among other things, (a) the Exchange Notes acquired pursuant to the Exchange Offer are being obtained in the ordinary course of business of such holder or other person, (b) neither such holder nor such other person is engaged in or intends to engage in a distribution of the Exchange Notes (c) neither such holder or other person has any arrangement or understanding with any person to participate in the distribution of such Exchange Notes, and (d) such holder or other person is not an "affiliate," as defined under Rule 405 of the Securities Act, of the Company or, if such holder or other person is such an affiliate, will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable.

Each broker-dealer that receives Exchange Notes for its own account in exchange for Old Notes, where such Old Notes were acquired by such broker-dealer as a result of market-making or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Notes received in exchange for Old Notes where such Old Notes were acquired by such broker-dealer as result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after consummation of the Exchange Offer, it will make this Prospectus, as it may be amended or supplemented from time to time, available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

The Old Notes were issued on March 20, 1998 and there is no public market for them at present. To the extent Old Notes are tendered and accepted in the Exchange Offer, the principal amount of outstanding Old Notes will decrease with a resulting decrease in the liquidity in the market therefor. Following the consummation of the Exchange Offer, holders of Old Notes will continue to be subject to certain restrictions on transfer. Accordingly, the liquidity of the market for the Old Notes could be adversely affected.

GUARANTEED DELIVERY PROCEDURES

Holders who wish to tender their Old Notes and (a) whose Old Notes are not immediately available or (b) who cannot deliver their Old Notes, the Letter of Transmittal or any other required documents to the Exchange Agent prior to the Expiration Date, may effect a tender if: (i) the tender is make through an Eligible Institution; (ii) prior to the Expiration Date, the Exchange Agent receives from such Eligible Institution a properly completed and duly executed Notice of Guaranteed Delivery (by facsimile transmission, mail or hand delivery) setting forth the name and address of the holder of the Old Notes, the certificate number or numbers of such Old Notes and the principal amount of Old Notes tendered, stating that the tender is being made thereby, and guaranteeing that, within three business days after the Expiration Date, the Letter of Transmittal (or facsimile thereof) together with the certificate(s) representing the Old Notes to be tendered in proper form for transfer and any other documents required by the Letter of Transmittal will be deposited by the Eligible Institution with the Exchange Agent; and (iii) such properly completed and executed Letter of Transmittal (or facsimile thereof) together with the certificate(s) representing all tendered Old Notes in proper form for transfer and all other documents required by the Letter of Transmittal are received by the Exchange Agent within three business days after the Expiration Date.

WITHDRAWAL OF TENDERS

Except as otherwise provided herein, tenders of Old Notes may be withdrawn at any time prior to 5:00 p.m., New York City time, on the Expiration Date, unless previously accepted for exchange.

To withdraw a tender of Old Notes in the Exchange Offer, a written or facsimile transmission notice of withdrawal must be received by the Exchange Agent at its address set forth herein prior to 5:00 p.m., New York City time, on the Expiration Date. Any such notice of withdrawal must (a) specify the name of the person having deposited the Old Notes to be withdrawn (the "Depositor"), (b) identify the Old Notes to be withdrawn (including the certificate number or numbers and principal amount of such Old Notes), (c) be signed by the Depositor in the same manner as the original signature on the Letter of Transmittal by which such Old Notes were tendered (including any required signature guarantees) or be accompanied by documents of transfer sufficient to have the Trustee with respect to the Old Notes register the transfer of such Old Notes into the name of the Depositor withdrawing the tender and (d) specify the name in which any such Old Notes are to be registered, if different from that of the Depositor. All questions as to the validity, form and eligibility (including time of receipt) of such withdrawal notices will be determined by the Company, whose determination shall be final and binding on all parties. Any Old Notes so withdrawn will be deemed not to have been validly tendered for purposes of the Exchange Offer and no Exchange Notes will be issued with respect thereto unless the Old Notes so withdrawn are validly retendered. Any Old Notes which have been tendered but which are not accepted for exchange will be returned to the holder thereof without cost to such holder as soon as practicable after withdrawal, rejection of tender or termination of the Exchange Offer. Properly withdrawn Old Notes may be retendered by following one of the procedures described above under "--Procedures for Tendering" at any time prior to the Expiration Date.

CONDITIONS

Notwithstanding any other term of the Exchange Offer, the Company will not be required to accept for exchange, or exchange, any Exchange Notes for any Old Notes, and may terminate or amend the Exchange Offer before the acceptance of any Old Notes for exchange, if the Exchange Offer violates any applicable law or interpretation by the staff of the Commission.

If the Company determines in its sole discretion that the foregoing condition exists, the Company may (i) refuse to accept any Old Notes and return all tendered Old Notes to the tendering holders, (ii) extend the Exchange Offer and retain all Old Notes tendered prior to the expiration of the Exchange Offer, subject, however, to the rights of holders who tendered such Old Notes to withdraw their tendered Old Notes, or (iii) waive such condition, if permissible, with respect to the Exchange Offer and accept all properly tendered Old Notes which have not been withdrawn. If such waiver constitutes a material change to the Exchange Offer, the Company will promptly disclose such waiver by means of a prospectus supplement that will be distributed to the holders, and the Company will extend the Exchange Offer as required by applicable law.

Pursuant to the Registration Rights Agreement, if an Exchange Offer shall not be consummated prior to the Exchange Offer Termination Date, the Company will be obligated to cause to be filed with the Commission a shelf registration statement with respect to the Old Notes (the "Shelf Registration Statement") as promptly as practicable after the Exchange Offer Termination Date and thereafter use its best efforts to have the Shelf Registration Statement declared effective.

"Exchange Offer Termination Date" means the date on which the earliest of any of the following events occurs: (a) applicable interpretations of the staff of the Commission do not permit the Company to effect the Exchange Offer, (b) any holder of Notes notifies the Company that either (i) such holder is not eligible to participate in the Exchange Offer or (ii) such holder participates in the Exchange Offer and does not receive freely transferable Exchange Notes in exchange for tendered Old Notes or (c) the Exchange Offer is not consummated within 120 days after the Issue Date.

If any of the conditions described above exist, the Company will refuse to accept any Old Notes and will return all tendered Old Notes to exchanging holders of the Old Notes.

EXCHANGE AGENT

U.S. Bank Trust National Association has been appointed as Exchange Agent for the Exchange Offer. Questions and requests for assistance and requests for additional copies of this Prospectus or of the Letter of Transmittal and deliveries of completed Letters of Transmittal with tendered Old Notes should be directed to the Exchange Agent addressed as follows:

BY REGISTERED, CERTIFIED OR OVERNIGHT MAIL:

U.S. BANK TRUST NATIONAL ASSOCIATION
ATTN: SPECIALIZED FINANCE
180 EAST FIFTH STREET
ST. PAUL, MN 55101

BY FIRST CLASS MAIL:

U.S. BANK TRUST NATIONAL ASSOCIATION
P.O. BOX 64485
ST. PAUL, MN 55101

BY HAND (NEW YORK DEPOSITORY ONLY):

U.S. BANK TRUST NATIONAL ASSOCIATION
100 Wall Street, 20th Floor
New York, NY 10005
Attention: Cathy Donohue

BY HAND (ALL OTHERS):

U.S. BANK TRUST NATIONAL ASSOCIATION
Fourth Floor--Bond Drop Window
180 Fifth Street
St. Paul, MN 55101

BY FACSIMILE:
(For Eligible Institutions Only)
(612) 244-1537

TELEPHONE NUMBER:
(800) 934-6802 Bondholder Services

The Company will indemnify the Exchange Agent and its agents for any loss, liability or expense incurred by them, including reasonable costs and expenses of their defense, except for any such loss, liability or expense caused by negligence or bad faith.

FEES AND EXPENSES

The expenses of soliciting tenders pursuant to the Exchange Offer will be borne by the Company. The principal solicitation for tenders pursuant to the Exchange Offer is being made by mail. Additional solicitations may be made by officers and regular employees of the Company and its affiliates in person, by telephone or facsimile.

The Company will not make any payments to brokers, dealers, or other persons soliciting acceptances of the Exchange Offer. The Company, however, will pay the Exchange Agent reasonable and customary fees for its services and will reimburse the Exchange Agent for its reasonable out-of-pocket expenses in connection therewith. The Company may also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of this Prospectus, Letters of Transmittal and related documents to the beneficial owners of the Old Notes, and in handling or forwarding tenders for exchange.

The expenses to be incurred in connection with the Exchange Offer, including fees and expenses of the Exchange Agent and Trustee and accounting and legal fees and expenses, will be paid by the Company.

The Company will pay all transfer taxes, if any, applicable to the exchange of Old Notes pursuant to the Exchange Offer. If, however, certificates representing Exchange Notes (or Old Notes for principal amounts not tendered or accepted for exchange) are to be delivered to, or are to be registered or issued in the name of, any person other than the registered holder of the Old Notes tendered, or if tendered Old Notes are registered in the name of any person other than the person signing the Letter of Transmittal, or if a transfer tax is imposed for any reason other than the exchange of Old Notes pursuant to the Exchange Offer, then the amount of any such transfer taxes (whether imposed on the registered holder or any other persons) will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the Letter of Transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

ACCOUNTING TREATMENT

The Company will not recognize any gain or loss for accounting purposes upon the consummation of the Exchange Offer. The expense of the Exchange Offer will be amortized by the Company over the term of the Exchange Notes under GAAP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

The Company designs, builds and sells single family homes in the Southeast, Southwest and Central regions of the United States. The Company's Southeast Region includes Georgia, North Carolina, South Carolina, Tennessee and Florida; its Southwest Region includes Arizona, California and Nevada and its Central Region includes Texas. (The Company's other markets include a single project in New Jersey which was closed out during fiscal 1996.) The Company intends, subject to market conditions, to expand in its current markets and to consider entering new markets through expansion from existing markets ("satellite expansion") or through acquisitions of established regional homebuilders.

The Company's homes are designed to appeal primarily to entry-level and first time move-up home buyers, and are generally offered for sale in advance of their construction. The majority of homes are sold pursuant to standard sales contracts entered into prior to commencement of construction. Once a contract has been signed, the Company classifies the transaction as a "new order." Such sales contracts are usually subject to certain contingencies such as the buyer's ability to qualify for financing. Homes covered by such sales contracts are considered by the Company as its "backlog." The Company does not recognize revenue on homes in backlog until the sales are closed and the risk of ownership has been transferred to the buyer.

The following tables present certain operating and financial data for the periods discussed:

	YEAR ENDED SEPTEMBER 30,					THREE MONTHS ENDED DECEMBER 31,		
	1995	1996		1997		1996	1997	
	AMOUNT	AMOUNT	% CHANGE	AMOUNT	% CHANGE	AMOUNT	AMOUNT	% CHANGE
NUMBER OF NEW ORDERS, NET OF CANCELLATIONS (I):								
Southeast Region:								
Georgia	310	253	(18.4)%	165	(34.8)%	27	29	7.4%
North Carolina	661	671	1.5	608	(9.4)	107	125	16.8
South Carolina	233	303	30.0	393	29.7	81	82	1.2
Tennessee	537	457	(14.9)	413	(9.6)	81	86	6.2
Florida	342	364	6.4	390	7.1	73	95	30.1
Total Southeast	2,083	2,048	(1.7)	1,969	(3.9)	369	417	13.0
Southwest Region:								
Arizona	1,363	1,681	23.3	1,264	(24.8)	246	261	6.1
California	856	1,008	17.8	1,017	0.9	207	210	1.4
Nevada	441	483	9.5	536	11.0	92	102	10.9
Total Southwest	2,660	3,172	19.2	2,817	(11.2)	545	573	5.1
Central Region:								
Texas	98	401	309.2	765	90.8	120	96	(20.0)
Other Markets	--	--	--	--	--	--	--	--
Total	4,841	5,621	16.1%	5,551	(1.2)%	1,034	1,086	5.0%

(i) New orders for the years ended September 30, 1995 and 1996 and for the three months ended December 31, 1997 do not include 19, 256 and 96 homes in backlog, respectively, from acquired operations at the date of such acquisitions.

	YEAR ENDED SEPTEMBER 30,					THREE MONTHS ENDED DECEMBER 31,		
	1995	1996	%	1997	%	1996	1997	
	AMOUNT	AMOUNT	CHANGE	AMOUNT	CHANGE	AMOUNT	AMOUNT	% CHANGE
NUMBER OF HOMES IN BACKLOG AT END OF PERIOD:								
Southeast Region:								
Georgia	107	52	(51.4)%	43	(17.3)%	45	37	(17.8)%
North Carolina	218	192	(11.9)	172	(10.4)	180	194	7.8
South Carolina	80	107	33.8	109	1.9	126	83	(34.1)
Tennessee	194	125	(35.6)	81	(35.2)	109	99	(9.2)
Florida	109	104	(4.6)	100	(3.8)	111	190	71.2
Total Southeast	708	580	(18.1)	505	(12.9)	571	603	5.6
Southwest Region:								
Arizona	456	414	(9.2)	262	(36.7)	346	317	(8.4)
California	106	96	(9.4)	78	(18.8)	177	129	(27.1)
Nevada	160	170	6.3	139	(18.2)	102	137	34.3
Total Southwest	722	680	(5.8)	479	(29.6)	625	583	(6.7)
Central Region:								
Texas	53	166	213.2	208	25.3	151	150	(0.7)
Other Markets	1	--	n/m	--	--	--	--	--
Total	1,484	1,426	(3.9)%	1,192	(16.4)%	1,347	1,336	(0.8)%
SALES VALUE OF HOMES IN BACKLOG AT END OF PERIOD:								
Southeast region	$102,511	$ 98,092	(4.3)%	$ 81,720	(16.7)%	$ 92,601	$ 97,635	5.4%
Southwest region	101,346	86,539	(14.6)	73,346	(15.2)	82,129	89,585	9.1
Central region	8,133	26,006	219.8	35,373	36.0	23,535	25,430	8.1
Other markets	173	--	n/m	--	--	--	--	--
Total	$212,163	$210,637	(0.7)%	$190,439	(9.6)%	$198,265	$212,650	7.3%
NUMBER OF CLOSINGS:								
Southeast Region:								
Georgia	254	308	21.3%	174	(43.5)%	34	35	2.9%
North Carolina	597	697	16.8	628	(9.9)	119	103	(13.4)
South Carolina	225	276	22.7	391	41.7	62	108	74.2
Tennessee	471	526	11.7	457	(13.1)	97	68	(29.9)
Florida	306	405	32.4	394	(2.7)	66	101	53.0
Total Southeast	1,853	2,212	19.4	2,044	(7.6)	378	415	9.8%
Southwest Region:								
Arizona	1,255	1,852	47.6	1,416	(23.5)	314	206	(34.4)
California	838	1,018	21.5	1,035	1.7	185	159	(14.1)
Nevada	351	473	34.8	567	19.9	101	104	3.0
Total Southwest	2,444	3,343	36.8	3,018	(9.7)	600	469	(21.8)%
Central Region:								
Texas	64	379	492.2	723	90.8	135	154	14.1
Other Markets	2	1	(50.0)	--	n/m	--	--	--
Total	4,363	5,935	36.0%	5,785	(2.5)%	1,113	1,038	(6.7)%
REVENUE:								
Southeast region	$266,228	$332,159	24.8%	$333,648	0.4%	$ 64,069	$ 66,179	3.3%
Southwest region	370,369	475,662	28.4	404,760	(14.9)	76,144	63,443	(16.7)
Central region	10,886	58,621	438.5	112,693	92.2	20,870	26,004	24.6
Other markets	345	185	(46.4)	--	--	--	--	--
Total	$647,828	$886,627	33.8%	$851,101	(1.8)%	$161,083	$155,626	(3.4)%

	YEAR ENDED SEPTEMBER 30,					THREE MONTHS ENDED DECEMBER 31,		
	1995	1996		1997		1996	1997	
	AMOUNT	AMOUNT	% CHANGE	AMOUNT	% CHANGE	AMOUNT	AMOUNT	% CHANGE
AVERAGE SALES PRICE PER HOME CLOSED:								
Southeast region	$ 143.7	$ 150.2	4.5%	$ 163.2	8.7%	$ 169.5	$ 159.5	(5.9)%
Southwest region	151.5	142.3	(6.1)	134.1	(5.8)	126.9	135.3	6.6
Central region	170.1	154.7	(9.1)	155.9	0.7	154.6	168.9	9.2
Other markets	172.5	185.0	7.2	--	n/m	--	--	--
Total	$ 148.5	$ 146.0	(1.7)%	$ 147.1	0.8%	$ 144.7	$ 149.9	3.6%
NUMBER OF ACTIVE SUBDIVISIONS AT YEAR END:								
Southeast region	88	99	12.5%	104	5.1%	86	113	31.4%
Southwest region	51	62	21.6	60	(3.2)	45	61	35.6
Central region	10	31	210.0	33	6.5	31	32	3.2
Other markets	--	--	--	--	--	--	--	--
Total	149	192	28.9%	197	2.6%	162	206	27.2%

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n/m = Percentage change not meaningful

SEASONALITY AND QUARTERLY VARIABILITY

The Company has historically experienced significant seasonality and quarter-to-quarter variability in homebuilding activity levels. The annual operating cycle generally reflects escalating new orders in the Company's second and third fiscal quarters. Since closings usually trail home sales by four to six months, closings typically are lowest in the first quarter of the fiscal year, and revenues from home closings usually peak in the third and fourth quarters of the fiscal year. The Company believes that this seasonality reflects the preference of home buyers to shop for a new home in the spring, as well as the scheduling of construction to accommodate seasonal weather conditions. This trend, however, may be altered in periods of extreme fluctuations in economic conditions, such as interest rates and general confidence. The Company's operations can also be affected by inflation. All costs and expenses including land, raw materials, subcontracted labor and interest would increase in an inflationary period and, as a result, the Company's margins could decrease unless the increased costs were recovered through higher sales prices. The following table presents certain unaudited quarterly financial and operating data for the Company's last eight fiscal quarters. These historical results are not necessarily indicative of results to be expected for any future period.

	QUARTER ENDED							
(DOLLARS IN THOUSANDS)	MARCH 31, 1996	JUNE 30, 1996	SEPTEMBER 30, 1996	DECEMBER 31, 1996	MARCH 31, 1997	JUNE 30, 1997	SEPTEMBER 30, 1997	DECEMBER 31, 1997
TOTAL REVENUE.....	$196,505	$217,065	$294,828	$161,083	$177,762	$195,608	$316,647	$155,626
NUMBER OF NEW ORDERS, NET:								
Southeast region.....	617	550	445	369	573	555	472	417
Southwest region.....	995	837	646	545	733	789	750	573
Central region.....	94	119	134	120	228	250	167	96
Total.....	1,706	1,506	1,225	1,034	1,534	1,594	1,389	1,086
NUMBER OF CLOSINGS:								
Southeast region.....	483	554	709	378	457	493	716	415
Southwest region.....	836	868	1,044	600	627	651	1,140	469
Central region.....	46	74	202	135	143	171	274	154
Total.....	1,365	1,496	1,955	1,113	1,227	1,315	2,130	1,038

NEW ORDERS AND BACKLOG

The increase in new orders for the three month period ended December 31, 1997 compared to the same period in 1996 is principally the result of an increase in the number of active subdivisions. Each of the Company's operating regions contributed to an increase in the number of active subdivisions, and both the Southeast and Southwest region experienced an increase in new orders. The Company's Central region did not recognize an increase in new orders for the comparable periods as a result of delays in the opening of several subdivisions in that region. The Company believes that the increased active subdivision levels will contribute to positive new order growth during the remainder of fiscal 1998.

The comparison of active subdivision levels for the Company has been positive for each of the last two fiscal years. The increase in active subdivisions at September 30, 1997 compared to September 30, 1996 is the result of the Company acquiring favorable land positions and opening a number of new subdivisions during the last two quarters of fiscal 1997, replenishing subdivision levels depleted during the first six months of the fiscal year. In contrast, while the number of active subdivisions at September 30, 1996 is above that of September 30, 1995 many of the subdivisions were nearing close-out status and the number of active subdivisions declined by 30 in the first quarter of 1997 compared to the last quarter of 1996.

The Company experienced fewer new orders during the year ended September 30, 1997 than the year ended September 30, 1996. The principal reason for this decrease is a reduction in the number of active subdivisions in early fiscal 1997 in the Company's Arizona operations. Excluding the Company's Arizona operations, new orders increased by 347 homes in fiscal 1997. The principal increase was in the Company's Texas operations.

The Company has historically experienced fluctuations in new order activity in periods of significant mortgage rate changes. Additional factors that impact the Company's new order trends include the ability to react to changing customer preferences through product mix and pricing, local economic conditions and product supply (as measured by the number of active subdivisions). The Company believes that during the year ended September 30, 1996, effective product mix and pricing, especially in the affordable first-time home buyer market in Arizona, contributed to positive order growth in the Company's markets for the year ended September 30, 1996, compared to the year ended September 30, 1995, despite the increase in mortgage interest rates that began in January 1996 and continued for the remainder of the Company's fiscal year.

The number of homes in backlog at December 31, 1997 decreased compared to December 31, 1996 principally because of a lower level of backlog entering the period. The dollar value of backlog at

December 31, 1997, however, is greater than that at December 31, 1996, reflecting a change in mix of the Company's markets as well as increases in the average sales price of homes in backlog in all regions.

Backlog levels correspond directly with the new order and closing trends experienced by the Company. Despite an accelerating new order trend late in the Company's 1997 fiscal year, increased closings during the fourth quarter contributed to lower backlog levels at September 30, 1997 compared to September 30, 1996.

RESULTS OF OPERATIONS

The following table shows certain items in the Company's statements of income expressed as a percentage of total revenue.

	YEAR ENDED SEPTEMBER 30,			THREE MONTHS ENDED DECEMBER 31,	
	1995	1996	1997	1996	1997
Total revenue	100.0%	100.0%	100.0%	100.0%	100.0%
Costs and expenses:					
Home construction and land sales	85.2	84.5	84.7	84.0	83.8
Amortization of previously capitalized interest	2.0	1.7	1.7	1.7	2.0
Selling, general and administrative expenses	9.8	10.3	10.7	11.7	12.4
Writedown of inventory	--	--	0.7	--	--
Operating income	3.0%	3.5%	2.1%	2.6%	1.8%

COMPARISON OF THE THREE MONTHS ENDED DECEMBER 31, 1996 AND 1997

REVENUES

The decrease in revenues for the three months ended December 31, 1997 compared to the same period in 1996 is principally the result of reduced closings in the Company's Southwest region. Lower backlog levels entering the quarter ended December 31, 1997 was the primary reason for the decrease in the Southwest. The Company's Southeast and Central regions, however, experienced increases in both revenues and closings for the comparable periods. The increase in the Southeast region is attributable to a substantially higher number of closings in South Carolina and Florida resulting from higher opening backlog figures for the respective periods and the contribution of the acquired Calton operations (16 closings and $2.5 million in revenues). The increase in the Company's Central region is the result of higher opening backlog levels in this region.

HOME CONSTRUCTION AND LAND SALES

The cost of home construction and land sales as a percentage of revenues decreased for the three month period ended December 31, 1997 compared to the same period in 1996. The decrease is largely attributable to expansion of the Company's profitability initiatives, specifically design centers and mortgage origination operations. The Company is now operating design centers in seven states and mortgage origination operations in eight states. This compares to six and three states with design centers and mortgage origination operations, respectively, at December 31, 1996. Additionally, substantially improved gross margins in the Company's California operations contributed to the overall decrease in the cost of home construction and land sales as a percentage of revenues for the three month period ended December 31, 1997 compared to the same period in fiscal 1997.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased as a percentage of total revenues for the three month period ended December 31, 1997 compared to the same period in the prior year. This increase can

be attributed to higher overhead and marketing costs associated with the increase in active subdivision levels in most of the Company's markets.

AMORTIZATION OF PREVIOUSLY CAPITALIZED INTEREST

Amortization of previously capitalized interest expense as a percentage of revenues for the three months ended December 31, 1997 is greater than the comparable period in 1996 as a result of increased borrowing levels associated with the Company's increased investment in inventory during the quarter.

INCOME TAXES

The decrease in the Company's effective income tax rate from 39.0% for the three month period ended December 31, 1996 compared to 38.5% for the same period at December 31, 1997 is principally the result of a reduction in the overall effective state income tax rate.

COMPARISON OF THE FISCAL YEARS ENDED 1995, 1996 AND 1997

REVENUES

The decrease in revenues for the year ended September 30, 1997 compared to the year ended September 30, 1996 is the result of a 3% decrease in the number of homes closed offset by a 1% increase in average sales price. The principal reason for the decrease in home closings was a decline in home closings in Arizona, the Company's largest market. This decrease is partially offset by the continued expansion of the Company's Texas operations. The slight increase in the average sales price is the result of the decrease in closings in Arizona where the average sales price is below the Company average.

The increase in revenues for the year ended September 30, 1996 compared to the same period in 1995 is the result of a 36% increase in the number of homes closed partially offset by a 1.7% decrease in average sales price. The increase in home closings was experienced in all markets and is a result of the strong order growth early in fiscal 1996 and the expansion of the Texas operations entered initially via the acquisition of Bramalea Homes Texas ("Bramalea") in April 1995 and supplemented through the acquisition of Trendmaker Homes--Dallas in June 1996. The small decrease in average sales price is the result of shifting product mix in the Southeast region, an emphasis on the affordable product mix in the Southwest (especially in Arizona), and decreases in Texas as a result of the Company opening new, lower-priced subdivisions in Dallas.

HOME CONSTRUCTION AND LAND SALES

Cost of home construction and land sales ("COS") as a percentage of revenues increased for the year ended September 30, 1997 compared to 1996. The principal reason for the increase relates to issues in the Company's Nevada operations. For the fiscal year ended September 30, 1997, the COS as a percentage of revenues was 91.2% for the Nevada operations compared to 84.7% for the total Company. During fiscal 1997, the Company experienced development issues in two subdivisions in Nevada, resulting in a writedown to inventory and reduced margins in other subdivisions in Nevada. The Company has made management changes in its Nevada operations and has implemented additional controls around projects involving significant development expenditures. The Company believes the issues in Nevada have been resolved and anticipates recognizing improving gross margins as a percentage of revenues for the Nevada operations during fiscal 1998. COS as a percentage of revenues decreased for the year ended September 30, 1996 compared to 1995. The decrease is largely attributable to decreases in hard construction costs (material and labor), and an increase in deliveries from homes started subsequent to sale relative to fiscal 1995. Additionally, the Company's Arizona and Texas markets, which typically experience higher gross margins than the Company average, represent a greater percentage of total closings for the year.

WRITEDOWN OF INVENTORY

During the quarter ended March 31, 1997, the Company recorded a pre-tax charge of approximately $6.3 million to write down two properties located in Nevada to their estimated fair market value (based on the sales prices of comparable projects). The two Nevada properties, Craig Ranch in North Las Vegas and Promontory in Reno, had incurred significant development costs that were not anticipated at the beginning of the project. As a result, the estimated future undiscounted cash flows of the projects were less than their respective book values at that time.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative ("SG&A") expenses increased as a percentage of revenues in each of the last two fiscal years. The increase in fiscal 1997 compared to fiscal 1996 is principally the result of increased sales and marketing expenses relating to the opening of new subdivisions within the Company's existing markets. The sales and marketing component of total SG&A as a percentage of revenues increased to 6.5% from 6.1% in fiscal 1996. The general and administrative component of total SG&A was 4.2% for both fiscal 1997 and 1996. The increase in SG&A as a percentage of revenues in fiscal 1996 compared to fiscal 1995 can be attributed primarily to certain consulting and start-up costs relating to various long-term initiatives the Company began in late fiscal 1996.

AMORTIZATION OF PREVIOUSLY CAPITALIZED INTEREST

The decrease in interest amortized to costs and expenses as a percentage of revenues for the year ended September 30, 1996 compared to the same period in 1995 is the result of a favorable interest rate environment and accelerated inventory turnover.

INCOME TAXES

The Company's effective income tax rate was 38.5%, 39.5% and 40.0% for 1997, 1996 and 1995, respectively. The decrease in 1997 and 1996 is principally the result of various tax savings strategies implemented during 1996.

FINANCIAL CONDITION AND LIQUIDITY

The Credit Facility provides for up to $200 million of unsecured borrowings. At December 31, 1997 the Company had $120 million of outstanding borrowings under the Credit Facility. The Company fulfills its short-term cash requirements with cash generated from its operations and unused funds available under the Credit Facility. Available borrowings under the Credit Facility are limited to certain percentages of homes under contract, unsold homes, substantially improved lots and accounts receivable. At December 31, 1997, after giving effect to the Offering and the application of the net proceeds therefrom, the Company would have had available additional borrowings of $21.2 million under the Credit Facility. During the quarter ended December 31, 1997 the Company utilized borrowings under the Credit Facility of approximately $16.8 million for the acquisition of the Orlando, Florida operations of Calton.

The Credit Facility includes a financial covenant limiting the dollar value of Land (as defined) owned by the Company to the amount of its Tangible Net Worth (as defined). At December 31,1997 the value of Land owned by the Company exceeded this maximum by approximately $6 million. The Company has received a waiver from each of the participating banks in the Credit Facility relating to this covenant through March 31, 1998. The Company was in compliance with this covenant at February 28, 1998, and expects to be in compliance as of March 31, 1998, through its use of land in the ordinary course of business.

During fiscal 1996, the Company utilized borrowings under its then-existing credit agreement of $21.4 million for acquisitions. All such borrowings were repaid as of September 30, 1996.

The Company has utilized, and will continue to utilize, land options as a method of controlling and subsequently acquiring land. At December 31, 1997 the Company had 9,975 lots under option. At December 31, 1997, the Company had commitments with respect to option contracts with specific performance obligations of approximately $46.7 million. The Company expects to exercise all of its option contracts with specific performance obligations and, subject to market conditions, substantially all of its options contracts without specific performance obligations.

In June 1996, the Company's Board of Directors approved a stock repurchase plan authorizing the repurchase of up to 10% (approximately 660,000 shares) of the Company's then outstanding stock. Such repurchases, if completed, would be effected at various prices from time to time in the open market. The timing of the purchase and the exact number of shares will depend on market conditions. As of December 31, 1997 the Company had purchased 542,510 shares for an aggregate purchase price of approximately $7.3 million under this repurchase plan.

The 1994 Notes mature in March 2004 and bear interest at 9% per annum payable semiannually. The 1994 Notes contain certain restrictive covenants, including limitations on payment of dividends. At December 31, 1997, under the most restrictive covenants, approximately $30.4 million was available for payment of cash dividends and for the acquisition by the Company of its common stock.

All significant subsidiaries of the Company are guarantors of the 1994 Notes, are jointly and severally liable for the Company's obligations under the 1994 Notes and will be guarantors of the Notes being offered pursuant to this Prospectus. Separate financial statements and other disclosures concerning each of the significant subsidiaries are not included in the Company's Consolidated Financial Statements incorporated by reference in this Prospectus, as the aggregate assets, liabilities, earnings and equity of the subsidiaries equal such amounts for the Company on a consolidated basis and separate subsidiary financial statements are not considered material to investors. The total assets, revenues and operating profit of the non-guarantor subsidiaries are in the aggregate immaterial to the Company on a consolidated basis. Neither the Credit Facility nor the 1994 Notes restrict, nor will the Notes restrict, distributions to the Company by its subsidiaries.

Management believes that the Company's current borrowing capacity, and anticipated cash flows from its operations, are sufficient to meet liquidity needs for the foreseeable future. There can be no assurance, however, that amounts available in the future from the Company's sources of liquidity will be sufficient to meet the Company's future capital needs. The amount and types of indebtedness that the Company may incur may be limited by the terms of the Notes, the 1994 Notes and the Credit Facility. The Company continually evaluates expansion opportunities through acquisition of established regional homebuilders and such opportunities may require the Company to seek additional capital in the form of equity or debt financing from a variety of potential sources, including additional bank financing and/or securities offerings.

YEAR 2000 COMPLIANCE

The Company has assessed the vulnerability of its computer systems to the "Year 2000 issue" and the cost of addressing Year 2000 compliance. In connection with its systems streamlining efforts, the Company is currently in the process of implementing new information systems. Such systems will replace the majority of the information systems previously being used by the Company. The Company has determined that its new systems are Year 2000 compliant. Presently, the Company does not believe that systems streamlining efforts or Year 2000 compliance will result in material investments by the Company, nor does the Company anticipate the Year 2000 issue will have material adverse effects on the business operations or financial performance of the Company. The Company further does not believe that the impact of Year 2000 compliance on any of its subcontractors, suppliers and vendors will have a material adverse effect upon the Company. There can be no assurance, however, that the Year 2000 issue will not adversely affect the Company and its business.

RECENT ACCOUNTING PRONOUNCEMENTS

In February 1997, the Financial Accounting Standards Board ("FASB") issued Statement No. 128, "Earnings per Share" ("SFAS 128"). SFAS 128 establishes new standards for computing and presenting earnings per share ("EPS") information. The Company adopted SFAS 128 during the first quarter of fiscal 1998. In accordance with SFAS 128, the Company has restated EPS in all prior periods to comply with the new standard. In June 1997, the FASB issued Statement No. 130, "Reporting Comprehensive Income" ("SFAS 130"), and Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("SFAS 131"). Both SFAS 130 and SFAS 131 become effective for fiscal periods or years beginning after December 15, 1997 with early adoption permitted. The Company is evaluating the effects these statements will have on its financial reporting and disclosures. The statements will have no effect on the Company's results of operations, financial position, capital resources or liquidity.

OVERVIEW

The Company designs, builds and sells single family homes in the Southeast, Southwest and Central regions of the United States and, based on home closings, is one of the ten largest builders of single family detached homes in the nation. The Company's Southeast region includes Georgia, North Carolina, South Carolina, Tennessee and Florida, its Southwest region includes Arizona, California and Nevada and its Central region includes Texas. The Company's homes are designed to appeal primarily to entry-level and first time move-up home buyers. For the twelve months ended December 31, 1997, the Company had 5,710 home closings, revenues of approximately $845.6 million and EBITDA of $40.7 million.

The Company's objective is to provide its customers with homes that incorporate quality and value while seeking to maximize its return on invested capital. To achieve this objective, the Company has developed a business strategy which focuses on the following elements:

GEOGRAPHIC DIVERSITY AND GROWTH MARKETS. The Company competes in a large number of geographically diverse markets and attempts to react quickly to allocate capital to those markets which it believes provide attractive growth characteristics and opportunities for superior returns. The majority of the Company's markets have experienced significant population and employment growth in recent years. Seven of the nine states in which the Company operates were ranked among the top ten for population growth for the years 1995 through 2000 as projected by the U.S. Census Bureau. The Company strives to maintain a strong competitive position in all of its markets and believes that it is among the top five single family homebuilders in the majority of such markets. Within these markets, the Company builds homes in a variety of projects, typically with fewer than 150 homesites per project.

QUALITY HOMES FOR ENTRY-LEVEL AND FIRST TIME MOVE-UP HOME BUYERS. The Company seeks to maximize customer satisfaction by offering homes which incorporate quality materials, distinctive design features, convenient locations and competitive prices. The Company focuses on entry-level and first time move-up home buyers because it believes they represent the largest segment of the homebuilding market. In addition, the Company seeks to customize its homes to individual homebuyers through the use of design options and upgrades, many of which are sold through the centralized design centers recently opened by the Company in the majority of its markets. The Company believes that through the increased sale of options and upgrades it can improve both the value of its homes to its customers and its profit margins. During fiscal 1997, the average sales price of the Company's homes closed was approximately $147,100.

DECENTRALIZED OPERATIONS WITH EXPERIENCED MANAGEMENT. The Company believes its in-depth knowledge of its local markets enables it to better serve its customers. The Company's local managers, who have significant experience in both the homebuilding industry and the markets they serve, are responsible for operating decisions regarding design, construction and marketing. The Company combines these decentralized operations with centralized corporate-level management which controls decisions regarding overall strategy, land acquisitions and financial matters. In addition, over the past year, the Company has embarked on a centrally driven effort to redesign its sales and construction processes and to streamline its information systems. The Company's process redesign, information systems and mortgage origination efforts are part of a centrally driven emphasis on improving the Company's overall profitability.

CONSERVATIVE LAND POLICIES. The Company seeks to maximize its return on capital employed by limiting its investment in land and by focusing on inventory turnover. To implement this strategy and to reduce the risks associated with investments in land, the Company enters into option agreements to control land whenever possible. At December 31, 1997, approximately 50% of the land controlled by

the Company was subject to option contracts. In addition, the Company does not speculate in unentitled land.

During the quarter ended December 31, 1997, the Company received 1,086 new contracts for homes, an increase of approximately 5% over the quarter ended December 31, 1996. Backlog at December 31, 1997 was 1,336 homes, with a total dollar value of approximately $212.7 million, a decrease in number of homes of approximately 0.8%, but an increase of approximately 7.3% in dollar value, from backlog at December 31, 1996.

During fiscal year 1996, the Company established Beazer Mortgage. Beazer Mortgage originates, but does not hold or service, mortgages for homebuyers of the homebuilding operations of the Company. At December 31, 1997, Beazer Mortgage had branches operating in eight of the nine states in which the Company operates. Beazer Mortgage opened a branch in the last state, Tennessee, in January 1998.

DESCRIPTION OF MARKETS AND PRODUCTS

The Company evaluates a number of factors in determining which geographic markets to enter or in which to concentrate its homebuilding activities. The Company attempts to anticipate swings in economic and real estate conditions by evaluating such statistical information as (i) the historical and projected growth of the population; (ii) the number of new jobs created or projected to be created; (iii) the number of housing starts in previous periods; (iv) building lot availability and price; (v) housing inventory; (vi) level of competition; and (vii) home sales absorption rates. In addition, the Company seeks to avoid direct competition in a particular market with respect to product type.

The Company maintains the flexibility to alter its product mix within a given market depending on market conditions and, in determining its product mix, considers demographic trends, demand for a particular type of product, margins, timing and the economic strength of the market. While remaining responsive to market opportunities within the industry, the Company in recent years has focused, and intends to continue to focus, its business primarily on entry-level and first time move-up housing in the form of single family detached homes and townhouses. Generally, entry-level homes are priced at the lower end of the market and target first time home buyers, while first time move-up homes generally are priced in the mid-to-upper price range and target a wide variety of home buyers as they progress in income and family size. Although certain of the Company's move-up homes are priced at the upper end of the market and the Company offers a selection of amenities, the Company generally does not build "custom homes," and its prices of first time move-up homes generally are well below the prices of custom homes in most areas. The Company attempts to maximize efficiency by using standardized design plans whenever possible.

The following table summarizes information regarding the Company's markets as of and for the year ended September 30, 1997. The number of active projects by state is as of September 30, 1997, while the number of homes closed by state covers the entire fiscal year then-ended. As a result of changes during the

fiscal year in the number of active projects in certain states, the number of active projects and the number of homes closed may not be comparable.

STATE	MARKETS	YEAR ENTERED	AVERAGE CLOSING PRICE BY STATE	ACTIVE PROJECTS BY STATE	NUMBER OF HOMES CLOSED BY STATE
SOUTHEAST REGION:					
Florida:(1)	Jacksonville	1993	$ 182,600	32	394
	Treasure Coast	1995			
	Fort Meyers/Naples	1996			
	Tampa/St. Petersburg	1996			
Georgia:	Atlanta	1985	164,500	13	174
North Carolina:	Charlotte	1987	155,200	22	628
	Raleigh	1992			
South Carolina:	Charleston	1987	117,000	15	391
	Columbia	1993			
	Myrtle Beach	1996			
Tennessee:	Nashville	1987	196,700	22	457
	Knoxville	1995			
SOUTHWEST REGION:					
Arizona:	Phoenix	1993	112,800	30	1,416
California:	Los Angeles County	1993	151,600	17	1,035
	Orange County	1993			
	Riverside & San Bernardino Counties	1993			
	San Diego County	1992			
	Ventura County	1993			
	Solano County	1993			
Nevada:	Las Vegas	1993	155,400	13	567
	Reno/Sparks	1996			
CENTRAL REGION:					
Texas:	Dallas	1995	155,900	33	723
	Houston	1995			
Total Company:			$ 147,100	197	5,785

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(1) Through its acquisition of the Orlando operations of Calton, the Company entered the Orlando, Florida market subsequent to the fiscal year ended September 30, 1997.

The Company's homebuilding and marketing activities are conducted under the name of Beazer Homes in each of its markets except in: (i) Ft. Meyers/Naples, where it does business as GulfCoast Homes; (ii) Jacksonville, where it does business as Panitz Homes; (iii) Tennessee, where it does business as Phillips Builders; and (iv) North Carolina and South Carolina, where it does business as Squires Homes.

GROWTH STRATEGY AND MARKET POSITION

The Company has grown, and intends to continue to grow, its operations through a combination of internal growth and expansion into new markets through acquisitions. The Company's overall growth strategy is comprised of three components: (i) internal growth in markets where the Company believes it can strengthen its competitive position; (ii) expansion into "satellite" markets near its current markets, where it can leverage off of its existing operations; and (iii) expansion into new markets and regions through acquisitions. The Company believes that a strong competitive position in each of the markets it

serves allows it to have better access to land and subcontractor labor in those markets. The Company strives to be one of the top five builders in each of the markets in which it operates. Currently, the Company believes that it is among the top five builders, measured by 1997 housing starts or closings, in Raleigh, Charlotte, Nashville, Knoxville, Charleston, Columbia, Jacksonville, Phoenix, Las Vegas and Sacramento. Although the Company is not among the top five builders in the Southern California market, it is currently experiencing significant growth and improvements in profitability that are consistent with recent growth in that region of the state.

LAND ACQUISITION AND DEVELOPMENT

The Company acquires land both through purchase and by means of option contracts. Substantially all of the land acquired by the Company is purchased only after necessary entitlements have been obtained so that the Company has certain rights to begin development or construction as market conditions dictate. In certain situations, the Company may purchase or control through options unentitled property where it perceives an opportunity to build on such property in a manner consistent with the Company's strategy. The term "entitlements" refers to development agreements, tentative maps or recorded plats, depending on the jurisdiction within which the land is located. Entitlements generally give a developer the right to obtain building permits upon compliance with conditions that are usually within the developer's control. Although entitlements are ordinarily obtained prior to the Company's purchase of land, the Company is still required to obtain a variety of other governmental approvals and permits during the development process.

The Company selects its land for development based upon a variety of factors, including (i) internal and external demographic and marketing studies; (ii) suitability for projects comprised of generally less than 150 homesites; (iii) suitability for development during the time period of one to five years from the beginning of the development process to the last closing; (iv) financial review as to the feasibility of the proposed project, including projected value created, profit margins and returns on capital employed; (v) the ability to secure governmental approvals and entitlements; (vi) environmental and legal due diligence; (vii) competition; (viii) proximity to local traffic corridors and amenities; and (ix) management's judgment as to the real estate market, economic trends and the Company's experience in a particular market.

The Company generally purchases land or obtains an option to purchase land which, in either case, requires certain site improvements prior to construction. Where required, the Company then undertakes or, in the case of land under option, the grantor of the option then undertakes, the development activities (through contractual arrangements with local developers) that include site planning and engineering, as well as constructing road, sewer, water, utilities, drainage and recreational facilities and other amenities. When available in certain markets, the Company also buys finished lots that are ready for construction.

The Company strives to develop a design and marketing concept for each of its projects, which includes determination of size, style and price range of the homes, layout of streets, layout of individual lots and overall community design. The product line offered in a particular project depends upon many factors, including the housing generally available in the area, the needs of a particular market and the Company's cost of lots in the project. The Company is, however, often able to use standardized design plans. The development and construction of each project are managed by the Company's operating divisions, each of which is led by a president who, in turn, reports to the Company's Executive Vice President of Operations and the Company's Chief Executive Officer. At the development stage, a manager supervises development of buildable lots. In addition, a field superintendent is located at each project site to supervise actual construction, and each division has one or more customer service and marketing representatives assigned to projects operated by that division. The Company typically controls between a 2.5 and 3.0 year supply of lots, approximately 50% of which are owned and 50% controlled through options. During the quarter ended December 31, 1997, the Company increased its supply of land such that it represented a 3.5 year supply based upon the last twelve months' closings. This increase in the

Company's supply of land, however, is consistent with the Company's positive view of the current economic conditions and its recent growth in new orders during the two months ended February 28, 1998. The following table sets forth, by state, the Company's land inventory as of December 31, 1997.

	LAND OWNED		LAND UNDER CONTRACT		
	FINISHED LOTS	UNDEVELOPED LOTS(1)	FINISHED LOTS	UNDEVELOPED LOTS(1)	TOTAL
SOUTHEAST REGION:					
Georgia	393	--	105	58	556
North Carolina	672	125	570	1,216	2,583
South Carolina	411	--	129	1,064	1,604
Tennessee	1,056	16	817	533	2,422
Florida	877	--	1,072	147	2,096
SOUTHWEST REGION:					
Arizona	1,354	--	2,756	--	4,110
California	1,095	582	296	362	2,335
Nevada	593	682	324	--	1,599
CENTRAL REGION:					
Texas	1,972	--	392	134	2,498
Total	8,423	1,405	6,461	3,514	19,803

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(1) Undeveloped lots consist of raw land that is expected to be developed into the respective number of lots reflected in this table.

The Company acquires certain lots by means of option contracts. Option contracts generally require the payment of a cash deposit or issuance of a letter of credit for the right to acquire lots during a specified period of time at a certain price. Under option contracts without specific performance obligations, the Company's liability is limited to forfeiture of the non-refundable deposits, which aggregated approximately $10.7 million at December 31, 1997. Under option contracts with specific performance obligations, the Company generally is required to purchase specific numbers of lots on fixed dates pursuant to a contractually established schedule. Under such option contracts with specific performance obligations, the party granting the option is required to maintain and/or develop the property pursuant to certain standards specified in the contract and to deliver lots which are free of any liens and are appropriate for residential building pursuant to a specified schedule. If the Company fails to purchase the required number of lots on the date fixed for purchase pursuant to such option contracts and the party granting the option has fulfilled all of its obligations under the contract, the party granting the option to the Company generally has the right to either terminate the option granted pursuant to the option contract in its entirety or to require the Company to purchase the remaining lots. If the party granting the option fails to meet its obligations under such option contracts, the Company generally may, at its option, either not make the lot purchase or require the party granting the option to cure the deficiency. Under such option contracts, if the Company purchases a lot and subsequently discovers that the lot did not meet all of the conditions specified by the option contract, the Company generally may require the party granting the option to repurchase the lot or cure the deficiency. At December 31, 1997, committed amounts under option contracts with specific performance obligations aggregated approximately $46.7 million, while option contracts without specific performance obligations aggregated approximately $190.1 million. The Company's option contracts have expiration periods ranging from one to 60 months.

CONSTRUCTION

The Company acts as the general contractor for the construction of its projects. The Company's project development operations are controlled by its subsidiaries and divisions, whose employees supervise

the construction of each project, coordinate the activities of subcontractors and suppliers, subject their work to quality and cost controls and assure compliance with zoning and building codes. The Company specifies that quality, durable materials be used in the construction of the Company's homes. The Company's subcontractors follow design plans prepared by architects and engineers who are retained by the Company and whose designs are geared to the local market. Subcontractors typically are retained on a project-by-project basis to complete construction at a fixed price. Agreements with the Company's subcontractors and materials suppliers are generally entered into after competitive bidding, and the Company does not have any long-term contractual commitments with any of its subcontractors or suppliers. In connection with such competitive bid process, the Company obtains information from prospective subcontractors and vendors with respect to their financial condition and ability to perform their agreements with the Company. The Company does not maintain significant inventories of construction materials except for materials being utilized for homes under construction. The Company has numerous suppliers of raw materials and services used in its business, and such materials and services have been and continue to be readily available. Material prices may fluctuate, however, due to various factors, including demand or supply shortages which may be beyond the control of the Company's vendors. The Company from time to time enters into regional and national supply contracts with certain of its vendors. For instance, during 1996 the Company entered into a three-year agreement with General Electric as its exclusive supplier of appliances. The Company believes that its relationships with its suppliers and subcontractors are good.

Construction time for the Company's homes depends on the availability of labor, materials and supplies, product type and location. Homes are designed to promote efficient use of space and materials, and to minimize construction costs and time. In the majority of the Company's markets, construction of a home historically has been completed within three to four months following commencement of construction. At December 31, 1997, the Company had 700 finished homes, of which 238 were sold and included in backlog at such date.

CORPORATE OPERATIONS

At a centralized level, the Company (i) evaluates and selects geographic markets; (ii) allocates capital resources to particular markets, including with respect to land acquisitions; (iii) maintains the Company's relations with its lenders to regulate the flow of financial resources and develop consistent relationships with such lenders; (iv) maintains centralized information systems; and (v) monitors the decentralized operations of the Company's subsidiaries and divisions. The Company allocates capital resources necessary for new projects consistent with its overall operating strategy. The Company varies such capital allocation based on market conditions, results of operations and other factors. Capital commitments are determined through consultation among selected executive and operational personnel, who play an important role in ensuring that new projects are consistent with the Company's strategy. Centralized financial controls are also maintained through the standardization of accounting and financial policies and procedures, which are applied uniformly throughout the Company. Over the past year, the Company has embarked on a centrally driven effort to redesign its sales and construction processes and to streamline its information systems. The Company's process redesign, information systems and mortgage origination efforts are part of an emphasis on improving the Company's overall profitability.

Structurally, the Company operates through separate divisions, which are generally located within the areas in which they operate. Each division is managed by executives with substantial experience in the division's market. In addition, each division is equipped with the skills to complete the functions of land acquisition, map processing, land development, construction, marketing, sales and product service.

WARRANTY PROGRAM

The Company provides a one-year limited warranty of workmanship and materials with each of its homes, which generally includes home inspection visits with the customer during the first year following

the purchase of a home. The Company subcontracts its homebuilding work to subcontractors who provide the Company with an indemnity and a certificate of insurance prior to receiving payments for their work and, therefore, claims relating to workmanship and materials are generally the primary responsibility of the Company's subcontractors.

The Company has established a risk retention group, United Home Insurance Corp. ("UHIC"), to self insure its structural warranty obligations and replace the Company's warranty program with Home Buyers Warranty Corporation ("HBW"). During fiscal 1997, UHIC was licensed by the State of Vermont as a captive insurance risk retention group. UHIC did not insure any warranty obligations during fiscal 1997, however such insurance has been provided by UHIC to Beazer home buyers starting in calendar 1998. The Company believes this will result in cost savings to the Company as well as increased control over the warranty process.

For homes purchased prior to the establishment of UHIC, the Company provided a 10-year homeowners' warranty through a single national agreement with HBW. Under both the UHIC and HBW warranties, the first year of such warranties covers defects in plumbing, electrical, heating, cooling and ventilation systems, and major structural defects; the second year of such warranty covers major structural defects and certain defects in plumbing, electrical, heating, cooling and ventilation systems of the home (exclusive of defects in appliances, fixtures and equipment); and the final eight years of protection cover only major structural defects.

An allowance of approximately 0.5% to 1.0% of the sale price of a home is established to cover warranty expenses, although this allowance is subject to adjustment in special circumstances. The Company's historical experience is that such warranty expenses generally fall within the amount established for such allowance.

For homes closed prior to October 7, 1994, the Company's structural warranty coverage was with the Home Owners Warranty Corporation ("HOW"). On October 7, 1994, the Commonwealth of Virginia placed HOW under temporary receivership, and a permanent injunction followed on October 17, 1994. Terms of the injunction allowed policies that were effective prior to October 7, 1994 to be honored for their full term, but there can be no assurance that funds set aside will be sufficient to honor any claims under any such policies. Concurrent with the above, the Company entered into an agreement with HBW to provide its homebuyers with equally suitable coverage for homes closed subsequent to October 7, 1994. The Company anticipates, however, that substantially all claims under such policies will be at levels below applicable deductibles and, therefore, could be the subject of a claim under the Company's warranty. The Company does not currently have any material litigation or claims regarding warranties or latent defects with respect to the construction of its homes. The Company believes that claims and litigation will be substantially covered by the Company's warranty accrual or insurance.

MARKETING AND SALES

The Company makes extensive use of advertising and other promotional activities, including newspaper advertisements, brochures, direct mail and the placement of strategically located sign boards in the immediate areas of its developments.

The Company normally builds, decorates, furnishes and landscapes between one and five model homes for each project and maintains on-site sales offices. At December 31, 1997, the Company maintained 309 model homes, of which 248 were owned and 61 were leased from third parties pursuant to sale and leaseback agreements. The Company believes that model homes play a particularly important role in the Company's marketing efforts. Consequently, the Company expends a significant effort in creating an attractive atmosphere at its model homes. Interior decorations are undertaken by both in-house and third party local design specialists, and vary among the Company's models based upon the lifestyles of targeted home buyers. The purchase of furniture, fixtures and fittings is coordinated to ensure that manufacturers' bulk discounts are utilized to the maximum extent. Structural changes in design from the model homes are

not generally permitted, but home buyers may select various optional amenities. The Company also uses a cross-referral program that encourages Company personnel to direct customers to other Company subdivisions based on the customers' needs.

The Company generally sells its homes through commissioned employees (who typically work from the sales offices located at the model homes used in each division) as well as through independent brokers. Company personnel are available to assist prospective home buyers by providing them with floor plans, price information and tours of model homes and in connection with the selection of options. The Company's selection of interior features is a principal component of the Company's marketing and sales efforts. The Company has attempted to increase the sales of such options and interior features by opening centralized design centers in the majority of its markets during fiscal 1997. Sales personnel are trained by the Company and attend periodic meetings to be updated on sales techniques, competitive products in the area, the availability of financing, construction schedules, marketing and advertising plans, which management believes result in a sales force with extensive knowledge of the Company's operating policies and housing products. The Company's policy also provides that sales personnel be licensed real estate agents where required by law.

The Company typically also builds a number of homes for which no signed sales contract exists at the time of commencement of construction. The use of an inventory of such homes is necessary to satisfy the requirements of relocated personnel and of independent brokers, who often represent customers who require a completed home within 60 days. At December 31, 1997, excluding models, the Company had 1,219 homes at various stages of completion for which the Company had not received a sales contract.

The Company uses various sales incentives (such as landscaping and certain interior home options and upgrades) in order to attract home buyers. The use of incentives depends largely on prevailing economic and competitive market conditions.

CUSTOMER FINANCING

The Company provides customer financing in certain markets through branch offices of Beazer Mortgage. Beazer Mortgage provides mortgage originations only, and does not retain or service the mortgages that it originates. Such mortgages are generally funded by one of a network of mortgage lenders arranged for the Company by Homebuilders Financial Network, an independent consultant of the Company. As of December 31, 1997, Beazer Mortgage had branches operating in eight of the nine states in which the Company operates. Beazer Mortgage opened a branch in the last state, Tennessee, in January 1998.

For operations that have not established Beazer Mortgage branches, the Company seeks to assist its home buyers in obtaining financing from mortgage lenders offering qualified home buyers a variety of financing options, including a wide variety of conventional, FHA and VA financing programs. From time to time, the Company has arranged for lender representatives to be available in sales offices, has prequalified home buyers and has paid a portion of the closing costs and discount mortgage points to assist home buyers with financing. In certain limited circumstances, the Company may attempt to minimize potential risks relating to the availability of customer financing by purchasing mortgage financing commitments that lock in the availability of funds and interest rates at specified levels for a certain period of time. Since substantially all home buyers utilize long-term mortgage financing to purchase a home, adverse economic conditions, increases in unemployment and high mortgage interest rates may deter and eliminate a substantial number of potential home buyers from the Company's markets in the future.

JOINT VENTURE

On December 9, 1997, the Company and Corporacion GEO, the largest builder of affordable homes in Mexico, entered into a joint venture arrangement to build homes in the United States. The joint venture will focus exclusively on the development, construction and sale of affordable housing (initially expected to

be priced between $35,000 and $45,000) in the Southern United States, initially focusing on Texas. The joint venture is owned 60% by Corporacion GEO and 40% by Beazer. The Company's capital contributions to the joint venture over the venture's first three years of operations are not expected to exceed $6.0 million. The Company intends to use the joint venture as its entry into the affordable segment of the housing market, typically served by the manufactured housing industry. The Company believes that as a result of immigration and population growth trends, affordable housing will be one of the fastest growing segments of the housing market and is currently one that is underserved by conventional housing companies. The Company further believes that Corporacion GEO's extensive experience in affordable housing, as well as its building design and construction techniques, will assist the Company in profitably serving this segment of the market. The Company expects that the joint venture will deliver its first homes in its initial project located in El Paso, Texas in late calendar 1998. The Company does not expect the joint venture to have a significant effect on operating results in fiscal 1998.

COMPETITION AND MARKET FACTORS

The development and sale of residential properties is highly competitive and fragmented. The Company competes for residential sales on the basis of a number of interrelated factors, including location, reputation, amenities, design, quality and price, with numerous large and small homebuilders, including some homebuilders with nationwide operations and greater financial resources and/or lower costs than the Company. The Company also competes for residential sales with individual resales of existing homes, available rental housing and, to a lesser extent, resales of condominiums. The Company believes that it compares favorably to other builders in the markets in which it operates, due primarily to (i) its experience within its geographic markets and breadth of product line, which allow it to vary its regional product offerings to reflect changing market conditions; (ii) its responsiveness to market conditions, enabling it to capitalize on the opportunities for advantageous land acquisitions in desirable locations; and (iii) its reputation for quality design, construction and service.

The housing industry is cyclical and is affected by consumer confidence levels, prevailing economic conditions generally, and interest rate levels in particular. A variety of other factors affect the housing industry and demand for new homes, including the availability of labor and materials and increases in the costs thereof, changes in costs associated with home ownership such as increases in property taxes and energy costs, changes in consumer preferences, demographic trends and the availability of and changes in mortgage financing programs.

GOVERNMENT REGULATION AND ENVIRONMENTAL MATTERS

Substantially all the Company's land is purchased with entitlements, giving it the right to obtain building permits upon compliance with specified conditions, which generally are within the Company's control. Upon compliance with such conditions, the Company must seek building permits. The length of time necessary to obtain such permits and approvals affects the carrying costs of unimproved property acquired for the purpose of development and construction. In addition, the continued effectiveness of permits already granted is subject to factors such as changes in policies, rules and regulations and their interpretation and application. Several governmental authorities in California have imposed impact fees as a means of defraying the cost of providing certain governmental services to developing areas. To date, the governmental approval processes discussed above have not had a material adverse effect on the Company's development activities, and indeed all homebuilders in a given market face the same fees and restrictions. There can be no assurance, however, that these and other restrictions will not adversely affect the Company in the future.

The Company may also be subject to periodic delays or may be precluded entirely from developing communities due to building moratoriums or "slow-growth" or "no-growth" initiatives or building permit allocation ordinances which could be implemented in the future in the states and markets in which it operates. Substantially all of the Company's land is entitled and, therefore, the moratoriums generally

would only adversely affect the Company if they arose from health, safety and welfare issues such as insufficient water or sewage facilities. Local and state governments also have broad discretion regarding the imposition of development fees for projects in their jurisdiction. These are normally established, however, when the Company receives recorded final maps and building permits. The Company is also subject to a variety of local, state and federal statutes, ordinances, rules and regulations concerning the protection of health and the environment. These laws may result in delays, cause the Company to incur substantial compliance and other costs, and prohibit or severely restrict development in certain environmentally sensitive regions or areas.

BONDS AND OTHER OBLIGATIONS

The Company is frequently required, in connection with the development of its projects, to obtain letters of credit and performance, maintenance and other bonds in support of its related obligations with respect to such developments. The amount of such obligations outstanding at any time varies in accordance with the Company's pending development activities. In the event any such bonds or letters of credit are drawn upon, the Company would be obligated to reimburse the issuer of such bonds or letters of credit. At December 31, 1997, there were approximately $6.2 million and $58.3 million of outstanding letters of credit and performance bonds, respectively, for such purposes. The Company does not believe that any such bonds or letters of credit are likely to be drawn upon.

EMPLOYEES AND SUBCONTRACTORS

At December 31, 1997, the Company employed 1,214 persons, of whom 277 were sales and marketing personnel, 421 were executive, management and administrative personnel, 452 were involved in construction, 36 were personnel of Beazer Mortgage and 28 were employed at the Nashville, Tennessee manufacturing facility. Although none of the Company's employees is covered by collective bargaining agreements, certain of the subcontractors engaged by the Company are represented by labor unions or are subject to collective bargaining arrangements. The Company believes that its relations with its employees and subcontractors are good.

PROPERTIES

The Company leases approximately 8,900 square feet of office space in Atlanta, Georgia to house its corporate headquarters. The Company also leases an aggregate of approximately 135,000 square feet of office space for is subsidiaries' operations at various locations. The Company owns approximately 18,500 square feet of manufacturing space and 6,800 square feet of office space in Nashville, Tennessee.

LITIGATION

The Company is involved in various legal proceedings, all of which have arisen in the ordinary course of business and some of which are covered by insurance. In the opinion of the Company's management, none of the claims relating to such proceedings will have a material adverse effect on the financial condition, results of operations or cash flows of the Company.

DIRECTORS AND EXECUTIVE OFFICERS

The directors and executive officers of the Company are as follows:

NAME	AGE	POSITION
Brian C. Beazer	63	Non-Executive Chairman of the Board and Director
Ian J. McCarthy	44	President, Chief Executive Officer and Director
Michael H. Furlow	47	Executive Vice President, Operations
David S. Weiss	37	Executive Vice President, Chief Financial Officer and Director
John Skelton	48	Senior Vice President, Operations and Controller
Peter H. Simons	38	Vice President, Corporate Development
James A. Moore	57	Vice President, Chairman of the Process Redesign and Systems Advisory Committee
Cory J. Boydston	38	Vice President--Administration and Treasurer
Thomas B. Howard, Jr	69	Director
George W. Mefferd	70	Director
D.E. Mundell	65	Director
Larry T. Solari	54	Director

BRIAN C. BEAZER. Mr. Beazer has served as non-executive Chairman since March 1994. He began work in the construction industry in the late 1950's. He served as Chief Executive Officer of Beazer PLC from 1968 to 1991, and Chairman of that company from 1983 to 1991. Mr. Beazer is also a Director of Beazer Japan Ltd., Seal Mint Ltd., Jade Holdings Pfe Ltd., Jade Technologies Singapore Pfe Ltd. and U.S. Industries, Inc.

IAN J. MCCARTHY. Mr. McCarthy is the President and Chief Executive Officer of the Company. Mr. McCarthy has served as President of predecessors of the Company since January 1991, responsible for all United States residential homebuilding operations in that capacity. During the period from May 1981 to January 1991, Mr. McCarthy was employed in Hong Kong and Thailand as a Civil Engineer becoming a Director of Beazer Far East and, from January 1980 to May 1981, he was employed by Kier, Ltd., a company engaged in the United Kingdom construction industry which became an indirect, wholly-owned subsidiary of Beazer PLC. Mr. McCarthy is a chartered civil engineer with a Bachelor of Science degree from The City University, London.

MICHAEL H. FURLOW. Mr. Furlow joined the Company in October 1997 as the Executive Vice President for Operations. In this capacity the Division Presidents report to Mr. Furlow and he is responsible for the performance of those operating divisions. During the preceding 12 years Mr. Furlow was with Pulte Home Corporation in various field and corporate roles, most recently as a Regional President. Mr. Furlow received a Bachelor of Arts degree with honors in accounting from the University of West Florida and initially worked as a CPA for Arthur Young & Company.

DAVID S. WEISS. Mr. Weiss has served as Executive Vice President and Chief Financial Officer of the Company since November 1993. Mr. Weiss served as the Assistant Corporate Controller of Hanson Industries, the United States arm of Hanson PLC, for the period from February 1993 to March 1994. Mr. Weiss was manager of Financial Reporting for Colgate-Palmolive Company from November 1991 to February 1993 and was with the firm of Deloitte & Touche from 1982 to November 1991, at which time he served as a Senior Audit manager. Mr. Weiss holds a Master of Business Administration degree from the Wharton School and undergraduate degrees in Accounting and English from the University of Pennsylvania. Mr. Weiss is a licensed Certified Public Accountant.

JOHN SKELTON. Mr. Skelton has served as the Company's Senior Vice President, Operations and Controller since March 1994. Mr. Skelton served as Vice President and Chief Financial Officer of Beazer Homes, Inc. since 1985. During the period 1977 to 1985, Mr. Skelton served as Finance Director of Leech Homes, a subsidiary of Leech PLC which was acquired by Beazer PLC in 1985. After graduating with a Bachelor's degree from Durham University in the United Kingdom, he was employed by Deloitte & Touche and is a Fellow of the Institute of Chartered Accountants in England and Wales.

PETER H. SIMONS. Mr. Simons has served as Vice President of Corporate Development since September 1994. The preceding year, he was Director of Operations for Lokelani Homes in Hawaii. From 1989 to 1993, Mr. Simons was a Senior Project Manager for Castle & Cooke Properties in Hawaii. Mr. Simons earned a Bachelor of Arts degree from Yale University and a Masters in Public and Private Management from the Yale School of Management.

JAMES A. MOORE. Mr. Moore joined the Company as President of Beazer Homes Nevada in January 1994. Mr. Moore served the Company as Southeast Regional Manager responsible for operations in Georgia, Texas and Florida for the period from May 1995 to September 1997. In September 1997. Mr. Moore was appointed Chairman of the Process Redesign and Systems Advisory Committee. Prior to joining the Company, Mr. Moore was President of Watt Housing Corp., a homebuilding and land development company, as well as a director and officer of Watt Housing Corp. and several of its subsidiaries. Mr. Moore has also acted as a management consultant in the homebuilding industry. Mr. Moore earned a Bachelor of Science degree in Accounting from Northern Illinois University. Mr. Moore is a licensed Certified Public Accountant.

CORY J. BOYDSTON. Mrs. Boydston has been the Vice President--Administration and Treasurer of the Company since January 1998. Prior to joining the Company, Mrs. Boydston served in various capacities with Lennar Corporation from 1987 to 1997, including Chief Financial Officer. Prior to joining Lennar Corporation, Mrs. Boydston was with Hayes Microcomputer Products in Atlanta, Georgia from 1985 to 1987, and was with Arthur Andersen & Co. in Atlanta, Georgia from 1981 to 1984. Mrs. Boydston holds a Bachelor of Arts degree in Accounting from Florida State University and holds an active Certified Public Accountant's license in the State of Georgia.

THOMAS B. HOWARD, JR. Mr. Howard has been Director of the Company since 1995. He served as the Chairman and Chief Executive Officer of Gifford-Hill & Company, a construction and aggregates company, from 1969 to 1989. Gifford-Hill & Co. was acquired by Beazer PLC in 1989 and Mr. Howard served as Chairman and Chief Executive Officer of the successor company until 1992. During the period 1957 to 1969, Mr. Howard held various positions with Vulcan Materials Company. Mr. Howard currently serves as a Director of Lennox International, Inc. and on the Board of Trustees of the Methodist Hospitals Foundation.

GEORGE W. MEFFERD. Mr. Mefferd has served as a Director since March 1994. In 1986, Mr. Mefferd served as Group Vice President and a Director of Fluor Corporation, an engineering and construction company. From 1974 to 1986, Mr. Mefferd held various positions with Fluor Corporation, including Senior Vice President--Finance, Treasurer, Group Vice President and Chief Financial Officer.

D.E. MUNDELL. Mr. Mundell has served as a Director since March 1994. Mr. Mundell has served as Chairman of ORIX USA Corporation, a financial services company, since January 1991. During the period 1959 to 1990, Mr. Mundell held various positions within United States Leasing International, Inc., retiring as Chairman in 1990. He is also a Director of Varian Associates and Stockton Holding, Ltd.

LARRY T. SOLARI. Mr. Solari has served as a Director since March 1994. He is the Chairman and CEO of Sequentia, Inc., Cleveland, Ohio and is also Chairman and CEO of BSI Holdings, Inc. Mr. Solari was the President of the Building Materials Group of Domtar, Inc. He was the President of the Construction Products Group, Owens-Corning Fiberglass from 1986 to 1994. Mr. Solari is a Director of Pacific Coast Building Products, Inc., Sequentia, Inc. and Therma True, Inc. and he has been a Director of the Policy Advisory Board of the Harvard Joint Center for Housing Studies and an Advisory Board Member of the National Home Builders Association.

DESCRIPTION OF THE CREDIT FACILITY

The Company maintains a revolving line of credit with a group of banks pursuant to that certain Credit Facility, dated as of October 22, 1996, and amended as of July 29, 1997 and as of December 10, 1997 among the Company, The First National Bank of Chicago as the issuing bank and agent and the other banks party thereto. The Credit Facility provides for up to $200 million of unsecured borrowings. Borrowings under the Credit Facility generally bear interest payable monthly at a fluctuating rate based upon the corporate base rate of interest announced by The First National Bank of Chicago, the federal funds rate or LIBOR. All outstanding borrowings under the Credit Facility are due in February 2001. The Credit Facility contains various operating and financial covenants and substantially all of Company's subsidiaries are guarantors of the Company's obligations under the Credit Facility. The Credit Facility includes a financial covenant limiting the dollar value of Land (as defined therein) owned by the Company to the amount of its Tangible Net Worth (as defined therein). At December 31, 1997, the value of Land owned by the Company exceeded this maximum by approximately $6 million. The Company has received a waiver from each of the participating banks in the Credit Facility relating to this covenant through March 31, 1998. The Company was in compliance with this covenant at February 28, 1998, and expects to be in compliance as of March 31, 1998, through its use of Land in the ordinary course of business.

Available borrowings under the Credit Facility are limited to certain percentages of homes under contract, unsold homes, substantially improved lots and accounts receivable. At December 31, 1997 the Company had $120 million in borrowings outstanding at an average interest rate of 7.3% and had available additional borrowings of approximately $24.8 million under the Credit Facility. After giving effect to the application of the proceeds received upon issuance of the Old Notes, at December 31, 1997 the Company would have had approximately $23.6 million in borrowings outstanding and would have had available additional borrowings of approximately $21.2 million under the Credit Facility.

DESCRIPTION OF 1994 NOTES

The Company has outstanding $115 million principal amount of 1994 Notes, which mature on March 1, 2004. Interest on the 1994 Notes accrues at 9% PER ANNUM and is payable semiannually. The Company may, at its option, redeem the 1994 Notes in whole or in part at any time after March 1, 1999, initially at 102.571% of the principal amount, declining ratably to 100% of the principal amount thereof on or after March 1, 2001, in each case together with accrued interest. The 1994 Notes are unsecured and rank PARI PASSU (except as to collateral) with, or senior in right of payment to, all other existing and future indebtedness of the Company. The 1994 Notes are guaranteed on a senior unsecured basis by all of the significant subsidiaries of the Company.

The indenture governing the 1994 Notes (the "1994 Note Indenture") contains certain restrictive covenants, including covenants which restrict the ability of the Company and its subsidiaries from (i) declaring any dividends or making other distributions on, or redeeming the Company's equity securities, including its common stock; (ii) redeeming or otherwise acquiring any subordinated indebtedness of the Company or certain indebtedness of its subsidiaries; (iii) making certain investments; (iv) incurring additional indebtedness; (v) selling or leasing assets or property not in the ordinary course of business; (vi) undergoing certain fundamental changes (such as mergers, consolidations and liquidations); (vii) creating certain liens; (viii) entering into certain transactions with affiliates; and (ix) imposing additional future restrictions on upstream payments from certain subsidiaries, all as set forth in the 1994 Note Indenture. In addition, the 1994 Note Indenture provides that in the event of defined changes in control or if the consolidated tangible net worth of the Company and its subsidiaries falls below a specified level or, in certain circumstances, upon sales of assets, the Company is required to make an offer to repurchase certain specified amounts of outstanding 1994 Notes. At December 31, 1997, under the most restrictive covenants, approximately $30.4 million was available for payment of cash dividends and for the acquisition by the Company of its common stock.

DESCRIPTION OF PREFERRED STOCK

The Company has authority to issue 5,000,000 shares of Preferred Stock, from time to time, in one or more series, as authorized by the Board of Directors of the Company. As of the date of this Prospectus, the Company has issued 2,000,000 shares of Preferred Stock, denominated Series A Cumulative Convertible Exchangeable Preferred Stock (the "Series A Shares"), all of which shares are outstanding as of the date hereof. The Series A Shares pay dividends quarterly at an annual rate of 8%, are convertible at the holder's option into Common Stock at a conversion price of $19.05 per share of Common Stock and are exchangeable, at the Company's option, into 8% Convertible Subordinated Debentures due 2005. The Series A Shares are redeemable, in whole or in part, at the option of the Company on and after September 1, 1998 initially at a price of $26.25 per share and thereafter at prices declining to $25.00 per share on and after September 1, 2003, plus accrued and unpaid dividends, if any, to the redemption date.

As of the date of this Prospectus, the Company has adopted a Shareholder Rights Plan and distributed a dividend of one preferred share purchase right (a "Right") to purchase one one-hundredth of a share of Preferred Stock, denominated Junior Participating Preferred Stock, Series B (the "Series B Shares") of the Company. The Company has authorized the issuance of up to 300,000 shares of Series B Shares. The Rights are redeemable and may be amended at the Company's option before they become exercisable. Until a Right is exercised, the holder of a Right has no rights as a shareholder of the Company. The Rights expire on June 24, 2006.

DESCRIPTION OF NOTES

The Old Notes were and the Exchange Notes will be issued under an Indenture, dated as of March 25, 1998, between the Company and U.S. Bank Trust National Association (the "Trustee"). The following summaries of certain provisions of the Indenture do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Indenture, including the definitions of certain terms therein. Wherever particular sections or defined terms of the Indenture not otherwise defined herein are referred to, such sections or defined terms shall be incorporated herein by reference. A copy of the Indenture is filed as an exhibit to the Registration Statement.

GENERAL

The Notes are general unsecured senior obligations of the Company. The maximum aggregate principal amount of the Notes to be issued under the Indenture is $200 million. Additional Notes may be issued from time to time subject to the limitations set forth under "Certain Covenants--Limitations on Additional Indebtedness." The Notes are guaranteed by each of the Subsidiary Guarantors pursuant to the guarantees (the "Subsidiary Guarantees") described below. The Indebtedness represented by the Notes ranks PARI PASSU in right of payment with all existing and future unsecured Indebtedness of the Company that is not, by its terms, expressly subordinated in right of payment to the Notes. The Subsidiary Guarantees are general unsecured obligations of the Subsidiary Guarantors and rank PARI PASSU in right of payment with all existing and future unsecured Indebtedness of the Subsidiary Guarantors that is not, by its terms, expressly subordinated in right of payment to the Subsidiary Guarantees.

Substantially all of the operations of the Company are conducted through the Subsidiary Guarantors, which comprise all of the significant subsidiaries of the Company. As a result, the Company is dependent upon the earnings and cash flow of the Subsidiary Guarantors to meet its obligations, including obligations with respect to the Notes.

Secured creditors of the Company will have a claim on the assets which secure the obligations of the Company to such creditors prior to claims of holders of the Notes against those assets. At December 31, 1997, as adjusted to give effect to the application of the proceeds received upon issuance of the Old Notes, the total Indebtedness of the Company, other than the Notes, would have been approximately $138 million, none of which would have been subordinated to the Notes or the Subsidiary Guarantees. Secured

creditors of the Subsidiary Guarantors will have a claim on the assets which secure the obligations of such Subsidiary Guarantors prior to claims of holders of the Notes against those assets. The Indenture relating to the Notes contains certain limitations on the ability of the Company and its Restricted Subsidiaries to create Liens and incur additional Indebtedness. In addition to certain other Permitted Liens, the Company and its Restricted Subsidiaries may create Liens securing Indebtedness permitted under the Indenture, provided that the aggregate amount of Indebtedness secured by Liens (other than Non-Recourse Indebtedness secured by Liens) does not exceed 40% of Consolidated Tangible Assets. Each of the Company's Subsidiaries, other than UHIC, is a Restricted Subsidiary. See "Certain Covenants--Limitations on Additional Indebtedness" and "--Restrictions on Restricted Subsidiary Indebtedness."

The Notes bear interest at the rate PER ANNUM shown on the cover page of this Prospectus from March 20, 1998, payable on April 1 and October 1 of each year, commencing on October 1, 1998, to holders of record (the "Holders") at the close of business on March 15 or September 15, as the case may be, immediately preceding the respective interest payment date. The Notes will mature on April 1, 2008, and will be issued in denominations of $1,000 and integral multiples thereof.

Principal, premium, if any, and interest on the Notes will be payable, and the Notes may be presented for registration of transfer or exchange, at the offices of the Trustee. Payments must be paid by check mailed to the registered addresses of the Holders. The Holders must surrender their Notes to the Paying Agent to collect principal payments. The Company may require payment of a sum sufficient to cover any transfer tax or other governmental charge payable in connection with certain transfers or exchanges of the Notes. The Trustee currently acts as the Paying Agent and the Registrar under the Indenture. The Company may subsequently act as the Paying Agent and/or the Registrar and the Company may change any Paying Agent and/or any Registrar without prior notice to the Holders.

OPTIONAL REDEMPTION

The Company may redeem all or any portion of the Notes at any time and from time to time on or after April 1, 2003 and prior to maturity at the following redemption prices (expressed in percentages of the principal amount thereof) together, in each case, with accrued and unpaid interest to the date fixed for redemption, if redeemed during the 12-month period beginning on April 1 of each year indicated below:

YEAR	PERCENTAGE
2003	104.438%
2004	102.958%
2005	101.479%
2006 and thereafter	100.000%

In addition, on or prior to April 1, 2001, the Company may, at its option, redeem up to 35% of the outstanding Notes with the net proceeds of an Equity Offering at 108.875% of the principal amount thereof plus accrued and unpaid interest, if any, to the date fixed for redemption; PROVIDED, that at least $65 million principal amount of the Notes remain outstanding after such redemption.

In the event less than all of the Notes are to be redeemed at any time, selection of the Notes to be redeemed will be made by the Trustee from among the outstanding Notes on a PRO RATA basis, by lot or by any other method permitted by the Indenture. Notice of redemption will be mailed at least 15 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at the registered address of such Holder. On and after the redemption date, interest will cease to accrue on the Notes or portions thereof called for redemption.

MANDATORY OFFERS TO PURCHASE THE NOTES

The Indenture requires the Company (i) to offer to purchase all of the outstanding Notes upon a Change of Control of the Company, (ii) to offer to purchase a portion of the outstanding Notes using Net

Proceeds neither used to repay certain Indebtedness nor used or invested as provided in the Indenture or (iii) to offer to purchase 10% of the original outstanding principal amount of the Notes in the event that, at the end of any two consecutive fiscal quarters, the Company's Consolidated Tangible Net Worth is less than $85 million. See "Certain Covenants--Change of Control," "--Disposition of Proceeds of Asset Sales" and "--Maintenance of Consolidated Tangible Net Worth."

None of the provisions relating to an offer to purchase is waivable by the Board of Directors of the Company. If an offer to purchase upon a Change of Control or otherwise were to be required, there can be no assurance that the Company would have sufficient funds to pay the purchase price for all Notes that the Company is required to purchase. In addition, the Company's ability to finance the purchase of Notes may be limited by the terms of its then existing borrowing agreements. Failure by the Company to purchase the Notes when required will result in an Event of Default with respect to the Notes.

If an offer is made to purchase Notes as a result of a Change of Control or otherwise, the Company will comply with applicable law, including, without limitation, Section 14(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 14e-1 thereunder, if applicable.

The Change of Control feature of the Notes may in certain circumstances make more difficult or discourage a takeover of the Company and, thus, the removal of incumbent management. The Change of Control feature, however, is not the result of management's knowledge of any specific effort to obtain control of the Company by means of a merger, tender offer, solicitation or otherwise, or part of a plan by management to adopt a series of anti-takeover provisions.

THE SUBSIDIARY GUARANTEES

Each of the Subsidiary Guarantors will (so long as they remain Subsidiaries of the Company) unconditionally guarantee on a joint and several basis all of the Company's obligations under the Notes, including its obligations to pay principal, premium, if any, and interest with respect to the Notes. Each of the Subsidiary Guarantees will be an unsecured obligation of the Subsidiary Guarantors and will rank PARI PASSU with all existing and future unsecured Indebtedness of such Subsidiary Guarantors that is not, by its terms, expressly subordinated in right of payment to the Subsidiary Guarantee. Except as provided in "Certain Covenants" below, the Company is not restricted from selling or otherwise disposing of any of the Subsidiary Guarantors.

The Indenture provides that each Restricted Subsidiary (other than, in the Company's discretion, any Restricted Subsidiary the assets of which have a book value of not more than $5 million) is a Subsidiary Guarantor and, at the Company's discretion, any Unrestricted Subsidiary may be a Subsidiary Guarantor.

The Indenture provides that if all or substantially all of the assets of any Subsidiary Guarantor or all of the capital stock of any Subsidiary Guarantor is sold (including by issuance or otherwise) by the Company or any of its Subsidiaries in a transaction constituting an Asset Sale, and if the Net Proceeds from such Asset Sale are used in accordance with the covenant, "Disposition of Proceeds of Asset Sales," then such Subsidiary Guarantor (in the event of a sale or other disposition of all of the capital stock of such Subsidiary Guarantor) or the corporation acquiring such assets (in the event of a sale or other disposition of all or substantially all of the assets of such Subsidiary Guarantor) shall be released and discharged of its Subsidiary Guarantee obligations.

CERTAIN DEFINITIONS

Set forth below is a summary of certain of the defined terms used in the Indenture. Reference is made to the Indenture for the full definition of all terms used in the Indenture.

"ACQUISITION INDEBTEDNESS" means Indebtedness of any Person and its Subsidiaries existing at the time such Person became a Subsidiary of the Company (or such Person is merged with or into the Company or one of the Company's Subsidiaries) or assumed in connection with the acquisition of assets from any such

Person, including, without limitation, Indebtedness Incurred in connection with, or in contemplation of (a) such Person being merged with or into or becoming a Subsidiary of the Company or one of its Subsidiaries (but excluding Indebtedness of such Person which is extinguished, retired or repaid in connection with such Person being merged with or into or becoming a Subsidiary of the Company or one of its Subsidiaries) or (b) such acquisition of assets from any such Person.

"AFFILIATE" of any Person means any other Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, such Person. For purposes of the Indenture, each executive officer and director of the Company and each Subsidiary of the Company will be an Affiliate of the Company. In addition, for purposes of the Indenture, control of a Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, the term "Affiliate" will not include, with respect to the Company or any Restricted Subsidiary which is a Wholly Owned Subsidiary of the Company, any Restricted Subsidiary which is a Wholly Owned Subsidiary of the Company.

"ASSET SALE" for any Person means the sale, lease, conveyance or other disposition (including, without limitation, by merger, consolidation or sale and leaseback transaction, and whether by operation of law or otherwise) of any of that Person's assets (including, without limitation, the sale or other disposition of Capital Stock of any Subsidiary of such Person, whether by such Person or such Subsidiary), whether owned on the date of the Indenture or subsequently acquired in one transaction or a series of related transactions, in which such Person and/or its Subsidiaries receive cash and/or other consideration (including, without limitation, the unconditional assumption of Indebtedness of such Person and/or its Subsidiaries) having an aggregate Fair Market Value of $500,000 or more as to each such transaction or series of related transactions; PROVIDED, HOWEVER, that (i) a transaction or series of related transactions that results in a Change of Control shall not constitute an Asset Sale, (ii) sales of homes in the ordinary course of business will not constitute Asset Sales, (iii) sales, leases, conveyances or other dispositions, including, without limitation, exchanges or swaps of real estate in the ordinary course of business, for development of the Company's or any of its Subsidiaries' projects, will not constitute Asset Sales, (iv) sales, leases, sale-leasebacks or other dispositions of amenities, model homes and other improvements at the Company's or its Subsidiaries' projects in the ordinary course of business will not constitute Asset Sales, and (v) transactions between the Company and any of its Restricted Subsidiaries which are Wholly Owned Subsidiaries, or among such Restricted Subsidiaries which are Wholly Owned Subsidiaries of the Company, will not constitute Asset Sales.

"BANK CREDIT FACILITY" means the Credit Facility among the Company, as borrower thereunder, the Subsidiary Guarantors and the financial institutions named therein, as such facility may be amended, restated, supplemented or otherwise modified from time to time, and includes any facility extending the maturity of, refinancing or restructuring (including, without limitation, the inclusion of additional borrowers thereunder that are Unrestricted Subsidiaries) all or any portion of, the Indebtedness under such facility or any successor facilities and includes any facility with one or more lenders refinancing or replacing all or any portion of the Indebtedness under such facility or any successor facilities.

"BANKRUPTCY LAW" means title 11 of the United States Code, as amended, or any similar federal or state law for the relief of debtors.

"BUSINESS DAY" means any day other than a Legal Holiday.

"CAPITAL STOCK" of any Person means any and all shares, rights to purchase, warrants or options (whether or not currently exercisable), participations, or other equivalents of or interests in (however designated and whether voting or non-voting) the equity (which includes, but is not limited to, common stock, preferred stock and partnership and joint venture interests) of such Person (excluding any debt securities that are convertible into, or exchangeable for, such equity).

"CAPITALIZED LEASE OBLIGATIONS" of any Person means the obligations of such Person to pay rent or other amounts under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP, and the amount of such obligation will be the capitalized amount thereof determined in accordance with GAAP.

"CHANGE OF CONTROL" means any of the following: (i) the sale, lease, conveyance or other disposition of all or substantially all of the Company's assets as an entirety or substantially as an entirety to any Person or "group" (within the meaning of Section 13(d)(3) of the Exchange Act) in one or a series of transactions; provided that a transaction where the holders of all classes of Common Equity of the Company immediately prior to such transaction own, directly or indirectly, 50 percent or more of the aggregate voting power of all classes of Common Equity of such Person or group immediately after such transaction will not be a Change of Control; (ii) the acquisition by the Company and/or any of its Subsidiaries of 50 percent or more of the aggregate voting power of all classes of Common Equity of the Company in one transaction or a series of related transactions; (iii) the liquidation or dissolution of the Company; provided that a liquidation or dissolution of the Company which is part of a transaction or series of related transactions that does not constitute a Change of Control under the "provided" clause of clause (i) above will not constitute a Change of Control under this clause (iii); (iv) any transaction or a series of related transactions (as a result of a tender offer, merger, consolidation or otherwise) that results in, or that is in connection with, (a) any Person, including a "group" (within the meaning of Section 13(d)(3) of the Exchange Act) acquiring "beneficial ownership" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 50 percent or more of the aggregate voting power of all classes of Common Equity of the Company or of any Person that possesses "beneficial ownership" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 50 percent or more of the aggregate voting power of all classes of Common Equity of the Company or (b) less than 50 percent (measured by the aggregate voting power of all classes) of the Common Equity of the Company being registered under Section 12(b) or 12(g) of the Exchange Act; or (v) a majority of the Board of Directors of the Company not being comprised of Continuing Directors.

"COMMON EQUITY" of any Person means all Capital Stock of such Person that is generally entitled to (i) vote in the election of directors of such Person, or (ii) if such Person is not a corporation, vote or otherwise participate in the selection of the governing body, partners, managers or others that will control the management and policies of such Person.

"CONSOLIDATED CASH FLOW AVAILABLE FOR FIXED CHARGES" of the Company and its Restricted Subsidiaries means for any period (a) the sum of the amounts for such period of (i) Consolidated Net Income, PLUS (ii) Consolidated Income Tax Expense (without regard to income tax expense or credits attributable to extraordinary and nonrecurring gains or losses on Asset Sales), plus (iii) Consolidated Interest Expense, PLUS (iv) all depreciation, and, without duplication, amortization (including, without limitation, capitalized interest amortized to cost of sales), PLUS (v) all other noncash items reducing Consolidated Net Income during such period, MINUS (b) all other noncash items increasing Consolidated Net Income during such period; all as determined on a consolidated basis for the Company and its Restricted Subsidiaries in accordance with GAAP.

"CONSOLIDATED FIXED CHARGE COVERAGE RATIO" of the Company means, with respect to any determination date, the ratio of (i) Consolidated Cash Flow Available for Fixed Charges of the Company for the prior four full fiscal quarters for which financial results have been reported immediately preceding the determination date, to (ii) the aggregate Consolidated Interest Incurred of the Company for the prior four full fiscal quarters for which financial results have been reported immediately preceding the determination date; provided that (1) with respect to any Indebtedness Incurred during, and remaining outstanding at the end of, such four full fiscal quarter period, such Indebtedness will be assumed to have been incurred as of the first day of such four full fiscal quarter period, (2) with respect to Indebtedness repaid (other than a repayment of revolving credit obligations repaid solely out of operating cash flows) during such four full fiscal quarter period, such Indebtedness will be assumed to have been repaid on the first day of such four

full fiscal quarter period, (3) with respect to the Incurrence of any Acquisition Indebtedness, such Indebtedness and any proceeds therefrom will be assumed to have been Incurred and applied as of the first day of such four full fiscal quarter period, and the results of operations of any Person and any Subsidiary of such Person that, in connection with or in contemplation of such Incurrence, becomes a Subsidiary of the Company or is merged with or into the Company or one of the Company's Subsidiaries or whose assets are acquired, will be included, on a pro forma basis, in the calculation of the Consolidated Fixed Charge Coverage Ratio as if such transaction had occurred on the first day of such four full fiscal quarter period, and (4) with respect to any other transaction pursuant to which any Person becomes a Subsidiary of the Company or is merged with or into the Company or one of the Company's Subsidiaries or pursuant to which any Person's assets are acquired, such Consolidated Fixed Charge Coverage Ratio shall be calculated on a pro forma basis as if such transaction had occurred on the first day of such four full fiscal quarter period, but only if such transaction would require a pro forma presentation in financial statements prepared pursuant to Rule 11-02 of Regulation S-X under the Securities Act.

"CONSOLIDATED INCOME TAX EXPENSE" of the Company for any period means the income tax expense of the Company and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"CONSOLIDATED INTEREST EXPENSE" of the Company for any period means the Interest Expense of the Company and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"CONSOLIDATED INTEREST INCURRED" of the Company for any period means the Interest Incurred of the Company and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"CONSOLIDATED NET INCOME" of the Company for any period means the aggregate net income (or loss) of the Company and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; PROVIDED that there will be excluded from such net income (to the extent otherwise included therein), without duplication: (i) the net income (or loss) of any Person (other than a Restricted Subsidiary) in which any Person (including, without limitation, an Unrestricted Subsidiary) other than the Company or any Restricted Subsidiary has an ownership interest, except to the extent that any such income has actually been received by the Company or any Restricted Subsidiary in the form of cash dividends or similar cash distributions during such period, or in any other form but converted to cash during such period, (ii) except to the extent includible in Consolidated Net Income pursuant to the foregoing clause (i), the net income (or loss) of any Person that accrued prior to the date that (a) such Person becomes a Restricted Subsidiary or is merged with or into or consolidated with the Company or any of its Restricted Subsidiaries or (b) the assets of such Person are acquired by the Company or any of its Restricted Subsidiaries, (iii) the net income of any Restricted Subsidiary to the extent that (but only so long as) the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of that income is not permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary during such period, (iv) in the case of a successor to the Company by consolidation, merger or transfer of its assets, any earnings of the successor prior to such merger, consolidation or transfer of assets and (v) the gains (but not losses) realized during such period by the Company or any of its Restricted Subsidiaries resulting from (a) the acquisition of securities issued by the Company or extinguishment of Indebtedness of the Company or any of its Restricted Subsidiaries, (b) Asset Sales by the Company or any of its Restricted Subsidiaries and (c) other extraordinary items realized by the Company or any of its Restricted Subsidiaries. Notwithstanding the foregoing, in calculating Consolidated Net Income, the Company will be entitled to take into consideration the tax benefits associated with any loss described in clause (v) of the preceding sentence, but only to the extent such tax benefits are actually recognized by the Company or any of its Restricted Subsidiaries during such period; PROVIDED, FURTHER, that there will be included in such net income, without duplication, the net income of any Unrestricted Subsidiary to the extent such net income is actually

received by the Company or any of its Restricted Subsidiaries in the form of cash dividends or similar cash distributions during such period, or in any other form but converted to cash during such period.

"CONSOLIDATED TANGIBLE ASSETS" of the Company as of any date means the total amount of assets of the Company and its Restricted Subsidiaries (less applicable reserves) on a consolidated basis at the end of the fiscal quarter immediately preceding such date, as determined in accordance with GAAP, less: (i) Intangible Assets and (ii) appropriate adjustments on account of minority interests of other Persons holding equity investments in Restricted Subsidiaries, in the case of each of clauses (i) and (ii) above, as reflected on the consolidated balance sheet of the Company and its Restricted Subsidiaries as of the end of the fiscal quarter immediately preceding such date.

"CONSOLIDATED TANGIBLE NET WORTH" of the Company as of any date means the stockholders' equity (including any Preferred Stock that is classified as equity under GAAP, other than Disqualified Stock) of the Company and its Restricted Subsidiaries on a consolidated basis at the end of the fiscal quarter immediately preceding such date, as determined in accordance with GAAP, plus any amount of unvested deferred compensation included, in accordance with GAAP, as an offset to stockholders' equity, less the amount of Intangible Assets reflected on the consolidated balance sheet of the Company and its Restricted Subsidiaries as of the end of the fiscal quarter immediately preceding such date.

"CONTINUING DIRECTOR" means at any date a member of the Board of Directors of the Company who (i) was a member of the Board of Directors of the Company on the initial issuance date of the Notes under the Indenture or (ii) was nominated for election or elected to the Board of Directors of the Company with the affirmative vote of at least a majority of the directors who were Continuing Directors at the time of such nomination or election.

"CUSTODIAN" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

"DEFAULT" means any event, act or condition that is, or after notice or the passage of time, or both, would be, an Event of Default.

"DISQUALIFIED STOCK" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the final maturity date of the Notes; PROVIDED that any Capital Stock which would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require the Company to repurchase or redeem such Capital Stock upon the occurrence of a change of control occurring prior to the final maturity of the Notes will not constitute Disqualified Stock if the change of control provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the "Change of Control" covenant set forth in the Indenture and such Capital Stock specifically provides that the Company will not repurchase or redeem (or be required to repurchase or redeem) any such Capital Stock pursuant to such provisions prior to the Company's repurchase of Notes pursuant to the "Change of Control" covenant set forth in the Indenture.

"DISQUALIFIED STOCK DIVIDEND" of any Person means, for any dividend payable with regard to Disqualified Stock issued by such Person, the amount of such dividend multiplied by a fraction, the numerator of which is one and the denominator of which is one minus the maximum statutory combined federal, state and local income tax rate (expressed as a decimal number between 1 and 0) then applicable to such Person.

"EQUITY OFFERING" means a public or private equity offering by the Company for cash of Capital Stock, other than an offering of Disqualified Stock.

"EVENT OF DEFAULT" has the meaning set forth in "Description of Notes--Events of Default."

"EXISTING INDEBTEDNESS" means all of the Indebtedness of the Company and its Subsidiaries that is outstanding on the date of the Indenture.

"FAIR MARKET VALUE" with respect to any asset or property means the sale value that would be obtained in an arm's length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy. Fair Market Value shall be determined by the Board of Directors of the Company acting in good faith and shall be evidenced by a board resolution (certified by the Secretary or Assistant Secretary of the Company) delivered to the Trustee.

"GAAP" means generally accepted accounting principles set forth in the opinions and interpretations of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and interpretations of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, as in effect on the date of the Indenture.

"HEDGING OBLIGATIONS" of any Person means the obligations of such Person pursuant to any interest rate swap agreement, foreign currency exchange agreement, interest rate collar agreement, option or futures contract or other similar agreement or arrangement relating to interest rates or foreign exchange rates.

"HOLDER" means a Person in whose name a Note is registered in the Security Register.

"INCUR" means to, directly or indirectly, create, incur, assume, guarantee, extend the maturity of, or otherwise become liable with respect to any Indebtedness; provided, however, that neither the accrual of interest (whether such interest is payable in cash or kind) nor the accretion of original issue discount shall be considered an Incurrence of Indebtedness.

"INDEBTEDNESS" of any Person at any date means, without duplication, (i) all indebtedness of such Person for borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof), (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all fixed obligations of such Person in respect of letters of credit or other similar instruments (or reimbursement obligations with respect thereto), other than standby letters of credit issued for the benefit of, or surety and performance bonds issued by, such Person in the ordinary course of business, (iv) all obligations of such Person with respect to Hedging Obligations (other than those that fix or cap the interest rate on variable rate Indebtedness otherwise permitted by the Indenture or that fix the exchange rate in connection with Indebtedness denominated in a foreign currency and otherwise permitted by the Indenture), (v) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, including, without limitation, all conditional sale obligations of such Person and all obligations under any title retention agreement; PROVIDED, HOWEVER, that (a) any obligations described in the foregoing clause (v) which are non-interest bearing and which have a maturity of not more than six months from the date of Incurrence thereof shall not constitute Indebtedness and (b) trade payables and accrued expenses Incurred in the ordinary course of business shall not constitute Indebtedness, (vi) all Capitalized Lease Obligations of such Person, (vii) all Indebtedness of others secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person, (viii) all Indebtedness of others guaranteed by, or otherwise the liability of, such Person to the extent of such guarantee or liability, and (ix) all Disqualified Stock issued by such Person (the amount of Indebtedness represented by any Disqualified Stock will equal the greater of the voluntary or involuntary liquidation preference plus accrued and unpaid dividends). The amount of Indebtedness of any Person at any date will be (a) the outstanding balance at such date of all unconditional obligations as described above, (b) the maximum liability of such Person for any contingent obligations under clause (viii) above and (c) in the case of clause (vii) (if the Indebtedness referred to therein is not assumed by such Person), the lesser of the (A) Fair Market Value of all assets subject to a Lien securing the Indebtedness of others on the date that the Lien attaches and (B) amount of the Indebtedness secured.

"INDEPENDENT FINANCIAL ADVISOR" means an accounting, appraisal or investment banking firm of nationally recognized standing that is, in the reasonable judgment of the Company's Board of Directors, (i) qualified to perform the task for which it has been engaged, and (ii) disinterested and independent, in a

direct and indirect manner, of the parties to the Affiliate Transaction with respect to which such firm has been engaged.

"INTANGIBLE ASSETS" of the Company means all unamortized debt discount and expense, unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights and all other items which would be treated as intangibles on the consolidated balance sheet of the Company and its Restricted Subsidiaries prepared in accordance with GAAP.

"INTEREST EXPENSE" of any Person for any period means, without duplication, the aggregate amount of (i) interest which, in conformity with GAAP, would be set opposite the caption "interest expense" or any like caption on an income statement for such Person (including, without limitation, imputed interest included on Capitalized Lease Obligations, all commissions, discounts and other fees and charges owed with respect to letters of credit securing financial obligations and bankers' acceptance financing, the net costs associated with Hedging Obligations, amortization of other financing fees and expenses, the interest portion of any deferred payment obligation, amortization of discount or premium, if any, and all other noncash interest expense other than interest and other charges amortized to cost of sales) and includes, with respect to the Company and its Restricted Subsidiaries, without duplication (including duplication of the foregoing items), all interest amortized to cost of sales for such period, and (ii) the amount of Disqualified Stock Dividends recognized by the Company on any Disqualified Stock whether or not paid during such period.

"INTEREST INCURRED" of any Person for any period means, without duplication, the aggregate amount of (i) interest which, in conformity with GAAP, would be set opposite the caption "interest expense" or any like caption on an income statement for such Person (including, without limitation, imputed interest included on Capitalized Lease Obligations, all commissions, discounts and other fees and charges owed with respect to letters of credit securing financial obligations and bankers' acceptance financing, the net costs associated with Hedging Obligations, amortization of other financing fees and expenses, the interest portion of any deferred payment obligation, amortization of discount or premium, if any, and all other noncash interest expense other than interest and other charges amortized to cost of sales) and includes, with respect to the Company and its Restricted Subsidiaries, without duplication (including duplication of the foregoing items), all interest capitalized for such period, all interest attributable to discontinued operations for such period to the extent not set forth on the income statement under the caption "interest expense" or any like caption, and all interest actually paid by the Company or a Restricted Subsidiary under any guarantee of Indebtedness (including, without limitation, a guarantee of principal, interest or any combination thereof) of any other Person during such period and (ii) the amount of Disqualified Stock Dividends recognized by the Company on any Disqualified Stock whether or not declared during such period.

"INVESTMENTS" of any Person means all (i) investments by such Person in any other Person in the form of loans, advances or capital contributions, (ii) guarantees of Indebtedness or other obligations of any other Person by such Person, (iii) purchases (or other acquisitions for consideration) by such Person of Indebtedness, Capital Stock or other securities of any other Person and (iv) other items that would be classified as investments on a balance sheet of such Person determined in accordance with GAAP.

"JOINT VENTURE ENTITY" means the joint venture between the Company and Corporacion GEO S.A. de C.V.

"LEGAL HOLIDAY" means Saturday, Sunday or a day on which banking institutions in New York, New York, Chicago, Illinois, or at a place of payment are authorized or obligated by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment shall be made at that place on the next succeeding day that is not a Legal Holiday.

"LIEN" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or other similar encumbrance of any kind upon or in respect of such asset, whether or not filed, recorded or

otherwise perfected under applicable law (including, without limitation, any conditional sale or other title retention agreement, and any lease in the nature thereof, any option or other agreement to sell, and any filing of, or agreement to give, any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction).

"MATERIAL SUBSIDIARY" means any Subsidiary of the Company which accounted for five percent or more of the Consolidated Tangible Assets or Consolidated Cash Flow Available for Fixed Charges of the Company on a consolidated basis for the fiscal year ending immediately prior to any Default or Event of Default.

"NET PROCEEDS" means (i) cash (in U.S. dollars or freely convertible into U.S. dollars) received by the Company or any Restricted Subsidiary from an Asset Sale net of (a) all brokerage commissions, investment banking fees and all other fees and expenses (including, without limitation, fees and expenses of counsel, financial advisors, accountants and investment bankers) related to such Asset Sale, (b) provisions for all income and other taxes measured by or resulting from such Asset Sale of the Company or any of its Restricted Subsidiaries, (c) payments made to retire Indebtedness that was incurred in accordance with the Indenture and that either (1) is secured by a Lien incurred in accordance with the Indenture on the property or assets sold or (2) is required in connection with such Asset Sale to the extent actually repaid in cash, (d) amounts required to be paid to any Person (other than the Company or a Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale and (e) appropriate amounts to be provided by the Company or any Restricted Subsidiary thereof, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary thereof, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations or post-closing purchase price adjustments associated with such Asset Sale, all as reflected in an Officers' Certificate delivered to the Trustee, and (ii) all noncash consideration received by the Company or any of its Restricted Subsidiaries from such Asset Sale upon the liquidation or conversion of such consideration into cash, without duplication, net of all items enumerated in subclauses (a) through (e) of clause (i) hereof.

"NON-RECOURSE INDEBTEDNESS" with respect to any Person means Indebtedness of such Person for which (i) the sole legal recourse for collection of principal and interest on such Indebtedness is against the specific property identified in the instruments evidencing or securing such Indebtedness and such property was acquired with the proceeds of such Indebtedness or such Indebtedness was Incurred within 90 days after the acquisition of such property and (ii) no other assets of such Person may be realized upon in collection of principal or interest on such Indebtedness.

"OFFICER" means the chairman, the chief executive officer, the president, the chief financial officer, the chief operating officer, the chief accounting officer, the treasurer, or any assistant treasurer, the controller, the secretary, any assistant secretary or any vice president of a Person.

"OFFICERS' CERTIFICATE" means a certificate signed by two Officers, one of whom must be the Person's chief executive officer, chief operating officer, chief financial officer or chief accounting officer.

"PAYING AGENT" means any office or agency where Notes and the Subsidiary Guarantees may be presented for payment.

"PERMITTED INVESTMENTS" of any Person means Investments of such Person in (i) direct obligations of the United States or any agency thereof or obligations guaranteed by the United States or any agency thereof, in each case maturing within 180 days of the date of acquisition thereof, (ii) certificates of deposit maturing within 180 days of the date of acquisition thereof issued by a bank, trust company or savings and loan association which is organized under the laws of the United States or any state thereof having capital, surplus and undivided profits aggregating in excess of $250 million and a Keefe Bank Watch Rating of C or better, (iii) certificates of deposit maturing within 180 days of the date of acquisition thereof issued by a

bank, trust company or savings and loan association organized under the laws of the United States or any state thereof other than banks, trust companies or savings and loan associations satisfying the criteria in (ii) above, PROVIDED that the aggregate amount of all certificates of deposit issued to the Company at any one time by such bank, trust company or savings and loan association will not exceed $100,000, (iv) commercial paper given the highest rating by two established national credit rating agencies and maturing not more than 180 days from the date of the acquisition thereof, (v) repurchase agreements or money-market accounts which are fully secured by direct obligations of the United States or any agency thereof and (vi) in the case of the Company and its Subsidiaries, any receivables or loans taken by the Company or a Subsidiary in connection with the sale of any asset otherwise permitted by the Indenture.

"PERMITTED LIENS" means (i) Liens for taxes, assessments or governmental charges or claims that either (a) are not yet delinquent or (b) are being contested in good faith by appropriate proceedings and as to which appropriate reserves have been established or other provisions have been made in accordance with GAAP, (ii) statutory Liens of landlords and carriers', warehousemen's, mechanics', suppliers', materialmen's, repairmen's or other Liens imposed by law and arising in the ordinary course of business and with respect to amounts that, to the extent applicable, either (a) are not yet delinquent or (b) are being contested in good faith by appropriate proceedings and as to which appropriate reserves have been established or other provisions have been made in accordance with GAAP, (iii) Liens (other than any Lien imposed by the Employee Retirement Income Security Act of 1974, as amended) incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, (iv) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, progress payments, government contracts and other obligations of like nature (exclusive of obligations for the payment of borrowed money), in each case incurred in the ordinary course of business of the Company and its Subsidiaries, (v) attachment or judgment Liens not giving rise to a Default or an Event of Default and which are being contested in good faith by appropriate proceedings, (vi) easements, rights-of-way, restrictions and other similar charges or encumbrances not materially interfering with the ordinary course of business of the Company and its Subsidiaries, (vii) zoning restrictions, licenses, restrictions on the use of real property or minor irregularities in title thereto, which do not materially impair the use of such real property in the ordinary course of business of the Company and its Subsidiaries or the value of such real property for the purpose of such business, (viii) leases or subleases granted to others not materially interfering with the ordinary course of business of the Company and its Subsidiaries, (ix) purchase money mortgages (including, without limitation, Capitalized Lease Obligations and purchase money security interests), (x) Liens securing Refinancing Indebtedness; PROVIDED that such Liens only extend to assets which are similar to the type of assets securing the Indebtedness being refinanced and such refinanced Indebtedness was previously secured by such similar assets, (xi) Liens securing Indebtedness of the Company and its Restricted Subsidiaries permitted to be Incurred under the Indenture; PROVIDED that the aggregate amount of Indebtedness secured by Liens (other than Non-Recourse Indebtedness secured by Liens) will not exceed 40 percent of Consolidated Tangible Assets, (xii) any interest in or title of a lessor to property subject to any Capitalized Lease Obligations incurred in compliance with the provisions of the Indenture, (xiii) Liens existing on the date of the Indenture, including, without limitation, Liens securing Existing Indebtedness (xiv) any option, contract or other agreement to sell an asset; PROVIDED such sale is not otherwise prohibited under the Indenture, (xv) Liens securing Non-Recourse Indebtedness of the Company or a Restricted Subsidiary thereof; PROVIDED that such Liens apply only to the property financed out of the net proceeds of such Non-Recourse Indebtedness within 90 days of the incurrence of such Non-Recourse Indebtedness, (xvi) Liens on property or assets of any Restricted Subsidiary securing Indebtedness of such Restricted Subsidiary owing to the Company or one or more Restricted Subsidiaries, (xvii) Liens securing Indebtedness of an Unrestricted Subsidiary, (xviii) any right of a lender or lenders to which the Company or a Restricted Subsidiary may be indebted to offset against, or appropriate and apply to the payment of, such Indebtedness any and all balances, credits, deposits, accounts or monies of the Company or a Restricted Subsidiary with or held by such lender or lenders, (xix) any pledge or deposit of cash or property in

conjunction with obtaining surety and performance bonds and letters of credit required to engage in constructing on-site and off-site improvements required by municipalities or other governmental authorities in the ordinary course of business of the Company or any Restricted Subsidiary; (xx) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods, (xxi) Liens encumbering customary initial deposits and margin deposits, and other Liens that are customary in the industry and incurred in the ordinary course of business securing Indebtedness under Hedging Obligations and forward contracts, options, futures contracts, futures options or similar agreements or arrangements designed to protect the Company or any of its Subsidiaries from fluctuations in the price of commodities, and (xxii) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Company or any of its Subsidiaries in the ordinary course of business.

"PERSON" means any individual, corporation, partnership, joint venture, incorporated or unincorporated association, joint stock company, trust, unincorporated organization or government or other agency or political subdivision thereof or other entity of any kind.

"PREFERRED STOCK" of any Person means all Capital Stock of such Person which has a preference in liquidation or with respect to the payment of dividends.

"REFINANCING INDEBTEDNESS" means Indebtedness that refunds, refinances or extends any Existing Indebtedness or other Indebtedness permitted to be incurred by the Company or its Restricted Subsidiaries pursuant to the terms of the Indenture, but only to the extent that (i) the Refinancing Indebtedness is subordinated to the Notes or the Subsidiary Guarantees, as the case may be, to the same extent as the Indebtedness being refunded, refinanced or extended, if at all, (ii) the Refinancing Indebtedness is scheduled to mature either (a) no earlier than the Indebtedness being refunded, refinanced or extended, or (b) after the maturity date of the Notes, (iii) the portion, if any, of the Refinancing Indebtedness that is scheduled to mature on or prior to the maturity date of the Notes has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Weighted Average Life to Maturity of the portion of the Indebtedness being refunded, refinanced or extended that is scheduled to mature on or prior to the maturity date of the Notes, (iv) such Refinancing Indebtedness is in an aggregate amount that is equal to or less than the aggregate amount then outstanding under the Indebtedness being refunded, refinanced or extended, (v) such Refinancing Indebtedness is Incurred by the same Person that initially Incurred the Indebtedness being refunded, refinanced or extended, except that the Company may Incur Refinancing Indebtedness to refund, refinance or extend Indebtedness of any Restricted Subsidiary, and (vi) such Refinancing Indebtedness is Incurred within 180 days after the Indebtedness being refunded, refinanced or extended is so refunded, refinanced or extended.

"REGISTRAR" means an office or agency where Notes may be presented for registration of transfer or for exchange.

"RESTRICTED INVESTMENT" with respect to any Person means any Investment (other than any Permitted Investment) by such Person in any (i) of its Affiliates, (ii) executive officer or director or any Affiliate of such Person, or (iii) any other Person other than a Restricted Subsidiary; PROVIDED, HOWEVER, that with respect to the Company and its Restricted Subsidiaries, any loan or advance to an executive officer or director of the Company or a Subsidiary will not constitute a Restricted Investment provided such loan or advance is made in the ordinary course of business and, if such loan or advance exceeds $100,000 (other than a readily marketable mortgage loan not exceeding $500,000, such loan or advance has been approved by the Board of Directors of the Company or a disinterested committee thereof. Notwithstanding the above, a Subsidiary Guarantee shall not be deemed a Restricted Investment.

"RESTRICTED PAYMENT" with respect to any Person means (i) the declaration of any dividend or the making of any other payment or distribution of cash, securities or other property or assets in respect of such Person's Capital Stock (except that a dividend payable solely in Capital Stock (other than Disqualified Stock) of such Person will not constitute a Restricted Payment), (ii) any payment on account of the

purchase, redemption, retirement or other acquisition for value of such Person's Capital Stock or any other payment or distribution made in respect thereof (other than payments or distributions excluded from the definition of Restricted Payment in clause (i) above), either directly or indirectly, (iii) any Restricted Investment, and (iv) any principal payment, redemption, repurchase, defeasance or other acquisition or retirement of any Indebtedness of any Unrestricted Subsidiary or of Indebtedness of the Company which is subordinated in right of payment to the Notes or of Indebtedness of a Restricted Subsidiary which is subordinated in right of payment to its Subsidiary Guarantee; PROVIDED, HOWEVER, that with respect to the Company and its Subsidiaries, Restricted Payments will not include (a) any payment described in clause (i), (ii) or (iii) above made to the Company or any of its Restricted Subsidiaries which are Wholly Owned Subsidiaries by any of the Company's Subsidiaries, or (b) any purchase, redemption, retirement or other acquisition for value of Indebtedness or Capital Stock of such Person or its Subsidiaries if the consideration therefor consists solely of Capital Stock (other than Disqualified Stock) of such Person.

"RESTRICTED SUBSIDIARY" means each of the Subsidiaries of the Company which is not an Unrestricted Subsidiary.

"SECURITY REGISTER" is a register of the Notes and of their transfer and exchange kept by the Registrar.

"SUBSIDIARY" of any Person means any (i) corporation of which at least a majority of the aggregate voting power of all classes of the Common Equity is directly or indirectly beneficially owned by such Person, and (ii) any entity other than a corporation of which such Person, directly or indirectly, beneficially owns at least a majority of the Common Equity.

"SUBSIDIARY GUARANTEE" means the guarantee of the Notes by each Subsidiary Guarantor under the Indenture.

"SUBSIDIARY GUARANTORS" means each of (i) Beazer Homes Corp., a Tennessee corporation, Beazer/ Squires Realty, Inc., a North Carolina corporation, Beazer Homes Sales Arizona Inc., a Delaware corporation, Beazer Realty Corp., a Georgia corporation, Panitz Homes Realty, Inc., a Florida corporation, Beazer Mortgage Corporation, a Delaware corporation, Beazer Homes Holdings Corp., a Delaware corporation, Beazer Homes Texas Holdings, Inc., a Delaware corporation and Beazer Homes Texas, L.P., a Delaware limited partnership and (ii) each of the Company's Subsidiaries that becomes a guarantor of the Notes pursuant to the provisions of the Indenture.

"TRUST OFFICER" means any vice president, trust officer or other authorized person of the Trustee assigned by the Trustee to administer its corporate trust matters.

"TRUSTEE" means the party named as such until a successor replaces such party in accordance with the applicable provisions of the Indenture and thereafter means the successor trustee serving under the Indenture.

"UNRESTRICTED SUBSIDIARY" means United Home Insurance Corp. and each of the Subsidiaries of the Company so designated by a resolution adopted by the Board of Directors of the Company as provided below and PROVIDED that (a) neither the Company nor any of its other Subsidiaries (other than Unrestricted Subsidiaries) (1) provides any direct or indirect credit support for any Indebtedness of such Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness) or (2) is directly or indirectly liable for any Indebtedness of such Subsidiary, (b) the creditors with respect to Indebtedness for borrowed money of such Subsidiary have agreed in writing that they have no recourse, direct or indirect, to the Company or any other Subsidiary of the Company (other than Unrestricted Subsidiaries), including, without limitation, recourse with respect to the payment of principal or interest on any Indebtedness of such Subsidiary and (c) no default with respect to any Indebtedness of such Subsidiary (including any right which the holders thereof may have to take enforcement action against such Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of the Company and of its other Subsidiaries (other than other Unrestricted Subsidiaries), to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity. The Board of

Directors of the Company may designate an Unrestricted Subsidiary to be a Restricted Subsidiary; PROVIDED that (i) any such redesignation will be deemed to be an Incurrence by the Company and its Restricted Subsidiaries of the Indebtedness (if any) of such redesignated Subsidiary for purposes of the "Limitations on Additional Indebtedness" covenant set forth in the Indenture as of the date of such redesignation, (ii) immediately after giving effect to such redesignation and the Incurrence of any such additional Indebtedness, the Company and its Restricted Subsidiaries could incur $1.00 of additional Indebtedness under the Consolidated Fixed Charge Coverage Ratio contained in the "Limitations on Additional Indebtedness" covenant set forth in the Indenture and (iii) the Liens of such Unrestricted Subsidiary could then be incurred in accordance with the "Limitation on Liens" covenant set forth in the Indenture as of the date of such redesignation. Subject to the foregoing, the Board of Directors of the Company also may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; provided that (i) all previous Investments by the Company and its Restricted Subsidiaries in such Restricted Subsidiary (net of any returns previously paid on such Investments) will be deemed to be Restricted Payments at the time of such designation and will reduce the amount available for Restricted Payments under the "Limitations on Restricted Payments" covenant set forth in the Indenture, (ii) immediately after giving effect to such designation and reduction of amounts available for Restricted Payments under the "Limitations on Restricted Payments" covenant set forth in the Indenture, the Company and its Restricted Subsidiaries could incur $1.00 of additional Indebtedness under the Consolidated Fixed Charge Coverage Ratio contained in the "Limitations on Additional Indebtedness" covenant set forth in the Indenture and (iii) no Default or Event of Default shall have occurred or be continuing. Any such designation or redesignation by the Board of Directors of the Company will be evidenced to the Trustee by the filing with the Trustee of a certified copy of the resolution of the Board of Directors of the Company giving effect to such designation or redesignation and an Officers' Certificate certifying that such designation or redesignation complied with the foregoing conditions and setting forth the underlying calculations.

"WEIGHTED AVERAGE LIFE TO MATURITY" means, when applied to any Indebtedness or portion thereof, at any date, the number of years obtained by dividing (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal, including, without limitation, payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment by (ii) the sum of all such payments described in clause (a) above.

"WHOLLY OWNED SUBSIDIARY" of any Person means (i) a Subsidiary, of which 100 percent of the Common Equity (except for directors' qualifying shares or certain minority interests owned by other Persons solely due to local law requirements that there be more than one stockholder, but which interest is not in excess of what is required for such purpose) is owned directly by such Person or through one or more other Wholly Owned Subsidiaries of such Person, or (ii) any entity other than a corporation in which such Person, directly or indirectly, owns all of the Common Equity of such entity.

"WORKING CAPITAL FACILITIES" means, collectively, the Bank Credit Facility and one or more other facilities among the Company, as borrower thereunder, any Subsidiary Guarantor and one or more lenders pursuant to which the Company may Incur Indebtedness for working capital purposes or to finance the acquisition, holding or development of property by the Company and the Restricted Subsidiaries (including the financing of any related interest reserve), as any such facility may be amended, restated, supplemented or otherwise modified from time to time, and includes any agreement extending the maturity of, or restructuring (including, without limitation, the inclusion of additional borrowers thereunder that are Unrestricted Subsidiaries), all or any portion of the Indebtedness under such facility or any successor facilities and includes any facility with one or more lenders refinancing or replacing all or any portion of the Indebtedness under such facility or any successor facility.

DISPOSITION OF PROCEEDS OF ASSET SALES. The Indenture provides that the Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, make any Asset Sale unless (i) the Company or the Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value for the shares or assets sold or otherwise disposed of; provided that the aggregate Fair Market Value of the consideration received from any Asset Sale that is not in the form of cash or cash equivalents (in U.S. dollars or freely convertible into U.S. dollars) will not, when aggregated with the Fair Market Value of all other noncash consideration received by the Company and its Restricted Subsidiaries from all previous Asset Sales since the date of the Indenture that has not been converted into cash or cash equivalents (in U.S. dollars or freely convertible into U.S. dollars), exceed five percent of the Consolidated Tangible Assets of the Company at the time of the Asset Sale under consideration, and (ii) the Company will apply or will cause one or more of its Restricted Subsidiaries to apply an amount equal to the aggregate Net Proceeds received by the Company or any Restricted Subsidiary from all Asset Sales occurring subsequent to the date of the Indenture as follows: (A) to repay any outstanding Indebtedness of the Company that is not subordinated to the Notes or other Indebtedness of the Company, or to the payment of any Indebtedness of any Restricted Subsidiary that is not subordinated to the Subsidiary Guarantee of such Restricted Subsidiary, in each case within one year after such Asset Sale; or (B) to acquire properties and assets that will be used in the businesses of the Company and its Restricted Subsidiaries existing on the date of the Indenture within one year after such Asset Sale, PROVIDED, HOWEVER, that (x) in the case of applications contemplated by clause (ii)(A) the payment of such Indebtedness will result in a permanent reduction in committed amounts, if any, under the Indebtedness repaid at least equal to the amount of the payment made, (y) in the case of applications contemplated by clause (ii)(B), the Board of Directors has, within such one year period, adopted in good faith a resolution committing such Net Proceeds to such use and (z) none of such Net Proceeds shall be used to make any Restricted Payment. The amount of such Net Proceeds neither used to repay the Indebtedness described above nor used or invested as set forth in the preceding sentence constitutes "Excess Proceeds." Notwithstanding the above, any Asset Sale that is subject to the "Limitations on Mergers and Consolidations" covenant set forth in the Indenture will not be subject to the "Disposition of Proceeds of Asset Sales" covenant set forth in the Indenture.

The Indenture also provides that, notwithstanding the foregoing, to the extent the Company or any of its Restricted Subsidiaries receives securities or other noncash property or assets as proceeds of an Asset Sale, the Company will not be required to make any application of such noncash proceeds required by clause (a) of the "Disposition of Proceeds of Asset Sale" covenant set forth in the Indenture until it receives cash or cash equivalent proceeds from a sale, repayment, exchange, redemption or retirement of or extraordinary dividend or return of capital on such noncash property. Any amounts deferred pursuant to the preceding sentence will be applied in accordance with clause (a) of the "Disposition of Proceeds of Asset Sale" covenant set forth in the Indenture when cash or cash equivalent proceeds are thereafter received from a sale, repayment, exchange, redemption or retirement of or extraordinary dividend or return of capital on such noncash property.

The Indenture also provides that, when the aggregate amount of Excess Proceeds equals $10,000,000 or more, the Company will so notify the Trustee in writing by delivery of an Officers' Certificate and will offer to purchase from all Holders (an "Excess Proceeds Offer"), and will purchase from Holders accepting such Excess Proceeds Offer on the date fixed for the closing of such Excess Proceeds Offer (the "Asset Sale Offer Date"), the maximum principal amount (expressed as a multiple of $1,000) of Notes plus accrued and unpaid interest thereon, if any, to the Asset Sale Offer Date that may be purchased and paid, as the case may be, out of the Excess Proceeds, at an offer price (the "Asset Sale Offer Price") in cash in an amount equal to 100 percent of the principal amount thereof plus accrued and unpaid interest, if any, to the Asset Sale Offer Date, in accordance with the procedures set forth in the "Disposition of Proceeds of Asset Sale" covenant in the Indenture. To the extent that the aggregate amount of Notes tendered

pursuant to an Excess Proceeds Offer is less than the Excess Proceeds relating thereto, then the Company may use such Excess Proceeds, or a portion thereof, for general corporate purposes in the business of the Company and its Restricted Subsidiaries existing on the date of the Indenture. Upon completion of an Excess Proceeds Offer, the amount of Excess Proceeds will be reset at zero.

In addition, the Indenture provides that, within 30 days after the date on which the amount of Excess Proceeds equals $10,000,000 or more, the Company (with notice to the Trustee) or the Trustee at the Company's request (and at the expense of the Company) will send or cause to be sent by first-class mail, to all Persons who were Holders on the date such Excess Proceeds equaled $10,000,000, at their respective addresses appearing in the Security Register, a notice of such occurrence and of such Holders' rights arising as a result thereof. The Indenture also provides that:

(a) In the event the aggregate principal amount of Notes surrendered by Holders together with accrued interest thereon exceeds the amount of Excess Proceeds, the Company will select the Notes to be purchased on a pro rata basis from all Notes so surrendered, with such adjustments as may be deemed appropriate by the Company so that only Notes in denominations of $1,000, or integral multiples thereof, will be purchased. To the extent that the Excess Proceeds remaining are less than $1,000, the Company may use such Excess Proceeds for general corporate purposes. Holders whose Notes are purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered.

(b) Not later than one Business Day after the Asset Sale Offer Date in connection with which the Excess Proceeds Offer is being made, the Company will (i) accept for payment Notes or portions thereof tendered pursuant to the Excess Proceeds Offer (on a pro rata basis if required), (ii) deposit with the Paying Agent money sufficient, in immediately available funds, to pay the purchase price of all Notes or portions thereof so accepted and (iii) deliver to the Paying Agent an Officers' Certificate identifying the Notes or portions thereof accepted for payment by the Company. The Paying Agent will promptly mail or deliver to Holders so accepted payment in an amount equal to the Asset Sale Offer Price of the Notes purchased from each such Holder, and the Company will execute and upon receipt of an Officers' Certificate of the Company the Trustee will promptly authenticate and mail or deliver to such Holder a new Note equal in principal amount to any unpurchased portion of the Note surrendered. Any Notes not so accepted will be promptly mailed or delivered by the Paying Agent at the Company's expense to the Holder thereof. The Company will publicly announce the results of the Excess Proceeds Offer promptly after the Asset Sale Offer Date.

(c) Any Excess Proceeds Offer will be conducted by the Company in compliance with applicable law, including, without limitation, Section 14(e) of the Exchange Act and Rule 14e-1 thereunder, if applicable.

(d) Whenever Excess Proceeds are received by the Company, and prior to the allocation of such Excess Proceeds pursuant to this covenant, such Excess Proceeds will be set aside by the Company in a separate account to be held in trust for the benefit of the Holders; PROVIDED, HOWEVER, that in the event the Company will be unable to set aside such Excess Proceeds in a separate account because of provisions of applicable law or of the Working Capital Facilities, the Company will not be required to set aside such Excess Proceeds.

(e) Notwithstanding the foregoing, an Excess Proceeds Offer may be made by one or more Restricted Subsidiaries in lieu of the Company.

There can be no assurance that sufficient funds will be available at the time of an Excess Proceeds Offer to make any required repurchases. The Company's failure to make or to cause one or more Restricted Subsidiaries to make any required repurchases in the event of an Excess Proceeds Offer will create an Event of Default under the Indenture.

LIMITATIONS ON RESTRICTED PAYMENTS. The Indenture provides that the Company will not, and will not cause or permit any of its Restricted Subsidiaries to, make any Restricted Payment, directly or indirectly, after the date of the Indenture if at the time of such Restricted Payment:

(i) the amount of such proposed Restricted Payment (the amount of such Restricted Payment, if other than in cash, will be determined in good faith by a majority of the disinterested members of the Board of Directors of the Company), when added to the aggregate amount of all Restricted Payments declared or made after the date of the Indenture, exceeds the sum of: (1) $50 million, PLUS (2) 50 percent of the Company's Consolidated Net Income accrued during the period (taken as a single period) commencing January 1, 1998 and ending on the last day of the fiscal quarter immediately preceding the fiscal quarter in which the Restricted Payment is to occur (or, if such aggregate Consolidated Net Income is a deficit, minus 100 percent of such aggregate deficit), PLUS (3) the net cash proceeds derived from the issuance and sale of Capital Stock of the Company and its Restricted Subsidiaries that is not Disqualified Stock (other than a sale to a Subsidiary of the Company) after the date of the Indenture, PLUS (4) 100 percent of the principal amount of, or, if issued at a discount, the accreted value of, any Indebtedness of the Company or a Restricted Subsidiary which is issued (other than to a Subsidiary of the Company) after the date of the Indenture that is converted into or exchanged for Capital Stock of the Company that is not Disqualified Stock, PLUS (5) 100 percent of the aggregate amounts received by the Company or any Restricted Subsidiary from the sale, disposition or liquidation (including by way of dividends) of any Investment (other than to any Subsidiary of the Company and other than to the extent sold, disposed of or liquidated with recourse to the Company or any of its Subsidiaries or to any of their respective properties or assets) but only to the extent (x) not included in clause (2) above and (y) that the making of such Investment constituted a permitted Restricted Investment, PLUS (6) 100 percent of the principal amount of, or if issued at a discount, the accreted value of, any Indebtedness or other obligation that is the subject of a guarantee by the Company which is released (other than due to a payment on such guarantee) after the date of the Indenture, but only to the extent that such guarantee constituted a permitted Restricted Payment; or

(ii) the Company would be unable to incur $1.00 of additional Indebtedness under the Consolidated Fixed Charge Coverage Ratio contained in the "Limitations on Additional Indebtedness" covenant set forth in the Indenture; or

(iii) a Default or Event of Default has occurred and is continuing or occurs as a consequence thereof.

Notwithstanding the foregoing, the provisions of the "Limitation on Restricted Payments" covenant set forth in the Indenture will not prevent: (i) the payment of any dividend within 60 days after the date of declaration thereof if the payment thereof would have complied with the limitations of the Indenture on the date of declaration, PROVIDED that (x) such dividend will be deemed to have been paid as of its date of declaration for the purposes of this covenant and (y) at the time of payment of such dividend no other Default or Event of Default shall have occurred and be continuing or would result therefrom; (ii) the retirement of shares of the Company's Capital Stock or the Company's or a Restricted Subsidiary of the Company's Indebtedness for, or out of the net proceeds of a substantially concurrent sale (other than a sale to a Subsidiary of the Company) of, other shares of its Capital Stock (other than Disqualified Stock), PROVIDED that the proceeds of any such sale will be excluded in any computation made under clause (3) above; (iii) the redemption, repurchase, defeasance or retirement

for value of Indebtedness, including premium, if any, with the proceeds of Refinancing Indebtedness; (iv) payments or distributions pursuant to or in connection with a merger, consolidation or transfer of assets that complies with the provisions of the Indenture applicable to mergers, consolidations and transfers of all or substantially all of the property and assets of the Company or any Guarantor or (v) Investments in the Joint Venture Entity in an aggregate amount not to exceed $6.0 million.

LIMITATIONS ON ADDITIONAL INDEBTEDNESS. The Indenture provides that the Company will not, and will not cause or permit any of its Subsidiaries, directly or indirectly, to, Incur any Indebtedness (other than Indebtedness between the Company and its Restricted Subsidiaries which are Wholly Owned Subsidiaries or among such Restricted Subsidiaries which are Wholly Owned Subsidiaries) including Acquisition Indebtedness, unless, after giving effect thereto and the application of the proceeds therefrom, either (i) the Company's Consolidated Fixed Charge Coverage Ratio on the date thereof would be at least 2.0 to 1.0 or (ii) the ratio of Indebtedness of the Company and the Restricted Subsidiaries to Consolidated Tangible Net Worth is less than 2.25 to 1.

Notwithstanding the foregoing, the provisions of the Indenture will not prevent: (i) the Company from Incurring (A) Refinancing Indebtedness, (B) Non-Recourse Indebtedness, (C) Indebtedness evidenced by the Notes issued on the Issue Date or the Exchange Notes, or (D) Indebtedness Incurred under Working Capital Facilities not to exceed the greater of $75 million or 15% of Consolidated Tangible Assets, (ii) Unrestricted Subsidiaries from Incurring Indebtedness, (iii) any Subsidiary Guarantee of Indebtedness of the Company under the Notes, (iv) the Company and its Restricted Subsidiaries from Incurring Indebtedness under any deposits made to secure performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, progress statements, government contracts and other obligations of like nature (exclusive of the obligation for the payment of borrowed money), and (v) the Company and its Restricted Subsidiaries from guaranteeing Indebtedness of the Joint Venture Entity in an amount not to exceed $6.0 million less the amount of all other Investments made by the Company and its Restricted Subsidiaries in the Joint Venture Entity, in each case Incurred in the ordinary course of business of the Company or the Restricted Subsidiary.

The Company shall not, and the Company will not cause or permit any Subsidiary Guarantor that is a Restricted Subsidiary to, directly or indirectly, in any event Incur any Indebtedness that purports to be by its terms (or by the terms of any agreement governing such Indebtedness) subordinated to any other Indebtedness of the Company or of such Subsidiary Guarantor, as the case may be, unless such Indebtedness is also by its terms (or by the terms of any agreement governing such Indebtedness) made expressly subordinated to the Notes or the Subsidiary Guarantee of such Subsidiary Guarantor, as the case may be, to the same extent and in the same manner as such Indebtedness is subordinated to such other Indebtedness of the Company or such Subsidiary Guarantor, as the case may be.

For purposes of determining compliance with this "Limitations on Additional Indebtedness" covenant, in the event an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described in the above clauses of this covenant, the Company, in its sole discretion, shall classify such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of such clauses.

RESTRICTIONS ON RESTRICTED SUBSIDIARY INDEBTEDNESS. In addition to the limitations provided for under the covenant, "Limitation on Additional Indebtedness", the Indenture provides that the Company will not permit any Restricted Subsidiaries to, directly or indirectly, Incur any additional Indebtedness after the date of the Indenture other than: (i) any guarantee of Indebtedness of the Company permitted to be Incurred under the Indenture (other than Non-Recourse Indebtedness), (ii) Refinancing Indebtedness, (iii) Non-Recourse Indebtedness, (iv) Acquisition Indebtedness not to exceed $10 million aggregate principal amount at any one time outstanding, (v) Indebtedness to the Company for so long as held by the Company; provided that such Indebtedness is subordinated to any Subsidiary Guarantee, (vi) Indebtedness to another Restricted Subsidiary which is a Wholly Owned Subsidiary so long as held by such Restricted

Subsidiary; provided that such Indebtedness is subordinated to any Subsidiary Guarantee, (vii) any Subsidiary Guarantee of Indebtedness of the Company under the Notes and (viii) any deposits made to secure performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, progress statements, government contracts, and other obligations of like nature (exclusive of the obligation for the payment of borrowed money), in each case Incurred in the ordinary course of business of the Restricted Subsidiary, consistent with past practice.

LIMITATIONS AND RESTRICTIONS ON ISSUANCE OF CAPITAL STOCK OF RESTRICTED SUBSIDIARIES. The Indenture provides that the Company will not permit any Restricted Subsidiary to issue, or permit to be outstanding at any time, Preferred Stock or any other Capital Stock constituting Disqualified Stock other than any such Capital Stock issued to or held by the Company or any Restricted Subsidiary of the Company which is a Wholly Owned Subsidiary.

CHANGE OF CONTROL. The Indenture provides that, following the occurrence of any Change of Control, the Company will so notify the Trustee in writing by delivery of an Officers' Certificate and will offer to purchase (a "Change of Control Offer") from all Holders, and will purchase from Holders accepting such Change of Control Offer on the date fixed for the closing of such Change of Control Offer (the "Change of Control Payment Date"), the outstanding principal amount of Notes at an offer price (the "Change of Control Price") in cash in an amount equal to 101 percent of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to the Change of Control Payment Date in accordance with the procedures set forth in the "Change of Control" covenant of the Indenture.

In addition, the Indenture provides that, within 30 days after the date on which a Change of Control occurs, the Company (with Notice to the Trustee) or the Trustee at the Company's request (and at the expense of the Company) will send or cause to be sent by first-class mail, postage pre-paid, to all Persons who were Holders on the date of the Change of Control at their respective addresses appearing in the Security Register, a notice of such occurrence and of such Holder's rights arising as a result thereof.

The Indenture also provides that:

(a) In the event of a Change of Control Offer, the Company will only be required to accept Notes in denominations of $1,000 or integral multiples thereof.

(b) Not later than one Business Day after the Change of Control Payment Date in connection with which the Change of Control Offer is being made, the Company will (i) accept for payment Notes or portions thereof tendered pursuant to the Change of Control Offer, (ii) deposit with the Paying Agent money sufficient, in immediately available funds, to pay the purchase price of all Notes or portions thereof so accepted and (iii) deliver to the Paying Agent an Officers' Certificate identifying the Notes or portions thereof accepted for payment by the Company. The Paying Agent will promptly mail or deliver to Holders of Notes so accepted payment in an amount equal to the Change of Control Price of the Notes purchased from each such Holder, and the Company will execute and, upon receipt of an Officer's Certificate of the Company, the Trustee will promptly authenticate and mail or deliver to such Holder a new Note equal in principal amount to any unpurchased portion of the Note surrendered. Any Notes not so accepted will be promptly mailed or delivered by the Paying Agent at the Company's expense to the Holder thereof. The Company will publicly announce the results of the Change of Control Offer promptly after the Change of Control Payment Date.

(c) Any Change of Control Offer will be conducted by the Company in compliance with applicable law, including, without limitation, Section 14(e) of the Exchange Act and Rule 14e-1 thereunder.

The Company may enter into other arrangements or Incur other Indebtedness with similar change of control obligations. There can be no assurance that sufficient funds will be available at the time of a Change of Control to make any required repurchases. The Company's failure to make any required repurchases in the event of a Change of Control Offer will create an Event of Default under the Indenture.

No quantitative or other established meaning has been given to the phrase "all or substantially all" (which appears in the definition of Change of Control) by courts which have interpreted this phrase in various contexts. In interpreting this phrase, courts make a subjective determination as to the portion of assets conveyed, considering such factors as the value of the assets conveyed and the proportion of an entity's income derived from the assets conveyed. Accordingly, there may be uncertainty as to whether a Holder of Notes can determine whether a Change of Control has occurred and exercise any remedies such Holder may have upon a Change of Control.

LIMITATIONS ON TRANSACTIONS WITH STOCKHOLDERS AND AFFILIATES. The Indenture provides that the Company will not, and will not permit any of its Subsidiaries to, make any Investment, loan, advance, guarantee or capital contribution to or for the benefit of, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or for the benefit of, or purchase or lease any property or assets from, or enter into or amend any contract, agreement or understanding with, or for the benefit of, (i) any Affiliate of the Company or any Affiliate of the Company's Subsidiaries or (ii) any Person (or any Affiliate of such person) holding 10 percent or more of the Common Equity of the Company or any of its Subsidiaries (each an "Affiliate Transaction"), except on terms that are no less favorable to the Company or the relevant Subsidiary, as the case may be, than those that could have been obtained in a comparable transaction on an arm's length basis from a person that is not an Affiliate.

The Indenture also provides that the Company will not, and will not permit any of its Subsidiaries to, enter into any Affiliate Transaction involving or having a value of more than $1 million, unless, in each case, such Affiliate Transaction has been approved by a majority of the disinterested members of the Company's Board of Directors.

The Indenture also provides that the Company will not, and will not permit any of its Subsidiaries to, enter into an Affiliate Transaction involving or having a value of more than $5 million unless the Company has delivered to the Trustee an opinion of an Independent Financial Advisor to the effect that the transaction is fair to the Company or the relevant Subsidiary, as the case may be, from a financial point of view.

The Indenture also provides that, notwithstanding the foregoing, an Affiliate Transaction will not include (i) any contract, agreement or understanding with, or for the benefit of, or plan for the benefit of, employees of the Company or its Subsidiaries (in their capacity as such) that has been approved by the Company's Board of Directors, (ii) Capital Stock issuances to members of the Board of Directors, officers and employees, of the Company or its Subsidiaries pursuant to plans approved by the stockholders of the Company, (iii) any Restricted Payment otherwise permitted under the "Limitations on Restricted Payments" covenant set forth in the Indenture, (iv) any transaction between the Company and a Restricted Subsidiary or a Restricted Subsidiary and another Restricted Subsidiary, (v) any transaction pursuant to the tax sharing agreement, the agreement with Beazer Homes Ltd. regarding use of name and the cross-indemnity agreement, in each case with the Company's former parent or affiliates, as such agreements are in effect on the date of the Indenture or (vi) any transactions pursuant to the joint venture agreement with the Joint Venture Entity, as such agreement is in effect on the date of the Indenture.

LIMITATIONS ON LIENS. The Indenture provides that the Company will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or suffer to exist any Liens, other than Permitted Liens, on any of its or their assets, property, income or profits therefrom unless contemporaneously therewith or prior thereto all payments due under the Indenture and the Notes are secured on an equal and ratable basis with the obligation or liability so secured until such time as such obligation or liability is no longer secured by a Lien. The Indenture also provides that no Liens will be permitted to be created or suffered to exist on any Indebtedness from the Company in favor of any Restricted Subsidiary and that such Indebtedness will not be permitted to be sold, disposed of or otherwise transferred.

LIMITATIONS ON RESTRICTIONS ON DISTRIBUTIONS FROM RESTRICTED SUBSIDIARIES. The Indenture provides that the Company will not, and will not permit any of its Restricted Subsidiaries to, create, assume or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (i) pay dividends or make any other distributions on its Capital Stock or any other interest or participation in, or measured by, its profits, owned by the Company or any of its other Restricted Subsidiaries, or pay interest on or principal of any Indebtedness owed to the Company or any of its other Restricted Subsidiaries, (ii) make loans or advances to the Company or any of its other Restricted Subsidiaries, or (iii) transfer any of its properties or assets to the Company or any of its other Restricted Subsidiaries, except for encumbrances or restrictions existing under or by reason of (a) applicable law, (b) covenants or restrictions contained in the agreements evidencing Existing Indebtedness as in effect on the date of the Indenture, (c) any restrictions or encumbrances arising under Acquisition Indebtedness; PROVIDED, that such encumbrance or restriction applies only to the obligor on such Indebtedness and its Subsidiaries and that such Acquisition Indebtedness was not incurred by the Company or any of its Subsidiaries or by the Person being acquired in connection with or in anticipation of such acquisition, (d) any restrictions or encumbrances arising in connection with Refinancing Indebtedness; provided that any restrictions and encumbrances of the type described in this clause (d) that arise under such Refinancing Indebtedness are not more restrictive than those under the agreement creating or evidencing the Indebtedness being refunded, refinanced, replaced or extended, (e) any agreement restricting the sale or other disposition of property securing Indebtedness permitted by the Indenture if such agreement does not expressly restrict the ability of a Subsidiary of the Company to pay dividends or make loans or advances, and (f) reasonable and customary borrowing base covenants set forth in agreements evidencing Indebtedness otherwise permitted by the Indenture, which covenants restrict or limit the distribution of revenues or sale proceeds from real estate or a real estate project based upon the amount of indebtedness outstanding on such real estate or real estate project and the value of some or all of the remaining real estate or the project's remaining assets, and customary provisions restricting subletting or assignment of any lease governing a leasehold interest of the Company or any of its Restricted Subsidiaries.

MAINTENANCE OF CONSOLIDATED TANGIBLE NET WORTH. The Indenture provides that:

(a) In the event that the Consolidated Tangible Net Worth of the Company is less than $85 million at the end of any two consecutive fiscal quarters (the last day of the second fiscal quarter being referred to in the Indenture as the "Deficiency Date"), within 30 days after the end of each such period, the Company will so notify the Trustee in writing by delivery of an Officers' Certificate and will offer to purchase from all Holders (a "Net Worth Offer"), and will purchase from Holders accepting such Net Worth Offer on the date fixed for the closing of such Net Worth Offer (the "Net Worth Offer Date"), 10 percent of the original outstanding principal amount of the Notes (the "Net Worth Amount") at an offer price (the "Net Worth Offer Price") in cash in an amount equal to 100 percent of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to the Net Worth Offer Date. To the extent that the aggregate amount of Notes tendered pursuant to a Net Worth Offer is less than the Net Worth Amount relating thereto, then the Company may use the excess of the Net Worth Amount over the amount of Notes tendered, or a portion thereof, for general corporate purposes. In no event shall the Company's failure to meet the Consolidated Tangible Net Worth threshold at the end of any fiscal quarter be counted toward the making of more than one Net Worth Offer. The Company may reduce the principal amount of Notes to be purchased pursuant to the Net Worth Offer by subtracting 100 percent of the principal amount (excluding premium) of Notes acquired by the Company or any Wholly Owned Subsidiary subsequent to the Deficiency Date and surrendered for cancellation through purchase, redemption (other than pursuant to this covenant) or exchange, and that were not previously used as a credit against any obligation to repurchase Notes pursuant to this covenant.

(b) In the event that the Consolidated Tangible Net Worth of the Company is less than $85 million at the end of any two consecutive fiscal quarters, within 30 days after the end of such period,

the Company (with notice to the Trustee) or the Trustee at the Company's request (and at the expense of the Company) will send or cause to be sent by first-class mail, postage pre-paid, to all Persons who were Holders on the date of the end of the second such consecutive fiscal quarter, at their respective addresses appearing in the Security Register, a notice of such occurrence and of each Holder's rights arising as a result thereof. Such notice will contain all instructions and materials necessary to enable Holders to tender their Notes to the Company.

(c) In the event that the aggregate principal amount of Notes surrendered by Holders exceeds the Net Worth Amount, the Company will select the Notes to be purchased on a pro rata basis from all Notes so surrendered, with such adjustments as may be deemed appropriate by the Company so that only Notes in denominations of $1,000, or integral multiples thereof, will be purchased. To the extent that the Net Worth Amount remaining is less than $1,000, the Company may use such Net Worth Amount for general corporate purposes. Holders whose Notes are purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered.

(d) Not later than one Business Day after the Net Worth Offer Date in connection with which the Net Worth Offer is being made, the Company will (i) accept for payment Notes or portions thereof tendered pursuant to the Net Worth Offer (on a pro rata basis if required pursuant to the "Maintenance of Consolidated Tangible Net Worth" covenant set forth in the Indenture), (ii) deposit with the Paying Agent money sufficient, in immediately available funds, to pay the purchase price of all Notes or portions thereof so accepted and (iii) deliver to the Paying Agent an Officers' Certificate identifying the Notes or portions thereof accepted for payment by the Company. The Paying Agent will promptly mail or deliver to Holders of Notes so accepted payment in an amount equal to the Net Worth Offer Price of the Notes purchased from each such Holder, and the Company will execute and the Trustee will promptly authenticate and mail or deliver to such Holder a new Note equal in principal amount to any unpurchased portion of the Note surrendered. Any Notes not so accepted will be promptly mailed or delivered by the Paying Agent at the Company's expense to the Holder thereof. The Company will publicly announce the results of the Net Worth Offer promptly after the Net Worth Offer Date.

(e) Any Net Worth Offer will be conducted by the Company in compliance with applicable law, including, without limitation, Section 14(e) of the Exchange Act and Rule 14e-1 thereunder, if applicable.

There can be no assurance that sufficient funds will be available at the time of a Net Worth Offer to make any required repurchases. The Company's failure to make any required repurchases in the event of a Net Worth Offer will create an Event of Default under the Indenture.

LIMITATIONS ON MERGERS AND CONSOLIDATIONS. The Indenture provides that neither the Company nor any Subsidiary Guarantor will consolidate or merge with or into, or sell, lease, convey or otherwise dispose of all or substantially all of its assets (including, without limitation, by way of liquidation or dissolution), or assign any of its obligations under the Notes, the Guarantees or the Indenture (as an entirety or substantially in one transaction or series of related transactions), to any Person or permit any of its Restricted Subsidiaries to do any of the foregoing (in each case other than with the Company or another Wholly Owned Restricted Subsidiary) unless: (i) the Person formed by or surviving such consolidation or merger (if other than the Company or such Subsidiary Guarantor, as the case may be), or to which such sale, lease, conveyance or other disposition or assignment will be made (collectively, the "Successor"), is a solvent corporation or other legal entity organized and existing under the laws of the United States or any state thereof or the District of Columbia, and the Successor assumes by supplemental indenture in a form reasonably satisfactory to the Trustee all of the obligations of the Company or such Subsidiary Guarantor, as the case may be, under the Notes or such Subsidiary Guarantor's Subsidiary Guarantee, as the case may be, and the Indenture, (ii) immediately after giving effect to such transaction, no Default or Event of Default has occurred and is continuing, (iii) immediately after giving effect to such transaction and the use

of any net proceeds therefrom, on a pro forma basis, the Consolidated Tangible Net Worth of the Company or the Successor (in the case of a transaction involving the Company), as the case may be, would be at least equal to the Consolidated Tangible Net Worth of the Company immediately prior to such transaction and (iv) immediately after giving effect to such transaction and the use of any net proceeds therefrom, on a pro forma basis, the Consolidated Fixed Charge Coverage Ratio of the Company or the Successor (in the case of a transaction involving the Company), as the case may be, would be such that the Company or the Successor (in the case of a transaction involving the Company), as the case may be, would be entitled to Incur at least $1.00 of additional Indebtedness under such Consolidated Fixed Charge Coverage Ratio test in the "Limitations on Additional Indebtedness" covenant set forth in the Indenture. The foregoing provisions shall not apply to a transaction involving the consolidation or merger of a Subsidiary Guarantor with or into another person, or the sale, lease, conveyance or other disposition of all or substantially all of the assets of such Subsidiary Guarantor, that results in such Subsidiary Guarantor being released from its Subsidiary Guarantee as provided under "The Subsidiary Guarantees" above.

No quantitative or other established meaning has been given to the phrase "all or substantially all" by courts which have interpreted this phrase in various contexts. In interpreting this phrase, courts make a subjective determination as to the portion of assets conveyed, considering such factors as the value of the assets conveyed and the proportion of an entity's income derived from the assets conveyed. Accordingly, there may be uncertainty as to whether a Holder of Notes can determine whether the Company has sold, leased, conveyed or otherwise disposed of all or substantially all of its assets and exercise any remedies such Holder may have upon the occurrence of any such transaction.

EVENTS OF DEFAULT

The following are Events of Default under the Indenture:

(i) the failure by the Company to pay interest on any Note when the same becomes due and payable and the continuance of any such failure for a period of 30 days;

(ii) the failure by the Company to pay the principal or premium of any Note when the same becomes due and payable at maturity, upon acceleration or otherwise (including the failure to make payment pursuant to a Change of Control Offer, a Net Worth Offer or an Excess Proceeds Offer);

(iii) the failure by the Company or any of its Subsidiaries to comply with any of its agreements or covenants in, or provisions of, the Notes, the Subsidiary Guarantees or the Indenture and such failure continues for the period and after the notice specified below;

(iv) the acceleration of any Indebtedness (other than Non-Recourse Indebtedness) of the Company or any of its Subsidiaries that has an outstanding principal amount of $3 million or more in the aggregate;

(v) the failure by the Company or any of its Subsidiaries to make any principal or interest payment in respect of Indebtedness (other than Non-Recourse Indebtedness) of the Company or any of its Subsidiaries with an outstanding aggregate amount of $3 million or more within five days of such principal or interest payment becoming due and payable (after giving effect to any applicable grace period set forth in the documents governing such Indebtedness);

(vi) a final judgment or judgments that exceed $3 million or more in the aggregate, for the payment of money, having been entered by a court or courts of competent jurisdiction against the Company or any of its Subsidiaries and such judgment or judgments is not satisfied, stayed, annulled or rescinded within 60 days of being entered;

(vii) the Company or any Material Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(A) commences a voluntary case,

(B) consents to the entry of an order for relief against it in an involuntary case,

(C) consents to the appointment of a Custodian of it or for all or substantially all of its property, or

(D) makes a general assignment for the benefit of its creditors;

(viii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company or any Material Subsidiary as debtor in an involuntary case,

(B) appoints a Custodian of the Company or any Material Subsidiary or a Custodian for all or substantially all of the property of the Company or any Material Subsidiary, or

(C) orders the liquidation of the Company or any Material Subsidiary and the order or decree remains unstayed and in effect for 60 days; or

(ix) any Subsidiary Guarantee ceases to be in full force and effect (other than in accordance with the terms of such Subsidiary Guarantee and the Indenture) or is declared null and void and unenforceable or found to be invalid or any Subsidiary Guarantor denies its liability under its Subsidiary Guarantee (other than by reason of release of a Subsidiary Guarantor from its Subsidiary Guarantee in accordance with the terms of the Indenture and the Subsidiary Guarantee).

A Default as described in sub-clause (iii) above will not be deemed an Event of Default until the Trustee notifies the Company, or the Holders of at least 25 percent in principal amount of the then outstanding Notes notify the Company and the Trustee, of the Default and the Company does not cure the Default within 60 days after receipt of the notice. The notice must specify the Default, demand that it be remedied and state that the notice is a "Notice of Default." If such a Default is cured within such time period, it ceases.

If an Event of Default (other than an Event of Default specified in sub-clauses (vii) and (viii) above) shall have occurred and be continuing under the Indenture, the Trustee by notice to the Company, or the Holders of at least 25 percent in principal amount of the Notes then outstanding by notice to the Company and the Trustee, may declare all Notes to be due and payable immediately. Upon such declaration of acceleration, the amounts due and payable on the Notes, as determined pursuant to the provisions of the "Acceleration" section of the Indenture, will be due and payable immediately. If an Event of Default with respect to the Company specified in sub-clauses (vii) and (viii) above occurs, such an amount will IPSO FACTO become and be immediately due and payable without any declaration, notice or other act on the part of the Trustee and the Company or any Holder. The Holders of a majority in principal amount of the Notes then outstanding by written notice to the Trustee and the Company may waive such Default or Event of Default (other than any Default or Event of Default in payment of principal or interest) on the Notes under the Indenture. Holders of a majority in principal amount of the then outstanding Notes may rescind an acceleration and its consequence (except an acceleration due to nonpayment of principal or interest on the Notes) if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived.

The Holders may not enforce the provisions of the Indenture, the Notes or the Subsidiary Guarantees except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the Notes then outstanding may direct the Trustee in its exercise of any trust or power, provided, however, that such direction does not conflict with the terms of the Indenture. The Trustee may withhold from the Holders notice of any continuing Default or Event of Default (except any Default or Event of Default in payment of principal or interest on the Notes or that resulted from the failure to comply with the covenant entitled Change of Control) if the Trustee determines that withholding such notice is in the Holders' interest.

The Company is required to deliver to the Trustee a quarterly statement regarding compliance with the Indenture, and include in such statement, if any Officer of the Company is aware of any Default or Event of Default, a statement specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto. In addition, the Company is required to deliver to the Trustee prompt written notice of the occurrence of any Default or Event of Default and any other development, financial or otherwise, which might materially affect its business, properties or affairs or the ability of the Company to perform its obligations under the Indenture.

REPORTS

The Indenture provides that, as long as any of the Notes are outstanding, the Company will deliver to the Trustee and mail to each Holder within 15 days after the filing of the same with the Commission copies of the quarterly and annual reports and of the information, documents and other reports with respect to the Company and the Subsidiary Guarantors, if any, which the Company and the Subsidiary Guarantors may be required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act. The Indenture further provides that, notwithstanding that neither the Company nor any of the Guarantors may be required to remain subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Company will continue to file with the Commission and provide the Trustee and Holders with such annual and quarterly reports and such information, documents and other reports with respect to the Company and the Subsidiary Guarantors as are required under Sections 13 and 15(d) of the Exchange Act. If filing of documents by the Company with the Commission as aforementioned in this paragraph is not permitted under the Exchange Act, the Company shall promptly upon written notice supply copies of such documents to any prospective holder. The Company and each Subsidiary Guarantor will also comply with the other provisions of Section 314(a) of the Trust Indenture Act.

DISCHARGE OF INDENTURE

The Indenture permits the Company and the Subsidiary Guarantors to terminate all of their respective obligations under the Indenture, other than the obligation to pay interest on and the principal of the Notes and certain other obligations, at any time by (i) depositing in trust with the Trustee, under an irrevocable trust agreement, money or U.S. Government Obligations in an amount sufficient to pay principal of and interest on the Notes to their maturity or redemption, as the case may be, and to pay all other sums payable by the Company and the Subsidiary Guarantors under the Indenture as they become due and (ii) complying with certain other conditions, including delivery to the Trustee of an opinion of counsel to the effect that Holders will not recognize income, gain or loss for federal income tax purposes as a result of the Company's exercise of such right and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case otherwise.

In addition, the Indenture permits the Company and the Subsidiary Guarantors to terminate all of their respective obligations under the Indenture (including the obligations to pay interest on and the principal of the Notes and certain other obligations), at any time by (i) depositing in trust with the Trustee, under an irrevocable trust agreement, money or U.S. Government Obligations in an amount sufficient (without regard to reinvestment of any interest thereon), in the opinion of a nationally recognized firm of independent public accountants expressed in a written certificate thereof delivered to the Trustee, to pay principal of and interest on the Notes to their maturity or redemption, as the case may be, and to pay all other sums payable by the Company and the Subsidiary Guarantors under the Indenture as they become due and (ii) complying with certain other conditions, including delivery to the Trustee of an opinion of counsel that the Company has received from the Internal Revenue Service a ruling or that since the date of the Indenture there has been a change in the applicable federal income tax law, in either case to the effect that Holders will not recognize income, gain or loss for federal income tax purposes as a result of the Company's exercise of such right and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case otherwise.

TRANSFER AND EXCHANGE

A Holder will be able to transfer or exchange Notes only in accordance with the provisions of the Indenture. The Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents, and to pay any taxes and fees required by law or permitted by the Indenture.

AMENDMENT, SUPPLEMENT AND WAIVER

Subject to certain exceptions, the Indenture or the Notes may be amended or supplemented with the consent (which may include consents obtained in connection with a tender offer or exchange offer for Notes) of the Holders of at least a majority in principal amount of the Notes then outstanding, and any existing Default or Event of Default (other than any continuing Default or Event of Default in the payment of interest on or the principal of the Notes) under, or compliance with any provision of, the Indenture may be waived with the consent (which may include consents obtained in connection with a tender offer or exchange offer for Notes) of the Holders of a majority in principal amount of the Notes then outstanding. Without the consent of any Holder, the Company, the Subsidiary Guarantors and the Trustee may amend the Indenture or the Notes or waive any provision of the Indenture to cure any ambiguity, defect or inconsistency, to comply with the "Limitations on Mergers and Consolidations" section set forth in the Indenture; to provide for uncertificated Notes in addition to certificated Notes; to make any change that does not adversely affect the legal rights under the Indenture of any Holder; to comply with or qualify the Indenture under the Trust Indenture Act; or to reflect a Subsidiary Guarantor ceasing to be liable on the Subsidiary Guarantees because it is no longer a Subsidiary of the Company.

Without the consent of each Holder affected, the Company may not (i) reduce the amount of Notes whose Holders must consent to an amendment, supplement or waiver, (ii) reduce the rate of or change the time for payment of interest, including default interest, on any Note, (iii) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to redemption under the "Optional Redemption" section set forth in the Indenture or with respect to mandatory offers to repurchase Notes pursuant to the "Disposition of Proceeds of Asset Sales," "Change of Control" and "Maintenance of Consolidated Tangible Net Worth" covenants set forth in the Indenture, (iv) make any Note payable in money other than that stated in the Note, (v) make any change in the "Waiver of Past Defaults and Compliance with Indenture Provisions", "Rights of Holders to Receive Payment" or, in part, the "With Consent of Holders" sections set forth in the Indenture, (vi) modify the ranking or priority of the Notes or any Subsidiary Guarantee, (vii) release any Subsidiary Guarantor from any of its obligations under its Subsidiary Guarantee or the Indenture otherwise than in accordance with the terms of the Indenture, or (viii) waive a continuing Default or Event of Default in the payment of principal of or interest on the Notes.

The right of any Holder to participate in any consent required or sought pursuant to any provision of the Indenture (and the obligation of the Company to obtain any such consent otherwise required from such Holder) may be subject to the requirement that such Holder shall have been the Holder of record of any Notes with respect to which such consent is required or sought as of a date identified by the Trustee in a notice furnished to Holders in accordance with the terms of the Indenture.

NO PERSONAL LIABILITY OF INCORPORATORS, SHAREHOLDERS, OFFICERS, DIRECTORS OR EMPLOYEES

The Indenture provides that no recourse for the payment of the principal of, premium, if any, or interest on any of the Notes, or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company or any Subsidiary Guarantor in the Indenture or in any of the Notes or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, shareholder, officer, director, employee or controlling person of the Company, any Subsidiary Guarantor or any successor Person thereof. Each Holder, by accepting such Notes waives and releases all such liability.

CONCERNING THE TRUSTEE

The Indenture contains certain limitations on the rights of the Trustee, should it become a creditor of the Company, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest (as defined in the Indenture), it must eliminate such conflict or resign.

The Holders of a majority in principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture provides that in case an Event of Default occurs and is not cured, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in similar circumstances in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any Holder, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to the Trustee.

GOVERNING LAW

The Indenture, the Notes and the Subsidiary Guarantees are governed by the laws of the State of New York.

DELIVERY AND FORM OF SECURITIES

BOOK ENTRY; DELIVERY AND FORM

The Old Notes are, and the Exchange Notes will be, issued in the form of one Global Note (the "Global Note"). The Global Note will be deposited on the date of the closing of the Exchange Offer with, or on behalf of, the Trustee as custodian for the Depository Trust Company (the "Depositary") and registered in the name of Cede & Co., as nominee of the Depositary (such nominee being referred to herein as the "Global Note Holder"). The Depositary will maintain the Notes in denominations of $1,000 and integral multiples thereof through its book-entry facilities.

The Depositary has advised the Company and the Initial Purchasers as follows: It is a limited-purpose trust company which was created to hold securities for its participating organizations (the "Participants") and to facilitate the clearance and settlement of transactions in such securities between Participants through electronic book-entry changes in accounts of its Participants. Participants include securities brokers and dealers (including the Initial Purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to the Depositary's book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly ("indirect participants"). Persons who are not Participants may beneficially own securities held by the Depositary only through Participants or indirect participants.

The Company expects that pursuant to procedures established by the Depositary (i) upon the issuance by the Company of the Notes, the Depositary will credit the accounts of Participants designated by the Initial Purchasers with the principal amount of the Notes purchased by the Initial Purchasers and (ii) ownership of beneficial interests in the Global Note will be shown on, and the transfer of that ownership will be effected through, records maintained by the Depositary (with respect to Participants' interest), the Participants and the indirect participants.

The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in the Global Note is limited to such extent.

Investors in the Global Note may hold their interests therein directly through the Depositary, if they are Participants in such system, or indirectly through organizations that are Participants in such system.

So long as a nominee of the Depositary is the registered owner of the Global Note, such nominee will be considered the sole owner or holder of the Notes for all purposes under the Indenture. Except as provided below, owners of beneficial interests in the Global Note will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive form and will not be considered the owners or holders thereof under the Indenture, including with respect to giving of any directions, instructions or approvals to the Trustee thereunder.

Neither the Company nor the Trustee, the Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Note, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Principal and interest payments on the Global Note registered in the name of the Depositary's nominee will be made by the Company, either directly or through a paying agent, to the Depositary's nominee as the registered owner of the Global Note. Under the terms of the Indenture, the Company and the Trustee will treat the persons in whose names the Notes are registered as the owners of such Notes for the purpose of receiving payments of principal and interest on such Notes and for all other purposes whatsoever. Therefore, neither the Company, the Trustee nor any paying agent has any direct responsibility or liability for the payment of principal or interest on the Notes to owners of beneficial interests in the Global Note. The Depositary has advised the Company and the Trustee that its present practice is, upon receipt of any payment, to credit immediately the accounts of the Participants with payment in amounts proportionate to their respective holdings in principal amount of beneficial interest in the Global Note as shown on the records of the Depositary. Payments by Participants and indirect participants to owners of beneficial interests in the Global Note will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bear form or registered in "street name" and will be the responsibility of such Participants or indirect participants.

As long as the Notes are represented by a Global Note, the Global Note Holder will be the holder of the Notes and therefore will be the only entity that can exercise a right to repayment or repurchase of the Notes. Notice by Participants or indirect participants or by owners of beneficial interests in the Global Note held through such Participants or indirect participants of the exercise of the option to elect repayment of beneficial interests in Notes represented by the Global Note must be transmitted to the Depositary in accordance with its procedures on a form required by the Depositary and provided to Participants. In order to ensure that the Depositary's nominee will timely exercise a right to repayment with respect to a particular Note, the beneficial owner of such Note must instruct the broker or other Participant or exercise a right to repayment. Different firms have cut-off times for accepting instructions from their customers and, accordingly, each beneficial owner should consult the broker or other Participant or indirect participant through which it holds an interest in a Note in order to ascertain the cut-off time by which such an instruction must be given in order for timely notice to be delivered to the Depositary.

Subject to certain conditions, any person having a beneficial interest in the Global Note may, upon request to the Trustee, exchange such beneficial interest for Notes in definitive form. Upon any such exchange, the Trustee is required to register such Notes in the name of, and cause the same to be delivered to, such Person or Persons (or the nominee of any thereof). Such Notes would be issued in fully registered form and would be subject to the legal requirements described herein under "Transfer Restriction." In addition, if (i) the Company notifies the Trustee in writing that the Depositary is no longer willing or able to act as a depositary and the Company is unable to locate a qualified successor within 90 days or (ii) the Company, at its option, notifies the Trustee in writing that it elects to cause the issuance of Notes in definitive form under the Indenture, then, upon surrender by the Global Note Holder of the Global Note,

Notes in such form will be issued to each person that such Global Note Holder and the Depositary identifies as being the beneficial owner of the related Notes.

Neither the Company nor the Trustee will be liable for any delay by the Global Note Holder or the Depositary in identifying the owners of beneficial interests in the Global Note and the Company and the Trustee may conclusively rely on, and will be protected in relying on, instructions from the Global Note Holder or the Depositary for all purposes.

The Indenture requires that payments in respect of the Notes represented by the Global Note (including principal, premium, if any, interest and Liquidated Damages) be made in same day funds. Interests in the Global Note trade in the Depositary's same-day funds settlement system, and any permitted secondary market trading activity in the Notes will, therefore, be required by the Depositary to be settled in same-day funds. Transfer between Participants in the Depositary will be effected in accordance with the Depositary's procedures, and will be settled in same-day funds.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following discussion summarizes the material United States federal income tax consequences of the Exchange Offer to a holder of Old Notes that is an individual citizen or resident of the United States or a United States corporation that purchased the Old Notes pursuant to their original issue (a "U.S. Holder"). It is based on the Internal Revenue Code of 1986, as amended to the date hereof (the "Code") existing and proposed Treasury regulations, and judicial and administrative determinations, all of which are subject to change at any time, possibly on a retroactive basis. The following relates only to the Old Notes, and the Exchange Notes received therefor, that are held as "capital assets" within the meaning of Section 1221 of the Code by U.S. Holders. It does not discuss state, local, or foreign tax consequences, nor does it discuss tax consequences to subsequent purchasers (persons who did not purchase the Old Notes pursuant to their original issue), or to categories of holders that are subject to special rules, such as foreign persons, tax-exempt organizations, insurance companies, banks, and dealers in stocks and securities. Tax consequences may vary depending on the particular status of an investor. No rulings will be sought from the Internal Revenue Service (the "IRS") with respect to the federal income tax consequences of the Exchange Offer.

THIS SECTION DOES NOT PURPORT TO DEAL WITH ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO AN INVESTOR'S DECISION TO EXCHANGE OLD NOTES FOR EXCHANGE NOTES. EACH INVESTOR SHOULD CONSULT WITH ITS OWN TAX ADVISOR CONCERNING THE APPLICATION OF THE FEDERAL INCOME TAX LAWS AND OTHER TAX LAWS TO ITS PARTICULAR SITUATION BEFORE DETERMINING WHETHER TO EXCHANGE OLD NOTES FOR EXCHANGE NOTES.

THE EXCHANGE OFFER

The exchange of Exchange Notes pursuant to the Exchange Offer should be treated as a continuation of the corresponding Old Notes because the terms of the Exchange Notes are not materially different from the terms of the Old Notes, and accordingly (i) such exchange should not constitute a taxable event to a U.S. Holder, (ii) no gain or loss should be realized by a U.S. Holder upon receipt of an Exchange Note, (iii) the holding period of the Exchange Note should include the holding period of the Old Note exchanged therefor and (iv) the adjusted tax basis of the Exchange Note should be the same as the adjusted tax basis of the Old Note exchanged therefor immediately before the exchange.

STATED INTEREST

Stated interest on a Note will be taxable to a U.S. Holder as ordinary interest income at the time that such interest accrues or is received, in accordance with the U.S. Holder's regular method of accounting for federal income tax purposes. The Notes are not considered to have been issued with original issue discount for federal income tax purposes.

SALE, EXCHANGE OR RETIREMENT OF THE NOTES

A U.S. Holder's tax basis in a Note generally will be its cost. A U.S. Holder generally will recognize gain or loss on the sale, exchange or retirement of a Note in an amount equal to the difference between the amount realized on the sale, exchange or retirement and the tax basis of the Note. Gain or loss recognized on the sale, exchange or retirement of a Note (excluding amount received in respect of accrued interest, which will be taxable as ordinary interest income) generally will be capital gain or loss. The maximum rate of tax on long term capital gains on most capital assets held by an individual, trust or estate for more than 18 months is 20%, and for most capital assets held for more than one year and up to 18 months is 28%.

BACKUP WITHHOLDING

Under certain circumstances, a U.S. Holder of a Note may be subject to "backup withholding" at a 31% rate with respect to payments of interest thereon or the gross proceeds from the disposition thereof. This withholding generally applies if the U.S. Holder fails to furnish his or her social security number or other taxpayer identification number in the specified manner and in certain other circumstances. Any amount withheld from a payment to a U.S. Holder under the backup withholding rules is allowable as a credit against such U.S. Holder's federal income tax liability provided that the required information is furnished to the IRS. Corporations and certain other entities described in the Code and Treasury regulations are exempt from backup withholding if their exempt status is properly established.

PLAN OF DISTRIBUTION

A broker-dealer that is the holder of Old Notes that were acquired for the account of such broker-dealer as a result of market-making or other trading activities (other than Old Notes acquired directly from the Company or any affiliate of the Company) may exchange such Old Notes for Exchange Notes pursuant to the Exchange Offer; PROVIDED, that each broker-dealer that receives Exchange Notes for its own account in exchange for Old Notes, where such Old Notes were acquired by such broker-dealer as a result of market-making or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Notes. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Notes received in exchange for Old Notes where such Old Notes were acquired as a result of market-making activities or other trading activities. The Company has agreed that for a period of 180 days after consummation of the Exchange Offer, it will make this Prospectus, as it may be amended or supplemented from time to time, available to any broker-dealer for use in connection with any such resale. In addition, until , 1998, all dealers effecting transactions in the Exchange Notes may be required to deliver a prospectus.

The Company will not receive any proceeds from any sale of Exchange Notes by broker-dealers or any other holder of Exchange Notes. Exchange Notes received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Exchange Notes or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer and/or the purchasers of any such Exchange Noes. Any broker-dealer that resells Exchange Notes that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such Exchange Notes may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of Exchange Notes and any commissions or concessions received by any such persons may be deemed to be under writing compensation under the Securities Act. The Letter of Transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after consummation of the Exchange Offer, the Company will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. The Company has agreed to pay all expenses incident to the Exchange Offer and to the Company's performance of, or compliance with, the Registration Rights Agreement (other than commissions or concessions of any brokers or dealers) and will indemnify the holders of the Notes (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

LEGAL MATTERS

Certain legal matters relating to the Exchange Notes offered hereby will be passed upon on behalf of the Company by Paul, Hastings, Janofsky & Walker LLP, New York, New York.

EXPERTS

The financial statements as of and for the years ended September 30, 1997 and 1996 incorporated in this Prospectus by reference from the Company's Annual Report on Form 10-K for the year ended September 30, 1997 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The consolidated financial statements of the Company for the year ended September 30, 1995 incorporated by reference in this Prospectus from the Company's Annual Report on Form 10-K for the year ended September 30, 1997, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR THE INITIAL PURCHASERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME AFTER THE DATE HEREOF OR THAT THERE HAS NOT BEEN A CHANGE IN THE AFFAIRS IN THE COMPANY SINCE THE DATE HEREOF.

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UNTIL , 1998 (40 DAYS AFTER THE DATE OF THIS PROSPECTUS) ALL DEALERS EFFECTING TRANSACTIONS IN THE EXCHANGE NOTES, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

PROSPECTUS

, 1998

[LOGO]

BEAZER HOMES USA, INC.

OFFER TO EXCHANGE ITS
8 7/8% SENIOR NOTES DUE 2008,
WHICH HAVE BEEN REGISTERED
UNDER
THE SECURITIES ACT OF 1933,
AS AMENDED,
FOR ANY AND ALL OF ITS OUTSTANDING
8 7/8% SENIOR NOTES DUE 2008

PART II
INFORMATION NOT REQUIRED IN THE PROSPECTUS

ITEM 20. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Beazer Homes USA, Inc.'s Certificate of Incorporation, as amended and restated, indemnifies its officers and directors to the fullest extent permitted by the Delaware General Corporation Law (the "DGCL"). Under Section 145 of the DGCL, a corporation may indemnify its directors, officers, employees and agents and its former directors, officers, employees and agents and those who serve, at the corporation's request, in such capacities with another enterprise, against expenses (including attorneys' fees), as well as judgments, fines and settlements in nonderivative lawsuits, actually and reasonably incurred in connection with the defense of any action, suit or proceeding in which they or any of them were or are made parties or are threatened to be made parties by reason of their serving or having served in such capacity. The DGCL provides, however, that such person must have acted in good faith and in a manner such person reasonably believed to be in (or not opposed to) the best interests of the corporation and, in the case of a criminal action, such person must have had no reasonable cause to be believe his or her conduct was unlawful. In addition, the DGCL does not permit indemnification in an action or suit by or in the right of the corporation, where such person has been adjudged liable to the corporation, unless, and only to the extent that, a court determines that such person fairly and reasonably is entitled to indemnity for costs the court deems proper in light of liability adjudication. Indemnity is mandatory to the extent a claim, issue or matter has been successfully defended. The Certificate of Incorporation, as amended and restated, and the DGCL also prohibit limitations on officer or director liability for acts or omissions which resulted in a violation of a statute prohibiting certain dividend declarations, certain payments to stockholders after dissolution and particular types of loans. The effect of these provisions is to eliminate the rights of Beazer Homes USA., Inc. and its stockholders (through stockholders' derivative suits on behalf of Beazer Homes USA, Inc.) to recover monetary damages against an officer or director for breach of fiduciary duty as an officer or director (including breaches resulting from grossly negligent behavior), except in the situations described above. These provisions will not limit the liability of directors or officers under the federal securities laws of the United States. The foregoing summary of Beazer Homes USA, Inc.'s Certificate of Incorporation, as amended and restated, is qualified in its entirety by reference to the relevant provisions thereof (incorporated by reference as Exhibit 3.1).

See Item 22 for a statement of the Company's undertaking as to the Commission's position respecting indemnification arising under the Securities Act.

ITEM 21. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

a. Exhibits

EXHIBIT NUMBER		
3.1	(7)	--Amended and Restated Certificate of Incorporation of the Company.
3.2	(7)	--Amended and Restated Bylaws of the Company
3.3(a)	(2)	Certificate of Incorporation of Beazer Homes Corp. (f/k/a Phillips Builders, Inc.).
3.3(b)		Articles of Amendment to the Charter of Beazer Homes Corp. (filed herewith).
3.3(c)		Certificate of Incorporation of Beazer Homes Holdings Corp. (f/k/a BZH Holdings Corp.)(filed herewith).

EXHIBIT NUMBER	
3.3(d)	Certificate of Amendment to the Certificate of Incorporation of Beazer Homes Holdings Corp. (filed herewith).
3.3(e)	Certificate of Amendment to the Certificate of Incorporation of Beazer Homes Holdings Corp. (filed herewith).
3.3(f) (2)	Amended Articles of Incorporation of Beazer Realty Corp. (f/k/a Beazer-Cohn Realty Corp.).
3.3(g)	Articles of Amendment to Articles of Incorporation of Beazer Realty Corp. (filed herewith).
3.3(h)	Certificate of Incorporation of Beazer Mortgage Corporation (filed herewith).
3.3(i) (2)	Certificate of Incorporation of Beazer Homes Sales Arizona Inc.
3.3(j) (2)	Articles of Incorporation of Beazer/Squires Realty, Inc.
3.3(k)	Articles of Incorporation of Panitz Homes Realty, Inc. (filed herewith).
3.3(l)	Certificate of Incorporation of Beazer Homes Texas Holdings, Inc. (filed herewith).
3.3(m)	Certificate of Amendment of the Certificate of Incorporation of Beazer Homes Texas Holdings, Inc. (filed herewith).
3.3(n)	Certificate of Limited Partnership of Beazer Homes Texas, L.P. (filed herewith).
3.4(a) (2)	Bylaws of Beazer Homes Corp. (f/k/a Phillips Builders Inc.).
3.4(b)	Bylaws of Beazer Homes Holdings Corp. (filed herewith).
3.4(c) (2)	Bylaws of Beazer Realty Corp. (f/k/a Beazer-Cohn Realty Corp.).
3.4(d)	Bylaws of Beazer Mortgage Corporation (filed herewith).
3.4(e) (2)	Bylaws of Beazer Homes Sales Arizona Inc.
3.4(f) (2)	Bylaws of Beazer/Squires Realty, Inc.
3.4(g)	Bylaws of Panitz Homes Realty, Inc. (filed herewith).
3.4(h)	Bylaws of Beazer Homes Texas Holdings, Inc. (filed herewith).
3.4(i)	Agreement of Limited Partnership of Beazer Homes Texas, L.P. (filed herewith).
4.1 (1)	--Indenture dated as of March 2, 1994 among the Company, its subsidiaries party thereto, and U.S. Bank Trust National Association (formerly known as Continental Bank, National Association) as trustee, relating to the Company's 9% Senior Notes due 2004.
4.2 (2)	--Form of 9% Senior Note due 2004.
4.3 (6)	--Specimen of Common Stock Certificate.
4.4 (4)	--Form of Certificate of Designations for Series A Cumulative Convertible Exchangeable Preferred Stock, $.01 par value per share
4.5 (4)	--Form of Certificate representing shares of Series A Cumulative Convertible Exchangeable Preferred Stock, $.01 par value per share.
4.6 (4)	--Form of Indenture between the Company and the First National Bank of Boston, as trustee, relating to the 8% Convertible Subordinated Debentures due 2005.

EXHIBIT NUMBER		
4.7	(4)	--Form of 8% Convertible Subordinated Debenture due 2005
4.8	(5)	--Retirement Savings and Investment Plan.
4.9	(5)	--Summary Plan Description.
4.10	(8)	--Rights Agreement, dated as of June 21, 1996, between the Company and First Chicago Trust Company of New York, as Rights Agent.
4.11		First Supplemental Indenture dated as of June 13, 1995 among the Company, its subsidiaries parties thereto and U.S. Bank Trust National Association, as trustee, relating to the Company's 9% Senior Notes due 2004 (filed herewith).
4.12		Second Supplemental Indenture dated as of February 1, 1996 among the Company, its subsidiaries parties thereto and U.S. Bank Trust National Association, as trustee, relating to the Company's 9% Senior Notes due 2004 (filed herewith).
4.13		Third Supplemental Indenture dated as of March 18, 1998 among the Company, its subsidiaries parties thereto and U.S. Bank Trust National Association, as trustee, relating to the Company's 9% Senior Notes due 2004 (filed herewith).
4.14		--Indenture dated as of March 25, 1998 among the Company, its subsidiaries parties thereto, and U.S. Bank Trust National Association, as trustee, relating to the Company's 8 7/8% Senior Notes due 2008 (filed herewith).
4.15		--Form of Old Note (filed herewith).
4.16		--Form of Exchange Note (filed herewith).
4.17		--Purchase Agreement dated as of March 20, 1998 between the Company, its subsidiaries parties thereto, and the Initial Purchasers named therein (filed herewith).
4.18		--Registration Rights Agreement dated as of March 25, 1998 between the Company, its subsidiaries parties thereto, and the Initial Purchasers named therein (filed herewith).
5.1		--Opinion of Paul, Hastings, Janofsky & Walker LLP as to the validity of the Securities being registered (filed herewith).
10.1	(10)	--Credit Agreement dated as of October 22, 1996 between the Company and First National Bank of Chicago, as agent.
10.2	(3)	--Amended 1994 Stock Incentive Plan.
10.3	(3)	--Non--Employee Director Stock Option Plan.
10.4	(2)	--Asset Purchase Agreement dated as of April 14, 1993, as amended, between Beazer Homes Holdings Inc., Beazer Homes California Inc., Beazer Homes Nevada Inc., Beazer Homes Arizona Inc., Beazer Homes Sales Arizona Inc., Watt Housing Corporation, Watt American, Inc., Watt/Hancock Homes of Arizona, Inc., Watt Homes Inc., Watt Nevada, Inc., Watt Homes of Northern California, Inc., Watt Pacific, Inc., Orange Homes South, Inc., Narcissa Corporation, and WH/Arizona, Inc.
10.5	(9)	--Amended and Restated Employment Agreement dated as of March 31, 1995 between the Company and Ian J. McCarthy.

EXHIBIT NUMBER		
10.6	(9)	--Amended and Restated Employment Agreement dated as of March 31, 1995 between the Company and David S. Weiss.
10.7	(9)	--Amended and Restated Employment Agreement dated as of March 31, 1995 between the Company and John Skelton.
10.8	(9)	--Amended and Restated Employment Agreement dated as of March 31, 1995 between the Company and Gary N. Baucom.
10.9	(1)	--Employment Agreement dated as of March 2, 1994 between the Company and H. Eddie Phillips.
10.11	(10)	--Supplemental Employment Agreement dated as of July 17, 1996 between the Company and Ian J. McCarthy.
10.12	(10)	--Supplemental Employment Agreement dated as of July 17, 1996 between the Company and David S. Weiss.
10.13	(10)	--Supplemental Employment Agreement dated as of July 17, 1996 between the Company and John Skelton.
10.14	(10)	--Supplemental Employment Agreement dated as of July 17, 1996 between the Company and Peter H. Simons.
10.15	(11)	--First Amendment dated July 29, 1997 to Credit Agreement.
10.16	(12)	--Second Amendment dated December 10, 1997 to Credit Agreement.
10.17		--Third Amendment dated March 19, 1998 to Credit Agreement (filed herewith).
10.18	(13)	--Employment Agreement dated as of January 13, 1998 between the Company and Michael H. Furlow.
10.19	(13)	--Employment Agreement dated as of January 21, 1998 between the Company and Cory Boydston.
11	(10) (12) (13)	--Earnings Per Share Calculations.
12		--Ratio of Earnings to fixed charges calculation (filed herewith).
21	(12)	--Subsidiaries of the Company.
23.1		--Consent of Paul, Hastings, Janofsky & Walker LLP (included in Exhibit 5.1).
23.2		--Consent of Deloitte & Touche LLP, Independent Auditors (filed herewith).
23.3		--Consent of Ernst & Young LLP, Independent Auditors (filed herewith).
24.1		--Power of Attorney (included in Part II of this Registration Statement).
25.1		--Statement of Eligibility of U.S. Bank Trust National Association, as Trustee, on Form T-1 (filed herewith).
99.1		--Form of Letter of Transmittal (filed herewith).
99.2		--Form of Notice of Guaranteed Delivery (filed herewith).

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(1) Incorporated herein by reference to the exhibits to the Company's report of Form 10--Q for the quarterly period ended March 31, 1994.

(2) Incorporated herein by reference to the exhibits to the Company's Registration Statement on Form S--1 (Registration No. 33--72982) initially filed on December 15, 1993.

(3) Incorporated herein by reference to the exhibits to the Company's report on Form 10--K for the year ended September 30, 1994.

(4) Incorporated herein by reference to the exhibits to the Company's Registration Statement on Form S--3 (Registration No. 33--92892) initially filed on June 15, 1995.

(5) Incorporated herein by reference to the exhibits to the Company's Registration Statement on Form S--8 (Registration No. 33--91904) filed on May 4, 1995.

(6) Incorporated herein by reference to the exhibits to the Company's Registration Statement on Form S--1 (Registration No. 33--72576) initially filed on December 6, 1993.

(7) Incorporated herein by reference to the exhibits to the Company's report on Form 8--K filed on May 30, 1996.

(8) Incorporated herein by reference to the exhibits to the Company's report on Form 8--K filed on June 21, 1996

(9) Incorporated herein by reference to the exhibits to the Company's report on Form 10--Q for the quarterly period ended March 31, 1995.

(10) Incorporated herein by reference to the exhibits to the Company's report on Form 10--K for the year ended September 30, 1996.

(11) Incorporated herein by reference to the exhibits to the Company's report on Form 10--Q for the quarterly period ended June 30, 1997.

(12) Incorporated herein by reference to the exhibits to the Company's report on Form 10--K for the year ended September 30, 1997.

(13) Incorporated herein by reference to the exhibits to the Company's report on Form 10--Q for the quarterly period ended December 31, 1997.

b. Financial Statement Schedules.

None required.

ITEM 22. UNDERTAKINGS

(14) The undersigned registrant hereby undertakes:

a. To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high of the estimated maximum offering range may be reflected in the form of prospectus

filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

b. That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

c. To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

d. That prior to any public reoffering of the securities registered hereunder through use of a prospectus which is part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by person who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

e. That every prospectus: (i) that is filed pursuant to paragraph (4) immediately proceeding, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Act and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

f. To respond to requests for information that is incorporated by reference into the prospectus pursuant to Item 4, 10(b), 11 or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

g. To supply by means of post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

(15) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(16) The undersigned registrant hereby undertakes to file an application for the purpose of determining eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Securities and Exchange Commission under Section 305(b)(2) of the Trust Indenture Act.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, State of Georgia on the 24th day of April, 1998.

BEAZER HOMES USA, INC.

BY: /S/ IAN J. MCCARTHY
Ian J. McCarthy
PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Ian J. McCarthy and David S. Weiss, or any one or more of them, his true and lawful attorney-in-fact, for him and in his name, place and stead, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to cause the same to be filed with the Securities and Exchange Commission, hereby granting to said attorneys-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite or desirable to be done in and about the premises as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all acts and things that said attorneys-in-fact may do or cause to be done by virtue of these presents.

Pursuant to the requirements of the Securities Act of 1933, the Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ BRIAN C. BEAZER Brian C. Beazer	Director and Non-Executive Chairman of the Board	April 24, 1998
/s/ IAN J. MCCARTHY Ian J. McCarthy	Director, President and Chief Executive Officer (Principal Executive Officer)	April 24, 1998
/s/ DAVID S. WEISS David S. Weiss	Director, Executive Vice President and Chief Financial Officer (Principal Financial Officer)	April 24, 1998
/s/ THOMAS B. HOWARD, JR. Thomas B. Howard, Jr.	Director	April 24, 1998
/s/ GEORGE W. MEFFERD George W. Mefferd	Director	April 24, 1998
/s/ D.E. MUNDELL D.E. Mundell	Director	April 24, 1998

SIGNATURE	TITLE	DATE
/s/ LARRY T. SOLARI Larry T. Solari	Director	April 24, 1998
/s/ JOHN SKELTON John Skelton	Senior Vice President, Controller and Secretary (Principal Accounting Officer)	April 24, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, State of Georgia on the 24th day of April, 1998.

BEAZER HOMES CORP.

BY: /S/ IAN J. MCCARTHY
Ian J. McCarthy
PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Ian J. McCarthy and David S. Weiss, or any one or more of them, his true and lawful attorney-in-fact, for him and in his name, place and stead, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to cause the same to be filed with the Securities and Exchange Commission, hereby granting to said attorneys-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite or desirable to be done in and about the premises as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all acts and things that said attorneys-in-fact may do or cause to be done by virtue of these presents.

Pursuant to the requirements of the Securities Act of 1933, the Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ IAN J. MCCARTHY Ian J. McCarthy	Director, President and Chief Executive Officer (Principal Executive Officer)	April 24, 1998
/s/ DAVID S. WEISS David S. Weiss	Vice President and Chief Financial Officer (Principal Financial Officer)	April 24, 1998
/s/ BRIAN C. BEAZER Brian C. Beazer	Director	April 24, 1998
/s/ JOHN SKELTON John Skelton	Controller (Principal Accounting Officer)	April 24, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, State of Georgia on the 24th day of April, 1998.

BEAZER HOMES HOLDINGS CORP.

BY: /S/ IAN J. MCCARTHY
Ian J. McCarthy
PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Ian J. McCarthy and David S. Weiss, or any one or more of them, his true and lawful attorney-in-fact, for him and in his name, place and stead, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to cause the same to be filed with the Securities and Exchange Commission, hereby granting to said attorneys-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite or desirable to be done in and about the premises as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all acts and things that said attorneys-in-fact may do or cause to be done by virtue of these presents.

Pursuant to the requirements of the Securities Act of 1933, the Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ IAN J. MCCARTHY Ian J. McCarthy	Director, President and Chief Executive Officer (Principal Executive Officer)	April 24, 1998
/s/ DAVID S. WEISS David S. Weiss	Vice President and Chief Financial Officer (Principal Financial Officer)	April 24, 1998
/s/ BRIAN C. BEAZER Brian C. Beazer	Director	April 24, 1998
/s/ JOHN SKELTON John Skelton	Controller (Principal Accounting Officer)	April 24, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, State of Georgia on the 24th day of April 1998.

BEAZER REALTY CORP.

BY: /S/ IAN J. MCCARTHY
Ian J. McCarthy
PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Ian J. McCarthy and David S. Weiss, or any one or more of them, his true and lawful attorney-in-fact, for him and in his name, place and stead, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to cause the same to be filed with the Securities and Exchange Commission, hereby granting to said attorneys-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite or desirable to be done in and about the premises as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all acts and things that said attorneys-in-fact may do or cause to be done by virtue of these presents.

Pursuant to the requirements of the Securities Act of 1933, the Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ IAN J. MCCARTHY Ian J. McCarthy	Director, President and Chief Executive Officer (Principal Executive Officer)	April 24, 1998
/s/ DAVID S. WEISS David S. Weiss	Vice President and Chief Financial Officer (Principal Financial Officer)	April 24, 1998
/s/ BRIAN C. BEAZER Brian C. Beazer	Director	April 24, 1998
/s/ JOHN SKELTON John Skelton	Controller (Principal Accounting Officer)	April 24, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, State of Georgia on the 24th day of April 1998.

BEAZER MORTGAGE CORPORATION

BY: /S/ IAN J. MCCARTHY
Ian J. McCarthy
PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Ian J. McCarthy and David S. Weiss, or any one or more of them, his true and lawful attorney-in-fact, for him and in his name, place and stead, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to cause the same to be filed with the Securities and Exchange Commission, hereby granting to said attorneys-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite or desirable to be done in and about the premises as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all acts and things that said attorneys-in-fact may do or cause to be done by virtue of these presents.

Pursuant to the requirements of the Securities Act of 1933, the Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ IAN J. MCCARTHY Ian J. McCarthy	Director, President and Chief Executive Officer (Principal Executive Officer)	April 24, 1998
/s/ DAVID S. WEISS David S. Weiss	Vice President and Chief Financial Officer (Principal Financial Officer)	April 24, 1998
/s/ BRIAN C. BEAZER Brian C. Beazer	Director	April 24, 1998
/s/ JOHN SKELTON John Skelton	Controller (Principal Accounting Officer)	April 24, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, State of Georgia on the 24th day of April, 1998.

BEAZER HOMES SALES ARIZONA INC.

BY: /S/ IAN J. MCCARTHY
Ian J. McCarthy
PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Ian J. McCarthy and David S. Weiss, or any one or more of them, his true and lawful attorney-in-fact, for him and in his name, place and stead, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to cause the same to be filed with the Securities and Exchange Commission, hereby granting to said attorneys-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite or desirable to be done in and about the premises as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all acts and things that said attorneys-in-fact may do or cause to be done by virtue of these presents.

Pursuant to the requirements of the Securities Act of 1933, the Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ IAN J. MCCARTHY Ian J. McCarthy	Director, President and Chief Executive Officer (Principal Executive Officer)	April 24, 1998
/s/ DAVID S. WEISS David S. Weiss	Vice President and Chief Financial Officer (Principal Financial Officer)	April 24, 1998
/s/ BRIAN C. BEAZER Brian C. Beazer	Director	April 24, 1998
/s/ JOHN SKELTON John Skelton	Controller (Principal Accounting Officer)	April 24, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, State of Georgia on the 24th day of April, 1998.

BEAZER/SQUIRES REALTY, INC.

BY: /S/ IAN J. MCCARTHY

Ian J. McCarthy
PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Ian J. McCarthy and David S. Weiss, or any one or more of them, his true and lawful attorney-in-fact, for him and in his name, place and stead, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to cause the same to be filed with the Securities and Exchange Commission, hereby granting to said attorneys-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite or desirable to be done in and about the premises as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all acts and things that said attorneys-in-fact may do or cause to be done by virtue of these presents.

Pursuant to the requirements of the Securities Act of 1933, the Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ IAN J. MCCARTHY Ian J. McCarthy	Director, President and Chief Executive Officer (Principal Executive Officer)	April 24, 1998
/s/ DAVID S. WEISS David S. Weiss	Vice President and Chief Financial Officer (Principal Financial Officer)	April 24, 1998
/s/ BRIAN C. BEAZER Brian C. Beazer	Director	April 24, 1998
/s/ JOHN SKELTON John Skelton	Controller (Principal Accounting Officer)	April 24, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, State of Georgia on the 24th day of April, 1998.

PANITZ HOMES REALTY, INC.

BY: /S/ IAN J. MCCARTHY

Ian J. McCarthy
PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Ian J. McCarthy and David S. Weiss, or any one or more of them, his true and lawful attorney-in-fact, for him and in his name, place and stead, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to cause the same to be filed with the Securities and Exchange Commission, hereby granting to said attorneys-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite or desirable to be done in and about the premises as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all acts and things that said attorneys-in-fact may do or cause to be done by virtue of these presents.

Pursuant to the requirements of the Securities Act of 1933, the Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ IAN J. MCCARTHY Ian J. McCarthy	Director, President and Chief Executive Officer (Principal Executive Officer)	April 24, 1998
/s/ DAVID S. WEISS David S. Weiss	Vice President and Chief Financial Officer (Principal Financial Officer)	April 24, 1998
/s/ BRIAN C. BEAZER Brian C. Beazer	Director	April 24, 1998
/s/ JOHN SKELTON John Skelton	Controller (Principal Accounting Officer)	April 24, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, State of Georgia on the 24th day of April, 1998.

BEAZER HOMES TEXAS HOLDINGS, INC.

BY: /S/ IAN J. MCCARTHY
Ian J. McCarthy
PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Ian J. McCarthy and David S. Weiss, or any one or more of them, his true and lawful attorney-in-fact, for him and in his name, place and stead, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to cause the same to be filed with the Securities and Exchange Commission, hereby granting to said attorneys-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite or desirable to be done in and about the premises as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all acts and things that said attorneys-in-fact may do or cause to be done by virtue of these presents.

Pursuant to the requirements of the Securities Act of 1933, the Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ IAN J. MCCARTHY Ian J. McCarthy	Director, President and Chief Executive Officer (Principal Executive Officer)	April 24, 1998
/s/ DAVID S. WEISS David S. Weiss	Vice President and Chief Financial Officer (Principal Financial Officer)	April 24, 1998
/s/ BRIAN C. BEAZER Brian C. Beazer	Director	April 24, 1998
/s/ JOHN SKELTON John Skelton	Controller (Principal Accounting Officer)	April 24, 1998

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, State of Georgia on the 24th day of April, 1998.

BEAZER HOMES TEXAS, L.P.
a Delaware Limited Partnership

By: Beazer Homes Texas Holdings, Inc.
as General Partner

By: /s/ IAN J. MCCARTHY

Ian J. McCarthy
PRESIDENT AND CHIEF EXECUTIVE OFFICER

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Ian J. McCarthy and David S. Weiss, or any one or more of them, his true and lawful attorney-in-fact, for him and in his name, place and stead, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to cause the same to be filed with the Securities and Exchange Commission, hereby granting to said attorneys-in-fact full power and authority to do and perform all and every act and thing whatsoever requisite or desirable to be done in and about the premises as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all acts and things that said attorneys-in-fact may do or cause to be done by virtue of these presents.

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SIGNATURE	TITLE	DATE
/s/ IAN J. MCCARTHY Ian J. McCarthy	Director, President and Chief Executive Officer (Principal Executive Officer)	April 24, 1998
/s/ DAVID S. WEISS David S. Weiss	Vice President and Chief Financial Officer (Principal Financial Officer)	April 24, 1998
/s/ BRIAN C. BEAZER Brian C. Beazer	Director	April 24, 1998
/s/ JOHN SKELTON John Skelton	Controller (Principal Accounting Officer)	April 24, 1998

INDEX OF EXHIBITS

EXHIBIT NUMBER		
3.1	*	--Amended and Restated Certificate of Incorporation of the Company.
3.2	*	--Amended and Restated Bylaws of the Company
3.3(a)	*	Certificate of Incorporation of Beazer Homes Corp. (f/k/a Phillips Builders, Inc.).
3.3(b)		Articles of Amendment to the Charter of Beazer Homes Corp. (filed herewith).
3.3(c)		Certificate of Incorporation of Beazer Homes Holdings Corp. (f/k/a BZH Holding Corp.)(filed herewith).
3.3(d)		Certificate of Amendment to the Certificate of Incorporation of Beazer Homes Holdings Corp. (filed herewith).
3.3(e)		Certificate of Amendment to the Certificate of Incorporation of Beazer Homes Holdings Corp. (filed herewith).
3.3(f)	*	Amended Articles of Incorporation of Beazer Realty Corp. (f/k/a Beazer-Cohn Realty Corp.).
3.3(g)		Articles of Amendment to Articles of Incorporation of Beazer Realty Corp. (filed herewith).
3.3(h)		Certificate of Incorporation of Beazer Mortgage Corporation (filed herewith).
3.3(i)	*	Certificate of Incorporation of Beazer Homes Sales Arizona Inc.
3.3(j)	*	Articles of Incorporation of Beazer/Squires Realty, Inc.
3.3(k)		Articles of Incorporation of Panitz Homes Realty, Inc. (filed herewith).
3.3(l)		Certificate of Incorporation of Beazer Homes Texas Holdings, Inc. (filed herewith).
3.3(m)		Certificate of Amendment of the Certificate of Incorporation of Beazer Homes Texas Holdings, Inc. (filed herewith).
3.3(n)		Certificate of Limited Partnership of Beazer Homes Texas, L.P. (filed herewith).
3.4(a)	*	Bylaws of Beazer Homes Corp. (f/k/a Phillips Builders Inc.).
3.4(b)		Bylaws of Beazer Homes Holdings Corp. (filed herewith).
3.4(c)	*	Bylaws of Beazer Realty Corp. (f/k/a Beazer-Cohn Realty Corp.).
3.4(d)		Bylaws of Beazer Mortgage Corporation (filed herewith).
3.4(e)	*	Bylaws of Beazer Homes Sales Arizona Inc.
3.4(f)	*	Bylaws of Beazer/Squires Realty, Inc.
3.4(g)		Bylaws of Panitz Homes Realty, Inc. (filed herewith).
3.4(h)		Bylaws of Beazer Homes Texas Holdings, Inc. (filed herewith).
3.4(i)		Agreement of Limited Partnership of Beazer Homes Texas, L.P. (filed herewith).
4.1	*	--Indenture dated as of March 2, 1994 among the Company, its subsidiaries party thereto, and U.S. Bank Trust National Association (formerly known as Continental Bank, National Association) as trustee, relating to the Company's 9% Senior Notes due 2004.
4.2	*	--Form of 9% Senior Note due 2004.

EXHIBIT NUMBER		
4.3	*	--Specimen of Common Stock Certificate.
4.4	*	--Form of Certificate of Designations for Series A Cumulative Convertible Exchangeable Preferred Stock, $.01 par value per share
4.5	*	--Form of Certificate representing shares of Series A Cumulative Convertible Exchangeable Preferred Stock, $.01 par value per share.
4.6	*	--Form of Indenture between the Company and the First National Bank of Boston, as trustee, relating to the 8% Convertible Subordinated Debentures due 2005.
4.7	*	--Form of 8% Convertible Subordinated Debenture due 2005
4.8	*	--Retirement Savings and Investment Plan.
4.9	*	--Summary Plan Description.
4.10	*	--Rights Agreement, dated as of June 21, 1996, between the Company and First Chicago Trust Company of New York, as Rights Agent.
4.11		First Supplemental Indenture dated as of June 13, 1995 among the Company, its subsidiaries parties thereto and U.S. Bank Trust National Association, as trustee, relating to the Company's 9% Senior Notes due 2004 (filed herewith).
4.12		Second Supplemental Indenture dated as of February 1, 1996 among the Company, its subsidiaries parties thereto and U.S. Bank Trust National Association, as trustee, relating to the Company's 9% Senior Notes due 2004 (filed herewith).
4.13		Third Supplemental Indenture dated as of March 18, 1998 among the Company, its subsidiaries parties thereto and U.S. Bank Trust National Association, as trustee, relating to the Company's 9% Senior Notes due 2004 (filed herewith).
4.14		--Indenture dated as of March 25, 1998 among the Company, its subsidiaries parties thereto, and U.S. Bank Trust National Association, as trustee, relating to the Company's 8 7/8% Senior Notes due 2008 (filed herewith).
4.15		--Form of Old Note (filed herewith).
4.16		--Form of Exchange Note (filed herewith).
4.17		--Purchase Agreement dated as of March 20, 1998 between the Company, its subsidiaries parties thereto, and the Initial Purchasers named therein (filed herewith).
4.18		--Registration Rights Agreement dated as of March 25, 1998 between the Company, its subsidiaries parties thereto, and the Initial Purchasers named therein (filed herewith).
5.1		--Opinion of Paul, Hastings, Janofsky & Walker LLP as to the validity of the Securities being registered (filed herewith).
10.1	*	--Credit Agreement dated as of October 22, 1996 between the Company and First National Bank of Chicago, as agent.
10.2	*	--Amended 1994 Stock Incentive Plan.
10.3	*	--Non--Employee Director Stock Option Plan.

EXHIBIT NUMBER		
10.4	*	--Asset Purchase Agreement dated as of April 14, 1993, as amended, between Beazer Homes Holdings Inc., Beazer Homes California Inc., Beazer Homes Nevada Inc., Beazer Homes Arizona Inc., Beazer Homes Sales Arizona Inc., Watt Housing Corporation, Watt American, Inc., Watt/Hancock Homes of Arizona, Inc., Watt Homes Inc., Watt Nevada, Inc., Watt Homes of Northern California, Inc., Watt Pacific, Inc., Orange Homes South, Inc., Narcissa Corporation, and WH/Arizona, Inc.
10.5	*	--Amended and Restated Employment Agreement dated as of March 31, 1995 between the Company and Ian J. McCarthy.
10.6	*	--Amended and Restated Employment Agreement dated as of March 31, 1995 between the Company and David S. Weiss.
10.7	*	--Amended and Restated Employment Agreement dated as of March 31, 1995 between the Company and John Skelton.
10.8	*	--Amended and Restated Employment Agreement dated as of March 31, 1995 between the Company and Gary N. Baucom.
10.9	*	--Employment Agreement dated as of March 2, 1994 between the Company and H. Eddie Phillips.
10.11	*	--Supplemental Employment Agreement dated as of July 17, 1996 between the Company and Ian J. McCarthy.
10.12	*	--Supplemental Employment Agreement dated as of July 17, 1996 between the Company and David S. Weiss.
10.13	*	--Supplemental Employment Agreement dated as of July 17, 1996 between the Company and John Skelton.
10.14	*	--Supplemental Employment Agreement dated as of July 17, 1996 between the Company and Peter H. Simons.
10.15	*	--First Amendment dated July 29, 1997 to Credit Agreement.
10.16	*	--Second Amendment dated December 10, 1997 to Credit Agreement.
10.17		--Third Amendment dated March 19, 1998 to Credit Agreement (filed herewith).
10.18	*	--Employment Agreement dated as of January 13, 1998 between the Company and Michael H. Furlow.
10.19	*	--Employment Agreement dated as of January 21, 1998 between the Company and Cory Boydston.
11	*	--Earnings Per Share Calculations.
12		--Ratio of Earnings to fixed charges calculation (filed herewith).
21	*	--Subsidiaries of the Company.
23.1		--Consent of Paul, Hastings, Janofsky & Walker LLP (included in Exhibit 5.1).
23.2		--Consent of Deloitte & Touche LLP, Independent Auditors (filed herewith).
23.3		--Consent of Ernst & Young LLP, Independent Auditors (filed herewith).
24.1		--Power of Attorney (included in Part II of this Registration Statement).
25.1		--Statement of Eligibility of U.S. Bank Trust National Association, as Trustee, on Form T-1 (filed herewith).
99.1		--Form of Letter of Transmittal (filed herewith).
99.2		--Form of Notice of Guaranteed Delivery (filed herewith).

* Incorporated by reference (See Part II Item 21 of the Company's Registration Statement on Form S-4 (Reg. No. 333-)).

Exhibit 3.3(b)

ARTICLES OF AMENDMENT TO THE CHARTER

CORPORATE CONTROL NUMBER (IF KNOWN) FILING FEE: $10.00

PURSUANT TO THE PROVISIONS OF SECTION 48-2D-106 OF THE TENNESSEE BUSINESS CORPORATION ACT, THE UNDERSIGNED CORPORATION ADOPTS THE FOLLOWING ARTICLES OF AMENDMENT TO ITS CHARTER:

PLEASE MARK THE BLOCK THAT APPLIES:

|X| AMENDMENT IS TO BE EFFECTIVE WHEN FILED BY THE SECRETARY OF STATE.

|_| AMENDMENT IS TO BE EFFECTIVE, _____ _____ _____
MONTH DAY YEAR

(NOT TO BE LATER THAN 90TH DAY AFTER THE DATE THIS DOCUMENT IS FILED.) IF NEITHER BLOCK IS CHECKED, THE AMENDMENT WILL BE EFFECTIVE AT THE TIME OF FILING.

1. PLEASE INSERT THE NAME OF THE CORPORATION AS IT APPEARS ON RECORD: Phillips Builders, Inc.

IF CHANGING THE NAME, INSERT THE NEW NAME ON THE LINE BELOW:

Beazer Homes Corp.

2. PLEASE INSERT ANY CHANGES THAT APPLY:

A. PRINCIPAL ADDRESS:

STREET ADDRESS

CITY STATE ZIP CODE

B. REGISTERED AGENT:

C. REGISTERED ADDRESS:

STREET ADDRESS

TN

CITY STATE ZIP CODE COUNTY

D. OTHER CHANGES:

3. THE CORPORATION IS FOR PROFIT.

4. THE MANNER (IF NOT SET FORTH IN THE AMENDMENT) FOR IMPLEMENTATION OF ANY EXCHANGE, RECLASSIFICATION, OR CANCELLATION OF ISSUED SHARES IS AS FOLLOWS:

5. THE AMENDMENT WAS DULY ADOPTED ON January 11 1996 BY:
MONTH DAY YEAR

(NOTE: PLEASE MARK THE BLOCK THAT APPLIES)

|_| - THE INCORPORATORS.

|_| - THE BOARD OF DIRECTORS WITHOUT SHAREHOLDER APPROVAL, AS SUCH IS NOT REQUIRED.

|X| - THE SHAREHOLDERS.

PRESIDENT OF BEAZER HOMES INC;
SOLE SHAREHOLDER OF PHILLIPS BUILDERS INC.

/S/ IAN J McCARTHY

SIGNER'S CAPACITY SIGNATURE

Exhibit 3.3(c)

CERTIFICATE OF INCORPORATION

OF

BZH HOLDINGS CORP.

ARTICLE I. The name of this corporation shall be "BZH Holdings Corp."

ARTICLE II. Its registration office in the State of Delaware is to be located at 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801 and its registered agent at such address is The Corporation Trust Company.

ARTICLE III. The purpose or purposes of this corporation shall be to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

ARTICLE IV. The total number of shares of stock which this corporation is authorized to issue is 30,000,000 shares of Common Stock, par value $0.01 per share.

ARTICLE V. The name and address of the incorporator is as follows: Ken Kimura, Paul, Hastings, Janofsky & Walker, 399 Park Avenue, 31st Floor, New York, New York 10022.

ARTICLE VI. The Board of Directors shall have the power to adopt, amend or repeal the by-laws.

ARTICLE VII. No director shall be personally liable to this corporation or its stockholders for monetary damages for any breach of fiduciary duty by such director as a director. Notwithstanding the foregoing sentence, a director shall be liable to the extent provided by applicable law: (i) for breach of the director's duty of loyalty to this corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the General Corporation Law of the State of Delaware or (iv) for any transaction from which the director derived an improper personal benefit. No amendment to or repeal of this Article Seven shall apply to or have any effect on the liability or alleged liability of any director of this corporation for or with respect to any acts or omissions of such director occurring prior to such amendment.

IN WITNESS WHEREOF, the undersigned, being the incorporator hereinbefore named, has executed, signed and acknowledged this certificate of incorporation this 11th day of January, 1996.

By: /s/ Ken Kimura
Name: Ken Kimura
Title: Sole Incorporator

Exhibit 3.3 (d)

Certificate of Amendment

of the Certificate of Incorporation of

BZH Holdings Corp.

BZH Holdings Corp., a Delaware corporation (the "Company"), pursuant to Section 242 of the General Corporation Law of Delaware, certifies that:

1. The Board of Directors of the Company and the stockholders of the Company have adopted the following resolution amending the Company's Certificate of Incorporation:

"RESOLVED, that the Certificate of Incorporation of BZH Holdings Corp. be amended by changing Article I thereof so that, as amended, said Article shall be and read as follows:

'Article I. The name of this corporation shall be "Beazer Homes Holdings Corp.'"

2. The foregoing amendment to the Certificate of Incorporation of the Company has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of Delaware.

IN WITNESS WHEREOF, BZH Holdings Corp., has caused this Certificate of Amendment to be signed and attested by its duly authorized officer this 15th day of March, 1996.

BZH Holdings Corp.

By: /s/ Ian J. McCarthy
Name: Ian J. McCarthy
Title: President/ CEO

Exhibit 3.3(e)

Certificate of Amendment

of the Certificate of Incorporation of

Beazer Homes Holdings Corp.

Beazer Homes Holdings Corp., a Delaware corporation (the "Company"), pursuant to Section 242 of the General Corporation Law of Delaware, certifies that:

1. The Board of Directors of the Company and the stockholders of the Company have adopted the following resolution amending the Company's Certificate of Incorporation:

"RESOLVED, that the Certificate of Incorporation of Beazer Homes Holdings Corp. be amended by changing Article IV thereof so that, as amended, said Article shall be and read as follows:

'Article IV. The total number of shares of stock which this corporation is authorized to issue is 3,000 shares of Common Stock, par value $0.01 per share.'"

2. The foregoing amendment to the Certificate of Incorporation of the Company has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of Delaware.

IN WITNESS WHEREOF, Beazer Homes Holdings Corp., has caused this Certificate of Amendment to be signed and attested by its duly authorized officer this 29th day of March, 1996.

Beazer Homes Holdings Corp.

By: /s/ Ian J. McCarthy
Name: Ian J. McCarthy
Title: Authorized Officer

Exhibit 3.3(g)

ARTICLES OF AMENDMENT

OF

BEAZER-COHN REALTY CORP.

I.

The name of the Corporation is:

BEAZER-COHN REALTY CORP.

II.

The Articles of Incorporation of the Corporation are hereby amended to change the Corporation's name to:

BEAZER REALTY CORP.

III.

The proposed Articles of Amendment was adopted by the written consent of the shareholders of the Corporation by Join Corporate Action dated August 10, 1995.

IN WITNESS WHEREOF, BEAZER-COHN REALTY CORP., caused these Articles of Amendment to be executed, its corporate seal to be affixed and the foregoing to be attested, all by its duly authorized officer on this 15th day of January, 1996.

BEAZER-COHN REALTY CORP.

By: /s/ Ian J. McCarthy

IAN J. McCARTHY, Its Chairman

[CORPORATE SEAL]

ATTEST:

By: /s/ Jennifer P. Jones

JENNIFER P. JONES, Secretary

Exhibit 3.3(h)

CERTIFICATE OF INCORPORATION

OF

BEAZER MORTGAGE CORPORATION

* * * * *

1. The name of the corporation Beazer Mortgage Corporation.

2. The address of its registered office in the Sate of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

3. The nature of the business or purposes to be conducted or promoted is:

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

4. The total number of shares of stock which the corporation shall have authority to issue is One Thousand (1000); all of such shares shall be without par value.

5. The name and mailing address of each incorporator is as follows:

NAME	MAILING ADDRESS
M.A. Brzoska	1209 Orange Street, Wilmington, Delaware 19801
L. J. Vitalo	1209 Orange Street, Wilmington, Delaware 19801
D.M. Dembkowski	1209 Orange Street, Wilmington, Delaware 19801

The power of the incorporators shall terminate upon filing of the Certificate of Incorporation.

The name and mailing address of each person, who is to serve as a director until the first annual meeting of the stockholders or until a successor is elected and qualified, is as follows:

NAME	MAILING ADDRESS
Brian C. Beazer	5775 Peachtree Dunwoody Road, Suite C-550, Atlanta, GA 30342
Ian J. McCarthy	5775 Peachtree Dunwoody Road, Suite C-550, Atlanta, GA 30342

6. The corporation is to have perpetual existence.

7. In furtherance and not in limitation of the powers conferred by Section 109(a) of the General Corporation Law of Delaware, the board of directors is expressly authorized.

To adopt, amend or repeal the by-laws of the corporation.

By a majority of the whole board, to designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The by-laws may provide that in the absence of disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors, or in the by-laws of the corporation, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it but no such committee shall have the power or authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the by-laws of the corporation; and, unless the resolution or by-laws, expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock.

When and as authorized by the stockholders in accordance with law, to sell, lease or exchange all or substantially all of the property and assets of the corporation, including its good will and its corporate franchises, upon such terms and conditions and for such consideration, which may consist in whole or in part of money or property including shares of stock in, and/or other securities or, any other corporation or corporations, as its board of directors shall deem expedient and for the best interests of the corporation.

8. Elections of directors need not be by written ballot unless the by-laws of the corporation shall so provide.

Meetings of stockholders may be held within or without the State of Delaware, as the by-laws may provide. The books of the corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the by-laws of the corporation.

Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be , to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the corporation, as the case may be, and also this corporation.

9. The corporation reserves the right to amend, alter, change or repeal nay provision contained to this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

10. A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived any improper personal benefit.

WE, THE UNDERSIGNED, being each of the incorporators hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this Certificate, hereby declaring and certifying that this is our act and deed and the facts herein stated are true, and accordingly have hereunto set our hands this 28th day of November 1995

/s/ M.A. Brzoska

/s/ L. J. Vitalo

/s/ D. M. Dembrowski

Exhibit 3.3(k)

ARTICLE OF INCORPORATION

OF

PANITZ HOMES REALTY, INC.

The undersigned subscriber to these Articles of Incorporation, being a natural person competent to contract, hereby forms a corporation for profit under the laws of the State of Florida.

ARTICLE I - NAME

The name of this corporation is PANITZ HOMES REALTY, INC.

ARTICLE II - DURATION

This corporation shall exist perpetually.

ARTICLE III - PURPOSE

This corporation is organized for the following purposes:

(a) To engage in the Real Estate Brokerage business and the doing of any of any and all things related thereto.

(b) The ownership, purchase, sale, mortgage or pledge, and the dealing in and with all kinds of and manner of property, whether real, personal, tangible or intangible.

(c) The transaction of any and all other lawful business for which corporations may be incorporated and the doing of all lawful things related thereto.

ARTICLE IV - CAPITAL STOCK

This corporation is authorized to issue 7,5000 shares of $1.00 per value common stock.

ARTICLE V - INITIAL REGISTERED OFFICE AND AGENT

This street address of the initial registered office of this corporation is 6339-1 Argyle Forest Boulevard, Jacksonville, Florida 32244, and the name of the initial registered agent of this corporation at that address is Leon J. Panitz, Jr.

ARTICLE VI - INITIAL BOARD OF THE DIRECTORS

This corporation shall have two (2) directors initially. The number of directors may be either increased or diminished from time to time by this by-laws but shall never be less than one (1).

The names and addresses of the initial directors of the corporation are:

Leon J. Panitz, Jr.	6339-1 Argyle Forest Boulevard Jacksonville, Florida 32244
Arthur M. Darby	6339-1 Argyle Forest Boulevard Jacksonville, Florida 32244

ARTICLE VII - RESTRAINT ON TRANSFER OF SHARES

The shareholders may, be agreement, impose any reasonable restraint on the transfer or alienation of shares.

ARTICLE VIII - INCORPORATOR

This corporation reserves the right to amend or repeal any provisions contained in these Articles of Incorporation, or any amendment hereto, and any right conferred upon he shareholders is subject to this reservation.

IN WITNESS WHEREOF, the undersigned subscriber has executed these Articles of Incorporation , this 23, day of January, 1986.

/s/ Leon J. Panitz, Jr.

LEON J. PANITZ, JR.

STATE OF FLORIDA
COUNTY OF CLAY

BEFORE ME, a notary public authorized to take acknowledgments in the state and county set forth above, personally appeared LEON J. PANITZ, JR., known to me and to be the person who executed the foregoing Articles of Incorporation, and he acknowledged before me that he executed those Articles of Incorporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, in the state and county aforesaid, this 23rd day of January, 1986.

Notary Public, State of Florida
My Commission Expires: 12-6-88

(Seal)

Exhibit 3.3(l)

CERTIFICATE OF INCORPORATION

OF

BEAZER HOMES TEXAS HOLDINGS, INC.

ARTICLE I. The name of this corporation shall be "Beazer Homes Texas Holdings, Inc."

ARTICLE II. Its registration office in the State of Delaware is to be located at 1209 Orange Street, Wilmington, County of New Castle, Delaware 19801 and its registered agent at such address is The Corporation Trust Company.

ARTICLE III. The purpose or purposes of this corporation shall be to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

ARTICLE IV. The total number of shares of stock which this corporation is authorized to issue is 30,000,000 shares of Common Stock, par value $0.01 per share.

ARTICLE V. The name and address of the incorporator is as follows: Ken Kimura, Paul, Hastings, Janofsky & Walker, 399 Park Avenue, 31st Floor, New York, New York 10022.

ARTICLE VI. The Board of Directors shall have the power to adopt, amend or repeal the by-laws.

ARTICLE VII. No director shall be personally liable to this corporation or its stockholders for monetary damages for any breach of fiduciary duty by such director as a director. Notwithstanding the foregoing sentence, a director shall be liable to the extent provided by applicable law: (i) for breach of the director's duty of loyalty to this corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the General Corporation Law of the State of Delaware or (iv) for any transaction from which the director derived an improper personal benefit. No amendment to or repeal of this Article Seven shall apply to or have any effect on the liability or alleged liability of any director of this corporation for or with respect to any acts or omissions of such director occurring prior to such amendment.

IN WITNESS WHEREOF, the undersigned, being the incorporator hereinbefore named, has executed, signed and acknowledged this certificate of incorporation this 11th day of January, 1996.

By: /s/ Ken Kimura
Name: Ken Kimura
Title: Sole Incorporator

Exhibit 3.3(m)

Certificate of Amendment

of the Certificate of Incorporation of

Beazer Homes Texas Holdings, Inc.

Beazer Homes Texas Holdings, Inc., a Delaware corporation (the "Company"), pursuant to Section 242 of the General Corporation Law of Delaware, certifies that:

1. The Board of Directors of the Company and the stockholders of the Company have adopted the following resolution amending the Company's Certificate of Incorporation:

> "RESOLVED, that the Certificate of Incorporation of Beazer Homes Texas Holdings, Inc. be amended by changing Article IV thereof so that, as amended, said Article shall be and read as follows:
>
> 'Article IV. The total number of shares of stock which this corporation is authorized to issue is 3,000 shares of Common Stock, par value $0.01 per share.'"

2. The foregoing amendment to the Certificate of Incorporation of the Company has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of Delaware.

IN WITNESS WHEREOF, Beazer Homes Texas Holdings, Inc., has caused this Certificate of Amendment to be signed and attested by its duly authorized officer this 29th day of March, 1996.

Beazer Homes Texas Holdings, Inc.

By: /s/ Ian J. McCarthy
Name: Ian J. McCarthy
Title: Authorized Officer

Exhibit 3.3(n)

CERTIFICATE OF LIMITED PARTNERSHIP

OF

BEAZER HOMES TEXAS, L.P.

This Certificate of Limited Partnership of Beazer Homes Texas, L.P. (the "Limited Partnership") is being executed by the undersigned for the purpose of forming a limited partnership pursuant to the Delaware Revised Uniform Limited Partnership Act (6 Del. C. ss.17-101, et seq.).

1. The name of the Limited Partnership is "Beazer Homes Texas, L.P.".

2. The address of the Limited Partnership's registered office in the State of Delaware is 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801. The Limited Partnership's registered agent at that address is The Corporation Trust Company.

3. The name and business address of the sole general partner is Beazer Homes Texas Holdings, Inc., a Delaware corporation, c/o Beazer Homes USA, Inc., 5775 Peachtree Dunwoody Road, Suite C-550, Atlanta, Georgia 30342.

IN WITNESS WHEREOF, the undersigned, as the sole general partner of the Limited Partnership, has caused this Certificate of Limited Partnership to be duly executed this 26th day of March, 1996.

BEAZER HOMES TEXAS HOLDINGS, INC.
GENERAL PARTNER

By: /s/ David S. Weiss
Name: David S. Weiss
Title: Executive Vice President and CFO

Exhibit 3.4(b)

BY-LAWS

OF

BEAZER HOMES HOLDINGS CORP.
A DELAWARE CORPORATION

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ARTICLE I -- STOCKHOLDERS

1. Annual Meetings.

(a) All meetings of the Stockholders for the election of directors shall be held in the County of New Castle, State of Delaware, at such place as may be fixed from time to time by the Board of Directors, or at such other place either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. Meetings of Stockholders for any other purpose may be held at such time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

(b) Annual meetings of Stockholders shall be held on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which they shall elect by a plurality vote a Board of Directors, and transact such other business as may properly be brought before the meeting.

(c) Written notice of the annual meeting stating the place, date, and hour of the meeting shall be given to each Stockholder entitled to vote at such meeting not less than ten days nor more than sixty days prior to the date of the meeting.

(d) The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of Stockholders, a complete list of the Stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each Stockholder and the number of shares registered in the name of each Stockholder. Such list shall be open to the examination of any Stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any Stockholder who is present. The stock ledger shall be the only evidence as to the Stockholders entitled to examine the stock ledger, the list required by this Section 1 or the books of the Corporation, or to vote in person or by proxy at any meeting of Stockholders.

2. Special Meetings.

(a) Special meetings of the Stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation of the Corporation, may be called by the President and shall be called by the President or Secretary at the request in writing of a majority of the Board of Directors, or at the request in writing of a Stockholder or Stockholders owning a majority in amount of the entire capital stock of

the Corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

(b) Written notice of a special meeting stating the place, date, and hour of the meeting and, in general terms, the purpose or purposes for which the meeting is called, shall be given not less than ten days nor more than sixty days prior to the date of the meeting, to each Stockholder entitled to vote at such meeting. Whenever the directors shall fail to fix such place, the meeting shall be held at the principal executive offices of the Corporation.

(c) Business transacted at any special meeting of Stockholders shall be limited to the purpose or purposes stated in the notice.

3. Quorums.

(a) The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the Stockholders for the transaction of business except as otherwise provided by statute or by the Certificate of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the Stockholders, the Stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting, at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Stockholder of record entitled to vote at the meeting. When a quorum is once present it is not broken by the subsequent withdrawal of any Stockholder.

(b) When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one on which by express provision of the Delaware General Corporation Law, the Certificate of Incorporation or these By-Laws, a different vote is required in which case such express provision shall govern and control the decision of such question.

4. Organization. Meetings of Stockholders shall be presided over by the Chairman, if any, or if none or in the Chairman's absence the President, if any, or if none or in the President's absence, by a Chairman to be chosen by the Stockholders entitled to vote who are present in person or by proxy at the meeting. The Secretary of the Corporation, or in the Secretary's absence an Assistant Secretary, shall act as Secretary of every meeting, but

if neither the Secretary nor an Assistant Secretary is present, the presiding officer of the meeting shall appoint any person present to act as Secretary of the meeting.

5. Voting; Proxies: Required Vote.

(a) At each meeting of Stockholders, every Stockholder shall be entitled to vote in person or by proxy appointed by an instrument in writing, subscribed by such Stockholder or by such Stockholder's duly authorized attorney-in-fact but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period), and, unless the Certificate of Incorporation provides otherwise, shall have one vote for each share of stock entitled to vote registered in the name of such Stockholder on the books of the Corporation on the applicable record date fixed pursuant to these By-Laws. At all elections of directors the voting may but need not be by ballot and the affirmative vote of holders of a plurality of the stock present in person or represented by proxy and entitled to vote on such election shall elect such directors. Except as otherwise required by law or the Certificate of Incorporation, any other action shall be authorized by the affirmative vote of holders of a majority of the stock present in person or represented by proxy and entitled to vote on such matter.

(b) Any action required or permitted to be taken at any meeting of Stockholders may, except as otherwise required by law or the Certificate of Incorporation, be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and the writing or writings are filed with the permanent records of the Corporation. Prompt notice of the taking of corporate action without a meeting by less than unanimous written consent shall be given to these Stockholders who have not consented in writing.

(c) Where a separate vote by a class or classes is required, a majority of the outstanding shares of such class or classes, present in person or represented by proxy, shall constitute a quorum entitled to vote on the matter and the affirmative vote of the majority of shares of such class or classes present in person or represented by proxy at the meeting shall be the act of such class, unless otherwise provided in the Corporation's Certificate of Incorporation.

6. Inspectors. The Board of Directors, in advance of any meeting, may, but need not, appoint one or more inspectors of election to act at the meeting or any adjournment thereof. If an inspector or inspectors are not so appointed, the person presiding at the meeting may, but need not, appoint one or more inspectors. In case any person who may be appointed as an inspector fails to appear or act, the vacancy may be filled by appointment made by the Board of Directors in advance of the meeting or at the meeting by

the person presiding thereat. Each inspector, if any, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his or her ability. The inspectors, if any, shall determine the number of shares of stock outstanding and the voting power of each, the shares of stock represented at the meeting, the existence of a quorum, and the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all Stockholders. On request of the person presiding at the meeting, the inspector or inspectors, if any, shall make a report in writing of any challenge, question or matter determined by such inspector or inspectors and execute a certificate of any fact found by such inspector or inspectors.

ARTICLE II -- BOARD OF DIRECTORS

1. General Powers. The business, property and affairs of the Corporation shall be managed by, or under the direction of, the Board of Directors.

2. Qualification; Number; Term; Remuneration.

(a) Each director shall be at least 18 years of age. A director need not be a Stockholder, a citizen of the United States, or a resident of the State of Delaware. The number of directors constituting the entire Board of Directors shall be one or such other number as may be fixed from time to time by the Board of Directors or the Stockholders. One of the directors may be selected by the Board of Directors to be its Chairman, who shall preside at meetings of the Stockholders and the Board of Directors and shall have such other duties, if any, as may from time to time be assigned by the Board of Directors. In the absence of formal selection, the President of the Corporation shall serve as Chairman. The use of the phrase "entire Board" herein refers to the total number of directors which the Corporation would have if there were no vacancies.

(b) Directors who are elected at an annual meeting of Stockholders, and directors who are elected in the interim to fill vacancies and newly created directorships, shall hold office until the next annual meeting of Stockholders and until their successors are elected and qualified or until their earlier resignation or removal.

(c) Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary for serving as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing Committees may be allowed like compensation for attending Committee meetings.

3. Quorum and Manner of Voting. Except as otherwise provided by law, a majority of the entire Board of Directors shall constitute a quorum. A majority of the directors present, whether or not a quorum is present, may adjourn a meeting from time to time to another time and place without notice. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

4. Places of Meetings. Meetings of the Board of Directors may be held at any place within or without the State of Delaware, as may from time to time be fixed by resolution of the Board of Directors, or as may be specified in the notice of meeting.

5. Annual Meeting. Following the annual meeting of Stockholders, the newly elected Board of Directors shall meet for the purpose of the election of officers and the transaction of such other business as may properly come before the meeting. Such meeting may be held without notice immediately after the annual meeting of Stockholders at the same place at which such Stockholders' meeting is held.

6. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as the Board of Directors shall from time to time by resolution determine.

7. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board, President, or by a majority of the directors then in office.

8. Notice of Meetings. A notice of the place, date and time and the purpose or purposes of each meeting of the Board of Directors shall be given to each director by mailing the same at least two days before the meeting, or by telephoning or faxing the same or by delivering the same personally not later than the day before the day of the meeting.

9. Organization. At all meetings of the Board of Directors, the Chairman or in the Chairman's absence or inability to act, the President, or in the President's absence, a Chairman chosen by the directors, shall preside. The Secretary of the Corporation shall act as secretary at all meetings of the Board of Directors when present, and, in the Secretary's absence, the presiding officer may appoint any person to act as Secretary.

10. Resignation. Any director may resign at any time upon written notice to the Corporation and such resignation shall take effect upon receipt thereof by the President or Secretary, unless otherwise specified in the resignation. Any or all of the director may be removed with or without cause, by the holders of a majority of the shares of stock outstanding and entitled to vote for the election of directors.

11. Vacancies. Unless otherwise provided in these By-Laws, vacancies on the Board of Directors, whether caused by resignation, death, disqualification, removal, an increase in the authorized number of directors or otherwise, may be filled by the affirmative vote of a majority of the remaining directors, although less than a quorum, or by a sole remaining director, or at a special meeting of the Stockholders, by vote of the Stockholders required for the election of directors generally.

12. Action by Written Consent. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all the directors consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors.

13. Electronic Communication. Any member or members of the Board of Directors may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and speak to each other.

ARTICLE III -- COMMITTEES

1. Appointment. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more Committees, each Committee to consist of two or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any Committee, who may replace any absent or disqualified member at any meeting of the Committee. Any such Committee, to the extent provided in the resolution, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. Such Committee or Committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors.

2. Procedures; Quorum and Manner of Acting. Each Committee shall fix its own rules of procedure, and shall meet where and as provided by such rules or by resolution of the Board of Directors. Except as otherwise provided by law, the presence of a majority of the then appointed members of a Committee shall constitute a quorum for the transaction of business by that Committee, and in every case where a quorum is present the affirmative vote of a majority of the members of the Committee present shall be the act of the Committee. Each Committee shall keep minutes of its proceedings, and actions taken by a Committee shall be reported to the Board of Directors.

3. Action by Written Consent. Any action required or permitted to be taken at any meeting of any Committee of the Board of Directors may be taken without a

meeting if all the members of the Committee consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Committee.

4. Electronic Communication. Any member or members of a Committee of the Board of Directors may participate in a meeting of a Committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and speak to each other.

5. Termination. In the event any person shall cease to be a director of the Corporation, such person shall simultaneously therewith cease to be a member of any Committee appointed by the Board of Directors.

ARTICLE IV -- OFFICERS

1. Election and Qualifications. The Board of Directors at its first meeting held after each annual meeting of Stockholders shall elect the officers of the Corporation, which shall include a President and a Secretary, and may include, by election or appointment, one or more Vice-Presidents (any one or more of whom may be given an additional designation of rank or function), a Treasurer and such Assistant Secretaries, such Assistant Treasurers and such other officers as the Board of Directors may from time to time deem proper. Each officer shall have such powers and duties as may be prescribed by these By-Laws and as may be assigned by the Board of Directors or the President. Any two or more offices may be held by the same person.

2. Term of Office and Remuneration. The term of office of all officers shall be one year and until their respective successors have been elected and qualified, but any officer may be removed from office, either with or without cause, at any time by the Board of Directors. Any vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the Board of Directors. The remuneration of all officers of the Corporation may be fixed by the Board of Directors or in such manner as the Board of Directors shall provide.

3. Resignation; Removal. Any officer may resign at any time upon written notice to the Corporation and such resignation shall take effect upon receipt thereof by the President or Secretary, unless otherwise specified in the resignation. Any officer shall be subject to removal, with or without cause, at any time by the Board of Directors.

4. Powers and Duties of Officers.

(a) The Chairman of the Board of Directors, if there be one, shall preside at all meetings of the Board of Directors and shall have such other powers and duties as may from time to time be assigned by the Board of Directors.

(b) The President shall be the chief executive officer of the Corporation and shall preside at all meetings of the Stockholders and, if there is no Chairman, of the Board of Directors and shall have general management of and supervisory authority over the property, business and affairs of the Corporation and its other officers. The President may execute and deliver in the name of the Corporation powers of attorney, contracts, bonds and other obligations and instruments, and shall have such other authority and perform such other duties as from time to time may be assigned by the Board of Directors. The President shall see that all orders and resolutions of the Board of Directors are carried into effect and shall perform such additional duties that usually pertain to this office.

(c) A Vice President may execute and deliver in the name of the Corporation powers of attorney, contracts, bonds and other obligations and instruments pertaining to the regular course of such Vice President's duties, and shall have such other authority and perform such other duties as from time to time may be assigned by the Board of Directors or the President.

(d) The Treasurer shall in general have all duties and authority incident to the position of Treasurer and such other duties and authority as may be assigned by the Board of Directors or the President. The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by or at the direction of the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors or the President, and shall render, upon request, an account of all such transactions.

(e) The Secretary shall in general have all the duties and authority incident to the position of Secretary and such other duties and authority as may be assigned by the Board of Directors or the President. The Secretary shall attend all meetings of the Board of Directors and all meetings of Stockholders and record all the proceedings thereat in a book or books to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the Stockholders and special meetings of the Board of Directors. The Secretary shall have custody of the seal of the Corporation and any officer of the Corporation shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Secretary or any other officer.

(f) Any assistant officer shall have such duties and authority as the officer such assistant officer assists and, in addition, such other duties and authority as the Board of Directors or President shall from time to time assign.

ARTICLE V -- CONTRACTS, ETC.

1. Contracts. The Board of Directors may authorize any person or persons, in the name and on behalf of the Corporation, to enter into or execute and deliver any and all deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

2. Proxies; Powers of Attorney; Other Instruments.

(a) The Chairman, the President, any Vice President, the Treasurer or any other person designated by any of them shall have the power and authority to execute and deliver proxies, powers of attorney and other instruments on behalf of the Corporation in connection with the execution of contracts, the purchase of real or personal property, the rights and powers incident to the ownership of stock by the Corporation and such other situations as the Chairman, the President, such Vice President or the Treasurer shall approve, such approval to be conclusively evidenced by the execution of such proxy, power of attorney or other instrument on behalf of the Corporation.

(b) The Chairman, the President, any Vice President, the Treasurer or any other person authorized by proxy or power of attorney executed and delivered by any of them on behalf of the Corporation may attend and vote at any meeting of stockholders of any company in which the Corporation may hold stock, and may exercise on behalf of the Corporation any and all of the rights and powers incident to the ownership of such stock at any such meeting, or otherwise as specified in the proxy or power of attorney so authorizing any such person. The Board of Directors, from time to time, may confer like powers upon any other person.

ARTICLE VI -- BOOKS AND RECORDS

1. Location. The books and records of the Corporation may be kept at such place or places within or outside the State of Delaware as the Board of Directors or the respective officers in charge thereof may from time to time determine. The record books containing the names and addresses of all Stockholders, the number and class of shares of stock held by each and the dates when they respectively became the owners of record thereof shall be kept by the Secretary as prescribed in these By-Laws or by such officer or agent as shall be designated by the Board of Directors.

2. Addresses of Stockholders. Notices of meetings and all other corporate notices may be delivered personally or mailed to each Stockholder at the Stockholder's address as it appears on the records of the Corporation.

3. Fixing Date for Determination of Stockholders of Record.

(a) In order that the Corporation may determine the Stockholders entitled to notice of or to vote at any meeting of Stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which record date shall not be more than sixty days nor less than ten days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining Stockholders entitled to notice of or to vote at a meeting of Stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of Stockholders of record entitled to notice of or to vote at a meeting of Stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the Stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining Stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of Stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining Stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the Stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the Stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action not contemplated by paragraph (a) or (b) of this Section 3, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining Stockholders for any such purpose shall

be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

ARTICLE VII CERTIFICATES REPRESENTING STOCK

1. Certificates, Signatures. The shares of the Corporation shall be represented by certificates, provided that the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate, signed by or in the name of the Corporation by the Chairman or Vice Chairman of the Board of Directors, or the President or Vice-President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, representing the number of shares registered in certificate form. Any and all signatures on any such certificate may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. The name of the holder of record of the shares represented thereby, with the number of such shares and the date of issue, shall be entered on the books of the Corporation. The Board of Directors shall have power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates representing shares of the Corporation.

2. Transfers of Stock. Upon compliance with provisions restricting the transfer or registration of transfer of shares of stock, if any, shares of capital stock shall be transferrable on the books of the Corporation only by the holder of record thereof in person, or by duly authorized attorney, upon surrender and cancellation of certificates for a like number of shares, properly endorsed, and the payment of all taxes due thereon.

3. Fractional Shares. The Corporation may, but shall not be required to, issue certificates for fractions of a share where necessary to effect authorized transactions, or the Corporation may pay in cash the fair value of fractions of a share as of the time when those entitled to receive such fractions are determined, or it may issue scrip in registered or bearer form over the manual or facsimile signature of an officer of the Corporation or of its agent, exchangeable as therein provided for full shares, but such scrip shall not entitle the holder to any rights of a Stockholder except as therein provided.

4. Lost, Stolen or Destroyed Certificates. The Corporation may issue a new certificate of stock in place of any certificate, theretofore issued by it, alleged to have

been lost, stolen or destroyed, and the Board of Directors may require the owner of any lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of any such new certificate.

ARTICLE VIII -- DIVIDENDS

Subject to the provisions of applicable law and the Certificate of Incorporation, the Board of Directors shall have full power to determine whether any, and, if any, what part of any, funds legally available for the payment of dividends shall be declared as dividends and paid to Stockholders; the division of the whole or any part of such funds of the Corporation shall rest wholly within the lawful discretion of the Board of Directors, and it shall not be required at any time, against such discretion, to divide or pay any part of such funds among or to the Stockholders as dividends or otherwise; and before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve. Stockholders shall receive dividends pro rata in proportion to the number of shares of Common Stock respectively held by them. A holder of Common Stock shall be deemed to share pro rata in all dividends declared by the Board of Directors within the meaning of the preceding sentence if such Stockholder receives assets (whether consisting of cash, securities, real property, equipment, inventory or other assets) the fair market value of which is in the same proportion to the fair market value of the total assets of the Corporation available for distribution as a dividend as the number of shares of Common Stock held by such holder of Common Stock is to the total number of issued and outstanding shares of Common Stock of the Corporation. A Stockholder shall not have the right to receive a pro rata share of each or any such asset available for distribution as a dividend, however, the Corporation shall not be prohibited hereby from making a pro rata distribution of each or any such asset available for distribution as a dividend. The fair market value of any and all assets of the Corporation distributed as a dividend shall be determined in the sole discretion of the Corporation's Board of Directors.

ARTICLE IX -- RATIFICATION

Any transaction, questioned in any lawsuit on the ground of lack of authority, defective or irregular execution, adverse interest of any director, officer or Stockholder, nondisclosure, miscomputation, or the application of improper principles or practices of accounting, may be ratified before or after judgment, by the Board of Directors or by the Stockholders, as appropriate, and if so ratified shall have the same force and effect as if the

questioned transaction had been originally duly authorized. Such ratification shall be binding upon the Corporation and its Stockholders and shall constitute a bar to any claim or execution of any judgment in respect of such questioned transaction.

ARTICLE X -- CORPORATE SEAL

The corporate seal shall contain the words "Corporate Seal" and such additional information as the officer inscribing such seal shall determine in such officer's sole discretion. The corporate seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise displayed or it may be manually inscribed.

ARTICLE XI -- FISCAL YEAR

The fiscal year of the Corporation shall be fixed, and shall be subject to change, by the Board of Directors. Unless otherwise fixed by the Board of Directors, the fiscal year of the Corporation shall end on September 30.

ARTICLE XII -- WAIVER OF NOTICE

Whenever notice is required to be given by these By-Laws or by the Certificate of Incorporation or by law, a written waiver thereof, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

ARTICLE XIII -- AMENDMENTS

The Board of Directors shall have power to adopt, amend or repeal By-Laws. By-Laws adopted by the Board of Directors may be repealed or changed, and new By-Laws made, by the Stockholders, and the Stockholders may prescribe that any By-Law made by them shall not be altered, amended or repealed by the Board of Directors.

ARTICLE XIV -- INDEMNIFICATION

1. Power to Indemnify in Action, Suits or Proceedings Other Than Those By or In The Right of the Corporation. Subject to Section 3 of this Article XIV, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' and other professionals' fees), judgments,

fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.

2. Power to Indemnify in Actions, Suits or Proceedings By or In The Right of the Corporation. Subject to Section 3 of this Article XIV, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' and other professionals' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

3. Authorization of Indemnification. Any indemnification under this Article XIV (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article XIV, as the case may be. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) if the Board of Directors so directs, by the Stockholders. To the extent, however, that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' and other

professionals' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorization in the specific case.

4. Good Faith Defined. For purposes of any determination under Section 3 of this Article XIV, a person shall be deemed to have acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe the conduct was unlawful, if the action is based on (a) the records or books of account of the Corporation or another enterprise (as defined below in this Section 4), or on information supplied to such person by the officers of the Corporation or another enterprise in the course of their duties, unless such person had reasonable cause to believe that reliance thereon would not be justifiable, or on (b) the advice of legal counsel for the Corporation or another enterprise, or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant, independent financial adviser, appraiser or other expert, as to matters reasonably believed to be within such other person's professional or expert competence. The term "another enterprise" as used in this Section 4 shall mean any other corporation or any partnership, joint venture, trust or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The provisions of this Section 4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Sections 1 or 2 of this Article XIV, as the case may be.

5. Indemnification By A Court. Notwithstanding any contrary determination in the specific case under Section 3 of this Article XIV, and notwithstanding the absence of any determination thereunder, any director, officer, employee or agent may apply to any court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Sections 1 and 2 of this Article XIV. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standards of conduct set forth in Sections 1 or 2 of this Article XIV, as the case may be. Notice of any application for indemnification pursuant to this Section 5 shall be given to the Corporation promptly upon the filing of such application.

6. Expenses Payable In Advance. Expenses (including attorneys' and other professionals' fees) incurred by an officer or director in defending any threatened or pending civil, criminal, administrative or investigative action, suit or proceeding may, but shall not be required to, be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer, to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article XIV. Such expenses (including attorneys' and other professionals' fees) incurred by other employees

and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

7. Non-Exclusivity and Survival of Indemnification. The indemnification and advancement of expenses provided by or granted pursuant to this Article XIV shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any By-Law, agreement, contract, vote of Stockholders or of disinterested directors, or pursuant to the direction (howsoever embodied) of any court of competent jurisdiction or otherwise, it being the policy of the Corporation that indemnification of the persons specified in Sections 1 and 2 of this Article XIV (as distinguished from advancement of funds pursuant to Section 6 of this Article XIV) shall be made to the fullest extent permitted by law. The provisions of this Article XIV shall not be deemed to preclude the indemnification of any person who is not specified in Sections 1 and 2 of this Article XIV but whom the Corporation has the power or obligation to indemnify under the provisions of the General Corporation Law of the State of Delaware, or otherwise. The indemnification provided by this Article XIV shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors, administrators and other comparable legal representatives of such person. The rights conferred in this Article XIV shall be enforceable as contract rights, and shall continue to exist after any rescission or restrictive modification hereof with respect to events occurring prior thereto.

8. Meaning of "other enterprises" in connection with Employee Benefit Plans, etc. For purposes of this Article XIV (including Sections 1, 2, 4 and 9 hereof), references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who has acted in good faith and in a manner reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article XIV.

9. Insurance. The Corporation may, but shall not be required to, purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article XIV.

Exhibit 3.4(d)

BY-LAWS

OF

BEAZER MORTGAGE CORPORATION
(a Delaware corporation)

ARTICLE I

Stockholders

SECTION 1. Annual Meetings. (a) All meetings of the Stockholders for the election of directors shall be held in the Country of New Castle, State of Delaware, at such place as may be fixed from time to time by the Board of Directors, or at such other place either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. Meetings of Stockholders for any other purpose may be held at such time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

(b) Annual meetings of Stockholders shall be held on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which they shall elect by a plurality vote a Board of Directors, and transact such other business as may be properly be brought before the meeting.

(c) Written notice of the annual meeting stating the place, date and hour of the meeting shall be given to each Stockholder entitled to vote at such meeting not less than ten days nor more than sixty days prior to the date of the meeting.

(d) The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of Stockholders, a complete list of the Stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each Stockholder and the number of share registered in the name of each Stockholder. Such list shall be open to the examination of any Stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to

be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any Stockholder who is present. The stock ledger shall be the only evidence as to the Stockholders entitled to examine the stock ledger, the list required by this section or the books of the Corporation, or to vote in person or by proxy at any meeting of Stockholders.

SECTION 2. Special Meetings. (a) Special meetings of the Stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of Incorporation of the Corporation, may be called by the President and shall be called by the President or Secretary at the request in writing of a majority in amount of the entire capital stock of the Corporation issued and outstanding and entitled to vote. Such request shall state the purpose of purposes of the proposed meeting.

(b) Written notice of a special meeting stating the place, date, and hour of the meeting and, in general terms, the purpose or purposes for which the meeting is called, shall be given not less than ten days nor more than sixty days prior to the date of the meeting, to each Stockholder entitled to vote at such meeting. Whenever the directors shall fail to fix such place, the meeting shall be held at the principal executive offices of the Corporation.

(c) Business transacted at any special meeting of Stockholders shall be limited to the purpose or purposes stated in the notice.

SECTION 3. Quorums. (a) The holders of a majority of the stock issued and outstanding entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the Stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the Stockholders, the Stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting, at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Stockholder of record entitled to vote at the meeting. When a quorum is once present it is not broken by the subsequent withdrawal of any Stockholder.

(b) When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one on which by express provision of the Delaware General Corporation Law or of the Certificate of Incorporation, a different vote is required in which case such express provision shall govern and control the decision of such question.

SECTION 4. Organization. Meetings or Stockholders shall be presided over by the Chairman, if any, or if none or in the Chairman's absence the President, if any, or if none or in the President's absence, by a Chairman to be chosen by the Stockholders entitled to vote who are present in person or by proxy at the meeting. The Secretary of the Corporation, or in the Secretary's absence an Assistant Secretary, shall act as Secretary of every meeting, but if neither the Secretary nor an Assistant Secretary is present, the presiding officer of the meeting shall appoint any person present to act as Secretary of the meeting.

SECTION 5. Voting; Proxies; Required Vote. (a) At each meeting of Stockholders, every Stockholder shall be entitled to vote in person or by proxy appointed by an instrument in writing, subscribed by such Stockholder or by such Stockholder's duly authorized attorney-in-fact (but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period), and, unless the Certificate of Incorporation provides otherwise, shall have one vote for each share of stock entitled to vote registered in the name of such Stockholder on the books of the Corporation on the applicable record date fixed pursuant to these By-Laws. At all elections of directors the voting may but need not be by ballot and a plurality of the votes case there shall elect. Except as otherwise required by law or the Certificate of Incorporation, any other action shall be authorized by a majority of the votes cast.

(b) Any action required or permitted to be taken at any meeting of Stockholders may, except as otherwise required by law of the Certificate of Incorporation, be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of record of the issued and outstanding capital stock of the Corporation having a majority of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and the writing or writings are filed with the permanent records of the Corporation. Prompt notice of the taking of corporate action without a meeting by less than unanimous written consent shall be given to those Stockholders who have not consented in writing.

(c) Where a separate vote by a class or classes, present in person or represented by proxy, shall constitute a quorum entitled to vote on that matter, the affirmative vote of the majority of shares of such class of classes present in person or represented by proxy at the meeting shall be the act of such class, unless otherwise provided in the Corporation's Certificate of Incorporation.

SECTION 6. The Board of Directors, in advance of any meeting, may, but need not, appoint one or more inspectors of election to act at the meeting or any adjournment thereof. If an inspector or inspectors are not so appointed, the person presiding at the meeting may, but need not, appoint one or more inspectors. In case any person who may be appointed as an inspector fails to appear or act, the vacancy may be filled by appointment made by the directors in advance of the meeting or at the meeting by the person presiding thereat. Each Inspector, if any, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability. The inspectors, if any, shall determine the number of shares of stock outstanding and the voting power of each, the shares of stock represented at the meeting, the existence of a quorum, and the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all Stockholders. On request of the person presiding at the meeting, the inspector or inspectors, if any, shall make a report in writing of any challenge, question or matter determined by such inspector or inspectors and execute a certificate of any fact found by such inspector or inspectors.

ARTICLE II

Board of Directors

SECTION 1. General Powers. The business, property and affairs of the Corporation shall be managed by, or under the direction of, the Board of Directors.

SECTION 2. Qualification; Number; Term; Remuneration. (a) Each director shall be at least 18 years of age. A director need not be a Stockholder, a citizen of the United States, or a resident of the State of Delaware. The number of directors constituting the entire Board shall be one or such other number not greater than ten as may be fixed from time to time by the Board of directors or the Stockholders. One of the directors may be selected by the Board of Directors to be its Chairman, who shall preside at meetings of the stockholders and the Board of Directors and shall have such other

duties, if any, as may from time to time be assigned by the Board of Directors. In the absence of formal selection, the President of the Corporation shall serve as Chairman. The use of the phrase "entire Board" herein refers to the total number of directors which the Corporation would have if there were no vacancies.

(b) Directors who are elected at an annual meeting of Stockholders, and directors who are elected in the interim to fill vacancies and newly created directorships, shall hold office until next annual meeting of Stockholders and until their successors are elected and qualified or until their earlier resignation or removal.

(c) Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending Committee meetings.

SECTION 3. Quorum and Manner of Voting. Except as otherwise provided by law, a majority of the entire Board of directors shall constitute a quorum. A majority of the directors present, whether or not a quorum is present, may adjourn a meeting from time to time to another time and place without notice. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 4. Places of Meetings. Meetings of the Board may be held at any place within or without the State of Delaware, as may from time to time be fixed by resolution of the Board of Directors, or as may be specified in the notice of meeting.

SECTION 5. Annual Meeting. Following the annual meeting of Stockholders, the newly elected Board of Directors shall meet for the purpose of the election of officers and the transaction of such other business as may properly come before the meeting. Such meeting may be held without notice immediately after the annual meeting of stockholders at the same place at which such Stockholders' meeting of Stockholders at the same place at which such Stockholders' meeting is held.

SECTION 6. Regular Meetings. Regular meetings of the Board of Directors shall from time to time by resolution determine.

SECTION 7. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the Chairman of Board, President, or by a majority of the directors then in office.

SECTION 8. Notice of Meetings. A notice of the place, date and time and the purpose or purposes of each meeting of the Board of Directors shall be given to each director by mailing the same at least two days before the meeting, or by telephoning or faxing the same or by delivering the same personally not later than the day before the day of the meeting.

SECTION 9. Organization. At all meetings of the Board of Directors, the Chairman or in the Chairman's absence or inability to act, the President, or in the President's absence, a Chairman chosen by the directors, shall preside. The Secretary of the corporation shall act as secretary at all meetings of the Board of Directors when present, and, in the Secretary's absence, the presiding officer may appoint any person to act as Secretary.

SECTION 10. Resignation. Any director may resign at ant time upon written notice to the Corporation and such resignation shall take effect upon receipt thereof by the President or Secretary, unless otherwise specified in the resignation. Any or all of the directors may be removed, with or without cause, by the holders of a majority of the shares of stock outstanding and entitled to vote for the election of directors.

SECTION 11. Vacancies. Unless otherwise provided in these By-Laws, vacancies on the Board of directors, whether caused by resignation, death, disqualification, removal, an increase in the authorized number of directors or otherwise, may be filled by the affirmative vote of a majority of the remaining directors, although less than a quorum, or by a sole remaining director, or at a special meeting of the stockholders, by vote of the stockholders required for the election of directors generally.

SECTION 12. Action by Written Consent. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all the directors consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors.

SECTION 13. Electronic Communication. Any member or members of the board of Directors may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and speak to each other.

ARTICLE III

Committees

SECTION 1. Appointment. The Board of Directors may, by resolution passed by a majority of the whole board, designate one or more Committees, each Committee to consist of two or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any Committee, who may replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. Such Committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board o Directors.

SECTION 2. Procedures, Quorum and Manner of Acting. Each Committee shall fix its own rules or procedure, and shall meet where and as provided by such rules or by resolution of the Board of Directors. Except as otherwise provided by law, the presence of a majority of the then appointed members of a Committee shall constitute a quorum for the transaction of business by that committee, and in every case where a quorum is present the affirmative vote of a majority of the members of the committee present shall be the act of the Committee. Each Committee shall keep minutes of its proceedings, and actions taken by a Committee shall be reported to the Board of Directors.

SECTION 3. Action by Written Consent. Any action required or permitted to be taken at any meeting of any Committee of the Board of Directors may be taken without a meeting if all the members of the committee consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Committee.

SECTION 4. Electronic Communication. Any member or members of a Committee of the Board of Directors may participate in a meeting of a Committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and speak to each other.

SECTION 5. Termination. In the event any person shall cease to be a director of the Corporation, such person shall simultaneously therewith cease to be a member of any Committee appointed by the Board of Directors.

ARTICLE IV

Officers

SECTION 1. Election and Qualifications. The Board of Directors at its first meeting held after each annual meeting of Stockholders shall elect the officers of the Corporation, which shall include a President and a Secretary, and may include by election or appointment, one or more Vice-Presidents (any one or more of whom may be given an additional designation of rank or function), a Treasurer and such Assistant Secretaries, such Assistant Treasurers and such other officers as the Board of Directors may from time to time deem proper. Each officer shall have such powers and duties as may be prescribed by these By-Laws and as may be assigned by the Board of Directors or the President. Any two or more offices may be held by the same person.

SECTION 2. Term of Office and Remuneration. The term of office of all officers shall be one year and until their respective successors have been elected and qualified, but any officer may be removed from office, either with or without cause, at any time by the Board of Directors. Any vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the Board of Directors. The remuneration of all officers of the corporation may be fixed by the Board of Directors or in such manner as the Board of Directors shall provide.

SECTION 3. Resignation, Removal. Any officer may resign at any time upon written notice to the Corporation and such resignation shall take effect upon receipt thereof by the President or Secretary, unless otherwise specified in the resignation. Any officer shall be subject to removal, with or without cause, at any time by vote of a majority of the entire Board of Directors.

SECTION 4. Powers and Duties of Officers.

(a) The Chairman of the Board of Directors, if there be one, shall preside at all meetings of the Board of Directors and shall have such other powers and duties as may from time to time be assigned by the Board of Directors.

(b) The President shall be the chief executive officer of the Corporation and shall preside at all meetings of the Stockholders and, if there is no Chairman, of the Board of Directors and shall have general management of and supervisory authority over the property, business and affairs of the Corporation and its other officers. The President may execute and deliver in the name of the Corporation powers of attorney, contracts bonds and other obligations and instruments, and shall have such other authority and

perform such other duties as from time to time may be assigned by the Board of Directors. The President shall see that all orders and resolutions of the Board of Directors are carried into effect and shall perform such additional duties that usually pertain to this office.

(c) A Vice President may execute and deliver in the name of the Corporation powers of attorney, contracts, bonds and other obligations and instruments pertaining to the regular course of such Vice President's duties, and shall have such other authority and perform such other duties as from time to time may be assigned by the Board of Directors or the President.

(d) The Treasurer shall in general have all duties and authority incident to the position of Treasurer and such other duties and authority as may be assigned by the Board of Directors or the President. The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by or at the direction of the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors or the President, and shall render, upon request, an account of all such transactions.

(e) The Secretary shall in general have all the duties and authority incident to the position of Secretary and such other duties and authority as may be assigned by the Board of Directors or the President. The Secretary shall attend all meetings of the Board of Directors and all meetings of Stockholders and record all the proceedings threat in a book or books to be kept for that purpose. The Secretary shall give, or cause to be given notice of all meetings of the Stockholders and special meetings of the Board of Directors. The Secretary shall have custody of the seal of the Corporation and any officer of the Corporation shall have authority to affix the same to any instrument requiring it and so affixed, it may be attested by the signature of the Secretary or any other officer.

(f) Any assistant officer shall have such duties and authority as the officer such assistant officer assists and, in addition, such other duties and authority as the Board of Directors or President shall from time to time assign.

ARTICLE V

Contracts, Etc.

SECTION 1. Contracts. The Board of Directors may authorize any person or persons, in the name and behalf of the Corporation, to enter into or execute and deliver any and all deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

SECTION 2. Proxies: Powers of Attorney; Other Instruments. (a) The Chairman, the President, any Vice President, the Treasurer or any other person designated by any of them shall have the power and authority to execute and deliver proxies, powers of attorney and other instruments on behalf of the Corporation in connection with the execution of contracts, the purchase of real or personal property, the rights and powers incident to the ownership of stock by the Corporation and such other situations as the Chairman, the President, such Vice President or the Treasurer shall approve, such approval to be conclusively evidenced by the execution of such proxy, power of attorney or other instrument on behalf of the Corporation.

(b) The Chairman, the President, any Vice President, the Treasurer or any other person authorized by proxy or power of attorney executed and delivered by any of them on behalf of the Corporation many attend and vote at any meeting of Stockholders of any company in which the Corporation may hold stock, and may exercise on behalf of the Corporation any and all of the rights and powers incident to the ownership of such stock at any meeting, or otherwise as specified in the proxy or power of attorney so authorizing any such person. The Board of Directors, from time to time, may confer like powers upon any person.

ARTICLE VI

Books and Records

SECTION 1. Location. The books and records of the Corporation may be kept at such place or places within or outside the State of Delaware as the Board of Directors or the respective officers in charge thereof may from time to time determine. The record books containing the names and addresses of all Stockholders, the number and class of shares of stock held by each and the dates when they respectively became the owners of record thereof shall be kept by the Secretary as prescribed in the By-Laws or by such officer or agent as shall be designated by the Board of Directors.

SECTION 2. Addresses of Stockholders. Notices of meeting and all other corporate notices may be delivered personally or mailed to each Stockholder at the Stockholder's address as it appears on the records of the Corporation.

SECTION 3. Fixing Date for Determination of Stockholders of Record. (a) In order that the Corporation may determine the Stockholders entitled to notice of or to vote at any meeting of Stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which record date shall not be more than 60 days nor less than 10 days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining Stockholders entitled to notice of or to vote at a meeting of Stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of Stockholders of record entitled to notice of or to vote at a meeting of Stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the Stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the determining Stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required, shall be the first date on which a signed written consent setting forth the action taken or proposed to

be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of Stockholders are recorded. Delivery made to the Corporation having custody of the book in which proceedings of meetings of Stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining Stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the Stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the Stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action not contemplated by paragraph (a) or (b) of this Section 3, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted and which record date shall not be more than 60 days prior to the action. If no record date is fixed, the record date for determining Stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopt the resolution relating thereto.

ARTICLE VII

Certificates Representing Stock

SECTION 1. Certificates: Signatures. The shares of the Corporation shall be represented by certificates, provided that the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any of all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate, signed by or in the name of the Corporation by the Chairman or Vice-Chairman of the Board of Directors, or the President or Vice-President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, representing the number of shares registered in certificate form. Any and all signatures on any such certificate may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such

certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. The name of the holder of record of the shares represented thereby, with the number of such shares and the date of issue, shall be entered on the books of the Corporation. The Board of Directors shall have power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates representing shares of the Corporation.

SECTION 2. Transfers of Stock. Upon compliance with provisions restricting the transfer or registration of transfer of shares of stock, if any, shares of capital stock shall be transferrable on the books of the Corporation only by the holder of record thereof in person, or by duly authorized attorney, upon surrender and cancellation of certificates for a like number of shares, properly endorsed, and the payment of all taxes due thereon.

SECTION 3. Fractional Shares. The Corporation may, but shall not be required to, issue certificates for fractions of a share where necessary to effect authorized transactions, or the Corporation may pay in cash the fair value of fractions of a share as of the time when those entitled to receive such factions are determined, or it may issue scrip in registered or bearer form over the manual or facsimile signature of an officer of the Corporation or of its agent, exchangeable as therein provided for full shares, but such scrip shall not entitle the holder to any rights of a Stockholder except as therein provided.

SECTION 4. Lost, Stolen or Destroyed Certificates. The Corporation may issue a new certificate of stock in place of any certificate, therefore issued by it, alleged to have been lost, stolen or destroyed, and the Board of Directors may require the owner of any lost, stolen or destroyed certificates, or his legal representative, to give the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of any such new certificate.

ARTICLE VIII

Dividends

Subject to the provisions of applicable law and the Certificate of Incorporation, the Board of Directors shall have full power to determine whether any, and, if any, what part of any, funds legally available for the payment of dividends shall be declared as dividends and paid to Stockholders; the division of the whole or any part of such funds of the Corporation shall rest wholly within the lawful discretion of the Board

of Directors, and it shall not be required at any time, against such discretion, to divide or pay any part of such funds among or to the Stockholders as dividends or otherwise; and before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves, to meet contingencies or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve. Stockholders shall receive dividends pro rata in proportion to the number of shares of Common Stock respectively held by them. A holder of Common Stock shall be deemed to share pro rata in all dividends declared by the Board of Directors within the meaning of the preceding sentence if such Stockholder receives assets (whether consisting of cash, securities, real property, equipment, inventory or other assets) the fair market value of which is the same proportion to the fair market, value of the total assets of the Corporation available for distribution as a dividend as the number of shares of Common Stock held by such holder of Common Stock is to the total number of issued and outstanding shares of Common Stock of the Corporation. A Stockholder shall not have the right to receive a pro rata share of each or any such asset available for distribution as a dividend; however, the corporation shall not be prohibited in the sole discretion of the Corporation's Board of Directors.

ARTICLE IX

Ratification

Any transaction, questioned in any lawsuit on the ground of lack of authority, defective or irregular execution, adverse interest of director, officer or Stockholder, non-disclosure, miscomputation, or the application of improper principles of practices of accounting, may be ratified before or after judgment, by the Board of Directors or by the Stockholders, and if so ratified shall have the same force and effect as if the questioned transaction had been originally duly authorized. Such ratification shall be binding upon the Corporation and its Stockholders and shall constitute a bar to any claim or execution of any judgment in respect of such questioned transaction.

ARTICLE X

Corporate Seal

The corporate seal shall be in either of the following forms: (a) the letters "L.S." or (b) a circular inscription which contains the words "Corporate Seal" and such additional information as the officer inscribing such seal shall determine in such officer's

sole discretion. The corporate seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise displayed or it may be manually inscribed.

ARTICLE XI

Fiscal Year

The fiscal year of the Corporation shall be fixed, and shall be subject to change, by the Board of Directors. Unless otherwise fixed by the Board of Directors, the fiscal year of the Corporation shall end on the Saturday closest to September 30.

ARTICLE XII

Waiver of Notice

Whenever notice is required to be given by these By-Laws or by the Certificate of Incorporation or by law, a written waiver thereof, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

ARTICLE XIII

Amendments

The Board of Directors shall have power to adopt, amend or repeal ByLaws. By-Laws adopted by the Board of Directors may be repealed or changed, and new By-Laws made, by the Stockholders, and the Stockholders may prescribe that any ByLaw made by them shall not be altered, amended or repealed by the Board of Directors.

ARTICLE XIV

Indemnification

SECTION 1. Power to Indemnify in Actions, Suits or Proceedings Other Than Those By Or In the Right Of The Corporation. Subject to Section 3 of this article XIV, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the

right of the Corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' and other professionals' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. The termination of criminal action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendre or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner reasonably believed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.

SECTION 2. Power to Indemnify In Actions, Suits Or Proceedings By Or In The Right Of The Corporation. Subject to Section 3 of this Article XIV, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by the reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' and other professionals' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of which the Court of Chancery or such other court shall deem proper.

SECTION 3. Authorization of Indemnification. Any indemnification under this Article XIV (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article XIV, as the case may be. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or

proceeding, or (ii) if such a quorum is not obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) if the Board of Directors so directs, by the Stockholders. To the extent, however, that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' and other professionals' fees) actually and reasonably incurred such person in connection therewith, without the necessity of authorization in the specific case.

SECTION 4. Good Faith Defined. For purposes of any determination under Section 3 of this Article XIV, a person shall be deemed to have acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation, or with respect to any criminal action or proceeding, to have had no reasonable cause to believe the conduct was unlawful, if the action is based on (a) the records or books of account of the Corporation or another enterprise (as defined below in this Section 4), or on information supplied to such person by the officers of the Corporation or another enterprise in the course of their duties, unless such person had reasonable cause to believe that reliance thereon would not be justifiable, on or (b) the advice of legal counsel for the Corporation or another enterprise, or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant, independent financial adviser, appraiser or other expert, as to matters reasonably believed to be within such other person's professional or expert competence. The term "another enterprise" as used in this Section 4 shall mean any other corporation or any partnership, joint venture, trust or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The provisions of this Section 4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Sections 1 or 2 of this Article XIV, as the case may be.

SECTION 5. Indemnification by A Court. Notwithstanding any contrary determination in the specific case under Section 3 of this Article XIV, and notwithstanding the absence of any determination thereunder, any director, officer, employee or agent may apply to any court competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Sections 1 and 2 of this Article XIV. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standards of conduct set forth in Sections 1 or 2 of this Article XIV, as the case may be. Notice of any application for indemnification pursuant to this Section 5 shall be given to the Corporation promptly upon the filing of such application.

SECTION 6. Expenses Payable in Advance. Expenses (including attorneys' and other professionals' fees) incurred by an officer or director in defending any threatened or pending civil, criminal, administrative or investigative action, suit or proceeding may, but shall not be required to, be paid by the Corporation in advance of the final disposition or such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director to repay such amount if it shall ultimately be determined that such person is not entitled to be identified by the Corporation as authorized in this Article XIV. Such expenses (including attorneys' and other professionals' fees) incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

SECTION 7. Non-exclusivity and Survival of Indemnification. The indemnification and advancement of expenses provided by or granted pursuant to this Article XIV shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any By-Law, agreement, contract, vote of Stockholders or of disinterested directors, or pursuant to the direction (howsoever embodied) of any court of competent jurisdiction or otherwise, it being the policy of the Corporation that indemnification of the persons specified in Sections 1 and 2 of this article XIV (as distinguished from advanced of funds pursuant to Section 6 of this Article XIV but whom the Corporation has the power or obligation to indemnify under the provisions of the General Corporation Law of the State of Delaware, or otherwise. The indemnification provided by this Article XIV shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors, administrators and other comparable legal representatives of such person. The rights conferred in this Article XIV shall be enforceable as contract rights, and shall continue to exist after any recession or restrictive modification hereof with respect to events occurring prior thereto.

SECTION 8. Meaning of "other enterprises" in connection with Employee Benefits Plans, etc. For purposes of this Article XIV (including Sections 1, 2, 4 and 9 hereof), references to "other enterprises" shall include employee benefit plans; referenced to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director officer, employee, or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who has acted in good faith and in a manner reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article XIV.

SECTION 9. Insurance. The Corporation may, but shall not be required to, purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such persons against such liability under the provisions of this Article XIV.

Exhibit 3.4(g)

BY-LAWS

OF

PANITZ HOMES REALTY, INC.

ARTICLE I

Meetings of Shareholders

Section 1. Annual Meeting. The annual meeting of the shareholders of this corporation shall be held at the time and place designated by the Board of Directors of the corporation. The annual meeting of shareholders for any year shall be held no later than thirteen months after the last preceding annual meeting of shareholders. Business transacted at the annual meeting shall include the election of directors of the corporation.

Section 2. Special Meeting. Special meetings of the shareholders shall be held when directed by the President or the Board of Directors, or when requested in writing by the holders of not less than ten percent of all shares entitled to vote at the meeting. A meeting requested by shareholders shall be called for a date not less than ten nor more than sixty days after the request is made, unless the shareholders requesting the meeting designate a later date. The call for the meeting shall be issued by the Secretary, unless the President, Board of Directors, or shareholders requesting the meeting shall designate another person to do so.

Section 3. Place. Meetings of shareholders may be held within or without the State of Florida.

Section 4. Notice. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the meeting, either personally or by first class mail, by or at the direction of the President, the Secretary, or the officer or persons calling the meeting to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

Section 5. Notice of Adjourned Meetings. When a meeting is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned

meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted on the original date of the meeting. If, however, after the adjournment the Board of Directors fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given as provided in this section to each shareholder of record on the new record date entitled to vote at such meeting.

Section 6. Closing of Transfer Books and Fixing Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other purpose, the Board of Directors may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, sixty days. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least ten days immediately preceding such meeting.

In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as of the record date for any determination of shareholders, such date in any case to be not more than sixty days and, in case of a meeting of shareholders, not less than ten days prior to the date on which the particular action requiring such determination of shareholders is to be taken.

If the stock transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders.

When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date for the adjourned meeting.

Section 7. Voting Record. The officers or agent having charge of the stock transfer books for shares of the corporation shall make, at least ten days before each meeting of shareholders, a complete list of the shareholders entitled to vote at such meeting or any adjournment thereof, with the address of and the number and class and series, if any, of shares held by each. The list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the corporation, at the principal place of business of the corporation or at the office of the transfer agent or registrar of the corporation and any shareholder shall be entitled to inspect the list at any time during

usual business hours. The list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder at any time during the meeting.

If the requirements of this section have not been substantially complied with, the meeting on demand of any shareholder in person or by proxy, shall be adjourned until the requirements are complied with. If no such demand is made, failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting.

Section 8. Shareholder Quorum and Voting. A majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. When a specified item of business is required to be voted on by a class or series of stock, a majority of the shares of such class or series shall constitute a quorum for the transaction of such item of business by that class or series.

If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the act of the shareholders unless otherwise provided by law.

After a quorum has been established at a shareholders' meeting, the subsequent withdrawal of shareholders, so as to reduce the number of shareholders entitled to vote at the meeting below the number required for a quorum, shall not affect the validity of any action taken at the meeting or any adjournment thereof.

Section 9. Voting of Shares. Each outstanding share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders.

Treasury shares, shares of stock of this corporation owned by another corporation, the majority of the voting stock of which is owned or controlled by this corporation, and shares of stock of this corporation held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares at any given time.

A shareholder may vote either in person or by proxy executed in writing by the shareholder or his duly authorized attorney-in-fact.

At each election for directors every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected at that time and for whose election he has a right to vote.

Shares standing in the name of another corporation, domestic or foreign, may be voted by the officer, agent, or proxy designated by the by-laws of the corporate shareholder; or, in the absence of any applicable by-laws, by such person as the Board of Directors of the corporate shareholder may designate. Proof of such designation may be made by presentation of a certified copy of the by-laws or other instrument of the corporate shareholder. In the absence of any such designation, or in case of conflicting designation by the corporate shareholder, the chairman of the board, president, any vice president, secretary and treasurer of the corporate shareholder shall be presumed to possess, in that order, authority to vote such shares.

Shares held by an administrator, executor, guardian or conservator may be voted by him, either in person or by proxy, without a transfer of such shares into his name. Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote shares held by him without a transfer of such shares into his name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority to do so be contained in an appropriate order of the court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee or his nominee shall be entitled to vote the shares so transferred.

On and after the date on which written notice of redemption of redeemable shares has been mailed to the holders thereof and a sum sufficient to redeem such shares has been deposited with a bank or trust company with irrevocable instruction and authority to pay the redemption price to the holders thereof upon surrender of certificates therefor, such shares shall not be entitled to vote on any matter and shall not be deemed to be outstanding shares.

Section 10. Proxies. Every shareholder entitled to vote at a meeting of shareholders or to express consent or dissent without a meeting or a shareholders' duly authorized attorney-in-fact may authorize another person-or persons to act for him by proxy.

Every proxy must be signed by the shareholder or his attorney-in-fact. No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the shareholder executing it, except as otherwise by law.

The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the shareholder who executed the proxy unless, before the authority is exercised, written notice of an adjudication of such incompetence or of such death is received by the corporate officer responsible for maintaining the list of shareholders.

If a proxy for the same shares confers authority upon two or more persons and does not otherwise provide, a majority of them present at the meeting, or if only one is present then that one, may exercise all the powers conferred by the proxy; but if the proxy holders present at the meeting are equally divided as to the right and manner of voting in any particular case, the voting of such shares shall be prorated.

If a proxy expressly provides, any proxy holder may appoint in writing a substitute to act in his place.

Section 11. Voting Trusts. Any number of shareholders of this corporation may create a voting trust for the purpose of conferring upon a trustee or trustees the right to vote or otherwise represent their shares, as provided by law. Where the counterpart of a voting trust agreement and the copy of the record of the holders of voting trust certificates has been deposited with the corporation as provided by law, such documents shall be subject to the same right of examination by a shareholder of the corporation, in person or by agent or attorney, as are the books and records of the corporation, and such counterpart and such copy of such record shall be subject to examination by holder of record of voting trust certificates either in person or by agent or attorney, at any reasonable time for any proper purpose.

Section 12. Shareholders' Agreements. Two or more shareholders, of this corporation may enter an agreement providing for the exercise of voting rights in the manner provided in the agreement or relating to any phase of the affairs of the corporation as provided by law. Nothing therein shall impair the right of this corporation to treat the shareholders of record as entitled to vote the shares standing in their names.

Section 13. Action by Shareholders Without a Meeting. Any action required by law, these by-laws, or the articles of incorporation of this corporation to be taken at any annual or special meeting of shareholders of the corporation, or any action which may be taken at any annual or special meeting of such shareholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. If any class of shares is entitled to vote thereon as a class, such written consent shall be required of the holders of a majority of the shares of each class of shares entitled to vote as a class thereon and of the total shares entitled to vote thereon.

Within ten days after obtaining such authorization by written consent, notice shall be given to those shareholders who have not consented in writing. The notice shall fairly summarize the material features of the authorized action, and, if the action be a merger, consolidation or sale or exchange of assets for which dissenters rights are provided under this act, the notice shall contain a clear statement of the right of shareholders dissenting therefrom to be paid the fair value of their shares upon compliance with further provisions of this act regarding the rights of dissenting shareholder.

ARTICLE II

Directors

Section 1. Function. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be managed under the direction of, the Board of Directors.

Section 2. Qualification. Directors need not be residents of this state or shareholders of this corporation.

Section 3. Compensation. The Board of Directors shall have authority to fix the compensation of directors.

Section 4. Duties of Directors. A director shall perform his duties as a director, including his duties as a member of any committee of the board upon which he may serve, in good faith, in a manner he reasonably believes to be in the best interests of the corporation, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.

In performing his duties, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) one or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented,

(b) counsel, public accountants or other persons as to matters which the director reasonably believes to be within such person's professional or expert competence, or

(c) a committee of the board upon which he does not serve, duly designated in accordance with a provision of the articles of incorporation or the by-laws, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

A director shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance described above to be unwarranted.

A person who performs his duties in compliance with this action shall have no liability by reason of being or having been a director of the corporation.

Section 5. Presumption of Assent. A director of the corporation who is present at a meeting of its Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless he votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest.

Section 6. Number. This corporation shall have two (2) directors. The number of directors may be increased or decreased from time to time by amendment to these by-laws, but no decrease shall have the effect of shortening the terms of any incumbent director.

Section 7. Election and Term. Each person named in the articles of incorporation as a member of the initial board of directors shall hold office until the first annual meeting of shareholders, and until his successor shall have been elected and qualified or until his earlier resignation, removal from office or death.

At the first annual meeting of shareholders and at each annual meeting thereafter the shareholders shall elect directors to hold office until the next succeeding annual meeting. Each director shall hold office for the term for which he is elected and until his successor shall have been elected and qualified or until his earlier resignation, removal from office or death.

Section 8. Vacancies. Any vacancy occurring in the Board of Directors, including any Vacancy created by reason of an increase in the number of directors, may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board of Directors. A director elected to fill a vacancy shall hold office only until the next election of directors by the shareholders.

Section 9. Removal of Directors. At a meeting of shareholders called expressly for that purpose, any director or the entire Board of Directors may be removed,

with or without cause, by a vote of the holders of a majority of the shares then entitled to vote at an election of directors.

Section 10. Quorum and Voting. A majority of the number of directors fixed by these by-laws shall constitute a quorum for the transaction of business. The act of the majority of the directors present at a meeting at which quorum is present shall be the act of the Board of Directors.

Section 11. Director Conflicts of Interest. No contract or other transaction between this corporation and one or more of its directors or any other corporation, firm, association or entity in which one or more of the directors are directors or officers or are financially interested, shall be either void or avoidable because of such relationship or interest or because such director or directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction or because his or their votes are counted for such purposes, if:

(a) The fact of such relationship of interest is disclosed or known to the Board of Directors or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or

(b) The fact of such relationship or interest is disclosed or known to the shareholders entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent; or

(c) The contract or transaction is fair and reasonable as to the corporation at the time it is authorized by the board, a committee or the shareholders.

(d) Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction.

Section 12. Executive and Other Committees. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its members an executive committee and one or more other committees each of which, to the extent provided in such resolution shall have and may exercise all the authority of the Board of Directors, except that no committee shall have the authority to:

(a) approve or recommend to shareholders actions or proposals required by law to be approved by shareholders,

(b) designate candidates for the office of director, for purposes of proxy solicitation or otherwise,

(c) fill vacancies on the Board of Directors or any committee thereof,

(d) amend the by-laws,

(e) authorize or approve the reacquisition of shares unless pursuant to a general formula or method specified by the Board of Directors, or

(f) authorize or approve the issuance or sale of, or any contract to issue or sell, shares or designate the terms of a series of a class of shares, except that the Board of Directors, having acted regarding general authorization for the issuance or sale of shares, or any contract thereof, and, in the case of a series, the designation thereof, may, pursuant to a general formula or method specified by the Board of Directors, by resolution or by adoption of a stock option or other plan, authorize a committee to fix the terms of any contract for the sale of the shares and to fix the terms upon which such shares may be issued or sold, including, without limitations, the price, the rate or manner of payment of dividends, provisions for redemption, sinking funds, conversion, voting or preferential rights, and provisions for other features of a class of shares, or a series of a class of shares, with full power in such committee to adopt any final resolution setting forth all the terms thereof and to authorize the statement of the terms of a series for filing with the Department of State.

The Board of Directors, by resolution adopted in accordance with this section, may designate one or more directors as alternate members of any such committee, who may act in the place and stead of any absent member or members at any meeting of such committee.

Section 13. Place of Meetings. Regular and special meetings by the Board of Directors may be held within or without the State of Florida.

Section 14. Time, Notice and Call of Meetings. Regular meetings of the Board of Directors shall be held without notice immediately following the annual shareholders meeting. Written notice of the time and place of special meetings of the Board of Directors shall be given to each director by either personal delivery, telegram or cablegram at least two days before the meeting or by notice mailed to the director at least five days before the meeting.

Notice of a meeting of the Board of Directors need not be given to any director who signs a waiver of notice either before or after the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and waiver of any and all obligations to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director states, at the beginning of

the meeting, any objection to the transaction of business because the meeting is not lawfully called or convened.

Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of such meeting.

A majority of the directors present, whether or not a quorum exists, may adjourn any meeting of the Board of Directors to another time and place. Notice of any such adjourned meeting shall be given to the directors who were not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other directors.

Meetings of the Board of Directors may be called by the chairman of the board, by the president of the corporation, or by any two directors.

Members of the Board of Directors may participate in a meeting of such board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 15. Action Without a Meeting. Any action required at a meet to be taken at a meeting of the directors of a corporation, or any action which may be taken at a meeting of the directors or a committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so to be taken, signed by all of the directors, or all the members of the committee, as the case may be, is filed in the minutes of the proceedings of the board or of the committee. Such consent shall have the same effect as a unanimous vote.

ARTICLE III

Officers

Section 1. Officers. The officers of this corporation shall consist of a president, a secretary and a treasurer, each of whom shall be elected by the Board of Directors at the first meeting of directors immediately following the annual meeting of shareholders of this corporation, and shall serve until their successors are chosen and qualify. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the Board of Directors from time to time. Any two or more officers may be held by the same person. The failure to elect a president, secretary or treasurer shall not affect the existence of this corporation.

Section 2. Duties. The officers of this corporation shall have the following duties.

The President shall be the chief executive officer of the corporation, shall have general and active management of the business and affairs of the corporation subject to the directors of the Board of Directors, and shall preside at all meetings of the stockholders and Board of Directors.

The Secretary shall have custody of, and maintain, all of the corporate records except the financial records; shall record the minutes of all meetings of the stockholders and Board of Directors, send all notices of meetings out, and perform such other duties as may be prescribed by the Board of Directors or the President.

The Treasurer shall have custody of all corporate funds and financial records, shall keep full and accurate accounts of receipts and disbursements and render accounts thereof at the annual meetings of stockholders and whenever else required by the Board of Directors or the President, and shall perform such other duties as may be prescribed by the Board of Directors or the President.

Section 3. Removal of Officers. Any officer or agent elected or appointed by the Board of Directors may be removed by the board whenever in its judgment the best interests of the corporation will be served thereby.

Any officer or agent elected by the shareholders may be removed only by vote of the shareholders, unless the shareholders shall have authorized the directors to remove such officer or agent.

Any vacancy, however occurring, in any office may be filled by the Board of Directors, unless the by-laws shall have expressly reserved such power to the shareholders.

Removal of any officer shall be without prejudice to the contract rights, if any, of the person so removed; however, election or appointment of an officer or agent shall not itself create contract rights.

ARTICLE IV

Stock Certificates

Section 1. Issuance. Every holder of shares in this corporation shall be entitled to have a certificate, representing all shares to which he is entitled. No certificate shall be issued for any share until such share is fully paid.

Section 2. Form. Certificates representing shares in this corporation shall be signed by the President or Vice President and the Secretary or an Assistant Secretary and may be sealed with the seal of this corporation or a facsimile thereof. The signatures of the President or Vice President and the Secretary or Assistant Secretary may be facsimiles if the certificate is manually signed on behalf of a transfer agent or a registrar, other than the corporation itself or an employee of the corporation. In case any officer who signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer at the date of its issuance.

Every certificate representing shares issued by this corporation shall set forth or fairly summarize upon the face or back of the certificate, or shall state that the corporation will furnish to any shareholder upon request and without charge a full statement of, the designations, preferences, limitations and relative rights of the shares of each class or series authorized to be issued, and the variations in the relative rights and preferences between the shares of each series so far as the same have been fixed and determined, and the authority of the Board of Directors to fix and determine the relative rights and preferences of subsequent series.

Every certificate representing shares which are restricted as to the sale, disposition or other transfer of such shares shall state that such shares are restricted as to transfer and shall state that the corporation will furnish to any shareholder upon request and without charge a full statement of, such restrictions.

Each certificate representing shares shall state upon the fact thereof; the name of the corporation; that the corporation is organized under the laws of this state; the name of the person or persons to whom issued; the number and class of shares, and the designation of the series, if any, which such certificates represents; a statement that the shares are without par value.

Section 3. Transfer of Stock. No stock in this corporation shall Be sold or offered for sale unless all the stock proposed to be sold is first offered to the other holders of stock in this corporation and if no other holder of stock desires to purchase said stock then said stock shall be offered for sale to the corporation before being duly sold to any non-stockholder. No stock in this corporation shall be subject to pledge, excepting with the consent in writing of all stockholders of the corporation.

The corporation shall be entitled to treat the holder of record of any share or shares as the absolute owner thereof for all purposes and, accordingly, shall not be bound to recognize any legal, equitable or other claim to, or interest in, such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise expressly provided by law.

Section 4. Lost, Stolen, or Destroyed Certificates. The corporation shall issue a new stock certificate in the place of any certificate previously issued if the holder of record of the certificate (a) makes proof in affidavit form that it has been lost, destroyed or wrongfully taken; (b) requests the issue of a new certificate before the corporation has notice that the certificate has been acquired by a purchaser for value in good faith and without notice of any adverse claim; (c) gives bond in such form as the corporation may direct, to indemnify the corporation, the transfer agent, and registrar against any claim that may be made on account of the alleged loss, destruction, or theft of a certificate; and (d) satisfies any other reasonable requirements imposed by the corporation.

ARTICLE V

Books and Records

Section 1. Books and Records. This corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its shareholders, board of directors and committees of directors.

This corporation shall keep at its registered office or principal place of business, or at the office of its transfer agent, or registrar, a record of its shareholders, giving the names and addresses of all shareholders, and the number, class and series, if any, of the shares held by each.

Any books, records and minutes may be in written form or in any other form capable of being converted into written form within a reasonable time.

Section 2. Shareholders' Inspection Rights. Any person who shall have been a holder of record of shares or of voting trust certificates therefor at least six months immediately preceding his demand or shall be the holder of record of, or the holder of record of voting trust certificates for, at least five percent of the outstanding shares of any class or series of the corporation, upon written demand stating the purpose thereof, shall have the right to examine, in person or by agent or attorney, at any reasonable time or times, for any proper purpose its relevant books and records of accounts, minutes and records of shareholders and to make extracts therefrom.

Section 3. Financial Information. Not later than four months after the close of each fiscal year, this corporation shall prepare a balance sheet showing in reasonable detail the financial condition of the corporation as of the close of its fiscal year, and a profit and loss statement showing the results of the operations of the corporation during its fiscal year.

Upon the written request of any shareholder or holder of voting trust certificates for shares of the corporation, the corporation shall mail to such shareholder or holder of voting trust certificates a copy of the most recent such balance sheet and profit and loss statement.

The balance sheets and profit and loss statements shall be filed in the registered office of the corporation in this state, shall be kept for at least five years, and shall be subject to inspection during business hours by any shareholder or holder of voting trust certificates, in person or by agent.

ARTICLE VI

Dividends

The Board of Directors of this corporation may, from time to time, declare and the corporation may pay dividends on its shares in cash, property or its own shares, except when the corporation is insolvent or when the payment thereof would render the corporation insolvent or when the declaration or payment thereof would be contrary to any restrictions contained in the articles of incorporation, subject to the following provisions:

(a) Dividends in cash or property may be declared and paid, except as otherwise provided in this section, only out of the unreserved and unrestricted earned surplus of the corporation or out of capital surplus, howsoever arising but each dividend paid out of capital surplus, shall be identified as a distribution of capital surplus, and the amount per share paid from such surplus shall be disclosed to the shareholders receiving the same concurrently with the distribution.

(b) Dividends may be declared and paid in the corporation's own treasury shares.

(c) Dividends may be declared and paid in the corporation's own authorized but unissued shares out of any unreserved and unrestricted surplus of the corporation upon the following conditions.

(1) If a dividend is payable in shares having a par value, such shares shall be issued at not less than the par value thereof and there shall be transferred to stated capital at the time such dividend is paid an amount of surplus equal to the aggregate par value of the shares to be issued as a dividend.

(2) If a dividend is payable in shares without par value, such shares shall be issued at such stated value as shall be fixed by the Board of Directors by resolution adopted at the time such dividend is declared, and there shall be transferred to stated capital at the time such dividend is paid an amount of surplus equal to the aggregate stated value so fixed in respect of such shares; and the amount per share so transferred to stated capital shall be disclosed to the shareholders receiving such dividend concurrently with the payment thereof.

(d) No dividend payable in shares of any class shall be paid to the holders of shares of any other class unless the articles of incorporation so provide or such payment is authorized by the affirmative vote or the written consent of the holders of at least a majority of the outstanding shares of the class in which the payment is to be made.

(e) A split-up or division of the issued shares of any class into a greater number of shares of the same class without increasing the stated capital of the corporation shall not be construed to be a share dividend within the meaning of this section.

ARTICLE VII

Corporate Seal

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the following:

PANITZ HOMES REALTY, INC.
CORPORATE SEAL
FLORIDA - 1986

ARTICLE VIII

Amendment

These by-laws may be repealed or amended, and new by-laws may be adopted, by either the Board of Directors or the shareholders, but the Board of Directors may not amend or repeal any by-law adopted by shareholders if the shareholders specifically provide such by-law not subject to amendment or repeal by the directors.

Approved this _____ day of _____, 1986.

ARTHUR M. DARBY

Exhibit 3.4 (h)

BY-LAWS

OF

BEAZER HOMES TEXAS HOLDINGS, INC.
A DELAWARE CORPORATION

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ARTICLE I -- STOCKHOLDERS

1. Annual Meetings.

(a) All meetings of the Stockholders for the election of directors shall be held in the County of New Castle, State of Delaware, at such place as may be fixed from time to time by the Board of Directors, or at such other place either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. Meetings of Stockholders for any other purpose may be held at such time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

(b) Annual meetings of Stockholders shall be held on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which they shall elect by a plurality vote a Board of Directors, and transact such other business as may properly be brought before the meeting.

(c) Written notice of the annual meeting stating the place, date, and hour of the meeting shall be given to each Stockholder entitled to vote at such meeting not less than ten days nor more than sixty days prior to the date of the meeting.

(d) The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of Stockholders, a complete list of the Stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each Stockholder and the number of shares registered in the name of each Stockholder. Such list shall be open to the examination of any Stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any Stockholder who is present. The stock ledger shall be the only evidence as to the Stockholders entitled to examine the stock ledger, the list required by this Section 1 or the books of the Corporation, or to vote in person or by proxy at any meeting of Stockholders.

2. Special Meetings.

(a) Special meetings of the Stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation of the Corporation, may be called by the President and shall be called by the President or Secretary at the request in writing of a majority of the Board of Directors, or at the request in writing of a Stockholder or Stockholders owning a majority in amount of the entire capital stock of

the Corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

(b) Written notice of a special meeting stating the place, date, and hour of the meeting and, in general terms, the purpose or purposes for which the meeting is called, shall be given not less than ten days nor more than sixty days prior to the date of the meeting, to each Stockholder entitled to vote at such meeting. Whenever the directors shall fail to fix such place, the meeting shall be held at the principal executive offices of the Corporation.

(c) Business transacted at any special meeting of Stockholders shall be limited to the purpose or purposes stated in the notice.

3. Quorums.

(a) The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the Stockholders for the transaction of business except as otherwise provided by statute or by the Certificate of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the Stockholders, the Stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting, at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Stockholder of record entitled to vote at the meeting. When a quorum is once present it is not broken by the subsequent withdrawal of any Stockholder.

(b) When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one on which by express provision of the Delaware General Corporation Law, the Certificate of Incorporation or these By-Laws, a different vote is required in which case such express provision shall govern and control the decision of such question.

4. Organization. Meetings of Stockholders shall be presided over by the Chairman, if any, or if none or in the Chairman's absence the President, if any, or if none or in the President's absence, by a Chairman to be chosen by the Stockholders entitled to vote who are present in person or by proxy at the meeting. The Secretary of the Corporation, or in the Secretary's absence an Assistant Secretary, shall act as Secretary of every meeting, but

if neither the Secretary nor an Assistant Secretary is present, the presiding officer of the meeting shall appoint any person present to act as Secretary of the meeting.

5. Voting; Proxies: Required Vote.

(a) At each meeting of Stockholders, every Stockholder shall be entitled to vote in person or by proxy appointed by an instrument in writing, subscribed by such Stockholder or by such Stockholder's duly authorized attorney-in-fact but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period), and, unless the Certificate of Incorporation provides otherwise, shall have one vote for each share of stock entitled to vote registered in the name of such Stockholder on the books of the Corporation on the applicable record date fixed pursuant to these By-Laws. At all elections of directors the voting may but need not be by ballot and the affirmative vote of holders of a plurality of the stock present in person or represented by proxy and entitled to vote on such election shall elect such directors. Except as otherwise required by law or the Certificate of Incorporation, any other action shall be authorized by the affirmative vote of holders of a majority of the stock present in person or represented by proxy and entitled to vote on such matter.

(b) Any action required or permitted to be taken at any meeting of Stockholders may, except as otherwise required by law or the Certificate of Incorporation, be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and the writing or writings are filed with the permanent records of the Corporation. Prompt notice of the taking of corporate action without a meeting by less than unanimous written consent shall be given to these Stockholders who have not consented in writing.

(c) Where a separate vote by a class or classes is required, a majority of the outstanding shares of such class or classes, present in person or represented by proxy, shall constitute a quorum entitled to vote on the matter and the affirmative vote of the majority of shares of such class or classes present in person or represented by proxy at the meeting shall be the act of such class, unless otherwise provided in the Corporation's Certificate of Incorporation.

6. Inspectors. The Board of Directors, in advance of any meeting, may, but need not, appoint one or more inspectors of election to act at the meeting or any adjournment thereof. If an inspector or inspectors are not so appointed, the person presiding at the meeting may, but need not, appoint one or more inspectors. In case any person who may be appointed as an inspector fails to appear or act, the vacancy may be filled by appointment made by the Board of Directors in advance of the meeting or at the meeting by

the person presiding thereat. Each inspector, if any, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his or her ability. The inspectors, if any, shall determine the number of shares of stock outstanding and the voting power of each, the shares of stock represented at the meeting, the existence of a quorum, and the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all Stockholders. On request of the person presiding at the meeting, the inspector or inspectors, if any, shall make a report in writing of any challenge, question or matter determined by such inspector or inspectors and execute a certificate of any fact found by such inspector or inspectors.

ARTICLE II -- BOARD OF DIRECTORS

1. General Powers. The business, property and affairs of the Corporation shall be managed by, or under the direction of, the Board of Directors.

2. Qualification; Number; Term; Remuneration.

(a) Each director shall be at least 18 years of age. A director need not be a Stockholder, a citizen of the United States, or a resident of the State of Delaware. The number of directors constituting the entire Board of Directors shall be one or such other number as may be fixed from time to time by the Board of Directors or the Stockholders. One of the directors may be selected by the Board of Directors to be its Chairman, who shall preside at meetings of the Stockholders and the Board of Directors and shall have such other duties, if any, as may from time to time be assigned by the Board of Directors. In the absence of formal selection, the President of the Corporation shall serve as Chairman. The use of the phrase "entire Board" herein refers to the total number of directors which the Corporation would have if there were no vacancies.

(b) Directors who are elected at an annual meeting of Stockholders, and directors who are elected in the interim to fill vacancies and newly created directorships, shall hold office until the next annual meeting of Stockholders and until their successors are elected and qualified or until their earlier resignation or removal.

(c) Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary for serving as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing Committees may be allowed like compensation for attending Committee meetings.

3. Quorum and Manner of Voting. Except as otherwise provided by law, a majority of the entire Board of Directors shall constitute a quorum. A majority of the directors present, whether or not a quorum is present, may adjourn a meeting from time to time to another time and place without notice. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

4. Places of Meetings. Meetings of the Board of Directors may be held at any place within or without the State of Delaware, as may from time to time be fixed by resolution of the Board of Directors, or as may be specified in the notice of meeting.

5. Annual Meeting. Following the annual meeting of Stockholders, the newly elected Board of Directors shall meet for the purpose of the election of officers and the transaction of such other business as may properly come before the meeting. Such meeting may be held without notice immediately after the annual meeting of Stockholders at the same place at which such Stockholders' meeting is held.

6. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as the Board of Directors shall from time to time by resolution determine.

7. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board, President, or by a majority of the directors then in office.

8. Notice of Meetings. A notice of the place, date and time and the purpose or purposes of each meeting of the Board of Directors shall be given to each director by mailing the same at least two days before the meeting, or by telephoning or faxing the same or by delivering the same personally not later than the day before the day of the meeting.

9. Organization. At all meetings of the Board of Directors, the Chairman or in the Chairman's absence or inability to act, the President, or in the President's absence, a Chairman chosen by the directors, shall preside. The Secretary of the Corporation shall act as secretary at all meetings of the Board of Directors when present, and, in the Secretary's absence, the presiding officer may appoint any person to act as Secretary.

10. Resignation. Any director may resign at any time upon written notice to the Corporation and such resignation shall take effect upon receipt thereof by the President or Secretary, unless otherwise specified in the resignation. Any or all of the director may be removed with or without cause, by the holders of a majority of the shares of stock outstanding and entitled to vote for the election of directors.

11. Vacancies. Unless otherwise provided in these By-Laws, vacancies on the Board of Directors, whether caused by resignation, death, disqualification, removal, an increase in the authorized number of directors or otherwise, may be filled by the affirmative vote of a majority of the remaining directors, although less than a quorum, or by a sole remaining director, or at a special meeting of the Stockholders, by vote of the Stockholders required for the election of directors generally.

12. Action by Written Consent. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all the directors consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors.

13. Electronic Communication. Any member or members of the Board of Directors may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and speak to each other.

ARTICLE III -- COMMITTEES

1. Appointment. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one or more Committees, each Committee to consist of two or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any Committee, who may replace any absent or disqualified member at any meeting of the Committee. Any such Committee, to the extent provided in the resolution, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. Such Committee or Committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors.

2. Procedures; Quorum and Manner of Acting. Each Committee shall fix its own rules of procedure, and shall meet where and as provided by such rules or by resolution of the Board of Directors. Except as otherwise provided by law, the presence of a majority of the then appointed members of a Committee shall constitute a quorum for the transaction of business by that Committee, and in every case where a quorum is present the affirmative vote of a majority of the members of the Committee present shall be the act of the Committee. Each Committee shall keep minutes of its proceedings, and actions taken by a Committee shall be reported to the Board of Directors.

3. Action by Written Consent. Any action required or permitted to be taken at any meeting of any Committee of the Board of Directors may be taken without a

meeting if all the members of the Committee consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Committee.

4. Electronic Communication. Any member or members of a Committee of the Board of Directors may participate in a meeting of a Committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and speak to each other.

5. Termination. In the event any person shall cease to be a director of the Corporation, such person shall simultaneously therewith cease to be a member of any Committee appointed by the Board of Directors.

ARTICLE IV -- OFFICERS

1. Election and Qualifications. The Board of Directors at its first meeting held after each annual meeting of Stockholders shall elect the officers of the Corporation, which shall include a President and a Secretary, and may include, by election or appointment, one or more Vice-Presidents (any one or more of whom may be given an additional designation of rank or function), a Treasurer and such Assistant Secretaries, such Assistant Treasurers and such other officers as the Board of Directors may from time to time deem proper. Each officer shall have such powers and duties as may be prescribed by these By-Laws and as may be assigned by the Board of Directors or the President. Any two or more offices may be held by the same person.

2. Term of Office and Remuneration. The term of office of all officers shall be one year and until their respective successors have been elected and qualified, but any officer may be removed from office, either with or without cause, at any time by the Board of Directors. Any vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the Board of Directors. The remuneration of all officers of the Corporation may be fixed by the Board of Directors or in such manner as the Board of Directors shall provide.

3. Resignation; Removal. Any officer may resign at any time upon written notice to the Corporation and such resignation shall take effect upon receipt thereof by the President or Secretary, unless otherwise specified in the resignation. Any officer shall be subject to removal, with or without cause, at any time by the Board of Directors.

4. Powers and Duties of Officers.

(a) The Chairman of the Board of Directors, if there be one, shall preside at all meetings of the Board of Directors and shall have such other powers and duties as may from time to time be assigned by the Board of Directors.

(b) The President shall be the chief executive officer of the Corporation and shall preside at all meetings of the Stockholders and, if there is no Chairman, of the Board of Directors and shall have general management of and supervisory authority over the property, business and affairs of the Corporation and its other officers. The President may execute and deliver in the name of the Corporation powers of attorney, contracts, bonds and other obligations and instruments, and shall have such other authority and perform such other duties as from time to time may be assigned by the Board of Directors. The President shall see that all orders and resolutions of the Board of Directors are carried into effect and shall perform such additional duties that usually pertain to this office.

(c) A Vice President may execute and deliver in the name of the Corporation powers of attorney, contracts, bonds and other obligations and instruments pertaining to the regular course of such Vice President's duties, and shall have such other authority and perform such other duties as from time to time may be assigned by the Board of Directors or the President.

(d) The Treasurer shall in general have all duties and authority incident to the position of Treasurer and such other duties and authority as may be assigned by the Board of Directors or the President. The Treasurer shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by or at the direction of the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors or the President, and shall render, upon request, an account of all such transactions.

(e) The Secretary shall in general have all the duties and authority incident to the position of Secretary and such other duties and authority as may be assigned by the Board of Directors or the President. The Secretary shall attend all meetings of the Board of Directors and all meetings of Stockholders and record all the proceedings thereat in a book or books to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the Stockholders and special meetings of the Board of Directors. The Secretary shall have custody of the seal of the Corporation and any officer of the Corporation shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Secretary or any other officer.

(f) Any assistant officer shall have such duties and authority as the officer such assistant officer assists and, in addition, such other duties and authority as the Board of Directors or President shall from time to time assign.

ARTICLE V -- CONTRACTS, ETC.

1. Contracts. The Board of Directors may authorize any person or persons, in the name and on behalf of the Corporation, to enter into or execute and deliver any and all deeds, bonds, mortgages, contracts and other obligations or instruments, and such authority may be general or confined to specific instances.

2. Proxies; Powers of Attorney; Other Instruments.

(a) The Chairman, the President, any Vice President, the Treasurer or any other person designated by any of them shall have the power and authority to execute and deliver proxies, powers of attorney and other instruments on behalf of the Corporation in connection with the execution of contracts, the purchase of real or personal property, the rights and powers incident to the ownership of stock by the Corporation and such other situations as the Chairman, the President, such Vice President or the Treasurer shall approve, such approval to be conclusively evidenced by the execution of such proxy, power of attorney or other instrument on behalf of the Corporation.

(b) The Chairman, the President, any Vice President, the Treasurer or any other person authorized by proxy or power of attorney executed and delivered by any of them on behalf of the Corporation may attend and vote at any meeting of stockholders of any company in which the Corporation may hold stock, and may exercise on behalf of the Corporation any and all of the rights and powers incident to the ownership of such stock at any such meeting, or otherwise as specified in the proxy or power of attorney so authorizing any such person. The Board of Directors, from time to time, may confer like powers upon any other person.

ARTICLE VI -- BOOKS AND RECORDS

1. Location. The books and records of the Corporation may be kept at such place or places within or outside the State of Delaware as the Board of Directors or the respective officers in charge thereof may from time to time determine. The record books containing the names and addresses of all Stockholders, the number and class of shares of stock held by each and the dates when they respectively became the owners of record thereof shall be kept by the Secretary as prescribed in these By-Laws or by such officer or agent as shall be designated by the Board of Directors.

2. Addresses of Stockholders. Notices of meetings and all other corporate notices may be delivered personally or mailed to each Stockholder at the Stockholder's address as it appears on the records of the Corporation.

3. Fixing Date for Determination of Stockholders of Record.

(a) In order that the Corporation may determine the Stockholders entitled to notice of or to vote at any meeting of Stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which record date shall not be more than sixty days nor less than ten days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining Stockholders entitled to notice of or to vote at a meeting of Stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of Stockholders of record entitled to notice of or to vote at a meeting of Stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the Corporation may determine the Stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining Stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of Stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining Stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the Corporation may determine the Stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the Stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action not contemplated by paragraph (a) or (b) of this Section 3, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining Stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

ARTICLE VII CERTIFICATES REPRESENTING STOCK

1. Certificates, Signatures. The shares of the Corporation shall be represented by certificates, provided that the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate, signed by or in the name of the Corporation by the Chairman or Vice Chairman of the Board of Directors, or the President or Vice-President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, representing the number of shares registered in certificate form. Any and all signatures on any such certificate may be facsimiles. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue. The name of the holder of record of the shares represented thereby, with the number of such shares and the date of issue, shall be entered on the books of the Corporation. The Board of Directors shall have power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates representing shares of the Corporation.

2. Transfers of Stock. Upon compliance with provisions restricting the transfer or registration of transfer of shares of stock, if any, shares of capital stock shall be transferrable on the books of the Corporation only by the holder of record thereof in person, or by duly authorized attorney, upon surrender and cancellation of certificates for a like number of shares, properly endorsed, and the payment of all taxes due thereon.

3. Fractional Shares. The Corporation may, but shall not be required to, issue certificates for fractions of a share where necessary to effect authorized transactions, or the Corporation may pay in cash the fair value of fractions of a share as of the time when those entitled to receive such fractions are determined, or it may issue scrip in registered or bearer form over the manual or facsimile signature of an officer of the Corporation or of its agent, exchangeable as therein provided for full shares, but such scrip shall not entitle the holder to any rights of a Stockholder except as therein provided.

4. Lost, Stolen or Destroyed Certificates. The Corporation may issue a new certificate of stock in place of any certificate, theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Board of Directors may require the owner of any lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against it on

account of the alleged loss, theft or destruction of any such certificate or the issuance of any such new certificate.

ARTICLE VIII -- DIVIDENDS

Subject to the provisions of applicable law and the Certificate of Incorporation, the Board of Directors shall have full power to determine whether any, and, if any, what part of any, funds legally available for the payment of dividends shall be declared as dividends and paid to Stockholders; the division of the whole or any part of such funds of the Corporation shall rest wholly within the lawful discretion of the Board of Directors, and it shall not be required at any time, against such discretion, to divide or pay any part of such funds among or to the Stockholders as dividends or otherwise; and before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve. Stockholders shall receive dividends pro rata in proportion to the number of shares of Common Stock respectively held by them. A holder of Common Stock shall be deemed to share pro rata in all dividends declared by the Board of Directors within the meaning of the preceding sentence if such Stockholder receives assets (whether consisting of cash, securities, real property, equipment, inventory or other assets) the fair market value of which is in the same proportion to the fair market value of the total assets of the Corporation available for distribution as a dividend as the number of shares of Common Stock held by such holder of Common Stock is to the total number of issued and outstanding shares of Common Stock of the Corporation. A Stockholder shall not have the right to receive a pro rata share of each or any such asset available for distribution as a dividend, however, the Corporation shall not be prohibited hereby from making a pro rata distribution of each or any such asset available for distribution as a dividend. The fair market value of any and all assets of the Corporation distributed as a dividend shall be determined in the sole discretion of the Corporation's Board of Directors.

ARTICLE IX -- RATIFICATION

Any transaction, questioned in any lawsuit on the ground of lack of authority, defective or irregular execution, adverse interest of any director, officer or Stockholder, nondisclosure, miscomputation, or the application of improper principles or practices of accounting, may be ratified before or after judgment, by the Board of Directors or by the Stockholders, as appropriate, and if so ratified shall have the same force and effect as if the questioned transaction had been originally duly authorized. Such ratification shall be binding upon the Corporation and its Stockholders and shall constitute a bar to any claim or execution of any judgment in respect of such questioned transaction.

ARTICLE X -- CORPORATE SEAL

The corporate seal shall contain the words "Corporate Seal" and such additional information as the officer inscribing such seal shall determine in such officer's sole discretion. The corporate seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise displayed or it may be manually inscribed.

ARTICLE XI -- FISCAL YEAR

The fiscal year of the Corporation shall be fixed, and shall be subject to change, by the Board of Directors. Unless otherwise fixed by the Board of Directors, the fiscal year of the Corporation shall end on September 30.

ARTICLE XII -- WAIVER OF NOTICE

Whenever notice is required to be given by these By-Laws or by the Certificate of Incorporation or by law, a written waiver thereof, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

ARTICLE XIII -- AMENDMENTS

The Board of Directors shall have power to adopt, amend or repeal By-Laws. By-Laws adopted by the Board of Directors may be repealed or changed, and new By-Laws made, by the Stockholders, and the Stockholders may prescribe that any By-Law made by them shall not be altered, amended or repealed by the Board of Directors.

ARTICLE XIV -- INDEMNIFICATION

1. Power to Indemnify in Action, Suits or Proceedings Other Than Those By or In The Right of the Corporation. Subject to Section 3 of this Article XIV, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' and other professionals' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe

the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.

2. Power to Indemnify in Actions, Suits or Proceedings By or In The Right of the Corporation. Subject to Section 3 of this Article XIV, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' and other professionals' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

3. Authorization of Indemnification. Any indemnification under this Article XIV (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article XIV, as the case may be. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) if the Board of Directors so directs, by the Stockholders. To the extent, however, that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' and other professionals' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorization in the specific case.

4. Good Faith Defined. For purposes of any determination under Section 3 of this Article XIV, a person shall be deemed to have acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe the conduct was unlawful, if the action is based on (a) the records or books of account of the Corporation or another enterprise (as defined below in this Section 4), or on information supplied to such person by the officers of the Corporation or another enterprise in the course of their duties, unless such person had reasonable cause to believe that reliance thereon would not be justifiable, or on (b) the advice of legal counsel for the Corporation or another enterprise, or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant, independent financial adviser, appraiser or other expert, as to matters reasonably believed to be within such other person's professional or expert competence. The term "another enterprise" as used in this Section 4 shall mean any other corporation or any partnership, joint venture, trust or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The provisions of this Section 4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Sections 1 or 2 of this Article XIV, as the case may be.

5. Indemnification By A Court. Notwithstanding any contrary determination in the specific case under Section 3 of this Article XIV, and notwithstanding the absence of any determination thereunder, any director, officer, employee or agent may apply to any court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Sections 1 and 2 of this Article XIV. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standards of conduct set forth in Sections 1 or 2 of this Article XIV, as the case may be. Notice of any application for indemnification pursuant to this Section 5 shall be given to the Corporation promptly upon the filing of such application.

6. Expenses Payable In Advance. Expenses (including attorneys' and other professionals' fees) incurred by an officer or director in defending any threatened or pending civil, criminal, administrative or investigative action, suit or proceeding may, but shall not be required to, be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer, to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article XIV. Such expenses (including attorneys' and other professionals' fees) incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

7. Non-Exclusivity and Survival of Indemnification. The indemnification and advancement of expenses provided by or granted pursuant to this Article XIV shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any By-Law, agreement, contract, vote of Stockholders or of disinterested directors, or pursuant to the direction (howsoever embodied) of any court of competent jurisdiction or otherwise, it being the policy of the Corporation that indemnification of the persons specified in Sections 1 and 2 of this Article XIV (as distinguished from advancement of funds pursuant to Section 6 of this Article XIV) shall be made to the fullest extent permitted by law. The provisions of this Article XIV shall not be deemed to preclude the indemnification of any person who is not specified in Sections 1 and 2 of this Article XIV but whom the Corporation has the power or obligation to indemnify under the provisions of the General Corporation Law of the State of Delaware, or otherwise. The indemnification provided by this Article XIV shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors, administrators and other comparable legal representatives of such person. The rights conferred in this Article XIV shall be enforceable as contract rights, and shall continue to exist after any rescission or restrictive modification hereof with respect to events occurring prior thereto.

8. Meaning of "other enterprises" in connection with Employee Benefit Plans, etc. For purposes of this Article XIV (including Sections 1, 2, 4 and 9 hereof), references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who has acted in good faith and in a manner reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article XIV.

9. Insurance. The Corporation may, but shall not be required to, purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article XIV.

Exhibit 3.4(i)

Beazer Homes Texas, L.P.

Agreement of Limited Partnership

THIS AGREEMENT OF LIMITED PARTNERSHIP (this "Agreement") is entered into as of the 26th day of March, 1996 between Beazer Homes Texas Holdings, Inc., a Delaware corporation (the "General Partner"), and Beazer Homes Holding Corp., a Delaware corporation (the "Limited Partner" and together with the General Partner, the "Partners" and individually a "Partner").

RECITALS

WHEREAS, the General Partner and the Limited Partner desire to form a limited partnership under the Delaware Revised Uniform Limited Partnership Act, as amended and in effect from time to time (the "Act"); and

WHEREAS, in order to effect the business objectives of the Partnership, the parties hereto desire to provide the terms for the formation, capitalization and governance of the Partnership and to set forth in detail their rights and obligations relating to the Partnership.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, agree as follows:

TERMS OF AGREEMENT

Section I. GENERAL PROVISIONS.

1.1 Formation. The parties hereto hereby agree to form the Partnership. The General Partner shall take all necessary action required by law to maintain the Partnership as a limited partnership under the Act and under the laws of all other jurisdictions in which the Partnership may elect to conduct business.

1.2 Name. The name of the Partnership shall be Beazer Homes Texas, L.P.

1.3 Business of the Partnership. The purpose of the Partnership shall be to engage in the business of manufacturing homesite inventory and related services in the United States and to engage in any business activity related or incidental thereto.

1.4 Place of Business. The Partnership shall maintain its principal office and place of business at the address set forth on the signature page hereto. The Partnership shall also maintain an address and a place of business in the state of Delaware, located at the Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801. The registered agent of the Partnership at such address shall be The Corporation Trust Company. The General Partner may, at any time and from time to time, change the location of its place of business. The General Partner may establish such additional place or places of business as it may from time to time determine.

1.5 Duration of the Partnership. The Partnership shall commence on the date the Certificate of Limited Partnership for the Partnership is filed in accordance with the Act and shall continue its existence without interruption, subject to the provisions of the Act, until December 31, 2026, unless terminated at an earlier date in accordance with Section VIII of this Agreement. Notwithstanding the foregoing, and subject to the provisions of Section VIII hereof, the Partners may extend the Partnership's term beyond December 31, 2026 by unanimous vote.

1.6 Title to Partnership Property. All property owned by the Partnership, whether real or personal, tangible or intangible, shall be owned by the Partnership as an entity, and no Partner individually shall have any ownership interest in such property.

1.7 Merger Agreement. Each of the Partners acknowledge and agree that that certain Agreement and Plan of Merger (the "Merger Agreement") whereby Beazer Homes Texas, Inc., a Texas corporation will be merged with and into the Partnership has been duly authorized by the constituent documents of each party to the Merger Agreement. The General Partner is hereby authorized to execute, deliver and perform the Merger Agreement and any documents, instruments, or agreements contemplated by or relating to the Merger Agreement.

1.8 Qualification to Do Business. For the purpose of authorizing the Partnership to do business under the laws of any state, territory or possession of the United States or of any foreign country in which it is necessary or convenient for the Partnership to transact business, the General Partner of the Partnership be, and they hereby are, authorized, directed and empowered, in the name and on behalf of the Partnership, to take such action as may be necessary or advisable to effect the qualification of the Partnership to do business as a foreign corporation in any of such states, territories, possessions or foreign countries and in connection therewith to appoint and substitute all necessary agents or attorneys for service of process, to designate or change the location of all necessary statutory offices, and to

execute, acknowledge, verify, deliver, file or cause to be published any necessary applications, papers, certificates, reports, consents to service of process, powers of attorney and other instruments as may be required by any of such laws, and, whenever it is expedient for the Partnership to cease doing business and withdraw from any such state, territory, possession or foreign country, to revoke any appointment of agent or attorney for service of process and to file such applications, papers, certificates, reports, revocation of appointment or surrender of authority as may be necessary to terminate the authority of the Partnership to do business in any such state, territory, possession or foreign country.

Section II. DEFINITIONS. For purposes of this Agreement, unless the context otherwise requires, the following terms shall have the following respective meanings:

2.1 Act. Defined in the recitals.

2.2 Affiliate. When used with reference to a specific Person, (a) any director, officer, employee or general partner of such Person and (b) a Person who directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the specified Person. As used herein, "control" shall mean the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

2.3 Agreement. This Agreement of Limited Partnership, as it may be amended from time to time.

2.4 Applicable Law. As to any Person, any law, act, ordinance, code, requirement, rule, regulation, policy, subpoena, order, writ, award, injunction, judgment or decree, whether foreign or domestic, and whether national, federal, state, provincial, or local, applicable to such Person or its assets.

2.5 Bankruptcy. For purposes of this Agreement, the filing by any Person of any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal or state bankruptcy, insolvency or other similar statute, law or regulation; or the filing by any Person of any answer admitting (or the failure by such Person to make a required responsive pleading to) the material allegations of a petition filed against such Person in any such proceeding; or the seeking or consenting to or acquiescence in the judicial appointment of any trustee, fiscal agent, receiver or liquidator of such Person or of all or any substantial part of its properties or the taking of any action looking to its dissolution or liquidation; or the failure, within ninety (90) days after the commencement of an involuntary case or action against any such Person seeking any bankruptcy, reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, of such case or action to have been dismissed or of all orders and proceedings

thereunder affecting the operations or the business of such Person to have been stayed, or the setting aside of the stay of any such order or proceeding thereafter; or the failure, within ninety (90) days after the judicial appointment without the consent or acquiescence of such Person of any trustee, fiscal agent, receiver or liquidator of such person or of all or any substantial part of its properties, of such appointment to have been vacated; or the assignment by such Person for the benefit of creditors or the admission in writing by such Person that its assets are insufficient to pay its liabilities as they come due.

2.6 Capital Account. The account maintained by the Partnership for each Partner as provided in Section 4.3 of this Agreement.

2.7 Capital Contributions. The total amount of all cash and the fair market value of all property contributed (or deemed to be contributed) by each Partner to the Partnership.

2.8 Cash Flow. Any cash generated by the Partnership in any manner to the extent that the General Partner determines such cash is not necessary for the operation of the Partnership's business.

2.9 Claims. Defined in Section 3.4 hereof.

2.10 Code. The Internal Revenue Code of 1986, as amended and in effect from time to time, and any successor statute, statutes or statutory provisions thereto.

2.11 General Partner. Defined in the preamble hereof and any and all other Persons who become substitute or successor general partners in accordance with the provisions of this Agreement.

2.12 Limited Partner. Defined in the preamble hereof and any and all other Persons who become substitute or successor limited partners in accordance with the provisions of this Agreement.

2.13 Liquidating Share. In the case of the dissolution of the Partnership, the positive Capital Account balance of a Partner as of the close of business on the effective date of such dissolution.

2.14 Liquidator. Defined in Section 8.2(a) hereof.

2.15 Partner and Partners. Defined in the Recitals.

2.16 Partnership. Beazer Homes Texas, L.P., the Delaware limited partnership.

2.17 Partnership Interest. The ownership interest of a Partner in the Partnership from time to time, including the right of such Partner to any and all distributions (liquidating and otherwise) and allocations of the income, gains, losses, deductions and credits of the Partnership to which such Partner may be entitled, as provided in this Agreement and in the Act, together with the management and participation rights devolving on such Partner by virtue of his or her status as a partner under the Act and as specifically set forth in this Agreement, and the obligations of such Partner to comply with all the terms and provisions of this Agreement and of the Act.

2.18 Percentage Interest. Each Partner's allocable share of all income, gains, losses, deductions, credits and, when specified herein, distributions of the Partnership.

2.19 Person. Any individual, partnership, corporation, trust, limited liability company or other entity.

2.20 Service. The Internal Revenue Service, an agency of the United States Government, or any successor agency thereto.

Section III. POWERS, DUTIES, LIABILITIES AND COMPENSATION.

3.1 Management of the Partnership. The management and control of the business and affairs of the Partnership shall be vested in the General Partner.

3.2 Authority of the General Partner.

(a) The General Partner shall have all the authority, rights and powers conferred by law and those required or appropriate to the management and operation of the Partnership's business. Except as otherwise expressly provided in this Agreement, all decisions with respect to any matter set forth in this Agreement or otherwise affecting or arising out of the conduct of the business of the Partnership shall be made by the General Partner. Specifically, but not by way of limitation, the General Partner shall be authorized in the name of and on behalf of the Partnership:

(i) to borrow and lend money and, as security therefor, to mortgage, pledge or otherwise encumber the assets of the Partnership;

(ii) to employ such agents, employees, managers, investment managers, accountants, attorneys, consultants and other Persons, including itself, necessary or appropriate to carry out the business and affairs of the Partnership, whether or not any such Persons so employed are associated with or related to any Partner, and to pay such fees, expenses, salaries, wages and

other compensation to such Persons as it shall, in its sole discretion, determine;

(iii) to pay, extend, renew, modify, adjust, submit to arbitration, prosecute, defend or compromise, upon such terms as it may determine and upon such evidence as it may deem sufficient, any obligation, suit, liability, cause of action or claim, including any relating to the payment of taxes, either in favor of or against the Partnership;

(iv) to pay any and all fees and to make any and all expenditures which it, in its sole discretion, deems necessary or appropriate in connection with the organization of the Partnership and the carrying out of its obligations and responsibilities under this Agreement;

(v) to enter into agreements and engage in any transaction with Persons with which or whom the General Partner is or may be affiliated or with any other Persons;

(vi) to make all elections required or permitted to be made by the Partnership under the Code, including but not limited to the election pursuant to Code Section 754 to adjust the basis of the Partnership's assets for United States Federal income tax purposes; and

(vii) to assume and exercise all rights, powers and responsibilities granted to general partners by the Act.

(b) With respect to all of its rights, powers and responsibilities under this Agreement, the General Partner is authorized to execute and deliver, in the name and on behalf of the Partnership, such notes and other evidences of indebtedness, contracts, assignments, deeds, leases, loan agreements, mortgages, deeds of trust and other security instruments as it deems proper, all on such terms and conditions as it deems proper.

3.3 Services of the General Partner. The General Partner shall devote such time and effort to the business of the Partnership as may be necessary to promote adequately the interests of the Partnership and the mutual interests of the Partners; provided, however, that, it is specifically understood and agreed that the General Partner (and the officers and directors of the General Partner) shall not be required to devote full time to the business of the Partnership; provided, further, that, the General Partner and its Affiliates may at any time and from time to time engage in and possess interests in other business ventures (whether or not in competition with the business of the Partnership) of any and every type and description, independently or with others, and neither the Partnership nor any Partner

shall by virtue of this Agreement or otherwise have any right, title or interest in or to such independent ventures.

3.4 Liability of the General Partner; Indemnification of the General Partner. Neither the General Partner nor any of its Affiliates shall have any liability to the Partnership or to any Partner for any loss suffered by the Partnership which arises out of any action or inaction of the General Partner or any of its Affiliates, so long as the General Partner or such Affiliates, in good faith, shall have determined that such action or inaction was in the best interest of the Partnership and such action or inaction did not constitute fraud or willful misconduct. The General Partner and its Affiliates shall be indemnified by the Partnership to the fullest extent permitted by law against any losses, judgments, liabilities, damages, expenses and amounts paid in settlement of any claims (together, the "Claims") sustained in connection with any act performed or omission within the scope of authority conferred by this Agreement; provided, that, such Claims were not the result of fraud or willful misconduct on the part of the General Partner, or any of its Affiliates. The Partnership may advance to the General Partner and any of its Affiliates any amounts required to defend against any Claim for which the General Partner or any of such Affiliates may be entitled to indemnification in accordance with this Section 3.4. If it is ultimately determined that the Person receiving such advance is not entitled to indemnification pursuant to this Section 3.4, such Person shall promptly repay to the Partnership any amounts so advanced by the Partnership.

3.5 Limitations on Limited Partner. Except as set forth in this Agreement, the Limited Partner, in its capacity as Limited Partner, shall not (a) be permitted to take part in the control of the business or affairs of the Partnership, (b) have any voice in the management or operation of the Partnership or (c) have the authority or power in its capacity as Limited Partner to act as agent for or on behalf of the Partnership or any other Partner, to do any act that would be binding on the Partnership or any other Partner or to incur any expenditures on behalf of or with respect to the Partnership. A Limited Partner shall not have the right to demand or receive property other than cash for its Partnership Interest.

3.6 Liability of Limited Partners. So long as a Limited Partner complies with the provisions of Section 3.5 hereof, it shall not be required to make any contributions to the capital of the Partnership to restore a loss or deficit Capital Account balance in excess of its Capital Contribution, and it shall have no liability for the losses, debts, liabilities or other obligations of the Partnership in excess of its Capital Contribution except as otherwise provided under the Act.

3.7 Rights of Limited Partners. The Limited Partners shall have only the rights expressly granted to them in this Agreement and as required under the Act. Each Limited Partner may receive any distributions or allocations to which it is entitled in accordance with Section V hereof.

3.8 Certain Fees and Expenses. Except as specifically provided to the contrary in this Agreement, all out-of-pocket expenses incurred by the General Partner, whether or not in direct connection with the organization and operation of the Partnership's business, including, without limitation, legal fees and accounting fees relating to the organization of the Partnership, shall be paid by the Partnership or reimbursed to the General Partner by the Partnership without the consent of the Limited Partners.

3.9 Action Without a Meeting. To the extent that any matter must be approved by a vote of the Limited Partners, such vote may be submitted to the Limited Partners for their approval by written consent without a meeting. Written consents shall be treated for all purposes as votes at a meeting.

Section IV. CAPITAL CONTRIBUTIONS.

4.1 General Partner Capital Contribution. The General Partner has contributed the amount set forth on Exhibit A attached hereto to the Partnership in exchange for its 1% Partnership Interest in the Partnership.

4.2 Limited Partner Capital Contribution. The Limited Partner has contributed the amount set forth on Exhibit A attached hereto to the Partnership in exchange for its 99% Partnership Interest in the Partnership.

4.3 Capital Accounts.

(a) A Capital Account shall be maintained for each Partner in accordance with the capital account maintenance rules set forth in Treasury Regulations Section 1.704-1(b)(2)(iv). Without limiting the generality of the foregoing, each Partner's Capital Account shall be increased by (i) the amount of any money contributed by such Partner to the Partnership, (ii) the fair market value (as determined by the General Partner) of property contributed by such Partner to the Partnership (net of liabilities secured by such contributed property that the Partnership is considered to assume or take subject to under Code Section 752) and (iii) allocations to such Partner of Partnership income and gain, including income and gain exempt from tax and income and gain described in Treasury Regulations Section 1.704-1(b)(2)(iv)(g), but excluding items of income and gain described in Treasury Regulations Section 1.704-1(b)(4)(i), and each Partner's Capital Account shall be decreased by (A) the amount of any money distributed to such Partner by the Partnership, (B) the fair market value (as determined by the General Partner) of property distributed to such Partner by the Partnership (net of liabilities secured by such distributed property that the distributee Partner is considered to assume or take subject to under Code Section 752), (C) allocations to such Partner of expenditures of the Partnership described in Code Section 705(a)(2)(B) and (D) allocations to such Partner of Partnership loss and deduction, including loss and deduction described in Treasury Regulations Section 1.704-1(b)(2)(iv)(g), but excluding

items of loss or deduction described in clause (B) of this Section 4.3(a) and Treasury Regulations Section 1.704-1(b)(4)(i) and 1.704-1(b)(4)(iii). The Capital Account of each Partner shall be appropriately adjusted for income, gain, loss and deduction as required by Treasury Regulations Section 1.704-1(b)(2)(iv)(g) (relating to allocations and adjustments resulting from the reflection of property on the books of the Partnership at book value, or a revaluation thereof, rather than at such property's adjusted tax basis).

(b) No interest shall be paid by the Partnership on any Capital Contribution. No Partner shall be entitled to withdraw from the Partnership, or demand the return of any part of its Capital Contribution or any balance in its Capital Account, or to receive any distribution, except in accordance with the terms of this Agreement. No Partner shall be liable for the return of the Capital Contributions of any other Partner.

(c) Notwithstanding any provision herein to the contrary, the Limited Partner's Capital Account shall be increased by the fair market value of the assets (less any liabilities) of Beazer Homes Texas, Inc., a Texas corporation and a wholly owned subsidiary of the Limited Partner (the "Subsidiary") attributable to the Partnership as a result of the merger of the Subsidiary with and into the Partnership, pursuant to that certain Agreement and Plan of Merger between the Subsidiary and the Partnership.

Section V. DISTRIBUTIONS AND ALLOCATIONS.

5.1 Distributions. The Partnership may make distributions to the Partners in U.S. dollars out of Cash Flow at such times and in such amounts as the General Partner may determine, in its sole discretion. Distributions pursuant to this Section 5.1 will be made 99% to the Limited Partner and 1% to the General Partner.

5.2 Allocation of Income, Gain, Loss, Deduction and Credit.

(a) Items of income, gain, loss and deduction shall be allocated to the Partners in accordance with, and in proportion to, their respective Percentage Interests.

(b) Except to the extent otherwise provided in Treasury Regulations Section 1.704-1(b)(4)(ii), any tax credits or tax credit recapture for any year shall be allocated among the Partners in accordance with each Partner's Percentage Interest as of the time such tax credit or tax credit recapture arises.

(c) Notwithstanding the foregoing, all allocations of income, gain, loss and deduction are intended to have substantial economic effect within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(b)(2). Accordingly, the General Partner shall have the authority to cause any item of income, gain, loss or deduction to be allocated in such a manner as to comply with the substantial economic effect and capital account

maintenance rules set forth under Code Section 704 and the Treasury Regulations promulgated thereunder. In this regard, each Partner shall be specially allocated items of Partnership income and gain in the amounts necessary to comply with Treasury Regulations Sections 1.704-1(b)(2)(ii)(d) ("qualified income offset"), 1.704-2(f) ("minimum gain chargeback") and 1.704-2(i)(4) ("partner minimum gain chargeback"), respectively. The previous sentence is intended to comply with the qualified income offset, minimum gain chargeback and partner minimum gain chargeback requirements in Treasury Regulations Sections 1.704-1(b)(2)(ii)(d), 1.704-2(f) and 1.704-2(i)(4), respectively, and shall be interpreted consistently therewith.

5.3 Allocations Upon Transfer of Partnership Interests. In the event of the transfer of any Partnership Interest, all items of income, gain, loss, deduction and credit for the fiscal year in which the transfer occurs shall be allocated for Federal income tax purposes between the transferor and the transferee on the basis of the ownership of the interest at the time the particular item is taken into account by the Partnership for Federal income tax purposes, except to the extent otherwise required by Code Section 706(d). Distributions made on or after the effective date of transfer shall be made to the transferee, regardless of when such distributions accrued on the books of the Partnership. The effective date of the transfer shall be (a) in the case of a voluntary transfer, the actual date the transfer is recorded on the books of the Partnership or (b) in the case of an involuntary transfer, the date of the operative event.

Section VI. BOOKS AND RECORDS; ACCOUNTS.

6.1 Books and Records. The General Partner shall maintain at the office of the Partnership full and accurate books of the Partnership showing the names and addresses of the Partners, all receipts and expenditures, assets and liabilities, profits and losses, and all other books, records and information required by the Act or necessary for recording the Partnership's business and affairs including (a) federal, state and local income tax or information returns and reports, if any, and (b) audited financial statements of the Partnership. All Partners and their duly authorized representatives shall have the right to inspect and copy during reasonable business hours, at their expense, any and all of the Partnership's books and records, including books and records necessary to enable a Partner to defend any tax audit or related proceeding.

6.2 Tax Matters Partners; Annual Tax Returns. The General Partner is hereby designated the "Tax Matters Partner" for federal income tax purposes pursuant to Section 6231 of the Code (or any successor provision thereof) and is authorized to take all necessary action to qualify as such. The General Partner shall prepare or cause to be prepared all tax returns and any other reports or forms (including IRS Forms K-1) as required by the Service or as may be necessary for a Partner to file its Federal or any required state or local income tax return. In the event that the Tax Matters Partner shall determine that it

is prudent to modify the manner in which Capital Accounts, or any debits or credits thereto are computed in order to comply with Treasury Regulations Section 1.704-1(b), the Tax Matters Partner may make such modifications.

6.3 Delivery to Partners and Inspection. Each Partner, or its duly authorized representative, has the right, upon reasonable request and at its own expense, to do each of the following:

(a) Subject to applicable law and confidentiality agreements to which the Partnership or the General Partner is a party, inspect and copy during normal business hours any of the Partnership records as provided in Section 6.1;

(b) Obtain from the General Partner, promptly after becoming available, a copy of the Partnership's federal, state and local income or other tax or information returns for each year; and

(c) Each Partner agrees to hold in confidence, (i) information determined by the General Partner to be confidential, such determination to be based upon the General Partner's reasonable belief that disclosure of such information is likely to have an adverse effect on the Partnership or its business and (ii) information which the Partnership is required by agreements with third parties to hold confidential.

6.4 Reports to Partners. Within one hundred twenty (120) days after the end of each fiscal year (or such later date as the General Partner shall determine), the General Partner shall furnish the Partners within an unaudited financial report of the Partnership.

Section VII. ASSIGNABILITY OF INTERESTS.

7.1 Transfer Restrictions; Substitute Partners. Any Partner may transfer its Partnership Interest only in accordance with Applicable Law. No assignee, purchaser or transferee of any Partner's Partnership Interest shall have the right to become a substitute Partner, unless:

(a) The transferring Partner has designated such intention in a written instrument of assignment, a sale or transfer, a copy of which has been delivered to the General Partner and has otherwise complied with the provisions of Section 7.1;

(b) The person acquiring the Partner's Partnership Interest has adopted and agreed in writing to be bound by all of the provisions hereof, as the same may have been amended, and to assume all outstanding funding commitments of the transferring Partner;

(c) The transferring Partner has obtained the written consent of the General Partner, which consent shall not be unreasonably withheld;

(d) All documents reasonably required by the General Partner and the Act to effect the substitution of the person acquiring the Partner's Partnership Interest as a Partner shall have been executed and filed at no cost to the Partnership; and

(e) Any necessary prior consents have been obtained from any regulatory authorities.

7.2 Resignation.

(a) The General Partner may voluntarily resign at any time. Subject to the prior admission to the Partnership of a substituted General Partner, the General Partner shall be deemed to have resigned on the 90th day after the occurrence of its Bankruptcy. Upon the resignation, Bankruptcy or dissolution of the General Partner, the business of the Partnership shall terminate and the Partnership shall thereafter be dissolved in accordance with the Act, unless a successor General Partner is appointed or elected pursuant to Section 7.2(c) of this Agreement and a majority in interest of the remaining Partners elect to continue the Partnership in accordance with the Act. To the extent permitted by law, the General Partner shall not cease to be the General Partner of the Partnership for any reason other than the reasons set forth in this Section 7.2.

(b) If the General Partner shall voluntarily or involuntarily cease for any reason to be the general partner of the Partnership, (i) it nevertheless shall be and remain liable for all obligations and liabilities incurred by it as General Partner prior to the time it shall cease to be the General Partner, but it shall be free of any obligation or liability incurred on account of the activities of the Partnership from and after that time and (ii) it shall remain entitled to exculpation and indemnification from the Partnership to the extent provided herein or elsewhere.

(c) At any time within ninety (90) days after the date of notice of resignation, dissolution or Bankruptcy of the General Partner, a majority in interest of the remaining Partners may elect or designate a substituted General Partner in accordance with the Act. Upon the payment by the substituted General Partner to the Partnership of an amount equal to the fair market value of a 1 percent Percentage Interest in the Partnership and the written agreement of the substituted General Partner elected or designated to be bound by this Agreement, it shall thereafter serve as General Partner subject to all of the terms, conditions and liabilities to which the predecessor General Partner was subject; provided, however, that, the substituted General Partner must be admitted to the Partnership prior to the withdrawal of the predecessor General Partner.

Section VIII. DISSOLUTION AND TERMINATION.

8.1 Dissolution. Unless sooner terminated in accordance with its terms, the Partnership shall be dissolved upon the occurrence of any one of the following:

(a) an election to dissolve the Partnership made by the General Partner;

(b) the sale, exchange or other disposition of all or substantially all of the property of the Partnership;

(c) the Bankruptcy, dissolution, liquidation, death, disability, legal incapacity, removal or withdrawal of the General Partner, absent the appointment of a substituted General Partner by the Limited Partners;

(d) the expiration of the term of the Partnership pursuant to Section 1.5; or

(e) any other event causing dissolution of the Partnership under the Act.

8.2 Liquidation of Partnership Assets.

(a) Upon the dissolution of the Partnership, a Person (which may include the General Partner) shall be appointed by the General Partner (or, if the General Partner has been dissolved, a majority in interest of the Limited Partners) to act as liquidator (the "Liquidator") to wind up the Partnership. The Liquidator shall be required to agree not to resign at any time without fifteen (15) days' prior written notice and (if other than the General Partner) may be removed at any time, with or without cause, by notice of removal approved by the General Partner (or, if the General Partner has been dissolved, a majority in interest of the Limited Partners). Upon the resignation or removal of the Liquidator, a successor and substitute Liquidator (who shall have and succeed to all rights, powers and obligations of the original Liquidator) shall, within thirty (30) days thereafter, be approved by the General Partner (or, if the General Partner has been dissolved, a majority in interest of the Limited Partners). Except as expressly provided in this Section 8.2, the Liquidator approved in the manner provided herein shall have and may exercise, without further authorization or approval of any of the parties hereto, all of the powers conferred upon the General Partner under the terms of this Agreement (provided that the Liquidator shall be subject to all applicable limitations, contractual and otherwise, upon the exercise of such powers) to the extent appropriate or necessary in the reasonable and good faith judgment of the Liquidator to carry out the duties and functions of the Liquidator hereunder for and during such period of time as shall be reasonably required to complete the winding-up and liquidation of the Partnership as provided for herein.

(b) The proceeds of liquidation shall be:

(i) First, applied to the payment of the debts and liabilities of the Partnership (including any loans to the Partnership made by any Partner or any Affiliate thereof), the expenses of liquidation, and the establishment of such reserves as the Liquidator may reasonably deem necessary for potential or contingent liabilities of the Partnership;

(ii) Next, distributed to the Partners in proportion to, and to the extent of, each Partner's Liquidating Share, after giving effect to all contributions, distributions and allocations for all periods; and

(iii) Thereafter, to the Partners in accordance with, and in proportion to, their respective Percentage Interests.

(c) Liquidating distributions must be made by the later of (i) the end of the fiscal year in which the liquidation occurs or (ii) ninety (90) days after the date of liquidation.

8.3 Distribution in Kind.

(a) If the Liquidator shall determine that the Partners would be materially adversely affected if the Partnership were to convert the Partnership's assets to cash or cash equivalents, then the Liquidator may distribute all assets, at their then prevailing fair market values, in kind to the Partners. If so, the Liquidator shall obtain an independent appraisal of the fair market value of each such asset as of a date reasonably close to the date of liquidation. Any unrealized appreciation or depreciation with respect to such assets shall be allocated among the Partners (in accordance with Section 5.2 hereof, assuming that the property was sold for fair market value) and distribution of any such assets in kind to Partners shall be considered for purposes of Section 8.2 hereof a distribution of an amount equal to the assets' fair market value less any liabilities secured by such distributed property that such Partner is considered to assume or take subject to under Section 752 of the Code.

(b) Notwithstanding the provisions of Section 8.3(a) hereof, if, upon liquidation of the Partnership, the Liquidator shall determine in good faith that an immediate sale of part or all of the Partnership's assets would cause undue loss to the Partners, the Liquidator may, in order to avoid such loss, either:

(i) defer the liquidation of, and withhold from distribution for a reasonable time, any assets of the Partnership except those necessary to satisfy debts and liabilities of the Partnership (other than those to the Partners); or

(ii) liquidate such Partnership assets as may be necessary to pay the debts and liabilities of the Partnership and then distribute to the remaining Partners, in lieu of cash, as tenants in common and in accordance with the provisions of Section 8.2 hereof, undivided interests in any remaining Partnership assets.

8.4 Cancellation of Certificate of Limited Partnership. Upon the completion of the distribution of Partnership assets as provided in this Section VIII, the Partnership shall be terminated, and the Liquidator (or the Partners, if necessary) shall cause the cancellation of the Certificate of Limited Partnership and all amendments thereto, and shall take such other actions as may be necessary or appropriate to terminate the Partnership.

Section IX. RULES OF CONVENTION.

9.1 Notices. Any notices, elections or demands permitted or required to be made under this Agreement shall be in writing, signed by the Partner giving such notice, election or demand and shall be delivered personally, or sent by facsimile or by regular mail or by registered or certified mail, return receipt requested, to each of the other Partners, at its address set forth in the records of the Partnership, or at such other address as may be supplied by written notice given in conformity with the terms of this Section 9.1. All notices shall be deemed to have been delivered on the date of their personal delivery or mailing.

9.2 Successors and Assigns. Subject to the restrictions on transfer set forth in this Agreement, this Agreement and each provision of this Agreement shall be binding upon and shall inure to the benefit of the Partners, their respective successors, successors-in-title, heirs and permitted assigns, and each successor-in-interest to any Partner, whether such successor acquires such interest by way of gift, purchase, foreclosure or by any other method, shall hold such interest subject to all of the terms and provisions of this Agreement.

9.3 Power of Attorney. Each Limited Partner, including any substituted Limited Partner, by the execution of this Agreement or any counterpart of this Agreement, hereby irrevocably constitutes and appoints the General Partner, each officer and director of the General Partner, any person or entity that becomes a substituted General Partner of the Partnership and each of them acting singly, in each case with full power of substitution, his or its true and lawful agent and attorney-in-fact, with full power and authority in his name, place and stead, to make, execute, acknowledge, swear to, deliver, file and record such documents and instruments as may be necessary or appropriate to carry out the provisions of this Agreement, including, but not limited to (i) such amendments to this Agreement as are necessary to admit a substituted Limited Partner or substituted General Partner to the Partnership pursuant to the terms of this Agreement and (ii) such documents and instruments as are necessary to cancel the Partnership's Certificate of Limited Partnership. This power

of attorney, being coupled with an interest, is irrevocable, and shall survive the death, dissolution or incapacity of the respective Limited Partners.

9.4 Amendments. In addition to any amendments otherwise authorized in this Agreement, amendments generally may be made to this Agreement from time to time by a written document duly executed by the General Partner and by the Limited Partner; provided, however, that any amendment that would change the allocations or distributions among the Partners or that would require additional Capital Contributions will require the unanimous approval of the Limited Partners.

9.5 Partition. No Partner or any successor-in-interest to any Partner shall have the right while this Agreement remains in effect to have any property of the Partnership partitioned, and each Partner, on behalf of itself, its successors, representatives, heirs and assigns, hereby waives any such right. It is the intention of the Partners that during the term of this Agreement the rights of the Partners and their successors-in-interest, as among themselves, shall be governed by the terms of this Agreement, and that the rights of any Partner or successor-in-interest to assign, transfer, sell or otherwise dispose of his interest in any property shall be subject to the limitations and restrictions of this Agreement.

9.6 No Waiver. The failure of any Partner to insist upon strict performance of a covenant under this Agreement or of any obligation under this Agreement, irrespective of the length of time for which such failure continues, shall not be a waiver of that Partner's right to demand strict compliance in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation under this Agreement shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation under this Agreement.

9.7 Entire Agreement. This Agreement constitutes the full and complete agreement of the parties to this Agreement with respect to the subject matter of this Agreement.

9.8 Further Action. The Partners shall execute and deliver all documents, provide all information, and take or forebear from all such action as may be necessary or appropriate to achieve the purposes of this Agreement.

9.9 Captions. The titles or captions of Sections or Sections contained in this Agreement are inserted only as a matter of convenience and for reference, are not a part of this Agreement, and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision of this Agreement.

9.10 Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall for all purposes constitute one agreement, binding on all the Partners, notwithstanding that all Partners have not signed the same counterpart.

9.11 Separability. In case any of the provisions contained in this Agreement or any application of any of those provisions shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement and other applications of those provisions shall not in any way be affected or impaired thereby.

9.12 Proxy. Whenever the vote of the Limited Partners is referred to in this Agreement, the General Partner may vote on behalf of any Limited Partner if such Limited Partner has by written proxy authorized the General Partner to do so.

9.13 Signatures. The signature of the General Partner shall be sufficient to bind the Partnership to any agreement or any document.

9.14 Construction. None of the provisions of this Agreement shall be for the benefit of, or enforceable by, any creditors of the Partnership or other third parties. No provision of this Agreement may be waived except by a writing specifically waiving such provision and executed by the party chargeable with such waiver.

9.15 Applicable Law. This Agreement, and the application or interpretation thereof, shall be governed exclusively by its terms and by the laws of the State of New York, excluding the conflicts of law provisions thereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

Beazer Homes Texas Holdings, Inc.

By: /s/ David S. Weiss
Name: David S. Weiss
Title: Vice President

Address for Notices:
5775 Peachtree Dunwoody Road
Suite C-550
Atlanta, GA 30342

Beazer Homes Holdings Corp.

By: /s/ Ian J. McCarthy
Name: Ian J. McCarthy
Title: President

Address for Notices:
5775 Peachtree Dunwoody Road
Suite C-550
Atlanta, GA 30342

EXHIBIT A

CAPITAL CONTRIBUTIONS

General Partner	Capital Contribution	Percentage Interest
Beazer Homes Texas Holdings, Inc.	$1	1%

Limited Partner	Capital Contribution	Percentage Interest
Beazer Homes Holding Corp.	$99	99%

Exhibit 4.11

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FIRST SUPPLEMENTAL INDENTURE

Dated as of June 13, 1995

among

BEAZER HOMES USA, INC.,
as Issuer,

BEAZER HOMES HOLDINGS INC.,
BEAZER HOMES, INC.,
SQUIRES HOMES, INC.,
PHILLIPS BUILDERS, INC.,
BEAZER/SQUIRES REALTY, INC.,
BEAZER HOMES SALES ARIZONA INC.,
BEAZER HOMES NEVADA INC.,
BEAZER HOMES GEORGIA, INC.,
BEAZER HOMES CALIFORNIA INC.,
BEAZER HOMES ARIZONA INC.,
BEAZER-COHN REALTY CORP.,
BDWI-SUNRIDGE, INC.,
BEAZER HOMES FLORIDA, INC.,
SUNRIDGE COUNTRY CLASSICS, L.P.,
PANITZ HOMES REALTY, INC., and
BEAZER HOMES TEXAS, INC.,
as Guarantors, and

BANK OF AMERICA ILLINOIS,
as Trustee

to

INDENTURE

Dated as of March 2, 1994

Relating to

$115,000,000 Aggregate Principal Amount of

9% Senior Notes due 2004

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FIRST SUPPLEMENTAL INDENTURE

THIS FIRST SUPPLEMENTAL INDENTURE, dated as of June 13, 1995 (this "Supplement"), by and among BEAZER HOMES USA, INC., a Delaware corporation, (the "Company"), BEAZER HOMES HOLDINGS INC., a Delaware corporation, BEAZER HOMES, INC., a Delaware corporation, SQUIRES HOMES, INC., a Delaware corporation, PHILLIPS BUILDERS, INC., a Tennessee corporation, BEAZER/SQUIRES REALTY, INC., a North Carolina corporation, BEAZER HOMES SALES ARIZONA INC., a Delaware corporation, BEAZER HOMES NEVADA INC., a Nevada corporation, BEAZER HOMES GEORGIA, INC., a Georgia corporation, BEAZER HOMES CALIFORNIA INC., a Delaware corporation, BEAZER HOMES ARIZONA INC., a Delaware corporation, BEAZER-COHN REALTY CORP., a Georgia corporation, BDWI-SUNRIDGE, INC., a Delaware corporation, BEAZER HOMES FLORIDA, INC., a Delaware corporation, and SUNRIDGE COUNTRY CLASSICS, L.P., a California limited partnership (collectively, the "Existing Guarantors"), PANITZ HOMES REALTY, INC., a Florida corporation, and BEAZER HOMES TEXAS, INC., a Texas corporation (together, the "Additional Guarantors"), and BANK OF AMERICA ILLINOIS, as trustee (the "Trustee"). Capitalized terms used but not defined herein shall have the meanings respectively ascribed thereto in the Indenture, dated as of March 2, 1994, among the Company, as issuer, the Existing Guarantors, as guarantors of the Company's obligations thereunder, and the Trustee (the "Indenture"), pursuant to which $115,000,000 aggregate principal amount of the Company's 9% Senior Notes due 2004 were issued and with respect to which this Supplement relates.

RECITALS OF THE PARTIES:

WHEREAS, the parties hereto desire to amend the Indenture to add the Additional Guarantors as Guarantors of the Company's obligations thereunder pursuant to Section 11.03 thereof.

NOW, THEREFORE, THIS SUPPLEMENT WITNESSETH:

1. The parties hereto agree to add, effective as of the date hereof, the Additional Guarantors as Guarantors under the Indenture and the Additional Guarantors agree to be subject to the provisions of the Indenture as Guarantors. Each Additional Guarantor shall execute and deliver to the Trustee contemporaneously herewith, for the equal and proportionate benefit of the Holders of the Securities, its Guarantee set forth in Appendix A hereto.

2. Nothing contained herein shall be deemed or construed to relieve any party to the Indenture of its obligations thereunder as in effect immediately prior to the effectiveness of this Supplement or to impair any of such obligations in any way and, except to the extent the Indenture is amended hereby, the Indenture shall remain in full

force and effect and each of the parties hereto hereby confirms all the terms and provisions of the Indenture as amended hereby.

3. This Supplement shall be governed by and construed in accordance with the laws that govern the Indenture and its construction.

4. This Supplement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

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IN WITNESS WHEREOF, each the parties hereto has caused this Supplement to be duly executed by its representative, thereunto duly authorized, as of the day and year first written above.

(The Company)

BEAZER HOMES USA, INC.

By: /s/ Ian J. McCarthy

Name: Ian J. McCarthy
Title: President and Chief Executive Officer

(The Existing Guarantors)

BEAZER HOMES HOLDINGS INC.
BDWI-SUNRIDGE, INC.
BEAZER HOMES, INC.,
on behalf of itself and as General Partner of
SUNRIDGE COUNTRY CLASSICS, L.P.

By: /s/ Ian J. McCarthy

Name: Ian J. McCarthy
Title: President

SQUIRES HOMES, INC.
PHILLIPS BUILDERS, INC.
BEAZER/SQUIRES REALTY, INC.
BEAZER HOMES SALES ARIZONA INC.
BEAZER HOMES NEVADA INC.
BEAZER HOMES GEORGIA, INC.
BEAZER HOMES CALIFORNIA INC.
BEAZER HOMES ARIZONA INC.
BEAZER-COHN REALTY CORP.
BEAZER HOMES FLORIDA, INC.

By: /s/ Ian J. McCarthy

Name: Ian J. McCarthy
Title: Chairman

(The Additional Guarantors)

PANITZ HOMES REALTY, INC.

By: /s/ Ian J. McCarthy

Name: Ian J. McCarthy
Title: President

BEAZER HOMES TEXAS, INC.

By: /s/ Ian J. McCarthy

Name: Ian J. McCarthy
Title: Chairman

(The Trustee)

BANK OF AMERICA ILLINOIS, as trustee

By: /s/ K.L. Clark

Name: K.L. Clark
Title: Trust Officer

GUARANTEE

For value received, the undersigned hereby, jointly and severally with the other Guarantors under the Indenture, unconditionally guarantees to the Holder of this Security the payments of principal of, premium, if any, and interest on this Security in the amounts and at the time when due and interest on the overdue principal, premium, if any, and interest, if any, of this Security, if lawful, and the payment or performance of all other obligations of the Company under the Indenture or the Securities, to the Holder of this Security and the Trustee, all in accordance with and subject to the terms and limitations of this Security, Article 11 of the Indenture and this Guarantee. This Guarantee will become effective in accordance with Article 11 of the Indenture and its terms shall be evidenced therein. The validity and enforceability of any Guarantee shall not be affected by the fact that it is not affixed to any particular Security.

The obligations of the undersigned to the Holders of Securities and to the Trustee pursuant to this Guarantee and the Indenture are expressly set forth in Article 11 of the Indenture and reference is hereby made to the Indenture for the precise terms of this Guarantee and all of the other provisions of the Indenture to which this Guarantee relates.

This Guarantee is subject to release upon the terms set forth in the Indenture.

Dated: June 13, 1995

PANITZ HOMES REALTY, INC.

By: /s/ Ian J. McCarthy

Name: Ian J. McCarthy
Title: Chairman

GUARANTEE

For value received, the undersigned hereby, jointly and severally with the other Guarantors under the Indenture, unconditionally guarantees to the Holder of this Security the payments of principal of, premium, if any, and interest on this Security in the amounts and at the time when due and interest on the overdue principal, premium, if any, and interest, if any, of this Security, if lawful, and the payment or performance of all other obligations of the Company under the Indenture or the Securities, to the Holder of this Security and the Trustee, all in accordance with and subject to the terms and limitations of this Security, Article 11 of the Indenture and this Guarantee. This Guarantee will become effective in accordance with Article 11 of the Indenture and its terms shall be evidenced therein. The validity and enforceability of any Guarantee shall not be affected by the fact that it is not affixed to any particular Security.

The obligations of the undersigned to the Holders of Securities and to the Trustee pursuant to this Guarantee and the Indenture are expressly set forth in Article 11 of the Indenture and reference is hereby made to the Indenture for the precise terms of this Guarantee and all of the other provisions of the Indenture to which this Guarantee relates.

This Guarantee is subject to release upon the terms set forth in the Indenture.

Dated: June 13, 1995

BEAZER HOMES TEXAS, INC.

By: /s/ Ian J. McCarthy

Name: Ian J. McCarthy
Title: Chairman

Exhibit 4.12

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SECOND SUPPLEMENTAL INDENTURE
Dated as of February 1, 1996

among

BEAZER HOMES USA, INC.,
as Issuer,

BEAZER HOMES HOLDINGS INC.,
BEAZER HOMES, INC.,
SQUIRES HOMES, INC.,
BEAZER HOMES CORP. (formerly PHILLIPS BUILDERS, INC.),
BEAZER/SQUIRES REALTY, INC.,
BEAZER HOMES SALES ARIZONA INC.,
BEAZER HOMES NEVADA INC.,
BEAZER HOMES GEORGIA, INC.,
BEAZER HOMES CALIFORNIA INC.,
BEAZER HOMES ARIZONA INC.,
BEAZER-COHN REALTY CORP.,
BDWI-SUNRIDGE, INC.,
BEAZER HOMES FLORIDA, INC.,
SUNRIDGE COUNTRY CLASSICS, L.P.,
PANITZ HOMES REALTY, INC.,
BEAZER HOMES TEXAS, INC., and
BEAZER MORTGAGE CORPORATION,
as Guarantors, and

FIRST BANK NATIONAL ASSOCIATION,
as Trustee

to

INDENTURE
Dated as of March 2, 1994

Relating to
$115,000,000 Aggregate Principal Amount of
9% Senior Notes due 2004

==========

SECOND SUPPLEMENTAL INDENTURE

THIS SECOND SUPPLEMENTAL INDENTURE, dated as of February 1, 1996 (this "Supplement"), by and among BEAZER HOMES USA, INC., a Delaware corporation, (the "Company"), BEAZER HOMES HOLDINGS INC., a Delaware corporation, BEAZER HOMES, INC., a Delaware corporation, SQUIRES HOMES, INC., a Delaware corporation, BEAZER HOMES CORP. (FORMERLY PHILLIPS BUILDERS, INC.), a Tennessee corporation, BEAZER/SQUIRES REALTY, INC., a North Carolina corporation, BEAZER HOMES SALES ARIZONA INC., a Delaware corporation, BEAZER HOMES NEVADA INC., a Nevada corporation, BEAZER HOMES GEORGIA, INC., a Georgia corporation, BEAZER HOMES CALIFORNIA INC., a Delaware corporation, BEAZER HOMES ARIZONA INC., a Delaware corporation, BEAZER-COHN REALTY CORP., a Georgia corporation, BDWI-SUNRIDGE, INC., a Delaware corporation, BEAZER HOMES FLORIDA, INC., a Delaware corporation, SUNRIDGE COUNTRY CLASSICS, L.P., a California limited partnership, PANITZ HOMES REALTY, INC., a Florida corporation, and BEAZER HOMES TEXAS, INC., a Texas corporation (collectively, the "Existing Guarantors"), BEAZER MORTGAGE CORPORATION, a Delaware corporation (the "Additional Guarantor"), and FIRST BANK NATIONAL ASSOCIATION, as trustee (the "Trustee"). Capitalized terms used but not defined herein shall have the meanings respectively ascribed thereto in the Indenture, dated as of March 2, 1994, as amended by the First Supplemental Indenture, dated as of June 13, 1995, among the Company, as issuer, the Existing Guarantors, as guarantors of the Company's obligations thereunder, and the Trustee (the "Indenture"), pursuant to which $115,000,000 aggregate principal amount of the Company's 9% Senior Notes due 2004 were issued and with respect to which this Supplement relates.

RECITALS OF THE PARTIES:

WHEREAS, the parties hereto desire to amend the Indenture to add the Additional Guarantor as Guarantor of the Company's obligations thereunder pursuant to Section 11.03 thereof.

NOW, THEREFORE, THIS SUPPLEMENT WITNESSETH:

1. The parties hereto agree to add, effective as of the date hereof, the Additional Guarantor as Guarantor under the Indenture and the Additional Guarantor agrees to be subject to the provisions of the Indenture as Guarantor. The Additional Guarantor shall execute and deliver to the Trustee contemporaneously herewith, for the equal and proportionate benefit of the Holders of the Securities, its Guarantee set forth in Appendix A hereto.

2. Nothing contained herein shall be deemed or construed to relieve any party to the Indenture of its obligations thereunder as in effect immediately prior to the

effectiveness of this Supplement or to impair any of such obligations in any way and, except to the extent the Indenture is amended hereby, the Indenture shall remain in full force and effect and each of the parties hereto hereby confirms all the terms and provisions of the Indenture as amended hereby.

3. This Supplement shall be governed by and construed in accordance with the laws that govern the Indenture and its construction.

4. This Supplement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

[The remainder of this page was intentionally left blank]

IN WITNESS WHEREOF, each the parties hereto has caused this Supplement to be duly executed by its representative, thereunto duly authorized, as of the day and year first written above.

(The Company)

BEAZER HOMES USA, INC.

By: /s/ Ian J. McCarthy

Name: Ian J. McCarthy
Title: President and Chief Executive Officer

(The Existing Guarantors)

BEAZER HOMES HOLDINGS INC.
BDWI-SUNRIDGE, INC.
BEAZER HOMES, INC.,
on behalf of itself and as General Partner of
SUNRIDGE COUNTRY CLASSICS, L.P.

By: /s/ Ian J. McCarthy

Name: Ian J. McCarthy
Title: President

SQUIRES HOMES, INC.
BEAZER HOMES CORP. (formerly
PHILLIPS BUILDERS, INC.)
BEAZER/SQUIRES REALTY, INC.
BEAZER HOMES SALES ARIZONA INC.
BEAZER HOMES NEVADA INC.
BEAZER HOMES GEORGIA, INC.
BEAZER HOMES CALIFORNIA INC.
BEAZER HOMES ARIZONA INC.
BEAZER-COHN REALTY CORP.
BEAZER HOMES FLORIDA, INC.
(cont.)

PANITZ HOMES REALTY, INC.
BEAZER HOMES TEXAS, INC.

By: /s/ Ian J. McCarthy

Name: Ian J. McCarthy
Title: Chairman

(The Additional Guarantor)

BEAZER MORTGAGE CORPORATION

By: /s/ Ian J. McCarthy

Name: Ian J. McCarthy
Title: Chairman and President

(The Trustee)

FIRST BANK NATIONAL ASSOCIATION, as trustee

By: /s/ Maria Fowler

Name: Maria Fowler
Title: Trust Officer

GUARANTEE

For value received, the undersigned hereby, jointly and severally with the other Guarantors under the Indenture, unconditionally guarantees to the Holder of this Security the payments of principal of, premium, if any, and interest on this Security in the amounts and at the time when due and interest on the overdue principal, premium, if any, and interest, if any, of this Security, if lawful, and the payment or performance of all other obligations of the Company under the Indenture or the Securities, to the Holder of this Security and the Trustee, all in accordance with and subject to the terms and limitations of this Security, Article 11 of the Indenture and this Guarantee. This Guarantee will become effective in accordance with Article 11 of the Indenture and its terms shall be evidenced therein. The validity and enforceability of any Guarantee shall not be affected by the fact that it is not affixed to any particular Security.

The obligations of the undersigned to the Holders of Securities and to the Trustee pursuant to this Guarantee and the Indenture are expressly set forth in Article 11 of the Indenture and reference is hereby made to the Indenture for the precise terms of this Guarantee and all of the other provisions of the Indenture to which this Guarantee relates.

This Guarantee is subject to release upon the terms set forth in the Indenture.

Dated: February 1, 1996

BEAZER MORTGAGE CORPORATION

By: /s/ Ian J. McCarthy

Name: Ian J. McCarthy
Title: Chairman

Exhibit 4.13

==========

THIRD SUPPLEMENTAL INDENTURE
Dated as of March 18, 1998

among

BEAZER HOMES USA, INC.,
as Issuer,

BEAZER HOMES CORP. (formerly PHILLIPS BUILDERS, INC.),
BEAZER/SQUIRES REALTY, INC.,
BEAZER HOMES SALES ARIZONA INC.,
BEAZER REALTY CORP. (formerly BEAZER-COHN REALTY CORP.),
PANITZ HOMES REALTY, INC.,
BEAZER MORTGAGE CORPORATION,
BEAZER HOMES HOLDINGS CORP.,
BEAZER HOMES TEXAS HOLDINGS, INC., and
BEAZER HOMES TEXAS, L.P.
as Guarantors, and

FIRST TRUST NATIONAL ASSOCIATION
as Trustee

to

INDENTURE
Dated as of March 2, 1994

Relating to
$115,000,000 Aggregate Principal Amount of
9% Senior Notes due 2004

==========

THIRD SUPPLEMENTAL INDENTURE

THIS THIRD SUPPLEMENTAL INDENTURE, dated as of March 18, 1998 (this "Supplement"), by and among (i) Beazer Homes USA, Inc., a Delaware corporation (the "Company"), (ii) Beazer Mortgage Corporation, a Delaware corporation, Beazer Homes Corp. (f/k/a Phillips Builders, Inc.), a Tennessee corporation, Beazer Homes Sales Arizona Inc., a Delaware corporation, Beazer Realty Corp., a Georgia corporation, Beazer/Squires Realty, Inc., a North Carolina corporation, and Panitz Homes Realty, Inc., a Florida corporation (collectively, the "Existing Guarantors"), (iii) Beazer Homes Holdings Corp., a Delaware corporation, Beazer Homes Texas Holdings, Inc., a Delaware corporation, and Beazer Homes Texas, L.P., a Delaware limited partnership (collectively, the "Additional Guarantors") and (iv) First Trust National Association, as trustee (the "Trustee"). Capitalized terms used but not defined herein shall have the meanings respectively ascribed thereto in the Indenture, dated as of March 2, 1994, as amended by the First Supplemental Indenture, dated as of June 13, 1995, as further amended by the Second Supplemental Indenture, dated as of February 1, 1996, among the Company, as issuer, the guarantors of the Company's obligations thereunder, and the Trustee (the "Indenture"), pursuant to which $115,000,000 aggregate principal amount of the Company's 9% Senior Notes due 2004 were issued and with respect to which this Supplement relates.

RECITALS OF THE PARTIES:

WHEREAS, the parties hereto desire to amend the Indenture to add the Additional Guarantors as Guarantors of the Company's obligations thereunder pursuant to Section 11.03 thereof; and

WHEREAS, the parties hereto desire to amend the Indenture to acknowledge the release of the Liquidating Guarantors (as defined below) as Guarantors of the Company's obligations thereunder pursuant to Section 11.04 thereof.

NOW, THEREFORE, THIS SUPPLEMENT WITNESSETH:

1. The parties hereto agree to add, effective as of the date hereof, the Additional Guarantors as Guarantors under the Indenture and the Additional Guarantors agree to be subject to the provisions of the Indenture as Guarantors. Each of the Additional Guarantors shall execute and deliver to the Trustee contemporaneously herewith, for the equal and proportionate benefit of the Holders of the Securities, its respective Guarantee set forth in Appendix A hereto.

2. The parties hereto acknowledge that (a) each of Beazer Homes Arizona Inc., a Delaware corporation, Beazer Homes California Inc., a Delaware corporation, Beazer Homes Nevada Inc., a Nevada corporation, Beazer Homes, Inc., a Delaware corporation, Beazer Homes Georgia, Inc., a Georgia corporation, Squires Homes, Inc., a Delaware corporation, Beazer Homes Florida, Inc., a Delaware corporation, Beazer Homes Texas, Inc., a Texas corporation, BZH Inc. (f/k/a Beazer Homes Holdings, Inc.), a Delaware corporation, BDWI-Sunridge, Inc., a Delaware corporation, and Sunridge Country Classics, L.P., a California limited partnership (collectively, the "Liquidating Guarantors"), were liquidated, dissolved or merged into another guarantor of the Company's obligations under the Indenture, as applicable, (b) the Liquidating Guarantors' respective obligations under the

Indenture were assumed by (i) Beazer Homes Corp., with respect to Beazer Homes Georgia, Inc. and Squires Homes, Inc., (ii) Beazer Homes Holdings Corp., with respect to Beazer Homes Arizona, Inc., Beazer Homes California, Inc., Beazer Homes Nevada, Inc., Beazer Homes, Inc. and BZH, Inc. and (iii) Beazer Homes Texas, L.P., with respect to Beazer Homes Texas, Inc. and (c) in accordance with Section 11.04 of the Indenture the Liquidating Guarantors have been automatically and unconditionally released and discharged from all of their respective obligations under the Indenture.

3. Except as set forth in Section 2 hereof, nothing contained herein shall be deemed or construed to relieve any party to the Indenture of its obligations thereunder as in effect immediately prior to the effectiveness of this Supplement or to impair any of such obligations in any way and, except to the extent the Indenture is amended hereby, the Indenture shall remain in full force and effect and each of the parties hereto hereby confirms all the terms and provisions of the Indenture as amended hereby.

4. This Supplement shall be governed by and construed in accordance with the laws that govern the Indenture and its construction.

5. This Supplement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

[The remainder of this page was intentionally left blank]

IN WITNESS WHEREOF, each the parties hereto has caused this Supplement to be duly executed by its representative, thereunto duly authorized, as of the day and year first written above.

The Company: Beazer Homes USA, Inc.

By: /s/ David S. Weiss
Name: David S. Weiss
Title: Executive Vice President, Chief Financial Officer

The Existing Guarantors: Beazer Mortgage Corporation
Beazer Homes Corp.
Beazer Homes Sales Arizona Inc.
Beazer Realty Corp.
Beazer/Squires Realty, Inc.
Panitz Homes Realty, Inc.

By: /s/ David S. Weiss
Name: David S. Weiss
Title: Vice President

The Additional Guarantors: Beazer Homes Holdings Corp.
Beazer Homes Texas Holdings, Inc.

By: /s/ David S. Weiss
Name: David S. Weiss
Title: Vice President

Beazer Homes Texas, L.P.

By: Beazer Homes Texas Holdings, Inc.
its general partner

By: /s/ David S. Weiss
Name: David S. Weiss
Title: Vice President

The Trustee: First Trust National Association, as trustee

By: /s/ Michael T. Goodwin
Name: Michael T. Goodwin
Title: Assistant Vice President

GUARANTEE

For value received, the undersigned hereby, jointly and severally with the other Guarantors under the Indenture, unconditionally guarantees to the Holder of this Security the payments of principal of, premium, if any, and interest on this Security in the amounts and at the time when due and interest on the overdue principal, premium, if any, and interest, if any, of this Security, if lawful, and the payment or performance of all other obligations of the Company under the Indenture or the Securities, to the Holder of this Security and the Trustee, all in accordance with and subject to the terms and limitations of this Security, Article 11 of the Indenture and this Guarantee. This Guarantee will become effective in accordance with Article 11 of the Indenture and its terms shall be evidenced therein. The validity and enforceability of any Guarantee shall not be affected by the fact that it is not affixed to any particular Security.

The obligations of the undersigned to the Holders of Securities and to the Trustee pursuant to this Guarantee and the Indenture are expressly set forth in Article 11 of the Indenture and reference is hereby made to the Indenture for the precise terms of this Guarantee and all of the other provisions of the Indenture to which this Guarantee relates.

This Guarantee is subject to release upon the terms set forth in the Indenture.

Dated: March 18, 1998 Beazer Homes Holdings Corp.

By:

Name:

Title:

GUARANTEE

For value received, the undersigned hereby, jointly and severally with the other Guarantors under the Indenture, unconditionally guarantees to the Holder of this Security the payments of principal of, premium, if any, and interest on this Security in the amounts and at the time when due and interest on the overdue principal, premium, if any, and interest, if any, of this Security, if lawful, and the payment or performance of all other obligations of the Company under the Indenture or the Securities, to the Holder of this Security and the Trustee, all in accordance with and subject to the terms and limitations of this Security, Article 11 of the Indenture and this Guarantee. This Guarantee will become effective in accordance with Article 11 of the Indenture and its terms shall be evidenced therein. The validity and enforceability of any Guarantee shall not be affected by the fact that it is not affixed to any particular Security.

The obligations of the undersigned to the Holders of Securities and to the Trustee pursuant to this Guarantee and the Indenture are expressly set forth in Article 11 of the Indenture and reference is hereby made to the Indenture for the precise terms of this Guarantee and all of the other provisions of the Indenture to which this Guarantee relates.

This Guarantee is subject to release upon the terms set forth in the Indenture.

Dated: March 18, 1998

Beazer Homes Texas Holdings, Inc.

By:

Name:

Title:

GUARANTEE

For value received, the undersigned hereby, jointly and severally with the other Guarantors under the Indenture, unconditionally guarantees to the Holder of this Security the payments of principal of, premium, if any, and interest on this Security in the amounts and at the time when due and interest on the overdue principal, premium, if any, and interest, if any, of this Security, if lawful, and the payment or performance of all other obligations of the Company under the Indenture or the Securities, to the Holder of this Security and the Trustee, all in accordance with and subject to the terms and limitations of this Security, Article 11 of the Indenture and this Guarantee. This Guarantee will become effective in accordance with Article 11 of the Indenture and its terms shall be evidenced therein. The validity and enforceability of any Guarantee shall not be affected by the fact that it is not affixed to any particular Security.

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This Guarantee is subject to release upon the terms set forth in the Indenture.

Dated: March 18, 1998

Beazer Homes Texas, L.P.

By: Beazer Homes Texas Holdings, Inc., its general partner

By: ----------

Name: ----------

Title: ----------

GUARANTEE

For value received, the undersigned hereby, jointly and severally with the other Guarantors under the Indenture, unconditionally guarantees to the Holder of this Security the payments of principal of, premium, if any, and interest on this Security in the amounts and at the time when due and interest on the overdue principal, premium, if any, and interest, if any, of this Security, if lawful, and the payment or performance of all other obligations of the Company under the Indenture or the Securities, to the Holder of this Security and the Trustee, all in accordance with and subject to the terms and limitations of this Security, Article 11 of the Indenture and this Guarantee. This Guarantee will become effective in accordance with Article 11 of the Indenture and its terms shall be evidenced therein. The validity and enforceability of any Guarantee shall not be affected by the fact that it is not affixed to any particular Security.

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This Guarantee is subject to release upon the terms set forth in the Indenture.

Dated: March 18, 1998 Beazer Homes Holdings Corp.

By: /s/ David S. Weiss
Name: David S. Weiss
Title: Vice President

GUARANTEE

For value received, the undersigned hereby, jointly and severally with the other Guarantors under the Indenture, unconditionally guarantees to the Holder of this Security the payments of principal of, premium, if any, and interest on this Security in the amounts and at the time when due and interest on the overdue principal, premium, if any, and interest, if any, of this Security, if lawful, and the payment or performance of all other obligations of the Company under the Indenture or the Securities, to the Holder of this Security and the Trustee, all in accordance with and subject to the terms and limitations of this Security, Article 11 of the Indenture and this Guarantee. This Guarantee will become effective in accordance with Article 11 of the Indenture and its terms shall be evidenced therein. The validity and enforceability of any Guarantee shall not be affected by the fact that it is not affixed to any particular Security.

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This Guarantee is subject to release upon the terms set forth in the Indenture.

Dated: March 18, 1998 Beazer Homes Texas Holdings, Inc.

By: /s/ David S. Weiss
Name: David S. Weiss
Title: Vice President

GUARANTEE

For value received, the undersigned hereby, jointly and severally with the other Guarantors under the Indenture, unconditionally guarantees to the Holder of this Security the payments of principal of, premium, if any, and interest on this Security in the amounts and at the time when due and interest on the overdue principal, premium, if any, and interest, if any, of this Security, if lawful, and the payment or performance of all other obligations of the Company under the Indenture or the Securities, to the Holder of this Security and the Trustee, all in accordance with and subject to the terms and limitations of this Security, Article 11 of the Indenture and this Guarantee. This Guarantee will become effective in accordance with Article 11 of the Indenture and its terms shall be evidenced therein. The validity and enforceability of any Guarantee shall not be affected by the fact that it is not affixed to any particular Security.

The obligations of the undersigned to the Holders of Securities and to the Trustee pursuant to this Guarantee and the Indenture are expressly set forth in Article 11 of the Indenture and reference is hereby made to the Indenture for the precise terms of this Guarantee and all of the other provisions of the Indenture to which this Guarantee relates.

This Guarantee is subject to release upon the terms set forth in the Indenture.

Dated: March 18, 1998

Beazer Homes Texas, L.P.

By: Beazer Homes Texas Holdings, Inc., its general partner

By: /s/ David S. Weiss
Name: David S. Weiss
Title: Vice President

Exhibit 4.14

INDENTURE

Dated as of March 25, 1998,

among

BEAZER HOMES USA, INC.
as Issuer

BEAZER HOMES CORP.
BEAZER/SQUIRES REALTY, INC.
BEAZER HOMES SALES ARIZONA INC.
BEAZER REALTY CORP.
PANITZ HOMES REALTY, INC.
BEAZER MORTGAGE CORPORATION
BEAZER HOMES HOLDINGS CORP.
BEAZER HOMES TEXAS HOLDINGS, INC. and
BEAZER HOMES TEXAS, L.P.
as Subsidiary Guarantors

and

FIRST TRUST NATIONAL ASSOCIATION
as Trustee

---

8 7/8% Senior Notes due 2008

CROSS-REFERENCE TABLE

TIA Section	Indenture Section
310(a)(1)	7.10
(a)(2)	7.10
(a)(3)	N.A.
(a)(4)	N.A.
(b)	7.08; 7.10
(c)	N.A.
311(a)	7.11
(b)	7.11
(c)	N.A.
312(a)	8.01; 8.02
(b)	8.02; 12.03
(c)	12.03
313(a)	7.06
(b)(1)	7.06
(b)(2)	7.06
(c)	7.06
(d)	7.06
314(a)	4.03
(b)	N.A.
(c)(1)	12.04; 12.05
(c)(2)	12.04; 12.05
(c)(3)	12.05
(d)	N.A.

N.A. means Not Applicable

Note: This Cross-Reference Table shall not, for any purpose, be deemed to be a part of the Indenture

(e)	12.05
(f)	N.A.
315(a)	7.01
(b)	7.05
(c)	7.01
(d)	7.01
(e)	6.11
316(a)(last sentence)	2.09
(a)(1)(A)	6.05
(a)(1)(B)	6.04
(a)(2)	Not applicable
(b)	6.07
317(a)(1)	6.08
(a)(2)	6.09
(b)	2.04; 2.05
318(a)	12.01

N.A. means Not Applicable

Note: This Cross-Reference Table shall not, for any purpose, be deemed to be a part of the Indenture

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EXHIBIT A - Form of 8 7/8% Senior Note due 2008

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INDENTURE, dated as of March 25, 1998, among BEAZER HOMES USA, INC., a Delaware corporation, BEAZER HOMES CORP., a Tennessee corporation, BEAZER/SQUIRES REALTY, INC., a North Carolina corporation, BEAZER HOMES SALES ARIZONA INC., a Delaware corporation, BEAZER REALTY CORP., a Georgia corporation, PANITZ HOMES REALTY, INC., a Florida corporation, BEAZER MORTGAGE CORPORATION, a Delaware corporation, BEAZER HOMES HOLDINGS CORP., a Delaware corporation, BEAZER HOMES TEXAS HOLDINGS, INC., a Delaware corporation, and BEAZER HOMES TEXAS, L.P., a Delaware limited partnership, and FIRST TRUST NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States of America, as trustee.

Each party hereto agrees as follows for the benefit of each other party and for the equal and ratable benefit of the Holders of the Company's 8 7/8% Senior Notes due 2008.

ARTICLE 1

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01. Rules of Construction.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular;

(b) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP;

(c) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision hereof;

(d) "or" is not exclusive; and

(e) provisions apply to successive events and transactions.

Section 1.02. Definitions.

Capitalized terms used herein will have the following respective meanings when used herein:

"Acquisition Indebtedness" means Indebtedness of any Person and its Subsidiaries existing at the time such Person became a Subsidiary of the Company (or such Person is merged with or into the Company or one of the Company's Subsidiaries) or assumed in connection with the acquisition of assets from any such Person, including, without limitation, Indebtedness Incurred in connection with, or in contemplation of (a) such Person being merged with or into or becoming a Subsidiary of the Company or one of its Subsidiaries (but excluding Indebtedness of such Person which is extinguished, retired or repaid in connection with such Person being merged with or into or becoming a Subsidiary of the Company or one of its Subsidiaries) or (b) such acquisition of assets from any such Person.

"Affiliate" of any Person means any other Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, such Person. For purposes of this Indenture, each executive officer and director of the Company and each Subsidiary of the Company will be an Affiliate of the Company. In addition, for

purposes of this Indenture, control of a Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. Notwithstanding the foregoing, the term "Affiliate" will not include, with respect to the Company or any Restricted Subsidiary which is a Wholly Owned Subsidiary of the Company, any Restricted Subsidiary which is a Wholly Owned Subsidiary of the Company.

"Affiliate Transaction" has the meaning set forth in Section 4.17(a) hereof.

"Agent" means any Registrar or Paying Agent.

"Asset Sale" for any Person means the sale, lease, conveyance or other disposition (including, without limitation, by merger, consolidation or sale and leaseback transaction, and whether by operation of law or otherwise) of any of that Person's assets (including, without limitation, the sale or other disposition of Capital Stock of any Subsidiary of such Person, whether by such Person or such Subsidiary), whether owned on the date hereof or subsequently acquired in one transaction or a series of related transactions, in which such Person and/or its Subsidiaries receive cash and/or other consideration (including, without limitation, the unconditional assumption of Indebtedness of such Person and/or its Subsidiaries) having an aggregate Fair Market Value of $500,000 or more as to each such transaction or series of related transactions; provided, however, that (i) a transaction or series of related transactions that results in a Change of Control shall not constitute an Asset Sale, (ii) sales of homes in the ordinary course of business will not constitute Asset Sales,(iii) sales, leases, conveyances or other dispositions, including, without limitation, exchanges or swaps of real estate in the

ordinary course of business, for development of the Company's or any of its Subsidiaries' projects, will not constitute Asset Sales, (iv) sales, leases, sale-leasebacks or other dispositions of amenities, model homes and other improvements at the Company's or its Subsidiaries' projects in the ordinary course of business will not constitute Asset Sales, and (v) transactions between the Company and any of its Restricted Subsidiaries which are Wholly Owned Subsidiaries, or among such Restricted Subsidiaries which are Wholly Owned Subsidiaries of the Company, will not constitute Asset Sales.

"Asset Sale Offer Date" has the meaning set forth in Section 4.11(c) hereof.

"Asset Sale Offer Price" has the meaning set forth in Section 4.11(c) hereof.

"Bank Credit Facility" means the Credit Facility among the Company, as borrower thereunder, the Subsidiary Guarantors and the financial institutions named therein, as such facility has been and may be amended, restated, supplemented or otherwise modified from time to time, and includes any facility extending the maturity of, refinancing or restructuring (including, without limitation, the inclusion of additional borrowers thereunder that are Unrestricted Subsidiaries) all or any portion of, the Indebtedness under such facility or any successor facilities and includes any facility with one or more lenders refinancing or replacing all or any portion of the Indebtedness under such facility or any successor facilities.

"Bankruptcy Law" means title 11 of the United States Code, as amended, or any similar federal or state law for the relief of debtors.

"Board of Directors" means the board of directors of a Person or any authorized committee of the board of directors of such Person.

"Business Day" means any day other than a Legal Holiday.

"Capital Stock" of any Person means any and all shares, rights to purchase, warrants or options (whether or not currently exercisable), participations, or other equivalents of or interests in (however designated and whether voting or non-voting) the equity (which includes, but is not limited to, common stock, preferred stock and partnership and joint venture interests) of such Person (excluding any debt securities that are convertible into, or exchangeable for, such equity).

"Capitalized Lease Obligations" of any Person means the obligations of such Person to pay rent or other amounts under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP, and the amount of such obligation will be the capitalized amount thereof determined in accordance with GAAP.

"Cedel" means Cedel Bank, societe anonyme.

"Change of Control" means any of the following: (i) the sale, lease, conveyance or other disposition of all or substantially all of the Company's assets as an entirety or substantially as an entirety to any Person or "group" (within the meaning of Section 13(d)(3) of the Exchange Act) in one or a series of transactions; provided that a transaction where the holders of all classes of Common Equity of the Company immediately prior to such transaction own, directly or indirectly, 50 percent or more of the aggregate voting power of all classes of Common Equity of such Person or group immediately after

such transaction will not be a Change of Control; (ii) the acquisition by the Company and/or any of its Subsidiaries of 50 percent or more of the aggregate voting power of all classes of Common Equity of the Company in one transaction or a series of related transactions; (iii) the liquidation or dissolution of the Company; provided that a liquidation or dissolution of the Company which is part of a transaction or series of related transactions that does not constitute a Change of Control under the "provided" clause of clause (i) above will not constitute a Change of Control under this clause (iii); (iv) any transaction or a series of related transactions (as a result of a tender offer, merger, consolidation or otherwise) that results in, or that is in connection with, (a) any Person, including, a "group" (within the meaning of Section 13(d)(3) of the Exchange Act) acquiring "beneficial ownership" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 50 percent or more of the aggregate voting power of all classes of Common Equity of the Company or of any Person that possesses "beneficial ownership" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 50 percent or more of the aggregate voting power of all classes of Common Equity of the Company or (b) less than 50 percent (measured by the aggregate voting power of all classes) of the Common Equity of the Company being registered under Section 12(b) or 12(g) of the Exchange Act; or (v) a majority of the Board of Directors of the Company not being comprised of Continuing Directors.

"Change of Control Offer" has the meaning set forth in Section 4.16(a) hereof.

"Change of Control Payment Date" has the meaning set forth in Section 4.16(a) hereof.

"Change of Control Price" has the meaning set forth in Section 4.16(a) hereof.

"Common Equity" of any Person means all Capital Stock of such Person that is generally entitled to (i) vote in the election of directors of such Person, or (ii) if such Person is not a corporation, vote or otherwise participate in the selection of the governing body, partners, managers or others that will control the management and policies of such Person.

"Company" means Beazer Homes USA, Inc., a Delaware corporation, and any successor thereof.

"Consolidated Cash Flow Available for Fixed Charges" of the Company and its Restricted Subsidiaries means for any period (a) the sum of the amounts for such period of (i) Consolidated Net Income, plus (ii) Consolidated Income Tax Expense (without regard to income tax expense or credits attributable to extraordinary and nonrecurring gains or losses on Asset Sales), plus (iii) Consolidated Interest Expense, plus (iv) all depreciation, and, without duplication, amortization (including, without limitation, capitalized interest amortized to cost of sales), plus (v) all other noncash items reducing Consolidated Net Income during such period, minus (b) all other noncash items increasing Consolidated Net Income during such period; all as determined on a consolidated basis for the Company and its Restricted Subsidiaries in accordance with GAAP.

"Consolidated Fixed Charge Coverage Ratio" of the Company means, with respect to any determination date, the ratio of (i) Consolidated Cash Flow Available for Fixed Charges of the Company for the prior four full fiscal quarters for which financial results have been reported immediately preceding the determination date, to

(ii) the aggregate Consolidated Interest Incurred of the Company for the prior four full fiscal quarters for which financial results have been reported immediately preceding the determination date; provided that (1) with respect to any Indebtedness Incurred during, and remaining outstanding at the end of, such four full fiscal quarter period, such Indebtedness will be assumed to have been Incurred as of the first day of such four full fiscal quarter period, (2) with respect to Indebtedness repaid (other than a repayment of revolving credit obligations repaid solely out of operating cash flows) during such four full fiscal quarter period, such Indebtedness will be assumed to have been repaid on the first day of such four full fiscal quarter period, (3) with respect to the Incurrence of any Acquisition Indebtedness, such Indebtedness and any proceeds therefrom will be assumed to have been Incurred and applied as of the first day of such four full fiscal quarter period, and the results of operations of any Person or any Subsidiary of such Person that, in connection with or in contemplation of such Incurrence, becomes a Subsidiary of the Company or is merged with or into the Company or one of the Company's Subsidiaries or whose assets are acquired, will be included, on a pro forma basis, in the calculation of the Consolidated Fixed Charge Coverage Ratio as if such transaction had occurred on the first day of such four full fiscal quarter period, and (4) with respect to any other transaction pursuant to which any Person becomes a Subsidiary of the Company or is merged with or into the Company or one of the Company's Subsidiaries or pursuant to which any Person's assets are acquired, such Consolidated Fixed Charge Coverage Ratio shall be calculated on a pro forma basis as if such transaction had occurred on the first day of such four full fiscal quarter period, but only if such transaction would require a pro forma presentation in financial statements prepared

pursuant to Rule 11-02 of Regulation S-X under the Securities Act.

"Consolidated Income Tax Expense" of the Company for any period means the income tax expense of the Company and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"Consolidated Interest Expense" of the Company for any period means the Interest Expense of the Company and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"Consolidated Interest Incurred" of the Company for any period means the Interest Incurred of the Company and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

"Consolidated Net Income" of the Company for any period means the aggregate net income (or loss) of the Company and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; provided that there will be excluded from such net income (to the extent otherwise included therein), without duplication: (i) the net income (or loss) of any Person (other than a Restricted Subsidiary) in which any Person (including, without limitation, an Unrestricted Subsidiary) other than the Company or any Restricted Subsidiary has an ownership interest, except to the extent that any such income has actually been received by the Company or any Restricted Subsidiary in the form of cash dividends or similar cash distributions during such period, or in any other form but converted to cash during such period, (ii) except to the extent includable in

Consolidated Net Income pursuant to the foregoing clause (i), the net income (or loss) of any Person that accrued prior to the date that (a) such Person becomes a Restricted Subsidiary or is merged with or into or consolidated with the Company or any of its Restricted Subsidiaries or (b) the assets of such Person are acquired by the Company or any of its Restricted Subsidiaries, (iii) the net income of any Restricted Subsidiary to the extent that (but only so long as) the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of that income is not permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary during such period, (iv) in the case of a successor to the Company by consolidation, merger or transfer of its assets, any earnings of the successor prior to such merger, consolidation or transfer of assets and (v) the gains (but not losses) realized during such period by the Company or any of its Restricted Subsidiaries resulting from (a) the acquisition of securities issued by the Company or extinguishment of Indebtedness of the Company or any of its Restricted Subsidiaries, (b) Asset Sales by the Company or any of its Restricted Subsidiaries and (c) other extraordinary items realized by the Company or any of its Restricted Subsidiaries. Notwithstanding the foregoing, in calculating Consolidated Net Income, the Company will be entitled to take into consideration the tax benefits associated with any loss described in clause (v) of the preceding sentence, but only to the extent such tax benefits are actually recognized by the Company or any of its Restricted Subsidiaries during such period; provided, further, that there will be included in such net income, without duplication, the net income of any Unrestricted Subsidiary to the extent such net income is actually received by the Company or any of its Restricted

Subsidiaries in the form of cash dividends or similar cash distributions during such period, or in any other form but converted to cash during such period.

"Consolidated Tangible Assets" of the Company as of any date means the total amount of assets of the Company and its Restricted Subsidiaries (less applicable reserves) on a consolidated basis at the end of the fiscal quarter immediately preceding such date, as determined in accordance with GAAP, less: (i) Intangible Assets and (ii) appropriate adjustments on account of minority interests of other Persons holding equity investments in Restricted Subsidiaries, in the case of each of clauses (i) and (ii) above, as reflected on the consolidated balance sheet of the Company and its Restricted Subsidiaries as of the end of the fiscal quarter immediately preceding such date.

"Consolidated Tangible Net Worth" of the Company as of any date means the stockholders' equity (including any Preferred Stock that is classified as equity under GAAP, other than Disqualified Stock) of the Company and its Restricted Subsidiaries on a consolidated basis at the end of the fiscal quarter immediately preceding such date, as determined in accordance with GAAP, plus any amount of unvested deferred compensation included, in accordance with GAAP, as an offset to stockholders' equity, less the amount of Intangible Assets reflected on the consolidated balance sheet of the Company and its Restricted Subsidiaries as of the end of the fiscal quarter immediately preceding such date.

"Continuing Director" means at any date a member of the Board of Directors of the Company who (i) was a member of the Board of Directors of the Company on the initial issuance date of the Notes hereunder or (ii) was nominated for election or elected to the Board of

Directors of the Company with the affirmative vote of at least a majority of the directors who were Continuing Directors at the time of such nomination or election.

"Corporate Trust Office of the Trustee" will be at the address of the Trustee specified in Section 12.02 hereof or such other address as the Trustee may give notice to the Company.

"Custodian" means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Law.

"Default" means any event, act or condition that is, or after notice or the passage of time, or both, would be, an Event of Default.

"Disqualified Stock" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the final maturity date of the Notes; provided that any Capital Stock which would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require the Company to repurchase or redeem such Capital Stock upon the occurrence of a change of control occurring prior to the final maturity of the Notes will not constitute Disqualified Stock if the change of control provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in Section 4.16 hereof and such Capital Stock specifically provides that the Company will not repurchase or redeem (or be required to repurchase or redeem) any such Capital Stock pursuant to such provisions

prior to the Company's repurchase of Notes pursuant to Section 4.16 hereof.

"Disqualified Stock Dividend" of any Person means, for any dividend payable with regard to Disqualified Stock issued by such Person, the amount of such dividend multiplied by a fraction, the numerator of which is one and the denominator of which is one minus the maximum statutory combined federal, state and local income tax rate (expressed as a decimal number between 1 and 0) then applicable to such Person.

"DTC" means the Depository Trust Company or its successors.

"Equity Offering" means a public or private equity offering by the Company for cash of Capital Stock, other than an offering of Disqualified Stock.

"Euroclear" means Morgan Guaranty Trust Company of New York (Brussels Office) as operator of the Euroclear System.

"Event of Default" has the meaning set forth in Section 6.01(a) hereof.

"Excess Proceeds" has the meaning set forth in Section 4.11(a) hereof.

"Excess Proceeds Offer" has the meaning set forth in Section 4.11(c) hereof.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Existing Indebtedness" means all of the Indebtedness of the Company and its Subsidiaries that is outstanding on the date hereof.

"Fair Market Value" with respect to any asset or property means the sale value that would be obtained in an arm's length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy. Fair Market Value shall be determined by the Board of Directors of the Company acting in good faith and shall be evidenced by a board resolution (certified by the Secretary or Assistant Secretary of the Company) delivered to the Trustee.

"GAAP" means generally accepted accounting principles set forth in the opinions and interpretations of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and interpretations of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, as in effect on the date hereof.

"Global Note" means the global note, without coupons, representing all or a portion of the Notes deposited with the DTC substantially in the form of Exhibit A attached hereto.

"Hedging Obligations" of any Person means the obligations of such Person pursuant to any interest rate swap agreement, foreign currency exchange agreement, interest rate collar agreement, option or futures contract or other similar agreement or arrangement relating to interest rates or foreign exchange rates.

"Holder" or "Noteholder" means a Person in whose name a Note is registered in the Security Register.

"Incur" means to, directly or indirectly, create, incur, assume, guarantee, extend the maturity of, or otherwise become liable with respect to any Indebtedness; provided, however, that neither the accrual of interest (whether such interest is payable in cash or kind) nor the accretion of original issue discount shall be considered an Incurrence of Indebtedness.

"Indebtedness" of any Person at any date means, without duplication, (i) all indebtedness of such Person for borrowed money (whether or not the recourse of the lender is to the whole of the assets of such Person or only to a portion thereof), (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all fixed obligations of such Person in respect of letters of credit or other similar instruments (or reimbursement obligations with respect thereto), other than standby letters of credit issued for the benefit of, or surety and performance bonds issued by, such Person in the ordinary course of business, (iv) all obligations of such Person with respect to Hedging Obligations (other than those that fix or cap the interest rate on variable rate Indebtedness otherwise permitted by this Indenture or that fix the exchange rate in connection with Indebtedness denominated in a foreign currency and otherwise permitted by this Indenture), (v) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, including, without limitation, all conditional sale obligations of such Person and all obligations under any title retention agreement; provided, however, that (a) any obligations described in the foregoing clause (v) which are non-interest bearing and which have a maturity of not more than six months from the date of Incurrence thereof shall

not constitute Indebtedness and (b) trade payables and accrued expenses Incurred in the ordinary course of business shall not constitute Indebtedness, (vi) all Capitalized Lease Obligations of such Person, (vii) all Indebtedness of others secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person, (viii) all Indebtedness of others guaranteed by, or otherwise the liability of, such Person to the extent of such guarantee or liability, and (ix) all Disqualified Stock issued by such Person (the amount of Indebtedness represented by any Disqualified Stock will equal the greater of the voluntary or involuntary liquidation preference plus accrued and unpaid dividends). The amount of Indebtedness of any Person at any date will be (a) the outstanding balance at such date of all unconditional obligations as described above, (b) the maximum liability of such Person for any contingent obligations under clause (viii) above and (c) in the case of clause (vii) (if the Indebtedness referred to therein is not assumed by such Person), the lesser of the (A) Fair Market Value of all assets subject to a Lien securing the Indebtedness of others on the date that the Lien attaches and (B) amount of the Indebtedness secured.

"Indenture" means this Indenture, as amended from time to time in accordance with its terms.

"Independent Financial Advisor" means an accounting, appraisal or investment banking firm of nationally recognized standing that is, in the reasonable judgment of the Company's Board of Directors, (i) qualified to perform the task for which it has been engaged, and (ii) disinterested and independent, in a direct and indirect manner, of the parties to the Affiliate Transaction with respect to which such firm has been engaged.

"Institutional Accredited Investor" means an entity in which all of the equity owners are accredited investors within the meaning of Rule 501(a)(1),(2),(3) or (7) under the Securities Act.

"Intangible Assets" of the Company means all unamortized debt discount and expense, unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights and all other items which would be treated as intangibles on the consolidated balance sheet of the Company and its Restricted Subsidiaries prepared in accordance with GAAP.

"Interest Expense" of any Person for any period means, without duplication, the aggregate amount of (i) interest which, in conformity with GAAP, would be set opposite the caption "interest expense" or any like caption on an income statement for such Person (including, without limitation, imputed interest included on Capitalized Lease Obligations, all commissions, discounts and other fees and charges owed with respect to letters of credit securing financial obligations and bankers' acceptance financing, the net costs associated with Hedging Obligations, amortization of other financing fees and expenses, the interest portion of any deferred payment obligation, amortization of discount or premium, if any, and all other noncash interest expense other than interest and other charges amortized to cost of sales) and includes, with respect to the Company and its Restricted Subsidiaries, without duplication (including duplication of the foregoing items), all interest amortized to cost of sales for such period, and (ii) the amount of Disqualified Stock Dividends recognized by the Company on any Disqualified Stock whether or not paid during such period.

"Interest Incurred" of any Person for any period means, without duplication, the aggregate amount of (i)

interest which, in conformity with GAAP, would be set opposite the caption "interest expense" or any like caption on an income statement for such Person (including, without limitation, imputed interest included on Capitalized Lease Obligations, all commissions, discounts and other fees and charges owed with respect to letters of credit securing financial obligations and bankers' acceptance financing, the net costs associated with Hedging Obligations, amortization of other financing fees and expenses, the interest portion of any deferred payment obligation, amortization of discount or premium, if any, and all other noncash interest expense other than interest and other charges amortized to cost of sales) and includes, with respect to the Company and its Restricted Subsidiaries, without duplication (including duplication of the foregoing items), all interest capitalized for such period, all interest attributable to discontinued operations for such period to the extent not set forth on the income statement under the caption "interest expense" or any like caption, and all interest actually paid by the Company or a Restricted Subsidiary under any guarantee of Indebtedness (including, without limitation, a guarantee of principal, interest or any combination thereof) of any other Person during such period and (ii) the amount of Disqualified Stock Dividends recognized by the Company on any Disqualified Stock whether or not declared during such period.

"Interest Payment Date" means April 1 and October 1 of each year, or if any such day is not a Business Day, on the next succeeding Business Day.

"Investments" of any Person means all (i) investments by such Person in any other Person in the form of loans, advances or capital contributions, (ii) guarantees of Indebtedness or other obligations of any other Person by such Person, (iii) purchases (or other

acquisitions for consideration) by such Person of Indebtedness, Capital Stock or other securities of any other Person and (iv) other items that would be classified as investments on a balance sheet of such Person determined in accordance with GAAP.

"Issue Date" means the date the Notes are first issued by the Company and authenticated by the Trustee under this Indenture.

"Joint Venture Entity" means the joint venture between the Company and Corporacion GEO S.A. de C.V.

"Legal Holiday" means Saturday, Sunday or a day on which banking institutions in New York, New York, Chicago, Illinois, or at a place of payment are authorized or obligated by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment shall be made at that place on the next succeeding day that is not a Legal Holiday.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or other similar encumbrance of any kind upon or in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including, without limitation, any conditional sale or other title retention agreement, and any lease in the nature thereof, any option or other agreement to sell, and any filing of, or agreement to give, any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction).

"Material Subsidiary" means any Subsidiary of the Company which accounted for five percent or more of the Consolidated Tangible Assets or Consolidated Cash Flow Available for Fixed Charges of the Company on a

consolidated basis for the fiscal year ending immediately prior to any Default or Event of Default.

"Maturity Date" means April 1, 2008.

"Net Proceeds" means (i) cash (in U.S. dollars or freely convertible into U.S. dollars) received by the Company or any Restricted Subsidiary from an Asset Sale net of (a) all brokerage commissions, investment banking fees and all other fees and expenses (including, without limitation, fees and expenses of counsel, financial advisors, accountants and investment bankers) related to such Asset Sale, (b) provisions for all income and other taxes measured by or resulting from such Asset Sale of the Company or any of its Restricted Subsidiaries, (c) payments made to retire Indebtedness that was Incurred in accordance with this Indenture and that either (1) is secured by a Lien incurred in accordance with this Indenture on the property or assets sold or (2) is required in connection with such Asset Sale to the extent actually repaid in cash, (d) amounts required to be paid to any Person (other than the Company or a Restricted Subsidiary) owning a beneficial interest in the assets subject to the Asset Sale and (e) appropriate amounts to be provided by the Company or any Restricted Subsidiary thereof, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Company or any Restricted Subsidiary thereof, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations or post-closing purchase price adjustments associated with such Asset Sale, all as reflected in an Officers' Certificate delivered to the Trustee, and (ii) all noncash consideration received by the Company or any of its Restricted Subsidiaries from

such Asset Sale upon the liquidation or conversion of such consideration into cash, without duplication, net of all items enumerated in subclauses (a) through (e) of clause (i) hereof.

"Net Worth Amount" has the meaning set forth in Section 4.20(a) hereof.

"Net Worth Offer" has the meaning set forth in Section 4.20(a) hereof.

"Net Worth Offer Date" has the meaning set forth in Section 4.20(a) hereof.

"Net Worth Offer Price" has the meaning set forth in Section 4.20(a) hereof.

"Non-Recourse Indebtedness" with respect to any Person means Indebtedness of such Person for which (i) the sole legal recourse for collection of principal and interest on such Indebtedness is against the specific property identified in the instruments evidencing or securing such Indebtedness and such property was acquired with the proceeds of such Indebtedness or such Indebtedness was Incurred within 90 days after the acquisition of such property and (ii) no other assets of such Person may be realized upon in collection of principal or interest on such Indebtedness.

"Notes" means the securities that are issued under this Indenture as amended or supplemented from time to time pursuant to this Indenture.

"Officer" means the chairman, the chief executive officer, the president, the chief financial officer, the chief operating officer, the chief accounting officer, the treasurer, or any assistant treasurer, the

controller, the secretary, any assistant secretary or any vice president of a Person.

"Officers' Certificate" means a certificate signed by two Officers, one of whom must be the Person's chief executive officer, chief operating officer, chief financial officer or chief accounting officer.

"Opinion of Counsel" means an opinion from legal counsel who is reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Company or of any Subsidiary Guarantor or the Trustee.

"Paying Agent" has the meaning set forth in Section 2.03 hereof.

"Permitted Investments" of any Person means Investments of such Person in (i) direct obligations of the United States or any agency thereof or obligations guaranteed by the United States or any agency thereof, in each case maturing within 180 days of the date of acquisition thereof, (ii) certificates of deposit maturing within 180 days of the date of acquisition thereof issued by a bank, trust company or savings and loan association which is organized under the laws of the United States or any state thereof having capital, surplus and undivided profits aggregating in excess of $250 million and a Keefe Bank Watch Rating of C of better, (iii) certificates of deposit maturing within 180 days of the date of acquisition thereof issued by a bank, trust company or savings and loan association organized under the laws of the United States or any state thereof other than banks, trust companies or savings and loan associations satisfying the criteria in (ii) above, provided that the aggregate amount of all certificates of deposit issued to the Company at any one time by such bank, trust company or savings and loan association will not exceed $100,000,

(iv) commercial paper given the highest rating by two established national credit rating agencies and maturing not more than 180 days from the date of the acquisition thereof, (v) repurchase agreements or money-market accounts which are fully secured by direct obligations of the United States or any agency thereof and (vi) in the case of the Company and its Subsidiaries, any receivables or loans taken by the Company or a Subsidiary in connection with the sale of any asset otherwise permitted by this Indenture.

"Permitted Liens" means (i) Liens for taxes, assessments or governmental charges or claims that either (a) are not yet delinquent or (b) are being contested in good faith by appropriate proceedings and as to which appropriate reserves have been established or other provisions have been made in accordance with GAAP, (ii) statutory Liens of landlords and carriers', warehousemen's, mechanics', suppliers', materialmen's, repairmen's or other Liens imposed by law and arising in the ordinary course of business and with respect to amounts that, to the extent applicable, either (a) are not yet delinquent or (b) are being contested in good faith by appropriate proceedings and as to which appropriate reserves have been established or other provisions have been made in accordance with GAAP, (iii) Liens (other than any Lien imposed by the Employee Retirement Income Security Act of 1974, as amended) incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, (iv) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, progress payments, government contracts and other obligations of like nature (exclusive of obligations for the payment of borrowed money), in each case incurred in the ordinary course of business of the Company and its Subsidiaries,

(v) attachment or judgment Liens not giving rise to a Default or an Event of Default and which are being contested in good faith by appropriate proceedings, (vi) easements, rights-of-way, restrictions and other similar charges or encumbrances not materially interfering with the ordinary course of business of the Company and its Subsidiaries, (vii) zoning restrictions, licenses, restrictions on the use of real property or minor irregularities in title thereto, which do not materially impair the use of such real property in the ordinary course of business of the Company and its Subsidiaries or the value of such real property for the purpose of such business, (viii) leases or subleases granted to others not materially interfering with the ordinary course of business of the Company and its Subsidiaries, (ix) purchase money mortgages (including, without limitation, Capitalized Lease Obligations and purchase money security interests), (x) Liens securing Refinancing Indebtedness; provided that such Liens only extend to assets which are similar to the type of assets securing the Indebtedness being refinanced and such refinanced Indebtedness was previously secured by such similar assets, (xi) Liens securing Indebtedness of the Company and its Restricted Subsidiaries permitted to be incurred under this Indenture; provided that the aggregate amount of Indebtedness secured by Liens (other than Non-Recourse Indebtedness secured by Liens) will not exceed 40 percent of Consolidated Tangible Assets, (xii) any interest in or title of a lessor to property subject to any Capitalized Lease Obligations incurred in compliance with the provisions of this Indenture, (xiii) Liens existing on the date of this Indenture, including, without limitation, Liens securing Existing Indebtedness, (xiv) any option, contract or other agreement to sell an asset; provided such sale is not otherwise prohibited under this Indenture, (xv) Liens securing Non-Recourse Indebtedness of the Company or a Restricted Subsidiary thereof;

provided that such Liens apply only to the property financed out of the net proceeds of such Non-Recourse Indebtedness within 90 days of the incurrence of such Non-Recourse Indebtedness, (xvi) Liens on property or assets of any Restricted Subsidiary securing Indebtedness of such Restricted Subsidiary owing to the Company or one or more Restricted Subsidiaries, (xvii) Liens securing Indebtedness of an Unrestricted Subsidiary, (xviii) any right of a lender or lenders to which the Company or a Restricted Subsidiary may be indebted to offset against, or appropriate and apply to the payment of, such Indebtedness any and all balances, credits, deposits, accounts or monies of the Company or a Restricted Subsidiary with or held by such lender or lenders, (xix) any pledge or deposit of cash or property in conjunction with obtaining surety and performance bonds and letters of credit required to engage in constructing on-site and off-site improvements required by municipalities or other governmental authorities in the ordinary course of business of the Company or any Restricted Subsidiary, (xx) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods, (xxi) Liens encumbering customary initial deposits and margin deposits, and other Liens that are customary in the industry and incurred in the ordinary course of business securing Indebtedness under Hedging Obligations and forward contracts, options, futures contracts, futures options or similar agreements or arrangements designed to protect the Company or any of its Subsidiaries from fluctuations in the price of commodities, and (xxii) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Company or any of its Subsidiaries in the ordinary course of business.

"Person" means any individual, corporation, partnership, joint venture, incorporated or unincorporated association, joint stock company, trust, unincorporated organization or government or other agency or political subdivision thereof or other entity of any kind.

"Preferred Stock" of any Person means all Capital Stock of such Person which has a preference in liquidation or with respect to the payment of dividends.

"Private Placement Legend" means the legend initially set forth on the Notes in the form set forth on Exhibit A.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Refinancing Indebtedness" means indebtedness that refunds, refinances or extends any Existing Indebtedness or other Indebtedness permitted to be incurred by the Company or its Restricted Subsidiaries pursuant to the terms of this Indenture, but only to the extent that (i) the Refinancing Indebtedness is subordinated to the Notes or the Subsidiary Guarantees, as the case may be, to the same extent as the Indebtedness being refunded, refinanced or extended, if at all, (ii) the Refinancing Indebtedness is scheduled to mature either (a) no earlier than the Indebtedness being refunded, refinanced or extended, or (b) after the maturity date of the Notes, (iii) the portion, if any, of the Refinancing Indebtedness that is scheduled to mature on or prior to the maturity date of the Notes has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the Weighted Average Life to Maturity of the portion of the Indebtedness being refunded, refinanced or extended that is scheduled to mature on or prior to the maturity date of

the Notes, (iv) such Refinancing Indebtedness is in an aggregate amount that is equal to or less than the aggregate amount then outstanding under the Indebtedness being refunded, refinanced or extended, (v) such Refinancing Indebtedness is Incurred by the same Person that initially Incurred the Indebtedness being refunded, refinanced or extended, except that the Company may Incur Refinancing Indebtedness to refund, refinance or extend Indebtedness of any Restricted Subsidiary and (vi) such Refinancing Indebtedness is Incurred within 180 days after the Indebtedness being refunded, refinanced or extended is so refunded, refinanced or extended.

"Registrar" has the meaning set forth in Section 2.03 hereof.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of March 25, 1998, by and between the Initial Purchasers, the Company and the Subsidiary Guarantors.

"Regulation S" means Regulation S promulgated under the Securities Act (including any successor registration thereto) as it may be amended from time to time.

"Restricted Investment" with respect to any Person means any Investment (other than any Permitted Investment) by such Person in any (i) of its Affiliates, (ii) executive officer or director or any Affiliate of such Person, or (iii) any other Person other than a Restricted Subsidiary; provided, however, that with respect to the Company and its Restricted Subsidiaries, any loan or advance to an executive officer or director of the Company or a Subsidiary will not constitute a Restricted Investment provided such loan or advance is made in the ordinary course of business and, if such loan

or advance exceeds $100,000 (other than a readily marketable mortgage loan not exceeding $500,000), such loan or advance has been approved by the Board of Directors of the Company or a disinterested committee thereof. Notwithstanding the above, a Subsidiary Guarantee shall not be deemed a Restricted Investment.

"Restricted Payment" with respect to any Person means (i) the declaration of any dividend or the making of any other payment or distribution of cash, securities or other property or assets in respect of such Person's Capital Stock (except that a dividend payable solely in Capital Stock (other than Disqualified Stock) of such Person will not constitute a Restricted Payment), (ii) any payment on account of the purchase, redemption, retirement or other acquisition for value of such Person's Capital Stock or any other payment or distribution made in respect thereof (other than payments or distributions excluded from the definition of Restricted Payment in clause (i) above), either directly or indirectly, (iii) any Restricted Investment and (iv) any principal payment, redemption, repurchase, defeasance or other acquisition or retirement of any Indebtedness of any Unrestricted Subsidiary or of Indebtedness of the Company which is subordinated in the right of payment to the Notes or of Indebtedness of a Restricted Subsidiary which is subordinated in right of payment to its Subsidiary Guarantee; provided, however, that with respect to the Company and its Subsidiaries, Restricted Payments will not include (a) any payment described in clause (i), (ii) or (iii) above made to the Company or any of its Restricted Subsidiaries which are Wholly Owned Subsidiaries by any of the Company's Subsidiaries, or (b) any purchase, redemption, retirement or other acquisition for value of Indebtedness or Capital Stock of such Person or its Subsidiaries if the consideration therefor consists solely

of Capital Stock (other than Disqualified Stock) of such Person.

"Restricted Security" has the meaning set forth in Rule 144(a)(3) promulgated under the Securities Act; provided that the Trustee shall be entitled to request and conclusively rely upon an Opinion of Counsel with respect to whether a Note is a Restricted Security.

"Restricted Subsidiary" means each of the Subsidiaries of the Company which is not an Unrestricted Subsidiary.

"Rule 144" means Rule 144 as promulgated under the Securities Act, as such rule may be amended from time to time, or any similar rule (other than Rule 144A) or regulation hereafter adopted by the SEC providing for offers and sales of securities made in compliance therewith resulting in offers and sales by subsequent holders that are not affiliates of an issuer of such securities being free of the registration and prospectus delivery requirements of the Securities Act.

"Rule 144A" means Rule 144A promulgated under the Securities Act, as such rule may be amended from time to time, or any similar rule (other than Rule 144) or regulation hereafter adopted by the SEC.

"SEC" means the Securities and Exchange Commission, and any successor thereto.

"Securities Act" means the Securities Act of 1933, as amended.

"Security Register" is a register of the Notes and of their transfer and exchange kept by the Registrar.

"Subsidiary" of any Person means (i) any corporation of which at least a majority of the aggregate voting power of all classes of the Common Equity is directly or indirectly beneficially owned by such Person, and (ii) any entity other than a corporation of which such Person, directly or indirectly, beneficially owns at least a majority of the Common Equity.

"Subsidiary Guarantee" means the guarantee of the Notes by each Subsidiary Guarantor under the provisions contained herein.

"Subsidiary Guarantors" means each of (i) Beazer Homes Corp., a Tennessee corporation, Beazer/Squires Realty, Inc., a North Carolina corporation, Beazer Home Sales Arizona Inc., a Delaware corporation, Beazer Realty Corp., a Georgia corporation, Panitz Homes Realty, Inc., a Florida corporation, Beazer Mortgage Corporation, a Delaware corporation, Beazer Homes Holdings Corp., a Delaware corporation, Beazer Homes Texas Holdings, Inc., a Delaware corporation and Beazer Homes Texas, L.P., a Delaware limited partnership, and (ii) each of the Company's Subsidiaries that becomes a guarantor of the Notes pursuant to the provisions contained herein.

"Successor" has the meaning set forth in Section 5.01(a) hereof.

"TIA" means the Trust Indenture Act of 1939, as amended.

"Trust Officer" means any vice president, trust officer or other authorized person of the Trustee assigned by the Trustee to administer its corporate trust matters.

"Trustee" means the party named as such until a successor replaces such party in accordance with the

applicable provisions of this Indenture and thereafter means the successor trustee serving hereunder.

"U.S. Government Obligations" means direct obligations of the United States for the payment of which the full faith and credit of the United States is pledged.

"Unrestricted Subsidiary" means United Home Insurance Corp. and each of the Subsidiaries of the Company so designated by a resolution adopted by the Board of Directors of the Company as provided below and provided that (a) neither the Company nor any of its other Subsidiaries (other than Unrestricted Subsidiaries) (1) provides any direct or indirect credit support for any Indebtedness of such Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness) or (2) is directly or indirectly liable for any Indebtedness of such Subsidiary, (b) the creditors with respect to Indebtedness for borrowed money of such Subsidiary have agreed in writing that they have no recourse, direct or indirect, to the Company or any other Subsidiary of the Company (other than Unrestricted Subsidiaries), including, without limitation, recourse with respect to the payment of principal or interest on any Indebtedness of such Subsidiary and (c) no default with respect to any Indebtedness of such Subsidiary (including any right which the holders thereof may have to take enforcement action against such Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of the Company and of its other Subsidiaries (other than other Unrestricted Subsidiaries) to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity. The Board of Directors of the Company may designate an Unrestricted Subsidiary to be a Restricted Subsidiary; provided that (i) any such redesignation will be deemed to be an Incurrence by the

Company and its Restricted Subsidiaries of the Indebtedness (if any) of such redesignated Subsidiary for purposes of the covenant set forth in Section 4.13(a) hereof as of the date of such redesignation, (ii) immediately after giving effect to such redesignation and the Incurrence of any such additional Indebtedness, the Company and its Restricted Subsidiaries could Incur $1.00 of additional Indebtedness under the Consolidated Fixed Charge Coverage Ratio contained in the covenant set forth in Section 4.13(a) hereof and (iii) the Liens of such Unrestricted Subsidiary could then be incurred in accordance with Section 4.18 hereof as of the date of such redesignation. Subject to the foregoing, the Board of Directors of the Company also may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; provided that (i) all previous Investments by the Company and its Restricted Subsidiaries in such Restricted Subsidiary (net of any returns previously paid on such Investments) will be deemed to be Restricted Payments at the time of such designation and will reduce the amount available for Restricted Payments under the covenant set forth in Section 4.12 hereof, (ii) immediately after giving effect to such designation and reduction of amounts available for Restricted Payments under the covenant set forth in Section 4.12 hereof, the Company and its Restricted Subsidiaries could incur $1.00 of additional Indebtedness under the Consolidated Fixed Charge Coverage Ratio contained in the covenant set forth in Section 4.13(a) hereof and (iii) no Default or Event of Default shall have occurred or be continuing. Any such designation or redesignation by the Board of Directors of the Company will be evidenced to the Trustee by the filing with the Trustee of a certified copy of the resolution of the Board of Directors of the Company giving effect to such designation or redesignation and an Officers' Certificate certifying that such designation or redesignation complied

with the foregoing conditions and setting forth the underlying calculations.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness or portion thereof, at any date, the number of years obtained by dividing (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal, including, without limitation, payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment by (ii) the sum of all such payments described in clause (a) above.

"Wholly Owned Subsidiary" of any Person means (i) a Subsidiary, of which 100 percent of the Common Equity (except for directors' qualifying shares or certain minority interests owned by other Persons solely due to local law requirements that there be more than one stockholder, but which interest is not in excess of what is required for such purpose) is owned directly by such Person or through one or more other Wholly Owned Subsidiaries of such Person, or (ii) any entity other than a corporation in which such Person, directly or indirectly, owns all of the Common Equity of such entity.

"Working Capital Facilities" means, collectively, the Bank Credit Facility and one or more other facilities among the Company, as borrower thereunder, any Subsidiary Guarantor and one or more lenders pursuant to which the Company may Incur Indebtedness for working capital purposes or to finance the acquisition, holding or development of property by the Company and the Restricted Subsidiaries (including the financing of any related interest reserve), as any such facility may be amended, restated, supplemented or

otherwise modified from time to time, and includes any agreement extending the maturity of, or restructuring (including, without limitation, the inclusion of additional borrowers thereunder that are Unrestricted Subsidiaries), all or any portion of the Indebtedness under such facility or any successor facilities and includes any facility with one or more lenders refinancing or replacing all or any portion of the Indebtedness under such facility or any successor facility.

Section 1.03. Incorporation by Reference of TIA.

Whenever this Indenture refers to a provision of the TIA, such provision is incorporated by reference in, and made a part of, this Indenture.

All terms used in this Indenture that are defined in the TIA, defined by TIA reference to another statute or defined by SEC rule under the TIA have the meanings so assigned to them.

ARTICLE 2

THE SECURITIES

Section 2.01. Dating; Incorporation of Form in Indenture.

The Notes and the Subsidiary Guarantees shall be substantially in the form of Exhibit A which is incorporated in and made part of this Indenture. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. The Company may use "CUSIP" numbers in issuing the Notes. The Company shall approve the form of the Notes.

Without limiting the generality of the foregoing, Notes offered and sold to QIBs in reliance on Rule 144A ("Rule 144A Notes") shall bear the Private Placement Legend and include the form of assignment set forth in Exhibit C-1, Notes offered and sold in offshore transactions in reliance on Regulation S ("Regulation S Notes") shall bear the Private Placement Legend and include the form of assignment set forth in Exhibit C-2, and Notes offered and sold to Institutional Accredited Investors in transactions exempt from registration under the Securities Act not made in reliance upon Rule 144A or Regulation S ("Other Notes") may be represented by the Restricted Global Note or, if such an investor may not hold an interest in the Restricted Global Note, a physical note ("Physical Note") in each case bearing the Private Placement Legend. Each Note shall be dated the date of its authentication.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and, to the extent applicable, the Company and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby.

Section 2.02. Execution and Authentication.

The Notes shall be executed on behalf of the Company by two Officers of the Company or an Officer and an Assistant Secretary of the Company. Such signature may be either manual or facsimile. The Company's seal shall be impressed, affixed, imprinted or reproduced on the Notes and may be in facsimile form.

If an Officer whose signature is on a Note no longer holds that office at the time the Trustee

authenticates the Note, the Note shall be valid nevertheless.

A Note shall not be valid until the Trustee manually signs the certificate of authentication on the Note. Such signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee or an authenticating agent shall authenticate Notes for original issue in the aggregate principal amount not to exceed $200,000,000 in one or more series upon a request from the Company (a "Company Request"), provided the aggregate principal amount of initial Notes on the Issue Date is $100,000,000. After the Issue Date additional Notes may be issued from time to time subject to the limitations set forth in Section 4.13. The aggregate principal amount of Notes outstanding at any time may not exceed $200,000,000 except as provided in Section 2.07 hereof. Upon receipt of a Company Request, the Trustee shall authenticate an additional series of Notes in an aggregate principal amount not to exceed $200,000,000 for issuance in exchange for all Notes previously issued pursuant to an exchange offer registered under the Securities Act ("Exchange Notes"). Exchange Notes may have such distinctive series designation as and such changes in the form thereof as are specified in the Company Request referred to in the preceding sentence. The Notes shall be issuable only in registered form without coupons and only in denominations of $1,000 and integral multiples thereof.

In the event that the Company shall issue and the Trustee shall authenticate any Notes issued under this Indenture subsequent to the Issue Date pursuant to the immediately preceding paragraph, the Company shall use its reasonable efforts to obtain the same "CUSIP" number for such Notes as is printed on the Notes outstanding at such

time; provided, however, that if any series of Notes issued under this Indenture subsequent to the Issue Date is determined by the Company to be a different class of security than the Notes outstanding at such time for federal income tax purposes, the Company may obtain a "CUSIP" number for such Notes that is different than the "CUSIP" number printed on the Notes then outstanding.

Notwithstanding the foregoing, all Notes issued under this Indenture shall vote and consent together on all matters (as to which any of such Notes may vote or consent) as one class and no series of Notes will have the right to vote or consent as a separate class on any matter.

The Trustee may appoint an authenticating agent to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same right as an Agent to deal with the Company or an Affiliate.

Section 2.03. Registrar and Paying Agent.

The Company will maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("Registrar"), an office or agency located in the Borough of Manhattan, City of New York, State of New York where Notes may be presented for payment ("Paying Agent") and an office or agency where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Registrar shall keep a register of the Notes and of their transfer and exchange. The Company may have one or more co-registrars and one or more additional paying agents. Neither the Company nor any Affiliate may act as Paying Agent. The Company may

change any Paying Agent, Registrar or co-registrar without notice to any Noteholder.

The Company shall enter into an appropriate agency agreement with any Registrar or Paying Agent not a party to this Indenture. The agreement shall implement the provisions of this Indenture that relate to such Agent. The Company shall notify the Trustee of the name and address of any such Agent. If the Company fails to maintain a Registrar or Paying Agent, or agent for service of notices and demands, or fails to give the foregoing notice, the Trustee shall act as such. The Company initially appoints the Trustee as Registrar, Paying Agent and agent for service of notices and demands in connection with the Notes.

Section 2.04. Paying Agent to Hold Money in Trust.

On or before each due date of the principal of and interest on any Notes, the Company shall deposit with the Paying Agent a sum sufficient to pay such principal and interest so becoming due. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee and the Trustee, may at any time during the continuance of any Payment Default, upon written request to a Paying Agent, require such Paying Agent to forthwith pay to the Trustee all sums so held in trust by such Paying Agent together with a complete accounting of such sums. Upon doing so, the Paying Agent shall have no further liability for the money.

Section 2.05. Noteholder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of Noteholders and shall otherwise comply with TIA Section 312(a). If

the Trustee is not the Registrar, the Company shall furnish to the Trustee on or before each March 15 and September 15 in each year, and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of Noteholders.

Section 2.06. Transfer and Exchange.

Subject to Sections 2.14 and 2.15, when a Note is presented to the Registrar with a request to register the transfer thereof, the Registrar shall register the transfer as requested if the requirements of applicable law are met and, when Notes are presented to the Registrar with a request to exchange them for an equal principal amount of Notes of other authorized denominations, the Registrar shall make the exchange as requested provided that every Note presented or surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Registrar duly executed by the holder thereof or his attorney duly authorized in writing. To permit transfers and exchanges, upon surrender of any Note for registration of transfer at the office or agency maintained pursuant to Section 2.03 hereof, the Company shall execute and the Trustee shall authenticate Notes at the Registrar's request. Any exchange or transfer shall be without charge, except that the Company may require payment by the holder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation to a transfer or exchange, but this provision shall not apply to any exchange pursuant to Sections 2.09, 3.06 or 10.05 hereof. The Trustee shall not be required to register transfers of Notes or to exchange Notes for a period of 15 days before selection of any Notes to be redeemed. The Trustee shall not be required to exchange or register transfers of any

Notes called or being called for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

Any holder of the Global Note shall, by acceptance of such Global Note, agree that transfers of the beneficial interests in such Global Note may be effected only through a book entry system maintained by the holder of such Global Note (or its agent), and that ownership of a beneficial interest in the Global Note shall be required to be reflected in a book entry.

Section 2.07. Replacement Notes.

If a mutilated Note is surrendered to the Trustee or if the holder of a Note presents evidence to the satisfaction of the Company and the Trustee that the Note has been lost, destroyed or wrongfully taken, the Company shall issue and the Trustee shall authenticate a replacement Note if the Trustee's requirements are met. An indemnity bond may be required by the Company or the Trustee that is sufficient in the judgment of the Company and the Trustee to protect the Company, the Trustee or any Agent from any loss which any of them may suffer if a Note is replaced. In every case of destruction, loss or theft, the applicant shall also furnish to the Company and to the Trustee evidence to their satisfaction of the destruction, loss or the theft of such Note and the ownership thereof. The Company and the Trustee may charge for its expenses in replacing a Note. Every replacement Note is an additional obligation of the Company.

Section 2.08. Outstanding Notes.

Notes outstanding at any time are all Notes authenticated by the Trustee except for those cancelled by

it, those delivered to it for cancellation, and those described in this Section 2.08 as not outstanding.

If a Note is replaced pursuant to Section 2.07, it ceases to be outstanding until the Company and the Trustee receive proof satisfactory to each of them that the replaced Note is held by a bona fide purchaser.

If a Paying Agent holds on a Redemption Date or Maturity Date money sufficient to pay the principal of, premium, if any, and accrued interest on Notes payable on that date, then on and after that date such Notes cease to be outstanding and interest on them ceases to accrue.

Subject to Section 12.17, a Note does not cease to be outstanding solely because the Company or an Affiliate holds the Note.

Section 2.09. Temporary Notes.

Until definitive Notes are ready for delivery, the Company may prepare and the Trustee shall authenticate temporary Notes. Temporary Notes shall be substantially in the form, and shall carry all rights, of definitive Notes but may have variations that the Company considers appropriate for temporary Notes. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate definitive Notes in exchange for temporary Notes presented to it.

Section 2.10. Cancellation.

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and the Paying Agent shall forward to the Trustee any Notes surrendered to them for transfer, exchange or payment. The Trustee shall cancel and destroy or return to the Company in

accordance with its normal practice, all Notes surrendered for transfer, exchange, payment or cancellation unless the Company instructs the Trustee in writing to deliver the Notes to the Company. Subject to Section 2.07 hereof, the Company may not issue new Notes to replace Notes in respect of which it has previously paid all principal, premium and interest accrued thereon, or delivered to the Trustee for cancellation.

Section 2.11. Defaulted Interest.

If the Company defaults in a payment of interest on the Notes, it shall pay the defaulted amounts, plus any interest payable on defaulted amounts pursuant to Section 4.01 hereof, to the persons who are Noteholders on a subsequent special record date. The Company shall fix the special record date and payment date in a manner satisfactory to the Trustee and provide the Trustee at least 20 days notice of the proposed amount of default interest to be paid and the special payment date. At least 15 days before the special record date, the Company shall mail or cause to be mailed to each Noteholder at his address as it appears on the Notes register maintained by the Registrar a notice that states the special record date, the payment date (which shall be not less than five nor more than ten days after the special record date), and the amount to be paid. In lieu of the foregoing procedures, the Company may pay defaulted interest in any other lawful manner satisfactory to the Trustee.

Section 2.12. Deposit of Moneys.

Prior to 11:00 a.m., New York City time, on each Interest Payment Date and Maturity Date, the Company shall have deposited with the Paying Agent in immediately available funds money sufficient to make cash payments, if any, due on such Interest Payment Date or Maturity Date,

as the case may be, in a timely manner which permits the Trustee to remit payment to the holders on such Interest Payment Date or Maturity Date, as the case may be. The principal and interest on Global Notes shall be payable to the Depository or its nominee, as the case may be, as the sole registered owner and the sole holder of the Global Notes represented thereby. The principal and interest on Notes in certificated form shall be payable at the office of the Paying Agent.

Section 2.13. CUSIP Number.

The Company in issuing the Notes may use one or more "CUSIP" numbers, and if so, the Trustee shall use the appropriate CUSIP number(s) in notices of redemption or exchange as a convenience to holders; provided that any such notice may state that no representation is made as to the correctness or accuracy of the CUSIP number(s) printed in the notice or on the Notes, and that reliance may be placed only on the other identification numbers printed on the Notes.

Section 2.14. Book-Entry Provisions for Global Notes.

(a) Rule 144A Notes and Other Notes which may be held in global form, other than Regulation S Notes, initially shall be represented by one or more notes in registered, global form without interest coupons (collectively, the "Restricted Global Note"). Regulation S Notes initially shall be represented by one global note in registered form without interest coupons (collectively, the "Regulation S Global Note," and, together with the Restricted Global Note, the "Global Notes"). The Global Notes initially shall (i) be registered in the name of The Depository Trust Company (the "Depository") or the nominee of the Depository, in each case for credit to an account of an Agent Member (as defined below); (ii) be delivered

to the Trustee as custodian for the Depository; and (iii) bear legends as set forth in Exhibit B.

Members of, or direct or indirect participants in, the Depository ("Agent Members") shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Depository, or the Trustee as its custodian, or under the Global Notes, and the Depository may be treated by the Company, the Trustee and any agent of the Company or the Trustee as the absolute owner of the Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository or impair, as between the Depository and its Agent Members, the operation of customary practices governing the exercise of the rights of a holder of any Note.

(b) Transfers of Global Notes shall be limited to transfer in whole, but not in part, to the Depository, its successors or their respective nominees. Interests of beneficial owners in the Global Notes may be transferred or exchanged for Physical Notes upon receipt by the Trustee of written instructions from the Depository or its nominee on behalf of any beneficial owner and in accordance with the rules and procedures of the Depository and the provisions of Section 2.15. In addition, a Global Note shall be exchangeable for Physical Notes if (i) the Depository (x) notifies the Company that it is unwilling or unable to continue as depository for such Global Note and the Company thereupon fails to appoint a successor depository or (y) has ceased to be a clearing agency registered under the Exchange Act; (ii) the Company, at its option, notifies the Trustee in writing that it elects to cause the issuance of such Physical Notes or (iii) there shall have occurred and be continuing a Default or

an Event of Default with respect to the Notes. In all cases, Physical Notes delivered in exchange for any Global Note or beneficial interests therein shall be registered in the names, and issued in any approved denominations, requested by or on behalf of the Depository (in accordance with its customary procedures).

(c) In connection with any transfer or exchange of a portion of the beneficial interest in any Global Note to beneficial owners pursuant to paragraph (b), the Registrar shall (if one or more Physical Notes are to be issued) reflect on its books and records the date and a decrease in the principal amount of the Global Note in an amount equal to the principal amount of the beneficial interest in the Global Note to be transferred, and the Company shall execute, and the Trustee shall upon receipt of a written order from the Company authenticate and make available for delivery, one or more Physical Notes of like tenor and amount.

(d) In connection with the transfer of Global Notes as an entirety to beneficial owners pursuant to paragraph (b), the Global Notes shall be deemed to be surrendered to the Trustee for cancellation, and the Company shall execute, and the Trustee shall authenticate and deliver, to each beneficial owner identified by the Depository in writing in exchange for its beneficial interest in the Global Notes, an equal aggregate principal amount of Physical Notes of authorized denominations.

(e) Any Physical Note constituting a Restricted Security delivered in exchange for an interest in a Global Note pursuant to paragraph (b), (c) or (d) shall, except as otherwise provided by paragraphs (a)(i)(x); and (c) of Section 2.15, bear the legend regarding transfer restrictions applicable to the Physical Notes set forth in Exhibit A.

(f) On or prior to the 40th-day after the later of the commencement of the offering of the Notes represented by the Regulation S Global Note and the issue date of such Notes (such period through and including such 40th day, the "Restricted Period"), a beneficial interest in a Regulation S Global Note may be transferred to a Person who takes delivery in the form of an interest in the corresponding Restricted Global Note only upon receipt by the Trustee of a written certification from the transferor to the effect that such transfer is being made (i)(a) to a Person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A or (b) pursuant to another exemption from the registration requirements under the Securities Act which is accompanied by an opinion of counsel regarding the availability of such exemption and (ii) in accordance with all applicable securities laws of any state of the United States or any other jurisdiction.

(g) Beneficial interests in the Restricted Global Note may be transferred to a Person who takes delivery in the form of an interest in the Regulation S Global Note, whether before or after the expiration of the Restricted Period, only if the transferor first delivers to the Trustee a written certificate to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 (if available) and that, if such transfer occurs prior to the expiration of the Restricted Period, the interest transferred will be held immediately thereafter through Euroclear or CEDEL.

(h) Any beneficial interest in one of the Global Notes that is transferred to a Person who takes delivery in the form of an interest in another Global Note shall, upon transfer, cease to be an interest in such Global Note and become an interest in such other Global Note and, accordingly, shall thereafter be subject to all

transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

(i) The holder of any Global Note may grant proxies and otherwise authorize any person, including Agent Members and persons that may hold interests through Agent Members, to take any action which a holder is entitled to take under this Indenture or the Notes.

Section 2.15. Special Transfer Provisions.

(a) Transfers to Non-QIB Institutional Accredited Investors and Non-U.S. Persons. The following provisions shall apply with respect to the registration of any proposed transfer of a Note constituting a Restricted Security to any Institutional Accredited Investor which is not a QIB or to any Non-U.S. Person:

(i) the Registrar shall register the transfer of any Note constituting a Restricted Security, whether or not such Note bears the Private Placement Legend, if (x) the requested transfer is after March 20, 1999 or (y) in the case of a transfer to an Institutional Accredited Investor which is not a QIB (excluding non-U.S. Persons), the proposed transferee has delivered to the Registrar a certificate substantially in the form of Exhibit D hereto or (2)in the case of a transfer to a Non-U.S. Person (including a QIB), the proposed transferor has delivered to the Registrar a certificate substantially in the form of Exhibit E hereto; and

(ii) if the proposed transferor is an Agent Member holding a beneficial interest in a Global Note, upon receipt by the Registrar of (x) the certificate, if any, required by paragraph (i) above; and (y) instructions

given in accordance with the Depository's and the Registrar's procedures,

whereupon (a) the Registrar shall reflect on its books and records the date; and (if the transfer does not involve a transfer of outstanding Physical Notes) a decrease in the principal amount of a Global Note in an amount equal to the principal amount of the beneficial interest in a Global Note to be transferred; and (b) the Company shall execute and the Trustee shall authenticate and make available for delivery one or more Physical Notes of like tenor and amount.

(b) Transfers to QIBs. The following provisions shall apply with respect to the registration of any proposed transfer of a Note constituting a Restricted Security to a QIB (excluding transfers to Non-U.S. Persons):

(i) the Registrar shall register the transfer if such transfer is being made by a proposed transferor who has checked the box provided for on the form of Note stating, or has otherwise advised the Company and the Registrar in writing, that the sale has been made in compliance with the provisions of Rule 144A to a transferee who has signed the certification provided for on the form of Note stating, or has otherwise advised the Company and the Registrar in writing, that it is purchasing the Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a QIB within the meaning of Rule 144A, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as it has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon its foregoing

representations in order to claim the exemption from registration provided by Rule 144A; and

(ii) if the proposed transferee is an Agent Member, and the Notes to be transferred consist of Physical Notes which after transfer are to be evidenced by an interest in the Global Note, upon receipt by the Registrar of instructions given in accordance with the Depository's and the Registrar's procedures, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Global Note in an amount equal to the principal amount of the Physical Notes to be transferred, and the Trustee shall cancel the Physical Notes so transferred.

(c) Private Placement Legend. Upon the transfer, exchange or replacement of Notes not bearing the Private Placement Legend, the Registrar shall deliver Notes that do not bear the Private Placement Legend. Upon the transfer, exchange or replacement of Notes bearing the Private Placement Legend, the Registrar shall deliver only Notes that bear the Private Placement Legend unless (i) the circumstances contemplated by paragraph (a)(i)(x) of this Section 2.15 exist; (ii) there is delivered to the Registrar an Opinion of Counsel reasonably satisfactory to the Company and the Trustee to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act or (iii) such Note has been sold pursuant to an effective registration statement under the Securities Act.

(d) General. By its acceptance of any Note bearing the Private Placement Legend, each holder of such a Note acknowledges the restrictions on transfer of such Note set forth in this Indenture and in the Private

Placement Legend and agrees that it will transfer such Note only as provided in this Indenture.

The Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 2.14 or this Section 2.15. The Company shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable notice to the Registrar.

ARTICLE 3

OPTIONAL REDEMPTION

Section 3.01. Notices to Trustee.

In the event the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07 hereof, it will notify the Trustee in writing, at least 15 days but not more than 60 days before mailing of a notice of a redemption date, of the redemption date and the principal amount of Notes to be redeemed.

Section 3.02. Selection of Notes To Be Redeemed.

(a) In the event less than all of the Notes are to be redeemed, the Trustee will select the Notes to be redeemed pro rata or by lot or by any other method the Trustee deems fair and appropriate but only in integral multiples of $1,000. The particular Notes to be redeemed will be selected, unless otherwise provided herein, not less than 20 nor more than 60 days prior to the redemption date by the Trustee from the outstanding Notes not previously called for redemption.

(b) The Trustee will promptly notify the Company in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal amount thereof to be redeemed but not in integral multiples of less than $1,000. Provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption.

Section 3.03. Notices to Holders.

(a) At least 15 days but not more than 60 days before a redemption date, the Company will mail a notice to each Holder whose Notes are to be redeemed.

(b) The notice will identify the Notes to be redeemed and will state:

(i) the redemption date;

(ii) the redemption price;

(iii) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date, upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion will be issued;

(iv) the name and address of the Paying Agent;

(v) that Notes called for redemption must be surrendered to the Paying Agent at the address specified in such notice to collect the redemption price;

(vi) that, unless the Company defaults in making the redemption payment, interest on Notes called for redemption ceases to accrue on and after the redemption date;

(vii) the paragraph of the Notes pursuant to which the Notes are being redeemed;

(viii) the aggregate principal amount of Notes that are being redeemed; and

(ix) the information required to be included in such notice pursuant to Section 2.13 hereof, if applicable.

(c) At the Company's written request, the Trustee will give the notice required in this Section 3.03 in the Company's name and at its expense.

Section 3.04. Effect of Notice of Redemption.

Once notice of redemption is mailed, Notes called for redemption become due and payable on the redemption date at the redemption price and, subject to Section 3.05(b) hereof, interest on such Notes ceases to accrue on and after the redemption date.

Section 3.05. Deposit of Redemption Price.

(a) At least one Business Day prior to the redemption date, the Company will deposit with the Trustee or with the Paying Agent money sufficient to pay the

redemption price of, and accrued and previously unpaid interest on, all Notes to be redeemed on that date, and the Trustee will remit the redemption price to Holders entitled thereto. Subject to Section 9.03 hereof, the Trustee or the Paying Agent will return to the Company any money not required for that purpose.

(b) If the Company complies with Section 3.05(a) hereof, interest on the Notes or portions thereof to be redeemed (whether or not such Notes are presented for payment) will cease to accrue on the applicable redemption date. If any Note called for redemption is not so paid upon surrender because of the failure of the Company to comply with Section 3.05(a) hereof, then interest will be paid on the unpaid principal from the redemption date until such principal is paid and on any interest not paid on such unpaid principal, in each case, at the rate provided in the Notes and in Section 4.01(b) hereof.

Section 3.06. Notes Redeemed in Part.

Upon surrender of a Note that is redeemed in part, the Company will issue and the Trustee will authenticate and, for so long as a Subsidiary Guarantee of a Subsidiary Guarantor shall be in effect in accordance with this Indenture and such Subsidiary Guarantee, such Subsidiary Guarantor shall endorse its respective Subsidiary Guarantee thereon for the Holder at the expense of the Company a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

Section 3.07. Optional Redemption.

The Company may redeem all or any portion of the Notes at any time and from time to time on or after April 1, 2003 at the following redemption prices (expressed in

percentages of the principal amount thereof) together, in each case, with accrued and unpaid interest to the date fixed for redemption, if redeemed during the 12-month period beginning on April 1 of each year indicated below:

Year	Percentage
2003	104.438%
2004	102.958%
2005	101.479%
2006 and thereafter	100.000%

In addition, on or prior to April 1, 2001, the Company may, at its option, redeem up to 35% of the outstanding Notes with the net proceeds of an Equity Offering at 108.875% of the principal amount thereof plus accrued and unpaid interest, if any, to the date fixed for redemption; provided that at least $65 million principal amount of the Notes remain outstanding after such redemption.

ARTICLE 4

COVENANTS

Section 4.01. Payment of Notes.

(a) The Company will pay the principal of, and interest on, the Notes on the dates and in the manner provided herein and in the Notes. In the event the

Company is not the Paying Agent, principal and interest will be considered paid on the date due if the Trustee or Paying Agent holds on that date money deposited by the Company designated for and sufficient to pay all principal and interest then due. In the event the Company or any of its Subsidiaries is the Paying Agent, principal and interest will be considered paid on the date actual payment is mailed to the Holders entitled to such payments.

(b) The Company will pay interest on overdue principal at the rate equal to 1% per annum in excess of the per annum interest rate on the Notes to the extent lawful; the Company shall pay interest on overdue installments of interest at the same rate as is payable on overdue principal to the extent lawful.

Section 4.02. Maintenance of Office or Agency.

(a) Pursuant to the provisions of Section 2.03 hereof, the Company will maintain, in New York, New York, an office or agency (which may be an office of the Trustee or the Registrar) where Notes and the Subsidiary Guarantees may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company or any Subsidiary Guarantor in respect of the Notes, the Subsidiary Guarantees and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company fails to maintain any such required office or agency or fails to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

(b) The Company may also from time to time designate one or more other offices or agencies where the Notes and the Subsidiary Guarantees may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission will in any manner relieve the Company of its obligation to maintain an office or agency in New York, New York for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

(c) The Company hereby designates the corporate trust office of the Trustee set forth in Section 12.02 as such office of the Company.

Section 4.03. SEC Reports; Financial Statements.

(a) As long as the Notes are outstanding, whether or not the Company or the Subsidiary Guarantors are subject to Section 13 or 15(d) of the Exchange Act, the Company shall file or cause to be filed with the SEC the quarterly and annual reports and information, documents and other reports with respect to the Company and the Subsidiary Guarantors, if any, which the Company or the Subsidiary Guarantors would have been required to file with the SEC pursuant to such Sections 13 and 15(d) if the Company or the Subsidiary Guarantors were so subject. Such documents are to be filed with the SEC on or prior to the respective dates (the "Required Filing Dates") by which the Company would have been required so to file such documents if the Company were so subject. The Company shall also in any event (x) within 15 days after each Required Filing Date deliver to the Trustee and mail to each Holder copies of the quarterly or annual reports and of the information, documents and other reports with respect to the Company and the Subsidiary

Guarantors, if any, which the Company and the Subsidiary Guarantors would have been required to file with the SEC pursuant to Sections 13 and 15(d) of the Exchange Act if the Company or the Subsidiary Guarantors were subject to such Sections and (y) if filing such documents by the Company with the SEC is not permitted under the Exchange Act, promptly upon written request supply copies of such documents to any prospective Holder.

(b) The Company and each Subsidiary Guarantor will also comply with the other provisions of TIA ss. 314(a).

Section 4.04. Money for Security Payments To Be Held in Trust.

(a) In the event the Company or any Restricted Subsidiary will at any time act as Paying Agent, it will, not less than one Business Day before each due date of the principal of or interest on any of the Notes, segregate and hold in trust for the benefit of the Holders entitled thereto a sum sufficient to pay the principal or interest so becoming due until such sums will be paid to such Persons or otherwise disposed of as herein provided, and will promptly notify the Trustee of its action or failure to so act.

(b) In the event the Company or any Restricted Subsidiary is not acting as Paying Agent, the Company will, not less than one Business Day before each due date of the principal of or interest on any Notes, deposit with a Paying Agent a sum in same day funds sufficient to pay the principal or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal or interest, and, unless such Paying Agent is the Trustee, the Company will promptly notify the Trustee of such action or any failure to so act.

(c) In the event the Company is not acting as Paying Agent, the Company will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent will agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will:

(i) hold all sums held by it for the payment of the principal of or interest on Notes in trust for the benefit of the Holders and the Trustee entitled thereto until such sums will be paid to such Persons or otherwise disposed of as herein provided;

(ii) give the Trustee notice of any Default by the Company in the making of any payment of principal or interest on the Notes;

(iii) at any time during the continuance of any such Default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent; and

(iv) acknowledge, accept and agree to comply in all aspects with the provisions of this Indenture relating to the duties, rights and disabilities of such Paying Agent.

Section 4.05. Compliance Certificate.

(a) The Company will deliver to the Trustee, within 60 days after the end of each of the first three fiscal quarters and within 120 days after the end of each fiscal year of the Company, an Officers' Certificate stating that a review of the activities of the Company and its Subsidiaries has been made under the supervision of the signing Officers with a view to determining whether the Company and each of the Subsidiary Guarantors has kept, observed, performed and fulfilled its obligations

under this Indenture, and further stating, as to each such officer signing such certificate, that, to the best of his knowledge, the Company and each of the Subsidiary Guarantors has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions hereof (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he may have knowledge and what action the Company and each of the Subsidiary Guarantors is taking or proposes to take with respect thereto). The first certificate to be delivered pursuant to this Section 4.05(a) shall be for the fiscal quarter ending March 31, 1998.

(b) The Company will give prompt written notice to the Trustee of the occurrence of any Default or Event of Default and any other development, financial or otherwise, which might materially affect its business, properties or affairs or the ability of the Company to perform its obligations hereunder.

Section 4.06. Corporate Existence, etc.

Subject to the provisions of Article 5 hereof, each of the Company and each of the Subsidiary Guarantors will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and the rights (charter and statutory), licenses and franchises of the Company and each of the Subsidiary Guarantors, except in such cases where a failure to do so would not in the judgment of management of the Company have a material adverse effect on the business, prospects, assets or financial condition of the Company and its Restricted Subsidiaries taken as a whole and would not have a materially adverse impact on the Holders as such.

Section 4.07. Payment of Taxes and Other Claims.

The Company and each of the Subsidiary Guarantors will pay or discharge or cause to be paid or discharged, before the same will become delinquent, (i) all taxes, assessments and governmental charges levied or imposed upon the Company or any Subsidiary Guarantor, as the case may be, or upon the income, profits or property of the Company or any Subsidiary Guarantor, as the case may be, other than any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which appropriate provision has been made in accordance with GAAP and (ii) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a Lien (other than a Permitted Lien) upon the property of the Company or any Subsidiary Guarantor, as the case may be, in each case except to the extent the failure to do so would not have, in the judgment of management of the Company, a material adverse effect on the Company and its Restricted Subsidiaries taken as a whole.

Section 4.08. Insurance.

The Company will maintain and will cause each of its Restricted Subsidiaries to maintain (either in the name of the Company or in such Restricted Subsidiary's own name) with third party insurance companies or pursuant to self-insurance, (i) insurance on all their respective properties, (ii) public liability insurance against claims for personal injury or death as a result of the use of any products sold by it and (iii) insurance coverage against other business risks, in each case, in at least such amounts and against at least such other risks (and with such risk retention) as are usually and prudently insured

against in the same general area by companies engaged in the same or a similar business.

Section 4.09. Stay, Extension and Usury Laws.

Each of the Company and each of the Subsidiary Guarantors covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the Company's or any Subsidiary Guarantor's obligation to pay the Notes or the Subsidiary Guarantees and each of the Company and each of the Subsidiary Guarantors (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law insofar as such law applies to the Notes or the Subsidiary Guarantees, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.10. Maintenance of Properties.

Each of the Company and the Subsidiary Guarantors will take reasonable action to maintain in appropriate condition each of its principal properties which in the judgment of management of the Company is essential to the business operations of the Company and its Subsidiaries taken as a whole and the loss of which would have a material adverse effect on the financial condition of the Company and its Subsidiaries taken as a whole. Nothing contained in this Section 4.10 will prevent or restrict the sale, abandonment or other disposition of any property which management deems advisable.

Section 4.11. Disposition of Proceeds of Asset Sales.

(a) The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, make any Asset Sale unless (i) the Company or the Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value for the shares or assets sold or otherwise disposed of; provided that the aggregate Fair Market Value of the consideration received from any Asset Sale that is not in the form of cash or cash equivalents (in U.S. dollars or freely convertible into U.S. dollars) will not, when aggregated with the Fair Market Value of all other noncash consideration received by the Company and its Restricted Subsidiaries from all previous Asset Sales since the date hereof that has not been converted into cash or cash equivalents (in U.S. dollars or freely convertible into U.S. dollars), exceed five percent of the Consolidated Tangible Net Assets of the Company at the time of the Asset Sale under consideration, and (ii) the Company will apply or will cause one or more of its Restricted Subsidiaries to apply an amount equal to the aggregate Net Proceeds received by the Company or any Restricted Subsidiary from all Asset Sales occurring subsequent to the date hereof as follows: (A) to repay any outstanding Indebtedness of the Company that is not subordinated to the Notes or other Indebtedness of the Company, or to the payment of any Indebtedness of any Restricted Subsidiary that is not subordinated to the Subsidiary Guarantee of such Restricted Subsidiary, in each case within one year after such Asset Sale; or (B) to acquire properties and assets that will be used in the businesses of the Company and its Restricted Subsidiaries existing on the date of this Indenture within one year after such Asset Sale, provided, however, that (x) in the case of applications contemplated by clause (ii)(A) the payment of such Indebtedness will result in a permanent

reduction in committed amounts, if any, under the Indebtedness repaid at least equal to the amount of the payment made, (y) in the case of applications contemplated by clause (ii)(B), the Board of Directors has, within such one year period, adopted in good faith a resolution committing such Net Proceeds to such use and (z) none of such Net Proceeds shall be used to make any Restricted Payment. The amount of such Net Proceeds neither used to repay the Indebtedness described above nor used or invested as set forth in the preceding sentence constitutes "Excess Proceeds." Notwithstanding the above, any Asset Sale that is subject to Section 5.01 hereof will not be subject to this Section 4.11 hereof.

(b) Notwithstanding Section 4.11(a) hereof, to the extent the Company or any of its Restricted Subsidiaries receives securities or other noncash property or assets as proceeds of an Asset Sale, the Company will not be required to make any application of such noncash proceeds required by Section 4.11(a) hereof until it receives cash or cash equivalent proceeds from a sale, repayment, exchange, redemption or retirement of or extraordinary dividend or return of capital on such noncash property. Any amounts deferred pursuant to the preceding sentence will be applied in accordance with Section 4.11(a) hereof when cash or cash equivalent proceeds are thereafter received from a sale, repayment, exchange, redemption or retirement of or extraordinary dividend or return of capital on such noncash property.

(c) When the aggregate amount of Excess Proceeds equals $10,000,000 or more, the Company will so notify the Trustee in writing by delivery of an Officers' Certificate and will offer to purchase from all Holders (an "Excess Proceeds Offer"), and will purchase from Holders accepting such Excess Proceeds Offer on the date fixed for the closing of such Excess Proceeds Offer (the

"Asset Sale Offer Date"), the maximum principal amount (expressed as a multiple of $1,000) of Notes plus accrued and unpaid interest thereon, if any, to the Asset Sale Offer Date that may be purchased and paid, as the case may be, out of the Excess Proceeds, at an offer price (the "Asset Sale Offer Price") in cash in an amount equal to 100 percent of the principal amount thereof plus accrued and unpaid interest, if any, to the Asset Sale Offer Date, in accordance with the procedures set forth in this Section 4.11. To the extent that the aggregate amount of Notes tendered pursuant to an Excess Proceeds Offer is less than the Excess Proceeds relating thereto, then the Company may use such Excess Proceeds, or a portion thereof, for general corporate purposes in the business of the Company and its Restricted Subsidiaries existing on the date of this Indenture. Upon completion of an Excess Proceeds offer, the amount of Excess Proceeds will be reset at zero.

(d) Within 30 days after the date on which the amount of Excess Proceeds equals $10,000,000 or more, the Company (with Notice to the Trustee) or the Trustee at the Company's request (and at the expense of the Company) will send or cause to be sent by first-class mail to all Persons who were Holders on the date such Excess Proceeds equaled $10,000,000, at their respective addresses appearing in the Security Register, a notice of such occurrence and of such Holders' rights arising as a result thereof. Such notice will contain all instructions and materials necessary to enable Holders to tender their Notes to the Company. Such notice, which will govern the terms of the Excess Proceeds Offer, will state:

(i) that the Excess Proceeds Offer is being made pursuant to this Section 4.11 and the length of time such Excess Proceeds Offer will remain open;

(ii) that the Holder has the right to require the Company to repurchase such Holder's Notes at the Asset Sale Offer Price;

(iii) that any Note not tendered will continue to accrue interest;

(iv) that any Note accepted for payment pursuant to the Excess Proceeds Offer will cease to accrue interest on the Asset Sale Offer Date;

(v) that the Asset Sale Offer Date will be no earlier than 45 days nor later than 60 days from the date such notice is mailed;

(vi) that Holders electing to have a Note purchased pursuant to any Excess Proceeds Offer will be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, to the Company, a depositary, if appointed by the Company, or a Paying Agent at the address specified in the notice prior to termination of the Excess Proceeds Offer;

(vii) that Holders will be entitled to withdraw their election if the Company, depositary or Paying Agent, as the case may be, receives, not later than the expiration of the Excess Proceeds Offer, or such longer period as may be required by law, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing its election to have the Note purchased;

(viii) that Holders whose Notes are purchased only in part will be issued Notes equal in principal amount to the unpurchased portion of the Notes surrendered; and

(ix) information concerning the details of the Excess Proceeds Offer and the business of the Company which the Company in good faith believes will enable such Holders to make an informed decision (which at a minimum will include (A) the most recently filed Annual Report on Form 10-K (including audited consolidated financial statements of the Company, the most recent subsequently filed Quarterly Report on Form 10-Q and any Current Report on Form 8-K of the Company filed subsequent to such Quarterly Report, other than Current Reports describing Asset Sales otherwise described in the offering materials relating to the Excess Proceeds Offer (or corresponding successor reports) (or in the event the Company is not required to prepare any of the foregoing Forms, the comparable information required pursuant to Section 4.03 hereof); provided that the Company may at its option incorporate by reference any such filed reports in the notice, (B) a description of material developments in the Company's business subsequent to the date of the latest of such reports and (C) if material, appropriate pro forma financial information.

(e) In the event the aggregate principal amount of Notes surrendered by Holders together with accrued interest thereon exceeds the amount of Excess Proceeds, the Company will select the Notes to be purchased on a pro rata basis from all Notes so surrendered, with such adjustments as may be deemed appropriate by the Company so that only Notes in denominations of $1,000, or integral multiples thereof, will be purchased. To the extent that the Excess Proceeds remaining are less than $1,000, the Company may use such Excess Proceeds for general corporate purposes. Holders whose Notes are purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered.

(f) Not later than one Business Day after the Asset Sale Offer Date in connection with which the Excess Proceeds offer is being made, the Company will (i) accept for payment Notes or portions thereof tendered pursuant to the Excess Proceeds Offer (on a pro rata basis if required), (ii) deposit with the Paying Agent money sufficient, in immediately available funds, to pay the purchase price of all Notes or portions thereof so accepted and (iii) deliver to the Paying Agent an Officers' Certificate identifying the Notes or portions thereof accepted for payment by the Company. The Paying Agent will promptly mail or deliver to Holders so accepted payment in an amount equal to the Asset Sale Offer Price of the Notes purchased from each such Holder, and the Company will execute and upon receipt of an Officers' Certificate of the Company the Trustee will promptly authenticate and mail or deliver to such Holder a new Note equal in principal amount to any unpurchased portion of the Note surrendered. Any Notes not so accepted will be promptly mailed or delivered by the Paying Agent at the Company's expense to the Holder thereof. The Company will publicly announce the results of the Excess Proceeds Offer promptly after the Asset Sale Offer Date. For purposes of this clause M, the Company will choose a Paying Agent which will not be the Company or a Subsidiary thereof.

(g) Any Excess Proceeds Offer will be conducted by the Company in compliance with applicable law, including, without limitation, Section 14(e) of the Exchange Act and Rule 14e -1 thereunder, if applicable.

(h) Whenever Excess Proceeds are received by the Company, and prior to the allocation of such Excess Proceeds pursuant to this Section 4.11, such Excess Proceeds will be set aside by the Company in a separate account to be held in trust for the benefit of the Holders; provided, however, that in the event the Company

will be unable to set aside such Excess Proceeds in a separate account because of provisions of applicable law or of the Working Capital Facilities, the Company will not be required to set aside such Excess Proceeds.

(i) Notwithstanding the foregoing, an Excess Proceeds Offer may be made by one or more Restricted Subsidiaries in lieu of the Company.

Section 4.12. Limitations on Restricted Payments.

(a) The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, make any Restricted Payment, directly or indirectly, after the date hereof if at the time of such Restricted Payment:

(i) the amount of such proposed Restricted Payment (the amount of such Restricted Payment, if other than in cash, will be determined in good faith by a majority of the disinterested members of the Board of Directors of the Company), when added to the aggregate amount of all Restricted Payments declared or made after the date hereof, exceeds the sum of: (1) $50,000,000 plus (2) 50 percent of the Company's Consolidated Net Income accrued during the period (taken as a single period) commencing January 1, 1998 and ending on the last day of the fiscal quarter immediately preceding the fiscal quarter in which the Restricted Payment is to occur (or, if such aggregate Consolidated Net Income is a deficit, minus 100 percent of such aggregate deficit), plus (3) the net cash proceeds derived from the issuance and sale of Capital Stock of the Company and its Restricted Subsidiaries that is not Disqualified Stock (other than a sale to a Subsidiary of the Company) after the date hereof, plus (4) 100 percent of the principal amount of, or, if issued at a

discount, the accreted value of, any Indebtedness of the Company or a Restricted Subsidiary which is issued (other than to a Subsidiary of the Company) after the date hereof that is converted into or exchanged for Capital Stock of the Company that is not Disqualified Stock, plus (5) 100 percent of the aggregate amounts received by the Company or any Restricted Subsidiary from the sale, disposition or liquidation (including by way of dividends) of any Investment (other than to any Subsidiary of the Company and other than to the extent sold, disposed of or liquidated with recourse to the Company or any of its Subsidiaries or to any of their respective properties or assets) but only to the extent (x) not included in Section 4.12(a)(i)(2) above and (y) that the making of such Investment constituted a permitted Restricted Investment, plus (6) 100 percent of the principal amount of, or if issued at a discount the accreted value of, any Indebtedness or other obligation that is the subject of a guarantee by the Company which is released (other than due to a payment on such guarantee) after the date hereof, but only to the extent that the granting of such guarantee constituted a permitted Restricted Payment under the definition set forth in Section 1.02 hereof; or

(ii) the Company would be unable to Incur $1.00 of additional Indebtedness under the Consolidated Fixed Charge Coverage Ratio contained in the covenant set forth in Section 4.13(a) hereof; or

(iii) a Default or Event of Default has occurred and is continuing or occurs as a consequence thereof.

(b) Notwithstanding the foregoing, the provisions of this Section 4.12 will not prevent: (i) the payment of any dividend within 60 days after the date of declaration thereof if the payment thereof would have complied with the limitations of this Indenture on the date of declaration, provided that (x) such dividend will be deemed to have been paid as of its date of declaration for the purposes of this Section 4.12 and (y) at the time of payment of such dividend no other Default or Event of Default shall have occurred and be continuing or would result therefrom; (ii) the retirement of shares of the Company's Capital Stock or the Company's or a Restricted Subsidiary of the Company's Indebtedness for, or out of the net proceeds of a substantially concurrent sale (other than a sale to a Subsidiary of the Company) of, other shares of its Capital Stock (other than Disqualified Stock), provided that the proceeds of any such sale will be excluded in any computation made under Section 4.12(a)(i)(3) above; (iii) the redemption, repurchase, defeasance or retirement for value of Indebtedness, including premium, if any, with the proceeds of Refinancing Indebtedness; (iv) payments or distributions pursuant to or in connection with a merger, consolidation or transfer of assets that complies with the provisions of the Indenture applicable to mergers, consolidations and transfers of all or substantially all of the property and assets of the Company or any Subsidiary Guarantor or (v) Investments in the Joint Venture Entity in an aggregate amount not to exceed $6.0 million.

Section 4.13. Limitations on Additional Indebtedness.

(a) The Company will not, and will not cause or permit any of its Subsidiaries, directly or indirectly, to, Incur any Indebtedness (other than Indebtedness between the Company and its Restricted Subsidiaries which are Wholly Owned Subsidiaries or among such Restricted Subsidiaries which are Wholly Owned Subsidiaries) including Acquisition Indebtedness, unless, after giving effect thereto and the application of the

proceeds therefrom, either (i) the Company's Consolidated Fixed Charge Coverage Ratio on the date thereof would be at least 2.0 to 1.0 or (ii) the ratio of Indebtedness of the Company and the Restricted Subsidiaries to Consolidated Tangible Net Worth is less than 2.25 to 1.

(b) Notwithstanding the foregoing, the provisions of this Indenture will not prevent: (i) the Company from Incurring (A) Refinancing Indebtedness, (B) Non-Recourse Indebtedness, (C) Indebtedness evidenced by the Notes issued on the Issue Date or the Exchange Notes, (D) Indebtedness Incurred under Working Capital Facilities not to exceed the greater of $75,000,000 or 15% of Consolidated Tangible Assets; (ii) Unrestricted Subsidiaries from Incurring Indebtedness; (iii) any Subsidiary Guarantee of Indebtedness of the Company under the Notes; (iv) the Company and its Restricted Subsidiaries from Incurring Indebtedness under any deposits made to secure performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, progress statements, government contracts and other obligations of like nature (exclusive of the obligation for the payment of borrowed money) and (v) the Company and its Restricted Subsidiaries from guaranteeing Indebtedness of the Joint Venture Entity in an amount not to exceed $6.0 million less the amount of all other Investments made by the Company and its Restricted Subsidiaries in the Joint Venture Entity, in each case Incurred in the ordinary course of business of the Company or the Restricted Subsidiary.

(c) The Company shall not, and the Company will not cause or permit any Subsidiary Guarantor that is a Restricted Subsidiary to, directly or indirectly, in any event Incur any Indebtedness that purports to be by its terms (or by the terms of any agreement governing such Indebtedness) subordinated to any other Indebtedness of the Company or of such Subsidiary Guarantor, as the case may be, unless such Indebtedness is also by its terms (or by the terms of any agreement governing such

Indebtedness) made expressly subordinated to the Notes or the Subsidiary Guarantee of such Subsidiary Guarantor, as the case may be, to the same extent and in the same manner as such Indebtedness is subordinated to such other Indebtedness of the Company or such Subsidiary Guarantor, as the case may be.

(d) For purposes of determining compliance with this Section 4.13, in the event an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described in this Section 4.13, the Company, in its sole discretion, shall classify such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of such clauses.

Section 4.14. Restrictions on Restricted Subsidiary Indebtedness.

In addition to the limitations provided for under Section 4.13 hereof, the Company will not permit any Restricted Subsidiaries to, directly or indirectly, Incur any additional Indebtedness after the date hereof other than: (i) any guarantee of Indebtedness of the Company permitted to be Incurred under this Indenture (other than Non-Recourse Indebtedness), (ii) Refinancing Indebtedness, (iii) Non-Recourse Indebtedness, (iv) Acquisition Indebtedness not to exceed $10,000,000 aggregate principal amount at any one time outstanding; (v) Indebtedness to the Company for so long as held by the Company; provided that such Indebtedness is subordinated to any Subsidiary Guarantee, (vi) Indebtedness to another Restricted Subsidiary which is a Wholly Owned Subsidiary so long as held by such Restricted Subsidiary; provided that such Indebtedness is subordinated to any Subsidiary Guarantee, (vii) any Subsidiary Guarantee of Indebtedness of the Company under the Notes and (viii) any deposits made to secure performance of tenders, bids, leases, statutory obligations, surety and appeal bonds, progress statements, government contracts, and other obligations of like

nature (exclusive of the obligation for the payment of borrowed money), in each case Incurred in the ordinary course of business of the Restricted Subsidiary, consistent with past practice.

Section 4.15. Limitations and Restrictions on Issuance of Capital Stock of Restricted Subsidiaries.

The Company will not permit any Restricted Subsidiary to issue, or permit to be outstanding at any time, Preferred Stock or any other Capital Stock constituting Disqualified Stock other than any such Capital Stock issued to or held by the Company or any Restricted Subsidiary of the Company which is a Wholly Owned Subsidiary.

Section 4.16. Change of Control.

(a) Following the occurrence of any Change of Control, the Company will so notify the Trustee in writing by delivery of an Officers' Certificate and will offer to purchase (a "Change of Control Offer") from all Holders, and will purchase from Holders accepting such Change of Control Offer on the date fixed for the closing of such Change of Control Offer (the "Change of Control Payment Date"), the outstanding principal amount of Notes at an offer price (the "Change of Control Price") in cash in an amount equal to 101 percent of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to the Change of Control Payment Date in accordance with the procedures set forth in this Section 4.16.

(b) Within 30 days after the date on which a Change of Control occurs, the Company (with Notice to the Trustee) or the Trustee at the Company's request (and at the expense of the Company), will send or cause to be sent by first class mail, postage prepaid, to all Persons who were Holders on the date of the Change of Control at their respective addresses appearing in the Security Register, a notice of such occurrence and of

such Holders' rights arising as a result thereof. Such notice will contain all instructions and materials necessary to enable Holders to tender their Notes to the Company. Such notice, which will govern the terms of the Change of Control Offer, will state:

(i) that the Change of Control Offer is being made pursuant to Section 4.16(a) hereof and the length of time the Change of Control Offer will remain open;

(ii) that the Holder has the right to require the Company to repurchase such Holder's Notes at the Change of Control Price;

(iii) that any Note not tendered will continue to accrue interest;

(iv) that any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date;

(v) that the Change of Control Payment Date will be no earlier than 45 days nor later than 60 days from the date such notice is mailed;

(vi) that Holders electing to have a Note purchased pursuant to any Change of Control Offer will be, required to surrender the Note, with the form entitled "option of Holder to Elect Purchase" on the reverse of the Note completed, to the Company, a depositary, if appointed by the Company, or a Paying Agent at the address specified in the notice prior to termination of the Change of Control Offer;

(vii) that Holders will be entitled to withdraw their election if the Company, depositary or Paying Agent, as the case may be, receives, not later than the expiration

of the Change of Control Offer, or such longer period as may be required by law, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing its election to have the Note purchased;

(viii) that Holders which elect to have their Notes purchased only in part will be issued new Notes in a principal amount equal to the unpurchased portion of the Notes surrendered;

(ix) information concerning the date and details of the Change of Control and the business of the Company which the Company in good faith believes will enable such Holders to make an informed decision (which at a minimum will include (A) the most recently filed Annual Report on Form 10-K (including audited consolidated financial statements) of the Company, the most recent subsequently filed Quarterly Report on Form 10-Q and any Current Report on Form 8-K of the Company filed subsequent to such Quarterly Report, other than Current Reports describing Asset Sales otherwise described in the offering materials relating to the Change of Control Offer (or corresponding successor reports) (or in the event the Company is not required to prepare any of the foregoing Forms, the comparable information required pursuant to Section 4.03 hereof); provided that the Company may at its option incorporate by reference any such filed reports in the notice, (B) a description of material developments in the Company's business subsequent to the date of the latest of such reports, and (C) if material, appropriate pro forma financial information).

(c) In the event of a Change of Control Offer, the Company will only be required to accept Notes in denominations of $1,000 or integral multiples thereof.

(d) Not later than one Business Day after the Change of Control Payment Date in connection with which the Change of Control Offer is being made, the Company will (i) accept for payment Notes or portions thereof tendered pursuant to the Change of Control Offer, (ii) deposit with the Paying Agent money sufficient, in immediately available funds, to pay the purchase price of all Notes or portions thereof so accepted and (iii) deliver to the Paying Agent an Officers' Certificate identifying the Notes or portions thereof accepted for payment by the Company. The Paying Agent will promptly mail or deliver to Holders of Notes so accepted payment in an amount equal to the Change of Control Price of the Notes purchased from each such Holder, and the Company will execute and, upon receipt of an Officers' Certificate of the Company, the Trustee will promptly authenticate and mail or deliver to such Holder a new Note equal in principal amount to any unpurchased portion of the Note surrendered. Any Notes not so accepted will be promptly mailed or delivered by the Paying Agent at the Company's expense to the Holder thereof. The Company will publicly announce the results of the Change of Control Offer promptly after the Change of Control Payment Date. For purposes of this Section 4.16(d), the Company will choose a Paying Agent which will not be the Company or a Subsidiary thereof.

(e) Any Change of Control Offer will be conducted by the Company in compliance with applicable law, including, without limitation, Section 14(e) of the Exchange Act and Rule 14e-1 thereunder.

Section 4.17. Limitation on Transactions With Stockholders and Affiliates.

(a) The Company will not, and will not permit any of its Subsidiaries to, make any Investment, loan, advance, guarantee or capital contribution to or for the benefit of, or sell, lease, transfer or otherwise dispose of any of its

properties or assets to, or for the benefit of, or purchase or lease any property or assets from, or enter into or amend any contract, agreement or understanding with, or for the benefit of, (i) any Affiliate of the Company or any Affiliate of the Company's Subsidiaries or (ii) any Person (or any Affiliate of such Person) holding 10 percent or more of the Common Equity of the Company or any of its Subsidiaries (each an "Affiliate Transaction"), except on terms that are no less favorable to the Company or the relevant Subsidiary, as the case may be, than those that could have been obtained in a comparable transaction on an arm's length basis from a Person that is not an Affiliate.

(b) The Company will not, and will not permit any of its Subsidiaries to, enter into any Affiliate Transaction involving or having a value of more than $1,000,000, unless, in each case, such Affiliate Transaction has been approved by a majority of the disinterested members of the Company's Board of Directors.

(c) The Company will not, and will not permit any of its Subsidiaries to, enter into an Affiliate Transaction involving or having a value of more than $5,000,000 unless the Company has delivered to the Trustee an opinion of an Independent Financial Advisor to the effect that the transaction is fair to the Company or the relevant Subsidiary, as the case may be, from a financial point of view.

(d) Notwithstanding the foregoing, an Affiliate Transaction will not include (i) any contract, agreement or understanding with, or for the benefit of, or plan for the benefit of, employees of the Company or its Subsidiaries (in their capacity as such) that has been approved by the Company's Board of Directors, (ii) Capital Stock issuances to members of the Board of Directors, officers and employees, of the Company or its Subsidiaries pursuant to plans approved by the stockholders of the Company, (iii) any Restricted Payment

otherwise permitted under Section 4.12 hereof, (iv) any transaction between the Company and a Restricted Subsidiary or a Restricted Subsidiary and another Restricted Subsidiary, (v) any transaction pursuant to the tax sharing agreement, the agreement with Beazer Homes Ltd. regarding use of name and the cross indemnity agreement, in each case with the Company's former parent or affiliates, as such agreements are in effect on the date of the Indenture, or (vi) any transactions pursuant to the joint venture agreement with the Joint Venture Entity, as such agreement is in effect on the date hereof.

Section 4.18. Limitations on Liens.

(a) The Company will not, and will not permit any of its Restricted Subsidiaries to, create, incur, assume or suffer to exist any Liens, other than Permitted Liens, on any of its or their assets, property, income or profits therefrom unless contemporaneously therewith or prior thereto all payments due hereunder and under the Notes are secured on an equal and ratable basis with the obligation or liability so secured until such time as such obligation or liability is no longer secured by a Lien.

(b) The Company will not create or suffer to exist on any Indebtedness from the Company in favor of any Restricted Subsidiary any Lien and such Indebtedness will not be sold, disposed of or otherwise transferred.

Section 4.19. Limitations on Restrictions on Distributions from Restricted Subsidiaries.

The Company will not, and will not permit any of its Restricted Subsidiaries to, create, assume or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (i) pay dividends or make any other distributions on its Capital Stock or any other interest or participation in,

or measured by, its profits, owned by the Company or any of its other Restricted Subsidiaries, or pay interest on or principal of any Indebtedness owed to the Company or any of its other Restricted Subsidiaries, (ii) make loans or advances to the Company or any of its other Restricted Subsidiaries, or (iii) transfer any of its properties or assets to the Company or any of its other Restricted Subsidiaries, except for encumbrances or restrictions existing under or by reason of (a) applicable law, (b) covenants or restrictions contained in the agreements evidencing Existing Indebtedness as in effect on the date hereof, (c) any restrictions or encumbrances arising under Acquisition Indebtedness; provided, that such encumbrance or restriction applies only to the obligor on such Indebtedness and its Subsidiaries and that such Acquisition Indebtedness was not incurred by the Company or any of its Subsidiaries or by the Person being acquired in connection with or in anticipation of such acquisition, (d) any restrictions or encumbrances arising in connection with Refinancing Indebtedness; provided that any restrictions and encumbrances of the type described in this clause (d) that arise under such Refinancing Indebtedness are not more restrictive than those under the agreement creating or evidencing the Indebtedness being refunded, refinanced, replaced or extended, (e) any agreement restricting the sale or other disposition of property securing Indebtedness permitted by this Indenture if such agreement does not expressly restrict the ability of a Subsidiary of the Company to pay dividends or make loans or advances, and (f) reasonable and customary borrowing base covenants set forth in agreements evidencing Indebtedness otherwise permitted by this Indenture, which covenants restrict or limit the distribution of revenues or sale proceeds from real estate or a real estate project based upon the amount of indebtedness outstanding on such real estate or real estate project and the value of some or all of the remaining real estate or the project's remaining assets, and customary provisions restricting subletting or assignment of any lease governing a leasehold interest of the Company or any of its Restricted Subsidiaries.

Section 4.20. Maintenance of Consolidated Tangible Net Worth.

(a) In the event the Consolidated Tangible Net Worth of the Company is less than $85,000,000 at the end of any two consecutive fiscal quarters (the last day of the second fiscal quarter being referred to herein as the "Deficiency Date"), within 30 days after the end of each such period, the Company will so notify the Trustee in writing by delivery of an Officers' Certificate and will offer to purchase from all Holders (a "Net Worth Offer"), and will purchase from Holders accepting such Net Worth Offer on the date fixed for the closing of such Net Worth Offer (the "Net Worth Offer Date"), 10 percent of the original outstanding principal amount of the Notes (the "Net Worth Amount") at an offer price (the "Net Worth Offer Price") in cash in an amount equal to 100 percent of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to the Net Worth Offer Date, in accordance with the procedures set forth in this Section 4.20. To the extent that the aggregate amount of Notes tendered pursuant to a Net Worth Offer is less than the Net Worth Amount relating thereto, then the Company may use the excess of the Net Worth Amount over the amount of Notes tendered, or a portion thereof, for general corporate purposes. In no event shall the Company's failure to meet the Consolidated Tangible Net Worth threshold at the end of any fiscal quarter be counted toward the making of more than one Net Worth Offer. The Company may reduce the principal amount of Notes to be purchased pursuant to the Net Worth Offer by subtracting 100% of the principal amount (excluding premium) of Notes acquired by the Company or any Wholly Owned Subsidiary subsequent to the Deficiency Date and surrendered for cancellation through purchase, redemption (other than pursuant to this Section 4.20) or exchange, and that were not previously used as a credit against any obligation to repurchase Notes pursuant to this Section 4.20.

(b) In the event the Consolidated Tangible Net Worth of the Company is less than $85,000,000 at the end of any two consecutive fiscal quarters, within 30 days after the end of such period, the Company (with notice to the Trustee) or the Trustee at the Company's request (and at the expense of the Company) will send or cause to be sent by first-class mail, postage pre-paid, to all Persons who were Holders on the date of the end of the second such consecutive fiscal quarter, at their respective addresses appearing in the Security Register, a notice of such occurrence and of each Holder's rights arising as a result thereof. Such notice will contain all instructions and materials necessary to enable Holders to tender their Notes to the Company. Such notice, which will govern the terms of the Net Worth Offer, will state:

(i) that the Net Worth Offer is being made pursuant to Section 4.20(a) hereof and the length of time such Net Worth Offer will remain open;

(ii) that the Holder has the right to require the Company to repurchase such Holder's Notes at the Net Worth Offer Price;

(iii) that any Note not tendered will continue to accrue interest;

(iv) that any Note accepted for payment pursuant to the Net Worth Offer will cease to accrue interest on the Net Worth Offer Date;

(v) that the Net Worth Offer Date will be no earlier than 45 days nor later than 60 days from the date such notice is mailed;

(vi) that Holders electing to have a Note purchased pursuant to any Net Worth Offer will be required to surrender the Note, with the form entitled "Option of

Holder to Elect Purchase" on the reverse of the Note completed, to the Company, a depositary, if appointed by the Company, or a Paying Agent at the address specified in the notice prior to termination of the Net Worth Offer;

(vii) that Holders will be entitled to withdraw their election if the Company, depositary or Paying Agent, as the case may be, receives, not later than the expiration of the Net Worth Offer, or such longer period as may be required by law, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for the purchase and a statement that such Holder is withdrawing its election to have the Note purchased;

(viii) that Holders whose Notes are purchased only in part will be issued Notes equal in principal amount to the unpurchased portion of the Notes surrendered; and

(ix) information concerning the period and details of the events requiring the Net Worth Offer and the business of the Company which the Company in good faith believes will enable such Holders to make an informed decision (which at a minimum will include (A) the most recently filed Annual Report on Form 10-K (including audited consolidated financial statements) of the Company, the most recent subsequently filed Quarterly Report on Form 10-Q and any Current Report on Form 8-K of the Company filed subsequent to such Quarterly Report, other than Current Reports describing Asset Sales otherwise described in the offering materials relating to the Net Worth Offer (or corresponding successor reports) (or in the event the Company is not required to prepare any of the foregoing Forms, the comparable information required pursuant to Section 4.03 hereof); provided that the Company may, at its option, incorporate by reference any such filed reports in the notice, (B) a description of material

developments in the Company's business subsequent to the date of the latest of such reports, and (C) if material, appropriate pro forma financial information).

(c) In the event that the aggregate principal amount of Notes surrendered by Holders exceeds the Net Worth Amount, the Company will select the Notes to be purchased on a pro rata basis from all Notes so surrendered, with such adjustments as may be deemed appropriate by the Company so that only Notes in denominations of $1,000, or integral multiples thereof, will be purchased. To the extent that the Net Worth Amount remaining is less than $1,000, the Company may use such Net Worth Amount for general corporate purposes. Holders whose Notes are purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered.

(d) Not later than one Business Day after the Net Worth Offer Date in connection with which the Net Worth Offer is being made, the Company will (i) accept for payment Notes or portions thereof tendered pursuant to the Net Worth offer (on a pro rata basis if required pursuant to Section 4.20(c) above), (ii) deposit with the Paying Agent money sufficient, in immediately available funds, to pay the purchase price of all Notes or portions thereof so accepted and (iii) deliver to the Paying Agent an Officers' Certificate identifying the Notes or portions thereof accepted for payment by the Company. The Paying Agent will promptly mail or deliver to Holders of Notes so accepted payment in an amount equal to the Net Worth Offer Price of the Notes purchased from each such Holder, and the Company will execute and the Trustee will promptly authenticate and mail or deliver to such Holder a new Note equal in principal amount to any unpurchased portion of the Note surrendered. Any Notes not so accepted will be promptly mailed or delivered by the Paying Agent at the Company's expense to the Holder thereof. The Company will publicly announce the results of the Net Worth Offer promptly after the Net Worth

Offer Date. For purposes of this Section 4.20(d), the Company will choose a Paying Agent which will not be the Company or a Subsidiary thereof.

(e) Any Net Worth Offer will be conducted by the Company in compliance with applicable law, including, without limitation, Section 14(e) of the Exchange Act and Rule 14e-1 thereunder, if applicable.

Section 4.21. Subsidiary Guarantees.

After the date hereof, the Company will cause each of its Subsidiaries that is or becomes a Restricted Subsidiary (other than, in the Company's discretion, any Restricted Subsidiary the assets of which have a book value of not more than $5,000,000 to be a Subsidiary Guarantor hereunder in accordance with the provisions of Section 11.03 hereof. The Company may, in its discretion, cause any Unrestricted Subsidiary to become a Subsidiary Guarantor hereunder in the same manner.

ARTICLE 5

SUCCESSORS

Section 5.01. Limitations on Mergers and Consolidations.

(a) Neither the Company nor any Subsidiary Guarantor will consolidate or merge with or into, or sell, lease, convey or otherwise dispose of all or substantially all of its assets (including, without limitation, by way of liquidation or dissolution), or assign any of its obligations hereunder, under the Notes or under the Subsidiary Guarantees (as an entirety or substantially in one transaction or series of related transactions), to any Person or permit any of its Restricted Subsidiaries to do any of the foregoing (in each case other than with the Company or another Wholly Owned Restricted Subsidiary) unless: (i) the Person formed by or surviving such consolidation or merger (if other than the Company or such Subsidiary Guarantor, as the case may be), or to which such sale, lease, conveyance or other disposition or assignment will be made (collectively, the "Successor"), is a solvent corporation or other legal entity organized and existing under the laws of the United States or any state thereof or the District of Columbia, and the Successor assumes by supplemental indenture in a form reasonably satisfactory to the Trustee all of the obligations of the Company or such Subsidiary Guarantor, as the case may be, under the Notes or such Subsidiary Guarantor's Subsidiary Guarantee, as the case may be, and this Indenture, (ii) immediately after giving effect to such transaction, no Default or Event of Default has occurred and is continuing, (iii) immediately after giving effect to such transaction and the use of any net proceeds therefrom, on a pro forma basis, the Consolidated Tangible Net Worth of the Company or the Successor (in the case of a transaction involving the Company), as the case may be, would be at least equal to the Consolidated Tangible Net Worth of the Company immediately prior to such transaction, and (iv) immediately after giving effect to such transaction and the use of any net proceeds therefrom, on a pro forma basis, the Consolidated Fixed Charge Coverage Ratio of the Company or the Successor (in the case of a transaction involving the Company), as the case may be, would be such that the Company or the Successor (in the case of a transaction involving the Company), as the case may be, would

be entitled to Incur at least $1.00 of additional Indebtedness under such Consolidated Fixed Charge Coverage Ratio test set forth in Section 4.13 hereof. The foregoing provisions shall not apply to a transaction involving the consolidation or merger of a Subsidiary Guarantor with or into another person, or the sale, lease, conveyance or other disposition of all or substantially all of the assets of such Subsidiary Guarantor, that results in such Subsidiary Guarantor being released from its Subsidiary Guarantee as provided under Section 11.04 hereof.

(b) The Company or any Subsidiary Guarantor, as the case may be, will deliver to the Trustee prior to the consummation of the proposed transaction an Officers' Certificate to the foregoing effect and an opinion of Counsel stating that the proposed transaction and such supplemental indenture comply with this Indenture.

Section 5.02. Successor Corporation Substituted.

Upon any consolidation or merger, or any sale, lease, conveyance or other disposition of all or substantially all of the assets of the Company or any assignment of its obligations under this Indenture or the Notes in accordance with Section 5.01 hereof, upon assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the due and punctual payment of the principal of, premium, if any, and interest on all of the Notes and the due and punctual performance and observance of all the covenants and conditions of this Indenture to be performed or observed by the Company, the Successor formed by such consolidation or into or with which the Company is merged or to which such sale, lease, conveyance or other disposition or assignment is made will succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such Successor has been named as the Company

herein and such Successor may cause to be signed and may issue in its own name or in the name of the Company, any or all Notes issuable hereunder and the predecessor Company, in the case of a sale, lease, conveyance or other disposition or assignment, will be released from all obligations under this Indenture and the Notes.

ARTICLE 6

DEFAULTS AND REMEDIES

Section 6.01. Events of Default.

(a) "Event of Default," wherever used herein, means any of the following events (whatever the reason for such Event of Default and whether it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) the failure by the Company to pay interest on any Note when the same becomes due and payable and the continuance of any such failure for a period of 30 days;

(ii) the failure by the Company to pay the principal or premium of any Note when the same becomes due and payable at maturity, upon acceleration or otherwise (including the failure to make payment pursuant to a Change of Control Offer, a Net Worth Offer or an Excess Proceeds Offer);

(iii) the failure by the Company or any of its Subsidiaries to comply with any of its agreements or covenants in, or provisions of, the Notes, the Subsidiary

Guarantees or this Indenture and such failure continues for the period and after the notice specified below;

(iv) the acceleration of any Indebtedness (other than Non-Recourse Indebtedness) of the Company or any of its Subsidiaries that has an outstanding principal amount of $3,000,000 or more in the aggregate;

(v) the failure by the Company or any of its Subsidiaries to make any principal or interest payment in respect of Indebtedness (other than Non-Recourse Indebtedness) of the Company or any of its Subsidiaries with an outstanding aggregate amount of $3,000,000 or more within five days of such principal or interest payment becoming due and payable (after giving effect to any applicable grace period set forth in the documents governing such Indebtedness);

(vi) a final judgment or judgments that exceed $3,000,000 or more in the aggregate, for the payment of money, having been entered by a court or courts of competent jurisdiction against the Company or any of its Subsidiaries and such judgment or judgments is not satisfied, stayed, annulled or rescinded within 60 days of being entered;

(vii) the Company or any Material Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

(A) commences a voluntary case,

(B) consents to the entry of an order for relief against it in an involuntary case,

(C) consents to the appointment of a Custodian of it or for all or substantially all of its property, or

(D) makes a general assignment for the benefit of its creditors;

(viii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company or any Material Subsidiary as debtor in an involuntary case,

(B) appoints a Custodian of the Company or any Material Subsidiary or a Custodian for all or substantially all of the property of the Company or any Material Subsidiary, or

(C) orders the liquidation of the Company or any Material Subsidiary and the order or decree remains unstayed and in effect for 60 days; or

(ix) any Subsidiary Guarantee ceases to be in full force and effect (other than in accordance with the terms of such Subsidiary Guarantee and this Indenture) or is declared null and void and unenforceable or found to be invalid or any Subsidiary Guarantor denies its liability under its Subsidiary Guarantee (other than by reason of release of a Subsidiary Guarantor from its Subsidiary Guarantee in accordance with the terms of this Indenture and the Subsidiary Guarantee).

(b) The Trustee will not be deemed to know of a Default unless a Trust Officer has actual knowledge of such Default or receives written notice of such Default with specific reference to such Default.

(c) A Default under Section 6.01(a)(iii) hereof will not be deemed an Event of Default until the Trustee notifies

the Company, or the Holders of at least 25 percent in principal amount of the then outstanding Notes notify the Company and the Trustee, of the Default and the Company does not cure the Default within 60 days after receipt of the notice. The notice must specify the Default, demand that it be remedied and state that the notice is a "Notice of Default." If such a Default is cured within such time period, it ceases.

Section 6.02. Acceleration.

(a) If an Event of Default (other than an Event of Default with respect to the Company specified in clause (vii) or (viii) of section 6.01(a) hereof) shall have occurred and be continuing under this Indenture, the Trustee by notice to the Company, or the Holders of at least 25 percent in principal amount of the Notes then outstanding by notice to the Company and the Trustee, may declare all Notes to be due and payable immediately. Upon such declaration of acceleration, the amounts due and payable on the Notes, as determined in Section 6.02(b) hereof, will be due and payable immediately. If an Event of Default with respect to the Company specified in clause (vii) or (viii) of Section 6.01(a) hereof occurs, such an amount will ipso facto become and be immediately due and payable without any declaration, notice or other act on the part of the Trustee and the Company or any Holder. The Holders of a majority in principal amount of the Notes then outstanding by written notice to the Trustee and the Company may waive such Default or Event of Default (other than any Default or Event of Default in payment of principal or interest) on the Notes under this Indenture. Holders of a majority in principal amount of the then outstanding Notes may rescind an acceleration and its consequences (except an acceleration due to nonpayment of principal or interest on the Notes) if the rescission would not conflict with any judgment or decree and if all existing Events of Default have been cured or waived.

(b) In the event that the maturity of the Notes is accelerated pursuant to Section 6.02(a) hereof, 100 percent of the principal amount of the Notes (or, in the case of a default under Section 6.01(a)(ii) or (iii) hereof resulting from a breach of the covenant set forth in Section 4.16 hereof, 101 percent of the principal amount of the Notes) will become due and payable plus accrued interest, if any, to the date of payment.

Section 6.03. Other Remedies.

(a) If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the payment of principal or interest on the Notes and the Subsidiary Guarantees or to enforce the performance of any provision of the Notes or this Indenture.

(b) The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default will not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04. Waiver of Past Defaults and Compliance with Indenture Provisions.

Subject to Sections 6.07 and 10.02 hereof, the Holders of a majority in principal amount of the then outstanding Notes by notice to the Trustee may waive an existing Default or Event of Default and its consequences (including waivers obtained in connection with a tender offer or exchange offer for Notes), except a continuing Default or Event of Default in the payment of the principal of or interest on any Note. Upon any such waiver, such Default will cease to

exist, and any Event of Default arising therefrom will be deemed to have been cured for every purpose of this Indenture, but no such waiver will extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

Section 6.05. Control by Majority.

The Holders of a majority in principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders, or that may subject the Trustee to legal liability; provided that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

Section 6.06. Limitations on Suits.

(a) A Holder may pursue a remedy with respect to this Indenture, the Subsidiary Guarantees or the Notes only if:

(i) the Holder gives to the Trustee written notice of a continuing Event of Default;

(ii) the Holder(s) of at least 25 percent in principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

(iii) such Holder or Holders offer to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;

(iv) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and

(v) during such 60-day period the Holders of a majority in principal amount of the then outstanding Notes do not give the Trustee a direction inconsistent with the request.

(b) A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

Section 6.07. Rights of Holders To Receive Payment.

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal and interest on the Note, on or after the respective due dates expressed in the Note, or, subject to Section 6.06 hereof, to bring suit for the enforcement of any such payment on or after such respective dates, will not be impaired or affected without the consent of the Holder.

Section 6.08. Collection Suit by Trustee.

If an Event of Default specified in Section 6.01(a)(i) or 6.01(a)(ii) hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company or any Subsidiary Guarantor for the amount of principal and interest remaining unpaid on the Notes or the Subsidiary Guarantees, as the case may be, determined in accordance with Section 6.02 hereof, and such further amount as will be sufficient to cover the costs and expenses of collection, including, without limitation, the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09. Trustee May File Proofs of Claim.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including, without limitation, any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relative to the Company or any Subsidiary Guarantor, its creditors or property and will be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any Custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee consents to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof. Nothing contained herein will be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes, the Subsidiary Guarantees or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10. Priorities.

(a) In the event the Trustee collects any money pursuant to this Article 6, it will pay out the money in the following order:

FIRST: to the Trustee for amounts due under Section 7.07 hereof;

SECOND: to Holders for amounts due and unpaid on the Notes for principal and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal and interest, respectively; and

THIRD: to the Company or such other Person legally entitled thereto.

(b) The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

Section 6.11. Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant (other than the Trustee) in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.07 hereof, or a suit by Holders holding, in the aggregate, more than ten percent in principal amount of the then outstanding Notes.

Section 6.12. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then, and in every such case, the Company, the Subsidiary Guarantors, the Trustee and the Holders will,

subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders will continue as though no such proceeding has been instituted.

ARTICLE 7

TRUSTEE

Section 7.01. Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee will exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in such exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) Except during the continuance of an Event of Default:

(i) the Trustee need perform only those duties that are specifically set forth in this Indenture and no others; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions which are specifically required to be furnished to the Trustee by any of the provisions hereof, the Trustee will examine the certificates and opinions to

determine whether or not, on their face, they appear to conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this Section 7.01(c) does not limit the effect of Section 7.01(b) hereof;

(ii) the Trustee will not be liable for any error of judgment made in good faith by a Trust Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee will not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05 hereof.

Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to clauses (i), (ii) and (iii) of this Section 7.01(c).

(d) No provision of this Indenture will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it has reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(e) The Trustee will not be liable for interest on any money received by it except as the Trustee may agree with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law. Subject to Section 7.03 hereof, all money received from

the Trustee will, until applied as herein provided, be held in trust for the payment of principal and interest on the Notes.

Section 7.02. Rights of Trustee.

Subject to Section 7.01 hereof:

(i) the Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts of matters as it may see fit, and, if the Trustee determines to make such further inquiry or investigation, it will be entitled to examine the books, records, and premises of the Company, personally or by agent or attorney;

(ii) before the Trustee acts or refrains from acting, it may require an Officers' Certificate, an Opinion of Counsel, or both. The Trustee will not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel satisfactory to it and the written advice of such counsel or any Opinion of Counsel will be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(iii) the Trustee may act through agents and will not be responsible for the misconduct or negligence of any agent appointed with due care; provided, however, that the Trustee will in any event be liable for the misappropriation of funds deposited with it or in an account within its dominion and control;

(iv) the Trustee will not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers conferred upon it by this Indenture; and

(v) unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company will be sufficient if signed by an Officer of the Company.

(a) The Trustee will be under no obligation to exercise and may refuse to exercise any of the rights or powers vested in it by this Indenture at the request or direction, if any, of the Holders pursuant to this Indenture, unless such Holders have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

Section 7.03. Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any of its Affiliates with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights. However, the Trustee is subject to Sections 7.10 and 7.11 hereof.

Section 7.04. Trustee's Disclaimer.

The Trustee makes no representation as to the validity or adequacy of this Indenture, any Subsidiary Guarantee or the Notes, it will not be accountable for any actions taken by the Company or any action taken by the Trustee hereunder at the direction of the Company or in reliance upon an Opinion of Counsel, and it will not be responsible for any statement or recital herein or any statement in the Notes or

any Subsidiary Guarantee other than its certificate of authentication.

Section 7.05. Notice of Defaults.

(a) If a Default or Event of Default occurs and is continuing and if it is known to the Trustee, the Trustee will mail to Holders a notice of the Default or Event of Default within 90 days after it occurs. However, except in the case of a Default or Event of Default in payment of principal or interest on any Note or a breach of the Change of Control covenant, the Trustee may withhold such notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interest of Holders.

Section 7.06. Reports by Trustee to Holders.

(a) Within 60 days after each May 15, beginning with May 15, 1998, the Trustee will mail to Holders a brief report dated as of such reporting date that complies with TIA ss. 313(a); provided, however, if no event described in TIA ss. 313(a) has occurred within such calendar year, no report need be transmitted. The Trustee also will comply with TIA S 313(b) and ss. 313(c).

(b) A copy of each report at the time of its mailing to Holders will be filed with the SEC and each stock exchange, if any, on which the Notes are listed. The Company will notify the Trustee when the Notes are listed on any stock exchange.

Section 7.07. Compensation and Indemnity.

(a) The Company and each Subsidiary Guarantor, jointly and severally, agree:

(i) to pay to the Trustee all reasonable compensation for all services rendered by it hereunder

(which compensation will not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(ii) to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including, without limitation, the reasonable compensation and the expenses, advances and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(iii) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

(b) The Trustee shall notify the Company and each Subsidiary Guarantor promptly of any claim for which it may seek indemnity. Neither, the Company nor any Subsidiary Guarantor need pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

(c) To secure the Company's payment obligations in this Section 7.07, the Trustee will have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal and interest on particular Notes.

(d) When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(a)(vii) or (a)(viii) occurs, the expenses and the

compensation for the services are intended to constitute expenses of administration under any Bankruptcy Law.

Section 7.08. Replacement of Trustee.

(a) A resignation or removal of the Trustee and appointment of a successor Trustee will become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08.

(b) The Trustee may resign and be discharged from the trust hereby created by so notifying the Company in writing. The Holders of a majority in principal amount of the Notes then outstanding may remove the Trustee by so notifying the Trustee and the Company. The Company may remove the Trustee if:

(i) the Trustee fails to comply with Section 7.10 hereof;

(ii) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(iii) a Custodian or public officer takes charge of the Trustee or its property; or

(iv) the Trustee becomes incapable of acting.

(c) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company or any other obligor upon the Notes will promptly appoint a successor Trustee.

(d) If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company or the Holders of at

least ten percent in principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee fails to comply with Section 7.10 hereof, any Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) A successor Trustee will deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon the resignation or removal of the retiring Trustee will become effective, and the successor Trustee will have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee will mail a notice of its succession to Holders. The retiring Trustee will promptly transfer all property held by it as Trustee to the successor Trustee, subject to the Lien provided for in Section 7.07(c) hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 hereof will continue for the benefit of the retiring Trustee.

Section 7.09. Successor Trustee by Merger, etc.

(a) Subject to Section 7.10 hereof, if the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act will be the successor Trustee; provided that in the case of a transfer of all or substantially all of its corporate trust business to another corporation, the transferee corporation expressly assumes all of the Trustee's liabilities hereunder.

(b) In case any Notes have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating

Trustee may adopt such authentication and deliver the Notes so authenticated, with the same effect as if such successor Trustee had itself authenticated such Notes.

Section 7.10. Eligibility; Disqualification.

(a) There will at all times be a Trustee hereunder which will (i) be a corporation organized and doing business under the laws of the United States, any state thereof or the District of Columbia, authorized under such laws to exercise corporate trustee power, (ii) be subject to supervision or examination by federal or state (or the District of Columbia) authority and (iii) have a combined capital and surplus of at least $150 million as set forth in its most recent published annual report of condition.

(b) This Indenture will always have a Trustee who satisfies the requirements of TIA ss.ss. 310(a)(1) and 310(a)(2). The Trustee is subject to TIA ss. 310(b). If at any time the Trustee ceases to be eligible in accordance with the provisions of this Section 7.10, it will resign immediately in the manner and with the effect specified in Section 7.08 hereof. The provisions of TIA ss. 310 shall apply to the Company, as obligor of the securities.

Section 7.11. Preferential Collection of Claims Against Company.

The Trustee is subject to TIA ss. 311(a), excluding any creditor relationship listed in TIA ss. 311(b). A Trustee who has resigned or been removed will be subject to TIA ss. 311(a) to the extent indicated therein.

ARTICLE 8

HOLDERS' LISTS

Section 8.01. Company To Furnish Trustee Names and Addresses of Holders.

The Company will furnish or cause to be furnished to the Trustee:

(i) semi-annually, not more than 15 days before each Interest Payment Date, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of the record date of such Interest Payment Date; and

(ii) at such other times as the Trustee may request in writing, within 30 days after receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished;

provided, however, that if and so long as the Trustee will be the Registrar, no such list need be furnished.

Section 8.02. Preservation of Information.

The Trustee will preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 8.01 hereof and the names and addresses of Holders received by the Trustee in its capacity as Registrar or Paying Agent (if so acting).

ARTICLE 9

DISCHARGE OF INDENTURE

Section 9.01. Termination of Company and Subsidiary Guarantor Obligations.

(a) This Indenture shall cease to be of further effect (except that the Company's and Subsidiary Guarantor's obligations under Section 7.07 hereof and the Trustee's and Paying Agent's obligations under Section 9.03 hereof shall survive) when all outstanding Notes theretofore authenticated and issued have been delivered (other than destroyed, lost or stolen Notes that have been replaced or paid) to the Trustee for cancellation and the Company has paid all sums payable hereunder. In addition, the Company may elect to have either paragraph (b) or paragraph (c) below be applied to the outstanding Notes upon compliance with the conditions set forth in paragraph (d) below.

(b) Upon the Company's exercise under paragraph (a) of the option applicable to this paragraph (b) and compliance with the conditions set forth in paragraph (d), the Company and the Subsidiary Guarantors shall be deemed to have been released and discharged from their respective obligations with respect to the outstanding Notes and Subsidiary Guarantees on the date the conditions set forth below are satisfied (hereinafter, "legal defeasance"). For this purpose, such legal defeasance means that the Company and the Subsidiary Guarantors shall be deemed to have paid and discharged the entire indebtedness represented by the outstanding Notes and Subsidiary Guarantees, which shall thereafter be deemed to be "outstanding" only for the purposes of the Sections of and matters under this Indenture referred to in (i) and (ii) below, and to have satisfied all its other obligations under such Notes, Subsidiary Guarantees and this Indenture insofar as such Notes and Subsidiary Guarantees are concerned (and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged hereunder:

(i) the rights of Holders of outstanding Notes to receive solely from the trust fund described in paragraph (d) below and as more fully set forth in such paragraph, payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due, (ii) the Company's and the Subsidiary Guarantors' obligations with respect to such Notes under Sections 2.06, 2.07, 4.02 and 9.04, and, with respect to the Trustee, under Section 7.07, (iii) the rights, powers, trusts, duties and immunities of the Trustee hereunder and (iv) this Section 9.01. Subject to compliance with this Section 9.01, the Company may exercise its option under this paragraph (b) notwithstanding the prior exercise of its option under paragraph (c) below with respect to the Notes and the Subsidiary Guarantees.

(c) Upon the Company's exercise under paragraph (a) of the option applicable to this paragraph (c) and compliance with the conditions set forth in paragraph (d), the Company and each Subsidiary Guarantor shall be released and discharged, subject to Section 9.04, from its obligations under any covenant contained in Article V and in Sections 4.03, 4.05 and 4.08 through 4.21 with respect to the outstanding Notes and the Subsidiary Guarantees on and after the date the conditions set forth below are satisfied (hereinafter, "covenant defeasance"), and the Notes and the Subsidiary Guarantees shall thereafter be deemed to be not "outstanding" for the purpose of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants but shall continue to be deemed "outstanding" for all other purposes hereunder. For this purpose, such covenant defeasance means that, with respect to the outstanding Notes, the Company and each Subsidiary Guarantor may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other

document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01, but, except as specified above, the remainder of this Indenture and such Notes and Subsidiary Guarantees shall be unaffected thereby.

(d) The following shall be the conditions to the application of either paragraph (b) or (c) above to the outstanding Notes:

(1) the Company or any Subsidiary Guarantor shall have irrevocably deposited in trust with the Trustee or, at the option of the Trustee, with a trustee, satisfactory to the Trustee and the Company, under the terms of an irrevocable trust agreement in form and substance satisfactory to the Trustee, money or U.S. Government Obligations sufficient (without regard to reinvestment of any interest thereon), in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay principal and interest on the Notes to maturity or redemption, as the case may be, and to pay all other sums payable by it hereunder as the same shall become due; provided that (i) the trustee of the irrevocable trust shall have been irrevocably instructed to pay such money or the proceeds of such U.S. Government Obligations to the Trustee and (ii) the Trustee shall have been irrevocably instructed to apply such money or the proceeds of such U.S. Government Obligations to the payment of said principal and interest with respect to the Notes;

(2) the Company shall have delivered to the Trustee an Officers' Certificate stating that all conditions precedent provided for relating to either the legal defeasance under paragraph (b) above or the covenant defeasance under paragraph (c) above, as the case may be, have been complied with;

(3) no Default or Event of Default shall have occurred and be continuing on the date of such deposit;

(4) such legal defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a Default or Event of Default under, any other agreement or instrument to which the Company or any Subsidiary Guarantor (so long as its Subsidiary Guarantee is in effect in accordance with the Indenture and its Subsidiary Guarantee) is a party or by which it is bound;

(5) in the case of an election under paragraph (b) above, the Company shall have delivered to the Trustee an opinion of Counsel from nationally recognized counsel acceptable to the Trustee stating that (x) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (y) since the date of this Indenture, there has been a change in the applicable Federal income tax law, in either case to the effect that the Holders of the outstanding Notes will not recognize income, gain or loss for Federal income tax purposes as a result of such legal defeasance and will be subject to Federal income tax on the same amount and in the same manner and at the same time as would have been the case if such legal defeasance had not occurred; and

(6) in the case of an election under paragraph (c) above, the Company shall have delivered to the Trustee an opinion of Counsel from nationally recognized counsel acceptable to the Trustee to the effect that the Holders of the outstanding Notes will not recognize income, gain or loss for Federal income tax purposes as a result of such covenant defeasance and will be subject to Federal income tax on the same amount and in the same manner and at the same time as would have been the case if such covenant defeasance had not occurred.

(e) After such irrevocable deposit made pursuant to this Section 9.01 and satisfaction of the other conditions set forth herein, the Trustee upon request shall acknowledge in writing the discharge of the Company's and the Subsidiary Guarantors' obligations under this Indenture, except for those surviving obligations specified above.

In order to have money available on a payment date to pay principal or interest on the Notes, the U.S. Government Obligations shall be payable as to principal or interest on or before such payment date in such amounts as will provide the necessary money. U.S. Government Obligations shall not be callable at the issuer's option.

Section 9.02. Application of Trust Money.

The Trustee or a trustee satisfactory to the Trustee and the Company will hold in trust money or U.S. Government Obligations deposited with it pursuant to Section 9.01 hereof. It will apply the deposited money and the money from U.S. Government Obligations through the Paying Agent and in accordance with this Indenture to the payment of principal of and interest on the Notes.

Section 9.03. Repayment to Company.

(a) The Trustee and the Paying Agent will promptly pay to the Company or any Subsidiary Guarantor, as the case may be, upon written request any excess money or securities held by them at any time.

(b) The Trustee and the Paying Agent shall pay to the Company or any Subsidiary Guarantor, as the case may be, upon written request any money held by them for the payment of principal or interest that remains unclaimed for two years after the date upon which such payment shall have become due; provided, however, that the Company shall have either caused

notice of such payment to be mailed to each Holder entitled thereto no less than 30 days prior to such repayment or within such period shall have published such notice in a financial newspaper of widespread circulation published in The City of New York. After payment to the Company or any Subsidiary Guarantor, as the case may be, Holders entitled to the money must look to the Company or any Subsidiary Guarantor, as the case may be, for payment as general creditors unless an applicable abandoned property law designates another Person, and all liability of the Trustee and such Paying Agent with respect to such money shall cease.

Section 9.04. Reinstatement.

In the event the Trustee or Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with Section 9.01 hereof by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company's and any Subsidiary Guarantors' obligations under this Indenture, the Subsidiary Guarantees and the Notes will be revived and reinstated as though no deposit had occurred pursuant to Section 9.01 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with Section 9.01 hereof; provided, however, that if the Company or any Subsidiary Guarantor has made any payment of interest on or principal of any Notes because of the reinstatement of its obligations, the Company or any Subsidiary Guarantor, as the case may be, will be subrogated to the rights of the Holders of such Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee or Paying Agent.

ARTICLE 10

AMENDMENTS

Section 10.01. Without Consent of Holders.

(a) The Company, the Subsidiary Guarantors and the Trustee may amend this Indenture or the Notes or waive any provision hereof without the consent of any Holder:

(i) to cure any ambiguity, defect or inconsistency;

(ii) to provide for uncertificated Notes in addition to certificated Notes;

(iii) to make any change that does not, in the opinion of the Trustee, adversely affect the legal rights hereunder of any Holder;

(iv) to comply with the qualification of this Indenture under the TIA; or

(v) to reflect a Subsidiary Guarantor ceasing to be liable on the Subsidiary Guarantees because it is no longer a Subsidiary of the Company.

(b) Upon the request of the Company, accompanied by a resolution of the Board of Directors of the Company and each of the Subsidiary Guarantors authorizing the execution of any supplemental indenture for one or more of the purposes described in clause (a) of this Section 10.01, and upon receipt by the Trustee of the documents described in Section 10.06 hereof, the Trustee will join with the Company and the Subsidiary Guarantors in the execution of any supplemental indenture authorized or permitted by the terms of this Indenture and make any further appropriate agreements and stipulations that may be contained therein. After an amendment or waiver under this Section 10.01 becomes effective, the Company will mail to the Holders of each Note affected thereby a notice describing the amendment or waiver. Any failure of

the Company to mail such notice will not, however, affect the validity of any such supplemental indenture.

Section 10.02. With Consent of Holders.

(a) Except as provided below in this Section 10.02, the Company, the Subsidiary Guarantors and the Trustee may amend this Indenture, the Subsidiary Guarantees or the Notes with the written consent (which may include consents obtained in connection with a tender offer or exchange offer for Notes) of the Holders of at least a majority in principal amount of the Notes then outstanding.

(b) Upon the request of the Company and the Subsidiary Guarantors, accompanied by the resolutions of their respective Boards of Directors authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of the Holders as aforesaid, and upon receipt by the Trustee of the documents described in Section 10.06 hereof, the Trustee will join with the Company and the Subsidiary Guarantors in the execution of such supplemental indenture.

(c) It will not be necessary for the consent of the Holders under this Section 10.02 to approve the particular form of any proposed amendment or waiver, but it will be sufficient if such consent approves the substance thereof.

(d) The Holders of a majority in principal amount of the Notes then outstanding may waive compliance in a particular instance by the Company with any provision of this Indenture, the Subsidiary Guarantees or the Notes (including waivers obtained in connection with a tender offer or exchange offer for Notes). However, without the consent of each Holder affected, an amendment or waiver under this Section 10.02 may not:

(i) reduce the amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(ii) reduce the rate of or change the time for payment of interest on any Note;

(iii) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to redemption under Section 3.07 hereof or with respect to mandatory offers to repurchase Notes pursuant to Sections 4.11, 4.16 and 4.20 hereof;

(iv) make any Note payable in money other than that stated in the Note;

(v) make any change in Section 6.04 or Section 6.07 hereof or in this sentence of this Section 10.02;

(vi) modify the ranking or priority of the Notes or any Subsidiary Guarantee;

(vii) release any Subsidiary Guarantor from any of its obligations under its Subsidiary Guarantee or this Indenture otherwise than in accordance with the terms hereof; or

(viii) waive a continuing Default or Event of Default in the payment of principal of or interest on the Notes.

(e) The right of any Holder to participate in any consent required or sought pursuant to any provision of this Indenture (and the obligation of the Company to obtain any such consent otherwise required from such Holder) may be subject to the requirement that such Holder has been the Holder of record of any Notes with respect to which such consent is required or sought as of a date identified by the Trustee in a notice

furnished to Holders in accordance with the terms of this Indenture.

Section 10.03. Compliance with TIA.

Every amendment to this Indenture, the Subsidiary Guarantees or the Notes will comply in form and substance with the TIA as then in effect.

Section 10.04. Revocation and Effect of Consents.

(a) until an amendment (which includes any supplement) or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder or subsequent Holder may revoke the consent as to such Holder's Note or portion of a Note if the Trustee receives written notice of revocation before the date the amendment or waiver becomes effective. An amendment or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

(b) The Company may, but will not be obligated to, fix a record date for the purpose of determining the Holders entitled to consent to any amendment or waiver. If the Company elects to fix a record date for such purpose, the record date will be fixed at (i) the later of 30 days prior to the first solicitation of such consent or the date of the most recent list of Holders furnished to the Trustee prior to such solicitation pursuant to Section 8.02 hereof or (ii) such other date as the Company will designate. If a record date is fixed, then notwithstanding the provisions of Section 10.04(a) hereof, those Persons who were Holders at such record date (or their duly designated proxies), and only those Persons, will be entitled to consent to such amendment or waiver or to revoke

any consent previously given, whether or not such Persons continue to be Holders after such record date. No consent will be valid or effective for more than 90 days after such record date unless consents from Holders of the principal amount of Notes required hereunder for such amendment or waiver to be effective have also been given and not revoked within such 90- day period.

(c) After an amendment or waiver becomes effective it will bind every Holder, unless it is of the type described in any of clauses (i) through (viii) of Section 10.02(d) hereof. In such case, the amendment or waiver will bind each Holder of a Note who has consented to it and every subsequent Holder of a Note that evidences the same debt as the consenting Holder's Note.

Section 10.05. Notation on or Exchange of Notes.

The Trustee may place an appropriate notation about an amendment or waiver on any Note thereafter authenticated or on any Subsidiary Guarantee. The Company in exchange for all Notes and Subsidiary Guarantees may issue, and the Trustee will authenticate, new Notes and Subsidiary Guarantees that reflect the amendment or waiver.

Section 10.06. Trustee To Sign Amendments, etc.

The Trustee will sign any amendment or supplemental indenture authorized pursuant to this Article 10 if the amendment does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the trustee may, but need not, sign it. In signing or refusing to sign such amendment or supplemental indenture, the Trustee will be entitled to receive and, subject to Section 7.01 hereof, will be fully protected in relying upon, an Officers' Certificate and an opinion of Counsel as conclusive evidence that such amendment or supplemental indenture is authorized or

permitted by this Indenture, that it is not inconsistent herewith, and that it will be valid and binding upon the Company and the Subsidiary Guarantors in accordance with its terms.

ARTICLE 11

GUARANTEE OF SECURITIES

Section 11.01. Subsidiary Guarantees of Notes.

Subject to the provisions of this Article 11, each Subsidiary Guarantor hereby jointly and severally unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the obligations of the Company or any other Subsidiary Guarantors to the Holders or the Trustee hereunder or thereunder, that: (a) the principal of, premium, if any, and interest on the Notes will be duly and punctually paid in full when due, whether at maturity, by acceleration or otherwise, and interest on the overdue principal and (to the extent permitted by law) interest, if any, on the Notes and all other obligations of the Company or the Subsidiary Guarantors to the Holders or the Trustee hereunder or thereunder (including fees, expenses or other) and all other obligations with respect to the Notes and the Indenture will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and (b) in case of any extension of time of payment or renewal of any Notes, the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed, or failing performance of any other obligation of the Company to

the Holders, for whatever reason, each Subsidiary Guarantor will be obligated to pay, or to perform or cause the performance of, the same immediately. An Event of Default under this Indenture or the Notes shall constitute an event of default under this Subsidiary Guarantee, and shall entitle the Holders of Notes to accelerate the obligations of the Subsidiary Guarantors hereunder in the same manner and to the same extent as the obligations of the Company and the Subsidiary Guarantors.

Each of the Subsidiary Guarantors hereby agrees that its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any holder of the Notes with respect to any provisions hereof or thereof, any release of any other Subsidiary Guarantor, the recovery of any judgment against the Company, any action to enforce the same, whether or not a Subsidiary Guarantee is affixed to any particular Note, or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Subsidiary Guarantor. Each of the Subsidiary Guarantors hereby waives the benefit of diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that its Subsidiary Guarantee will not be discharged except by complete performance of the obligations contained in the Notes, this Indenture and this Subsidiary Guarantee. If any Holder or the Trustee is required by any court or otherwise to return to the Company or to any Subsidiary Guarantor, or any custodian, trustee, liquidator or other similar official acting in relation to the Company or such Subsidiary Guarantor, any amount paid by the Company or such Subsidiary Guarantor to the Trustee or such Holder, this Subsidiary Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect. Each Subsidiary Guarantor further agrees

that, as between it, on the one hand, and the Holders of Notes and the Trustee, on the other hand, (a) subject to this Article 11, the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 hereof for the purposes of this Subsidiary Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (b) in the event of any acceleration of such obligations as provided in Article 6 hereof, such obligations (whether or not due and payable) shall forthwith become due and payable by the Subsidiary Guarantors for the purpose of this Subsidiary Guarantee.

This Subsidiary Guarantee shall remain in full force and effect and continue to be effective should any petition be filed by or against the Company for liquidation or reorganization, should the Company become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Company's assets, and shall, to the fullest extent permitted by law, continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Notes are, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee on the Notes, whether as a "voidable preference," "fraudulent transfer" or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Subsidiary Guarantees shall, to the fullest extent permitted by law, be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

No stockholder, officer, director, employer or incorporator, past, present or future, or any Subsidiary Guarantor, as such, shall have any personal liability under this Subsidiary Guarantee by reason of his, her or its status

as such stockholder, officer, director, employer or incorporator.

The Subsidiary Guarantors shall have the right to seek contribution from any non-paying Subsidiary Guarantor so long as the exercise of such right does not impair the rights of the Holders under this Subsidiary Guarantee.

Each Subsidiary Guarantor, and by its acceptance hereof each Holder, hereby confirms that it is the intention of all such parties that the guarantee by each Subsidiary Guarantor pursuant to its Subsidiary Guarantee not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar Federal or state law. To effectuate the foregoing intention, the Holders and each Subsidiary Guarantor hereby irrevocably agree that the obligations of each Subsidiary Guarantor under the Subsidiary Guarantees shall be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of each Subsidiary Guarantor, result in the obligations of each Subsidiary Guarantor under the Subsidiary Guarantees not constituting such fraudulent transfer or conveyance.

Section 11.02. Execution and Delivery of Subsidiary Guarantee.

To further evidence the Subsidiary Guarantee set forth in Section 11.01, each Subsidiary Guarantor hereby agrees that a notation of such Subsidiary Guarantee, substantially in the form included in Exhibit A hereto, shall be endorsed on each Note authenticated and delivered by the Trustee after such Subsidiary Guarantee is executed and executed by either manual or facsimile signature of an Officer of each Subsidiary Guarantor. The validity and enforceability of any Subsidiary

Guarantee shall not be affected by the fact that it is not affixed to any particular Note.

Each of the Subsidiary Guarantors hereby agrees that its Subsidiary Guarantee set forth in Section 11.01 shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of such Subsidiary Guarantee.

If an Officer of a Subsidiary Guarantor whose signature is on this Indenture or a Note no longer holds that office at the time the Trustee authenticates such Note or at any time thereafter, such Subsidiary Guarantor's Subsidiary Guarantee of such Note shall be valid nevertheless.

The delivery of any Note by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of any Subsidiary Guarantee set forth in this Indenture on behalf of the Subsidiary Guarantor.

Section 11.03. Additional Subsidiary Guarantors.

Any Person may become a Subsidiary Guarantor by executing and delivering to the Trustee (a) a supplemental indenture in form and substance satisfactory to the Trustee which subjects such Person to the provisions of this Indenture as a Subsidiary Guarantor, and (b) an opinion of Counsel to the effect that such supplemental indenture has been duly authorized and executed by such Person and constitutes the legal, valid, binding and enforceable obligation of such Person (subject to such customary exceptions concerning fraudulent conveyance laws, creditors' rights and equitable principles as may be acceptable to the Trustee in its discretion).

Section 11.04. Release of a Subsidiary Guarantor.

(a) Except in the case where the prohibition on transfer in Section 5.01 is applicable, if all or substantially all of the assets of any Subsidiary Guarantor or all of the capital stock of any Subsidiary Guarantor is sold (including by issuance or otherwise) by the Company or any of its Subsidiaries in a transaction constituting an Asset Sale, and if the Net Proceeds from such Asset Sale are used in accordance with Section 4.11, then such Subsidiary Guarantor (in the event of a sale or other disposition of all of the capital stock of such Subsidiary Guarantor) or the corporation acquiring such assets (in the event of a sale or other disposition of all or substantially all of the assets of such Subsidiary Guarantor) shall be deemed automatically and unconditionally released and discharged from all obligations under this Article 11 without any further action required on the part of the Trustee or any Holder, provided that each such Subsidiary Guarantor (or its assets) is sold or disposed of in accordance with Section 4.11 and Article 5 hereof.

(b) The Trustee shall deliver an appropriate instrument evidencing the release of a Subsidiary Guarantor upon receipt of a request of the Company accompanied by an Officers' Certificate certifying as to the compliance with this Section 11.04. Any Subsidiary Guarantor not so released or the entity surviving such Subsidiary Guarantor, as applicable, will remain or be liable under its Subsidiary Guarantee as provided in this Article 11.

The Trustee shall execute any documents reasonably requested by the Company or a Subsidiary Guarantor in order to evidence the release of such Subsidiary Guarantor from its obligations under its Subsidiary Guarantee endorsed on the Notes and under this Article 11.

Except as set forth in Articles 4 and 5 hereof and this Section 11.04, nothing contained in this Indenture or in any of the Notes shall prevent any consolidation or merger of a

Subsidiary Guarantor with or into the Company or another Subsidiary Guarantor or shall prevent any sale or conveyance of the property of a Subsidiary Guarantor as an entirety or substantially as an entirety to the Company or another Subsidiary Guarantor.

Section 11.05. Waiver of Subrogation.

Each Subsidiary Guarantor hereby irrevocably waives any claim or other rights which it may now or hereafter acquire against the Company or any of its Subsidiaries that arise from the existence, payment, performance or enforcement of such Subsidiary Guarantor's obligations under this Subsidiary Guarantee and this Indenture, including, without limitation, any right of subrogation, reimbursement, exoneration, indemnification, and any right to participate in any claim or remedy of any Holder of Notes against the Company or any of its Subsidiaries, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law, including, without limitation, the right to take or receive from the Company or any of its Subsidiaries, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim or other rights. If any amount shall be paid to any Subsidiary Guarantor in violation of the preceding sentence and the Notes shall not have been paid in full, such amount shall have been deemed to have been paid to such Subsidiary Guarantor for the benefit of, and held in trust for the benefit of, the Holders of the Notes, and shall forthwith be paid to the Trustee for the benefit of such Holders to be credited and applied upon the Notes, whether matured or unmatured, in accordance with the terms of this Indenture. Each Subsidiary Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Indenture and that the waiver set forth in this Section 11.05 is knowingly made in contemplation of such benefits.

ARTICLE 12

MISCELLANEOUS

Section 12.01. TIA Controls.

(a) The provisions of TIA ss.ss. 310 through 317 that impose duties on any Person (including the provisions automatically deemed included herein unless expressly excluded by this Indenture) are a part of and govern this Indenture, whether or not physically contained herein.

(b) If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA ss. 318(c), the imposed duties will control.

Section 12.02. Notices.

(a) Any notice or communication by the Company or any Subsidiary Guarantor or by the Trustee to any party hereto is duly given if in writing and delivered in person or mailed by first class mail (registered or certified, return receipt requested), telecopier or overnight air courier guaranteeing next day delivery, to such other party's address:

If to the Company or to the Subsidiary Guarantors:

Beazer Homes USA, Inc.
5775 Peachtree Dunwoody Road,
Suite C-550
Atlanta, Georgia 30342
Telecopier No.: (404) 250-3428
Attention: President

If to the Trustee:

First Trust National Association
One Illinois Center
Mail Station IL1C3000
111 East Wacker Drive
Suite 3000
Chicago, Illinois 60601
Telecopier No.: (312) 228-9459
Attention: Corporate Trust Administration

If to the Trustee in the Borough of Manhattan:

First Trust of New York
100 Wall Street
20th Floor
New York, New York 10005
Telecopier No.: (212) 514-7431
Attention: Bond Drop Window

(b) The Company, any Subsidiary Guarantor or the Trustee, by notice to the other parties hereto, may designate additional or different addresses for subsequent notices or communications.

(c) All notices and communications will be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, if mailed; when receipt acknowledged, if telecopied; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

(d) Any notice or communication to a Holder will be mailed by first-class, postage-prepaid mail, return receipt requested, to the Holder's address shown on the register kept by the Registrar. Failure to mail a notice or communication to a Holder or any defect in it will not affect its sufficiency with respect to other Holders.

(e) If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

(f) If the Company mails a notice or communication to Holders, it will mail a copy to the Trustee and each Agent at the same time.

Section 12.03. Communications by Holders with Other Holders.

Holders may communicate pursuant to TIA ss. 312(b) with other Holders with respect to their rights under this Indenture, the Subsidiary Guarantees or the Notes. The Company, the Subsidiary Guarantors, the Trustee, the Registrar and anyone else will have the protection of TIA ss. 312(c).

Section 12.04. Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Company or any Subsidiary Guarantor to the Trustee to take any action under this Indenture, the Company and each Subsidiary Guarantor will furnish to the Trustee and the Trustee may rely upon, as conclusive evidence:

(i) an Officers' Certificate (which will include the statements set forth in Section 12.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(ii) an opinion of Counsel (which will include the statements set forth in Section 12.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been complied with.

Section 12.05. Statements Required in Certificate or Opinion.

(a) Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA ss.ss. 314(a)(4)) will include:

(i) a statement that the Person making such certificate or opinion has read such condition or covenant;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of such Person, such Person has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such condition or covenant has been complied with; and

(iv) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

(b) Any Officers' Certificate may be based, insofar as it relates to legal matters, upon an opinion of Counsel, unless such Officer knows that the opinion with respect to the matters upon which his certificate may be based as aforesaid is erroneous, or in the exercise of reasonable care should know that the same is erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, upon the certificate, statement or opinion of or representations by an officer or officers of the Company or any Subsidiary Guarantor, as the case may be, or other persons or firms deemed

appropriate by such counsel, unless such counsel knows that the certificate, statement or opinion or representations with respect to the matters upon which his certificate, statement or opinion may be based as aforesaid are erroneous.

(c) Any Officers' Certificate, statement or Opinion of Counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representation by an accountant (who may be an employee of the Company), or firm of accountants, unless such Officer or counsel, as the case may be, knows that the certificate or opinion or representation with respect to the accounting matters upon which his certificate, statement or opinion may be based as aforesaid is erroneous.

Section 12.06. Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 12.07. No Recourse Against Others.

No recourse for the payment of the principal of, premium, if any, or interest on any of the Notes, or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company or any Subsidiary Guarantor in this Indenture or in any of the Notes or in any Subsidiary Guarantee or because of the creation of any Indebtedness represented hereby, shall be had against any incorporator, shareholder, officer, director, employee or controlling person of the Company, any Subsidiary Guarantor or any successor Person thereof. Each Holder, by accepting such Notes waives and releases all such liability.

Section 12.08. Governing Law.

This Indenture, the Subsidiary Guarantees and the Notes will be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflicts of laws.

Section 12.09. No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret another indenture, loan or debt agreement of the Company or a Subsidiary thereof. Any such indenture, loan or debt agreement may not be used to interpret this Indenture. This writing constitutes the entire agreement of the parties with respect to the subject matter hereof. Unless expressly otherwise indicated herein, an action or transaction permitted by one provision hereof must nonetheless comply with all other applicable provisions hereof; and any action or transaction not permitted by any provision of this Indenture will not be permitted regardless of whether any other provision hereof might permit such action or transaction.

Section 12.10. Successors.

All agreements of the Company and of the Subsidiary Guarantors in this Indenture, the Subsidiary Guarantees and the Notes will bind their respective successors. All agreements of the Trustee in this Indenture will bind its successors.

Section 12.11. Severability.

In case any provision in this Indenture, the Subsidiary Guarantees or in the Notes is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

Section 12.12. Counterpart Originals.

The parties may sign any number of copies of this Indenture. Each signed copy will be an original, but all of them together represent the same agreement.

Section 12.13. Trustee as Paying Agent and Registrar.

The Company initially appoints the Trustee as Paying Agent and Registrar.

Section 12.14. Table of Contents, Headings, etc.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof and will in no way modify or restrict any of the terms or provisions hereof.

Section 12.15. Benefits of Indenture.

Nothing in this Indenture or in the Notes or in the Subsidiary Guarantees, express or implied, will give to any Person, other than the parties hereto and their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 12.16. Acceptance of Trust.

First Trust National Association, the Trustee named herein, hereby accepts the trusts in this Indenture declared and provided, upon the terms and conditions hereinabove set forth.

Section 12.17. Treasury Notes.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company, any Subsidiary

of the Company or any Subsidiary Guarantor or any of their respective Affiliates will be deemed to be not outstanding; provided that for the purpose of determining whether the Trustee is protected in relying on any such direction, waiver or consent, only Notes which the Trustee knows are so owned will be so disregarded.

IN WITNESS WHEREOF, the undersigned have duly executed this Indenture as of the date first above written.

BEAZER HOME USA, INC.

By:*

Name:
Title:

FIRST TRUST NATIONAL ASSOCIATION,
as Trustee

By:/s/ H.H. Hall, Jr.

Name: H.H. Hall, Jr.
Title: Vice President

GUARANTORS:

BEAZER HOMES CORP.

By:*

BEAZER/SQUIRES REALTY, INC.

By:*

BEAZER HOMES SALES ARIZONA INC.

By:*

BEAZER REALTY CORP.

By:*

PANITZ HOMES REALTY, INC.

By:*

BEAZER MORTGAGE CORPORATION

By:*

BEAZER HOMES HOLDINGS CORP.

By:*

BEAZER HOMES TEXAS HOLDINGS, INC.

By:*

BEAZER HOMES TEXAS, L.P.

By:*
---

* Executed by David S. Weiss as an authorized officer of each of the Company and the Guarantors.

EXHIBIT A

[Form of Face of Note]

THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY (1) BY ITS ACQUISITION HEREOF REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THE SECURITY EVIDENCED HEREBY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT AND (2) IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE ISSUER THAT PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE DATE OF ORIGINAL ISSUANCE OF THIS NOTE AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS NOTE (THE "RESALE RESTRICTION TERMINATION DATE") (X) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (i)(a) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) IN A TRANSACTION

MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (c) OUTSIDE THE UNITED STATES TO A PERSON THAT IS NOT A U.S. PERSON (AS DEFINED IN RULE 902 UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 904 UNDER THE SECURITIES ACT OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE ISSUER SO REQUESTS), (ii) TO THE ISSUER OR (iii) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISICTION AND (Y) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN (X) ABOVE. THE FOREGOING RESTRICTIONS ON RESALE WILL NOT APPLY SUBSEQUENT TO THE RESALE RESTRICTION TERMINATION DATE.

8 7/8% SENIOR NOTE DUE 2008

No. [ ] $_____

CUSIP No.

BEAZER HOMES USA, INC.

promises to pay to

or registered assigns,
the principal sum of

Dollars in accordance with paragraph 3 hereof.

Interest Payment Dates: April 1 and October 1

Record Dates: March 15 and September 15

Certificate of Authentication: Dated: March 25, 1998

This is to certify that this
Note is one of the Notes
described in the within mentioned
Indenture

FIRST TRUST NATIONAL ASSOCIATION,
as Trustee

By:

Authorized Signature

BEAZER HOMES USA, INC.

By:

Name:
Title:

By:

Name:
Title:

[Form of Reverse Side of Note]
8 7/8% SENIOR NOTE DUE 2008

1. Indenture. Beazer Homes USA, Inc., a Delaware corporation (the "Company"), issued the Notes under an Indenture, dated as of March 25, 1998 (the "Indenture"), among the Company, Beazer Homes Corp., Beazer/Squires Realty, Inc., Beazer Homes Sales Arizona Inc., Beazer Realty Corp., Panitz Homes Realty, Inc., Beazer Mortgage Corporation, Beazer Homes Holdings Corp., Beazer Homes Texas Holdings, Inc. and Beazer Homes Texas, L.P. (collectively, the "Subsidiary Guarantors") and First Trust National Association, as trustee (the "Trustee"). The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the "TIA"), as in effect on the date of execution of the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture and the TIA for a statement of such terms. The Notes are general, unsecured, senior obligations of the Company limited to $200,000,000 in aggregate principal amount, plus amounts, if any, sufficient to pay interest on outstanding Notes as set forth in paragraph 4 hereof; provided the principal amount of initial Notes issued on the Issue Date was $100,000,000. Capitalized terms used but not otherwise defined in this Note have the respective meanings ascribed to such terms in the Indenture.

No reference herein to the Indenture and no provisions of this Note or of the Indenture shall alter or impair the obligation of the Company or any Subsidiary Guarantor, which, in each case, is absolute and unconditional, to pay the principal of, premium, if any, and interest on this Note at the times, place, and rate, and in the coin or currency, herein prescribed.

2. Subsidiary Guarantee. This Note is entitled to the benefit of the Subsidiary Guarantees of the Subsidiary Guarantors on a senior unsecured basis, which Subsidiary Guarantees are subject to release. Reference is hereby made to Article 11 of the Indenture and to the Subsidiary Guarantees endorsed on this Note for a statement of the respective rights, limitations of rights, duties and obligations thereunder of each of the Subsidiary Guarantors, the Trustee and the Holders, and to the release of the Subsidiary Guarantees under specified conditions.

3. Principal. The Company hereby promises to pay to the Holder of this Note, subject to the provisions of paragraph 7 hereof, the principal amount of this Note on April 1, 2008, or if such date is not a Business Day, on the next succeeding Business Day.

4. Interest. The Company promises to pay interest on the outstanding principal amount of this Note from the date this Note is issued until final repayment of the outstanding principal amount at the rate of 8 7/8% per annum. The Company will pay interest semi-annually on April 1 and October 1 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each an "Interest Payment Date"). Interest on the Notes will accrue from the most recent Interest Payment Date or, if no interest has been paid, from the date of issuance; provided that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest will accrue from each next succeeding Interest Payment Date; provided, further, that the first Interest Payment Date will be October 1, 1998. The Company will pay interest on overdue principal from time to time on demand at the rate of one percent per annum in excess of the per annum interest rate; it shall pay interest on overdue installments of interest (without regard to any

applicable grace periods) from time to time on demand at the same rate as is payable on overdue principal to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

5. Method of Payment. The Company will pay interest on the Notes to the Persons who are registered Holders of Notes at the close of business on the March 15 or September 15 (each, a "record date") next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date. The Holder must surrender this Note to a Paying Agent to collect any principal payment. The Company will pay the principal of, and interest on, the Notes in money of the United States that at the time of payment is legal tender for payment of public and private debts. The Company, however, may pay such amounts by check payable in such money. It may mail a principal or interest check to a Holder's registered address.

6. Paying Agent and Registrar. Initially, First Trust National Association, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-registrar without notice to any Holder. Subject to the provisions of the Indenture, the Company or any Restricted Subsidiary may act in any such capacity.

7. Optional Redemption. The Company may redeem all or any portion of the Notes at any time and from time to time on or after April 1, 2003 and prior to maturity at the following redemption prices (expressed in percentages of the principal amount) together, in each case, with accrued and unpaid interest to the date fixed for redemption if redeemed during the twelve-month period beginning on April 1 of each year indicated below:

Year	Percentage
2003	104.438%
2004	102.958%
2005	101.479%
2006 and thereafter	100.000%

In addition, on or prior to April 1, 2001, the Company may, at its option, redeem up to 35% of the outstanding Notes with the net proceeds of an Equity Offering at 108.875% of the principal amount thereof plus accrued and unpaid interest, if any, to the date fixed for redemption; provided that at least $65 million principal amount of the Notes remain outstanding after such redemption.

8. Notices of Redemption. Notice of redemption will be mailed at least 15 days but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at such Holder's registered address. Subject to the provisions of the Indenture, on and after the redemption date, interest ceases to accrue on Notes or portions thereof called for redemption.

9. Mandatory Offers to Repurchase. Within 30 days after the occurrence of any Change of Control, the Company will offer to purchase all outstanding Notes at a purchase price equal to 101 percent of the aggregate principal amount of the Notes, plus accrued and unpaid interest to the Change of Control Payment Date.

Within 30 days after the date on which the aggregate amount of Excess Proceeds (from an Asset Sale) equals at any time and from time to time $10,000,000 or more, the Company will offer to purchase the maximum principal amount of Notes that may be purchased out of the Excess Proceeds at a purchase price equal to 100 percent of the outstanding principal amount

thereof plus accrued and unpaid interest to the Asset Sale Offer Date.

Within 30 days after the end of any two consecutive fiscal quarters during which the Consolidated Tangible Net Worth of the Company is at any time and from time to time less than $85,000,000, the Company will offer to purchase 10 percent of the original outstanding principal amount of the Notes at a purchase price equal to 100 percent of the original outstanding principal amount thereof plus accrued and unpaid interest to the Net Worth Offer Date.

A Change of Control Offer, an Excess Proceeds Offer or a Net Worth Offer will remain open for the period specified in the Indenture. Promptly after the termination of a Change of Control Offer, an Excess Proceeds Offer or a Net Worth Offer, subject to the terms of the Indenture, the Company will purchase, and mail or deliver payment, for all Notes tendered and accepted pursuant to such Offer.

A Holder may tender in response to a Change of Control Offer, an Excess Proceeds Offer or a Net Worth Offer all or any portion of its Notes at its discretion by completing the form entitled "OPTION OF HOLDER TO ELECT PURCHASE" appearing on the reverse of this Note. Any portion of Notes tendered must be an integral multiple of $1,000.

10. Denominations, Transfer, Exchange. The Notes are in registered form without coupons in denominations of $1,000 and integral multiples of $1,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar need not exchange or register the transfer of any Note or portion of a

Note selected for redemption. Also, it need not issue, exchange or register the transfer of any Notes for a period of 15 Business Days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

11. Persons Deemed Owners. The registered Holder of a Note may be treated as its owner for all purposes.

12. Amendments and Waivers. Subject to certain exceptions, the Indenture, the Subsidiary Guarantees or the Notes may be amended or supplemented with the consent (which may include consents obtained in connection with a tender offer or exchange offer for Notes) of the Holders of at least a majority in principal amount of the Notes then outstanding, and any existing Default or Event of Default under, or compliance with any provision of, the Indenture may be waived (other than any continuing Default or Event of Default in the payment of interest on or the principal of Notes) with the consent (which may include consents obtained in connection with a tender offer or exchange offer for Notes) of the Holders of a majority in principal amount of the Notes then outstanding. Without the consent of any Holder, the Company, the Subsidiary Guarantors and the Trustee may amend the Indenture or the Notes or waive any provision of the Indenture to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to certificated Notes, to provide for the assumption of the Company's obligations to Holders in the case of a merger or acquisition, to make any change that does not adversely affect the legal rights of any Holder, to comply with the qualification of the Indenture under the TIA or to reflect a Subsidiary Guarantor ceasing to be liable on the Subsidiary Guarantees because it is no longer a Subsidiary of the Company.

The right of any Holder to participate in any consent required or sought pursuant to any provision of the Indenture

(and the obligation of the Company to obtain any such consent otherwise required from such Holder) may be subject to the requirement that such Holder be the Holder of record of any Notes with respect to which such consent is required or sought as of a date identified by the Trustee in a notice furnished to Holders in accordance with the terms of this Indenture.

Without the consent of each Holder affected, the Company may not (i) reduce the rate of or change the time for payment of interest, including default interest, on any Note, (ii) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to redemption under Section 3.07 of the Indenture or with respect to mandatory offers to purchase Notes pursuant to Sections 4.11, 4.16 and 4.20 of the Indenture, (iii) make any Note payable in money other than that stated in the Note, (iv) make any change to Section 6.04, 6.07 or 10.02(d)(v) of the Indenture, (v) reduce the amount of Notes whose Holders must consent to an amendment, supplement or waiver to the Indenture, (vi) modify the ranking or priority of the Notes or any Subsidiary Guarantee, (vii) release any Subsidiary Guarantor from any of its obligations under its Subsidiary Guarantee or the Indenture otherwise than in accordance with the Indenture or (viii) waive a continuing Default or Event of Default in the payment of principal of or interest on the Notes.

13. Defaults and Remedies. Events of Default include: default in payment of interest when due and payable and continuance thereof on the Notes for 30 days; default in payment of principal, or premium, on the Notes when due and payable at maturity, acceleration or otherwise; failure by the Company or any of its Subsidiaries for 60 days after notice to comply with any of its covenants or agreements in the Notes, the Subsidiary Guarantees or the Indenture; acceleration of certain other Indebtedness of the Company or any of its Subsidiaries; failure by the Company or any of its Subsidiaries

to pay certain Indebtedness when the same becomes due and payable; certain final judgments that remain undischarged against the Company or any of its Subsidiaries; certain events of bankruptcy or insolvency of the Company or its Material Subsidiaries; and any Subsidiary Guarantee ceases to be in full force and effect (other than in accordance with its terms) or is declared null and void and unenforceable or found to be invalid or any Subsidiary Guarantor denies liability under its Subsidiary Guarantee (other than by reason of release of a Subsidiary Guarantor from its Subsidiary Guarantee). If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25 percent in principal amount of the then outstanding Notes may declare all the Notes to be immediately due and payable in an amount equal to 100 percent (or in the case of Default under Section 6.01(a)(iii) of the Indenture resulting from a breach of Section 4.16 of the Indenture, 101 percent) of the principal amount of the Notes plus accrued and unpaid interest to the date of payment, except that in the case of an Event of Default arising from certain events of bankruptcy or insolvency, all outstanding Notes become due and payable immediately without any action or notice. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee will require indemnity satisfactory to it before it enforces the Indenture or the Notes. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing default (except a default in payment of principal or interest) if it determines that withholding notice is in their interests.

14. Trustee Dealings With Company. The Trustee, in its individual or any other capacity, may become the owner or pledgee of Notes, and may otherwise deal with the Company or any of its Affiliates with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights.

However, the Trustee is subject to Sections 7.10 and 7.11 of the Indenture.

15. No Recourse Against Others. No recourse for the payment of the principal of, premium, if any, or interest on any of the Notes, or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company or any Subsidiary Guarantor in the Indenture or in any of the Notes or in any Subsidiary Guarantee or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, shareholder, officer, director, employee or controlling person of the Company, any Subsidiary Guarantor or any successor Person thereof. Each Holder, by accepting such Notes waives and releases all such liability.

16. Authentication. The Note will not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose until authenticated by the manual signature of the Trustee or an authenticating agent.

17. Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

The Company will furnish to any Holder, upon written request and without charge, a copy of the Indenture. Requests may be made to:

Beazer Homes USA, Inc.
5775 Peachtree Dunwoody Road,
Suite C-550
Atlanta, Georgia 30342
Attention: Secretary

SUBSIDIARY GUARANTEE

For value received, each of the undersigned hereby, jointly and severally, unconditionally guarantees to the Holder of this Note the payments of principal of, premium, if any, and interest on this Note in the amounts and at the time when due and interest on the overdue principal, premium, if any, and interest, if any, of this Note, if lawful, and the payment or performance of all other obligations of the Company under the Indenture or the Notes, to the Holder of this Note and the Trustee, all in accordance with and subject to the terms and limitations of this Note, Article 11 of the Indenture and this Subsidiary Guarantee. This Subsidiary Guarantee will become effective in accordance with Article 11 of the Indenture and its terms shall be evidenced therein. The validity and enforceability of any Subsidiary Guarantee shall not be affected by the fact that it is not affixed to any particular Note.

The obligations of the undersigned to the Holders of Notes and to the Trustee pursuant to the Subsidiary Guarantee and the Indenture are expressly set forth in Article 11 of the Indenture and reference is hereby made to the Indenture for the precise terms of the Subsidiary Guarantee and all of the other provisions of the Indenture to which this Subsidiary Guarantee relates.

This Subsidiary Guarantee is subject to release upon the terms set forth in the Indenture.

BEAZER HOMES CORP.
BEAZER/SQUIRES REALTY, INC.
BEAZER HOMES SALES ARIZONA INC.
BEAZER REALTY CORP.
PANITZ HOMES REALTY, INC.
BEAZER MORTGAGE CORPORATION
BEAZER HOMES HOLDINGS CORP.
BEAZER HOMES TEXAS HOLDINGS, INC.
BEAZER HOMES TEXAS, L.P.,

By:

Name: David S. Weiss
Title: An Authorized
Officer of
Each of the
Subsidiary Guarantors

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.11, 4.16 or 4.20 of the Indenture, check the box below:

|_| Section 4.11 (Excess Proceeds Offer)

|_| Section 4.16 (Change of Control Offer)

|_| Section 4.20 (Net Worth Offer)

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.11, 4.16 or 4.20 of the Indenture, as applicable, state the principal amount you elect to have purchased: $_____. Note: The amount you elect to have purchased must be an integral multiple of $1,000.

Date: _____ Your signature _____
(Sign exactly as your name appears on the Note)

Signature Subsidiary Guarantee:

EXHIBIT B

FORM OF LEGEND FOR GLOBAL NOTES

Any Global Note authenticated and delivered hereunder shall bear a legend (which would be in addition to any other legends required in the case of a Restricted Security) in substantially the following form:

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. THIS NOTE IS NOT EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS NOTE (OTHER THAN A TRANSFER OF THIS NOTE AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (A NEW YORK CORPORATION) (THE "DEPOSITORY") TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS IS REQUESTED BY AN

AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

[FORM OF ASSIGNMENT FOR 144A NOTE]

I or we assign and transfer this Note to:

(Insert assignee's social security or tax I.D. number)

- ---
- ---
- ---
- ---

(Print or type name, address and zip code of assignee)

and irrevocably appoint:

- ---
- ---

Agent to transfer this Note on the books of the Company. The Agent may substitute another to act for him.

[Check One]

[ ] (a) this Note is being transferred in compliance with the exemption from registration under the Securities Act provided by Rule 144A thereunder.

or

[ ] (b) this Note is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Note and the Indenture.

If none of the foregoing boxes is checked, the Trustee or Registrar shall not be obligated to register this Note in the name of any person other than the holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 2.15 of the Indenture shall have been satisfied.

Date:_____ Your Signature:_____

(Sign exactly as your name appears on the other side of this Note)

Signature Subsidiary Guarantee:

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____ _____

NOTICE: To be executed by
an executive officer

[FORM OF ASSIGNMENT FOR 144A NOTE]

I or we assign and transfer this Note to:

(Insert assignee's social security or tax I.D. number)

- ---
- ---
- ---
- ---

(Print or type name, address and zip code of assignee)

and irrevocably appoint:

- ---
- ---

Agent to transfer this Note on the books of the Company. The Agent may substitute another to act for him.

[Check One]

[ ] (a) this Note is being transferred in compliance with the exemption from registration under the Securities Act provided by Rule 144A thereunder.

or

[ ] (b) this Note is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Note and the Indenture.

If none of the foregoing boxes is checked, the Trustee or Registrar shall not be obligated to register this Note in the name of any person other than the holder hereof unless and until the conditions to any such transfer of registration set forth herein and in Section 2.15 of the Indenture shall have been satisfied.

Date:_____ Your Signature:_____

(Sign exactly as your name
appears on the other side of
this Note)

Signature Subsidiary Guarantee:

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____ _____

NOTICE: To be executed by
an executive officer

EXHIBIT D

Form of Certificate to Be Delivered
in Connection with Transfers
to Non-QIB Accredited Investors

_____, _____

First Trust National Association
One Illinois Center
Mail Station IL1C3000
111 East Wacker Drive
Suite 3000
Chicago, IL 60601
Attention: Corporate Trust Department

Re: Beazer Homes USA, Inc.
8 7/8% Senior Notes due 2008

Dear Sirs:

We are delivering this letter in connection with a proposed purchase of 8 7/8% Senior Notes due 2008 (the "Notes") of Beazer Homes USA, Inc. (the "Company").

We hereby confirm that:

(i) we are an "accredited investor" within the meaning of Rule 501(a)(1),(2),(3) or (7) under the Securities Act of 1933, as amended (the "Securities Act"), or an entity in which all of the equity owners are accredited investors within the meaning of Rule 501(a)(1),(2),(3) or (7) under the Securities Act (an "Institutional Accredited Investor");

(ii) any purchase of Notes by us will be for our own account or for the account of one or more other Institutional Accredited Investors;

(iii) in the event that we purchase any Notes , we will acquire Notes having a minimum purchase price of at least $100,000 for our own account and for each separate account for which we are acting;

(iv) we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of purchasing Notes;

(v) we are not acquiring Notes with a view to any distribution thereof in a transaction that would violate the Securities Act or the securities laws of any State of the United States or any other applicable jurisdiction; provided that the disposition of our property and the property of any accounts for which we are acting as fiduciary shall remain at all times within our control; and

(vi) we acknowledge that we have had access to such financial and other information, and have been afforded the opportunity to ask such questions of representatives of the Company and receive answers thereto, as we deem necessary in connection with our decision to purchase Notes.

We understand that the Notes are being offered in a transaction not involving any public offering within the meaning of the Securities Act and that the Notes have not been registered under the Securities Act, and we agree, on our own behalf and on behalf of each account for which we acquire any Notes, that such Notes may be offered, resold, pledged or otherwise transferred only (i) to a person whom we reasonably believe to be a qualified institutional buyer (as defined in Rule 144A under the Securities Act), in a transaction meeting the requirements of Rule 144A, in a transaction meeting the requirements of Rule 144, outside the United States in a transaction meeting the requirements of Rule 904 under the Securities Act, or in accordance with another exemption from the registration requirements of the Securities Act (and based upon an opinion of counsel if the Company so requests), (ii) to the Company or (iii) pursuant to an effective registration statement, and, in each case, in accordance with any applicable securities laws of any State of the United States or any other applicable jurisdiction. We

understand that the registrar will not be required to accept for registration of transfer of any Notes, except upon presentation of evidence satisfactory to the Company that the foregoing restrictions on transfer have been complied with. We further understand that the Notes purchased by us will be in the form of definitive physical certificates and that such certificates will bear a legend reflecting the substance of this paragraph.

We acknowledge that you and others will rely upon our confirmations, acknowledgments and agreements set forth herein, and we agree to notify you promptly in writing if any of our representations or warranties herein ceases to be accurate and complete.

THIS LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(Name of Purchaser)

By:

Name:
Title:

Address: ---

EXHIBIT E

Form of Certificate to Be Delivered
in Connection with Transfers
Pursuant to Regulation S

_____, _____

First Trust National Association
One Illinois Center
Mail Station IL1C3000
111 East Wacker Drive
Suite 3000
Chicago, IL 60601
Attention: Corporate Trust Department

Re: Beazer Homes USA, Inc.
(the "Company") 8 7/8% Senior
Notes due 2008 (the "Notes")

Dear Sirs:

In connection with our proposed sale of $_____ aggregate principal amount of the Notes, we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, we represent that:

(1) the offer of the Notes was not made to a person in the United States;

(2) either (a) at the time the buy offer was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States, or (b) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been prearranged with a buyer in the United States;

(3) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable;

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act; and

(5) we have advised the transferee of the transfer restrictions applicable to the Notes.

You and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

Very truly yours,

[Name of Transferor]

By:

Authorized Signature

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. THIS NOTE IS NOT EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS NOTE (OTHER THAN A TRANSFER OF THIS NOTE AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (A NEW YORK CORPORATION) (THE "DEPOSITORY") TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY (1) BY ITS ACQUISITION HEREOF REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THE SECURITY EVIDENCED HEREBY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT AND (2) IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE ISSUER THAT PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE DATE OF ORIGINAL ISSUANCE OF THIS NOTE AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS NOTE (THE "RESALE RESTRICTION TERMINATION DATE") (X) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (i)(a) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (b) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144 UNDER THE SECURITIES ACT, (c) OUTSIDE THE UNITED STATES TO A PERSON THAT IS NOT A U.S. PERSON (AS DEFINED IN RULE 902 UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 904 UNDER THE SECURITIES ACT OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE ISSUER SO REQUESTS), (ii) TO THE ISSUER OR (iii)

PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISICTION AND (Y) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN (X) ABOVE. THE FOREGOING RESTRICTIONS ON RESALE WILL NOT APPLY SUBSEQUENT TO THE RESALE RESTRICTION TERMINATION DATE.

8 7/8% SENIOR NOTE DUE 2008

No. 1

$100,000,000
CUSIP No. 07556Q AC 9

BEAZER HOMES USA, INC.

promises to pay to CEDE & CO.

or registered assigns,
the principal sum of ONE HUNDRED MILLION

Dollars in accordance with paragraph 3 hereof.

Interest Payment Dates: April 1 and October 1

Record Dates: March 15 and September 15

Certificate of Authentication:
This is to certify that this
Note is one of the Notes
described in the within mentioned
Indenture

Dated: March 25, 1998

FIRST TRUST NATIONAL ASSOCIATION,
as Trustee

By: /s/ H.H. Hall, Jr.

Authorized Signature

BEAZER HOMES USA, INC.

By: /s/ Ian J. McCarthy

Name: Ian J. McCarthy
Title: President & CEO

By: /s/ David S. Weiss

Name: David S. Weiss
Title: Executive Vice
President and
CFO

8 7/8% SENIOR NOTE DUE 2008

1. Indenture. Beazer Homes USA, Inc., a Delaware corporation (the "Company"), issued the Notes under an Indenture, dated as of March 25, 1998 (the "Indenture"), among the Company, Beazer Homes Corp., Beazer/Squires Realty, Inc., Beazer Homes Sales Arizona Inc., Beazer Realty Corp., Panitz Homes Realty, Inc., Beazer Mortgage Corporation, Beazer Homes Holdings Corp., Beazer Homes Texas Holdings, Inc. and Beazer Homes Texas, L.P. (collectively, the "Subsidiary Guarantors") and First Trust National Association, as trustee (the "Trustee"). The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the "TIA"), as in effect on the date of execution of the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture and the TIA for a statement of such terms. The Notes are general, unsecured, senior obligations of the Company limited to $200,000,000 in aggregate principal amount, plus amounts, if any, sufficient to pay interest on outstanding Notes as set forth in paragraph 4 hereof; provided the principal amount of initial Notes issued on the Issue Date was $100,000,000. Capitalized terms used but not otherwise defined in this Note have the respective meanings ascribed to such terms in the Indenture.

No reference herein to the Indenture and no provisions of this Note or of the Indenture shall alter or impair the obligation of the Company or any Subsidiary Guarantor, which, in each case, is absolute and unconditional, to pay the principal of, premium, if any, and interest on this Note at the times, place, and rate, and in the coin or currency, herein prescribed.

2. Subsidiary Guarantee. This Note is entitled to the benefit of the Subsidiary Guarantees of the Subsidiary Guarantors on a senior unsecured basis, which Subsidiary Guarantees are subject to release. Reference is hereby made to Article 11 of the Indenture and to the Subsidiary Guarantees endorsed on this Note for a statement of the respective rights, limitations of rights, duties and obligations thereunder of each of the Subsidiary Guarantors, the Trustee and the Holders, and to the release of the Subsidiary Guarantees under specified conditions.

3. Principal. The Company hereby promises to pay to the Holder of this Note, subject to the provisions of paragraph 7 hereof, the principal amount of this Note on April 1, 2008, or if such date is not a Business Day, on the next succeeding Business Day.

4. Interest. The Company promises to pay interest on the outstanding principal amount of this Note from the date this Note is issued until final repayment of the outstanding principal amount at the rate of 8 7/8% per annum. The Company will pay interest semi-annually on April 1 and October 1 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each an "Interest Payment Date"). Interest on the Notes will accrue from the most recent Interest Payment Date or, if no interest has been paid, from the date of issuance; provided that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest will accrue from each next succeeding Interest Payment Date; provided, further, that the first Interest Payment Date will be October 1, 1998. The Company will pay interest on overdue principal from time to time on demand at the rate of one percent per annum in excess of the per annum interest rate;

it shall pay interest on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate as is payable on overdue principal to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

5. Method of Payment. The Company will pay interest on the Notes to the Persons who are registered Holders of Notes at the close of business on the March 15 or September 15 (each, a "record date") next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date. The Holder must surrender this Note to a Paying Agent to collect any principal payment. The Company will pay the principal of, and interest on, the Notes in money of the United States that at the time of payment is legal tender for payment of public and private debts. The Company, however, may pay such amounts by check payable in such money. It may mail a principal or interest check to a Holder's registered address.

6. Paying Agent and Registrar. Initially, First Trust National Association, the Trustee under the Indenture, will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-registrar without notice to any Holder. Subject to the provisions of the Indenture, the Company or any Restricted Subsidiary may act in any such capacity.

7. Optional Redemption. The Company may redeem all or any portion of the Notes at any time and from time to time on or after April 1, 2003 and prior to maturity at the following redemption prices (expressed in percentages of the principal amount) together, in each case, with accrued and unpaid interest to the date fixed for

redemption if redeemed during the twelve-month period beginning on April 1 of each year indicated below:

Year	Percentage
2003.....	104.438%
2004.....	102.958%
2005.....	101.479%
2006 and thereafter.....	100.000%

In addition, on or prior to April 1, 2001, the Company may, at its option, redeem up to 35% of the outstanding Notes with the net proceeds of an Equity Offering at 108.875% of the principal amount thereof plus accrued and unpaid interest, if any, to the date fixed for redemption; provided that at least $65 million principal amount of the Notes remain outstanding after such redemption.

8. Notices of Redemption. Notice of redemption will be mailed at least 15 days but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at such Holder's registered address. Subject to the provisions of the Indenture, on and after the redemption date, interest ceases to accrue on Notes or portions thereof called for redemption.

9. Mandatory Offers to Repurchase. Within 30 days after the occurrence of any Change of Control, the Company will offer to purchase all outstanding Notes at a purchase price equal to 101 percent of the aggregate principal amount of the Notes, plus accrued and unpaid interest to the Change of Control Payment Date.

Within 30 days after the date on which the aggregate amount of Excess Proceeds (from an Asset Sale) equals at any time and from time to time $10,000,000 or more, the Company

will offer to purchase the maximum principal amount of Notes that may be purchased out of the Excess Proceeds at a purchase price equal to 100 percent of the outstanding principal amount thereof plus accrued and unpaid interest to the Asset Sale Offer Date.

Within 30 days after the end of any two consecutive fiscal quarters during which the Consolidated Tangible Net Worth of the Company is at any time and from time to time less than $85,000,000, the Company will offer to purchase 10 percent of the original outstanding principal amount of the Notes at a purchase price equal to 100 percent of the original outstanding principal amount thereof plus accrued and unpaid interest to the Net Worth Offer Date.

A Change of Control Offer, an Excess Proceeds Offer or a Net Worth Offer will remain open for the period specified in the Indenture. Promptly after the termination of a Change of Control Offer, an Excess Proceeds Offer or a Net Worth Offer, subject to the terms of the Indenture, the Company will purchase, and mail or deliver payment, for all Notes tendered and accepted pursuant to such Offer.

A Holder may tender in response to a Change of Control Offer, an Excess Proceeds Offer or a Net Worth Offer all or any portion of its Notes at its discretion by completing the form entitled "OPTION OF HOLDER TO ELECT PURCHASE" appearing on the reverse of this Note. Any portion of Notes tendered must be an integral multiple of $1,000.

10. Denominations, Transfer, Exchange. The Notes are in registered form without coupons in denominations of $1,000 and integral multiples of $1,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder,

among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar need not exchange or register the transfer of any Note or portion of a Note selected for redemption. Also, it need not issue, exchange or register the transfer of any Notes for a period of 15 Business Days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

11. Persons Deemed Owners. The registered Holder of a Note may be treated as its owner for all purposes.

12. Amendments and Waivers. Subject to certain exceptions, the Indenture, the Subsidiary Guarantees or the Notes may be amended or supplemented with the consent (which may include consents obtained in connection with a tender offer or exchange offer for Notes) of the Holders of at least a majority in principal amount of the Notes then outstanding, and any existing Default or Event of Default under, or compliance with any provision of, the Indenture may be waived (other than any continuing Default or Event of Default in the payment of interest on or the principal of Notes) with the consent (which may include consents obtained in connection with a tender offer or exchange offer for Notes) of the Holders of a majority in principal amount of the Notes then outstanding. Without the consent of any Holder, the Company, the Subsidiary Guarantors and the Trustee may amend the Indenture or the Notes or waive any provision of the Indenture to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to certificated Notes, to provide for the assumption of the Company's obligations to Holders in the case of a merger or acquisition, to make any change that does not adversely affect the legal rights of any Holder, to comply with the qualification of the Indenture under the TIA or to reflect a

Subsidiary Guarantor ceasing to be liable on the Subsidiary Guarantees because it is no longer a Subsidiary of the Company.

The right of any Holder to participate in any consent required or sought pursuant to any provision of the Indenture (and the obligation of the Company to obtain any such consent otherwise required from such Holder) may be subject to the requirement that such Holder be the Holder of record of any Notes with respect to which such consent is required or sought as of a date identified by the Trustee in a notice furnished to Holders in accordance with the terms of this Indenture.

Without the consent of each Holder affected, the Company may not (i) reduce the rate of or change the time for payment of interest, including default interest, on any Note, (ii) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to redemption under Section 3.07 of the Indenture or with respect to mandatory offers to purchase Notes pursuant to Sections 4.11, 4.16 and 4.20 of the Indenture, (iii) make any Note payable in money other than that stated in the Note, (iv) make any change to Section 6.04, 6.07 or 10.02(d)(v) of the Indenture, (v) reduce the amount of Notes whose Holders must consent to an amendment, supplement or waiver to the Indenture, (vi) modify the ranking or priority of the Notes or any Subsidiary Guarantee, (vii) release any Subsidiary Guarantor from any of its obligations under its Subsidiary Guarantee or the Indenture otherwise than in accordance with the Indenture or (viii) waive a continuing Default or Event of Default in the payment of principal of or interest on the Notes.

13. Defaults and Remedies. Events of Default include: default in payment of interest when due and payable and continuance thereof on the Notes for 30 days; default in payment of principal, or premium, on the Notes when due and

payable at maturity, acceleration or otherwise; failure by the Company or any of its Subsidiaries for 60 days after notice to comply with any of its covenants or agreements in the Notes, the Subsidiary Guarantees or the Indenture; acceleration of certain other Indebtedness of the Company or any of its Subsidiaries; failure by the Company or any of its Subsidiaries to pay certain Indebtedness when the same becomes due and payable; certain final judgments that remain undischarged against the Company or any of its Subsidiaries; certain events of bankruptcy or insolvency of the Company or its Material Subsidiaries; and any Subsidiary Guarantee ceases to be in full force and effect (other than in accordance with its terms) or is declared null and void and unenforceable or found to be invalid or any Subsidiary Guarantor denies liability under its Subsidiary Guarantee (other than by reason of release of a Subsidiary Guarantor from its Subsidiary Guarantee). If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25 percent in principal amount of the then outstanding Notes may declare all the Notes to be immediately due and payable in an amount equal to 100 percent (or in the case of Default under Section 6.01(a)(iii) of the Indenture resulting from a breach of Section 4.16 of the Indenture, 101 percent) of the principal amount of the Notes plus accrued and unpaid interest to the date of payment, except that in the case of an Event of Default arising from certain events of bankruptcy or insolvency, all outstanding Notes become due and payable immediately without any action or notice. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee will require indemnity satisfactory to it before it enforces the Indenture or the Notes. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing default (except a default

in payment of principal or interest) if it determines that withholding notice is in their interests.

14. Trustee Dealings With Company. The Trustee, in its individual or any other capacity, may become the owner or pledgee of Notes, and may otherwise deal with the Company or any of its Affiliates with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights. However, the Trustee is subject to Sections 7.10 and 7.11 of the Indenture.

15. No Recourse Against Others. No recourse for the payment of the principal of, premium, if any, or interest on any of the Notes, or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company or any Subsidiary Guarantor in the Indenture or in any of the Notes or in any Subsidiary Guarantee or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, shareholder, officer, director, employee or controlling person of the Company, any Subsidiary Guarantor or any successor Person thereof. Each Holder, by accepting such Notes waives and releases all such liability.

16. Authentication. The Note will not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose until authenticated by the manual signature of the Trustee or an authenticating agent.

17. Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

The Company will furnish to any Holder, upon written request and without charge, a copy of the Indenture. Requests may be made to:

Beazer Homes USA, Inc.
5775 Peachtree Dunwoody Road,
Suite C-550
Atlanta, Georgia 30342
Attention: Secretary

SUBSIDIARY GUARANTEE

For value received, each of the undersigned hereby, jointly and severally, unconditionally guarantees to the Holder of this Note the payments of principal of, premium, if any, and interest on this Note in the amounts and at the time when due and interest on the overdue principal, premium, if any, and interest, if any, of this Note, if lawful, and the payment or performance of all other obligations of the Company under the Indenture or the Notes, to the Holder of this Note and the Trustee, all in accordance with and subject to the terms and limitations of this Note, Article 11 of the Indenture and this Subsidiary Guarantee. This Subsidiary Guarantee will become effective in accordance with Article 11 of the Indenture and its terms shall be evidenced therein. The validity and enforceability of any Subsidiary Guarantee shall not be affected by the fact that it is not affixed to any particular Note.

The obligations of the undersigned to the Holders of Notes and to the Trustee pursuant to the Subsidiary Guarantee and the Indenture are expressly set forth in Article 11 of the Indenture and reference is hereby made to the Indenture for the precise terms of the Subsidiary Guarantee and all of the other provisions of the Indenture to which this Subsidiary Guarantee relates.

This Subsidiary Guarantee is subject to release upon the terms set forth in the Indenture.

BEAZER HOMES CORP.
BEAZER/SQUIRES REALTY, INC.
BEAZER HOMES SALES ARIZONA INC.
BEAZER REALTY CORP.
PANITZ HOMES REALTY, INC.
BEAZER MORTGAGE CORPORATION

BEAZER HOMES HOLDINGS CORP.
BEAZER HOMES TEXAS HOLDINGS, INC.
BEAZER HOMES TEXAS, L.P.,

By: /s/ David S. Weiss

Name: David S. Weiss
Title: An Authorized
Officer of
Each of the
Subsidiary Guarantors

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.11, 4.16 or 4.20 of the Indenture, check the box below:

|_| Section 4.11 (Excess Proceeds Offer)

|_| Section 4.16 (Change of Control Offer)

|_| Section 4.20 (Net Worth Offer)

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.11, 4.16 or 4.20 of the Indenture, as applicable, state the principal amount you elect to have purchased: $_____. Note: The amount you elect to have purchased must be an integral multiple of $1,000.

Date: _____ Your signature _____
(Sign exactly as your name appears on the Note)

Signature Subsidiary Guarantee:

[FORM OF ASSIGNMENT FOR 144A NOTE]

I or we assign and transfer this Note to:

(Insert assignee's social security or tax I.D. number)

_____
_____
_____
_____
(Print or type name, address and zip code of assignee)

and irrevocably appoint:

_____
_____

Agent to transfer this Note on the books of the Company. The Agent may substitute another to act for him.

[Check One]

[ ] (a) this Note is being transferred in compliance with the exemption from registration under the Securities Act provided by Rule 144A thereunder.

or

[ ] (b) this Note is being transferred other than in accordance with (a) above and documents are being furnished which comply with the conditions of transfer set forth in this Note and the Indenture.

If none of the foregoing boxes is checked, the Trustee or Registrar shall not be obligated to register this Note in the name of any person other than the holder hereof unless and until the conditions to any such transfer of registration set

forth herein and in Section 2.15 of the Indenture shall have been satisfied.

Date:_____ Your Signature:_____

(Sign exactly as your name
appears on the other side of
this Note)

Signature Subsidiary Guarantee:

TO BE COMPLETED BY PURCHASER IF (a) ABOVE IS CHECKED

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Company as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____

_____

NOTICE: To be executed by
an executive officer

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. THIS NOTE IS NOT EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS NOTE (OTHER THAN A TRANSFER OF THIS NOTE AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (A NEW YORK CORPORATION) (THE "DEPOSITORY") TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

8 7/8% SENIOR NOTE DUE 2008

No. 1

$100,000,000
CUSIP No. 07556Q AD 7

BEAZER HOMES USA, INC.

promises to pay to CEDE & CO.

or registered assigns,
the principal sum of ONE HUNDRED MILLION

Dollars in accordance with paragraph 3 hereof.

Interest Payment Dates: April 1 and October 1

Record Dates: March 15 and September 15

Certificate of Authentication:
This is to certify that this
Note is one of the Notes
described in the within mentioned
Indenture

Dated: May __, 1998

U.S. BANK TRUST NATIONAL
ASSOCIATION, as Trustee

By:

Authorized Signature

BEAZER HOMES USA, INC.

By:

Name:
Title:

By:

Name:
Title:

8 7/8% SENIOR NOTE DUE 2008

1. Indenture. Beazer Homes USA, Inc., a Delaware corporation (the "Company"), issued the Notes under an Indenture, dated as of March 25, 1998 (the "Indenture"), among the Company, Beazer Homes Corp., Beazer/Squires Realty, Inc., Beazer Homes Sales Arizona Inc., Beazer Realty Corp., Panitz Homes Realty, Inc., Beazer Mortgage Corporation, Beazer Homes Holdings Corp., Beazer Homes Texas Holdings, Inc. and Beazer Homes Texas, L.P. (collectively, the "Subsidiary Guarantors") and First Trust National Association, as trustee (the "Trustee"). The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the "TIA"), as in effect on the date of execution of the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture and the TIA for a statement of such terms. The Notes are general, unsecured, senior obligations of the Company limited to $200,000,000 in aggregate principal amount, plus amounts, if any, sufficient to pay interest on outstanding Notes as set forth in paragraph 4 hereof; provided the principal amount of initial Notes issued on the Issue Date was $100,000,000. Capitalized terms used but not otherwise defined in this Note have the respective meanings ascribed to such terms in the Indenture.

No reference herein to the Indenture and no provisions of this Note or of the Indenture shall alter or impair the obligation of the Company or any Subsidiary Guarantor, which, in each case, is absolute and unconditional, to pay the principal of, premium, if any, and interest on this Note at the times, place, and rate, and in the coin or currency, herein prescribed.

2. Subsidiary Guarantee. This Note is entitled to the benefit of the Subsidiary Guarantees of the Subsidiary Guarantors on a senior unsecured basis, which Subsidiary Guarantees are subject to release. Reference is hereby made to Article 11 of the Indenture and to the Subsidiary Guarantees endorsed on this Note for a statement of the respective rights, limitations of rights, duties and obligations thereunder of each of the Subsidiary Guarantors, the Trustee and the Holders, and to the release of the Subsidiary Guarantees under specified conditions.

3. Principal. The Company hereby promises to pay to the Holder of this Note, subject to the provisions of paragraph 7 hereof, the principal amount of this Note on April 1, 2008, or if such date is not a Business Day, on the next succeeding Business Day.

4. Interest. The Company promises to pay interest on the outstanding principal amount of this Note from March 20, 1998 until final repayment of the outstanding principal amount at the rate of 8 7/8% per annum. The Company will pay interest semi-annually on April 1 and October 1 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each an "Interest Payment Date"). Interest on the Notes will accrue from the most recent Interest Payment Date or, if no interest has been paid, from the date of issuance; provided that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest will accrue from each next succeeding Interest Payment Date; provided, further, that the first Interest Payment Date will be October 1, 1998. The Company will pay interest on overdue principal from time to time on demand at the rate of one percent per annum in excess of the per annum interest rate; it

shall pay interest on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate as is payable on overdue principal to the extent lawful. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

5. Method of Payment. The Company will pay interest on the Notes to the Persons who are registered Holders of Notes at the close of business on the March 15 or September 15 (each, a "record date") next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date. The Holder must surrender this Note to a Paying Agent to collect any principal payment. The Company will pay the principal of, and interest on, the Notes in money of the United States that at the time of payment is legal tender for payment of public and private debts. The Company, however, may pay such amounts by check payable in such money. It may mail a principal or interest check to a Holder's registered address.

6. Paying Agent and Registrar. Initially, U.S. Bank Trust National Association (formerly known as First Trust National Association), the Trustee under the Indenture, will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-registrar without notice to any Holder. Subject to the provisions of the Indenture, the Company or any Restricted Subsidiary may act in any such capacity.

7. Optional Redemption. The Company may redeem all or any portion of the Notes at any time and from time to time on or after April 1, 2003 and prior to maturity at the following redemption prices (expressed in percentages of the principal amount) together, in each case, with accrued and unpaid interest to the date fixed for

redemption if redeemed during the twelve-month period beginning on April 1 of each year indicated below:

Year	Percentage
2003.....	104.438%
2004.....	102.958%
2005.....	101.479%
2006 and thereafter.....	100.000%

In addition, on or prior to April 1, 2001, the Company may, at its option, redeem up to 35% of the outstanding Notes with the net proceeds of an Equity Offering at 108.875% of the principal amount thereof plus accrued and unpaid interest, if any, to the date fixed for redemption; provided that at least $65 million principal amount of the Notes remain outstanding after such redemption.

8. Notices of Redemption. Notice of redemption will be mailed at least 15 days but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at such Holder's registered address. Subject to the provisions of the Indenture, on and after the redemption date, interest ceases to accrue on Notes or portions thereof called for redemption.

9. Mandatory Offers to Repurchase. Within 30 days after the occurrence of any Change of Control, the Company will offer to purchase all outstanding Notes at a purchase price equal to 101 percent of the aggregate principal amount of the Notes, plus accrued and unpaid interest to the Change of Control Payment Date.

Within 30 days after the date on which the aggregate amount of Excess Proceeds (from an Asset Sale) equals at any time and from time to time $10,000,000 or more, the Company

will offer to purchase the maximum principal amount of Notes that may be purchased out of the Excess Proceeds at a purchase price equal to 100 percent of the outstanding principal amount thereof plus accrued and unpaid interest to the Asset Sale Offer Date.

Within 30 days after the end of any two consecutive fiscal quarters during which the Consolidated Tangible Net Worth of the Company is at any time and from time to time less than $85,000,000, the Company will offer to purchase 10 percent of the original outstanding principal amount of the Notes at a purchase price equal to 100 percent of the original outstanding principal amount thereof plus accrued and unpaid interest to the Net Worth Offer Date.

A Change of Control Offer, an Excess Proceeds Offer or a Net Worth Offer will remain open for the period specified in the Indenture. Promptly after the termination of a Change of Control Offer, an Excess Proceeds Offer or a Net Worth Offer, subject to the terms of the Indenture, the Company will purchase, and mail or deliver payment, for all Notes tendered and accepted pursuant to such Offer.

A Holder may tender in response to a Change of Control Offer, an Excess Proceeds Offer or a Net Worth Offer all or any portion of its Notes at its discretion by completing the form entitled "OPTION OF HOLDER TO ELECT PURCHASE" appearing on the reverse of this Note. Any portion of Notes tendered must be an integral multiple of $1,000.

10. Denominations, Transfer, Exchange. The Notes are in registered form without coupons in denominations of $1,000 and integral multiples of $1,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder,

among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture. The Registrar need not exchange or register the transfer of any Note or portion of a Note selected for redemption. Also, it need not issue, exchange or register the transfer of any Notes for a period of 15 Business Days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

11. Persons Deemed Owners. The registered Holder of a Note may be treated as its owner for all purposes.

12. Amendments and Waivers. Subject to certain exceptions, the Indenture, the Subsidiary Guarantees or the Notes may be amended or supplemented with the consent (which may include consents obtained in connection with a tender offer or exchange offer for Notes) of the Holders of at least a majority in principal amount of the Notes then outstanding, and any existing Default or Event of Default under, or compliance with any provision of, the Indenture may be waived (other than any continuing Default or Event of Default in the payment of interest on or the principal of Notes) with the consent (which may include consents obtained in connection with a tender offer or exchange offer for Notes) of the Holders of a majority in principal amount of the Notes then outstanding. Without the consent of any Holder, the Company, the Subsidiary Guarantors and the Trustee may amend the Indenture or the Notes or waive any provision of the Indenture to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes in addition to certificated Notes, to provide for the assumption of the Company's obligations to Holders in the case of a merger or acquisition, to make any change that does not adversely affect the legal rights of any Holder, to comply with the qualification of the Indenture under the TIA or to reflect a

Subsidiary Guarantor ceasing to be liable on the Subsidiary Guarantees because it is no longer a Subsidiary of the Company.

The right of any Holder to participate in any consent required or sought pursuant to any provision of the Indenture (and the obligation of the Company to obtain any such consent otherwise required from such Holder) may be subject to the requirement that such Holder be the Holder of record of any Notes with respect to which such consent is required or sought as of a date identified by the Trustee in a notice furnished to Holders in accordance with the terms of this Indenture.

Without the consent of each Holder affected, the Company may not (i) reduce the rate of or change the time for payment of interest, including default interest, on any Note, (ii) reduce the principal of or change the fixed maturity of any Note or alter the provisions with respect to redemption under Section 3.07 of the Indenture or with respect to mandatory offers to purchase Notes pursuant to Sections 4.11, 4.16 and 4.20 of the Indenture, (iii) make any Note payable in money other than that stated in the Note, (iv) make any change to Section 6.04, 6.07 or 10.02(d)(v) of the Indenture, (v) reduce the amount of Notes whose Holders must consent to an amendment, supplement or waiver to the Indenture, (vi) modify the ranking or priority of the Notes or any Subsidiary Guarantee, (vii) release any Subsidiary Guarantor from any of its obligations under its Subsidiary Guarantee or the Indenture otherwise than in accordance with the Indenture or (viii) waive a continuing Default or Event of Default in the payment of principal of or interest on the Notes.

13. Defaults and Remedies. Events of Default include: default in payment of interest when due and payable and continuance thereof on the Notes for 30 days; default in payment of principal, or premium, on the Notes when due and

payable at maturity, acceleration or otherwise; failure by the Company or any of its Subsidiaries for 60 days after notice to comply with any of its covenants or agreements in the Notes, the Subsidiary Guarantees or the Indenture; acceleration of certain other Indebtedness of the Company or any of its Subsidiaries; failure by the Company or any of its Subsidiaries to pay certain Indebtedness when the same becomes due and payable; certain final judgments that remain undischarged against the Company or any of its Subsidiaries; certain events of bankruptcy or insolvency of the Company or its Material Subsidiaries; and any Subsidiary Guarantee ceases to be in full force and effect (other than in accordance with its terms) or is declared null and void and unenforceable or found to be invalid or any Subsidiary Guarantor denies liability under its Subsidiary Guarantee (other than by reason of release of a Subsidiary Guarantor from its Subsidiary Guarantee). If an Event of Default occurs and is continuing, the Trustee or the Holders of at least 25 percent in principal amount of the then outstanding Notes may declare all the Notes to be immediately due and payable in an amount equal to 100 percent (or in the case of Default under Section 6.01(a)(iii) of the Indenture resulting from a breach of Section 4.16 of the Indenture, 101 percent) of the principal amount of the Notes plus accrued and unpaid interest to the date of payment, except that in the case of an Event of Default arising from certain events of bankruptcy or insolvency, all outstanding Notes become due and payable immediately without any action or notice. Holders may not enforce the Indenture or the Notes except as provided in the Indenture. The Trustee will require indemnity satisfactory to it before it enforces the Indenture or the Notes. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any continuing default (except a default

in payment of principal or interest) if it determines that withholding notice is in their interests.

14. Trustee Dealings With Company. The Trustee, in its individual or any other capacity, may become the owner or pledgee of Notes, and may otherwise deal with the Company or any of its Affiliates with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights. However, the Trustee is subject to Sections 7.10 and 7.11 of the Indenture.

15. No Recourse Against Others. No recourse for the payment of the principal of, premium, if any, or interest on any of the Notes, or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company or any Subsidiary Guarantor in the Indenture or in any of the Notes or in any Subsidiary Guarantee or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, shareholder, officer, director, employee or controlling person of the Company, any Subsidiary Guarantor or any successor Person thereof. Each Holder, by accepting such Notes waives and releases all such liability.

16. Authentication. The Note will not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose until authenticated by the manual signature of the Trustee or an authenticating agent.

17. Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

The Company will furnish to any Holder, upon written request and without charge, a copy of the Indenture. Requests may be made to:

Beazer Homes USA, Inc.
5775 Peachtree Dunwoody Road,
Suite C-550
Atlanta, Georgia 30342
Attention: Secretary

SUBSIDIARY GUARANTEE

For value received, each of the undersigned hereby, jointly and severally, unconditionally guarantees to the Holder of this Note the payments of principal of, premium, if any, and interest on this Note in the amounts and at the time when due and interest on the overdue principal, premium, if any, and interest, if any, of this Note, if lawful, and the payment or performance of all other obligations of the Company under the Indenture or the Notes, to the Holder of this Note and the Trustee, all in accordance with and subject to the terms and limitations of this Note, Article 11 of the Indenture and this Subsidiary Guarantee. This Subsidiary Guarantee will become effective in accordance with Article 11 of the Indenture and its terms shall be evidenced therein. The validity and enforceability of any Subsidiary Guarantee shall not be affected by the fact that it is not affixed to any particular Note.

The obligations of the undersigned to the Holders of Notes and to the Trustee pursuant to the Subsidiary Guarantee and the Indenture are expressly set forth in Article 11 of the Indenture and reference is hereby made to the Indenture for the precise terms of the Subsidiary Guarantee and all of the other provisions of the Indenture to which this Subsidiary Guarantee relates.

This Subsidiary Guarantee is subject to release upon the terms set forth in the Indenture.

BEAZER HOMES CORP.
BEAZER/SQUIRES REALTY, INC.
BEAZER HOMES SALES ARIZONA INC.
BEAZER REALTY CORP.
PANITZ HOMES REALTY, INC.
BEAZER MORTGAGE CORPORATION

BEAZER HOMES HOLDINGS CORP.
BEAZER HOMES TEXAS HOLDINGS, INC.
BEAZER HOMES TEXAS, L.P.,

By:

Name: David S. Weiss
Title: An Authorized
Officer of
Each of the
Subsidiary Guarantors

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.11, 4.16 or 4.20 of the Indenture, check the box below:

|_| Section 4.11 (Excess Proceeds Offer)

|_| Section 4.16 (Change of Control Offer)

|_| Section 4.20 (Net Worth Offer)

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.11, 4.16 or 4.20 of the Indenture, as applicable, state the principal amount you elect to have purchased: $_____. Note: The amount you elect to have purchased must be an integral multiple of $1,000.

Date: _____ Your signature _____
(Sign exactly as your name appears on the Note)

Signature Subsidiary Guarantee:

Exhibit 4.17

BEAZER HOMES USA, INC.

$100,000,000 8 7/8% Senior Notes due 2008

PURCHASE AGREEMENT

March 20, 1998

SBC WARBURG DILLON READ INC.
DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION
SALOMON SMITH BARNEY
as Initial Purchasers
c/o SBC Warburg Dillon Read Inc.
535 Madison Avenue
New York, New York 10022

Dear Sirs:

Beazer Homes USA, Inc. (the "Company"), a Delaware corporation, proposes to issue and sell to SBC Warburg Dillon Read Inc., Donaldson, Lufkin & Jenrette Securities Corporation and Salomon Smith Barney (the "Initial Purchasers") $100,000,000 aggregate principal amount of its 8 7/8% Senior Notes due 2008 (the "Notes"). The Notes will be issued pursuant to an indenture (the "Indenture"), to be dated the Closing Date (as defined below), by and among the Company, the guarantors listed on the signature pages hereto (collectively, the "Guarantors") and First Trust National Association, as trustee (the "Trustee"). The Company's obligations under the Notes and the Exchange Notes (as defined below) will be unconditionally guaranteed on an unsecured basis by each of the Guarantors pursuant to each of their guarantees (the "Guarantees") and the Notes and the Guarantees will rank pari passu with the Company's $115,000,000 9% Senior Notes due 2004 (the "2004 Notes") and the guarantees of the 2004 Notes, respectively. All references herein to the Notes or the Exchange Notes include the related guarantees, unless the context otherwise requires. Capitalized terms used but not

otherwise defined herein shall have the meanings given to such terms in the Indenture or the Offering Memorandum (as defined below).

The Notes will be offered and sold to the Initial Purchasers (the "Offering") pursuant to an exemption from the registration requirements under the Securities Act of 1933, as amended, and the rules and regulations thereunder (collectively, the "Act"). The Company has prepared a preliminary offering memorandum, dated March 10, 1998 (the "Preliminary Offering Memorandum"), and a final offering memorandum, dated and available for distribution on the date hereof (the "Offering Memorandum"), relating to the Company, the Guarantors and the Notes.

The Initial Purchasers have advised the Company that the Initial Purchasers intend, as soon as they deem advisable after this Purchase Agreement has been executed and delivered, to resell (the "Exempt Resales") the Notes purchased by the Initial Purchasers under this Purchase Agreement (this "Agreement") in private sales exempt from registration under the Act on the terms set forth in the Offering Memorandum, as amended or supplemented, solely to (i) persons whom the Initial Purchasers reasonably believe to be "qualified institutional buyers," as defined in Rule 144A under the Act ("QIBs"), in compliance with Rule 144A and (ii) other eligible purchasers pursuant to offers and sales that occur outside the U.S. within the meaning of Regulation S under the Act ("Regulation S"); the persons specified in clauses (i)-(ii) are sometimes collectively referred to herein as the "Eligible Purchasers."

Holders (including subsequent transferees) of the Notes will have the registration rights set forth in the registration rights agreement (the "Registration Rights Agreement"), to be dated the Closing Date, substantially in the form of Exhibit A to this Agreement, for so long as such Notes constitute "Transfer Restricted Securities" (as defined in the

Registration Rights Agreement). Pursuant to the Registration Rights Agreement, the Company and the Guarantors will agree to (A) file with the Securities and Exchange Commission (the "Commission"), under the circumstances set forth in the Registration Rights Agreement, (i) a registration statement under the Act (the "Exchange Offer Registration Statement") relating to the Company's 8 7/8% Senior Notes due 2008 to be offered in exchange (the "Exchange Notes") for the Notes (the "Exchange Offer") and/or (ii) a shelf registration statement pursuant to Rule 415 under the Act (the "Shelf Registration Statement" and, together with the Exchange Offer Registration Statement, the "Registration Statements") relating to the resale by certain holders of the Notes, and (B) use their best efforts to cause such Registration Statements to be declared effective as soon as practicable. This Agreement, the Notes, the Exchange Notes, the Indenture and the Registration Rights Agreement are hereinafter sometimes referred to collectively as the "Operative Documents."

Upon original issuance of the Notes and until such time as the same is no longer required under the applicable requirements of the Act, the Notes shall bear the legend provided in the Offering Memorandum.

The net proceeds from the Offering will be used by the Company to repay indebtedness outstanding under its Credit Facility (as defined in the Preliminary Offering Memorandum) and to pay any related fees and expenses in connection therewith.

The Company, each of the Guarantors, and the Initial Purchasers agree as follows:

1. SALE AND PURCHASE. Upon the basis of the representations, warranties and covenants contained in this Agreement, and subject to the other terms and conditions herein set forth, the Company agrees to issue and sell to the Initial

Purchasers, and the Initial Purchasers agree to purchase from the Company, the aggregate principal amount of the Notes set forth opposite the name of such Initial Purchaser on Exhibit B hereto. The purchase price for the Notes shall be 96.933% of their principal amount. The Company shall cause each Guarantor to unconditionally guarantee on an unsecured basis by such Guarantor the Company's obligations under the Notes and the Exchange Notes.

2. PAYMENT AND DELIVERY. Payment of the purchase price for the Notes shall be made to the Company by wire transfer of immediately available funds, to an account of the Company designated by the Company at least two business days prior to the payment date, against delivery of the certificates for the Notes for the account of the Initial Purchasers. Delivery of, and payment of the purchase price for, the Notes shall be made at 9:00 a.m., New York City time, on the third business day following the date of this Agreement (the "Closing Date") at the offices of Cahill Gordon & Reindel, 80 Pine Street, New York, New York 10005. The Closing Date, and the location of delivery of, and the form of payment for, the Notes may be varied by mutual agreement between the Initial Purchasers and the Company.

One or more of the Notes in global form or certificated form, as the case may be, registered in such names as the Initial Purchasers may request upon at least one business day's notice prior to the Closing Date, having an aggregate principal amount corresponding to the aggregate principal amount of the Notes sold pursuant to Exempt Resales to QIBs, in the case of the Notes in global form, and to other Eligible Purchasers, in the case of Notes in certificated form sold pursuant to Regulation S, shall be delivered by the Company to the Initial Purchasers (or as the Initial Purchasers direct), against payment by the Initial Purchasers of the purchase price therefor by means of transfer of immediately available funds (including book transfer) reasonably acceptable

to the Initial Purchasers and the Company to the order of the Company. The Notes in global form shall be made available to the Initial Purchasers for inspection not later than 9:30 a.m. on the business day immediately preceding the Closing Date.

3. AGREEMENTS OF THE ISSUERS. The Company and the Guarantors covenant and agree with the Initial Purchasers as follows:

(a) To furnish such information as may be required and otherwise to cooperate with the Initial Purchasers and counsel to the Initial Purchasers in qualifying the Notes and Exchange Notes for offering and sale under the securities or blue sky laws of such jurisdictions as the Initial Purchasers may request and to maintain such qualification in effect so long as required by such laws for the Exempt Resales, provided that neither the Company nor any Guarantor shall be required to qualify as a foreign corporation in any jurisdiction in which it is not so qualified or to file a general consent to service of process in any such jurisdiction or subject itself to taxation in any jurisdiction in which it is not then so subject (except service of process with respect to the offering and sale of the Notes and Exchange Notes); and to promptly advise the Initial Purchasers of the receipt by the Company or any Guarantor of any notification with respect to the suspension of the qualification of the Notes or Exchange Notes for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose.

(b) To furnish the Initial Purchasers and those persons identified by the Initial Purchasers, without charge, with such number of copies of the Preliminary Offering Memorandum and the Offering Memorandum, and any amendments or supplements thereto, as the Initial Purchasers may reasonably request for purposes

contemplated by the Act. The Company consents to the use of the Preliminary Offering Memorandum and the Offering Memorandum, and any amendments and supplements thereto required pursuant to this Agreement, by the Initial Purchasers in connection with Exempt Resales that are in compliance with Section 4(B) of this Agreement.

(c) From and after the Closing Date, for so long as any of the Notes remain outstanding, to deliver without charge to the Initial Purchasers, promptly upon their becoming available, copies of (i) all reports and other communications (financial or otherwise) that the Company shall mail or otherwise make available to its securityholders, (ii) all reports or financial statements furnished to or filed by the Company and each of the Guarantors with the Commission or any national securities exchange and (iii) such other information as the Initial Purchasers may reasonably request regarding the Company or the Subsidiaries.

(d) To advise the Initial Purchasers promptly of the happening of any event known to the Company prior to the Closing Date which, in the judgment of the Company, would require the making of any change in the Preliminary Offering Memorandum or the Offering Memorandum then being used, so that the Preliminary Offering Memorandum or the Offering Memorandum would not include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading, and, during such time, to prepare and furnish, at the Company's expense, to the Initial Purchasers promptly such amendments or supplements to the Preliminary Offering Memorandum or the Offering Memorandum as may be necessary to reflect any such change and to furnish the Initial Purchasers a copy of such proposed amendment or supplement. The Company shall promptly prepare, upon the

Initial Purchasers' reasonable request, any amendment or supplement to the Offering Memorandum that may be necessary or advisable in connection with Exempt Resales.

(e) To furnish to the Initial Purchasers as early as practicable prior to the time of purchase, but not later than two business days prior thereto, a copy of the latest available unaudited interim consolidated financial statements, if any, of the Company and the Subsidiaries which have been read by the Company's independent certified public accountants, as stated in their letter to be furnished pursuant to Section 6(c) of this Agreement.

(f) To apply the net proceeds from the sale of the Notes in the manner set forth under the caption "Use of Proceeds" in the Offering Memorandum.

(g) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement becomes effective or is terminated, to pay all costs, expenses, fees and taxes (other than any transfer taxes and other than fees and disbursements of counsel to the Initial Purchasers, except as may be required by clause (iv) below) incident to and in connection with: (i) the preparation, printing, filing and distribution of the Preliminary Offering Memorandum and the Offering Memorandum and all amendments and supplements thereto, (ii) the preparation and delivery of the Operative Documents and all other agreements, memoranda, correspondence and documents prepared and delivered in connection with this Agreement and with the Exempt Resales, (iii) the issuance, transfer and delivery by the Company and the Guarantors of the Notes and the Guarantees, respectively, to the Initial Purchasers, (iv) the qualification or registration of the Notes for offer and sale under the securities or Blue Sky laws of the several states (including, without limitation, the

cost of printing and mailing a preliminary and final Blue Sky memorandum and the fees and disbursements of counsel to the Initial Purchasers relating thereto), (v) the furnishing of such copies of the Preliminary Offering Memorandum and the Offering Memorandum, and all amendments and supplements thereto, as may be reasonably requested for use in connection with Exempt Resales, (vi) the preparation of certificates for the Notes and Exchange Notes (including, without limitation, printing and engraving thereof), (vii) the application for eligibility of the Notes for trading in the Private Offerings, Resales and Trading through Automated Linkages ("PORTAL") market of the National Association of Securities Dealers, Inc. ("NASD"), including, but not limited to, all application fees and expenses, (viii) the approval of the Notes and Exchange Notes by The Depository Trust Company ("DTC") for "book-entry" transfer, (ix) the rating of the Notes and Exchange Notes by rating agencies, (x) the fees and expenses of the Trustee and its counsel and (xi) the performance by the Company and the Guarantors of their other obligations under the Operative Documents, including, but not limited to, the fees, disbursements and expenses of the Company's counsel and accountants.

(h) Not to sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in the Act) that would be integrated with the sale of the Notes in a manner that would require the registration under the Act of the sale of the Notes to the Initial Purchasers or any Eligible Purchasers.

(i) From and after the Closing Date, for so long as any of the Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Act and during any period in which the Company is not subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), to make

available the information required by Rule 144A(d)(4) under the Act to (i) any holder or beneficial owner of Notes in connection with any sale of such Notes and (ii) any prospective purchaser of such Notes from any such holder or beneficial owner designated by the holder or beneficial owner.

(j) To comply with all of its agreements set forth in the Registration Rights Agreement and all agreements set forth in the representations letter of the Company to DTC relating to the approval of the Notes by DTC for "book-entry" transfer.

(k) To use its best efforts to effect the eligibility of the Notes for trading in the PORTAL market and to obtain approval of the Notes by DTC for "book-entry" transfer.

(l) Not to distribute prior to the Closing Date any offering material in connection with the offer and sale of the Notes other than the Preliminary Offering Memorandum and the Offering Memorandum.

4. REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND GUARANTORS. (A) The Company and each of the Guarantors represents and warrants to the Initial Purchasers that:

(1) Each of the Preliminary Offering Memorandum and the Offering Memorandum has been prepared in connection with the Exempt Resales. Neither the Preliminary Offering Memorandum nor the Offering Memorandum, or any supplement or amendment thereto, contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the Company makes no warranty or representation with respect

to any statement made in reliance upon and in conformity with information concerning the Initial Purchasers and furnished in writing by the Initial Purchasers to the Company expressly for use in the Preliminary Offering Memorandum or the Offering Memorandum. No order asserting that any of the transactions contemplated by this Agreement are subject to the registration requirements of the Act has been issued or threatened.

(2) As of the date of this Agreement, the Company has an authorized capitalization as set forth under the heading entitled "Actual" in the section of the Preliminary Offering Memorandum and the Offering Memorandum entitled "Capitalization" and, as of the time of purchase, the Company shall have an authorized capitalization as set forth under the heading entitled "As Adjusted" in the section of the Preliminary Offering Memorandum and the Offering Memorandum entitled "Capitalization"; all of the issued and outstanding shares of Common Stock have been duly and validly authorized and issued and are fully paid and nonassessable; the Company has been duly incorporated and is validly existing as a corporation in good standing under the law of the State of Delaware with full corporate power and authority to own its properties and conduct its business as described in the Preliminary Offering Memorandum and the Offering Memorandum, to execute and deliver this Agreement and to issue, sell and deliver the Senior Notes as herein contemplated.

(3) All of the issued and outstanding shares of the capital stock of each of the Company's corporate subsidiaries (the "Corporate Subsidiaries"), have been duly authorized and validly issued and are fully paid and nonassessable and the partnership interests which the Company owns in Beazer Homes Texas, L.P. (the "Partnership Subsidiary" and, together with the Corporate Subsidiaries,

the "Subsidiaries") have been duly authorized and validly issued and are fully paid and non-assessable, and both the capital stock of the Corporate Subsidiaries and the partnership interests in the Partnership Subsidiary are owned by the Company free and clear of any pledge, lien, encumbrance, security interest, preemptive right or other claim; except as described in the Preliminary Offering Memorandum and the Offering Memorandum, there are no outstanding rights, subscriptions, warrants, calls, options or other agreements of any kind with respect to the capital stock or the partnership interests of the Company or the Subsidiaries; the Company does not own, directly or indirectly, shares of capital stock of any corporation other than the Corporate Subsidiaries, or partnership interests in any partnership other than the Partnership Subsidiary, except that the Company does own a 40% interest in the Joint Venture Entity (as defined in the Preliminary Offering Memorandum).

(4) Each of the Corporate Subsidiaries has been duly incorporated, and the Partnership Subsidiary has been duly formed, and is validly existing as a corporation, in the case of the Corporate Subsidiaries, or as a limited partnership, in the case of the Partnership Subsidiary, in good standing under the laws of its respective jurisdiction of incorporation or formation with full corporate or partnership power, as the case may be, and authority to own its respective properties and conduct its respective business as described in the Preliminary Offering Memorandum and the Offering Memorandum and to execute and deliver the Indenture and the Guarantees.

(5) The Company and each of the Guarantors have all requisite corporate and partnership power, as the case may be, and authority to execute, deliver and perform all of their obligations under the Operative Documents and to consummate the transactions contemplated by the Operative

Documents and, without limitation, the Company has all requisite corporate power and authority to issue, sell and deliver the Notes and each of the Guarantors has all requisite corporate and partnership power, as the case may be, and authority to execute, deliver and perform all of its obligations under the Guarantees.

(6) The Company and each of the Subsidiaries are duly qualified or licensed by and are in good standing in each jurisdiction in which the nature of their respective businesses or their respective ownership or leasing of their respective properties requires such qualification, except where the failure, individually or in the aggregate, to be so licensed or qualified and in good standing would not have a material adverse effect on the properties, assets, prospects, operations, business or condition (financial or otherwise) of the Company and the Subsidiaries taken as a whole; and the Company and each of the Subsidiaries are in compliance in all material respects with the laws, orders, rules and regulations issued or administered by such jurisdictions.

(7) The Indenture has been duly authorized by each of the Company and each of the Guarantors and, when executed and delivered by each of them, will be a legal, valid and binding agreement of each enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance and fraudulent transfer, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally and general principles of equity.

(8) The Notes have been duly authorized by the Company and the Guarantees have been duly authorized by each of the Guarantors and, when executed and authenticated in accordance with the terms of the

Indenture and delivered to and paid for by you, the Notes will constitute legal, valid and binding obligations of the Company and the Guarantees will constitute legal, valid and binding obligations of each Guarantor, in each case enforceable in accordance with their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance and fraudulent transfer, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally and general principles of equity.

(9) The Exchange Notes have been duly and validly authorized for issuance by the Company and, when issued, authenticated and delivered by the Company in accordance with the terms of the Exchange Offer and the Indenture, the Exchange Notes will be legal, valid and binding obligations of the Company, entitled to the benefits of the Indenture and enforceable against the Company in accordance with their terms, except that enforceability of the Exchange Notes may be limited by bankruptcy, insolvency, fraudulent conveyance and fraudulent transfer, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and the discretion of the court before which any proceedings therefor may be brought. The Exchange Notes, when issued, authenticated and delivered, will conform in all material respects to the description thereof in the Offering Memorandum.

(10) The Guarantees have been duly and validly authorized by the Guarantors and, when the Notes and Exchange Notes are executed and delivered in accordance with the terms of the Indenture and the Registration Rights Agreement, will be legal, valid and binding obligations of the Guarantors, enforceable against each of them in accordance with their respective terms, except that enforceability of the Guarantees may be limited by

bankruptcy, insolvency, fraudulent conveyance and fraudulent transfer, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and the discretion of the court before which any proceedings therefor may be brought. The Guarantees, when executed and delivered, will conform in all material respects to the description thereof in the Preliminary Offering Memorandum and the Offering Memorandum.

(11) The Registration Rights Agreement has been duly and validly authorized by the Company and each of the Guarantors and, when duly executed and delivered by the Company and each of the Guarantors, will be a legal, valid and binding agreement of the Company and each of the Guarantors, enforceable against each of them in accordance with its terms, except that (a) enforceability of the Registration Rights Agreement may be limited by bankruptcy, insolvency, fraudulent conveyance and fraudulent transfer, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and the discretion of the court before which any proceedings therefor may be brought and (b) any rights to indemnity or contribution thereunder may be limited by federal and state securities laws and public policy considerations. The Registration Rights Agreement will conform in all material respects to the description thereof in the Preliminary Offering Memorandum and the Offering Memorandum.

(12) Neither the Company nor any of the Subsidiaries is in breach of, or in default under (nor has any event occurred which with notice, lapse of time, or both would constitute a breach of, or default under), its respective charter or by-laws or in the performance or observance of any obligation, agreement, covenant or condition contained

in any license, indenture, lease, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument material to the conduct of the business of the Company and the Subsidiaries, taken as a whole, to which the Company or any of the Subsidiaries is a party or by which any of them is bound, and the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not conflict with, or result in any breach of or constitute a default under (nor constitute any event which with notice, lapse of time, or both would constitute a breach of, or default under), any provisions of the charter or by-laws of the Company or any of the Subsidiaries or under any provision of any license, indenture, lease, mortgage, deed of trust, bank loan or credit agreement or other agreement or instrument to which the Company or any of the Subsidiaries or any of their respective affiliates is a party or by which the Company or any of the Subsidiaries or their respective properties may be bound or affected, or under any federal, state, local or foreign law, regulation or rule or any decree, judgment or order applicable to the Company or any of the Subsidiaries or any of their respective affiliates.

(13) This Agreement has been duly and validly authorized by the Company and each of the Guarantors and, when duly executed and delivered by the Company and each of the Guarantors, will be a legal, valid and binding agreement of the Company and each of the Guarantors, enforceable against each of them in accordance with its terms, except that (a) enforceability of the Registration Rights Agreement may be limited by bankruptcy, insolvency, fraudulent conveyance and fraudulent transfer, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity and the discretion of the court before which any proceedings therefor may be brought and

(b) any rights to indemnity or contribution thereunder may be limited by federal and state securities laws and public policy considerations.

(14) The Notes, the Guarantees and the Indenture conform in all material respects to the descriptions thereof contained in the Preliminary Offering Memorandum and the Offering Memorandum.

(15) No approval, authorization, consent or order of or filing with any federal, state, local or foreign governmental or regulatory commission, board, body, authority or agency is required in connection with the issuance and sale of the Notes, Exchange Notes and the Guarantees as contemplated hereby, except such as have been or will be obtained and made on or prior to the Closing Date (or, in the case of the Registration Rights Agreement, will be obtained and made under the Act, the Trust Indenture Act and state securities or Blue Sky laws and regulations).

(16) Each of the Company and the Subsidiaries has all necessary permits, licenses, authorizations, consents and approvals and has made all necessary filings required under any federal, state, local or foreign law, regulation or rule, and has obtained all necessary authorizations, consents and approvals from other persons, material to the conduct of its respective business; neither the Company nor any of the Subsidiaries is in violation of, or in default under, any such license, authorization, consent or approval or any federal, state, local or foreign law, regulation or rule or any decree, order judgment applicable to the Company or any of the Subsidiaries the effect of which could have a material adverse effect on the properties, assets, prospects, operations, business or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole.

(17) All legal or governmental proceedings, contracts or documents of a character required to be described in the Preliminary Offering Memorandum and the Offering Memorandum have been so described as required.

(18) Other than as described in the Preliminary Offering Memorandum and the Offering Memorandum, there are no actions, suits or proceedings pending or, to the Company's best knowledge, threatened against the Company or any of the Subsidiaries or any of their respective properties, at law or in equity, or before or by any federal, state, local or foreign governmental or regulatory commission, board, body, authority or agency which could result in a judgment, decree or order having a material adverse effect on the properties, assets, prospects, operations, business or conditions (financial or otherwise) of the Company and the Subsidiaries, taken as a whole.

(19) The audited and unaudited financial statements and information incorporated by reference in the Preliminary Offering Memorandum and the Offering Memorandum present fairly the consolidated financial position of the Company and the Subsidiaries as of the dates indicated and the consolidated results of operations and cash flows of the Company for the periods specified, subject, in the case of such unaudited financial statements, to normal year end adjustments; such financial statements have been prepared in conformity with generally accepted accounting principles applied on a consistent basis during the periods involved (except as otherwise noted therein); and all adjustments to historical data made by the Company in preparing the pro forma data were reasonable.

(20) Subsequent to the respective dates as of which information is given in the Preliminary Offering

Memorandum and the Offering Memorandum, and except as may be otherwise stated in the Preliminary Offering Memorandum and the Offering Memorandum, there has not been (i) any material adverse change, financial or otherwise, in the business, properties, prospects, results of operations or condition (financial or otherwise), present or prospective, of the Company and the Subsidiaries, taken as a whole, (ii) any transaction, which is or could be material to the business, properties, prospects, results of operations or condition (financial or otherwise), present or prospective, of the Company and the Subsidiaries, taken as a whole, contemplated or entered into by the Company or any of the Subsidiaries, or (iii) any obligation, contingent or otherwise, directly or indirectly incurred by the Company or any of the Subsidiaries which is or could be material to the business, properties, prospects, results of operations or condition (financial or otherwise), present or prospective, of the Company and the Subsidiaries taken as a whole.

(21) Neither the Company nor any of the Guarantors is, nor will any of them be, after giving effect to the issuance and sale of the Notes and the Guarantees and the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, (i) insolvent, (ii) left with unreasonably small capital with which to engage in its anticipated businesses, or (iii) incurring debts beyond its ability to pay such debts as they mature.

(22) The Company and the Subsidiaries have good title to all properties and assets owned by them and have good leasehold interest in each property and asset leased by them, in each case free and clear of all pledges, liens, encumbrances, security interests, charges, mortgages and defects, except as such do not materially affect the value

of such property and as such do not interfere with the use made and proposed to be made of such properties by the Company and the Subsidiaries.

(23) The business, operations and facilities of the Company and each of the Subsidiaries have been and are being conducted in compliance with all applicable laws, ordinances, rules, regulations, licenses, permits, approvals, plans, authorizations or requirements relating to occupational safety and health, or pollution, or protection of health or the environment, or reclamation (including, without limitation, those relating to emissions, discharges, releases or threatened releases of pollutants, contaminants or hazardous or toxic substances, materials or wastes into ambient air, surface water, groundwater or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of chemical substances, materials or wastes, whether solid, gaseous or liquid in nature) or otherwise relating to remediating real property of any governmental department, commission, board, bureau, agency or instrumentality of the United States, any state or political subdivision thereof, or any foreign jurisdiction, and all applicable judicial or administrative agency or regulatory decrees, awards, judgments and orders relating thereto, except any violation thereof which would not, individually or in the aggregate, have a material adverse effect on the properties, assets, prospects, operations, business or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole; and neither the Company nor any of the Subsidiaries has received any notice from a governmental instrumentality or any third party alleging any violation thereof or liability thereunder (including, without limitation, liability for costs of investigating or remediating sites containing hazardous substances and/or damages to natural resources).

(24) There is no claim pending or, to the best knowledge of the Company, threatened or contemplated under any federal, state, local or foreign law, rule or regulation governing pollution or protection of the environment (the "Environmental Laws") against the Company or any of the Subsidiaries which, if adversely determined, would have a material adverse effect on the properties, assets, prospects, operation, business or condition (financial or otherwise) of the Company and the Subsidiaries taken as a whole; there are no past or present actions or conditions including, without limitation, the release of any hazardous substance or waste regulated under any Environmental Law that are likely to form the basis of any such claim against the Company or any of the Subsidiaries which, if adversely determined, would have a material adverse effect on the properties, assets, prospects, operation, business or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole.

(25) The Company and each of the Subsidiaries have filed all federal or state income and franchise tax returns required to be filed and have paid all taxes shown thereon as due, and there is no material tax deficiency which has been or is reasonably likely to be asserted against the Company or any of the Subsidiaries; all material tax liabilities of the Company and the Subsidiaries are adequately provided for on the books of the Company and the Subsidiaries.

(26) The Company has not incurred any liability for any finder's fees or similar payments in connection with the transactions herein contemplated.

(27) The Company, either directly or through one or more Subsidiaries, has in effect, with financially sound insurers, insurance with respect to its business and

properties and the business and properties of the Subsidiaries against loss or damage of the kind customarily insured against by corporations engaged in the same or similar businesses and similarly situated, of such type and in such amounts as are customarily carried under similar circumstances by such other corporations.

(28) None of the Company or its Subsidiaries is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended (the "Investment Company Act"), or analogous foreign laws and regulations.

(29) None of the Company, the Guarantors or their Affiliates (as defined in Rule 501(b) of Regulation D under the Act) has (A) taken, directly or indirectly, any action designed to, or that might reasonably be expected to, cause or result in stabilization or manipulation of the price of any security of the Company or any of the Guarantors to facilitate the sale or resale of the Notes or (B) since the date of the Preliminary Offering Memorandum (x) sold, bid for, purchased or paid any person any compensation for soliciting purchases of the Notes in a manner that would require registration of the Notes under the Act or (y) paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Company or any of the Guarantors in a manner that would require registration of the Notes under the Act.

(30) No registration under the Act of the Notes is required for the sale of the Notes to the Initial Purchasers as contemplated by this Agreement or for the Exempt Resales, assuming in each case that (A) the purchasers who buy the Notes in the Exempt Resales are Eligible Purchasers and (B) the accuracy of and compliance with the Initial Purchasers' representations, warranties

and covenants contained in Section 4(B) of this Agreement. No form of general solicitation or general advertising (as those terms are used in Regulation D under the Act) was used by the Company, any of the Guarantors or any of their representatives in connection with the offer and sale of any of the Notes or in connection with Exempt Resales, including, but not limited to, articles, notices or other communications published in any newspaper, magazine or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(31) The execution and delivery of this Agreement, the other Operative Documents and the sale of the Notes, the Exchange Notes, and Guarantees to be purchased by the Eligible Purchasers will not involve any prohibited transaction within the meaning of Section 406(a) of ERISA or Section 4975(c)(1)(A)-(D) of the Code. The representation made by the Company and each of the Guarantors in the preceding sentence is made in reliance upon and subject to the accuracy of, and compliance with, the representations and covenants made or deemed made by the Eligible Purchasers as set forth in the Offering Memorandum under the caption "Transfer Restrictions."

(32) Each of the Preliminary Offering Memorandum and the Offering Memorandum, as of its date, and each amendment or supplement thereto, as of its date, contains the information specified in, and meets the requirements of, Rule 144A(d)(4) under the Act.

(33) Neither the Company nor any of its Subsidiaries (nor any agent acting on behalf of the Company or any of the Subsidiaries) has taken, and none of them will take, any action that might cause this Agreement or the issuance or sale of the Notes or Exchange Notes to violate Regulation G (12 C.F.R. Part 207), Regulation T (12 C.F.R.

Part 220), Regulation U (12 C.F.R. Part 221) or Regulation X (12 C.F.R. Part 224) of the Board of Governors of the Federal Reserve System or analogous foreign laws and regulations, in each case as in effect, or as the same may hereafter be in effect, on the Closing Date.

(34) No forward-looking statement (within the meaning of Section 27A of the Act and Section 21E of the Exchange Act) contained in the Offering Memorandum has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(35) None of the Company or the Guarantors is or, upon consummation of the transactions, will be (A) "insolvent" as that term is defined in Section 101(32) of the United States Bankruptcy Code (the "Bankruptcy Code") (11 U.S.C. ss. 101(32)), Section 2 of the Uniform Fraudulent Transfer Act ("UFTA") or Section 2 of the Uniform Fraudulent Conveyance Act ("UFCA"), (B) an entity with "unreasonably small capital" as that term is used in Section 548(a)(2)(ii) of the Bankruptcy Code or Section 5 of the UFCA, (C) engaged or about to engage in a business or transaction for which its remaining property is "unreasonably small" in relation to the business or transaction as that term is used in Section 4 of the UFTA or (D) unable to pay its debts as they mature or become due, within the meaning of Section 548(a)(2)(B)(iii) of the Bankruptcy Code, Section 4 of the UFTA and Section 6 of the UFCA. The Company and each of the Guarantors now owns and upon consummation of the transactions will own assets having a value at both "fair valuation" and at "present fair saleable value" greater than the amount required to pay its "debts" as such terms are used in Section 2 of the UFTA and Section 2 of the UFCA.

(36) The statistical and market-related data included in the Preliminary Offering Memorandum and the Offering Memorandum are based on or derived from sources that the Company and the Guarantors believe to be reliable and accurate and represent the Company's and the Guarantors' good faith estimates that are made on the basis of data derived from such sources.

The Company and each of the Guarantors acknowledges that the Initial Purchasers and, for purposes of the opinions to be delivered to the Initial Purchasers pursuant to Section 7 of this Agreement, the law firm acting as counsel to the Company and each of the Guarantors and counsel to the Initial Purchasers will rely upon the accuracy and truth of the foregoing representations and the Company and each Guarantor hereby consents to such reliance.

(B) Each of the Initial Purchasers represents, warrants and covenants to the Company that they are QIBs with such knowledge and experience in financial and business matters as are necessary in order to evaluate the merits and risks of an investment in the securities. The Initial Purchasers represent, warrant and agree with the Company that (i) they are not acquiring the Notes with a view to any distribution thereof that would violate the Act or the securities laws of any state of the United States or any applicable jurisdiction, (ii) they have not and will not solicit offers for, or offer or sell, the Notes by any form of general solicitation or general advertising (as those terms are used in Regulation D under the Act) or in any manner involving a public offering within the meaning of Section 4(2) of the Act and (iii) they have and will solicit offers for the Notes only from, and will offer the Notes only to, (x) persons whom the Initial Purchasers reasonably believe to be QIBs or, if any such person is buying for one or more institutional accounts for which such person is acting as fiduciary or agent, only when such person has represented to the Initial Purchasers that each such account is

a QIB to whom notice has been given that such sale or delivery is being made in reliance on Rule 144A, and, in each case, in transactions under Rule 144A, or (y) persons other than U.S. persons outside the U.S. in reliance on Regulation S.

Each of the Initial Purchasers represents and warrants that the source of funds being used by them to acquire the Notes does not include the assets of any "employee benefit plan" (within the meaning of Section 3 of ERISA) or any "plan" (within the meaning of Section 4975 of the Code).

The Initial Purchasers understand that the Company and, for purposes of the opinion to be delivered to them pursuant to Section 7(f) hereof, counsel to the Company will rely upon the accuracy and truth of the foregoing representations, and the Initial Purchasers hereby consent to such reliance.

5. INDEMNIFICATION. (a) Each of the Company and the Guarantors, on a joint and several basis, agrees to indemnify and hold harmless the Initial Purchasers, each person, if any, who controls an Initial Purchaser within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, the agents, employees, officers and directors of an Initial Purchaser and the agents, employees, officers and directors of any such controlling person from and against any and all losses, liabilities, claims, damages and expenses whatsoever (including but not limited to reasonable attorneys' fees and any and all reasonable expenses whatsoever incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all reasonable amounts paid in settlement of any claim or litigation) to which they or any of them may become subject under the Act, the Exchange Act or otherwise insofar as such losses, liabilities, claims, damages or expenses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact

contained in the Preliminary Offering Memorandum or the Offering Memorandum, or in any supplement thereto or amendment thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Company and the Guarantors will not be liable in any such case to the extent, but only to the extent, that any such loss, liability, claim, damage or expense arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information relating to the Initial Purchasers furnished to the Company by or on behalf of the Initial Purchasers expressly for use therein; provided, further, that such indemnity with respect to the Preliminary Offering Memorandum shall not inure to the benefit of the Initial Purchasers (or any persons controlling the Initial Purchasers) from whom the person asserting such loss, claim, damage or liability purchased the Notes which are the subject thereof if such person did not receive a copy of the Offering Memorandum (or the Offering Memorandum as amended or supplemented) at or prior to the confirmation of the sale of such Notes to such person (and the Offering Memorandum or any such amended or supplemented Offering Memorandum, as applicable, shall have been delivered by the Company to the Initial Purchasers a reasonable amount of time prior to the mailing or delivery, as applicable, of such confirmation) and any such untrue statement or omission or alleged untrue statement or omission of a material fact contained in such Preliminary Offering Memorandum was corrected in the Offering Memorandum (or the Offering Memorandum as amended or supplemented). This indemnity agreement will be in addition to any liability that each of the Company and the Guarantors may otherwise have, including, but not limited to, liability under this Agreement.

If any action is brought against the Initial Purchasers or any such person in respect of which indemnity may be sought against the Company and the Guarantors pursuant to the foregoing paragraph, the Initial Purchasers or such person shall promptly notify the indemnifying party in writing of the institution of such action and the indemnifying party shall assume the defense of such action, including the employment of counsel reasonably satisfactory to such indemnified party and payment of all fees and expenses, provided, however, that the omission to so notify the indemnifying party shall not relieve the indemnifying party from any liability which they may have to the Initial Purchasers or any such person or otherwise. The Initial Purchasers or such person shall have the right to employ their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of the Initial Purchasers unless the employment of such counsel shall have been authorized in writing by the indemnifying party in connection with the defense of such action or the indemnifying party shall not have employed counsel to have charge of the defense of such action or such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to the indemnifying party (in which case the indemnifying party shall not have the right to direct the defense of such action on behalf of the indemnified party or parties (but the indemnifying parties may employ counsel and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the indemnifying parties)), in any of which events such fees and expenses shall be borne by the indemnifying party and paid as incurred (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel (together with appropriate local counsel) in any one action or series of related actions in the same jurisdiction representing the indemnified parties who are parties to such action). The indemnifying party shall not be liable for any settlement of any such claim or action effected without its

written consent but if settled with the written consent of the indemnifying party, the indemnifying party agrees to indemnify and hold harmless the Initial Purchasers and any such person from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second sentence of this paragraph, then the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 60 business days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement and (iii) such indemnified party shall have given the indemnifying party at least 30 days' prior notice of its intention to settle. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(b) The Initial Purchasers agree to indemnify and hold harmless the Company and the Guarantors, each person, if any, who controls the Company or any of the Guarantors within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, and each of its agents, employees, officers and directors and the agents, employees, officers and directors of such controlling person from and against any losses, liabilities, claims, damages and expenses whatsoever (including but not limited to reasonable attorneys' fees and any and all reasonable expenses whatsoever incurred in investigating, preparing or defending against any litigation, commenced or

threatened, or any claim whatsoever and any and all reasonable amounts paid in settlement of any claim or litigation) to which they or either of them may become subject under the Act, the Exchange Act or otherwise insofar as such losses, liabilities, claims, damages or expenses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Offering Memorandum or the Offering Memorandum, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that any such loss, liability, claim, damage or expense arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information relating to the Initial Purchasers furnished to the Company by or on behalf of the Initial Purchasers in writing expressly for use therein. The Company and the Initial Purchasers acknowledge that the information set forth in Section 8 is the only information furnished in writing by the Initial Purchasers to the Company expressly for use in the Offering Memorandum. This indemnity agreement will be in addition to any liability that the Initial Purchasers may otherwise have, including, but not limited to, liability under this Agreement.

If any action is brought against the Company or the Guarantors or any such person in respect of which indemnity may be sought against the Initial Purchasers pursuant to the foregoing paragraph, the Company, the Guarantors or such person shall promptly notify the Initial Purchasers in writing of the institution of such action and the Initial Purchasers shall assume the defense of such action, including the employment of counsel reasonably satisfactory to such indemnified party and payment of all fees and expenses, provided, however, that the

omission to so notify the Initial Purchasers shall not relieve the Initial Purchasers from any liability which they may have to the Company, the Guarantors or any such person or otherwise. The Company, the Guarantors or such person shall have the right to employ its own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of the Company or such person unless the employment of such counsel shall have been authorized in writing by the Initial Purchasers in connection with the defense of such action or the Initial Purchasers shall not have employed counsel to have charge of the defense of such action or such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to the Initial Purchasers (in which case the Initial Purchasers shall not have the right to direct the defense of such action on behalf of the indemnified party or parties, but the Initial Purchasers may employ counsel and participate in the defense thereof but the fees and expenses of such counsel shall be at the expense of the Initial Purchasers), in any of which events such fees and expenses shall be borne by the Initial Purchasers and paid as incurred (it being understood, however, that the Initial Purchasers shall not be liable for the expenses of more than one separate counsel (together with appropriate local counsel) in any one action or series of related actions in the same jurisdiction representing the indemnified parties who are parties to such action). Anything in this paragraph to the contrary notwithstanding, the Initial Purchasers shall not be liable for any settlement of any such claim or action effected without the written consent of the Initial Purchasers but if settled with the written consent of the Initial Purchasers, the Initial Purchasers agree to indemnify and hold harmless the Company, the Guarantors and any such person from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as

contemplated by the second sentence of this paragraph, then the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 60 business days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement and (iii) such indemnified party shall have given the indemnifying party at least 30 days' prior notice of its intention to settle. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

6. CONTRIBUTION. In order to provide for contribution in circumstances in which the indemnification provided for in Section 5 of this Agreement is for any reason held to be unavailable from the indemnifying party, or is insufficient to hold harmless a party indemnified under Section 5 of this Agreement, the Company and the Guarantors, on the one hand, and the Initial Purchasers, on the other hand, shall contribute to the amount paid or payable by such indemnified party as a result of such aggregate losses, claims, damages, liabilities and expenses of the nature contemplated by such indemnification provision (including any investigation, legal and other expenses incurred in connection with, and any amount paid in settlement of, any action or any claims asserted) to which the Company and/or the Guarantors and the Initial Purchasers may be subject (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Guarantors, on the one hand, and the Initial Purchasers, on the other hand, from the Offering or, (ii) if

such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Guarantors, on the one hand, and the Initial Purchasers, on the other hand, in connection with the statements or omissions that resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Guarantors, on the one hand, and the Initial Purchasers, on the other hand, shall be deemed to be in the same proportion as (x) the total proceeds from the Offering (net of discounts and commissions but before deducting expenses) received by the Company and the Guarantors and (y) the total discounts and commissions received by the Initial Purchasers as set forth in the table on the cover page of the Offering Memorandum. The relative fault of the Company and the Guarantors, on the one hand, and the Initial Purchasers, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company (and the Guarantors) or the Initial Purchasers and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission or alleged statement or omission.

The Company, the Guarantors and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this Section 6 were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to above. Notwithstanding the provisions of this Section 6, (i) in no case shall the Initial Purchasers be required to contribute any amount in excess of the amount by which the total discount and commissions applicable to the Notes pursuant to this Agreement exceeds the amount of any damages that the Initial Purchasers have otherwise been required to pay by

reason of any untrue or alleged untrue statement or omission or alleged omission and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 6, each person, if any, who controls the Initial Purchasers within the meaning of Section 15 of the Act or Section 20 of the Exchange Act shall have the same rights to contribution as the Initial Purchasers, and each person, if any, who controls the Company or the Guarantors within the meaning of Section 15 of the Act or Section 20 of the Exchange Act shall have the same rights to contribution as the Company or the Guarantors, respectively, where applicable, subject in each case to clauses (i) and (ii) of this paragraph. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action against such party in respect of which a claim for contribution may be made against another party or parties under this Section 6, notify such party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have under this Section 6 or otherwise; provided, however, that no additional notice shall be required with respect to any action for which notice has been given under Section 5 for purposes of indemnification. No party shall be liable for contribution with respect to any action or claim settled without its written consent; provided, however, that such written consent was not unreasonably withheld.

7. CONDITIONS OF INITIAL PURCHASERS' OBLIGATIONS. The obligations of the Initial Purchasers to purchase and pay for the Notes, as provided for in this Agreement, shall be subject to satisfaction of the following conditions prior to or concurrently with such purchase:

(a) All of the representations and warranties of the Company and the Guarantors contained in this Agreement shall be true and correct on the date of this Agreement and on the Closing Date. The Company and the Guarantors shall have performed or complied with all of the agreements contained in this Agreement and required to be performed or complied with by them at or prior to the Closing Date.

(b) No stop order suspending the qualification or exemption from qualification of the Notes in any jurisdiction shall have been issued and no proceeding for that purpose shall have been commenced or shall be pending or threatened.

(c) No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any governmental agency that would, as of the Closing Date, prevent the issuance of the Notes or the Exchange Offer; no action, suit or proceeding shall have been commenced and be pending against or affecting or, to the best knowledge of the Company and the Guarantors, threatened against the Company and/or the Guarantors before any court or arbitrator or any governmental body, agency or official that, if adversely determined, would result in a material adverse effect.

(d) Since the date as of which information is given in the Offering Memorandum, except as expressly set forth therein, neither the Company nor any of its Subsidiaries had any material liabilities or obligations, direct or contingent, that were not set forth in the Company's consolidated balance sheet as of December 31, 1997 or in the notes thereto. Since the date as of which information is given in the Offering Memorandum and up to the Closing Date, except as otherwise expressly set forth in the Offering Memorandum, (a) none of the Company or its

Subsidiaries has (1) incurred any liabilities or obligations, direct or contingent, that would, either individually or in the aggregate, result in a material adverse effect or (2) entered into any material transaction not in the ordinary course of business, and (b) there has not been any event or development in respect of the business, development or financial condition of the Company or any of its Subsidiaries that would, either individually or in the aggregate, result in a material adverse effect.

(e) The Company will, at the time of purchase, deliver to the Initial Purchasers a certificate of the chief executive officer and chief financial officer to the effect that the representations and warranties of the Company as set forth in this Agreement and the conditions set forth in paragraphs (a), (b), (c) and (d) of this Section 7 have been met and that they are true and correct as of the Closing Date.

(f) The Company shall have furnished to the Initial Purchasers at the time of purchase, an opinion of Paul, Hastings, Janofsky & Walker, LLP, counsel for the Company, addressed to the Initial Purchasers, and dated the time of purchase and in form reasonably satisfactory to Cahill Gordon & Reindel, counsel for the Initial Purchasers, substantially stating that:

(i) the Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with full corporate power and authority to own its properties and conduct its business as described in the Preliminary Offering Memorandum and the Offering Memorandum, to execute and deliver this Agreement and to issue, sell and deliver the Notes as herein contemplated;

(ii) all of the issued and outstanding shares of capital stock of each of the Corporate Subsidiaries have been duly authorized and validly issued and are fully paid and non-assessable and the partnership interests which the Company owns in the Partnership Subsidiary have been duly authorized and validly issued and are fully paid and non-assessable, and both the capital stock of the Corporate Subsidiaries and the partnership interests in the Partnership Subsidiary are owned by the Company or one or more of the Subsidiaries and, to the best knowledge of such counsel, free and clear of any pledge, lien, encumbrance, security interest, preemptive rights or other claim; except as described in the Preliminary Offering Memorandum and the Offering Memorandum and, to the best knowledge of such counsel, there are no outstanding rights, subscriptions, warrants, calls, options or other agreements of any kind with respect to the capital stock or the partnership interests of the Company or the Subsidiaries;

(iii) each of the Corporate Subsidiaries has been duly incorporated and the Partnership Subsidiary has been duly formed, and is validly existing as a corporation, in the case of the Corporate Subsidiaries, or as a limited partnership, in the case of the Partnership Subsidiary, in good standing under the laws of its respective jurisdiction of incorporation or formation, as the case may be, with full corporate or partnership power, as the case may be, and authority to own its respective properties and conduct its respective business as described in the Preliminary Offering Memorandum and the

Offering Memorandum and to execute and deliver the Indenture and the Guarantees;

(iv) the Company and the Subsidiaries are duly qualified, and are in good standing, in each jurisdiction in which the nature of its business or its ownership or its leasing of property requires such qualification, except where the failure, individually or in the aggregate, to be so qualified could have a material adverse effect on the properties, assets, prospects, operations, business or condition (financial or otherwise) of the Company and the Subsidiaries;

(v) this Agreement has been duly authorized, executed and delivered by the Company and the Guarantors and constitutes a legal, valid and binding obligation of the Company and the Guarantors enforceable against the Company and each of the Guarantors in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance and fraudulent transfer, moratorium or similar laws relating to or affecting creditors' rights generally and general principles of equity;

(vi) the Indenture has been duly authorized, executed and delivered by each of the Company and each of the Guarantors, and, assuming due authorization, execution and delivery by the Trustee, is a legal, valid and binding agreement of each of the Company and each of the Guarantors enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws relating to

or affecting creditors' rights generally and general principles of equity;

(vii) the Notes have been duly authorized by the Company and the Guarantees have been duly authorized by each of the Guarantors and, when executed and authenticated in accordance with the terms of the Indenture and delivered to and paid for by the Initial Purchasers, will be legal, valid and binding obligations of the Company and the Guarantees will constitute legal, valid and binding obligations of each Guarantor, in each case enforceable in accordance with their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws relating to or affecting creditors' rights generally and general principles of equity;

(viii) the Exchange Notes have been duly authorized by the Company and the Guarantees have been duly authorized by each of the Guarantors and, when executed and authenticated in accordance with the terms of the Indenture and delivered to and paid for by the Initial Purchasers, will be legal, valid and binding obligations of the Company and the Guarantees will constitute legal, valid and binding obligations of each Guarantor, in each case enforceable in accordance with their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar laws relating to or affecting creditors' rights generally and general principles of equity;

(ix) the Registration Rights Agreement has been duly authorized, executed and delivered by the

Company and the Guarantors and constitutes a legal, valid and binding obligation of the Company and the Guarantors enforceable against the Company and each of the Guarantors in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance and fraudulent transfer, moratorium or similar laws relating to or affecting creditors' rights generally and general principles of equity;

(x) (a) the Company has an authorized capitalization as set forth under the heading entitled "Actual" in the section of the Preliminary Offering Memorandum and the Offering Memorandum entitled "Capitalization"; and (b) the outstanding shares of Common Stock have been duly and validly authorized and issued and are fully paid, nonassessable and free of statutory and contractual preemptive rights;

(xi) the Notes, the Exchange Notes, the Guarantees, the Indenture and the Registration Rights Agreement conform in all material respects as to legal matters to the descriptions thereof contained in the Preliminary Offering Memorandum and the Offering Memorandum;

(xii) no consent, approval, authorization or order of any governmental authority is required for the issuance and sale by the Company of the Notes to the Initial Purchasers or the consummation by the Company of the transactions contemplated herein, except as such as may be required under states securities or "Blue Sky" laws, or the laws of any foreign jurisdiction, as to which such counsel need not express an opinion;

(xiii) no registration under the Act is required in connection with the sale of the Notes to the Initial Purchasers as contemplated by this Agreement and the Offering Memorandum or in connection with the initial resale of the Notes by the Initial Purchasers in accordance with this Agreement, and prior to the commencement of the Exchange Offer (as defined in the Registration Rights Agreement), and the effectiveness of the Shelf Registration Statement (as defined in the Registration Rights Agreement), and the Indenture is not required to be qualified under the Trust Indenture Act;

(xiv) the execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby do not and will not conflict with, or result in a breach of, or constitute a default under (nor constitute any event which with notice, lapse of time, or both, would constitute a breach of or default under), any provisions of the charter or by-laws of the Company or any of the Subsidiaries or under any provisions of any license, indenture, lease, mortgage, deed of trust, bank loan, credit agreement or other agreement or instrument known to such counsel to which the Company or any of the Subsidiaries is a party or by which any of them or their respective properties may be bound or affected, or under any law, regulation or rule or any decree, judgment or order known to such counsel applicable to the Company or any of the Subsidiaries;

(xv) to the best of such counsel's knowledge, there are no contracts, licenses, agreements, leases or documents of a character which are

required to be summarized or described in the Offering Memorandum which have not been so summarized or described;

(xvi) to the best of such counsel's knowledge, there are no actions, suits or proceedings pending or threatened against the Company or any of the Subsidiaries or any of their respective properties, at law or in equity or before or by any commission, board, body, authority or agency which are required to be described in the Offering Memorandum but are not so described;

(xvii) the Indenture is in sufficient form for due qualification under the Trust Indenture Act.

Such counsel shall also state that, in connection with the preparation of the Preliminary Offering Memorandum and the Offering Memorandum, such counsel has participated in various discussions and meetings with representatives of the Initial Purchasers, officers and other representatives of the Company and representatives of the Company's independent public accountants, and has examined copies of documents furnished to such counsel by the Company as such counsel deems relevant. Such counsel shall also state that nothing has come to the attention of such counsel that led them to believe that the Preliminary Offering Memorandum and the Offering Memorandum or any supplement thereto at the date of such Preliminary Offering Memorandum and the Offering Memorandum or such supplement, and at all times up to and including the time of purchase or additional time of purchase, as the case may be, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (it being understood that such counsel need not

express an opinion with respect to the financial statements, the notes thereto and the related schedules and other information of an accounting, financial or statistical nature included in the Preliminary Offering Memorandum and the Offering Memorandum).

In rendering any such opinion, such counsel may rely, as to matters of fact, to the extent such counsel deems proper, on certificates of responsible officers of the Company and public officials and, as to matters involving the application of the laws of any jurisdiction other than the States of Delaware or New York or the United States, to the extent satisfactory in form and scope to Cahill Gordon & Reindel, counsel to the Initial Purchasers.

(g) The Initial Purchasers shall have received on the Closing Date an opinion (satisfactory in form and substance to the Initial Purchasers) dated the Closing Date of Cahill Gordon & Reindel, counsel to the Initial Purchasers, covering substantially such matters as are customarily covered in such opinions.

(h) The Initial Purchasers shall have received a "comfort letter" from Deloitte & Touche LLP, independent public accountants for the Company and the Guarantors, dated as of the date of this Agreement, addressed to the Initial Purchasers and in form and substance satisfactory to the Initial Purchasers and counsel to the Initial Purchasers. In addition, as of the Closing Date, the Initial Purchasers shall have received a "bring-down comfort letter" from Deloitte & Touche, LLP in form and substance satisfactory to the Initial Purchasers and counsel to the Initial Purchasers covering the same items and matters as covered in the "comfort letter" but as of a date that is not more than three days prior to the date thereof and any changes and additions to the Preliminary

Offering Memorandum that were made producing the Offering Memorandum.

(i) The Initial Purchasers shall have received a "comfort letter" from Ernst & Young LLP, independent public accountants for the Company and the Guarantors, dated as of the date of this Agreement, addressed to the Initial Purchasers and in form and substance satisfactory to the Initial Purchasers and counsel to the Initial Purchasers.

(j) The Company, the Guarantors and the Trustee shall have entered into the Indenture and the Initial Purchasers shall have received counterparts, conformed as executed, thereof.

(k) The Company, the Guarantors and the Initial Purchasers shall have entered into the Registration Rights Agreement and the Initial Purchasers shall have received counterparts, conformed as executed, thereof.

(l) The Notes shall have been approved as eligible for trading in the PORTAL market.

(m) Between the time of execution of this Agreement and the time of purchase of the Notes, there shall not have occurred any downgrading, nor shall any notice have been given of (i) any intended or potential downgrading or (ii) any review or possible change that does not indicate an improvement in, or maintenance of, the rating accorded any securities of or guaranteed by the Company or any subsidiary of the Company by any "nationally recognized statistical rating organization", as that term is defined in Rule 436(g)(2) promulgated under the Act.

(n) The Initial Purchasers shall have been furnished with certified copies of such documents as they may

reasonably request and all closing documents from the closings of the transactions contemplated hereby.

(o) Cahill Gordon & Reindel, counsel to the Initial Purchasers, shall have been furnished with such documents as they may reasonably request to enable them to review or pass upon the matters referred to in this Section 7 and in order to evidence the accuracy, completeness or satisfaction in all material respects of any of the representations, warranties or conditions contained in this Agreement.

If any of the conditions specified in this Section 7 shall not have been fulfilled when and as required by this Agreement to be fulfilled, this Agreement may be terminated by the Initial Purchasers on notice to the Company at any time at or prior to the Closing Date, and such termination shall be without liability of any party to any other party except that the Company shall reimburse the Initial Purchasers for all of the reasonable out-of-pocket expenses, including the reasonable expense of Initial Purchasers' counsel, incurred by the Initial Purchasers in connection with this Agreement. Notwithstanding any such termination, the provisions of Sections 3(g), 5, 6, 9, 10(d) and 13 shall remain in effect.

The Company's obligation under this Agreement to sell the Notes to the Initial Purchasers on the Closing Date is subject to the Initial Purchasers purchasing and paying for all of the Notes.

8. INITIAL PURCHASERS' INFORMATION. The Company and the Initial Purchasers severally acknowledge that the statements set forth in (i) the last paragraph on the front cover page concerning the forms of the offering by the Initial Purchasers; (ii) the first paragraph on page 3 concerning stabilization activities by the Initial Purchasers; and (iii) the statements concerning the Initial Purchasers contained in

the fifth paragraph and the fifth sentence of the third paragraph under the caption "Plan of Distribution" in the Offering Memorandum constitute the only information furnished in writing by the Initial Purchasers expressly for use in the Offering Memorandum.

9. SURVIVAL OF REPRESENTATIONS AND AGREEMENTS. All representations and warranties, covenants and agreements contained in this Agreement, including the agreements contained in Sections 3(g) and 10(d), the indemnity agreements contained in Section 5 and the contribution agreements contained in Section 6 shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Initial Purchasers or any controlling person thereof or by or on behalf of the Company, any of the Guarantors or any controlling person of any thereof, and shall survive delivery of and payment for the Notes to and by the Initial Purchasers. The representations contained in Section 4 and the agreements contained in Sections 3(g), 5, 6, 10(d) and 13 shall survive the termination of this Agreement, including pursuant to Sections 7 and 10.

10. EFFECTIVE DATE OF AGREEMENT; TERMINATION. (a) This Agreement shall become effective upon execution and delivery of a counterpart hereof by each of the parties hereto.

(b) The Initial Purchasers shall have the right to terminate this Agreement at any time prior to the Closing Date by notice to the Company from the Initial Purchasers, without liability (other than with respect to Sections 5 and 6) on the Initial Purchasers if, on or prior to such date, (i) the Company or any of the Guarantors shall have failed, refused or been unable to perform in any material respect any agreement on its part to be performed under this Agreement, (ii) any other condition of the obligations of the Initial Purchasers under this Agreement as provided in Section 7 is not fulfilled when

and as required in any material respect, (iii) trading in securities generally on the New York Stock Exchange shall have been suspended or materially limited, or minimum prices shall have been established on such exchange by the Commission, or by such exchange or other regulatory body or governmental authority having jurisdiction, (iv) a general banking moratorium shall have been declared by U.S. federal or New York authorities, or if a moratorium in foreign exchange trading by major international banks or persons shall have been declared, (v) there is an outbreak or escalation of hostilities or other national or international calamity on or after the date of this Agreement, or if there has been a declaration by the United States of a national emergency or war, the effect of which shall be, in the Initial Purchasers' judgment, to make it inadvisable or impracticable to proceed with the offering or delivery of the Notes on the terms and in the manner contemplated in the Offering Memorandum or (vi) there shall have been such a material adverse change in general economic, political or financial conditions or the effect (or potential effect if the financial markets in the United States have not yet opened) of international conditions on the financial markets in the United States shall be such as, in the Initial Purchasers' judgment, to make it inadvisable or impracticable to proceed with the offering or delivery of the Notes on the terms and in the manner contemplated in the Offering Memorandum.

(c) Any notice of termination pursuant to this Section 10 shall be given at the address specified in Section 11 below by telephone or telephonic facsimile, confirmed in writing by letter.

(d) If this Agreement shall be terminated pursuant to any clause of Section 10(b), or if the sale of the Notes provided for in this Agreement is not consummated because any condition to the obligations of the Initial Purchasers set forth in this Agreement is not satisfied or because of any

refusal, inability or failure on the part of either of the Company or any Guarantor to perform any agreement in this Agreement or comply with any provision of this Agreement, the Company and the Guarantors will, subject to demand by the Initial Purchasers, reimburse the Initial Purchasers for all of its reasonable out-of-pocket expenses (including the reasonable fees and expenses of the Initial Purchasers' counsel) incurred in connection with this Agreement.

11. NOTICE. All communications with respect to or under this Agreement, except as may be otherwise specifically provided in this Agreement, shall be in writing and, if sent to the Initial Purchasers, shall be mailed, delivered, or telecopied and confirmed in writing to SBC Warburg Dillon Read Inc., 535 Madison Avenue, New York, New York 10022 (telephone: (212) 906-7000), Attention: Corporate Finance Department, telecopy number: (212) 593-0164; and if sent to the Company or the Guarantors, shall be mailed, delivered or telecopied and confirmed in writing to Beazer Homes USA, Inc., 5775 Peachtree Dunwoody Road, Suite C-550, Atlanta, Georgia 30342, telephone: (404) 250-3420, telecopy number : (404) 250-3428, Attention: President, and Paul, Hastings, Janofsky & Walker LLP, 399 Park Avenue, 31st Floor, New York, New York 10022, telephone: (212) 318-6000, telecopy number: (212) 319-4090, Attention: William F. Schwitter.

All such notices and communications shall be deemed to have been duly given: (i) at the time delivered by hand, if personally delivered; (ii) five business days after being deposited in the mail, postage prepaid, if mailed; (iii) when receipt acknowledged if telecopied; and (iv) on the next business day, if timely delivered to an air courier guaranteeing overnight delivery.

12. PARTIES. This Agreement shall inure solely to the benefit of, and shall be binding upon, the Initial Purchasers and the Company and the Guarantors and the

controlling persons and agents referred to in Sections 5 and 6, and their respective successors and assigns, and no other person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Agreement or any provision herein contained. The term "successors and assigns" shall not include a purchaser, in its capacity as such, of Notes from the Initial Purchasers.

13. CONSTRUCTION. This Agreement shall be construed in accordance with the internal laws of the State of New York (without giving effect to any provisions thereof relating to conflicts of law) and each of the parties hereto consent to the jurisdiction of the courts of the State of New York. Each of the parties hereto agrees to submit to the jurisdiction of the the U.S. Federal Courts sitting in the City of New York for the purposes of any suit, action or proceeding arising out of or relating to this Indenture. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of the Initial Purchasers to bring proceedings against the Company and/or the Guarantors in the courts of any other jurisdiction.

14. CAPTIONS. The captions included in this Agreement are included solely for convenience of reference and are not to be considered a part of this Agreement.

15. SUBMISSION TO JURISDICTION. The Company and the Guarantors irrevocably submit to the nonexclusive jurisdiction of any Federal court sitting in New York over any suit, action or proceeding arising out of or relating to this agreement. The Company and the Guarantors irrevocably waive, to the fullest extent permitted by law, any objection they may now or thereafter have to the laying of venue of any such court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. The Company and the Guarantors agree that a final judgment in any

such suit, action or proceeding brought in any such court shall be conclusive and binding upon the Company and the Guarantors and may be enforced in any other courts to the jurisdiction of which the Company and the Guarantors are or may be subject, by suit upon such judgment.

16. COUNTERPARTS. This Agreement may be executed in various counterparts and by the parties to this Agreement in separate counterparty, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

17. MISCELLANEOUS. SBC Warburg Dillon Read Inc., an indirect, wholly owned subsidiary of Swiss Bank Corporation, is not a bank and is separate from any affiliated bank, including any U.S. branch or agency of Swiss Bank Corporation. Because SBC Warburg Dillon Read Inc. is a separately incorporated entity, it is solely responsible for its own contractual obligations and commitments, including obligations with respect to sales purchases of securities. Securities sold, offered or recommended by SBC Warburg Dillon Read Inc. are not deposits, are not insured by the Federal Deposit Insurance Corporation, are not guaranteed by a branch or agency, and are not otherwise an obligation or responsibility of a branch or agency.

A lending affiliate of SBC Warburg Dillon Read Inc. may have lending relationships with issuers of securities underwritten or privately placed by SBC Warburg Dillon Read Inc. To the extent required under the securities laws, prospectuses and other disclosure documents for securities underwritten or privately placed by SBC Warburg Dillon Read Inc. will disclose the existence of any such lending relationships and whether the proceeds of the issue will be used to repay debts owed to affiliates of SBC Warburg Dillon Read Inc.

Without the Company's prior written approval, the U.S. branches and agencies of Swiss Bank Corporation will not share with SBC Warburg Dillon Read Inc. any non-public information concerning the Company or any of the Guarantors, and SBC Warburg Dillon Read Inc. will not share any non-public information received from the Initial Purchasers with any of such U.S. branches and agencies of Swiss Bank Corporation.

If the foregoing correctly sets forth the understanding among the Company, the Guarantors and the Initial Purchasers, please so indicate in the space provided below for the purpose, whereupon this letter and your acceptance shall constitute a binding agreement among the Company, the Guarantors and the Initial Purchasers.

BEAZER HOMES USA, INC.

By:*

Name:
Title:

GUARANTORS:

BEAZER HOMES CORP.

By:*

BEAZER/SQUIRES REALTY, INC.

By:*

BEAZER HOMES SALES ARIZONA INC.

By:*

BEAZER REALTY CORP.

By:*

PANITZ HOMES REALTY, INC.

By:*

BEAZER MORTGAGE CORPORATION

By:*

BEAZER HOMES HOLDINGS CORP.

By:*

BEAZER HOMES TEXAS HOLDINGS, INC.

By:*

BEAZER HOMES TEXAS, L.P.

By:*
---

* Executed by David S. Weiss as an authorized officer of each of the Company and the Guarantors.

Confirmed and accepted as
of the date first above
written:

SBC WARBURG DILLON READ INC.

By: /s/ Allan P. Merrill

Name: Allan P. Merrill
Title: Executive Director

DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION

By: /s/ Eric A. Anderson

Name: Eric A. Anderson
Title: Managing Director

SALOMON SMITH BARNEY

By: /s/ Beth May

Name: Beth May
Title: Vice President

Exhibit A

Form of Registration Rights Agreement

Exhibit B

Initial Purchasers	Principal Amount of Notes
SBC Warburg Dillon Read Inc.....	$50.000,000
Donaldson Lufkin & Jenrette Securities Corporation.....	30,000,000
Salomon Smith Barney.....	20,000,000
	$100,000,000

Exhibit 4.18

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REGISTRATION RIGHTS AGREEMENT

Dated as of March 25, 1998

by and among

BEAZER HOMES USA, INC.

THE GUARANTORS NAMED HEREIN

and

THE INITIAL PURCHASERS NAMED HEREIN

- ---

This Registration Rights Agreement (the "Agreement") is made and entered into as of March 25, 1998 by and among BEAZER HOMES USA, INC., a Delaware corporation (the "Company"), the GUARANTORS (as defined herein) and SBC WARBURG DILLON READ INC., DONALDSON, LUFKIN & JENRETTE SECURITIES CORPORATION and SALOMON SMITH BARNEY (the "Initial Purchasers"). The execution and delivery of this Agreement is a condition to the obligations of the Initial Purchasers to purchase $100,000,000 of the Company's 8 7/8% Senior Notes due 2008 under the Purchase Agreement, dated as of March 20, 1998 (the "Purchase Agreement"), by and among the Company, the Guarantors and the Initial Purchasers.

The Company, the Guarantors and the Initial Purchasers hereby agree as follows:

SECTION 1. DEFINITIONS

As used in this Agreement, the following capitalized terms shall have the following meanings:

Act: The Securities Act of 1933, as amended, and the rules and regulations promulgated by the Commission pursuant thereto.

Action: As defined in Section 8(c) of this Agreement.

Broker-Dealer: Any broker or dealer registered under the Exchange Act.

Closing Date: The date that the Notes are purchased by the Initial Purchasers pursuant to the Purchase Agreement.

Commission: The Securities and Exchange Commission.

Consummate: A Registered Exchange Offer shall be deemed "Consummated" for purposes of this Agreement upon the occurrence of (i) the filing and effectiveness under the Act of

the Exchange Offer Registration Statement relating to the Notes to be issued in the Exchange Offer, (ii) the maintenance of such Registration Statement continuously effective and the keeping of the Exchange Offer open for a period not less than the minimum period required pursuant to Section 3(b) of this Agreement and (iii) the delivery by the Company to the Registrar under the Indenture of New Notes in the same aggregate principal amount as the aggregate principal amount of Old Notes that were so tendered.

Damages Payment Date: With respect to the Notes, each Interest Payment Date.

Effectiveness Target Date: As defined in Section 5 of this Agreement.

Exchange Act: The Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated by the Commission pursuant thereto.

Exchange Offer: The registration under the Act by the Company and the Guarantors of the New Notes pursuant to a Registration Statement pursuant to which the Company and the Guarantors offer the Holders of all outstanding Transfer Restricted Securities the opportunity to exchange all such outstanding Old Notes that are Transfer Restricted Securities held by such Holders for New Notes in an aggregate principal amount equal to the aggregate principal amount of the Old Notes that are Transfer Restricted Securities tendered in such exchange offer by such Holders.

Exchange Offer Effective Date: The date on which the Exchange Offer Registration Statement is declared effective by the Commission.

Exchange Offer Registration Statement: The Registration Statement relating to the Exchange Offer, including the related Prospectus.

Exempt Resales: The transactions in which the Initial Purchasers propose to sell the Notes to (i) certain "qualified institutional buyers," as such term is defined in Rule 144A under the Act, and (ii) other eligible purchasers pursuant to Regulation S under the Act.

Guarantors: Each Subsidiary of the Company that, pursuant to the Indenture, is, or is required to become, a guarantor of the obligations of the Company under the Notes and the Indenture.

Holders: As defined in Section 2(b) of this Agreement.

Indenture: The Indenture, dated as of March 25, 1998, by and among the Company, the Guarantors and First Trust National Association, as trustee (the "Trustee"), pursuant to which the Notes are to be issued, as such Indenture is amended or supplemented from time to time in accordance with its terms.

Initial Purchasers: SBC Warburg Dillon Read Inc., Donaldson, Lufkin & Jenrette Securities Corporation and Salomon Smith Barney.

Interest Payment Date: As defined in the Notes.

NASD: National Association of Securities Dealers, Inc.

New Notes: The Company's 8 7/8% Senior Notes due 2008 to be issued pursuant to the Indenture in connection with the Exchange Offer and evidencing the same debt as the Old Notes, including the guarantees by the Guarantors.

Notes: Old Notes and New Notes.

Old Notes: The Company's 8 7/8% Senior Notes due 2008 to be issued pursuant to the Indenture on the Closing date, including the guarantees by the Guarantors.

Participating Broker Dealer: As defined in Section 6(a)(iii) of this Agreement.

Person: An individual, partnership, corporation, trust or unincorporated organization, or a government or agency or political subdivision thereof.

Prospectus: The prospectus included in a Registration Statement, as amended or supplemented by any prospectus supplement and by all other amendments and supplements thereto, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference, if any, in such Prospectus.

Registration Default: As defined in Section 5 of this Agreement.

Registration Statement: Any registration statement of the Company and the Guarantors relating to (a) an offering of New Notes pursuant to an Exchange Offer or (b) the registration for resale of Transfer Restricted Securities pursuant to the Shelf Registration Statement that is filed pursuant to the provisions of this Agreement, in each case, including the Prospectus included therein, all amendments and supplements thereto (including pre- and post-effective amendments) and all exhibits and material incorporated by reference or deemed to be incorporated by reference, if any, therein.

Shelf Filing Deadline: As defined in Section 4(a) of this Agreement.

Shelf Registration Statement: As defined in Section 4(a) of this Agreement.

Subsidiary: With respect to any Person, any other Person of which a majority of the equity ownership or the voting securities is at the time owned, directly or indirectly, by such Person or by one or more other subsidiaries of such Person or a combination thereof.

TIA: The Trust Indenture Act of 1939, as amended (15 U.S.C. Section 77aaa-77bbbb), as in effect on the date of the Indenture.

Transfer Restricted Securities: Each Note until the earliest to occur of (i) the date on which each such Old Note has been exchanged by a person other than a Broker-Dealer for a New Note in the Exchange Offer, (ii) following the exchange by a Broker-Dealer in the Exchange Offer of an Old Note for a New Note, the date on which such New Note is sold to a purchaser who receives from such Broker-Dealer on or prior to the date of such sale a copy of the prospectus contained in the Exchange Offer Registration Statement, (iii) the date on which such Note has been effectively registered under the Act and disposed of in accordance with the Shelf Registration Statement or (iv) the date on which such Note is distributed to the public pursuant to Rule 144 under the Act.

Underwritten Registration or Underwritten Offering: A registration in which securities of the Company are sold to an underwriter for reoffering to the public pursuant to an effective Registration Statement.

SECTION 2. SECURITIES SUBJECT TO THIS AGREEMENT

(a) Transfer Restricted Securities. The securities entitled to the benefits of this Agreement are the Transfer Restricted Securities.

(b) Holders of Transfer Restricted Securities. A Person is deemed to be a holder of Transfer Restricted Securities (each, a "Holder") whenever such Person beneficially owns Transfer Restricted Securities.

SECTION 3. REGISTERED EXCHANGE OFFER

(a) Unless, due to a change in law or Commission policy after the date hereof, the Exchange Offer shall not be permissible under applicable federal law or Commission policy,

the Company and the Guarantors shall (i) cause to be filed with the Commission as soon as practicable on or prior to 45 days after the Closing Date, a Registration Statement under the Act relating to the New Notes and the Exchange Offer and (ii) use their best efforts to cause such Registration Statement to be declared effective by the Commission as soon as practicable on or prior to 120 days after the Closing Date. In connection with the foregoing, the Company and the Guarantors shall (A) file all pre-effective amendments to such Registration Statement as may be necessary to cause such Registration Statement to become effective, (B) if applicable, file a post-effective amendment to such Registration Statement pursuant to Rule 430A under the Act, (C) cause all necessary filings in connection with the registration and qualification of the New Notes to be made under the Blue Sky laws of such jurisdictions as are necessary to permit Consummation of the Exchange Offer (provided, however, that the Company and the Guarantors shall not be obligated to qualify as foreign corporations in any jurisdiction in which they are not so qualified or to take any action that would subject them to general service of process or taxation in any jurisdiction where they are not so subject, except service of process with respect to the offering and sale of the Notes and Exchange Notes) and (D) upon the effectiveness of such Registration Statement, commence the Exchange Offer and use their best efforts to issue on or prior to 45 days after the Exchange Offer Effective Date, New Notes in exchange for all Old Notes tendered in the Exchange Offer. The Exchange Offer shall be on the appropriate form permitting registration of the New Notes to be offered in exchange for the Transfer Restricted Securities and to permit resales of New Notes held by Broker-Dealers as contemplated by Section 3(c) below. If, after such Exchange Offer Registration Statement initially is declared effective by the Commission, the Exchange Offer or the issuance of New Notes under the Exchange Offer or the resale of New Notes received by Broker-Dealers in the Exchange Offer as contemplated by Section 3(c) below is interfered with by any stop order, injunction or other order or requirement of the Commission or any other governmental agency or court, such Registration Statement shall be deemed not to have become

effective for purposes of this Agreement during the period that such stop order, injunction or other similar order or requirement shall remain in effect.

(b) The Company shall cause the Exchange Offer Registration Statement to be effective continuously and shall keep the Exchange Offer open for a period of not less than the minimum period required under applicable federal and state securities laws to consummate the Exchange Offer; provided, however, that in no event shall such period be less than 20 business days. The Company and the Guarantors shall cause the Exchange Offer to comply with all applicable federal and state securities laws. The Company and the Guarantors shall only offer to exchange New Notes for Old Notes in the Exchange Offer, and only the New Notes shall be registered under the Exchange Offer Registration Statement.

(c) The Company shall indicate in a "Plan of Distribution" section contained in the Prospectus included in the Exchange Offer Registration Statement that any Broker-Dealer that holds Old Notes that are Transfer Restricted Securities and that were acquired for its own account as a result of market-making activities or other trading activities (other than Transfer Restricted Securities acquired directly from the Company), may exchange such Old Notes pursuant to the Exchange Offer; provided, however, that such Broker-Dealer may be deemed to be an "underwriter" within the meaning of the Act and must, therefore, deliver a prospectus meeting the requirements of the Act in connection with any resales of the New Notes received by such Broker-Dealer in the Exchange Offer. Such "Plan of Distribution" section shall allow the use of the Prospectus by all Persons subject to the prospectus delivery requirements of the Act, including Participating Broker-Dealers, and shall also contain all other information with respect to such resales by Broker-Dealers that the Commission may require to permit such resales pursuant thereto, but such "Plan of Distribution" shall not name any such Broker-Dealer or disclose the amount of Notes held by any such Broker-Dealer except to the extent required by the Commission

as a result of a change in policy after the date of this Agreement.

The Company and the Guarantors shall use their best efforts to keep the Exchange Offer Registration Statement continuously effective, supplemented and amended as required by the provisions of Section 6(c) below to the extent necessary to ensure that it is available for resales of Notes acquired by Broker-Dealers for their own accounts as a result of market-making activities or other trading activities, and to ensure that it conforms with the requirements of this Agreement, the Act and the policies, rules and regulations of the Commission as announced from time to time. The Company shall provide sufficient copies of the latest version of such Prospectus to Broker-Dealers promptly upon request at any time during such period in order to facilitate such resales.

SECTION 4. SHELF REGISTRATION

(a) Shelf Registration. If (i) the Company and the Guarantors are not required to file an Exchange Offer Registration Statement or to consummate the Exchange Offer because the Exchange Offer is not permitted by applicable law or Commission policy or (ii) any Holder of Transfer Restricted Securities shall notify the Company within 20 business days of the commencement of the Exchange Offer that such Holder (A) is prohibited by applicable law or Commission policy from participating in the Exchange Offer, or (B) may not resell the New Notes acquired by it in the Exchange Offer to the public without delivering a prospectus and the Prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales by such Holder or (C) is a Broker-Dealer and holds Old Notes (including the Initial Purchasers who hold Old Notes as part of an unsold allotment from the original offering of the Notes) acquired directly from the Company or one of its affiliates or (iii) the Company and the Guarantors do not consummate the Exchange Offer within 45 days following the effectiveness date of the Exchange Offer Registration Statement, then the Company and the Guarantors shall (x) cause to be filed a shelf registration statement

pursuant to Rule 415 under the Act, which may be an amendment to the Exchange Offer Registration Statement (in either event, the "Shelf Registration Statement"), on or prior to the earliest to occur of (1) the 45th day after the date on which the Company determines that it is not required to file the Exchange Offer Registration Statement or (2) the 45th day after the date on which the Company receives notice from a Holder of Transfer Restricted Securities as contemplated by clause (ii) above (such earliest date being the "Shelf Filing Deadline"), which Shelf Registration Statement shall provide for resales of all Transfer Restricted Securities the Holders of which shall have provided the information required pursuant to Section 4(b) of this Agreement, and (y) use its best efforts to cause such Shelf Registration Statement to be declared effective by the Commission on or before the 120th day after the Shelf Filing Deadline. The Company and the Guarantors shall use their best efforts to keep such Shelf Registration Statement continuously effective, supplemented and amended as required by the provisions of Sections 6(b) and (c) of this Agreement to the extent necessary to ensure that it is available for resales of Notes by the Holders of Transfer Restricted Securities entitled to the benefit of this Section 4(a) and to ensure that it conforms with the requirements of this Agreement, the Act and the policies, rules and regulations of the Commission as announced from time to time, for a continuous period of two years following the date on which such Shelf Registration Statement becomes effective under the Act or such shorter period that will terminate when all the Notes covered by the Shelf Registration Statement have been sold pursuant to such Shelf Registration Statement.

(b) Provision by Holders of Certain Information in Connection with the Shelf Registration Statement. No Holder of Transfer Restricted Securities may include any of its Transfer Restricted Securities in any Shelf Registration Statement pursuant to this Agreement unless and until such Holder furnishes to the Company in writing, within 15 business days after receipt of a request therefor, such information regarding such Holder as the Company may reasonably request for use in connection with any Shelf Registration Statement or Prospectus

or preliminary Prospectus included in such Shelf Registration Statement. Each Holder as to which any Shelf Registration Statement is being effected agrees to furnish promptly to the Company all information required to be disclosed to make the information previously furnished to the Company by such Holder not materially misleading.

SECTION 5. LIQUIDATED DAMAGES

If (i) any of the Registration Statements required by this Agreement is not filed with the Commission on or prior to the date specified for such filing in this Agreement, (ii) any of such Registration Statements has not been declared effective by the Commission on or prior to the date specified for such effectiveness in this Agreement (the "Effectiveness Target Date"), (iii) the Exchange Offer has not been Consummated within 45 business days after the Exchange Offer Effective Date with respect to the Exchange Offer Registration Statement or (iv) any Registration Statement required by this Agreement is filed and declared effective but shall thereafter cease to be effective or usable in connection with resales of Transfer Restricted Securities during the periods required by this Agreement (each such event referred to in clauses (i) through (iv), a "Registration Default"), the Company and the Guarantors hereby agree to pay liquidated damages to each Holder of Transfer Restricted Securities with respect to the first 90-day period immediately following the occurrence of such Registration Default, in an amount equal to $.05 per week per $1,000 principal amount of Notes constituting Transfer Restricted Securities held by such Holder for each week or portion thereof that the Registration Default continues. The amount of the liquidated damages shall increase by an additional $.05 per week per $1,000 in principal amount of Notes constituting Transfer Restricted Securities with respect to each subsequent 90-day period until all Registration Defaults have been cured, up to a maximum amount of liquidated damages of $.30 per week per $1,000 in principal amount of Notes constituting Transfer Restricted Securities. Notwithstanding the foregoing, the Company and the Guarantors shall not be required to pay liquidated damages to each Holder

of Transfer Restricted Securities if the Registration Default arises from the failure of the Company and the Guarantors to file, or cause to become effective, a Shelf Registration Statement within the time period required by Section 4 of this Agreement and such Registration Default is by reason of the failure of the Holders to provide the information regarding the Holder reasonably requested by the Company, the NASD or any other regulatory agency having jurisdiction over any of the Holders at least 10 business days prior to such Registration Default. All accrued liquidated damages shall be paid by the Company on each Damages Payment Date to the Holders by wire transfer of immediately available funds or by federal funds check and to the Holders of certificated securities by mailing a check to such Holders' registered addresses. Following the cure of all Registration Defaults relating to any particular Transfer Restricted Securities, the accrual of liquidated damages with respect to such Transfer Restricted Securities will cease.

All obligations of the Company and the Guarantors set forth in the preceding paragraph that are outstanding with respect to any Transfer Restricted Security at the time such security ceases to be a Transfer Restricted Security shall survive until such time as all such obligations with respect to such Transfer Restricted Security shall have been satisfied in full.

SECTION 6. REGISTRATION PROCEDURES

(a) Exchange Offer Registration Statement. In connection with the Exchange Offer, the Company and the Guarantors shall comply with all of the provisions of Section 6(c) below, shall use their best efforts to effect such exchange to permit the sale of Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution thereof, and shall comply with all of the following provisions:

(i) If, due to a change in law or Commission policy after the date hereof, in the reasonable opinion of counsel to the Company there is a question as to whether the Exchange Offer is permitted by applicable federal law or Commission policy, the Company hereby agrees to seek a no-action letter or other favorable decision from the Commission allowing the Company and the Guarantors to Consummate an Exchange Offer for such Old Notes. The Company hereby agrees to pursue the issuance of such a no-action letter or favorable decision to the Commission staff level but shall not be required to take commercially unreasonable action to effect a change of Commission policy. The Company hereby agrees, however, to (A) participate in telephonic conferences with the Commission, (B) deliver to the Commission an analysis prepared by counsel to the Company setting forth the legal bases, if any, upon which such counsel has concluded that such an Exchange Offer should be permitted and (C) diligently pursue a resolution (which need not be favorable) by the Commission of such submission. The Initial Purchasers shall be given prior notice of any action taken by the Company under this clause (i).

(ii) As a condition to its participation in the Exchange Offer pursuant to the terms of this Agreement, each Holder of Transfer Restricted Securities shall furnish, upon the request of the Company, prior to the Consummation of the Exchange Offer, a written representation to the Company (which may be contained in the letter of transmittal contemplated by the Exchange Offer Registration Statement) to the effect that (A) it is not an affiliate of the Company or any of the Guarantors, (B) it is not engaged in, and does not intend to engage in, and has no arrangement or understanding with any person to participate in, a distribution of the New Notes to be issued in the Exchange Offer and (C) it is acquiring the New Notes in its ordinary course of business. In addition, all such Holders of Transfer Restricted Securities shall otherwise cooperate in the Company's preparations for the Exchange Offer.

(iii) The Company, the Guarantors and the Initial Purchasers acknowledge that the staff of the Commission has taken the position that any broker-dealer that owns New Notes that were received by such broker-dealer for its own account in the Exchange Offer (a "Participating Broker-Dealer") may be deemed to be an "underwriter" within the meaning of the Act and must deliver a prospectus meeting the requirements of the Act in connection with any resale of such New Notes (other than a resale of an unsold allotment resulting from the original offering of the Notes).

The Company, the Guarantors and the Initial Purchasers also acknowledge that it is the Commission staff's position that if the Prospectus contained in the Exchange Offer Registration Statement includes a plan of distribution containing a statement to the above effect and the means by which Participating Broker-Dealers may resell the New Notes, without naming the Participating Broker-Dealers or specifying the amount of New Notes owned by them, such Prospectus may be delivered by Participating Broker-Dealers to satisfy their prospectus delivery obligations under the Act in connection with resales of New Notes for their own accounts, so long as the Prospectus otherwise meets the requirements of the Act.

(b) Shelf Registration Statement. In the event that a Shelf Registration Statement is required by this Agreement, the Company and the Guarantors shall comply with all the provisions of Section 6(c) of this Agreement and shall use their best efforts to effect such registration to permit the sale of the Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution of such Transfer Restricted Securities and, in connection therewith, the Company and the Guarantors will as expeditiously as possible prepare and file with the Commission a Shelf Registration Statement relating to the registration on any appropriate form under the Act, which form shall be available for the sale of the Transfer Restricted Securities in

accordance with the intended method or methods of distribution of such Transfer Restricted Securities.

(c) General Provisions. In connection with any Registration Statement and any Prospectus required by this Agreement to permit the sale or resale of Transfer Restricted Securities (including, without limitation, any Registration Statement and the related Prospectus, to the extent that the same are required to be available to permit resales of Notes by Broker-Dealers), the Company and the Guarantors shall:

(i) use their best efforts to keep such Registration Statement continuously effective for the applicable time period required hereunder and provide all requisite financial statements (including, if required by the Act or any regulation thereunder, financial statements of the Guarantors) for the period specified in Section 3 or 4 of this Agreement, as applicable; upon the occurrence of any event that would cause any such Registration Statement or the Prospectus contained therein (A) to contain a material misstatement or omission or (B) not to be effective and usable for resale of Transfer Restricted Securities during the period required by this Agreement, the Company shall promptly notify the Holders to suspend use of the Prospectus, and the Holders shall suspend use of the Prospectus, and such Holders shall not communicate non-public information to any third party, in violation of the securities laws, until the Company and the Guarantors have made an appropriate amendment to such Registration Statement, in the case of clause (A), correcting any such misstatement or omission, and, in the case of either clause (A) or (B), the Company and the Guarantors shall use their best efforts to cause such amendment to be declared effective and such Registration Statement and the related Prospectus to become usable for their intended purpose(s) as soon as practicable thereafter;

(ii) prepare and file with the Commission such amendments and post-effective amendments to such Registration Statement as may be necessary to keep the

Registration Statement effective for the applicable period set forth in Section 3 or 4 of this Agreement, as applicable, or such shorter period as will terminate when all Transfer Restricted Securities covered by such Registration Statement have been sold; cause the Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Act during the applicable time period required hereunder and to comply fully with the applicable provisions of Rules 424 and 430A under the Act in a timely manner; and comply with the provisions of the Act and the Exchange Act with respect to the disposition of all Transfer Restricted Securities covered by such Registration Statement during such period in accordance with the intended method or methods of distribution by the sellers of such securities set forth in such Registration Statement as so amended or in such Prospectus as so supplemented;

(iii) advise the underwriter(s), if any, the Initial Purchasers, and, in the case of a Shelf Registration Statement, each of the selling Holders promptly and, if requested by such Persons, to confirm such advice in writing, (A) when the Prospectus or any prospectus supplement or post-effective amendment has been filed and, with respect to any Registration Statement or any post-effective amendment thereto, when the same has become effective, (B) of any request by the Commission for amendments to the Registration Statement or amendments or supplements to the Prospectus or for additional information relating to such Registration Statement or Prospectus, (C) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement under the Act or of the suspension by any state securities commission of the qualification of the Transfer Restricted Securities for offering or sale in any jurisdiction, or the initiation of any proceeding for any of the preceding purposes, (D) of the existence of any fact or the happening of any event that makes any statement of a material fact made in the Registration

Statement, the Prospectus, any amendment or supplement to such Registration Statement or Prospectus, as the case may be, or any document incorporated by reference in such Registration Statement or Prospectus untrue in any material respect, or that requires the making of any additions to or changes in the Registration Statement or the Prospectus in order to make the statements in such Registration Statement or Prospectus not misleading and that in the case of the Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If at any time the Commission shall issue any stop order suspending the effectiveness of the Registration Statement, or any state securities commission or other regulatory authority shall issue an order suspending the qualification or exemption from qualification of the Transfer Restricted Securities under state securities or Blue Sky laws, the Company and the Guarantors shall use their best efforts to obtain the withdrawal or lifting of such order at the earliest possible time;

(iv) furnish to each of the underwriter(s), if any, the Initial Purchasers and, in the case of a Shelf Registration Statement, each of the selling Holders before filing with the Commission, copies of any Registration Statement or any Prospectus included in such Registration Statement or Prospectus or any amendments or supplements to any such Registration Statement or Prospectus (including all documents incorporated by reference after the initial filing of such Registration Statement), which documents will be subject to the reasonable review of such underwriter(s), if any, the Initial Purchasers, and such Holders for a period of at least five business days, and the Company and the Guarantors will not file any such Registration Statement or Prospectus or any amendment or supplement to any such Registration Statement or Prospectus, as the case may be, (including all such

documents incorporated by reference) to which any underwriter, Initial Purchasers or selling Holder shall reasonably object within five business days after the receipt of such Registration Statement or Prospectus. A selling Holder or underwriter, if any, shall be deemed to have reasonably objected to such filing if such Registration Statement, Prospectus, amendment or supplement, as applicable, as proposed to be filed, contains a material misstatement or omission;

(v) promptly prior to the filing of any document that is to be incorporated by reference into a Registration Statement or Prospectus, (a) provide copies of such document to the selling Holders and to the underwriter(s), if any, (b) make the Company's and the Guarantors' representatives available for discussion of such document and other customary due diligence matters; provided that such discussion and due diligence shall be coordinated on behalf of the selling Holders by one counsel designated by and on behalf of such selling Holders and (c) include such information in such document prior to the filing of such document as such selling Holders or underwriter(s), if any, may reasonably request;

(vi) make available at reasonable times for inspection by the selling Holders, any underwriter participating in any disposition pursuant to such Registration Statement and any attorney or accountant retained by such selling Holders or any of the underwriter(s), if any, at the offices where normally kept, during reasonable business hours, all relevant financial and other records, pertinent corporate documents and properties of the Company and the Guarantors and cause the Company's and the Guarantors' officers, directors and employees to supply all information reasonably requested by any such Holder, underwriter, attorney or accountant in connection with such Registration Statement subsequent to the filing thereof and prior to its effectiveness; provided, however, that such persons shall first agree in writing with the Company that any information that is

reasonably and in good faith designated by the Company in writing as confidential at the time of delivery of such information shall be kept confidential by such persons, unless and to the extent that (i) disclosure of such information is required by court or administrative order or is necessary to respond to inquiries of regulatory authorities, (ii) disclosure of such information is required by law (including any disclosure requirements pursuant to federal securities laws in connection with the filing of the Shelf Registration Statement or the use of any Prospectus), (iii) such information becomes generally available to the public other than as a result of a disclosure or failure to safeguard such information by such person or (iv) such information becomes available to such person from a source other than the Company and its Subsidiaries and such source is not bound by a confidentiality agreement;

(vii) if requested by any selling Holders or the underwriter(s), if any, promptly incorporate in any Registration Statement or Prospectus, pursuant to a supplement or post-effective amendment if necessary, such information as such selling Holders and underwriter(s), if any, may reasonably request to have included therein, including, without limitation, information relating to the "Plan of Distribution" of the Transfer Restricted Securities, information with respect to the principal amount of Transfer Restricted Securities being sold to such underwriter(s), the purchase price being paid for Transfer Restricted Securities and any other terms of the offering of the Transfer Restricted Securities to be sold in such offering; and make all required filings of such Prospectus supplement or post-effective amendment as soon as practicable after the Company is notified of the matters to be incorporated in such Prospectus supplement or post-effective amendment; provided, however, that the Company shall not be required to take any action pursuant to this Section 6(c)(vii) that would, in the opinion of counsel for the Company, violate applicable law;

(viii) furnish to each underwriter, if any, the Initial Purchasers and upon request to the Company to a selling Holder without charge, at least one conformed copy of the Registration Statement, as first filed with the Commission, and of each amendment thereto, including, upon the request of such Person, all documents incorporated by reference therein and all exhibits to the extent requested (including exhibits incorporated therein by reference);

(ix) deliver to each selling Holder, each of the underwriter(s), if any, and the Initial Purchasers, without charge, such number of copies of the Prospectus (including each preliminary prospectus) and any amendment or supplement thereto as such Persons may reasonably request; the Company and the Guarantors hereby consent to the use of the Prospectus and any amendment or supplement to the Prospectus by each of the selling Holders and each of the underwriter(s), if any, in connection with the offering and the sale of the Transfer Restricted Securities in accordance with the terms thereof and with U.S. Federal securities laws and Blue Sky laws covered by the Prospectus or any amendment or supplement thereto;

(x) enter into such agreements (including an underwriting agreement in form, scope and substance as is customary in underwritten offerings of securities of this type) and take all such other reasonable actions in connection therewith in order to expedite or facilitate the disposition of the Transfer Restricted Securities pursuant to any Registration Statement contemplated by this Agreement, all as may be reasonably requested by any Holder of Transfer Restricted Securities or the underwriter(s), if any, in connection with any sale or resale of Transfer Restricted Securities pursuant to any Registration Statement contemplated by this Agreement; and whether or not an underwriting agreement is entered into and whether or not the registration is an Underwritten Registration, the Company and the Guarantors shall (i) make such representations and warranties to the Holders of such Transfer Restricted Securities and the

underwriters, if any, with respect to the business of the Company and its Subsidiaries (including with respect to businesses or assets acquired or to be acquired by any of them), and the Shelf Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings, and confirm the same if and when customarily requested; (ii) obtain opinions of counsel to the Company and the Guarantors and updates thereof (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the underwriters, if any, and special counsel to the Holders of the Transfer Restricted Securities being sold), addressed to each selling Holder of Transfer Restricted Securities and each of the underwriters, if any, covering the matters customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by such underwriters, if any, and special counsel to Holders of Transfer Restricted Securities; (iii) use their best efforts to obtain customary "cold comfort" letters and updates thereof from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company or any such subsidiary for which financial statements and financial data is, or is required to be, included in the Registration Statement), addressed (where reasonably possible) to each selling Holder of Transfer Restricted Securities and each of the underwriters, if any, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings; (iv) if an underwriting agreement is entered into, the same shall contain indemnification provisions and procedures no less favorable to the selling Holders and the underwriters, if any, than those set forth in Section 8 hereof (or such other provisions and procedures acceptable to Holders of a majority in aggregate principal amount of Transfer

Restricted Securities covered by such Shelf Registration Statement and the underwriters, if any); and (v) deliver such documents and certificates as may be reasonably requested by the Holders of a majority in aggregate principal amount of the Transfer Restricted Securities being sold and the underwriters, if any, to evidence the continued validity of the representations and warranties made pursuant to clause (i) above and to evidence compliance with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company.

If at any time the representations and warranties of the Company and the Guarantors contemplated in clause (A)(1) above cease to be true and correct, the Company shall so advise the Initial Purchasers and the underwriter(s), if any, and each selling Holder promptly and, if requested by any of them, shall confirm such advice in writing;

(xi) prior to any public offering of Transfer Restricted Securities, cooperate with and cause the Guarantors to cooperate with the selling Holders, the underwriter(s), if any, and their respective counsel in connection with the registration and qualification (or exemption from such registration or qualification) of the Transfer Restricted Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions as the selling Holders and underwriter(s), if any, may reasonably request in writing and do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Transfer Restricted Securities covered by the Registration Statement; provided, however, that neither the Company nor the Guarantors shall be required to register or qualify as a foreign corporation where it is not now so qualified or to take any action that would subject it to the service of process or to taxation, other than as to matters and transactions relating to the Registration Statement, in any jurisdiction where it is not now so subject;

(xii) if a Shelf Registration is filed pursuant to Section 2(b), cooperate with the selling Holders of Registrable Securities and the managing Underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Transfer Restricted Securities to be sold, which certificates shall not bear any restrictive legends and shall be in a form eligible for deposit with The Depository Trust Company; and enable such Transfer Restricted Securities to be in such denominations and registered in such names as the managing underwriters, if any, or Holders may reasonably request;

(xiii) in connection with any sale or transfer of Transfer Restricted Securities that will result in such securities no longer being Transfer Restricted Securities, cooperate with and cause the Guarantors to cooperate with the selling Holders and the underwriter(s), if any, to facilitate the timely preparation and delivery of certificates representing Transfer Restricted Securities to be sold and not bearing any restrictive legends; and enable such Transfer Restricted Securities to be in such denominations and registered in such names as the Holders or the underwriter(s), if any, may request at least two business days prior to any sale of Transfer Restricted Securities made by such underwriter(s);

(xiv) use its best efforts to cause the Transfer Restricted Securities covered by the Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers of such Transfer Restricted Securities or the underwriter(s), if any, to consummate the disposition of such Transfer Restricted Securities, subject to the proviso contained in clause (xi) above;

(xv) if any fact or event contemplated by Section 6(c)(iii)(D) of this Agreement shall exist or have occurred, prepare a supplement or post-effective amendment to the Registration Statement or related Prospectus or any

document incorporated in such Registration Statement or Prospectus by reference or file any other required document so that, as thereafter delivered to the purchasers of Transfer Restricted Securities, the Registration Statement will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading and the Prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;

(xvi) provide a CUSIP number for all Transfer Restricted Securities not later than the effective date of the Registration Statement and provide the Trustee under the Indenture with printed certificates for the Transfer Restricted Securities that are in a form eligible for deposit with The Depository Trust Company;

(xvii) cooperate and assist in any filings required to be made with the NASD and in the performance of any due diligence investigation by any underwriter (including any "qualified independent underwriter" that is required to be retained in accordance with the rules and regulations of the NASD);

(xviii) otherwise use its best efforts to comply with all applicable rules and regulations of the Commission in regards to any Registration Statement, and make generally available to its securityholders, as soon as practicable, a consolidated earning statement of the Company meeting the requirements of Rule 158 (which need not be audited) for the twelve-month period (A) commencing at the end of any fiscal quarter in which Transfer Restricted Securities are sold to underwriters in a firm commitment or reasonable best efforts Underwritten Offering or (B) if not sold to underwriters in such an offering, beginning with the first month of the Company's first fiscal quarter

commencing after the effective date of the Registration Statement;

(xix) cause the Indenture to be qualified under the TIA not later than the effective date of the first Registration Statement required by this Agreement, and, in connection therewith, cooperate with the Trustee and the Holders to effect such changes to the Indenture, if any, as may be required for such Indenture to be so qualified in accordance with the terms of the TIA; and execute, and use its best efforts to cause the Trustee to execute, all customary documents that may be required to effect such changes and all other forms and documents required to be filed with the Commission to enable such Indenture to be so qualified in a timely manner.

Each Holder agrees by acquisition of a Transfer Restricted Security that, upon receipt of any notice from the Company of the existence of any fact of the kind described in Section 6(c)(iii)(D) of this Agreement, such Holder will forthwith discontinue disposition of Transfer Restricted Securities pursuant to the applicable Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 6(c)(xv) of this Agreement, or until it is advised in writing (the "Advice") by the Company that the use of the Prospectus may be resumed, and has received copies of any additional or supplemental filings that are incorporated by reference in the Prospectus. If so directed by the Company, each Holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Transfer Restricted Securities that was current at the time of receipt of such notice. In the event that the Company shall give any such notice, the time period regarding the effectiveness of such Registration Statement set forth in Section 3 or 4 of this Agreement, as applicable, shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to Section 6(c)(iii)(D) of this Agreement to and including the date when each selling Holder covered by such

Registration Statement shall have received the copies of the supplemented or amended Prospectus contemplated by Section 6(c)(xv) of this Agreement or shall have received the Advice.

SECTION 7. REGISTRATION EXPENSES

(a) All fees and expenses incident to the Company's and the Guarantors' performance of or compliance with this Agreement will be borne by the Company regardless of whether a Registration Statement becomes effective, including without limitation: (i) all registration and filing fees and expenses (including filings made with the NASD (and, if applicable, the reasonable fees and expenses of any "qualified independent underwriter" and its counsel that may be required by the rules and regulations of the NASD)); (ii) all fees and expenses of compliance with federal securities and state Blue Sky or securities laws; (iii) all expenses of printing (including printing certificates for the New Notes to be issued in the Exchange Offer and printing of Prospectuses); (iv) all reasonable fees and disbursements of counsel for the Company, the Guarantors and, subject to Section 7(b) below, the Holders of Transfer Restricted Securities; and (v) all reasonable fees and disbursements of independent certified public accountants of the Company and the Guarantors (including the expenses of any special audit and comfort letters required by or incident to such performance).

The Company and the Guarantors will, in any event, bear their internal expenses (including, without limitation, all salaries and expenses of their officers and employees performing legal or accounting duties), the expenses of any annual audit and the fees and expenses of any Person, including special experts, retained by them.

Notwithstanding the foregoing or anything in this Agreement to the contrary, each Holder of Transfer Restricted Notes shall pay all underwriting discounts and commissions of any underwriters with respect to any Notes sold by or on behalf of it.

(b) In connection with any Registration Statement required by this Agreement (including, without limitation, the Exchange Offer Registration Statement and the Shelf Registration Statement), the Company will reimburse the Initial Purchasers and the Holders of Transfer Restricted Securities being tendered in the Exchange Offer and/or resold pursuant to the "Plan of Distribution" contained in the Exchange Offer Registration Statement or registered pursuant to the Shelf Registration Statement, as applicable, for the reasonable fees and disbursements of not more than one counsel, who shall be Cahill Gordon & Reindel or such other counsel as may be chosen by the Holders of a majority in principal amount of the Transfer Restricted Securities for whose benefit such Registration Statement is being prepared.

SECTION 8. INDEMNIFICATION

(a) Each of the Company and the Guarantors, on a joint and several basis, agrees to indemnify and hold harmless (i) the Initial Purchasers, each Holder of Transfer Restricted Securities and each Participating Broker Dealer, (ii) each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Act or Section 20 of the Exchange Act (any of the persons referred to in this clause (ii) being hereinafter referred to as a "controlling person") and (iii) its agents, employees, officers and directors and the agents, employees, officers and directors of any such controlling person (collectively, the "Indemnified Persons") from and against any and all losses, liabilities, claims, damages and expenses whatsoever (including but not limited to reasonable attorneys' fees and any and all reasonable expenses whatsoever incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all reasonable amounts paid in settlement of any claim or litigation) to which they or any of them may become subject under the Act, the Exchange Act or otherwise, insofar as such losses, liabilities, claims, damages or expenses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or

Prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Company and the Guarantors will not be liable in any such case to the extent, but only to the extent, that any such loss, liability, claim, damage or expense arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission (i) made therein in reliance upon and in conformity with written information furnished to the Company by or on behalf of any Indemnified Person relating to such Indemnified Person expressly for use therein or (ii) contained in any preliminary prospectus or any Prospectus if the Initial Purchasers, such Holder, such Participating Broker-Dealer or such underwriter, if any, failed to send or deliver a copy of the Prospectus (as then amended or supplemented if the Company shall have timely furnished any amendments or supplements thereto) to the Person asserting such losses, liabilities, claims or damages on or prior to the delivery of written confirmation of any sale of securities covered thereby to such Person in any case where such delivery is required by the Act and a court of competent jurisdiction in a judgment not subject to appeal or final review shall have determined that such Prospectus (as so amended or supplemented) would have corrected such untrue statement or omission and the delivery thereof would have eliminated such losses, claims, damages or liabilities. This indemnity agreement will be in addition to any liability that the Company and the Guarantors may otherwise have, including, but not limited to, liability under this Agreement.

If any action is brought against any Indemnified Persons or any such person in respect of which indemnity may be sought against the Company and the Guarantors pursuant to the foregoing paragraph, such Indemnified Persons or such person shall promptly notify the indemnifying party in writing of the institution of such action and the indemnifying party shall assume the defense of such action, including the employment of

counsel reasonably satisfactory to such indemnified party and payment of all fees and expenses, provided, however, except to the extent that the indemnifying party shall be materially prejudiced thereby (through the forfeiture of substantive rights or defenses), that the omission to so notify the indemnifying party shall not relieve the indemnifying party from any liability which they may have to the Indemnified Persons or any such person or otherwise. Such Indemnified Persons shall have the right to employ its own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such Indemnified Persons unless the employment of such counsel shall have been authorized in writing by the indemnifying party in connection with the defense of such action or the indemnifying party shall not have employed counsel to have charge of the defense of such action or such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to the indemnifying party (in which case the indemnifying party shall not have the right to direct the defense of such action on behalf of the indemnified party or parties), in any of which events such fees and expenses shall be borne by the indemnifying party and paid as incurred (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel (together with appropriate local counsel) in any one action or series of related actions in the same jurisdiction representing the indemnified parties who are parties to such action). The indemnifying party shall not be liable for any settlement of any such claim or action effected without its written consent but if settled with the written consent of the indemnifying party, the indemnifying party agrees to indemnify and hold harmless any Indemnified Persons and any such person from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second sentence of this paragraph, then the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without

its written consent if (i) such settlement is entered into more than 60 business days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement and (iii) such indemnified party shall have given the indemnifying party at least 30 days' prior notice of its intention to settle. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(b) In connection with any Registration Statement pursuant to which a Holder of Transfer Restricted Securities offers or sells Transfer Restricted Securities, such Holder agrees, severally and not jointly, to indemnify and hold harmless the Company and the Guarantors, their respective directors and officers and any person controlling the Company or a Guarantor within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, and each of their agents, employees, officers and directors and the agents, employees, officers and directors of such controlling person from and against any losses, liabilities, claims, damages and expenses whatsoever (including but not limited to reasonable attorneys' fees and any and all reasonable expenses whatsoever incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever and any and all reasonable amounts paid in settlement of any claim or litigation) to which they or either of them may become subject under the Act, the Exchange Act or otherwise insofar as such losses, liabilities, claims, damages or expenses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a

material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that any such loss, liability, claim, damage or expense arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information relating to such Holder furnished to the Company by or on behalf of such Holder expressly for use in such Registration Statement. This indemnity agreement will be in addition to any liability that such Holder may otherwise have, including, but not limited to, liability under this Agreement.

If any action is brought against the Company or the Guarantors or any such person in respect of which indemnity may be sought against any Holder of Transfer Restricted Securities pursuant to foregoing paragraph, the Company, the Guarantors or such person shall promptly notify such Holder in writing of the institution of such action and such Holder shall assume the defense of such action, including the employment of counsel reasonably satisfactory to such indemnified party and payment of all fees and expenses, provided, however, except to the extent that the indemnifying party shall be materially prejudiced thereby (through the forfeiture of substantive rights or defenses), that the omission to so notify such Holder shall not relieve such Holder from any liability which they may have to the Company, the Guarantors or any such person or otherwise. The Company, the Guarantors or such person shall have the right to employ its own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of the Company or such person unless the employment of such counsel shall have been authorized in writing by such Holder of Transfer Restricted Securities in connection with the defense of such action or such Holder shall not have employed counsel to have charge of the defense of such action or such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to such Holder (in which case such Holder shall not have the right to direct

the defense of such action on behalf of the indemnified party or parties, but such Holder may employ counsel and participate in the defense thereof but the fees and expenses of such counsel shall be at the expense of such Holder), in any of which events such fees and expenses shall be borne by such Holder and paid as incurred (it being understood, however, that such Holder shall not be liable for the expenses of more than one separate counsel in any one action or series of related actions in the same jurisdiction representing the indemnified parties who are parties to such action). Anything in this paragraph to the contrary notwithstanding, any Holder of Transfer Restricted Securities shall not be liable for any settlement of any such claim or action effected without the written consent of such Holder but if settled with the written consent of such Holder, such Holder agrees to indemnify and hold harmless the Company, the Guarantors and any such person from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second sentence of this paragraph, then the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 60 business days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall not have reimbursed the indemnifying party in accordance with such request prior to the date of such settlement and (iii) such indemnified party shall have given the indemnifying party at least 30 days' prior notice of its intention to settle. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(c) In order to provide for contribution in circumstances in which the indemnification provided for in paragraphs (a) and (b) of this Section 8 is for any reason held to be unavailable from the indemnifying party, or is insufficient to hold harmless a party indemnified under this Section 8, the Company, the Guarantors and the Indemnified Parties shall contribute to the aggregate losses, claims, damages, liabilities and expenses of the nature contemplated by such indemnification provision (including any investigation, legal and other expenses incurred in connection with, and any amount paid in settlement of, any action or any claims asserted) to which the Company, and/or the Guarantors and the Indemnified Parties may be subject, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Guarantors, on the one hand, and the Indemnified Parties, on the other hand, from the offering of the Old Notes or, (ii) if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company and the Guarantors, on the one hand, and the Indemnified Parties, on the other hand, in connection with the statements or omissions that resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company and the Guarantors, on the one hand, and the Indemnified Parties, on the other hand, shall be deemed to be in the same proportion as the total proceeds from the offering of Old Notes (net of discounts but before deducting expenses) received by the Company as set forth in the table on the cover page of the Offering Memorandum bear to the total proceeds received by such Holder with respect to its sale of Transfer Restricted Securities or New Notes. The relative fault of the Company and the Guarantors, on the one hand, and the Indemnified Parties, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, the Guarantors or the Indemnified Parties and the parties'

relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company, the Guarantors and the Initial Purchasers agree that it would not be just and equitable if contribution pursuant to this paragraph (c) of this Section 8 were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to above. Notwithstanding the provisions of paragraph (c) of this Section 8, (i) in no case shall an Indemnified Party be required to contribute any amount in excess of the amount by which the total received by such Indemnified Party with respect to its sale of its Transfer Restricted Securities or New Notes, as the case may be, exceeds the amount of any damages that such Indemnified Party has otherwise been required to pay by reason of any untrue or alleged untrue statement or omission or alleged omission and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this paragraph (c) of this Section 8, each person, if any, who controls an Indemnified Party within the meaning of Section 15 of the Act or Section 20 of the Exchange Act shall have the same rights to contribution as such Indemnified Party, and each person, if any, who controls the Company or the Guarantors within the meaning of Section 15 of the Act or Section 20 of the Exchange Act shall have the same rights to contribution as the Company or the Guarantors, subject in each case to clauses (i) and (ii) of this paragraph. Any party entitled to contribution will, promptly after receipt of notice of commencement of any Action against such party in respect of which a claim for contribution may be made against another party or parties under this paragraph 8(c), notify such party or parties from whom contribution may be sought, but, except to the extent that the indemnifying party shall be materially prejudiced thereby (through the forfeiture of substantive rights and defenses), the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have under this

paragraph (c) or otherwise. No party shall be liable for contribution with respect to any action or claim settled without its written consent; provided, however, that such written consent was not unreasonably withheld.

SECTION 9. RULE 144A

The Company and the Guarantors shall use their best efforts, for so long as any Transfer Restricted Securities remain outstanding, to make available to any Holder or beneficial owner of Transfer Restricted Securities in connection with any sale of such securities and any prospective purchaser of such Transfer Restricted Securities from such Holder or beneficial owner, the information required by Rule 144A(d)(4) under the Act in order to permit resales of such Transfer Restricted Securities pursuant to Rule 144A.

SECTION 10. PARTICIPATION IN UNDERWRITTEN REGISTRATIONS

No Holder may participate in any Underwritten Registration under this Agreement unless such Holder (a) agrees to sell such Holder's Transfer Restricted Securities on the basis provided in any underwriting arrangements approved by the Persons entitled under this Agreement to approve such arrangements and (b) completes and executes all reasonable questionnaires, powers of attorneys, indemnities, underwriting agreements, lock-up letters and other documents required under the terms of such underwriting arrangements.

SECTION 11. SELECTION OF UNDERWRITERS

The Holders of Transfer Restricted Securities covered by the Shelf Registration Statement who desire to do so may sell such Transfer Restricted Securities in an Underwritten Offering. In any such Underwritten Offering, the investment banker or investment bankers and manager or managers that will administer the offering will be selected by the Holders of a majority in aggregate principal amount of the Transfer Restricted Securities included in such offering; provided, that

such investment bankers and managers must be reasonably satisfactory to the Company.

SECTION 12. MISCELLANEOUS

(a) Remedies. Each Holder, in addition to being entitled to exercise all rights provided in this Agreement, in the Indenture, the Purchase Agreement or granted by law, including recovery of liquidated or other damages, will be entitled to specific performance of its rights under this Agreement. The Company and the Guarantors agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agree to waive the defense in any Action for specific performance that a remedy at law would be adequate.

(b) No Inconsistent Agreements. Each of the Company and the Guarantors will not on or after the date of this Agreement enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions of this Agreement. The Company has not previously entered into any agreement granting any registration rights with respect to its securities to any Person. The rights granted to the Holders under this Agreement do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's securities under any agreement in effect on the date of this Agreement.

(c) Adjustments Affecting the Notes. Without the written consent of the Holders of a majority in aggregate principal amount of outstanding Transfer Restricted Notes, the Company and the Guarantors will not take any action, or permit any change to occur, with respect to the Notes that would materially and adversely affect the ability of the Holders to Consummate any Exchange Offer.

(d) Amendments and Waivers. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to or departures from the provisions of this Agreement may not be given unless the Company has obtained the written consent of Holders of a majority of the outstanding principal amount of Transfer Restricted Securities. Notwithstanding the foregoing, a waiver or consent to departure from the provisions of this Agreement that relates exclusively to the rights of Holders whose securities are being sold or tendered pursuant to a Registration Statement and that does not affect directly or indirectly the rights of other Holders whose securities are not being sold or tendered pursuant to such Registration Statement may be given by the Holders of a majority of the outstanding principal amount of Transfer Restricted Securities being so sold or tendered.

(e) Notices. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivering, first-class mail (registered or certified, return receipt requested), telecopier or air courier guaranteeing overnight delivery:

(i) if to a Holder, at the address set forth on the records of the Registrar under the Indenture, with a copy to the Registrar under the Indenture; and

(ii) if to the Company or the Guarantors, at:

Beazer Homes USA, Inc.
5775 Peachtree Dunwoody Road
Suite C-550
Atlanta, Georgia 30342
Facsimile: (404) 250-3428
Attention: President

with a copy to:

Paul, Hastings, Janofsky & Walker LLP
399 Park Avenue
31st Floor

New York, New York 10022

Facsimile: (212) 319-4090
Attention: William F. Schwitter

All such notices and communications shall be deemed to have been duly given: (i) at the time delivered by hand, if personally delivered; (ii) five business days after being deposited in the mail, postage prepaid, if mailed; (iii) when receipt acknowledged, if telecopied; and (iv) on the next business day, if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee at the address specified in the Indenture.

(f) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties, including without limitation and without the need for an express assignment, subsequent Holders of Transfer Restricted Securities.

(g) Counterparts. This Agreement may be executed in any number of counterparts and by the parties to this Agreement in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) Captions. The captions included in this Agreement are included solely for convenience of reference and are not to be considered a part of this Agreement.

(i) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICT OF LAW RULES THEREOF.

(j) Submission to Jurisdiction. The Company and the Guarantors irrevocably submit to the nonexclusive jurisdiction of any Federal court sitting in New York over any suit, action or proceeding arising out of or relating to this agreement. The Company and the Guarantors irrevocably waive, to the fullest extent permitted by law, any objection it may now or thereafter have to the laying of venue of any such court and any claim that any such suit, action or proceeding brought in such a court has been brought in an inconvenient forum. The Company and the Guarantors agree that a final judgment in any such suit, action or proceeding brought in any such court shall be conclusive and binding upon the Company and the Guarantors and may be enforced in any other courts to the jurisdiction of which the Company and the Guarantors are or may be subject, by suit upon such judgment.

(k) Severability. In the event that any one or more of the provisions contained in this Agreement, or the application of any such provision in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained in this Agreement shall not be affected or impaired thereby.

(l) Entire Agreement. This Agreement together with the other Operative Documents (as defined in the Purchase Agreement) is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties to this Agreement in respect of the subject matter contained in this Agreement. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to in this Agreement with respect to the registration rights granted by the Company with respect to the Transfer Restricted Securities. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

BEAZER HOMES USA, INC.

By:*

Name:
Title:

GUARANTORS:
BEAZER HOMES CORP.

By:*

BEAZER/SQUIRES REALTY, INC.

By:*

BEAZER HOMES SALES ARIZONA INC.

By:*

BEAZER REALTY CORP.

By:*

PANITZ HOMES REALTY, INC.

By:*

BEAZER MORTGAGE CORPORATION

By:*

BEAZER HOMES HOLDINGS CORP.

By:*

BEAZER HOMES TEXAS HOLDINGS, INC.

By:*

BEAZER HOMES TEXAS, L.P.

By:*
---

* Executed by David S. Weiss as an authorized officer of each of the Company and the Guarantors.

Confirmed and Accepted and agreed
as of the date first above
written:

SBC WARBURG DILLON READ INC.

By:/s/ Allan P. Merrill

Name: Allan P. Merrill
Title: Executive Director

DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION

By:/s/ Eric A. Anderson

Name: Eric A. Anderson
Title: Managing Director

SALOMON SMITH BARNEY

By:/s/ Richard L. Moriarty

Name: Richard L. Moriarty
Title: Managing Director

EXHIBIT 5.1

April 24, 1998

Beazer Homes USA, Inc.
5775 Peachtree Dunwoody Road
Suite C-550
Atlanta, Georgia 30342

BEAZER HOMES USA, INC.
REGISTRATION STATEMENT ON FORM S-4

Ladies and Gentlemen:

This opinion is delivered in our capacity as counsel to Beazer Homes USA, Inc., a Delaware corporation (the "Issuer"), in connection with the Issuer's registration statement on Form S-4 (the "Registration Statement") filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, relating to the offering by the Issuer of up to $100,000,000 aggregate principal amount at maturity of its 8 7/8% Senior Notes due 2008 (the "Notes").

In connection with this opinion, we have examined copies or originals of such documents, resolutions, certificates and instruments of the Issuer as we have deemed necessary to form a basis for the opinion hereinafter expressed. In addition, we have reviewed certificates of public officials, statutes, records and other instruments and documents as we have deemed necessary to form a basis for the opinion hereinafter expressed. In our examination of the foregoing, we have assumed, without independent investigation, (i) the genuineness of all signatures, and the authority of all persons or entities signing all documents examined by us and (ii) the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all copies submitted to us as certified, conformed or photostatic copies. With regard to certain factual matters, we have relied, without independent investigation or verification, upon statements and representations of representatives of the Issuer.

Based upon and subject to the foregoing, we are of the opinion that, as of the date hereof, when the Notes have been duly authenticated by U.S. Bank Trust National Association in its capacity as Trustee, and duly executed and delivered on behalf of the Issuer against payment therefor as contemplated by the Registration Statement, the Notes will be legally issued and will constitute binding obligations of the Issuer, subject to applicable bankruptcy, insolvency, reorganization, fraudulent conveyance and transfer, moratorium or other laws now or hereafter in effect relating to or affecting the rights or remedies of creditors generally and by general principles of equity (whether applied in a proceeding at law or in equity) including, without limitation, standards of materiality, good faith and reasonableness in the interpretation and enforcement of contracts, and the application of such principles to limit the availability of equitable remedies such as specific performance.

We hereby consent to being named as counsel to the Issuer in the Registration Statement, to the references therein to our firm under the caption "Legal Matters" and to the inclusion of this opinion as an exhibit to the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Paul, Hastings, Janofsky & Walker LLP

Exhibit 10.17

THIRD AMENDMENT TO CREDIT AGREEMENT

THIS THIRD AMENDMENT TO CREDIT AGREEMENT ("Amendment") is entered into as of March 19, 1998 among BEAZER HOMES USA, INC., a Delaware corporation (the "Borrower"), BEAZER MORTGAGE CORPORATION, a Delaware corporation, BEAZER HOMES CORP., a Tennessee corporation, BEAZER HOMES SALES ARIZONA INC., a Delaware corporation, BEAZER REALTY CORP., a Georgia corporation, BEAZER SQUIRES REALTY, INC., a North Carolina corporation, PANITZ HINES REALTY, Inc., a Florida corporation, BEAZER HOMES HOLDING CORP., a Delaware corporation, BEAZER TEXAS HOLDINGS, INC., a Delaware corporation, and BEAZER HOMES TEXAS, L.P., a Delaware limited partnership (collectively, the "Guarantors") and THE FIRST NATIONAL BANK OF CHICAGO, BANKBOSTON, N.A. (formerly known as The First National Bank of Boston), BANK ONE, ARIZONA, N.A., GUARANTY FEDERAL BANK, F.S.B., BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION (successor by merger to Bank of America Illinois), AMSOUTH BANK, COMERICA BANK and SUNTRUST BANK (collectively, the "Banks") and THE FIRST NATIONAL BANK OF CHICAGO as Agent (the "Agent") for the Banks and as Issuing Bank under the Agreement (as hereinafter defined).

W I T N E S S E T H:

WHEREAS, the Borrower, the Guarantors, the Banks, the Agent and the Issuing Bank are party to that certain Credit Agreement dated as of October 22, 1996, as amended by First Amendment to Credit Agreement dated as of July 29, 1997 and Second Amendment to Credit Agreement dated as of December 10, 1997 (such Credit Agreement, as so amended, being herein referred to as the "Agreement") providing for certain loans to be made from time to time by the Banks to the Borrower not to exceed, at any time outstanding, the principal sum of $200,000,000; and

WHEREAS, the parties desire to amend the Agreement to increase the Debt permitted under Section 6.02(B);

NOW, THEREFORE, for good and valuable consideration, the Borrower, the Guarantors, the Banks, the Agent and the Issuing Bank hereby covenant and agree as follows:

1. Permitted Debt. Section 6.02(B) is hereby amended by deleting "$40,000,000" and inserting in lieu thereof "$125,000,000." 2. Ratification. The Agreement, as amended hereby, is hereby ratified and remains in full force and effect.

3. Counterparts. This Amendment may be executed in any number of counterparts and by the different parties to this Amendment in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorize, as of the date first written.

BORROWER:

BEAZER HOMES USA, INC.

By: /s/ David S. Weiss
David S. Weiss
Executive Vice President and
Chief Financial Officer

GUARANTORS:

BEAZER MORTGAGE CORPORATION

By: /s/ David S. Weiss
David S. Weiss
Vice President

BEAZER HOMES SALES ARIZONA INC.

By: /s/ David S. Weiss
David S. Weiss
Vice President

BEAZER REALTY CORP.

By: /s/ David S. Weiss
David S. Weiss
Vice President

BEAZER/SQUIRES REALTY, INC.

By: /s/ David S. Weiss
David S. Weiss
Vice President

PANITZ HOMES REALTY INC.

By: /s/ David S. Weiss
David S. Weiss
Vice President

BEAZER HOMES HOLDINGS CORP.

By: /s/ David S. Weiss
David S. Weiss
Vice President

BEAZER TEXAS HOLDINGS, INC.

By: /s/ David S. Weiss
David S. Weiss
Vice President

BEAZER HOMES TEXAS, L.P.

By: BEAZER TEXAS HOLDINGS, INC.
its general partner

By: /s/ David S. Weiss
David S. Weiss
Vice President

BANKS:

THE FIRST NATIONAL BANK OF CHICAGO,
as a Bank, the Agent and the Issuing Bank

By: /s/ Gregory A. Gilbert
Name: Gregory A. Gilbert
Vice President

BANK ONE, ARIZONA, N.A.

By: _____
Name: _____
Title: _____

GUARANTY FEDERAL BANK, F.S.B.

By: /s/ Richard V. Thompson
Name: Richard V. Thompson
Title: Vice President

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION (successor by merger to Bank of America Illinois)

By: /s/ Daniel E. Walsh
Name: Daniel E. Walsh
Title: Vice President

BANKBOSTON, N.A. (formerly known as The First National Bank of Boston)

By: /s/ Kevin C. Hake
Name: Kevin C. Hake
Title: Director

AMSOUTH BANK

By: Ronny Hudspeth
Name: Ronny Hudspeth
Title:Vice President

COMERICA BANK

By: /s/ David J. Campbell
Name: David J. Campbell
Title: Vice President

SUNTRUST BANK, ATLANTA

By: /s/ R. Michael Dunlap
Name: R. Michael Dunap
Title: Vice President

By: /s/ Jonathan H. James
Name: Jonathan H. James
Title: B.O.

EXHIBIT 12

RATIO OF EARNINGS TO FIXED CHARGES:

COMPUTATION OF HISTORICAL RATIOS:	1993	1994	1995	1996	1997	3 MOS. ENDED DECEMBER 31, 1996	3 MOS. ENDED DECEMBER 31, 1997
Earnings--							
EBIT	19,664	27,401	18,920	30,193	18,194	4,389	2,958
Fixed charges	6,776	11,657	15,472	15,516	17,078	3,528	4,937
Less: interest capitalized	(6,553)	(11,306)	(14,737)	(14,176)	(16,159)	(3,181)	(4,615)
Add: interest amortized to COS	3,049	9,768	13,268	15,134	14,857	2,740	3,047
Earnings available for fixed charges	22,936	37,520	32,923	46,667	33,970	7,476	6,327
Fixed charges--							
Interest incurred and capitalized	6,553	11,306	14,737	14,176	16,159	3,181	4,615
Interest expense	--	--	--	--	--		
Portion of rents representative of interest	223	351	735	1,340	919	347	322
Total fixed charges	6,776	11,657	15,472	15,516	17,078	3,528	4,937
Ratio of earnings to fixed charges	3.38	3.22	2.13	3.01	1.99	2.12	1.28

EXHIBIT 23.2

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Beazer Homes USA, Inc. (the "Company") on Form S-4 of our report dated October 30, 1997 (November 28, 1997 as to Note 13), appearing in and incorporated by reference in the Annual Report on Form 10-K of the Company for the year ended September 30, 1997 and to the reference to us under the heading "Experts" in the Prospectus, which is a part of this Registration Statement.

/s/ Deloitte & Touche LLP
DELOITTE & TOUCHE LLP

Atlanta, Georgia
April 23, 1998

Exhibit 23.3

CONSENT OF INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement on Form S-4 and related Prospectus of Beazer Homes USA, Inc. for the registration of $100,000,000 of 8 7/8% Senior Notes due 2008 and to the incorporation by reference therein of our report dated October 27, 1995, with respect to the consolidated financial statements of Beazer Homes USA, Inc. included in its Annual Report (Form 10-K) for the year ended September 30, 1997, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP
Atlanta, Georgia
April 23, 1998

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER
THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE
Check if an Application to Determine Eligibility of
a Trustee Pursuant to Section 305(b)(2)___

U.S. BANK TRUST NATIONAL ASSOCIATION
F/K/A FIRST TRUST NATIONAL ASSOCIATION
(Exact name of Trustee as specified in its charter)

111 E. Wacker Drive, Suite 3000 Chicago, Illinois (Address of principal executive offices)	60601 (Zip Code)	36-4046888 I.R.S. Employer Identification No.

Michael T. Goodwin
111 E. Wacker Drive, Suite 3000
Chicago, Illinois 60601
Telephone (312) 228-9455
(Name, address and telephone number of agent for service)

BEAZER HOMES USA, INC.
(Exact name of obligor as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	58-2086934 (I.R.S. Employer Identification No.)

5775 Peachtree Dunwoody Road Suite C-550 Atlanta, Georgia (Address of Principal Executive Offices)	30342 (Zip Code)

(Guarantors are identified on the next page)

8 7/8% Senior Notes due 2008
(Title of the Indenture Securities)

Guarantors

Beazer Homes Corp.
Beazer/Squires Realty, Inc.
Beazer Homes Sales Arizona, Inc.
Beazer Realty Corp.
Panitz Homes Realty, Inc.
Beazer Mortgage Corporation
Beazer Homes Holdings Corp.
Beazer Homes Texas Holdings, Inc.
Beazer Homes Texas, L.P.

FORM T-1

Item 1. GENERAL INFORMATION. Furnish the following information as to the Trustee.

a) Name and address of each examining or supervising authority to which it is subject.
Comptroller of the Currency
Washington, D.C.

b) Whether it is authorized to exercise corporate trust powers.
Yes

Item 2. AFFILIATIONS WITH OBLIGOR. If the obligor is an affiliate of the Trustee, describe each such affiliation.
None

Items 3-15 Not applicable because, to the best of Trustee's knowledge, the Trustee is not a trustee under any other indenture under which any other securities or certificates of interest or participation in any other securities of the obligor are outstanding and there is not, nor has there been, a default with respect to securities issued under this indenture.

Item 16. LIST OF EXHIBITS: List below all exhibits filed as a part of this statement of eligibility and qualification.

1. A copy of the Articles of Association of the Trustee now in effect, incorporated herein by reference to Exhibit 1 of Form T-1, Registration No. 333-18235.

2. A copy of the certificate of authority of the Trustee to commence business, incorporated herein by reference to Exhibit 2 to Item 16 of Form T-1, Registration No. 333-18235

3. A copy of the certificate of authority of the Trustee to exercise corporate trust powers, incorporated herein by reference to Exhibit 3 to Item 16 of Form T-1, Registration No. 333-18235

4. A copy of the existing bylaws of the Trustee, as now in effect, incorporated herein by reference to Exhibit 4 of Form T-1, Registration No. 333-18235

5. Not applicable.

6. The consent of the Trustee required by Section 321(b) of the Trust Indenture Act of 1939, incorporated herein by reference to Exhibit 6 of Form T-1, Registration No. 333-18235

7. A copy of the latest report of condition of the Trustee published pursuant to law or the requirements of its supervising or examining authority, filed herewith.

8. Not applicable.

9. Not applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the Trustee, U.S. BANK TRUST NATIONAL ASSOCIATION, F/K/A FIRST TRUST NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago,State of Illinois on the 24th day of April, 1998.

U.S. BANK TRUST NATIONAL ASSOCIATION
f/k/a FIRST TRUST NATIONAL ASSOCIATION

By: /s/ Michael T.Goodwin

Michael T. Goodwin
Assistant Vice President and Assistant Secretary

CONSOLIDATED REPORT OF CONDITION FOR INSURED COMMERCIAL AND STATE-CHARTERED SAVINGS BANKS FOR DECEMBER 31, 1997

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding as of the Last business day of the quarter.

Schedule RC - Balance Sheet

ASSETS			Dollar Amounts in Thousands	
1. Cash and balances due from depository institutions (from schedule RC-A):		RCON		
a. Noninterest-bearing balances and currency and coin (1)		0081.....	55,536	1.a
b. Interest-bearing balances (2)		0071.....	0	1.b
2. Securities:				
a. Held-to-maturity securities (from schedule RC-B, column A)		1754.....	0	2.a
b. Available-for-sale securities (from Schedule RC-B column D)		1773.....	3,216	2.b
3. Federal funds sold and securities purchased under agreement to resell		1350.....	0	3.
4. Loans and lease financing receivables:	RCON			
a. Loans and leases, net of unearned income (from Schedule RC-C)	2122.....0	.....		4.a
b. LESS: Allowance for loan and lease losses	3123.....0	.....		4.b
c. LESS: Allocated transfer risk reserve	3128.....0	.....		4.c
d. Loans and leases, net of unearned income, allowance, and reserve (item 4.a minus 4.b and 4.c)		2125.....	0	4.d
5. Trading assets		3545.....	0	5.
6. Premises and fixed assets (including capitalized leases)		2145.....	95	6.
7. Other real estate owned (from Schedule RC-M)		2150.....	0	7.
8. Investments in unconsolidated subsidiaries and associates companies (from Schedule RC-M)		2130.....	0	8.
9. Customers' liability to this bank on acceptances outstanding		2155.....	0	9.
10. Intangible assets (from Schedule RC-M)		2143.....	48,072	10.
11. Other assets (from Schedule RC-F)		2160.....	2,435	11.
12. Total assets (sum of items 1 through 11)		2170.....	109,354	12.

- -------
(1) Includes cash items in process of collection and unposted debits.
(2) Includes time certificates of deposit not held for trading.

Schedule RC - Balance Sheet

				RCON	
	LIABILITIES				
13.	Deposits:				
	a. In domestic offices (sum of totals of columns A and C from Schedule RC-E)		2200.....	0	13.a
		RCON			
	(1) Noninterest-bearing (1)	6631.....0			13.a.1
	(2) Interest-bearing	6636.....0			13.a.2
	b. In foreign offices, Edge and Agreement subsidiaries, and IBFs				
	(1) Noninterest-bearing				
	(2) Interest-bearing				
14.	Federal funds purchase and securities sold under agreements to repurchase		2800.....	0	14.
15.	a. Demand notes issued to the U.S. Treasury		2840.....	0	15.a
	b. Trading liabilities		3548	0	15.b
16.	Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases):				
	a. With a remaining maturity of one year or less		2332.....	0	16.a
	b. With a remaining maturity of more than one year through three years		A547.....	0	16.b
	c. With a remaining maturity of more than three years		A548.....	0	16.c
17.	Not applicable				
18.	Bank's liability on acceptances executed and outstanding		2920.....	0	18.
19.	Subordinated notes and debentures (2)		3200.....	0	19.
20.	Other liabilities (from Schedule RC-G)		2930.....	2,072	20.
21.	Total liabilities (sum of items 13 through 20)		2948.....	2,072	21
22.	Not applicable				
	EQUITY CAPITAL				
23.	Perpetual preferred stock and related surplus		3838.....	0	23.
24.	Common stock		3230.....	1,000	24.
25.	Surplus (exclude all surplus related to preferred stock)		3839	106,712	25.
26.	a. Undivided profits and capital reserves		3632.....	(430)	26.a
	b. Net unrealized holding gains (losses) on available-for-sale securities		8434.....	0	26.b
27.	Cumulative foreign currency translation adjustments		.....		
28.	Total equity capital (sum of items 23 through 27)		3210.....	107,282	28.
29.	Total liabilities and equity capital (sum of items 21 and 28)		3300.....	109,354	29.

Schedule RC - Balance Sheet

Memorandum

To be reported only with the March Report of Condition.

1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 1996_____	6724.....	N/A	M.1

1	=	Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank	5	=	Review of the bank's financial statements by external auditors
2	=	Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)	6	=	Compilation of the bank's financial statements by external auditors
3	=	Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)	7	=	Other audit procedures (excluding tax preparation work)
4	=	Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)	8	=	No external audit work

- ----------

(1) Includes total demand deposits and noninterest-bearing time and savings deposits.

(2) Includes limited life preferred stock and related surplus.

Schedule RC-A - Cash and Balances Due From Depository Institutions

Exclude assets held for trading.

		Dollar Amounts in Thousands	
1. Cash items in process of collection, unposted debits, and currency and coin:	RCON		
a. Cash items in process of collection and unposted debits	0020...	0	1.a
b. Currency and coin	0080...	0	1.b
2. Balances due from depository institutions in the U.S.:			
a. U.S. branches and agencies of foreign banks	0083...	0	2.a
b. Other commercial banks in the U.S. and other depository institutions in the U.S.	0085...	55,536	2.b
3. Balances due from banks in foreign countries and foreign central banks:			
a. Foreign branches of other U.S. banks	0073...	0	3.a
b. Other banks in foreign countries and foreign central banks	0074...	0	3.b
4. Balances due from Federal Reserve Banks	0090...	0	4.
5. Total (sum of items 1 through 4) (must equal Schedule RC, sum of items 1.a and 1.b)	0010...	55,536	5.

Memorandum

		Dollar Amounts in Thousands	
1. Noninterest-bearing balances due from commercial banks in the U.S.	RCON		
(included in items 2.a and 2.b above)	0050...	55,536	M.1

EXHIBIT 99.1

LETTER OF TRANSMITTAL

BEAZER HOMES USA, INC.

OFFER TO EXCHANGE ITS
8 7/8% SENIOR NOTES DUE 2008
WHICH HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933
FOR ANY AND ALL OF ITS OUTSTANDING
8 7/8% SENIOR NOTES DUE 2008

PURSUANT TO THE PROSPECTUS DATED , 1998

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE
AT 5:00 P.M., NEW YORK CITY TIME, ON , 1998,
UNLESS THE OFFER IS EXTENDED.

The Exchange Agent for the Exchange Offer is:

U.S. BANK TRUST NATIONAL ASSOCIATION
F/K/A FIRST TRUST NATIONAL ASSOCIATION

BY REGISTERED, CERTIFIED OR OVERNIGHT MAIL: U.S. Bank Trust National Association Attn: Specialized Finance 180 East Fifth Street St. Paul, MN 55101	BY FIRST CLASS MAIL: U.S. Bank Trust National Association P.O. Box 64485 St. Paul, MN 55101
BY HAND (NEW YORK DEPOSITORY ONLY): U.S. Bank Trust National Association 100 Wall Street, 20th Floor New York, NY 10005 Attention: Cathy Donohue	BY HAND (ALL OTHERS): U.S. Bank Trust National Association Fourth Floor--Bond Drop Window 180 East Fifth Street St. Paul, MN 55101
BY FACSIMILE: (612) 244-1537 (For Eligible Institutions Only)	TELEPHONE NUMBER: (800) 934-6802 Bondholder Services

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF THIS LETTER OF TRANSMITTAL VIA FACSIMILE TO A NUMBER OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

THE INSTRUCTIONS CONTAINED HEREIN SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

Capitalized terms used but not defined herein shall have the same meaning given them in the Prospectus (as defined below).

This Letter of Transmittal is to be completed by holders of Old Notes (as defined below) either if Old Notes are to be forwarded herewith or if tenders of Old Notes are to be made by book-entry transfer to an account maintained by U.S. Bank Trust National Association (the "Exchange Agent") at The Depository Trust Company ("DTC") pursuant to the procedures set forth in "The Exchange Offer -- Procedures for Tendering Old Notes" in the Prospectus.

Holders of Old Notes whose certificates (the "Certificates") for such Old Notes are not immediately available or who cannot deliver their Certificates and all other required documents to the Exchange Agent on or prior to the Expiration Date (as defined in the Prospectus) or who cannot complete the procedures for book-entry transfer on a timely basis, must tender their Old Notes according to the guaranteed delivery procedures set forth in "The Exchange Offer -- Procedures for Tendering Old Notes -- Guaranteed Delivery" in the Prospectus.

SEE INSTRUCTION 1. DELIVERY OF DOCUMENTS TO DTC DOES NOT CONSTITUTE DELIVERY TO THE EXCHANGE AGENT.

NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

ALL TENDERING HOLDERS COMPLETE THIS BOX:

DESCRIPTION OF OLD NOTES TENDERED

IF BLANK, PLEASE PRINT NAME AND ADDRESS OF REGISTERED HOLDER	OLD NOTES TENDERED (ATTACH ADDITIONAL LIST OF NOTES)		
	CERTIFICATE NUMBER(S)*	PRINCIPAL AMOUNT OF OLD NOTES	PRINCIPAL AMOUNT OF OLD NOTES TENDERED (IF LESS THAN ALL)**
	TOTAL AMOUNT TENDERED:		

* Need not be completed by book-entry holders.

** Old Notes may be tendered in whole or in part in denominations of $1,000 and integral multiplies thereof. All Old Notes held shall be deemed tendered unless a lesser number is specified in this column.

(BOXES BELOW TO BE CHECKED BY ELIGIBLE INSTITUTIONS ONLY)

/ / CHECK HERE IF TENDERED OLD NOTES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO THE ACCOUNT MAINTAINED BY THE EXCHANGE AGENT WITH DTC AND COMPLETE THE FOLLOWING:
Name of Tendering Institution: _____
DTC Account No._____ Transaction Code No. _____

/ / CHECK HERE AND ENCLOSE A PHOTOCOPY OF THE NOTICE OF GUARANTEED DELIVERY IF TENDERED OLD NOTES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE EXCHANGE AGENT AND COMPLETE THE FOLLOWING:
Name(s) of Registered Holder(s): _____
Window Ticket Number (if any): _____
Date of Execution of Notice of Guaranteed Delivery: _____
Name of Institution which Guaranteed Delivery: _____

IF GUARANTEED DELIVERY IS TO BE MADE BY BOOK-ENTRY TRANSFER:
Name of Tendering Institution: _____
DTC Account No._____ Transaction Code No. _____

/ / CHECK HERE IF TENDERED BY BOOK-ENTRY TRANSFER AND NON-EXCHANGED OLD NOTES ARE TO BE RETURNED BY CREDITING THE DTC ACCOUNT NUMBER SET FORTH ABOVE.

/ / CHECK HERE IF YOU ARE A BROKER-DEALER WHO ACQUIRED THE OLD NOTES FOR ITS OWN ACCOUNT AS A RESULT OF MARKET MAKING OR OTHER TRADING ACTIVITIES (A "PARTICIPATING BROKER-DEALER") AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name: _____

Address: _____

Ladies and Gentlemen:

The undersigned hereby tenders to Beazer Homes USA, Inc., a Delaware corporation (the "Company"), the above described aggregate principal amount of the Company's 8 7/8% Senior Notes due 2008 (the "Old Notes") in exchange for a like aggregate principal amount of the Company's 8 7/8% Senior Notes due 2008 (the "Exchange Notes") which have been registered under Securities Act of 1933 (the "Securities Act"), upon the terms and subject to the conditions set forth in the Prospectus dated , 1998 (as the same may be amended or supplemented from time to time, the "Prospectus"), receipt of which is acknowledged, and in this Letter of Transmittal (which, together with the Prospectus, constitute the "Exchange Offer").

Subject to and effective upon the acceptance for exchange of all or any portion of the Old Notes tendered herewith in accordance with the terms and conditions of the Exchange Offer (including, if the Exchange Offer is extended or amended, the terms and conditions of any such extension or amendment), the undersigned hereby sells, assigns and transfers to or upon the order of the Company all right, title and interest in and to such Old Notes as are being tendered herewith. The undersigned hereby irrevocably constitutes and appoints the Exchange Agent as its agent and attorney-in-fact (with full knowledge that the Exchange Agent is also acting as agent of the Company in connection with the Exchange Offer) with respect to the tendered Old Notes, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), subject only to the right of withdrawal described in the Prospectus, to (i) deliver Certificates for Old Notes to the Company together with all accompanying evidences of transfer and authenticity to, or upon the order of, the Company, upon receipt by the Exchange Agent, as the undersigned's agent, of the Exchange Notes to be issued in exchange for such Old Notes, (ii) present Certificates for such Old Notes for transfer, and to transfer the Old Notes on the books of the Company, and (iii) receive for the account of the Company all benefits and otherwise exercise all rights of beneficial ownership of such Old Notes, all in accordance with the terms and conditions of the Exchange Offer.

THE UNDERSIGNED HEREBY REPRESENTS AND WARRANTS THAT THE UNDERSIGNED HAS FULL POWER AND AUTHORITY TO TENDER, EXCHANGE, SELL, ASSIGN AND TRANSFER THE OLD NOTES TENDERED HEREBY AND THAT, WHEN THE SAME ARE ACCEPTED FOR EXCHANGE, THE COMPANY WILL ACQUIRE GOOD, MARKETABLE AND UNENCUMBERED TITLE THERETO, FREE AND CLEAR OF ALL LIENS, RESTRICTIONS, CHARGES AND ENCUMBRANCES, AND THAT THE OLD NOTES TENDERED HEREBY ARE NOT SUBJECT TO ANY ADVERSE CLAIMS OR PROXIES. THE UNDERSIGNED WILL, UPON REQUEST, EXECUTE AND DELIVER ANY ADDITIONAL DOCUMENTS DEEMED BY THE COMPANY OR THE EXCHANGE AGENT TO BE NECESSARY OR DESIRABLE TO COMPLETE THE EXCHANGE, ASSIGNMENT AND TRANSFER OF THE OLD NOTES TENDERED HEREBY, AND THE UNDERSIGNED WILL COMPLY WITH ITS OBLIGATIONS UNDER THE REGISTRATION RIGHTS AGREEMENT. THE UNDERSIGNED HAS READ AND AGREES TO ALL OF THE TERMS OF THE EXCHANGE OFFER.

The name(s) and address(es) of the registered holder(s) of the Old Notes tendered hereby should be printed above, if they are not already set forth above, as they appear on the Certificates representing such Old Notes. The Certificate number(s) and the Old Notes that the undersigned wishes to tender should be indicated in the appropriate boxes above.

If any tendered Old Notes are not exchanged pursuant to the Exchange Offer for any reason, or if Certificates are submitted for more Old Notes than are tendered or accepted for exchange, Certificates for such nonexchanged or nontendered Old Notes will be returned (or, in the case of Old Notes tendered by book-entry transfer, such Old Notes will be credited to an account maintained at DTC), without expense to the tendering holder, promptly following the expiration or termination of the Exchange Offer.

The undersigned understands that tenders of Old Notes pursuant to any one of the procedures described in "The Exchange Offer--Procedures for Tendering Old Notes" in the Prospectus and in the instructions hereto will, upon the Company's acceptance for exchange of such tendered Old Notes, constitute a binding agreement between the undersigned and the Company upon the terms and subject to the conditions of the Exchange Offer. The undersigned recognizes that, under certain circumstances set forth in the Prospectus, the Company may not be required to accept for exchange any of the Old Notes tendered hereby.

Unless otherwise indicated herein in the box entitled "Special Issuance Instructions" below, the undersigned hereby directs that the Exchange Notes be issued in the name(s) of the undersigned or, in the case of a book-entry transfer of Old Notes, that such Exchange Notes be credited to the account indicated above maintained at DTC. If applicable, substitute Certificates representing Old Notes not exchanged or not accepted for exchange will be issued to the undersigned or, in the case of a book-entry transfer of Old Notes, will be credited to the account indicated above maintained at DTC. Similarly, unless otherwise indicated under "Special Delivery Instructions," please deliver Exchange Notes to the undersigned at the address shown below the undersigned's signature.

By tendering Old Notes and executing this Letter of Transmittal, the undersigned hereby represents and agrees that (i) the undersigned is not an "affiliate" (as defined in Rule 405 under the Securities Act) of the Company or any of its subsidiaries, (ii) any Exchange Notes to be received by the undersigned are being acquired in the ordinary course of its business, (iii) the undersigned has no arrangement or understanding with any person to participate in a distribution (within the meaning of the Securities Act) of Exchange Notes to be received in the Exchange Offer, and (iv) if the undersigned is not a Broker-Dealer, the undersigned is not engaged in, and does not intend to engage in, a distribution (within the meaning of the Securities Act) of such Exchange Notes. By tendering Old Notes pursuant to the Exchange Offer and executing this Letter of Transmittal, a holder of Old Notes which is a Broker-Dealer represents and agrees, consistent with certain interpretive letters issued by the staff of the Division of Corporation Finance of the Securities and Exchange Commission to third parties, that (a) such Old Notes held by the Broker-Dealer are held only as a nominee, or (b) such Old Notes were acquired by such Broker-Dealer for its own account as a result of market-making activities or other trading activities and it will deliver the Prospectus (as amended or supplemented from time to time) meeting the requirements of the Securities Act in connection with any resale of such Exchange Notes (provided that, by so acknowledging and by delivering a prospectus, such Broker-Dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act). See "The Exchange Offer--Resales of Exchange Notes" in the Prospectus.

The Company has agreed that, subject to the provisions of the Registration Rights Agreement, the Prospectus, as it may be amended or supplemented from time to time, may be used by a Participating Broker-Dealer (as defined below) in connection with resales of Exchange Notes received in exchange for Old Notes, where such Old Notes were acquired by such Participating Broker-Dealer for its own account as a result of market-making activities or other trading activities, for a period ending 180 days after the Expiration Date (subject to extension under certain limited circumstances described in the Prospectus) or, if earlier, when all such Exchange Notes have been disposed of by such Participating Broker-Dealer. However, a Participating Broker-Dealer who intends to use the Prospectus in connection with the resale of Exchange Notes received in exchange for Old Notes pursuant to the Exchange Offer must notify the Company, or cause the Company to be notified, on or prior to the Expiration Date, that it is a Participating Broker-Dealer. Such notice may be given in the space provided herein for that purpose or may be delivered to the Exchange Agent at one of the addresses set forth in the Prospectus under "The Exchange Offer--Exchange Agent." In that regard, each Broker-Dealer who acquired Old Notes for its own account as a result of market-making or other trading activities (a "Participating Broker-Dealer"), by tendering such Old Notes and executing this Letter of Transmittal, agrees that, upon receipt of notice from the Company of the occurrence of any event or the discovery of any fact which makes any statement contained or incorporated by reference in the Prospectus untrue in any material respect or which causes the

Prospectus to omit to state a material fact necessary in order to make the statements contained or incorporated by reference therein, in light of the circumstances under which they were made, not misleading or of the occurrence of certain other events specified in the Registration Rights Agreement, such Participating Broker-Dealer will suspend the sale of Exchange Notes pursuant to the Prospectus until the Company has amended or supplemented the Prospectus to correct such misstatement or omission and has furnished copies of the amended or supplemented Prospectus to the Participating Broker-Dealer or the Company has given notice that the sale of the Exchange Notes may be resumed, as the case may be. If the Company gives such notice to suspend the sale of the Exchange Notes, it shall extend the 180-day period referred to above during which Participating Broker-Dealers are entitled to use the Prospectus in connection with the resale of Exchange Notes by the number of days in the period from and including the date of the giving of such notice to and including the date when the Company shall have made available to Participating Broker-Dealers copies of the supplemented or amended Prospectus necessary to resume resales of the Exchange Notes or to and including the date on which the Company has given notice that the use of the applicable Prospectus may be resumed, as the case may be.

Holders of Old Notes whose Old Notes are accepted for exchange will not receive accrued interest on such Old Notes for any period from and after the last Interest Payment Date to which interest has been paid or duly provided for on such Old Notes prior to the original issue date of the Exchange Notes or, if no such interest has been paid or duly provided for, will not receive any accrued interest on such Old Notes, and the undersigned waives the right to receive any interest on such Old Notes accrued from and after such Interest Payment Date or, if no such interest has been paid or duly provided for, from and after March 20, 1998.

All authority herein conferred or agreed to be conferred in this Letter of Transmittal shall survive the death or incapacity of the undersigned and any obligation of the undersigned hereunder shall be binding upon the heirs, executors, administrators, personal representatives, trustees in bankruptcy, legal representatives, successors and assigns of the undersigned. Except as stated in the Prospectus, this tender is irrevocable.

HOLDER(S) SIGN HERE
(SEE INSTRUCTIONS 2, 5 AND 6)
(PLEASE COMPLETE SUBSTITUTE FORM W-9 BELOW)

(NOTE: SIGNATURE(S) MUST BE GUARANTEED IF REQUIRED BY INSTRUCTION 2)

Must be signed by registered holder(s) exactly as name(s) appear(s) on Certificate(s) for the Old Notes hereby tendered or on a security position listing, or by any person(s) authorized to become the registered holder(s) by endorsements and documents transmitted herewith (including such opinions of counsel, certifications and other information as may be required by the Company or the Trustee for the Old Notes to comply with the restrictions on transfer applicable to the Old Notes). If signature is by an attorney-in-fact, executor, administrator, trustee, guardian, officer of a corporation or another acting in a fiduciary capacity or representative capacity, please set forth the signer's full title. See Instruction 5.

(SIGNATURE(S) OF HOLDER(S))

Dated: _____, 1998

Name(s): _____

(Please Print)

Address: _____

(Include Zip Code)

Area Code and Telephone Number: _____

TAXPAYER IDENTIFICATION OR SOCIAL SECURITY NUMBER(S)

GUARANTEE OF SIGNATURE(S)
(SEE INSTRUCTIONS 2 AND 5)

Authorized Signature: _____

Name: _____

(Please Print)

Date: _____, 1998

Capacity of Title: _____

Name of Firm: _____

Address: _____

(Include Zip Code)

Area Code and Telephone Number: _____

SPECIAL ISSUANCE INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5 AND 6)

To be completed ONLY if the Exchange Notes are to be issued in the name of someone other than the registered holder of the Old Notes whose name(s) appear(s) above:

Issue Exchange Notes to:
Name: _____

(Please Print)

Address: _____

_____

(Include Zip Code)

_____

(Taxpayer Identification or Social Security No.)

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5 AND 6)

To be completed ONLY if the Exchange Notes are to be sent to someone other than the registered holder of the Old Notes whose name(s) appear(s) above, or to such registered holder(s) at an address other than that shown above.

Mail Exchange Notes to:

Name: _____

(Please Print)

Address: _____

_____

(Include Zip Code)

_____

(Taxpayer Identification or Social Security No.)

INSTRUCTIONS
FORMING PART OF THE TERMS AND CONDITIONS OF THE EXCHANGE OFFER

1. DELIVERY OF LETTER OF TRANSMITTAL AND CERTIFICATES; GUARANTEED DELIVERY PROCEDURES. This Letter of Transmittal is to be completed either if (a) Certificates are to be forwarded herewith or (b) tenders are to be made pursuant to the procedures for tender by book-entry transfer set forth in "The Exchange Offer--Procedures for Tendering Old Notes" in the Prospectus. Certificates, or timely confirmation of a book-entry transfer of such Old Notes into the Exchange Agent's account at DTC, as well as this Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees, and any other documents required by this Letter of Transmittal, must be received by the Exchange Agent at one of its addresses set forth herein on or prior to the Expiration Date. Old Notes may be tendered in whole or in part in the principal amount of $1,000 and integral multiples thereof.

Holders who wish to tender their Old Notes and (i) whose Old Notes are not immediately available or (ii) who cannot deliver their Old Notes, this Letter of Transmittal and all other required documents to the Exchange Agent on or prior to the Expiration Date or (iii) who cannot complete the procedures for delivery by book-entry transfer on a timely basis, may tender their Old Notes by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedures set forth in "The Exchange Offer--Procedures for Tendering Old Notes--Guaranteed Delivery" in the Prospectus. Pursuant to such procedures: (i) such tender must be made by or through an Eligible Institution (as defined below); (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by the Company, must be received by the Exchange Agent on or prior to the Expiration Date; and (iii) the Certificates (or a book-entry confirmation (as defined in the Prospectus)) representing all tendered Old Notes, in proper form for transfer, together with a Letter of Transmittal (or facsimile thereof), properly completed and duly executed, with any required signature guarantees and any other documents required by this Letter of Transmittal, must be received by the Exchange Agent within three New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery, all as provided in "The Exchange Offer--Procedures for Tendering Old Notes--Guaranteed Delivery" in the Prospectus.

The Notice of Guaranteed Delivery may be delivered by hand or transmitted by facsimile or mail to the Exchange Agent, and must include a guarantee by an Eligible Institution in the form set forth in such Notice. For Old Notes to be properly tendered pursuant to the guaranteed delivery procedure, the Exchange Agent must receive a Notice of Guaranteed Delivery on or prior to the Expiration Date. As used herein and in the Prospectus, "Eligible Institution" means a firm or other entity identified in Rule 17Ad-15 under the Exchange Act as "an eligible guarantor institution," including (as such terms are defined therein) (i) a bank; (ii) a broker, dealer, municipal securities broker or dealer or government securities broker or dealer; (iii) a credit union; (iv) a national securities exchange, registered securities association or clearing agency; or (v) a savings association.

THE METHOD OF DELIVERY OF CERTIFICATES, THIS LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND SOLE RISK OF THE TENDERING HOLDER AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE EXCHANGE AGENT. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, OR OVERNIGHT DELIVERY SERVICE IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

The Company will not accept any alternative, conditional or contingent tenders. Each tendering holder, by execution of a Letter of Transmittal (or facsimile thereof), waives any right to receive any notice of the acceptance of such tender.

2. GUARANTEE OF SIGNATURES. No signature guarantee on this Letter of Transmittal is required if:

(i) this Letter of Transmittal is signed by the registered holder (which term, for purposes of this document, shall include any participant in DTC whose name appears on a security position listing as the owner of the Old Notes) of Old Notes tendered herewith, unless such holder(s) has completed either the box entitled "Special Issuance Instructions" or the box entitled "Special Delivery Instructions" above, or

(ii) such Old Notes are tendered for the account of a firm that is an Eligible Institution.

In all other cases, an Eligible Institution must guarantee the signature(s) on this Letter of Transmittal. See Instruction 5.

3. INADEQUATE SPACE. If the space provided in the box captioned "Description of Old Notes" is inadequate, the Certificate number(s) and/or the principal amount of Old Notes and any other required information should be listed on a separate signed schedule which is attached to this Letter of Transmittal.

4. PARTIAL TENDERS AND WITHDRAWAL RIGHTS. Tenders of Old Notes will be accepted only in the principal amount of $1,000 and integral multiples thereof. If less than all the Old Notes evidenced by any Certificate submitted are to be tendered, fill in the principal amount of Old Notes which are to be tendered in the box entitled "Principal Amount of Old Notes Tendered (if less than all)." In such case, new Certificate(s) for the remainder of the Old Notes that were evidenced by your old Certificate(s) will only be sent to the holder of the Old Notes, promptly after the Expiration Date. All Old Notes represented by Certificates delivered to the Exchange Agent will be deemed to have been tendered unless otherwise indicated.

Except as otherwise provided herein, tenders of Old Notes may be withdrawn at any time on or prior to the Expiration Date. In order for a withdrawal to be effective on or prior to that time, a written, telegraphic, telex or facsimile transmission of such notice of withdrawal must be timely received by the Exchange Agent at one of its addresses set forth above or in the Prospectus on or prior to the Expiration Date. Any such notice of withdrawal must specify the name of the person who tendered the Old Notes to be withdrawn, the aggregate principal amount of Old Notes to be withdrawn, and (if Certificates for Old Notes have been tendered) the name of the registered holder of the Old Notes as set forth on the Certificate for the Old Notes, if different from that of the person who tendered such Old Notes. If Certificates for the Old Notes have been delivered or otherwise identified to the Exchange Agent, then prior to the physical release of such Certificates for the Old Notes, the tendering holder must submit the serial numbers shown on the particular Certificates for the Old Notes to be withdrawn and the signature on the notice of withdrawal must be guaranteed by an Eligible Institution, except in the case of Old Notes tendered for the account of an Eligible Institution. If Old Notes have been tendered pursuant to the procedures for book-entry transfer set forth in "The Exchange Offer--Procedures for Tendering Old Notes," the notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawal of Old Notes, in which case a notice of withdrawal will be effective if delivered to the Exchange Agent by written, telegraphic, telex or facsimile transmission. Withdrawals of tenders of Old Notes may not be rescinded. Old Notes properly withdrawn will not be deemed validly tendered for purposes of the Exchange Offer, but may be retendered at any subsequent time on or prior to the Expiration Date by following any of the procedures described in the Prospectus under "The Exchange Offer--Procedures for Tendering Old Notes."

All questions as to the validity, form and eligibility (including time of receipt) of such withdrawal notices will be determined by the Company, in its sole discretion, whose determination shall be final and binding on all parties. Neither the Company, any affiliates or assigns of the Company, the Exchange Agent nor any other person shall be under any duty to give any notification of any irregularities in any notice of withdrawal or incur any liability for failure to give any such notification. Any Old Notes which have been

tendered but which are withdrawn will be returned to the holder thereof without cost to such holder promptly after withdrawal.

5. SIGNATURES ON LETTER OF TRANSMITTAL, ASSIGNMENTS AND ENDORSEMENTS. If this Letter of Transmittal is signed by the registered holder(s) of the Old Notes tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the Certificate(s) without alteration, enlargement or any change whatsoever.

If any of the Old Notes tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any tendered Old Notes are registered in different name(s) on several Certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal (or facsimiles thereof) as there are different registrations of Certificates.

If this Letter of Transmittal or any Certificates or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing and must submit proper evidence satisfactory to the Company, in its sole discretion, of such persons' authority to so act.

When this Letter of Transmittal is signed by the registered owner(s) of the Old Notes listed and transmitted hereby, no endorsement(s) of Certificate(s) or separate bond power(s) are required unless Exchange Notes are to be issued in the name of a person other than the registered holder(s). Signature(s) on such Certificate(s) or bond power(s) must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the Old Notes listed, the Certificates must be endorsed or accompanied by appropriate bond powers, signed exactly as the name or names of the registered owner(s) appear(s) on the Certificates, and also must be accompanied by such opinions of counsel, certifications and other information as the Company or the Trustee for the Old Notes may require in accordance with the restrictions on transfer applicable to the Old Notes. Signatures on such Certificates or bond powers must be guaranteed by an Eligible Institution.

6. SPECIAL ISSUANCE AND DELIVERY INSTRUCTIONS. If Exchange Notes are to be issued in the name of a person other than the signer of this Letter of Transmittal, or if Exchange Notes are to be sent to someone other than the signer of this Letter of Transmittal or to an address other than that shown above, the appropriate boxes on this Letter of Transmittal should be completed. Certificates for Old Notes not exchanged will be returned by mail or, if tendered by book-entry transfer, by crediting the account indicated above maintained at DTC. See Instruction 4.

7. IRREGULARITIES. The Company will determine, in its sole discretion, all questions as to the form of documents, validity, eligibility (including time of receipt) and acceptance for exchange of any tender of Old Notes, which determination shall be final and binding on all parties. The Company reserves the absolute right to reject any and all tenders determined by it not to be in proper form or the acceptance of which, or exchange for, may, in the view of counsel to the Company, be unlawful. The Company also reserves the absolute right, subject to applicable law, to waive any of the conditions of the Exchange Offer set forth in the Prospectus under "The Exchange Offer--Certain Conditions to the Exchange Offer" or any conditions or irregularity in any tender of Old Notes of any particular holder whether or not similar conditions or irregularities are waived in the case of other holders. The Company's interpretation of the terms and conditions of the Exchange Offer (including this Letter of Transmittal and the instructions hereto) will be final and binding. No tender of Old Notes will be deemed to have been validly made until all irregularities with respect to such tender have been cured or waived. Neither the Company, any affiliates or assigns of the Company, the Exchange Agent, nor any other person shall be under any duty to give notification of any irregularities in tenders or incur any liability for failure to give such notification.

8. QUESTIONS, REQUESTS FOR ASSISTANCE AND ADDITIONAL COPIES. Questions and requests for assistance may be directed to the Exchange Agent at one of its addresses and telephone number set forth on the front of this Letter of Transmittal. Additional copies of the Prospectus, the Notice of Guaranteed Delivery and the Letter of Transmittal may be obtained from the Exchange Agent or from your broker, dealer, commercial bank, trust company or other nominee.

9. 31% BACKUP WITHHOLDING; SUBSTITUTE FORM W-9. Under U.S. Federal income tax law, a holder whose tendered Old Notes are accepted for exchange is required to provide the Exchange Agent with such holder's correct taxpayer identification number ("TIN") on Substitute Form W-9 below. If the Exchange Agent is not provided with the correct TIN, the Internal Revenue Service (the "IRS") may subject the holder or other payee to a $50 penalty. In addition, payments to such holders or other payees with respect to Old Notes exchanged pursuant to the Exchange Offer may be subject to 31% backup withholding.

The box in Part 2 of the Substitute Form W-9 may be checked if the tendering holder has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future. If the box in Part 2 is checked, the holder or other payee must also complete the Certificate of Awaiting Taxpayer Identification Number below in order to avoid backup withholding. Notwithstanding that the box in Part 2 is checked and the Certificate of Awaiting Taxpayer Identification Number is completed, the Exchange Agent will withhold 31% of all payments made prior to the time a properly certified TIN is provided to the Exchange Agent. The Exchange Agent will retain such amounts withheld during the 60 day period following the date of the Substitute Form W-9. If the holder furnishes the Exchange Agent with its TIN within 60 days after the date of the Substitute Form W-9, the amounts retained during the 60 day period will be remitted to the holder and no further amounts shall be retained or withheld from payments made to the holder thereafter. If, however, the holder has not provided the Exchange Agent with its TIN within such 60 day period, amounts withheld will be remitted to the IRS as backup withholding. In addition, 31% of all payments made thereafter will be withheld and remitted to the IRS until a correct TIN is provided.

The holder is required to give the Exchange Agent the TIN (e.g., social security number or employer identification number) of the registered owner of the Old Notes or of the last transferee appearing on the transfers attached to, or endorsed on, the Old Notes. If the Old Notes are registered in more than one name or are not in the name of the actual owner, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional guidance on which number to report.

Certain holders (including, among others, corporations, financial institutions and certain foreign persons) may not be subject to these backup withholding and reporting requirements. Such holders should nevertheless complete the attached Substitute Form W-9 below, and write "exempt" on the face thereof, to avoid possible erroneous backup withholding. A foreign person may qualify as an exempt recipient by submitting a properly completed IRS Form W-8, signed under penalties of perjury, attesting to that holder's exempt status. Please consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional guidance on which holders are exempt from backup withholding.

Backup withholding is not an additional U.S. Federal income tax. Rather, the U.S. Federal income tax liability of a person subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained.

10. LOST, DESTROYED OR STOLEN CERTIFICATES. If any Certificate(s) representing Old Notes have been lost, destroyed or stolen, the holder should promptly notify the Exchange Agent. The holder will then be instructed as to the steps that must be taken in order to replace the Certificate(s). This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost, destroyed or stolen Certificate(s) have been followed.

11. SECURITY TRANSFER TAXES. Holders who tender their Old Notes for exchange will not be obligated to pay any transfer taxes in connection therewith. If, however, Exchange Notes are to be delivered to, or are to be issued in the name of, any person other than the registered holder of the Old Notes tendered, or if a transfer tax is imposed for any reason other than the exchange of Old Notes in connection with the Exchange Offer, then the amount of any such transfer tax (whether imposed on the registered holder or any other persons) will be payable by the tendering holder. If satisfactory evidence of payment of such taxes or exemption therefrom is not submitted with the Letter of Transmittal, the amount of such transfer taxes will be billed directly to such tendering holder.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR FACSIMILE THEREOF) AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED BY THE EXCHANGE AGENT ON OR PRIOR TO THE EXPIRATION DATE.

TO BE COMPLETED BY ALL TENDERING NOTEHOLDERS
(SEE INSTRUCTION 9)

PAYEE'S NAME: U.S. BANK TRUST NATIONAL ASSOCIATION

SUBSTITUTE FORM W-9 DEPARTMENT OF THE TREASURY, INTERNAL REVENUE SERVICE PAYER'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER ("TIN") AND CERTIFICATION	PART 1--PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW	SOCIAL SECURITY NUMBER OR ---------- EMPLOYER IDENTIFICATION NUMBER
	CERTIFICATION--UNDER THE PENALTIES OF PERJURY, I CERTIFY THAT (1) the number shown on this form is my correct Taxpayer Identification Number (or that I am waiting for a number to be issued to me). (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, (b) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to withholding. (3) any other information provided on this form is true and correct. CERTIFICATION INSTRUCTIONS--YOU MUST CROSS OUT ITEM (2) ABOVE IF YOU HAVE BEEN NOTIFIED BY THE IRS THAT YOU ARE CURRENTLY SUBJECT TO BACKUP WITHHOLDING BECAUSE OF UNDER-REPORTING INTEREST OR DIVIDENDS ON YOUR TAX RETURN. HOWEVER, IF AFTER BEING NOTIFIED BY THE IRS THAT YOU WERE SUBJECT TO BACKUP WITHHOLDING, YOU RECEIVED ANOTHER NOTIFICATION FROM THE IRS THAT YOU ARE NO LONGER SUBJECT TO BACKUP WITHHOLDING, DO NOT CROSS OUT ITEM (2).	
	SIGNATURE DATE	PART 2 AWAITING TIN / /

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY IN CERTAIN CIRCUMSTANCES RESULT IN BACKUP WITHHOLDING OF 31% OF ANY AMOUNTS PAID TO YOU PURSUANT TO THE EXCHANGE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 2 OF SUBSTITUTE FORM W-9.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a Taxpayer Identification Number has not been issued to me, and either (1) I have mailed or delivered an application to receive a Taxpayer Identification Number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (2) I intend to mail or deliver an application in the near future. I understand that if I do not provide a Taxpayer Identification Number by the time of payment, 31% of all payments made to me on account of the Exchange Notes shall be retained until I provide a Taxpayer Identification Number to the Exchange Agent and that, if I do not provide my Taxpayer Identification Number within 60 days, such retained amounts shall be remitted to the Internal Revenue Service as backup withholding and 31% of all reportable payments made to me thereafter will be withheld and remitted to the Internal Revenue Service until I provide a Taxpayer Identification Number.

Signature _____ Date_____ , 1998

EXHIBIT 99.2

NOTICE OF GUARANTEED DELIVERY
FOR TENDER OF
8 7/8% SENIOR NOTES DUE 2008
OF
BEAZER HOMES USA, INC.

This Notice of Guaranteed Delivery, or one substantially equivalent to this form, must be used to accept the Exchange Offer (as defined below) if (i) certificates for the Company's (as defined below) 8 7/8% Senior Notes due 2008 (the "Old Notes") are not immediately available, (ii) Old Notes, the Letter of Transmittal and all other required documents cannot be delivered to U.S. Bank Trust National Association (the "Exchange Agent") on or prior to the Expiration Date (as defined in the Prospectus referred to below) or (iii) the procedures for delivery by book-entry transfer cannot be completed on a timely basis. This Notice of Guaranteed Delivery may be delivered by hand, overnight courier or mail, or transmitted by facsimile transmission, to the Exchange Agent. See "The Exchange Offer -- Procedures for Tendering Old Notes" in the Prospectus.

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME ON , 1998, UNLESS THE OFFER IS EXTENDED, (THE "EXPIRATION DATE"). TENDERS OF OLD NOTES MAY BE WITHDRAWN AT ANY TIME PRIOR TO 5:00 P.M. NEW YORK CITY TIME ON THE BUSINESS DAY PRIOR TO THE EXPIRATION DATE.

THE EXCHANGE AGENT FOR THE EXCHANGE OFFER IS:

U.S. BANK TRUST NATIONAL ASSOCIATION
F/K/A FIRST TRUST NATIONAL ASSOCIATION

BY REGISTERED, CERTIFIED OR OVERNIGHT MAIL:
U.S. BANK TRUST NATIONAL ASSOCIATION
ATTN: SPECIALIZED FINANCE
180 EAST FIFTH STREET
ST. PAUL, MN 55101

BY FIRST CLASS MAIL
U.S. BANK TRUST NATIONAL ASSOCIATION
P.O. BOX 64485
ST. PAUL, MN 55101

BY HAND (NEW YORK DEPOSITORY ONLY):
U.S. BANK TRUST NATIONAL ASSOCIATION
100 Wall Street, 20th Floor
New York, NY 10005
Attention: Cathy Donohue

BY HAND (ALL OTHERS):
U.S. BANK TRUST NATIONAL ASSOCIATION
Fourth Floor--Bond Drop Window
180 East Fifth Street
St. Paul, MN 55101

BY FACSIMILE:
(For Eligible Institutions Only)
(612) 244-1537

TELEPHONE NUMBER
(800) 934-6802 Bondholder Services

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF THIS NOTICE OF GUARANTEED DELIVERY VIA FACSIMILE TO A NUMBER OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

THIS NOTICE OF GUARANTEED DELIVERY IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN "ELIGIBLE INSTITUTION" UNDER THE INSTRUCTIONS THERETO, SUCH SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX ON THE LETTER OF TRANSMITTAL.

THE GUARANTEE ON THE REVERSE SIDE MUST BE COMPLETED.

Ladies and Gentlemen:

The undersigned hereby tenders to Beazer Homes USA, Inc., a Delaware corporation (the "Company"), upon the terms and subject to the conditions set forth in the Prospectus dated , 1998 (as the same may be amended or supplemented from time to time, the "Prospectus"), and the related Letter of Transmittal (which together constitute the "Exchange Offer"), receipt of which is hereby acknowledged, the aggregate principal amount of Old Notes set forth below pursuant to the guaranteed delivery procedures set forth in the Prospectus under the caption "The Exchange Offer -- Procedures for Tendering Old Notes."

Aggregate Principal Amount Tendered:	Name(s) of Registered Holder(s):
Certificate No(s). (if available):	Address(es):
If Old Notes will be tendered by book-entry transfer, provide the following information:	
DTC Account Number:	Area Code and
Date:	Telephone Number(s):
	Signature(s):

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a firm or other entity identified in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended, as an "eligible guarantor institution," including (as such terms are defined therein): (i) a bank; (ii) a broker, dealer, municipal securities broker, municipal securities dealer, government securities broker, government securities dealer; (iii) a credit union; (iv) a national securities exchange, registered securities association or clearing agency; or (v) a savings association (each, an "Eligible Institution"), hereby guarantees to deliver to the Exchange Agent, at one of its addresses set forth above, either the Old Notes tendered hereby in proper form for transfer, or confirmation of the book-entry transfer of such Old Notes to the Exchange Agent's account at The Depository Trust Company ("DTC"), pursuant to the procedures for book-entry transfer set forth in the Prospectus, in either case together with one or more properly completed and duly executed Letter(s) of Transmittal (or facsimile thereof) and any other required documents within three New York Stock Exchange trading days after the date of execution of this Notice of Guaranteed Delivery.

The undersigned acknowledges that it must deliver the Letter(s) of Transmittal and the Old Notes tendered hereby to the Exchange Agent within the time period set forth above and that failure to do so could result in a financial loss to the undersigned.

Name of Firm:
Address:

(Zip Code)

Area Code and
Telephone Number:

(Authorized Signature)

Title:
Name:

(Please type or print)

Date:

NOTE: DO NOT SEND OLD NOTES WITH THIS NOTICE OF GUARANTEED DELIVERY. ACTUAL SURRENDER OF OLD NOTES MUST BE MADE PURSUANT TO, AND BE ACCOMPANIED BY, A PROPERLY COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS.

INSTRUCTIONS FOR NOTICE OF GUARANTEED DELIVERY

1. DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY. A properly completed and duly executed copy of this Notice of Guaranteed Delivery and any other documents required by this Notice of Guaranteed Delivery must be received by the Exchange Agent at its address set forth herein prior to the Expiration Date. The method of delivery of this Notice of Guaranteed Delivery and any other required documents to the Exchange Agent is at the election and sole risk of the holder, and the delivery will be deemed made only when actually received by the Exchange Agent. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. As an alternative to delivery by mail the holders may wish to consider using an overnight or hand delivery service. In all cases, sufficient time should be allowed to assure timely delivery. For a description of the guaranteed delivery procedures, see Instruction-1 of the Letter of Transmittal.

2. SIGNATURES ON THIS NOTICE OF GUARANTEED DELIVERY. If this Notice of Guaranteed Delivery is signed by the registered holder(s) of the Old Notes, the signature must correspond with the name(s) written on the face of the Old Notes without alteration, enlargement, or any change whatsoever. If this Notice of Guaranteed Delivery is signed by a participant of the Book-Entry Transfer Facility whose name appears on a security position listing as the owner of the Old Notes, the signature must correspond with the name shown on the security position listing as the owner of the Old Notes.

If this Notice of Guaranteed Delivery is signed by a person other than the registered holder(s) of any Old Notes listed or a participant of the Book-Entry Transfer Facility, this Notice of Guaranteed Delivery must be accompanied by appropriate bond powers, signed as the name of the registered holder(s) appears on the Old Notes or signed as the name of the participant shown on the Book-Entry Transfer Facility's security position listing.

If this Notice of Guaranteed Delivery is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or other person acting in a fiduciary or representative capacity, such person should so indicate when signing and submit with the Letter of Transmittal evidence satisfactory to the Company of such person's authority to so act.

3. REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES. Questions and requests for assistance for additional copies of the Prospectus may be directed to the Exchange Agent at the address specified in the Prospectus. Holders may also contact their broker, dealer, commercial bank, trust company, or other nominee for assistance concerning the Exchange Offer.