As filed with the Securities and Exchange Commission on February 23, 2010

Registration No. 333-164459

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

Pre-effective Amendment No. 2
to

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	**1531**	**58-2086934**
State or other jurisdiction of incorporation or organization	*Primary Standard Industrial Classification Code Number*	*I.R.S. Employer Identification No.*

1000 Abernathy Road, Suite 1200
Atlanta, Georgia 30328
(770) 829-3700
(Address, including zip code, and telephone number, including area code, of each registrant's principal executive offices)

SEE TABLE OF CO-REGISTRANTS

Kenneth F. Khoury
Executive Vice President, General Counsel and Secretary
Beazer Homes USA, Inc.
1000 Abernathy Road, Suite 1200
Atlanta, Georgia 30328
(770) 829-3700
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:
William C. Smith III
Troutman Sanders LLP
600 Peachtree Street, N.E., Suite 5200
Atlanta, Georgia 30308-2216
(404) 885-3000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If 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: o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o	Accelerated filer o	Non-accelerated filer o	Smaller reporting company ☑
		(Do not check if a smaller reporting company)	

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that the 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.

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BEAZER HOMES USA, INC.

TABLE OF CO-REGISTRANTS

	State of Incorporation /Formation	Primary Standard Industrial Classification Code Number	IRS Employer Identification No.
Beazer Homes Corp.	TN	1531	62-0880780
Beazer/Squires Realty, Inc.	NC	1531	56-1807308
Beazer Homes Sales, Inc.	DE	1531	86-0728694
Beazer Realty Corp.	GA	1531	58-1200012
Beazer Homes Holdings Corp.	DE	1531	58-2222637
Beazer Homes Texas Holdings, Inc.	DE	1531	58-2222643
Beazer Homes Texas, L.P.	DE	1531	76-0496353
April Corporation	CO	1531	84-1112772
Beazer SPE, LLC	GA	1531	not applied for(1)
Beazer Homes Investments, LLC	DE	1531	04-3617414
Beazer Realty, Inc.	NJ	1531	22-3620212
Beazer Clarksburg, LLC	MD	1531	not applied for(1)
Homebuilders Title Services of Virginia, Inc.	VA	1531	54-1969702
Homebuilders Title Services, Inc.	DE	1531	58-2440984
Texas Lone Star Title, L.P.	TX	1531	58-2506293
Beazer Allied Companies Holdings, Inc.	DE	1531	54-2137836
Beazer Homes Indiana LLP	IN	1531	35-1901790
Beazer Realty Services, LLC	DE	1531	35-1679596
Paragon Title, LLC	IN	1531	35-2111763
Trinity Homes, LLC	IN	1531	35-2027321
Beazer Commercial Holdings, LLC	DE	1531	not applied for(1)
Beazer General Services, Inc.	DE	1531	20-1887139
Beazer Homes Indiana Holdings Corp.	DE	1531	03-3617414
Beazer Realty Los Angeles, Inc.	DE	1531	20-2495958
Beazer Realty Sacramento, Inc.	DE	1531	20-2495906
BH Building Products, LP	DE	1531	20-2498366
BH Procurement Services, LLC	DE	1531	20-2498277
Arden Park Ventures, LLC	FL	1531	not applied for(1)
Beazer Mortgage Corporation	DE	6163	58-2203537
Beazer Homes Michigan, LLC	DE	1531	20-3420345
Dove Barrington Development LLC	DE	6531	20-1737164
Elysian Heights Potomia, LLC	VA	6531	30-0237203
Clarksburg Arora LLC	MD	6531	52-2317355
Clarksburg Skylark, LLC	MD	6531	52-2321110

The address for each Co-Registrant is 1000 Abernathy Road, Suite 1200, Atlanta, Georgia 30328.

(1) Does not have any employees.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS

SUBJECT TO COMPLETION DATED February 23, 2010

$250,000,000
Offer to Exchange

12% Senior Secured Notes due 2017,

which have been registered under the Securities Act of 1933,

for any and all outstanding

12% Senior Secured Notes due 2017,

which have not been registered under the Securities Act of 1933,

of

Beazer Homes USA, Inc.

- We will exchange all original notes that are validly tendered and not withdrawn before the end of the exchange offer for an equal principal amount of new notes that we have registered under the Securities Act of 1933.
- This exchange offer expires at 11:59 p.m., New York City time, on March 9, 2010, unless extended.
- No public market exists for the original notes or the new notes. We do not intend to list the new notes on any securities exchange or to seek approval for quotation through any automated quotation system.

See "Risk Factors" beginning on page 12 for a discussion of the risks that holders should consider prior to making a decision to exchange original notes for new notes.

The notes will be our senior secured obligations and will rank equally in right of payment with all of our existing and future senior obligations, senior to all of our existing and future subordinated indebtedness and effectively subordinated to our existing and future first priority secured indebtedness, including indebtedness under the revolving credit facility (as defined herein) to the extent of the value of the assets securing such indebtedness. The notes and related guarantees will be structurally subordinated to all indebtedness and other liabilities of all of our subsidiaries that do not guarantee the notes. The notes will be fully and unconditionally guaranteed on a senior secured basis by each of our subsidiaries that guarantee the revolving credit facility and our outstanding senior notes.

The notes and the guarantees will be secured by (subject to certain exceptions and permitted liens) substantially all the tangible and intangible assets of ours and the guarantors, but excluding, in any event, the capital stock of any subsidiary or other affiliate held by us or any guarantor. The notes and the guarantees will be effectively subordinated to our revolving credit facility to the extent of the value of the assets securing such facility on a first-priority basis. The notes and the guarantees will be subject to an intercreditor agreement with the lenders under the revolving credit facility. See "Description of the Notes — Security — Intercreditor Agreement."

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2010.

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone else to provide you with additional or different information. We are only offering these securities in states where the offer is permitted. You should not assume that the information in this prospectus is accurate as of any date other than the dates on the front of this document.

This prospectus incorporates important business and financial information about the company that is not included in or delivered with this document. For more information regarding the documents incorporated by reference into this prospectus, see “Where You Can Find More Information” beginning on page 97. We will provide, without charge, to each person, including any beneficial owner, to whom a copy of this prospectus is delivered, upon the written or oral request of such person, a copy of any or all of the information incorporated by reference in this prospectus, other than exhibits to such information (unless such exhibits are specifically incorporated by reference into the information that this prospectus incorporates). Requests for such copies should be directed to:

Beazer Homes USA, Inc.
Attn: Secretary
1000 Abernathy Road, Suite 1200
Atlanta, Georgia 30328
Telephone: (770) 829-3700

In order to obtain timely delivery, security holders must request the information no later than five business days before March 9, 2010, the expiration date of the exchange offer.

PROSPECTUS SUMMARY

This summary highlights selected information from this prospectus. The following summary information is qualified in its entirety by the information contained elsewhere in this prospectus. This summary may not contain all of the information that you should consider prior to making a decision to exchange original notes for new notes. You should read the entire prospectus carefully, including the "Risk Factors" section beginning on page 12 of this prospectus, and the additional documents to which we refer you. You can find information with respect to these additional documents under the caption "Where You Can Find More Information" beginning on page 97. Unless the context requires otherwise, all references to "we," "us," "our" and "Beazer Homes" refer specifically to Beazer Homes USA, Inc. and its subsidiaries. In this section, references to the "Notes" are references to the outstanding 12% Senior Secured Notes due 2017 and the exchange 12% Senior Secured Notes due 2017 offered hereby, collectively. Definitions for certain other defined terms may be found under "Description of the Notes — Certain Definitions" appearing below.

The Company

Beazer Homes USA, Inc.

We are a geographically diversified homebuilder with active operations in 16 states. Our homes are designed to appeal to homeowners at various price points across various demographic segments and are generally offered for sale in advance of their construction. Our objective is to provide our customers with homes that incorporate exceptional value and quality while seeking to maximize our return on invested capital over time.

Our and our co-registrants' principal executive offices are located at 1000 Abernathy Road, Suite 1200, Atlanta, Georgia 30328, telephone (770) 829-3700. Our Internet website is http://www.beazer.com. Information on our website is not a part of and shall not be deemed incorporated by reference in this prospectus.

The Exchange Offer

The Exchange Offer	We are offering to exchange up to $250,000,000 aggregate principal amount of our new 12% Senior Secured Notes due 2017 for up to $250,000,000 aggregate principal amount of our original 12% Senior Secured Notes due 2017, which are currently outstanding. Original notes may only be exchanged in $1,000 principal increments. In order to be exchanged, an original note must be properly tendered and accepted. All original notes that are validly tendered and not validly withdrawn prior to the expiration of the exchange offer will be exchanged.
Resales Without Further Registration	Based on interpretations by the staff of the SEC in several no action letters issued to third parties, we believe that the new notes issued pursuant to the exchange offer may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act of 1933 (the "Securities Act") provided that: • you are acquiring the new notes issued in the exchange offer in the ordinary course of your business; • you have not engaged in, do not intend to engage in, and have no arrangement or understanding with any person to participate in, the distribution of the new notes issued to you in the exchange offer in violation of the provisions of the Securities Act; and

	• you are not our "affiliate," as defined under Rule 405 of the Securities Act. Each broker-dealer that receives new notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. The letter of transmittal states that, by so 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. 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 new notes received in exchange for original notes where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed to use our reasonable best efforts to make this prospectus, as amended or supplemented, available to any broker-dealer for a period of 180 days after the date of this prospectus for use in connection with any such resale. See "Plan of Distribution."
Expiration Date	11:59 p.m., New York City time, on March 9, 2010, unless we extend the exchange offer.
Accrued Interest on the New Notes and Original Notes	The new notes will bear interest from October 15, 2009 or the last interest payment date on which interest was paid on the original notes surrendered in exchange therefor. Holders of original notes that are accepted for exchange will be deemed to have waived the right to receive any payment in respect of interest on such original notes accrued to the date of issuance of the new notes.
Conditions to the Exchange Offer	The exchange offer is subject to certain customary conditions which we may waive. See "The Exchange Offer — Conditions."
Procedures for Tendering Original Notes	Each holder of original notes wishing to accept the exchange offer must complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal; or if the original notes are tendered in accordance with the book-entry procedures described in this prospectus, the tendering holder must transmit an agent's message to the exchange agent at the address listed in this prospectus. You must mail or otherwise deliver the required documentation together with the original notes to the exchange agent.
Special Procedures for Beneficial Holders	If you beneficially own original notes registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your original notes in the exchange offer, you should contact such registered holder promptly and instruct them to tender on your behalf. If you wish to tender on your own behalf, you must, before completing and executing the letter of transmittal for the exchange offer and delivering your original notes, either arrange to have your original notes registered in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time.

Guaranteed Delivery Procedures	You must comply with the applicable guaranteed delivery procedures for tendering if you wish to tender your original notes and: • your original notes are not immediately available; or • time will not permit your required documents to reach the exchange agent prior to 11:59 p.m., New York City time, on the expiration date of the exchange offer; or • you cannot complete the procedures for delivery by book-entry transfer prior to 11:59 p.m., New York City time, on the expiration date of the exchange offer.
Withdrawal Rights	You may withdraw your tender of original notes at any time prior to 11:59 p.m., New York City time, on the date the exchange offer expires.
Failure to Exchange Will Affect You Adversely	If you are eligible to participate in the exchange offer and you do not tender your original notes, you will not have further exchange or registration rights and your original notes will continue to be subject to restrictions on transfer under the Securities Act. Accordingly, the liquidity of the original notes will be adversely affected.
Material United States Federal Income Tax Consequences	The exchange of original notes for new notes pursuant to the exchange offer will not result in a taxable event. Accordingly, we believe that: • no gain or loss will be realized by a United States holder upon receipt of a new note; • holder's holding period for the new notes will include the holding period of the original notes; and • the adjusted tax basis of the new notes will be the same as the adjusted tax basis of the original notes exchanged at the time of such exchange. See "Material United States Federal Income Tax Considerations."
Exchange Agent	U.S. Bank National Association is serving as exchange agent in connection with the Exchange Offer. Deliveries by hand, registered, certified, first class or overnight mail should be addressed to U.S. Bank National Association, 60 Livingston Avenue, EP-MN-WS2N, St. Paul, MN 55107, Attention: Specialized Finance Department, Reference: Beazer Homes USA, Inc. Exchange. For information with respect to the Exchange Offer, contact the Exchange Agent at telephone number (800) 934-6802 or facsimile number (651) 495-8158.
Use of Proceeds	We will not receive any proceeds from the exchange offer. See "Use of Proceeds."

Summary of Terms of New Notes

The exchange offer constitutes an offer to exchange up to $250,000,000 aggregate principal amount of the new notes for up to an equal aggregate principal amount of the original notes. The new notes will be obligations of Beazer Homes evidencing the same indebtedness as the original notes, and will be entitled to the benefit of the same indenture and supplemental indenture. The form and terms of the new notes are

substantially the same as the form and terms of the original notes except that the new notes have been registered under the Securities Act. See "Description of the Notes."

	Comparison with Original Notes
Freely Transferable	The new notes will be freely transferable under the Securities Act by holders who are not restricted holders. Restricted holders are restricted from transferring the new notes without compliance with the registration and prospectus delivery requirements of the Securities Act. The new notes will be identical in all material respects (including interest rate, maturity and restrictive covenants) to the original notes, with the exception that the new notes will be registered under the Securities Act. See "The Exchange Offer — Terms of the Exchange Offer."
Registration Rights	The holders of the original notes currently are entitled to certain registration rights pursuant to the registration rights agreement entered into on the issue date of the original notes by and among Beazer Homes, the subsidiary guarantors named therein and the initial purchasers named therein, including the right to cause Beazer Homes to register the original notes for resale under the Securities Act if the Exchange Offer is not consummated prior to the exchange offer termination date. However, pursuant to the registration rights agreement, such registration rights will expire upon consummation of the exchange offer. Accordingly, holders of original notes who do not exchange their original notes for new notes in the exchange offer will not be able to reoffer, resell or otherwise dispose of their original notes unless such original notes are subsequently registered under the Securities Act or unless an exemption from the registration requirements of the Securities Act is available.
	Terms of New Notes
Issuer	Beazer Homes USA, Inc.
Notes Offered	The form and terms of the new notes will be the same as the form and terms of the outstanding notes except that: • the new notes will bear a different CUSIP number from the original notes; • the new notes have been registered under the Securities Act and, therefore, will not bear legends restricting their transfer; and • you will not be entitled to any exchange or registration rights with respect to the new notes. The notes will evidence the same debt as the original notes. They will be entitled to the benefits of the indenture and the supplemental indenture governing the original notes and will be treated under the indenture and the supplemental indenture as a single class with the original notes. We refer to the new notes and the original notes collectively as the notes in this prospectus.
Maturity Date	October 15, 2017.

Interest	The notes will bear interest at a rate of 12% per annum from October 15, 2009. Interest on the notes will be payable semi-annually in cash on October 15 and April 15 of each year, commencing on April 15, 2010
Guarantees	On the issue date of the notes, all payments on the notes, including principal and interest, will be jointly and severally guaranteed on a senior secured basis by substantially all of our existing subsidiaries.
Collateral	The notes and guarantees will be secured by (subject to certain exceptions and permitted liens) substantially all the tangible and intangible assets of ours and the guarantors, but excluding in any event: • the pledge of stock of subsidiaries or other affiliates; • real or personal property where the cost of obtaining a security interest or perfection thereof exceeds its benefits; • real property subject to a lien securing indebtedness incurred for the purpose of financing the acquisition thereof; • real property located outside of the United States; • unentitled land; • real property which is leased or held for the purpose of leasing to unaffiliated third parties; • any real property in a community under development with a dollar amount of investment as of the most recent month-end (determined in accordance with GAAP) of less than $2.0 million or with less than 10 lots remaining; • up to $50.0 million of assets received in certain asset dispositions or asset swaps or exchanges made in accordance with the indenture; and • assets with respect to which any applicable law or contract prohibits the creation or perfection of security interests therein. In addition, we and the guarantors shall not be required to execute or deliver any control agreements with respect to any deposit account or securities account. For more details, see the section “Description of the Notes — Security.”
Intercreditor Agreement	The notes will be expressly junior in priority to the liens that secure our first-priority obligations. As of the issue date of the notes, the obligations under the revolving credit facility constitute the only first-priority obligations. The indenture permits certain additional obligations to be incurred and to constitute first-priority obligations. Pursuant to the intercreditor agreement, the liens securing the notes may not be enforced at any time when obligations secured by first-priority liens are outstanding, except for certain limited exceptions. The holders of the priority liens will receive all proceeds from any realization on the collateral or from the collateral or proceeds thereof in any insolvency or liquidation proceeding until the obligations secured by the priority liens are paid in full.

Sharing Liens	In certain circumstances, we may secure specified indebtedness permitted to be incurred under the indenture governing the notes by granting liens upon any or all of the collateral securing the notes, including on an equal basis with the first-priority liens securing the revolving credit facility, on a *pari passu* basis with the notes or on a junior basis.
Ranking	The notes and the guarantees will be our and the guarantors' senior secured obligations. The indebtedness evidenced by the notes and the guarantees will: • rank senior in right of payment to any of our and the guarantors' existing and future subordinated indebtedness; • rank equally in right of payment with all of our and the guarantors' existing and future senior indebtedness, including our outstanding senior notes and our revolving credit facility; • be secured equally to our and the guarantors' obligations under any other pari passu lien obligations incurred after the issue date to the extent of the collateral; • be effectively subordinated to our and the guarantors' obligations under our revolving credit facility and any other debt incurred after the issue date that has a first-priority security interest in the collateral (or that has a security interest in assets that do not constitute collateral), in each case to the extent of the collateral or such other assets; and • be structurally subordinated to all existing and future indebtedness and other liabilities of our non-guarantor subsidiaries (other than indebtedness and liabilities owed to us or one of our guarantor subsidiaries). The indenture governing the notes permits additional indebtedness or other obligations to be secured by the collateral (i) on a lien priority basis prior or pari passu with the notes, in each case subject to certain limitations and (ii) on a junior priority basis relative to the notes, without regard to any such limitations. As of December 31, 2009, we and the guarantors had approximately $12.0 million of indebtedness outstanding secured by assets that are not part of the collateral. In addition, as of December 31, 2009, our non-guarantor subsidiaries had outstanding indebtedness and other liabilities (excluding intercompany obligations) of $5.3 million.
Optional Redemption	Prior to October 15, 2012, we may redeem the notes, in whole or in part, at a price equal to 100% of the principal amount thereof plus the make-whole premium described under "Description of the Notes — Optional Redemption." We may also redeem any of the notes at any time on or after October 15, 2012, in whole or in part, at the redemption prices described under "Description of the Notes — Optional Redemption," plus accrued and unpaid interest, if any, to the date of redemption. In addition, prior to October 15, 2012, we may redeem up to 35% of

	the aggregate principal amount of the notes issued under the indenture with the net proceeds of certain equity offerings, provided at least 65% of the aggregate principal amount of the notes originally issued remain outstanding immediately after such redemption. See "Description of the Notes — Optional Redemption."
Certain Covenants	The indenture governing the notes contains certain covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to: • incur additional indebtedness or issue certain preferred shares; • create liens on certain assets to secure debt; • pay dividends or make other equity distributions; • purchase or redeem capital stock; • make certain investments; • sell assets; • agree to restrictions on the ability of restricted subsidiaries to make payments to us; or • consolidate, merge, sell or otherwise dispose of all or substantially all of our assets, and engage in transactions with affiliates. These limitations are subject to a number of important qualifications and exceptions. See "Description of the Notes — Certain Covenants."
Change of Control; Asset Sale	Upon a change of control, we will be required to make an offer to purchase each holder's notes at a price of 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase. See "Description of the Notes — Mandatory Offers to Purchase the Notes" and "Description of the Notes — Certain Covenants — Change of Control." If we sell assets under certain circumstances, we will be required to make an offer to purchase the notes at their face amount, plus accrued and unpaid interest to the purchase date. See "Description of the Notes — Mandatory Offers to Purchase the Notes" and "Description of the Notes — Certain Covenants — Limitations on Asset Sales."
No Listing on any Securities Exchange	We do not intend to list the new notes on any securities exchange or to seek approval for quotation through any automated system.
Risk Factors	You should carefully consider the information under "Risk Factors" beginning on page 12 of this prospectus and all other information included or incorporated by reference in this prospectus prior to making a decision to exchange original notes for new notes.

For additional information regarding the notes, see the "Description of the Notes" section of this prospectus.

Summary Historical Consolidated Financial and Operating Data

Our summary historical consolidated financial and operating data set forth below as of and for each of the three years ended September 30, 2007, 2008 and 2009, and the quarters ended December 31, 2008 and 2009 are derived from our audited consolidated financial statements and our unaudited condensed consolidated financial statements, respectively. These historical results are not necessarily indicative of the results to be expected in the future. You should also read our historical financial statements and related notes in our annual report on Form 10-K for the year ended September 30, 2009 as well as the consolidated financial statements and accompanying notes. You should also read "Selected Historical Consolidated Financial and Operating Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Form 10-K for the year ended September 30, 2009, incorporated herein by reference, before deciding to exchange the original notes for the new notes.

	Fiscal Year Ended September 30,			Fiscal Quarter Ended December 31,	
	2007	2008	2009	2008	2009
			($ in millions)		
Statement of Operations Data(1):					
Total revenue	$ 3,037	$ 1,814	$ 1,005	$ 218	$ 219
Gross (loss) profit	(109)	(234)	21	12	19
Operating loss	(548)	(616)	(242)	(61)	(30)
Net (loss) income from continuing operations	(372)	(801)	(178)	(79)	45
Operating Statistics:					
Number of new orders, net of cancellations	8,377	5,403	4,205	533	728
Backlog at end of period(2)	2,612	1,318	1,193	961	960
Number of closings(3)	10,160	6,697	4,330	890	961
Average sales price per home closed (in thousands)	$ 286.7	$ 252.7	$ 230.9	$ 244.0	$ 222.6
Balance Sheet Data (end of period):					
Cash, cash equivalents, and restricted cash	$ 460	$ 585	$ 557	$ 456	$ 480
Inventory	2,775	1,652	1,318	1,587	1,291
Total assets	3,930	2,642	2,029	2,408	2,024
Total debt	1,857	1,747	1,509	1,736	1,501
Stockholders' equity	1,324	375	197	298	247
Supplemental Financial Data:					
Cash provided by/(used in):					
Operating activities	$ 509	$ 316	$ 94	$ (112)	$ (59)
Investing activities	(52)	(18)	(80)	(22)	(4)
Financing activities	(171)	(167)	(91)	(13)	(11)

(1) Effective February 1, 2008, we exited the mortgage origination business. In fiscal 2008, we completed a comprehensive review of each of our markets in order to refine our overall investment strategy and to optimize our capital and resource allocations. As a result of this review, we decided to discontinue homebuilding operations in certain of our markets. As of September 30, 2009, all homebuilding operations in these exit markets had ceased. Results from our mortgage origination business and our exit markets are reported as discontinued operations in the audited consolidated statement of operations for the three years ended September 30, 2007, 2008 and 2009.

Gross (loss) profit includes inventory impairments and lot options abandonments of $572.0 million, $406.2 million and $97.0 million for the fiscal years ended September 30, 2007, 2008 and 2009, and $12.4 million and $8.8 million for the fiscal quarters ended December 31, 2008 and 2009. Operating loss

also includes goodwill impairments of $51.6 million, $48.1 million and $16.1 million for the fiscal years ended September 30, 2007, 2008 and 2009, and $16.1 million for the fiscal quarter ended December 31, 2008. Loss from continuing operations for fiscal 2007 and 2009 also include a (loss) gain on extinguishment of debt of ($413,000) and $144.5 million, respectively. The aforementioned charges were primarily related to the deterioration of the homebuilding environment over the past few years.

(2) A home is included in "backlog" after a sales contract is executed and prior to the transfer of title to the purchaser. Because the closings of pending sales contracts are subject to contingencies, it is possible that homes in backlog will not result in closings.

(3) A home is included in "closings" when title is transferred to the buyer. Sales and cost of sales for a house are generally recognized at the date of closing.

RISK FACTORS

Risks Related to Our Company

The homebuilding industry is experiencing a severe downturn that may continue for an indefinite period and continue to adversely affect our business, results of operations and stockholders' equity.

Most housing markets across the United States continue to be characterized by an oversupply of both new and resale home inventory, including foreclosed homes, reduced levels of consumer demand for new homes, increased cancellation rates, aggressive price competition among homebuilders and increased levels of homebuilder sponsored incentives for home sales. As a result of these factors, we, like many other homebuilders, have experienced a material reduction in revenues and margins. These challenging market conditions are expected to continue for the foreseeable future and, in the near term, these conditions may further deteriorate. We expect that continued weakness in the homebuilding market would adversely affect our business, results of operations and stockholders' equity as compared to prior periods and could result in additional inventory impairments in the future.

During the past few years, we have experienced elevated levels of cancellations by potential homebuyers although the level of cancellations has improved significantly during the last few quarters. Our backlog reflects the number and value of homes for which we have entered into a sales contract with a customer but have not yet delivered the home. Although these sales contracts typically require a cash deposit and do not make the sale contingent on the sale of the customer's existing home, in some cases a customer may cancel the contract and receive a complete or partial refund of the deposit as a result of local laws or as a matter of our business practices. If the current industry downturn continues, economic conditions continue to deteriorate or if mortgage financing becomes less accessible, more homebuyers may have an incentive to cancel their contracts with us, even where they might be entitled to no refund or only a partial refund, rather than complete the purchase. Significant cancellations have had, and could have, a material adverse effect on our business as a result of lost sales revenue and the accumulation of unsold housing inventory. In particular, our cancellation rates for the fiscal year ended September 30, 2009 and the fiscal quarter ended December 31, 2009 were 31.4% and 26.9%, respectively. It is important to note that both backlog and cancellation metrics are operational, rather than accounting data, and should be used only as a general gauge to evaluate performance. There is an inherent imprecision in these metrics based on an evaluation of qualitative factors during the transaction cycle.

Based on our impairment tests and consideration of the current and expected future market conditions, we recorded inventory impairment charges of $8.9 million for the quarter ended December 31, 2009. During the quarter ended December 31, 2009, we also wrote down our investment in certain of our joint ventures reflecting $2.7 million of impairments of inventory held within a certain venture. While we believe that no additional joint venture investment or inventory impairments existed as of December 31, 2009, future economic or financial developments, including general interest rate increases, poor performance in either the national economy or individual local economies, or our ability to meet our projections could lead to future impairments.

Our home sales and operating revenues could decline due to macro-economic and other factors outside of our control, such as changes in consumer confidence, declines in employment levels and increases in the quantity and decreases in the price of new homes and resale homes in the market.

Changes in national and regional economic conditions, as well as local economic conditions where we conduct our operations and where prospective purchasers of our homes live, may result in more caution on the part of homebuyers and, consequently, fewer home purchases. These economic uncertainties involve, among other things, conditions of supply and demand in local markets and changes in consumer confidence and income, employment levels, and government regulations. These risks and uncertainties could periodically have an adverse effect on consumer demand for and the pricing of our homes, which could cause our operating revenues to decline. Additional reductions in our revenues could, in turn, further negatively affect the market price of our securities.

We are the subject of pending civil litigation which could require us to pay substantial damages or could otherwise have a material adverse effect on us. The failure to fulfill our obligations under the Deferred Prosecution Agreement (the "DPA") with the United States Attorney (or related agreements) and the consent order with the SEC could have a material adverse effect on our operations.

On July 1, 2009, we entered into the DPA with the United States Attorney for the Western District of North Carolina and a separate but related agreement with the United States Department of Housing and Urban Development ("HUD") and the Civil Division of the United States Department of Justice (the "HUD Agreement"). Under the DPA, we are obligated to make payments to a restitution fund in an amount not to exceed $50 million. As of December 31, 2009, we have been credited with making $10 million of such payments. However, the future payments to the restitution fund will be equal to 4% of "adjusted EBITDA" as defined in the DPA for the first to occur of (x) a period of 60 months and (y) the total of all payments to the restitution fund equaling $50 million. In the event such payments do not equal at least $50 million at the end of 60 months then, under the HUD Agreement, the obligations to make restitution payments will continue until the first to occur of (a) 24 months and (b) the date that $48 million has been paid into the restitution fund. Our obligation to make such payments could limit our ability to invest in our business or make payments of principal or interest on our outstanding debt. In addition, in the event we fail to comply with our obligations under the DPA or the HUD Agreement various federal authorities could bring criminal or civil charges against us which could be material to our consolidated financial position, results of operations and liquidity.

We and certain of our current and former employees, officers and directors have been named as defendants in securities lawsuits, class action lawsuits, lawsuits regarding Employee Retirement Income Security Act (ERISA) claims, and derivative stockholder actions. In addition, certain of our subsidiaries have been named in class action and multi-party lawsuits regarding claims made by homebuyers. While a number of these suits have been dismissed and/or settled, there can be no assurance that new claims by different plaintiffs will not be brought in the future. We cannot predict or determine the timing or final outcome of the current lawsuits or the effect that any adverse determinations in the lawsuits may have on us. An unfavorable determination in any of the lawsuits could result in the payment by us of substantial monetary damages which may not be covered by insurance. Further, the legal costs associated with the lawsuits and the amount of time required to be spent by management and the Board of Directors on these matters, even if we are ultimately successful, could have a material adverse effect on our business, financial condition and results of operations. In addition to expenses incurred to defend the Company in these matters, under Delaware law and our bylaws, we may have an obligation to indemnify our current and former officers and directors in relation to these matters. We have obligations to advance legal fees and expenses to certain directors and officers, and we have advanced, and may continue to advance, legal fees and expenses to certain other current and former employees.

In connection with the settlement agreement with the SEC entered into on September 24, 2008, we consented, without admitting or denying any wrongdoing, to a cease and desist order requiring future compliance with certain provisions of the federal securities laws and regulations. If we are found to be in violation of the order in the future, we may be subject to penalties and other adverse consequences as a result of the prior actions which could be material to our consolidated financial position, results of operations and liquidity.

Our insurance carriers may seek to rescind or deny coverage with respect to certain of the pending lawsuits, or we may not have sufficient coverage under such policies. If the insurance companies are successful in rescinding or denying coverage or if we do not have sufficient coverage under our policies, our business, financial condition and results of operations could be materially adversely affected.

We are dependent on the services of certain key employees, and the loss of their services could hurt our business.

Our future success depends upon our ability to attract, train, assimilate and retain skilled personnel. If we are unable to retain our key employees or attract, train, assimilate or retain other skilled personnel in the

future, it could hinder our business strategy and impose additional costs of identifying and training new individuals. Competition for qualified personnel in all of our operating markets is intense.

Recent and potential future downgrades of our credit ratings could adversely affect our access to capital and could otherwise have a material adverse effect on us.

On August 18, 2009, S&P lowered the Company's corporate credit rating to SD (selective default) and lowered the rating of the Company's senior unsecured notes from CCC− to D following the Company's repurchase of $115.5 million of its senior unsecured notes on the open market at a discount to face value, which S&P determined to constitute a de facto restructuring under its criteria. On August 19, 2009, in accordance with its criteria for exchange offers and similar restructurings, S&P raised the Company's corporate credit rating back to CCC, and maintained the rating of the Company's senior unsecured notes of D, given S&P's expectation for additional discounted repurchases. On January 8, 2010, S&P affirmed its CCC corporate credit rating on the Company and revised its outlook to positive from negative. S&P also raised its ratings on the Company's senior unsecured notes from D to CC.

On March 6, 2009 Moody's lowered its rating from B2 to Caa2 and reaffirmed its negative outlook. On August 21, 2009, Moody's assigned a Caa2/LD probability of default rating to the Company following the Company's repurchase of $115.5 million of senior unsecured notes in the open market at a discount to face value, which under Moody's definition, constituted a distressed exchange and a limited default. The ratings on the senior notes impacted by the open market transactions were lowered to Ca from Caa2 to reflect the discount incurred by participating bondholders. On August 27, 2009, Moody's removed the LD designation on the probability of default rating and changed the ratings on the Company's senior notes back to Caa2, which is consistent with Moody's loss given default framework.

On March 12, 2009, Fitch lowered the Company's issuer-default rating from B− to CCC and its senior notes rating from CCC+/RR5 to CC/RR5. The rating agencies announced that these downgrades reflect continued deterioration in our homebuilding operations, credit metrics, other earnings-based metrics and the significant decrease in our tangible net worth over the past year. These ratings and our current credit condition affect, among other things, our ability to access new capital, especially debt, and may result in more stringent covenants and higher interest rates under the terms of any new debt. Our credit ratings could be further lowered or rating agencies could issue adverse commentaries in the future, which could have a material adverse effect on our business, results of operations, financial condition and liquidity. In particular, a further weakening of our financial condition, including any further increase in our leverage or decrease in our profitability or cash flows, could adversely affect our ability to obtain necessary funds, result in a credit rating downgrade or change in outlook, or otherwise increase our cost of borrowing.

Our senior notes, revolving credit and letter of credit facilities, and certain other debt impose significant restrictions and obligations on us, including limitations on our ability to incur additional indebtedness.

Certain of our secured and unsecured indebtedness and revolving credit and letter of credit facilities impose certain restrictions and obligations on us. Under certain of these instruments, we must comply with defined covenants which limit the Company to, among other things, incur additional indebtedness, engage in certain asset sales, make certain types of restricted payments, engage in transactions with affiliates and create liens on assets of the Company. Failure to comply with certain of these covenants could result in an event of default under the applicable instrument. Any such event of default could negatively impact other covenants or lead to cross defaults under certain of our other debt. There can be no assurance that we will be able to obtain any waivers or amendments that may become necessary in the event of a future default situation without significant additional cost or at all.

The differing financial exposure of our debt holders could impact our ability to complete any restructuring of our indebtedness or impact the terms of such restructuring.

We believe that a portion of the holders of our existing notes may have hedged the risk of default with respect to the existing notes. These holders may have an economic interest that is different from other holders

of our existing notes. Such holders may be less willing to participate in any voluntary restructuring of our indebtedness if, under certain circumstances, they are entitled to receive higher consideration from a private counterparty. This could make any restructuring of our debt more expensive or prevent us from being able to complete certain types of recapitalization transactions.

A substantial increase in mortgage interest rates or unavailability of mortgage financing may reduce consumer demand for our homes.

Substantially all purchasers of our homes finance their acquisition with mortgage financing. Recently, the credit markets and the mortgage industry have been experiencing a period of unparalleled turmoil and disruption characterized by bankruptcies, financial institution failure, consolidation and an unprecedented level of intervention by the United States federal government. The United States residential mortgage market has been further impacted by the deterioration in the credit quality of loans originated to non-prime and subprime borrowers and an increase in mortgage foreclosure rates. These difficulties are not expected to improve until residential real estate inventories return to a more normal level and the mortgage credit market stabilizes. While the ultimate outcome of these events cannot be predicted, they have had and may continue to have an impact on the availability and cost of mortgage financing to our customers. The volatility in interest rates, the decrease in the willingness and ability of lenders to make home mortgage loans, the tightening of lending standards and the limitation of financing product options, have made it more difficult for homebuyers to obtain acceptable financing. Any substantial increase in mortgage interest rates or unavailability of mortgage financing would adversely affect the ability of prospective first-time and move-up homebuyers to obtain financing for our homes, as well as adversely affect the ability of prospective move-up homebuyers to sell their current homes. This disruption in the credit markets and the curtailed availability of mortgage financing has adversely affected, and is expected to continue to adversely affect, our business, financial condition, results of operations and cash flows as compared to prior periods.

If we are unsuccessful in competing against our homebuilding competitors, our market share could decline or our growth could be impaired and, as a result, our financial results could suffer.

Competition in the homebuilding industry is intense, and there are relatively low barriers to entry into our business. Increased competition could hurt our business, as it could prevent us from acquiring attractive parcels of land on which to build homes or make such acquisitions more expensive, hinder our market share expansion, and lead to pricing pressures on our homes that may adversely impact our margins and revenues. If we are unable to successfully compete, our financial results could suffer and the value of, or our ability to service, our debt could be adversely affected. Our competitors may independently develop land and construct housing units that are superior or substantially similar to our products. Furthermore, some of our competitors have substantially greater financial resources and lower costs of funds than we do. Many of these competitors also have longstanding relationships with subcontractors and suppliers in the markets in which we operate. We currently build in several of the top markets in the nation and, therefore, we expect to continue to face additional competition from new entrants into our markets.

Our financial condition, results of operations and stockholders' equity may be adversely affected by any decrease in the value of our inventory, as well as by the associated carrying costs.

We regularly acquire land for replacement and expansion of land inventory within our existing and new markets. The risks inherent in purchasing and developing land increase as consumer demand for housing decreases. The market value of land, building lots and housing inventories can fluctuate significantly as a result of changing market conditions and the measures we employ to manage inventory risk may not be adequate to insulate our operations from a severe drop in inventory values. When market conditions are such that land values are not appreciating, previously entered into option agreements may become less desirable, at which time we may elect to forego deposits and preacquisition costs and terminate the agreements. During the quarter ended December 31, 2009, as a result of the further deterioration of certain of our housing markets, we determined that the carrying amount of certain of our inventory assets exceeded their estimated fair value. As a result of our analysis, during the quarter ended December 31, 2009, we incurred $8.9 million of non-cash

pre-tax charges related to inventory impairments. If these adverse market conditions continue or worsen, we may have to incur additional inventory impairment charges which would adversely affect our financial condition, results of operations and stockholders' equity and our ability to comply with certain covenants in our debt instruments linked to tangible net worth.

We conduct certain of our operations through unconsolidated joint ventures with independent third parties in which we do not have a controlling interest and we can be adversely impacted by joint venture partners' failure to fulfill their obligations.

We participate in land development joint ventures (JVs) in which we have less than a controlling interest. We have entered into JVs in order to acquire attractive land positions, to manage our risk profile and to leverage our capital base. Our JVs are typically entered into with developers, other homebuilders and financial partners to develop finished lots for sale to the joint venture's members and other third parties. During the quarter ended December 31, 2009 we wrote down our investment in certain of our JVs reflecting $2.7 million of impairments of inventory held within those JVs. If these adverse market conditions continue or worsen, we may have to take further write downs of our investments in our JVs.

Our joint venture investments are generally very illiquid both because we lack a controlling interest in the JVs and because most of our JVs are structured to require super-majority or unanimous approval of the members to sell a substantial portion of the JV's assets or for a member to receive a return of its invested capital. Our lack of a controlling interest also results in the risk that the JV will take actions that we disagree with, or fail to take actions that we desire, including actions regarding the sale of the underlying property.

Our JVs typically obtain secured acquisition, development and construction financing. At December 31, 2009, our unconsolidated JVs had borrowings totaling $415.7 million, of which $327.9 million related to one joint venture in which we are a 2.58% partner. Generally, we and our joint venture partners have provided varying levels of guarantees of debt or other obligations of our unconsolidated JVs. At December 31, 2009, these guarantees included, for certain joint ventures, construction completion guarantees, loan-to-value maintenance agreements, repayment guarantees and environmental indemnities. At December 31, 2009, we had repayment guarantees of $15.8 million. As of December 31, 2009, three of our unconsolidated joint ventures were in default (or had received default notices) under their debt agreements. If one or more of the guarantees under these debt agreements were drawn upon or otherwise invoked, our obligations could be significant, individually or in the aggregate, which could have a material adverse effect on our financial position or results of operations. We cannot predict whether such events will occur or whether such obligations will be invoked.

We may not be able to utilize all of our deferred tax assets.

As of December 31, 2009, we were in a cumulative loss position based on the guidance in Statement of Financial Accounting Standards No. 109, *Accounting for Income Taxes* (ASC 740). Due to this cumulative loss position and the lack of sufficient objective evidence regarding the realization of our deferred tax assets in the foreseeable future, we have recorded a valuation allowance for substantially all of our deferred tax assets. Although we do expect the industry to recover from the current downturn to normal profit levels in the future, it may be necessary for us to record additional valuation allowances in the future related to operating losses. Additional valuation allowances could materially increase our income tax expense, and therefore adversely affect our results of operations and tangible net worth in the period in which such valuation allowance is recorded.

We could experience a reduction in home sales and revenues or reduced cash flows due to our inability to acquire land for our housing developments if we are unable to obtain reasonably priced financing to support our homebuilding activities.

The homebuilding industry is capital intensive, and homebuilding requires significant up-front expenditures to acquire land and begin development. Accordingly, we incur substantial indebtedness to finance our homebuilding activities. If internally generated funds are not sufficient, we would 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 we may incur are limited by the terms of our existing debt. 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. The credit and capital markets have recently experienced significant volatility. If we are required to seek additional financing to fund our operations, continued volatility in these markets may restrict our flexibility to access such financing. If we are not successful in obtaining sufficient capital to fund our planned capital and other expenditures, we may be unable to acquire land for our housing developments. Additionally, if we cannot obtain additional financing to fund the purchase of land under our option contracts, we may incur contractual penalties and fees.

We are subject to extensive government regulation which could cause us to incur significant liabilities or restrict our business activities.

Regulatory requirements could cause us to incur significant liabilities and operating expenses and could restrict our business activities. We are subject to local, state and federal statutes and rules regulating, among other things, certain developmental matters, building and site design, and matters concerning the protection of health and the environment. Our operating expenses may be increased by governmental regulations such as building permit allocation ordinances and impact and other fees and taxes, which may be imposed to defray the cost of providing certain governmental services and improvements. Other governmental regulations, such as building moratoriums and “no growth” or “slow growth” initiatives, which may be adopted in communities which have developed rapidly, may cause delays in new home communities or otherwise restrict our business activities resulting in reductions in our revenues. Any delay or refusal from government agencies to grant us necessary licenses, permits and approvals could have an adverse effect on our operations.

We may incur additional operating expenses due to compliance programs or fines, penalties and remediation costs pertaining to environmental regulations within our markets.

We 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 us to implement time consuming and expensive compliance programs and may prohibit or severely restrict development in certain environmentally sensitive regions or areas. From time to time, the United States Environmental Protection Agency (EPA) and similar federal or state agencies review homebuilders’ compliance with environmental laws and may levy fines and penalties for failure to strictly comply with applicable environmental laws or impose additional requirements for future compliance as a result of past failures. Any such actions taken with respect to us may increase our costs. Further, we expect that increasingly stringent requirements will be imposed on homebuilders in the future. Environmental regulations can also have an adverse impact on the availability and price of certain raw materials such as lumber. Our communities in California are especially susceptible to restrictive government regulations and environmental laws.

We may be subject to significant potential liabilities as a result of construction defect, product liability and warranty claims made against us.

As a homebuilder, we have been, and continue to be, subject to construction defect, product liability and home warranty claims, including moisture intrusion and related claims, arising in the ordinary course of business. These claims are common to the homebuilding industry and can be costly.

We and certain of our subsidiaries have been, and continue to be, named as defendants in various construction defect claims, product liability claims, complaints and other legal actions that include claims related to Chinese drywall and moisture intrusion. As of December 31, 2009, we had accrued $2.4 million in our warranty reserves for the repair of approximately 40 homes in southwest Florida where certain of our subcontractors installed defective Chinese drywall in homes that were delivered during our 2006 and 2007

fiscal years. We are inspecting additional homes in order to determine whether they also contain the defective Chinese drywall. The outcome of these inspections may require us to increase our warranty reserve in the future. However, the amount of additional liability, if any, is not reasonably estimable. Furthermore, plaintiffs may in certain of these legal proceedings seek class action status with potential class sizes that vary from case to case. Class action lawsuits can be costly to defend, and if we were to lose any certified class action suit, it could result in substantial liability for us.

With respect to certain general liability exposures, including construction defect, Chinese drywall and related claims and product liability, interpretation of underlying current and future trends, assessment of claims and the related liability and reserve estimation process is highly judgmental due to the complex nature of these exposures, with each exposure exhibiting unique circumstances. Furthermore, once claims are asserted for construction defects, it is difficult to determine the extent to which the assertion of these claims will expand geographically. Although we have obtained insurance for construction defect claims subject to applicable self-insurance retentions, such policies may not be available or adequate to cover any liability for damages, the cost of repairs, and/or the expense of litigation surrounding current claims, and future claims may arise out of events or circumstances not covered by insurance and not subject to effective indemnification agreements with our subcontractors.

Our operating expenses could increase if we are required to pay higher insurance premiums or litigation costs for various claims, which could cause our net income to decline.

The costs of insuring against construction defect, product liability and director and officer claims are high. This coverage may become more costly or more restricted in the future.

Increasingly in recent years, lawsuits (including class action lawsuits) have been filed against builders, asserting claims of personal injury and property damage. Our insurance may not cover all of the claims, including personal injury claims, or such coverage may become prohibitively expensive. If we are not able to obtain adequate insurance against these claims, we may experience losses that could reduce our net income and restrict our cash flow available to service debt.

Historically, builders have recovered from subcontractors and their insurance carriers a significant portion of the construction defect liabilities and costs of defense that the builders have incurred. Insurance coverage available to subcontractors for construction defects is becoming increasingly expensive, and the scope of coverage is restricted. If we cannot effectively recover from our subcontractors or their carriers, we may suffer greater losses which could decrease our net income.

A builder's ability to recover against any available insurance policy depends upon the continued solvency and financial strength of the insurance carrier that issued the policy. Many of the states in which we build homes have lengthy statutes of limitations applicable to claims for construction defects. To the extent that any carrier providing insurance coverage to us or our subcontractors becomes insolvent or experiences financial difficulty in the future, we may be unable to recover on those policies, and our net income may decline.

We are dependent on the continued availability and satisfactory performance of our subcontractors, which, if unavailable, could have a material adverse effect on our business.

We conduct our construction operations only as a general contractor. Virtually all construction work is performed by unaffiliated third-party subcontractors. As a consequence, we depend on the continued availability of and satisfactory performance by these subcontractors for the construction of our homes. There may not be sufficient availability of and satisfactory performance by these unaffiliated third-party subcontractors in the markets in which we operate. In addition, inadequate subcontractor resources could have a material adverse effect on our business.

We experience fluctuations and variability in our operating results on a quarterly basis and, as a result, our historical performance may not be a meaningful indicator of future results.

Our operating results in a future quarter or quarters may fall below expectations of securities analysts or investors and, as a result, the market value of our common stock will fluctuate. We historically have experienced, and expect to continue to experience, variability in home sales and net earnings on a quarterly basis. As a result of such variability, our historical performance may not be a meaningful indicator of future results. Our quarterly results of operations may continue to fluctuate in the future as a result of a variety of both national and local factors, including, among others:

- the timing of home closings and land sales;
- our ability to continue to acquire additional land or secure option contracts to acquire land on acceptable terms;
- conditions of the real estate market in areas where we operate and of the general economy;
- raw material and labor shortages;
- seasonal home buying patterns; and
- other changes in operating expenses, including the cost of labor and raw materials, personnel and general economic conditions.

The occurrence of natural disasters could increase our operating expenses and reduce our revenues and cash flows.

The climates and geology of many of the states in which we operate, including California, Florida, Georgia, North Carolina, South 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, our homes under construction or our building lots in such states could be damaged or destroyed, which may result in losses exceeding our insurance coverage. Any of these events could increase our operating expenses, impair our cash flows and reduce our revenues, which could, in turn, negatively affect the market price of our securities.

Future terrorist attacks against the United States or increased domestic or international instability could have an adverse effect on our operations.

Adverse developments in the war on terrorism, future terrorist attacks against the United States, or any outbreak or escalation of hostilities between the United States and any foreign power, including the armed conflict in Iraq, may cause disruption to the economy, our Company, our employees and our customers, which could adversely affect our revenues, operating expenses, and financial condition.

Risks Related to the notes, the Offering and the Exchange

Our substantial indebtedness could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry and prevent us from making debt service payments.

We are a highly leveraged company. As of December 31, 2009, after giving effect to the offering of our $7^{1}/_{2}$% Mandatory Convertible Subordinated Notes due 2013 and the redemption of our $8^{5}/_{8}$% Senior Notes due 2011, we had approximately $1.43 billion aggregate principal amount of outstanding indebtedness.

Our substantial indebtedness could:

- limit our ability to borrow money for our working capital, capital expenditures, development projects, debt service requirements, strategic initiatives or other purposes;
- make it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants and

borrowing conditions, could result in an event of default under the agreements governing our indebtedness;

- require us to dedicate a substantial portion of our cash flow from operations to the repayment of our indebtedness thereby reducing funds available to us for other purposes;
- limit our flexibility in planning for, or reacting to, changes in our operations or business;
- make us more highly leveraged than some of our competitors, which may place us at a competitive disadvantage;
- make us more vulnerable to downturns in our business or the economy;
- restrict us from making strategic acquisitions, developing new gaming facilities, introducing new technologies or exploiting business opportunities;
- limit, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds or dispose of assets; and
- result in an event of default if we fail to satisfy our obligations under the notes or other debt or fail to comply with the financial and other restrictive covenants contained in any indenture or our revolving credit facility, which event of default could result in all of our debt becoming due and payable and could permit our lenders to foreclose on the assets securing such debt.

Furthermore, our interest expense could increase if interest rates increase because certain of our debt is variable-rate debt.

Despite our substantial indebtedness, we may still be able to incur significantly more debt. This could intensify the risks described herein.

We and our subsidiaries may be able to incur substantial indebtedness in the future. Although the terms of the agreements governing our indebtedness contain restrictions on our ability to incur additional indebtedness, these restrictions are subject to a number of important qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. If we incur any additional secured debt that ranks equally with the notes offered hereby, the holders of that debt will be entitled to share ratably with the holders of these notes in any proceeds distributed in connection with any bankruptcy, liquidation, reorganization or similar proceedings. This may have the effect of reducing the amount of proceeds to you. If new debt is added to our current debt levels, the related risks that we now face could intensify.

We may not be able to generate sufficient cash to service all of our indebtedness, and may be forced to take other actions to satisfy our obligations under our indebtedness that may not be successful.

Our ability to satisfy our debt obligations will depend upon, among other things: our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, many of which are beyond our control. In addition, as of December 31, 2009, $858.4 million of our existing senior notes (excluding our 8$^{5}/_{8}$% Senior Notes due 2011 which were redeemed in full in January 2010) and $154.5 million of our existing senior convertible notes had a maturity date (or put right) earlier than the maturity date of the notes offered hereby, and we will be required to repay or refinance such indebtedness prior to when the notes offered hereby come due.

We cannot assure you that our business will generate cash flow from operations in an amount sufficient to fund our liquidity needs. If our cash flows and capital resources are insufficient to service our indebtedness, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness, including the notes. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. In addition, the terms of existing or future debt agreements may

restrict us from adopting some of these alternatives. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. We may not be able to consummate those dispositions for fair market value or at all. Furthermore, any proceeds that we could realize from any such dispositions may not be adequate to meet our debt service obligations then due.

Repayment of our debt, including required principal and interest payments on the notes, is dependent in part on cash flow generated by our subsidiaries.

Our subsidiaries own a significant portion of our assets and conduct a significant portion of our operations. Accordingly, repayment of our indebtedness, including the notes, is dependent, to a significant extent, on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the notes. Each subsidiary is a distinct legal entity with no obligation to provide us with funds for our repayment obligations, and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the indenture governing the notes limits the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the notes.

Any default under the agreements governing our indebtedness that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness, could leave us unable to pay principal, premium, if any, or interest on the notes and could substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, or interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness, we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under our revolving credit facility could elect to terminate their commitments, cease making further letters of credit or loans available and institute foreclosure proceedings against our assets, and we could be forced into bankruptcy or liquidation.

If our operating performance declines, we may in the future need to seek waivers from the required lenders under our revolving credit facility to avoid being in default. If we breach our covenants under the revolving credit facility and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our revolving credit facility, the lenders could exercise their rights as described above, and we could be forced into bankruptcy or liquidation.

Certain other secured indebtedness, including any obligations under our revolving credit facility, will be effectively senior to the notes to the extent of the value of the collateral.

Our revolving credit facility will initially be collateralized by a first-priority lien on the collateral. In addition, the indenture governing the notes permits us to incur additional indebtedness secured on a first-priority basis by the collateral in the future up to an aggregate amount equal to 15% of our consolidated tangible assets. The first-priority liens in the collateral are higher in priority as to the collateral than the second-priority liens securing the notes and the Guarantees. The notes and the related Guarantees are secured, subject to permitted liens, by a second-priority lien on the collateral. As a result, upon any distribution to our creditors, liquidation, reorganization or similar proceedings, or following acceleration of any of our indebtedness or an event of default under our indebtedness and enforcement of the collateral, holders of the indebtedness under our revolving credit facility and any other indebtedness collateralized by a first-priority

lien in the collateral are entitled to receive proceeds from the realization of value of the collateral to repay such indebtedness in full before the holders of the notes are entitled to any recovery from such collateral.

Accordingly, holders of the notes are only entitled to receive proceeds from the realization of value of the collateral after all indebtedness and other obligations under our revolving credit facility and any other obligations secured by first-priority liens on the collateral are repaid in full. As a result, the notes are effectively junior in right of payment to indebtedness under our revolving credit facility and any other indebtedness collateralized by a first priority lien in the collateral, to the extent of the realizable value of such collateral.

In addition, the collateral securing the notes is subject to liens permitted under the terms of the indenture governing the notes and the intercreditor agreement, whether arising on or after the date notes are issued. The existence of any permitted liens could adversely affect the value of the collateral securing the notes as well as the ability of the collateral agent to realize or foreclose on such collateral.

The notes are structurally subordinated to all liabilities of our subsidiaries that are not guarantors.

The notes are structurally subordinated to indebtedness and other liabilities of our non-guarantor subsidiaries and joint ventures, and the claims of creditors of these subsidiaries and joint ventures, including trade creditors, have priority as to the assets of these subsidiaries and joint ventures. In the event of a bankruptcy, liquidation, reorganization or similar proceeding of any non-guarantor subsidiaries and joint ventures, these entities will pay the holders of their debts, holders of preferred equity interests and their trade creditors before they will be able to distribute any of their assets to us. As of December 31, 2009, our non-guarantor subsidiaries had liabilities (excluding intercompany liabilities) of $5.3 million. In addition, the indenture governing the notes permits, subject to certain limitations, these subsidiaries and joint ventures to incur additional indebtedness and does not contain any limitation on the amount of other liabilities, such as trade payables, that may be incurred by these entities. See note 12 to the unaudited condensed consolidated financial statements for the quarter ended December 31, 2009 incorporated by reference in this prospectus for financial information regarding our non-guarantor subsidiaries.

The indenture governing the notes and our revolving credit facility contain significant operating and financial restrictions which may limit our and our subsidiary guarantors' ability to operate our and their businesses.

The indenture governing the notes and our revolving credit facility contain significant operating and financial restrictions on us and our subsidiaries. These restrictions limit our and our subsidiaries' ability to, among other things:

- incur additional indebtedness or issue certain preferred shares;
- create liens on certain assets to secure debt;
- pay dividends or make other equity distributions;
- purchase or redeem capital stock;
- make certain investments;
- sell assets;
- agree to restrictions on the ability of restricted subsidiaries to make payments to us;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and
- engage in transactions with affiliates.

These restrictions could limit our and our subsidiaries' ability to finance our and their future operations or capital needs, make acquisitions or pursue available business opportunities. In addition, our revolving credit facility requires us to maintain specified financial ratios and to satisfy certain financial covenants. We may be required to take action to reduce our debt or act in a manner contrary to our business objectives to meet these

ratios and satisfy these covenants. Events beyond our control, including changes in economic and business conditions in the markets in which we operate, may affect our ability to do so. We may not be able to meet these ratios or satisfy these covenants and we cannot assure you that the lender under our revolving credit facility will waive any failure to do so. A breach of any of the covenants in, or our inability to maintain the required financial ratios under, our debt could result in a default under such debt, which could lead to that debt becoming immediately due and payable and, if such debt is secured, foreclosure on our assets that secure that obligation. A default under a debt instrument could, in turn, result in default under other obligations and result in other creditors accelerating the payment of other obligations and foreclosing on assets securing such debt, if any. Any such defaults could materially impair our financial conditions and liquidity.

Mortgages are in place on only some of the real property securing the notes. We expect that some of our properties will continue to be unencumbered by a mortgage as of the closing date of the exchange offer. Any issues that we are not able to resolve in connection with the issuance of such mortgages may impact the value of the collateral. Delivery of such mortgages after the issue date of the original notes increases the risk that the liens granted by those mortgages could be avoided. In addition, the holders of the notes will not have the benefit of title insurance with respect to all of the real property collateral.

Mortgages are in place on only some of the real property securing the notes. We expect that some of our properties will continue to be unencumbered by a mortgage as of the closing date of the exchange offer. We have agreed to put such mortgages in place on the real properties already pledged to the lenders under our revolving credit facility within 60 days following the issue date of the original notes and, with respect to real properties not currently pledged to the lenders under our revolving credit facility, within 90 days following the issue date of the original notes, as each such date may be extended by up to 60 days by the collateral agent under the revolving credit facility in its sole reasonable discretion. We are only required to put mortgages in place with respect to 80% of each category of real properties by these dates (based on the book value thereof as of June 30, 2009). We are required to put the remaining mortgages in place as soon as commercially reasonable. If we are unable to obtain a mortgage, the value of the collateral securing the notes will be reduced.

If we or any guarantor were to become subject to a bankruptcy proceeding, any mortgage delivered more than 30 days after the issue date of the original notes would face a greater risk of being avoided than if we had delivered it at such issue date. Any mortgage delivered more than 30 days after the issue date of the original notes may be treated under bankruptcy law as if it were delivered to secure previously existing debt and it would not relate back to such issue date. Such a mortgage is more likely to be avoided as a preference by the bankruptcy court than if the mortgage were delivered and promptly recorded at or within 30 days of the time of the issue date of the original notes. To the extent that the grant of any such mortgage is avoided as a preference, you would lose the benefit of the security interest in the core project that the mortgage was intended to provide.

In addition, we are not required to obtain title insurance on real properties unless otherwise required to do so under our revolving credit facility. In cases where we are required to obtain title insurance with respect to any real property collateral under our revolving credit facility, we may satisfy our obligations under the notes by delivery of title insurance with respect to such real property collateral in an aggregate amount of coverage limited to the aggregate principal amount of the notes, which coverage may be allocated to the properties pro rata based on their respective values (or we may deliver other title insurance coverage pursuant to other arrangements that would be commercially reasonable under the circumstances). See “Description of the Notes — Security — Further Assurances.”

There are certain categories of property that are excluded from the collateral.

Certain categories of assets are excluded from the collateral. For example, the collateral will not include:

- pledges of stock of subsidiaries or other affiliates;
- real or personal property where the cost of obtaining a security interest or perfection thereof exceeds its benefits;

- real property subject to a lien securing indebtedness incurred for the purpose of financing the acquisition thereof;
- real property located outside of the United States;
- unentitled land;
- real property which is leased or held for the purpose of leasing to unaffiliated third parties;
- any real property in a community under development with a dollar amount of investment as of the most recent month-end (determined in accordance with GAAP) of less than $2.0 million or with less than 10 lots remaining;
- up to $50.0 million of assets received in certain asset dispositions or asset swaps or exchanges made in accordance with the indenture; and
- assets with respect to which any applicable law or contract prohibits the creation or perfection of security interests therein.

In addition, we and the guarantors are not required to execute or deliver any control agreements with respect to any deposit account or securities account. See "Description of the Notes — Security." If an event of default occurs and the notes are accelerated, the notes and the Guarantees will rank equally with the holders of other unsubordinated and unsecured indebtedness of the relevant entity with respect to such excluded property.

The lien ranking provisions of the intercreditor agreement limit the rights of holders of the notes with respect to the collateral, even during an event of default.

The rights of the holders of the notes with respect to the collateral are substantially limited by the terms of the lien ranking agreements set forth in the intercreditor agreement, even during an event of default. Under the intercreditor agreement, at any time that obligations having the benefit of higher priority liens on collateral are outstanding, any actions that may be taken with respect to (or in respect of) such collateral, including the ability to cause the commencement of enforcement proceedings against such collateral and to control the conduct of such proceedings, and the approval of amendments to, releases of such collateral from the lien of, and waivers of past defaults under, such documents relating to such collateral, are at the direction of the holders of the obligations secured by the first-priority liens, and the holders of the notes secured by lower priority liens may be adversely affected. See "Description of the Notes — Security" and "Description of the Notes — Amendment, Supplement and Waiver." In the event the holders of the indebtedness secured by first-priority liens decide not to proceed against the collateral, the only remedy available to the holders of the notes would be to sue for payment on the notes and the related Guarantees. The intercreditor agreement contains certain provisions benefiting holders of indebtedness under our revolving credit facility and our future first lien debt, including provisions prohibiting the trustee and the notes collateral agent from objecting following the filing of a bankruptcy petition to a number of important matters regarding the collateral and the financing to be provided to us. After such filing, the value of this collateral could materially deteriorate and holders of the notes would be unable to raise an objection. In addition, the right of holders of obligations secured by first priority liens to foreclose upon and sell such collateral upon the occurrence of an event of default also would be subject to limitations under applicable bankruptcy laws if we or any of our subsidiaries become subject to a bankruptcy proceeding.

The value of the collateral securing the notes may not be sufficient to satisfy our obligations under the notes.

No appraisal of the value of the collateral was made in connection with this exchange offer. The fair market value of the collateral is subject to fluctuations based on factors that include, among others, the condition of the homebuilding industry, our ability to implement our business strategy, the ability to sell the collateral in an orderly sale, general economic conditions and similar factors. The amount to be received upon a sale of the collateral would be dependent on numerous factors, including, but not limited to, the actual fair market value of the collateral at such time, the timing and the manner of the sale and the availability of

buyers. By its nature, portions of the collateral may be illiquid and may have no readily ascertainable market value. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the collateral may not be sold in a timely or orderly manner and the proceeds from any sale or liquidation of this collateral may not be sufficient to pay our obligations under the notes.

To the extent that pre-existing liens, liens permitted under the indenture and other rights, including liens on excluded assets, such as those securing purchase money obligations and capital lease obligations granted to other parties (in addition to the holders of obligations secured by first-priority liens), encumber any of the collateral securing the notes and the Guarantees, those parties have or may exercise rights and remedies with respect to the collateral that could adversely affect the value of the collateral and the ability of the notes collateral agent, the trustee under the indenture or the holders of the notes to realize or foreclose on the collateral.

In addition, the indenture governing the notes permits us to issue additional secured debt, including debt secured equally and ratably by the collateral. This would reduce amounts payable to holders of the notes from the proceeds of any sale of the collateral and thereby dilute their rights to the collateral. There may not be sufficient collateral to pay off any additional obligations under our revolving credit facility or any additional notes we may issue together with the notes offered hereby. Consequently, in the event of our, or our subsidiary guarantors', bankruptcy, insolvency, liquidation, dissolution, reorganization, or similar proceeding, liquidating the collateral securing the notes and the Guarantees may not result in proceeds in an amount sufficient to pay any amounts due under the notes after also satisfying the obligations to pay any creditors with prior liens. If the proceeds of any sale of collateral are not sufficient to repay all amounts due on the notes, the holders of the notes (to the extent not repaid from the proceeds of the sale of the collateral) would have only an unsecured, unsubordinated claim against our and the subsidiary guarantors' remaining assets.

We have control over most of the collateral, and the sale of particular assets by us could reduce the pool of assets securing the notes and the guarantees.

The collateral documents allow us to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from, the collateral securing the notes and the guarantees.

In addition, we are not required to comply with all or any portion of Section 314(d) of the Trust Indenture Act of 1939, as amended, if we determine, in good faith based on advice of counsel, that, under the terms of that Section and/or any interpretation or guidance as to the meaning thereof of the SEC and its staff, including "no action" letters or exemptive orders, all or such portion of Section 314(d) of the Trust Indenture Act is inapplicable to the released collateral. For example, so long as no default or event of default under the indenture would result therefrom and such transaction would not violate the Trust Indenture Act, we may, among other things, without any release or consent by the indenture trustee, conduct ordinary course activities with respect to collateral, such as selling, factoring, abandoning or otherwise disposing of collateral and making ordinary course cash payments (including repayments of indebtedness). With respect to such releases, we must deliver to the notes collateral agent, from time to time, an officer's certificate to the effect that all releases and withdrawals during the preceding six-month period in which no release or consent of the notes collateral agent was obtained in the ordinary course of our business were not prohibited by the indenture. See "Description of the Notes."

There are circumstances other than repayment or discharge of the notes under which the collateral securing the notes and Guarantees will be released automatically, without your consent or the consent of the trustee.

Under various circumstances, all or a portion of the collateral may be released, including, without limitation:

- to enable the sale, transfer or other disposal of such collateral in a transaction not prohibited under the indenture or the revolving credit facility, including the sale of any entity in its entirety that owns or holds such collateral; and

- with respect to collateral held by a guarantor, upon the release of such guarantor from its Guarantee.

In addition, upon the release of collateral securing first priority obligations in connection with foreclosure of or other exercise of remedy with respect to such collateral, such collateral shall, subject to the intercreditor agreement, automatically be released and shall no longer secure the notes.

In addition, the Guarantee of a subsidiary guarantor will be released in connection with a sale of such subsidiary guarantor in a transaction not prohibited by the indenture.

The indenture will also permit us to designate one or more of our restricted subsidiaries that is a guarantor of the notes as an unrestricted subsidiary. If we designate a subsidiary guarantor as an unrestricted subsidiary, all of the liens on any collateral owned by such subsidiary or any of its subsidiaries and any guarantees of the notes by such subsidiary or any of its subsidiaries will be released under the indenture but, under certain circumstances, not under the revolving credit facility. Designation of an unrestricted subsidiary will reduce the aggregate value of the collateral securing the notes to the extent that liens on the assets of the unrestricted subsidiary and its subsidiaries are released. In addition, the creditors of the unrestricted subsidiary and its subsidiaries will have a senior claim on the assets of such unrestricted subsidiary and its subsidiaries. See "Description of the Notes."

The collateral is subject to casualty risks.

We intend to maintain insurance or otherwise insure against hazards in a manner appropriate and customary for our business. There are, however, certain losses that may be either uninsurable or not economically insurable, in whole or in part. Insurance proceeds may not compensate us fully for our losses. If there is a complete or partial loss of any of the pledged collateral, the insurance proceeds may not be sufficient to satisfy all of the secured obligations, including the notes and the Guarantees.

Federal and state environmental laws may decrease the value of the collateral securing the notes and may result in you being liable for environmental cleanup costs at our facilities.

The notes and Guarantees are secured by liens on real property that may be subject to both known and unforeseen environmental risks, and these risks may reduce or eliminate the value of the real property pledged as collateral for the notes or adversely affect the ability of the debtor to repay the notes. See "Risk Factors — Risks Related to Our Company — We may incur additional operating expenses due to compliance programs or fines, penalties and remediation costs pertaining to environmental regulations within our markets."

Moreover, under some federal and state environmental laws, a secured lender may in some situations become subject to its debtor's environmental liabilities, including liabilities arising out of contamination at or from the debtor's properties. Such liability can arise before foreclosure, if the secured lender becomes sufficiently involved in the management of the affected facility. Similarly, when a secured lender forecloses and takes title to a contaminated facility or property, the lender could become subject to such liabilities, depending on the circumstances. Before taking some actions, the collateral agent for the notes may request that you provide for its reimbursement for any of its costs, expenses and liabilities. Cleanup costs could become a liability of the collateral agent for the notes, and, if you agreed to provide for the collateral agent's costs, expenses and liabilities, you could be required to help repay those costs. You may agree to indemnify the collateral agent for the notes for its costs, expenses and liabilities before you or the collateral agent knows what those amounts ultimately will be. If you agreed to this indemnification without sufficient limitations, you could be required to pay the collateral agent an amount that is greater than the amount you paid for the notes. In addition, rather than acting through the collateral agent, you may in some circumstances act directly to pursue a remedy under the indenture. If you exercise that right, you could be considered to be a lender and be subject to the risks discussed above.

The rights of holders of notes to the collateral securing the notes may be adversely affected by the failure to perfect security interests in the collateral and other issues generally associated with the realization of security interests in collateral.

Applicable law requires that a security interest in certain tangible and intangible assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party. The liens in the collateral securing the notes may not be perfected with respect to the claims of notes if the notes collateral agent has not or is not able to take the actions necessary to perfect any of these liens. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property, can only be perfected at the time such property and rights are acquired and identified and additional steps to perfect in such property and rights are taken. We and the guarantors have limited obligations to perfect the security interest of the holders of notes in specified collateral. There can be no assurance that the trustee or the notes collateral agent for the notes will monitor, or that we will inform such trustee or notes collateral agent of, the future acquisition of property and rights that constitute collateral, and that the necessary action will be taken to properly perfect the security interest in such after-acquired collateral. The notes collateral agent for the notes has no obligation to monitor the acquisition of additional property or rights that constitute collateral or the perfection of any security interest. Such failure may result in the loss of the security interest in the collateral or the priority of the security interest in favor of notes against third parties. In addition, the security interest of the notes collateral agent will be subject to practical challenges generally associated with the realization of security interests in collateral. For example, the notes collateral agent may need to obtain the consent of third parties and make additional filings to obtain or enforce a security interest. If the notes collateral agent is unable to obtain these consents or make these filings, the security interests may be invalid and the holders will not be entitled to the collateral or any recovery with respect thereto. We cannot assure you that the notes collateral agent will be able to obtain any such consent. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the notes collateral agent may not have the ability to foreclose upon those assets and the value of the collateral may significantly decrease.

In the event of our bankruptcy, the ability of the holders of the notes to realize upon the collateral will be subject to certain bankruptcy law limitations.

The ability of holders of the notes to realize upon the collateral will be subject to certain bankruptcy law limitations in the event of our bankruptcy. Under applicable U.S. federal bankruptcy laws, secured creditors are prohibited from, among other things, repossessing their security from a debtor in a bankruptcy case without bankruptcy court approval and may be prohibited from retaining security repossessed by such creditor prior to bankruptcy without bankruptcy court approval. Moreover, applicable federal bankruptcy laws generally permit the debtor to continue to use collateral, including cash collateral, even though the debtor is in default under the applicable debt instruments, provided that the secured creditor receives "adequate protection for the interest in the collateral."

The secured creditor is entitled to "adequate protection" to protect the value of the secured creditor's interest in the collateral as of the commencement of the bankruptcy case, but the adequate protection actually provided to a secured creditor may vary according to the circumstances. Adequate protection may include an equity cushion (i.e., the fair market value of the collateral exceeds the amount of the obligations owed to the secured creditors), cash payments or the granting of additional security if and at such times as the court, in its discretion and at the request of such creditor (other than with respect to cash collateral, for which adequate protection must be provided before it can be used), determines after notice and a hearing that the collateral has diminished or may be diminished in value as a result of the imposition of the automatic stay of repossession of such collateral or the debtor's use, sale or lease of such collateral during the pendency of the bankruptcy case. In view of the lack of a precise definition of the term "adequate protection" and the broad discretionary powers of a U.S. bankruptcy court, we cannot predict whether or when the trustee under the indenture for the notes could foreclose upon or sell the collateral or whether or to what extent holders of notes would be compensated for any delay in payment or loss of value of the collateral through the requirement of "adequate protection."

In the event of a bankruptcy of us or any of the guarantors, holders of the notes may be deemed to have an unsecured claim to the extent that our obligations in respect of the notes exceed the fair market value of the collateral securing the notes.

In any bankruptcy proceeding with respect to us or any of the guarantors, it is possible that the bankruptcy trustee, the debtor-in-possession or competing creditors will assert that the fair market value of the collateral with respect to the notes on the date of the bankruptcy filing was less than the then-current principal amount and accrued and unpaid interest of the notes. Upon a finding by the bankruptcy court that the notes are under-collateralized, the claims in the bankruptcy proceeding with respect to the notes would be bifurcated between a secured claim in an amount equal to the value of the collateral and an unsecured claim with respect to the remainder of its claim which would not be entitled to the benefits of security in the collateral.

Other consequences of a finding of under-collateralization would be, among other things, a lack of entitlement on the part of the notes to receive post-petition interest and a lack of entitlement on the part of the unsecured portion of the notes to receive "adequate protection" under federal bankruptcy laws. In addition, if any payments of post-petition interest had been made at any time prior to such a finding of under-collateralization, those payments could be recharacterized by the bankruptcy court as a reduction of the principal amount of the secured claim with respect to the notes.

Federal and state statutes allow courts, under specific circumstances, to void a guarantor's Guarantee and pledge securing such Guarantee and require Note holders to return payments received in respect thereof.

If any guarantor becomes a debtor in a case under the U.S. Bankruptcy Code or encounters other financial difficulty, under federal or state fraudulent transfer law, a court may void, subordinate or otherwise decline to enforce such guarantor's Guarantee or such guarantor's pledge of assets securing the guarantee. A court might do so if it found that when such guarantor issued the Guarantee or one or more of the guarantors made its pledge, or in some states when payments became due under the Guarantee, the guarantors received less than reasonably equivalent value or fair consideration and:

- was insolvent or rendered insolvent by reason of such incurrence;
- was left with inadequate capital to conduct its business; or
- believed or reasonably should have believed that it would incur debts beyond its ability to pay.

The court might also void a Guarantee or a related pledge by a guarantor, without regard to the above factors, if the court found that the applicable guarantor made its pledge (or guarantee, if applicable) with actual intent to hinder, delay or defraud its creditors.

A court would likely find that a guarantor did not receive reasonably equivalent value or fair consideration for its Guarantee or its pledge securing the Guarantee, if such guarantor did not substantially benefit directly or indirectly from the issuance of the notes. If a court were to void the issuance of the notes or any pledge (or Guarantee, if applicable) you may no longer have any claim directly against the applicable guarantor. Sufficient funds to repay the notes may not be available from other sources, including the remaining obligors, if any. In addition, the court might direct you to repay any amounts that you already received from a guarantor.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred and upon the valuation assumptions and methodology applied by the court. Generally, however, a guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;

- if the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

On the basis of historical financial information, recent operating history and other factors, we believe that each guarantor, after giving effect to its Guarantee and related pledge and rights of contribution it has against other guarantors, will not be insolvent, will not have unreasonably small capital for the business in which it is engaged and will not have incurred debts beyond its ability to pay such debts as they mature. We cannot assure you, however, as to what standard a court would apply in making these determinations or that a court would agree with our conclusions in this regard. The Guarantees could be subject to the claim that, since the Guarantees and grant of security were incurred for our benefit, and only indirectly for the benefit of the other guarantors, the obligations of the guarantors thereunder were incurred for less than reasonably equivalent value or fair consideration.

Certain of our subsidiaries are not subject to the restrictive covenants in the indenture governing the notes.

Certain of our subsidiaries are not subject to the restrictive covenants in the indenture governing the notes. This means that these entities are able to engage in many of the activities that we and our restricted subsidiaries are prohibited from doing, such as incurring substantial additional debt, securing assets in priority to the claims of the holders of the notes, paying dividends, making investments, selling substantial assets and entering into mergers or other business combinations. These actions could be detrimental to our ability to make payments of principal and interest when due and to comply with our other obligations under the notes, and could reduce the amount of our assets that would be available to satisfy your claims should we default on the notes. In addition, the initiation of bankruptcy or insolvency proceedings or the entering of a judgment against these subsidiaries, or their default under their other credit arrangements, will not result in a cross-default on the notes.

We may not be able to repurchase the notes upon a change of control.

Upon the occurrence of certain specific kinds of change of control events, we will be required to offer to repurchase all outstanding notes at 101% of the principal amount thereof plus, without duplication, accrued and unpaid interest and additional interest, if any, to the date of repurchase. However, it is possible that we will not have sufficient funds at the time of the change of control to make the required repurchase of all notes delivered by holders seeking to exercise their repurchase rights, particularly as that change of control may trigger a similar repurchase requirement for, or result in an event of default under or the acceleration of, other indebtedness, or that restrictions in our revolving credit facility will not allow such repurchases. Any failure by us to repurchase the notes upon a change of control would result in an event of default under the indenture and may also constitute a cross-default on other indebtedness existing at that time. In addition, certain important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a “Change of Control” under the indenture. See “Description of the Notes — Certain Covenants — Change of Control.”

The liens granted by us and certain of our existing and future subsidiaries on substantially all of their assets, subject to certain exceptions, which secure the notes, may prevent us from obtaining additional financing in the future or make the terms of securing such additional financing more onerous to us.

The notes are secured by liens, which have been granted by us and certain of our existing and future subsidiaries, on substantially all of the assets of such existing and future subsidiaries, subject to certain exceptions. While the terms or availability of additional capital is always uncertain, should we need to obtain additional financing in the future, because of the liens on such assets, it may be even more difficult for us to do so. Lenders from whom, in the future, we may seek to obtain additional financing may be reluctant to loan us funds due to their inability to collateralize all of our assets. Alternatively, if we are able to raise additional

financing in the future, the terms of any such financing may be onerous to us. This potential inability to obtain borrowings or our obtaining borrowings on unfavorable terms could negatively impact our operations and impair our ability to maintain sufficient working capital.

The market value of the notes may be exposed to substantial volatility.

A number of factors, including factors specific to us and our business, financial condition and liquidity, the price of our common stock, economic and financial market conditions, interest rates, unavailability of capital and financing sources, volatility levels and other factors could lead to a decline in the value of the notes and a lack of liquidity in any market for the notes. Our existing senior notes, including the original notes, are thinly traded, and because the new notes similarly may be thinly traded, it may be difficult to sell or accurately value the notes. Moreover, if one or more of the rating agencies rates the notes and assigns a rating that is below the expectations of investors, or lowers its or their rating(s) of the notes, the price of the notes would likely decline.

There is no established trading market for the new notes, which means there are uncertainties regarding the ability of a holder to dispose of the new notes and the potential sale price.

The new notes will constitute a new issue of securities and there is no established trading market for the new notes, which means you may be unable to sell your notes at a particular time and the prices that you receive when you sell your notes might not be favorable. We do not intend to apply for the new notes to be listed on any securities exchange or to arrange for quotation on any automated dealer quotation systems. The initial purchasers of the original notes have advised us that they intend to make a market in the new notes, but they are not obligated to do so. The initial purchasers may discontinue any market making in the new notes at any time, in their sole discretion. As a result, an active trading market for the new notes may not develop.

The trading market for the new notes or, in the case of any holders of original notes that do not exchange them, the trading market for the original notes following the offer to exchange the original notes for the new notes, may not be liquid. Future trading prices of the notes will depend on many factors, including

- our operating performance and financial condition;
- our ability to complete the offer to exchange the original notes for the new notes; and
- the market for similar securities.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused volatility in prices. It is possible that the market for the new notes will be subject to disruptions, which could reduce the market price of our securities.

The notes will have original issue discount for United States federal income tax purposes.

The original notes were treated as issued with original issue discount ("OID") for United States federal income tax purposes, and such treatment will carry over to the new notes. A United States Holder of a note will have to report any OID as ordinary income as it accrues (prior to the receipt of cash attributable thereto), based on a constant yield method and regardless of the United States Holder's regular method of accounting for United States federal income tax purposes. See "Material United States Federal Income Tax Considerations."

If you fail to exchange your original notes, you will face restrictions that will make the sale or transfer of your original notes more difficult.

If you do not exchange your original notes for new notes in the exchange offer, you will continue to be subject to the restrictions on transfer of your original notes described in the legend on your original notes. In general, you may only offer or sell the original notes if they are registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from those requirements. To the extent other original notes are tendered and accepted in the exchange offer and you elect not to exchange your

original notes, the trading market, if any, for your original notes would be adversely affected because your original notes will be less liquid than the new notes. See "The Exchange Offer — Consequences of Failure to Exchange."

Some holders that exchange their original notes may be required to comply with registration and prospectus delivery requirements in connection with the sale or transfer of their new notes.

If you exchange your original notes in the exchange offer for the purpose of participating in a distribution of the new notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. If you are required to comply with the registration and prospectus delivery requirements, then you may face additional burdens on the transfer of your notes and could incur liability for failure to comply with applicable requirements.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. These forward-looking statements represent our expectations or beliefs concerning future events, and it is possible that the results described in this prospectus will not be achieved. These forward-looking statements can generally be identified by the use of statements that include words such as "estimate," "project," "believe," "expect," "anticipate," "intend," "plan," "foresee," "likely," "will," "goal," "target" or other similar words or phrases. All forward-looking statements are based upon information available to us on the date of this prospectus.

These forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside of our control, which could cause actual results to differ materially from the results discussed in the forward-looking statements. For a more detailed description of the risks and uncertainties involved, you should also carefully consider the statements contained in, or incorporated by reference to, our filings with the Securities and Exchange Commission. Factors that could lead to material changes in our performance may include, but are not limited to:

- the final outcome of various putative class action lawsuits, the derivative claims, multi-party suits and similar proceedings as well as the results of any other litigation or government proceedings and fulfillment of the obligation in the Deferred Prosecution Agreement and other settlement agreements and consent orders with governmental authorities;
- additional asset impairment charges or write downs;
- economic changes nationally or in local markets, including changes in consumer confidence, volatility of mortgage interest rates and inflation;
- continued or increased downturn in the homebuilding industry;
- estimates related to homes to be delivered in the future (backlog) are imprecise as they are subject to various cancellation risks which cannot be fully controlled;
- continued or increased disruption in the availability of mortgage financing;
- our cost of and ability to access capital and otherwise meet our ongoing liquidity needs including the impact of any further downgrades of our credit ratings or reductions in our tangible net worth or liquidity levels;
- potential inability to comply with covenants in our debt agreements or satisfy such obligations through repayment or refinancing;
- increased competition or delays in reacting to changing consumer preference in home design;
- shortages of or increased prices for, labor, land or raw materials used in housing production;

- factors affecting margins such as decreased land values underlying land option agreements, increased land development costs on communities under development or delays or difficulties in implementing initiatives to reduce production and overhead cost structure;
- the performance of our joint ventures and our joint venture partners;
- the impact of construction defect and home warranty claims, including those related to possible installation of drywall imported from China;
- the cost and availability of insurance and surety bonds;
- delays in land development or home construction resulting from adverse weather conditions;
- potential delays or increased costs in obtaining necessary permits as a result of changes to, or complying with, laws, regulations or governmental policies and possible penalties for failure to comply with such laws, regulations and governmental policies;
- effects of changes in accounting policies, standards, guidelines or principles; or
- terrorist acts, acts of war and other factors over which we have little or no control.

Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for management to predict all such factors.

THE EXCHANGE OFFER

Terms of the Exchange Offer

Purpose of the Exchange Offer

We sold $250,000,000 in principal amount of the original notes on September 11, 2009, in a transaction exempt from the registration requirements of the Securities Act. The initial purchasers of the original notes subsequently resold the original notes to qualified institutional buyers in reliance on Rule 144A under the Securities Act.

In connection with the sale of original notes to the initial purchasers pursuant to a purchase agreement, dated September 3, 2009, among us and the initial purchasers named therein, the holders of the original notes became entitled to the benefits of a registration rights agreement dated September 11, 2009 among us, the guarantors named therein and the initial purchasers named therein.

The registration rights agreement provides that, unless the exchange offer would violate applicable law or any applicable interpretation of the staff of the SEC, we:

- will file an exchange offer registration statement for the notes with the SEC;
- will use our commercially reasonable efforts to cause the SEC to declare the exchange offer registration statement effective under the Securities Act;
- will use our commercially reasonable efforts to, on or prior to 180 days after September 11, 2009, complete the exchange of the new notes for all original notes tendered prior thereto in the exchange offer; and
- will keep the registered exchange offer open for not less than 20 business days (or longer if required by applicable law or otherwise extended by us, at our option) after the date notice of the registered exchange offer is mailed to the holders of the original notes.

The exchange offer being made by this prospectus, if consummated within the required time periods, will satisfy our obligations under the registration rights agreement. This prospectus, together with the letter of transmittal, is being sent to all beneficial holders of original notes known to us.

Upon the terms and subject to the conditions set forth in this prospectus and in the accompanying letter of transmittal, we will accept all original notes properly tendered and not withdrawn prior to the expiration date. We will issue $1,000 principal amount of new notes in exchange for each $1,000 principal amount of outstanding original notes accepted in the exchange offer. Holders may tender some or all of their original notes pursuant to the exchange offer.

Based on no-action letters issued by the staff of the SEC to third parties we believe that holders of the new notes issued in exchange for original notes may offer for resale, resell and otherwise transfer the new notes, other than any holder that is an affiliate of ours within the meaning of Rule 405 under the Securities Act, without compliance with the registration and prospectus delivery provisions of the Securities Act. This is true as long as (i) the new notes are acquired in the ordinary course of the holder's business, (ii) the holder is not engaging in or intending to engage in a distribution of the new notes, and (iii) the holder has no arrangement or understanding with any person to participate in the distribution of the new notes. A broker-dealer that acquired original notes directly from us cannot exchange the original notes in the exchange offer. Any holder who tenders in the exchange offer for the purpose of participating in a distribution of the new notes cannot rely on the no-action letters of the staff of the SEC and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Each broker-dealer that receives new notes for its own account in exchange for original notes, where such original 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 new notes. See "Plan of Distribution" for additional information.

We will accept validly tendered original notes promptly following the expiration of the exchange offer by giving written notice of the acceptance of such notes to the exchange agent. The exchange agent will act as agent for the tendering holders of original notes for the purposes of receiving the new notes from the issuer and delivering new notes to such holders.

If any tendered original notes are not accepted for exchange because of an invalid tender or the occurrence of the conditions set forth under "The Exchange Offer — Conditions" without waiver by us, certificates for any such unaccepted original notes will be returned, without expense, to the tendering holder of any such original notes promptly after the expiration date.

Holders of original 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 original notes, pursuant to the exchange offer. We will pay all charges and expenses, other than certain applicable taxes in connection with the exchange offer. See "The Exchange Offer — Fees and Expenses."

Shelf Registration Statement

Pursuant to the registration rights agreement, we have agreed to file a shelf registration statement if:

- we are not permitted to file the exchange offer registration statement or consummate the exchange offer because the exchange offer is not permitted by applicable law or SEC policy,
- the exchange offer is not consummated within 180 days after the issue date of the original notes, or
- any holder (other than the initial purchasers) is prohibited by law or the applicable interpretations of the SEC from participating in the exchange offer.

A holder that sells original notes pursuant to the shelf registration statement generally must be named as a selling securityholder in the related prospectus and must deliver a prospectus to purchasers, because a seller will be subject to civil liability provisions under the Securities Act in connection with these sales. A seller of the original notes also will be bound by applicable provisions of the applicable registration rights agreement,

including indemnification obligations. In addition, each holder of original notes must deliver information to be used in connection with the shelf registration statement and provide comments on the shelf registration statement in order to have its original notes included in the shelf registration statement and benefit from the provisions regarding any liquidated damages in the registration rights agreement.

We have agreed to file a shelf registration statement with the SEC as promptly as practicable, but in any event within 45 days after being so required, and thereafter use our commercially reasonable efforts to cause a shelf registration statement to be declared effective by the SEC within 90 days after being so required (provided that in no event shall such effectiveness be required prior to 180 days following the issue date of the original notes). In addition, we agreed to use our commercially reasonable efforts to keep that shelf registration statement continually effective, supplemented and amended for a period of two years following the date the shelf registration statement is declared effective (or for a period of one year from the date the shelf registration statement is declared effective and such shelf registration statement is filed at the request of the initial purchasers), or such shorter period which terminates when all notes covered by that shelf registration statement have been sold under it.

Additional Interest in Certain Circumstances

If any of the following, each a "registration default," occurs:

- the exchange offer is not completed on or before the 180th calendar day following the issue date of the original notes or, if that day is not a business day, then the next succeeding day that is a business day; or
- the shelf registration statement is required to be filed but is not filed or declared effective within the time periods required by the registration rights agreement or is declared effective but thereafter ceases to be effective or usable (subject to certain exceptions),

the interest rate borne by the notes as to which the registration default has occurred will be increased by 0.25% per annum upon the occurrence of a registration default. This rate will continue to increase by 0.25% each 90-day period that the liquidated damages (as defined below) continue to accrue under any such circumstance. However, the maximum total increase in the interest rate will in no event exceed one percent (1.0%) per year. We refer to this increase in the interest rate on the notes as "liquidated damages." Such interest is payable in addition to any other interest payable from time to time with respect to the notes in cash on each interest payment date to the holders of record for such interest payment date. After the cure of registration defaults, the accrual of liquidated damages will stop and the interest rate will revert to the original rate.

Under certain circumstances, we may delay the filing or the effectiveness of the exchange offer or the shelf registration and shall not be required to maintain its effectiveness or amend or supplement it for a period of up to 60 days during any 12-month period. Any delay period will not alter our obligation to pay liquidated damages with respect to a registration default.

The sole remedy available to the holders of the original notes will be the immediate increase in the interest rate on the original notes as described above. Any amounts of additional interest due as described above will be payable in cash on the same interest payment dates as the original notes.

Expiration Date; Extensions; Amendment

We will keep the exchange offer open for not less than 20 business days, or longer if required by applicable law, after the date on which notice of the exchange offer is mailed to the holders of the original notes. The term "expiration date" means the expiration date set forth on the cover page of this prospectus, unless we extend the exchange offer, in which case the term "expiration date" means the latest date to which the exchange offer is extended.

In order to extend the expiration date, we will notify the exchange agent of any extension by written notice and will issue a public announcement of the extension, each prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

We reserve the right

- to delay accepting any original notes and to extend the exchange offer or to terminate the exchange offer and not accept original notes not previously accepted if any of the conditions set forth under "Conditions" shall have occurred and shall not have been waived by us, if permitted to be waived by us, by giving written notice of such delay, extension or termination to the exchange agent, or
- to amend the terms of the exchange offer in any manner deemed by us to be advantageous to the holders of the original notes. (We are required to extend the offering period for certain types of changes in the terms of the exchange offer, for example, a change in the consideration offered or percentage of original notes sought for tender.)

All conditions set forth under "The Exchange Offer — Conditions" must be satisfied or waived prior to the expiration date.

Any delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by written notice. If the exchange offer is amended in a manner determined by us to constitute a material change, we will promptly disclose such amendment in a manner reasonably calculated to inform the holders of the original notes of such amendment. In the event of a material change in the exchange offer, including the waiver of a material condition by us, we will extend the exchange offer, if necessary, so that at least five business days remain prior to the expiration date following the notice of the material change.

Without limiting the manner in which we may choose to make a public announcement of any extension, amendment or termination of the exchange offer, we will not be obligated to publish, advertise, or otherwise communicate any such announcement, other than by making a timely release to an appropriate news agency.

Exchange Offer Procedures

To tender in the exchange offer, a holder must complete, sign and date the letter of transmittal, or a facsimile thereof, have the signatures on the letter of transmittal guaranteed if required by instruction 2 of the letter of transmittal, and mail or otherwise deliver the letter of transmittal or such facsimile or an agent's message in connection with a book entry transfer, together with the original notes and any other required documents. To be validly tendered, such documents must reach the exchange agent before 11:59 p.m., New York City time, on the expiration date. Delivery of the original notes may be made by book-entry transfer in accordance with the procedures described below. Confirmation of such book-entry transfer must be received by the exchange agent prior to the expiration date.

The term "agent's message" means a message, transmitted by a book-entry transfer facility to, and received by, the exchange agent, forming a part of a confirmation of a book-entry transfer, which states that such book-entry transfer facility has received an express acknowledgment from the participant in such book-entry transfer facility tendering the original notes that such participant has received and agrees to be bound by the terms of the letter of transmittal and that we may enforce such agreement against such participant.

The tender by a holder of original notes will constitute an agreement between such holder and us in accordance with the terms and subject to the conditions set forth in this prospectus 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.

Each broker-dealer that receives new notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading

activities, must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. See "Plan of Distribution."

The method of delivery of original 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 before 11:59 p.m., New York City time, on the expiration date. No letter of transmittal or original notes should be sent to us.

Only a holder of original notes may tender original notes in the exchange offer. The term "holder" with respect to the exchange offer means any person in whose name original notes are registered on our books or any other person who has obtained a properly completed bond power from the registered holder.

Any beneficial holder whose original 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 original notes, either make appropriate arrangements to register ownership of the original 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, must be guaranteed by an "eligible guarantor institution" within the meaning of Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") unless the original notes are tendered:

- by a registered holder who has not completed the box entitled "Special Issuance Instructions" or "Special Delivery Instructions" on the letter of transmittal or
- for the account of an eligible guarantor institution.

In the event that signatures on a letter of transmittal or a notice of withdrawal are required to be guaranteed, such guarantee must be by an eligible guarantor institution.

If a letter of transmittal is signed by a person other than the registered holder of any original notes listed therein, such original notes must be endorsed or accompanied by appropriate bond powers and a proxy which authorizes such person to tender the original notes on behalf of the registered holder, in each case signed as the name of the registered holder or holders appears on the original notes.

If a letter of transmittal or any original 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 us, evidence satisfactory to us of their authority so to act must be submitted with such letter of transmittal.

All questions as to the validity, form, eligibility, including time of receipt, and withdrawal of the tendered original notes will be determined by us in our sole discretion, which determination will be final and binding. We reserve the absolute right to reject any and all original notes not properly tendered or any original notes our acceptance of which, in the opinion of our counsel, would be unlawful. We also reserve the absolute right to waive any irregularities or defects as to the original notes. If we waive any condition of the notes for any note holder, we will waive such condition for all note holders. Our 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 original notes must be cured within such time as we shall determine. None of us, the exchange agent or any other person shall be under any duty to give notification of defects or irregularities with respect to tenders of original notes, nor shall any of them incur any liability for failure to give such notification. Tenders of original notes will not be deemed to have been made until such irregularities have been cured or waived. Any original 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 by the exchange agent to the tendering holders of original notes without cost to such holder, unless otherwise provided in the relevant letter of transmittal, promptly following the expiration date.

In addition, we reserve the absolute right in our sole discretion to:

- purchase or make offers for any original notes that remain outstanding subsequent to the expiration date or, as set forth under "The Exchange Offer — Conditions," to terminate the exchange offer in accordance with the terms of the registration rights agreement; and
- to the extent permitted by applicable law, purchase original notes in the open market, in privately negotiated transactions or otherwise.

The terms of any such purchases or offers may differ from the terms of the exchange offer.

By tendering, each holder will represent to us that, among other things:

- such holder or other person is not our "affiliate," as defined under Rule 405 of the Securities Act, 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,
- the new notes acquired pursuant to the exchange offer are being obtained in the ordinary course of business of such holder or other person,
- neither such holder or other person has any arrangement or understanding with any person to participate in the distribution of such new notes in violation of the Securities Act, and
- if such holder is not a broker-dealer, neither such holder nor such other person is engaged in or intends to engage in a distribution of the new notes.

We understand that the exchange agent will make a request promptly after the date of this prospectus to establish accounts with respect to the original notes at The Depository Trust Company ("DTC") for the purpose of facilitating the exchange offer, and subject to the establishment of such accounts, any financial institution that is a participant in DTC's system may make book-entry delivery of original notes by causing DTC to transfer such original notes into the exchange agent's account with respect to the original notes in accordance with DTC's procedures for such transfer. Although delivery of the original notes may be effected through book-entry transfer into the exchange agent's account at DTC, a letter of transmittal properly completed and duly executed with any required signature guarantee, or an agent's message in lieu of a letter of transmittal, and all other required documents must in each case be transmitted to and received or confirmed by the exchange agent at its address set forth below on or prior to the expiration date, or, if the guaranteed delivery procedures described below are complied with, within the time period provided under such procedures. Delivery of documents to DTC does not constitute delivery to the exchange agent.

Guaranteed Delivery Procedures

Holders who wish to tender their original notes and

- whose original notes are not immediately available; or
- who cannot deliver their original notes, the letter of transmittal or any other required documents to the exchange agent prior to 11:59 p.m., New York City time, on the expiration date of the exchange offer; or
- who cannot complete the procedures for delivery by book-entry transfer prior to 11:59 p.m., New York City time, on the expiration date of the exchange offer,

may effect a tender if:

- the tender is made by or through an "eligible guarantor institution";
- prior to 11:59 p.m., New York City time, on the expiration date of the exchange offer, the exchange agent receives from such "eligible guarantor 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 original notes, the certificate number or numbers of such original notes and the principal amount of original notes tendered, stating that the tender is being made thereby, and

guaranteeing that, within three business days after the expiration date, a letter of transmittal, or facsimile thereof or agent's message in lieu of such letter of transmittal, together with the certificate(s) representing the original 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 guarantor institution with the exchange agent; and

- a properly completed and duly executed letter of transmittal (or facsimile thereof) together with the certificate(s) representing all tendered original notes in proper form for transfer or an agent's message in the case of delivery by book-entry 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 in this prospectus, tenders of original notes may be withdrawn at any time prior to 11:59 p.m., New York City time, on the expiration date.

To withdraw a tender of original 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 in this prospectus prior to 11:59 p.m., New York City time, on the expiration date. Any such notice of withdrawal must:

- specify the name of the depositor, who is the person having deposited the original notes to be withdrawn;
- identify the original notes to be withdrawn, including the certificate number or numbers and principal amount of such original notes or, in the case of original notes transferred by book-entry transfer, the name and number of the account at DTC to be credited;
- be signed by the depositor in the same manner as the original signature on the letter of transmittal by which such original notes were tendered, including any required signature guarantees, or be accompanied by documents of transfer sufficient to have the trustee with respect to the original notes register the transfer of such original notes into the name of the depositor withdrawing the tender; and
- specify the name in which any such original 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 us, and our determination shall be final and binding on all parties. Any original notes so withdrawn will be deemed not to have been validly tendered for purposes of the exchange offer and no new notes will be issued with respect to the original notes withdrawn unless the original notes so withdrawn are validly retendered. Any original notes which have been tendered but which are not accepted for exchange will be returned to its holder without cost to such holder promptly after withdrawal, rejection of tender or termination of the exchange offer. Properly withdrawn original notes may be retendered by following one of the procedures described above under "The Exchange Offer — Exchange Offer Procedures" at any time prior to the expiration date.

Conditions

Notwithstanding any other term of the exchange offer, we will not be required to accept for exchange, or exchange, any new notes for any original notes, and may terminate or amend the exchange offer before the expiration date, if:

- in the opinion of our counsel, the exchange offer or any part thereof contemplated herein violates any applicable law or interpretation of the staff of the SEC;
- any action or proceeding shall have been instituted in any court or by any governmental agency which might materially impair our ability to proceed with the exchange offer or any material adverse development shall have occurred in any such action or proceeding with respect to us;

- any governmental approval has not been obtained, which approval we shall deem necessary for the consummation of the exchange offer as contemplated hereby;
- any cessation of trading on any securities exchange, or any banking moratorium, shall have occurred, as a result of which we are unable to proceed with the exchange offer; or
- a stop order shall have been issued by the SEC or any state securities authority suspending the effectiveness of the registration statement or proceedings shall have been initiated for that purpose.

If any of the foregoing conditions exist, we may, in our reasonable discretion

- refuse to accept any original notes and return all tendered original notes to the tendering holders;
- extend the exchange offer and retain all original notes tendered prior to the expiration of the exchange offer, subject, however, to the rights of holders who tendered such original notes to withdraw their tendered original notes; or
- waive such condition, if permissible, with respect to the exchange offer and accept all properly tendered original notes which have not been withdrawn. If such waiver constitutes a material change to the exchange offer, we will promptly disclose such waiver by means of a prospectus supplement that will be distributed to the holders, and we will extend the exchange offer, if necessary, so that at least five business days remain prior to the expiration date following the date of such prospectus supplement.

Exchange Agent

We have appointed U.S. Bank National Association as exchange agent for the exchange offer. Please direct questions and requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal and requests for the notice of guaranteed delivery to U.S. Bank National Association addressed as follows:

By Mail, Overnight Courier or Hand Delivery:
U.S. Bank National Association
60 Livingston Avenue
EP-MN-WS2N
St. Paul, MN 55107
Attention: Specialized Finance Department
Reference: Beazer Homes USA, Inc. Exchange

By Facsimile:
(651) 495-8158
Attention: Specialized Finance Department
Reference: Beazer Homes USA, Inc. Exchange

To Confirm by Telephone or for Information:
(800) 934-6802
Reference: Beazer Homes USA, Inc. Exchange

U.S. Bank National Association is the trustee under the indenture governing the original notes and the new notes.

Fees and Expenses

We will pay the expenses of soliciting original notes for exchange. The principal solicitation is being made by mail by U.S. Bank National Association as exchange agent. However, additional solicitations may be made by telephone, facsimile or in person by our officers and regular employees and our affiliates and by persons so engaged by the exchange agent.

We will pay U.S. Bank National Association as exchange agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses in connection therewith and pay other registration expenses, including fees and expenses of the trustee under the indenture, filing fees, blue sky fees and printing and distribution expenses.

We will pay all transfer taxes, if any, applicable to the exchange of the original notes in connection with the exchange offer. If, however, certificates representing the new notes or the original notes for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be issued in the name of, any person other than the registered holder of the original notes tendered, or if tendered original 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 the original notes in this exchange offer, then the amount of any such transfer taxes, whether imposed on the registered holder or any other person, will be payable by the tendering holder.

Accounting Treatment

The new notes will be recorded at the same carrying value as the original notes as reflected in our accounting records on the date of exchange. Accordingly, no gain or loss for accounting purposes will be recognized by us. The expenses of the exchange offer and the unamortized expenses related to the issuance of the original notes will be amortized over the term of the new notes.

Consequences of Failure to Exchange

Holders of original notes who are eligible to participate in the exchange offer but who do not tender their original notes will not have any further registration rights, and their original notes will continue to be subject to restrictions on transfer of the original notes as described in the legend on the original notes as a consequence of the issuance of the original notes under exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, the original notes may not be offered or sold, unless registered under the Securities Act, except under an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws.

Regulatory Approvals

We do not believe that the receipt of any material federal or state regulatory approval will be necessary in connection with the exchange offer, other than the effectiveness of the exchange offer registration statement under the Securities Act.

Other

Participation in the exchange offer is voluntary and holders of original notes should carefully consider whether to accept the terms and conditions of this exchange offer. Holders of the original notes are urged to consult their financial and tax advisors in making their own decisions on what action to take with respect to the exchange offer.

Neither our affiliates nor the affiliates of the guarantors have any interest, direct or indirect, in the exchange offer.

USE OF PROCEEDS

This exchange offer is intended to satisfy our obligations to register an exchange offer of the new notes for the original notes required by the registration rights agreement entered into in connection with the offering of the original notes. We will not receive any cash proceeds from the issuance of the new notes. In consideration for issuing the new notes, we will receive the outstanding original notes in like principal amount, the terms of which are identical in all material respects to the terms of the new notes, except as otherwise described herein. The original notes surrendered in exchange for the new notes will be retired and cancelled and cannot be reissued.

The net proceeds from the sale of the original notes after deducting debt issuance costs were approximately $218.5 million. The net proceeds that we received from the sale of the original notes were used to fund (or replenish cash that had been used to fund) open market repurchases of our outstanding senior notes that we have made (or have agreed to make) since April 1, 2009.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of December 31, 2009. This table should be read in conjunction with our historical financial statements and related notes in our Form 10-Q for the quarter ended December 31, 2009, incorporated herein by reference. This table does not reflect the following changes in our capital structure that occurred after December 31, 2009: (i) the public offering of 22,425,000 shares of our common stock, (ii) the redemption in full of our 8$^{5}/_{8}$% Senior Notes due 2011, (iii) the issuance of approximately $57.5 million aggregate principal amount of our 7$^{1}/_{2}$% Mandatory Convertible Subordinated Notes due 2013, and (iv) the exchange of $75 million aggregate principal amount of our trust preferred securities for new junior subordinated notes due 2036.

	As of December 31, 2009 ($ in thousands)
Cash, cash equivalents and restricted cash	$ 480,461
Debt:	
Revolving credit facility	—
Senior notes (net of discount of $26,362)	1,363,797
Junior subordinated notes	103,093
Other secured notes payable	11,998
Model home financing obligations	22,077
Total debt	$ 1,500,965
Stockholders' equity:	
Common stock, $.001 par value; 80,000,000 shares authorized; 43,206,610 shares issued	43
Additional paid-in capital	570,928
Accumulated deficit	(139,539)
Treasury stock, at cost (3,387,337 shares)	(184,103)
Total stockholders' equity	247,329
Total capitalization	$ 1,748,294

RATIO OF EARNINGS TO FIXED CHARGES

The following table presents our ratios of earnings to fixed charges for the periods presented.

	Fiscal Year Ended September 30,					Fiscal Quarter Ended December 31,	
	2005	2006	2007	2008	2009	2008	2009
Ratio of Earnings to Fixed Charges(1)(2)	6.91x	5.45x	—	—	—	—	2.29x

(1) The ratio of earnings to fixed charges for each of the periods is determined by dividing earnings by fixed charges. Earnings consist of (loss) income from continuing operations before income taxes, amortization of previously capitalized interest and fixed charges, exclusive of capitalized interest cost. Fixed charges consist of interest incurred, amortization of deferred loan costs and debt discount, and that portion of operating lease rental expense (33%) deemed to be representative of interest. Earnings for fiscal years ended September 30, 2007, 2008 and 2009 and for the quarter ended December 31, 2008 were insufficient to cover fixed charges by $428 million, $542 million, $41 million and $44 million, respectively.

(2) The ratio of earnings to combined fixed charges and preferred dividends is the same as the ratio of earnings to fixed charges for the periods presented because no shares of preferred stock were outstanding during these periods.

DESCRIPTION OF OTHER INDEBTEDNESS

Secured Revolving Credit Facility — On August 5, 2009, we entered into an amendment to our secured revolving credit facility that reduced the size of the facility to $22 million (the "revolving credit facility"). The revolving credit facility is provided by one lender. The revolving credit facility will continue to provide for future working capital and letter of credit needs collateralized by either cash or assets of Beazer at our option, based on certain conditions and covenant compliance. As of December 31, 2009, we have elected to cash collateralize all letters of credit; however we have pledged approximately $1.0 billion of inventory assets to our revolving credit facility to collateralize potential future borrowings or letters of credit. The revolving credit facility contains certain covenants, including negative covenants and financial maintenance covenants, with which we are required to comply. Subject to our option to cash collateralize our obligations under the revolving credit facility upon certain conditions, our obligations under the revolving credit facility are secured by liens on substantially all of our personal property and a significant portion of our owned real properties. There were no outstanding borrowings under the revolving credit facility as of December 31, 2009.

We entered into three stand-alone, cash-secured letter of credit agreements with banks to maintain our pre-existing letters of credit that had been under our prior revolving credit facility of which one agreement provides for the issuance of new letters of credit. In November 2009 we closed an additional stand-alone, cash-secured letter of credit facility with a major bank to add additional letter of credit capacity. The letter of credit arrangements combined with our revolving credit facility provide a total letter of credit capacity of $106 million. As of December 31, 2009, we have secured letters of credit using cash collateral in restricted accounts totaling $47.2 million. We may enter into additional arrangements to provide additional letter of credit capacity.

Senior Notes — Our 8 3/8% Senior Notes due 2012 (the "2012 notes"), 6 1/2% Senior Notes due 2013 (the "2013 notes"), 6 7/8% Senior Notes due 2015 (the "2015 notes") and 8 1/8% Senior Notes due 2016 (the "2016 notes" and, together with the 2012 notes, the 2013 notes, the 2015 notes, and the convertible senior notes (as defined below), the "senior notes") are secured and unsecured obligations ranking pari passu with all other existing and future senior indebtedness. Substantially all of our significant subsidiaries are full and unconditional guarantors of the senior notes and are jointly and severally liable for obligations under the senior notes and the revolving credit facility. Each guarantor subsidiary is a 100% owned subsidiary of Beazer.

The indentures under which the senior notes were issued contain certain restrictive covenants, including limitations on payment of dividends. At December 31, 2009, under the most restrictive covenants of each indenture, no portion of our retained earnings was available for cash dividends or for share repurchases. The

indentures provide that, in the event of defined changes in control or if our consolidated tangible net worth falls below a specified level or in certain circumstances upon a sale of assets, we are required to offer to repurchase certain specified amounts of outstanding senior notes. Specifically, each indenture (other than the indenture governing the convertible senior notes) requires us to offer to purchase 10% of each series of senior notes at par if our consolidated tangible net worth (defined as stockholders' equity less intangible assets as defined) is less than $85 million at the end of any two consecutive fiscal quarters. Such offer need not be made more than twice in any four-quarter period. If triggered and fully subscribed, this could result in our having to purchase 10% of outstanding senior notes one or more times, in an amount equal to $137.5 million of notes, based on the original amounts of the applicable notes; however, this amount may be reduced by certain senior note repurchases (potentially at less than par) made after the triggering date.

In June 2004, we issued $180 million aggregate principal amount of 4 5/8% Convertible Senior Notes due 2024 (the "convertible senior notes"). The convertible senior notes are not convertible into cash. The conversion rate for the convertible senior notes is currently 20.1441 shares of common stock per $1,000 principal amount converted, representing a current conversion price of $49.64. We may at our option redeem for cash the convertible senior notes in whole or in part at any time on or after June 15, 2009 at specified redemption prices. Holders have the right to require us to purchase all or any portion of the convertible senior notes for cash on June 15, 2011, June 15, 2014 and June 15, 2019. In each case, we will pay a purchase price equal to 100% of the principal amount of the convertible senior notes to be purchased plus any accrued and unpaid interest, if any, and any additional amounts owed, if any to such purchase date.

Subordinated Notes — On January 12, 2010, we issued $57.5 million aggregate principal amount of 7 1/2% Mandatory Convertible Subordinated Notes due 2013 (the "convertible subordinated notes"). The convertible subordinated notes are general, unsecured obligations, are not guaranteed by any of our subsidiaries and rank junior to all of our existing and future senior indebtedness and to all indebtedness of our subsidiaries. The convertible subordinated notes rank *pari passu* to our unsecured junior subordinated notes which mature on July 30, 2036.

The convertible subordinated notes will mature on January 15, 2013. At the stated maturity date, unless previously converted, each convertible subordinated note will automatically convert into shares of our common stock. Prior to the stated maturity date, holders may convert the convertible subordinated notes, in whole or in part, into shares of our common stock at the then-applicable defined minimum conversion rate.

If our consolidated tangible net worth on the last day of the most recent fiscal quarter is less than $85 million, we may require holders to convert all of the convertible subordinated notes. In addition, if a "fundamental change" (as defined in the convertible subordinated notes) occurs prior to the stated maturity date, we will provide for the conversion of the notes by permitting holders to submit their notes for conversion at anytime during the period beginning on the effective date of such fundamental change and ending on the earlier of either the stated maturity date or the date 20 days after the effective date of the fundamental change. Any notes converted as a result of our consolidated tangible net worth or a fundamental change will require us to make an interest make-whole payment to holders.

Junior Subordinated Notes — On June 15, 2006, we completed a private placement of $103.1 million of unsecured junior subordinated notes which mature on July 30, 2036 and are redeemable at par on or after July 30, 2011 and pay a fixed rate of 7.987% for the first ten years ending July 30, 2016. Thereafter, the securities have a floating interest rate equal to three-month LIBOR plus 2.45% per annum, resetting quarterly. These notes were issued to Beazer Capital Trust I, which simultaneously issued, in a private transaction, trust preferred securities and common securities with an aggregate value of $103.1 million to fund its purchase of these notes. The transaction is treated as debt in accordance with GAAP. The obligations relating to these notes and the related securities are subordinated to the revolving credit facility and the senior notes and is subordinated to the original notes and new notes.

On January 15, 2010, we completed an exchange of $75 million of our trust preferred securities issued by Beazer Capital Trust I for a new issue of $75 million of junior subordinated notes due July 30, 2036 issued by the Company (the "new junior notes"). The exchanged trust preferred securities and the related junior subordinated notes issued in 2006 have been cancelled effective January 15, 2010. The material terms of the new junior notes will be identical to the terms of the original trust securities except that when the new junior

notes change from a fixed rate to a variable rate in August 2016, the variable rate will be subject to a floor of 4.25 % and a cap of 9.25 %. In addition, we will now have the option to redeem the new junior notes beginning on June 1, 2012 at 75% of par value and beginning on June 1, 2022, the redemption price of 75 % of par value will increase by 1.785 % per year.

The aforementioned exchange will be accounted for as an extinguishment of debt and, as such, the new junior notes will be recorded at their estimated fair value. Over the remaining life of the new junior notes, we will increase their carrying value until this carrying value equals the face value of the notes. Preliminary estimates indicate that this transaction will result in a gain on extinguishment within the range of $54 million to $61 million.

Other Secured Notes Payable — We periodically acquire land through the issuance of notes payable. As of December 31, 2009 and September 30, 2009, we had outstanding notes payable of $12.0 million and $12.5 million, respectively, primarily related to land acquisitions. These notes payable expire at various times through 2011 and had fixed and variable rates ranging from 8.0% to 9.0% at December 31, 2009. These notes are secured by the real estate to which they relate.

The agreements governing these secured notes payable contain various affirmative and negative covenants. There can be no assurance that we will be able to obtain any future waivers or amendments that may become necessary without significant additional cost or at all. In each instance, however, a covenant default can be cured by repayment of the indebtedness.

Model Home Financing Obligations — Due to a continuing interest in certain model home sale-leaseback transactions, we have recorded $22.1 million and $30.4 million of debt as of December 31, 2009 and September 30, 2009, respectively, related to these "financing" transactions in accordance with SFAS 98 (as amended), *Accounting for Leases* (ASC 840). These model home transactions incur interest at a variable rate of one-month LIBOR plus 450 basis points, 4.7% as of December 31, 2009, and expire at various times through 2015.

DESCRIPTION OF THE NOTES

In this section, references to the "Company" mean Beazer Homes USA, Inc. only and not to any of its subsidiaries unless the context otherwise requires, and references to the "Notes" in this section are references to the outstanding 12% Senior Secured Notes due 2017 and the exchange 12% Senior Secured Notes due 2017 offered hereby, collectively. Definitions for certain other defined terms may be found under "Description of the Notes — Certain Definitions" appearing below.

The Notes are issued as a series of securities under an Indenture, dated as of September 11, 2009 (the "Indenture"), among the Company, the Subsidiary Guarantors, U.S. Bank National Association, as trustee (the "Trustee"), and Wilmington Trust FSB, as collateral agent (the "Notes Collateral Agent"). The following summaries of certain provisions of the Indenture, Security Documents and Intercreditor Agreement 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, Security Documents and Intercreditor Agreement, 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 available to any holder of the Notes upon request to the Company.

General

The Notes are senior secured obligations of the Company. The principal amount of the Notes is $250.0 million. The Company may issue additional Notes ("Additional Notes") from time to time subject to the limitations set forth under "Certain Covenants — Limitations on Additional Indebtedness." The Notes and any Additional Notes subsequently issued under the Indenture are treated as a single class for all purposes under the Indenture. Unless the context requires otherwise, references to "Notes" for all purposes of the Indenture and this "Description of the Notes" include any Additional Notes that are actually issued. The Notes are guaranteed by each of the Subsidiary Guarantors pursuant to the guarantees (the "Subsidiary Guarantees") described below.

The Notes bear interest at the rate of 12% per annum from the Issue Date, payable on April 15 and October 15 of each year, commencing on April 15, 2010, to holders of record (the "Holders") at the close of business on April 1 or October 1, as the case may be, immediately preceding the respective interest payment date. The Notes will mature on October 15, 2017. Interest is computed on the basis of a 360-day year of twelve 30-day months.

Principal, premium, if any, and interest on the Notes is payable, and the Notes may be presented for registration of transfer or exchange, at the offices of the Trustee. At the option of the Company, payment of interest may be made by check mailed to the Holders of the Notes at their respective addresses set forth in the register of Holders; *provided* that all payments of principal, premium, if any, and interest with respect to Notes represented by one or more permanent global notes registered in the name of or held by DTC or its nominee shall be made by wire transfer of immediately available funds to the accounts specified by the Holder or Holders thereof. 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. Initially, the Trustee will act 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.

Ranking

The Notes are senior secured obligations of the Company and rank (x) senior in right of payment to all existing and future Indebtedness of the Company that is, by its terms, expressly subordinated in right of payment to the Notes (or to all senior indebtedness) and *pari passu* in right of payment with all existing and future Indebtedness of the Company that is not so subordinated, (y) effectively senior to all unsecured Indebtedness to the extent of the value of the Collateral and (z) effectively junior to any obligations of the Company that are either (i) secured by a Lien on the Collateral that is senior or prior to the Liens securing the Notes, including the First Priority Liens securing obligations under the Revolving Credit Facility, and potentially any Permitted Liens or (ii) secured by assets that are not part of the Collateral, in each case to the extent of the value of the assets securing such obligations.

The Subsidiary Guarantees are senior secured obligations of the Subsidiary Guarantors and rank (x) senior in right of payment to all existing and future Indebtedness of the Subsidiary Guarantors that is, by its terms, expressly subordinated in right of payment to the Subsidiary Guarantees (or to all senior indebtedness) and *pari passu* in right of payment with all existing and future Indebtedness of the Subsidiary Guarantors that is not so subordinated, (y) effectively senior to all unsecured Indebtedness of the Subsidiary Guarantors to the extent of the value of the Collateral and (z) effectively junior to any obligations of any Subsidiary Guarantor that are either (i) secured by a Lien on the Collateral that is senior or prior to the Liens securing the Subsidiary Guarantees, including the First Priority Liens securing obligations under the Revolving Credit Facility, and potentially any Permitted Liens or (ii) secured by assets that are not part of the Collateral, in each case, to the extent of the value of the assets securing such obligations.

As of December 31, 2009, the Company and the Subsidiary Guarantors had approximately $12.0 million of Indebtedness outstanding secured by assets that are not part of the Collateral.

In addition, the Notes and the Subsidiary Guarantees are structurally subordinated to all existing and future liabilities of our Subsidiaries that do not guarantee the Notes. As of December 31, 2009, our non-guarantor Subsidiaries had approximately $5.3 million of liabilities (excluding intercompany obligations) in the aggregate.

Security

The Notes and the Subsidiary Guarantees are secured by substantially all of the assets of the Company and the Subsidiary Guarantors (other than the Excluded Property (as defined herein)), which is referred to herein as the Collateral. The Collateral initially consisted of the First Priority Collateral, as to which holders of First Priority Obligations (which, as of the Issue Date, consisted of obligations under the Revolving Credit Facility) had a first-priority security interest and the Holders of the Notes and holders of any future Other Pari Passu Lien Obligations will have a second-priority security interest (subject to Permitted Liens). The Revolving Credit Facility currently provides the Company the option of having all or a portion of the collateral

thereunder released and replaced with cash collateral. In the event any First Priority Collateral is so released, the Holders of the Notes and holders of any future Other Pari Passu Lien Obligations will have a first-priority security interest in such Collateral (subject to Permitted Liens), unless and until the Company incurs any other First Priority Obligations secured by such Collateral on a first-priority basis.

The Company and the Subsidiary Guarantors are able to incur additional Indebtedness in the future which could share in all or part of the Collateral. The amount of all such additional Indebtedness is limited by the covenants disclosed under "Description of the Notes — Certain Covenants — Limitations on Liens" and "Description of the Notes — Certain Covenants — Limitations on Additional Indebtedness" below. Under certain circumstances the amount of such additional secured Indebtedness could be significant.

Mortgages are in place on only some of the real property securing the notes. We expect that some of our properties will continue to be unencumbered by a mortgage as of the closing date of the exchange offer. We have agreed in the Indenture to grant mortgages as soon as commercially reasonable following the Issue Date. See "Description of the Notes — Security — Further Assurances" below and "Risk Factors — Risks Related to the Notes and the Offering — Mortgages are in place on only some of the real property securing the notes. We expect that some of our properties will continue to be unencumbered by a mortgage as of the closing date of the exchange offer. Any issues that we are not able to resolve in connection with the issuance of such mortgages may impact the value of the collateral. Delivery of such mortgages after the issue date of the original notes increases the risk that the liens granted by those mortgages could be avoided. In addition, the holders of the notes will not have the benefit of title insurance with respect to all of the real property collateral."

Collateral

The Collateral has been pledged as collateral to the Notes Collateral Agent for the benefit of the Trustee, the Notes Collateral Agent and the Holders of the Notes. The Notes and Subsidiary Guarantees are secured by second-priority security interests in the First Priority Collateral and first-priority security interests in the Notes Collateral, in each case subject to certain Permitted Liens and encumbrances described in the Security Documents. The Collateral generally consists of the following assets of the Company and the Subsidiary Guarantors, in each case other than assets that constitute Excluded Property:

- real properties owned by the Company and the Subsidiary Guarantors;
- all accounts;
- all inventory and equipment;
- all patents, trademarks and copyrights;
- all general intangibles, instruments, books and records and supporting obligations related to the foregoing and proceeds of the foregoing; and
- substantially all of the other tangible and intangible assets of the Company and the Subsidiary Guarantors.

As of the Issue Date, owned real properties with an aggregate Book Value as of September 30, 2009 of approximately $390 million are included in the collateral securing the Revolving Credit Facility.

Except as provided in the Intercreditor Agreement, Holders will not be able to take any enforcement action with respect to the First Priority Collateral so long as any First Priority Obligations are outstanding.

As set out in more detail below, upon an enforcement event or insolvency proceeding, proceeds from the First Priority Collateral will be applied first to satisfy First Priority Obligations and then to satisfy obligations on the Notes. In addition, the Indenture permits the Company and the Subsidiary Guarantors to create additional Liens under specified circumstances, including certain additional senior Liens on the First Priority Collateral. See the definition of "Permitted Liens."

After-Acquired Property

If property (other than Excluded Property) is acquired by the Company or a Subsidiary Guarantor that is not automatically subject to a perfected security interest under the Security Documents or a Restricted

Subsidiary becomes a Subsidiary Guarantor, or property that was Excluded Property ceases to be Excluded Property, then the Company or such Subsidiary Guarantor will, as soon as practical (but in any event within 60 days) after such property's acquisition or it no longer being Excluded Property, provide security over such property (or, in the case of a new Subsidiary Guarantor, all of its assets except Excluded Property) in favor of the Notes Collateral Agent and deliver certain certificates and opinions in respect thereof as required by the Indenture or the Security Documents; *provided* that the failure to deliver mortgages (and related documents) with respect to any real property within any such 60-day period shall not constitute a default under the Indenture until such time as the aggregate Book Value of real properties for which mortgages (and related documents) have not been delivered within such 60-day periods (and remain undelivered at the time of determination) exceeds $25.0 million.

Information Regarding Collateral

The Company will furnish to the Trustee and the Notes Collateral Agent, with respect to the Company or any Subsidiary Guarantor, written notice of any change (within 10 days following such change) in such Person's (i) legal name, (ii) jurisdiction of organization or formation, (iii) identity or corporate structure or (iv) organizational identification number. The Company also agrees promptly to notify the Notes Collateral Agent if any material portion of the Collateral is damaged, destroyed or condemned.

On or prior to December 31 of each year, the Company shall deliver to the Trustee a certificate of an authorized officer setting forth the information required pursuant to the schedules required by the Security Documents or confirming that there has been no change in such information since the date of the prior certificate.

Further Assurances

The Company and the Subsidiary Guarantors shall execute any and all further documents, financing statements, agreements and instruments, and take all further action that may be required under applicable law, or that the Notes Collateral Agent may reasonably request, in order to grant, preserve, protect and perfect the validity and priority of the security interests and Liens created or intended to be created by the Security Documents in the Collateral unless such actions are not required by the Security Documents. Such security interests and Liens will be created under the Security Documents and other security agreements, mortgages, deeds of trust and other instruments and documents in form and substance reasonably satisfactory to the Trustee, and the Company shall deliver or cause to be delivered to Trustee all such instruments and documents (including certificates, legal opinions and lien searches) as the Trustee shall reasonably request to evidence compliance with this covenant; *provided* that with respect to any real property Collateral that secures First Priority Obligations, (x) the Company and the Subsidiary Guarantors shall not be required to deliver or cause to be delivered any such instruments and documents to the extent not required to be delivered to the applicable First Priority Collateral Agent for the benefit of the First Priority Secured Parties, (y) to the extent any title insurance policies are delivered to the applicable First Priority Collateral Agent with respect to any real property Collateral, the Company and the Subsidiary Guarantors may deliver title insurance policies to the Notes Collateral Agent in respect of such real property Collateral in an aggregate amount of coverage limited to the aggregate principal amount of the Notes, which amount of coverage may be allocated proportionately among the properties comprising such real property Collateral according to the respective individual values of such real properties (or the Company and the Subsidiary Guarantors may deliver other title insurance coverage pursuant to other arrangements that would be commercially reasonable under the circumstances taking into account the costs associated therewith and the benefits afforded thereby, including pursuant to all *pro tanto* endorsements and similar arrangements), and (z) to the extent a survey is delivered to the applicable First Priority Collateral Agent with respect to any real property Collateral, the Company and the Subsidiary Guarantors may deliver a copy of such survey to the Notes Collateral Agent and will otherwise use commercially reasonable efforts to ensure that the title insurance policy issued to the Notes Collateral Agent with respect to such real property contains substantially the same survey coverage as that provided to such First Priority Collateral Agent under its title insurance policy relating to such real property; and *provided, further*, that with respect to any real property Collateral that does not secure any First Priority Obligations, the Company and the Subsidiary Guarantors shall be required to deliver or cause to be delivered to the Notes Collateral Agent a mortgage, deed of trust or similar instrument with respect to such property but shall not be

required to deliver or cause to be delivered any title insurance policies, surveys, appraisals or environmental reports relating thereto.

Notwithstanding anything to the contrary set forth in the preceding paragraph or elsewhere in the Indenture or any Security Document, at the sole cost of the Company (including recording and title company charges and fees): (i) mortgages (and any related Security Documents) required to be granted pursuant to the preceding paragraph on the Issue Date (x) with respect to real property that is securing First Priority Obligations under the Revolving Credit Facility on the Issue Date (which has an aggregate Book Value as of September 30, 2009 of approximately $390 million), shall be granted as soon as commercially reasonable following the Issue Date, but in no event (with respect to real property constituting at least 80% of all such real property, based on the Book Value thereof) later than 60 days following the Issue Date and (y) with respect to any real property that is not securing First Priority Obligations under the Revolving Credit Facility on the Issue Date (which, together with the real property under clause (x), has an aggregate Book Value as of September 30, 2009 of approximately $390 million), shall be granted as soon as commercially reasonable following the Issue Date, but in no event (with respect to real property constituting at least 80% of all such real property, based on the Book Value thereof) later than 90 days following the Issue Date, in each such case, as such date may be extended by up to 60 days by the First Priority Collateral Agent with respect to the Revolving Credit Facility in its sole reasonable discretion and (ii) the Company and the Subsidiary Guarantors shall not be required to execute or deliver any control agreements with respect to any deposit account or securities account.

Security Documents and Certain Related Intercreditor Provisions

The Company, the Subsidiary Guarantors, the Notes Collateral Agent and/or the Trustee have entered into one or more Security Documents creating and establishing the terms of the security interests and Liens that secure the Notes and the Subsidiary Guarantees. These security interests and Liens secure the payment and performance when due of all of the Obligations of the Company and the Subsidiary Guarantors under the Notes, the Indenture, the Subsidiary Guarantees and the Security Documents, as provided in the Security Documents. The attachment and perfection of all security interests in all non-real property Collateral was completed on or prior to the Issue Date. The First Priority Collateral Agents and holders of First Priority Obligations secured by First Priority Collateral are referred to collectively as "First Priority Secured Parties." The Trustee, Notes Collateral Agent, each Holder, each other holder of, or obligee in respect of, any Obligations in respect of the Notes outstanding at such time are referred to collectively as the "Noteholder Secured Parties." The Obligations in respect of the Notes constitute claims separate and apart from (and of a different class from) the First Priority Obligations and are junior to the First Priority Liens with respect to the First Priority Collateral. In certain states, mortgages may be granted solely to a single collateral agent, which will hold such mortgages for the benefit of the holders of the First Priority Liens and the Second Priority Liens.

Intercreditor Agreement

On September 11, 2009, the Company, the Subsidiary Guarantors, the Notes Collateral Agent and the First Priority Collateral Agent with respect to the Revolving Credit Facility entered into the Intercreditor Agreement. Although the Holders of the Notes and the holders of First Priority Obligations are not party to the Intercreditor Agreement, by their acceptance of the Notes and First Priority Obligations, respectively, they will each agree to be bound thereby. The Indenture provides that the Intercreditor Agreement may be amended from time to time without the consent of the Holders or the holders of First Priority Obligations to add other parties holding Other Pari Passu Lien Obligations or other First Priority Obligations, in each case to the extent permitted to be incurred under the Indenture and other applicable agreements. See "Description of the Notes — Amendment, Supplement and Waiver."

The aggregate amount of the obligations secured by the First Priority Collateral may, subject to the limitations set forth in the Indenture, be increased. A portion of the obligations secured by the First Priority Collateral consists or may consist of Indebtedness that is revolving in nature, and the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed and such obligations may, subject to the limitations set forth in the Indenture, be increased, extended, renewed,

replaced, restated, supplemented, restructured, repaid, refunded, refinanced or otherwise amended or modified from time to time, all without affecting the subordination of the Liens held by the Noteholder Secured Parties (relative to those of the First Priority Secured Parties) or the provisions of the Intercreditor Agreement defining the relative rights of the parties thereto. The Lien priorities provided for in the Intercreditor Agreement shall not be altered or otherwise affected by any amendment, modification, supplement, extension, increase, replacement, renewal, restatement or refinancing of either the obligations secured by the First Priority Collateral or the obligations secured by the Notes Collateral, by the release of any Collateral or of any guarantees securing any secured obligations or by any action that any representative or secured party may take or fail to take in respect of any Collateral. Notwithstanding any failure by any first priority secured party or noteholder secured party to perfect its security interests in the Collateral or any avoidance, invalidation or subordination by any third party or court of competent jurisdiction of the security interests in the Collateral granted to the First Priority Secured Parties or the Noteholder Secured Parties, the priority and rights with respect to the Collateral as between the First Priority Secured Parties and the Noteholder Secured Parties, as among the First Priority Secured Parties and as between the Noteholder Secured Parties and the holders of Other Pari Passu Lien Obligations, are, in each case, set forth in the Intercreditor Agreement.

Each Security Document contains a provision that the Liens created thereby and the exercise of rights and remedies thereunder are subject to the provisions of the Intercreditor Agreement and, in the event of any conflict between the terms of the Intercreditor Agreement and the terms of such Security Document, the terms of the Intercreditor Agreement shall govern and control.

All rights, interests, agreements and obligations of the First Priority Collateral Agents and the Notes Collateral Agent, respectively, under the Intercreditor Agreement shall remain in full force and effect irrespective of: (i) any lack of validity or enforceability of any First Priority Documents or any operative agreement evidencing or governing the obligations that are secured by Second Priority Liens; (ii) except as otherwise expressly set forth in the Intercreditor Agreement, any change in the time, manner or place of payment of, or in any other terms of, all or any of the First Priority Obligations or the obligations that are secured by Second Priority Liens, or any amendment or waiver or other modification, including any increase in the amount thereof, whether by course of conduct or otherwise, of the terms of any First Priority Document or any operative agreement evidencing or governing the obligations that are secured by Second Priority Liens; (iii) except as otherwise expressly set forth in the Intercreditor Agreement, any exchange, release, avoidance, invalidation, subordination or non-perfection of any security interest in any Collateral, or any amendment, waiver or other modification, whether in writing or by course of conduct or otherwise, of all or any of the First Priority Obligations or the obligations that are secured by Second Priority Liens or any guaranty thereof; (iv) the commencement of any insolvency or liquidation proceeding in respect of the Company or any Subsidiary Guarantor; or (v) any other circumstances which otherwise might constitute a defense available to, or a discharge of, the Company or any Subsidiary Guarantor.

Control Over Collateral and Enforcement of Liens

Pursuant to the terms of the Intercreditor Agreement, prior to the Discharge of First Priority Obligations with respect to any First Priority Collateral, the applicable First Priority Collateral Agent has the exclusive right to control the time and method by which the security interests in such First Priority Collateral are enforced, including, without limitation, following the occurrence of an Event of Default under the Indenture. Prior to the Discharge of First Priority Obligations with respect to any First Priority Collateral, the Noteholder Secured Parties are not permitted to enforce their security interests in such First Priority Collateral even if any Event of Default under the Indenture has occurred and the Notes have been accelerated except (a) in any insolvency or liquidation proceeding, solely as necessary to file a proof of claim or statement of interest or, subject to the terms of the Intercreditor Agreement, protect their security interests with respect to the Obligations under the Notes and Subsidiary Guarantees or (b) certain protective actions in order to prove, preserve, perfect or protect (but not enforce) their security interests and rights in, and the perfection and priority of their Liens on, such First Priority Collateral.

Any proceeds from any First Priority Collateral received in any insolvency or liquidation proceeding or pursuant to any enforcement of remedies against the First Priority Collateral shall be applied to repay the applicable First Priority Obligations in full (including any post-petition interest thereon and a requirement to

cash collateralize letters of credit at up to 105% of the face amount thereof) until the Discharge of First Priority Obligations has occurred prior to being applied to the repayment of any Obligations owing to the Noteholder Secured Parties and the holders of the Other Pari Passu Lien Obligations.

After the Discharge of First Priority Obligations with respect to any First Priority Collateral, the Notes Collateral Agent will distribute all cash proceeds (after payment of the costs of enforcement and collateral administration, including any amounts owed to the Trustee in its capacity as Trustee or the Notes Collateral Agent in its capacity as Notes Collateral Agent) of such First Priority Collateral received by it under the Security Documents first, for the ratable benefit of the Noteholder Secured Parties.

All of the Collateral was not appraised in connection with the issuance of the Notes. The aggregate book value of the real property included as Collateral as of September 30, 2009 was approximately $390 million, which does not include the impact of inventory investments, home deliveries or impairments thereafter. The fair market value of the Collateral is subject to fluctuations based on factors that include, among others, the condition of the homebuilding industry, our ability to implement our business strategy, the ability to sell the Collateral in an orderly sale, general economic conditions, the availability of buyers and similar factors. The amount to be received upon a sale of the Collateral would be dependent on numerous factors, including but not limited to the actual fair market value of the Collateral at such time and the timing and the manner of the sale. By its nature, portions of the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, there can be no assurance that the Collateral is saleable, or, if saleable, that there will not be substantial delays in its liquidation. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, the proceeds from any sale or liquidation of the Collateral may not be sufficient to pay our Obligations under the Notes. In addition, the fact that the First Priority Secured Parties will receive proceeds from enforcement of the First Priority Collateral before Noteholder Secured Parties, and that other Persons may have first priority Liens in respect of assets subject to Permitted Liens, could have a material adverse effect on the amount that would be realized upon a liquidation of the Collateral. Accordingly, proceeds of any sale of the Collateral pursuant to the Indenture and the related Security Documents following an Event of Default may not be sufficient to satisfy, and may be substantially less than, amounts due under the Notes.

If the proceeds of the Collateral were not sufficient to repay all amounts due on the Notes, the Holders of the Notes (to the extent not repaid from the proceeds of the sale of the Collateral) would have only an unsecured claim against the remaining assets of the Company and the Subsidiary Guarantors. To the extent that Liens (including Permitted Liens), rights or easements granted to third parties encumber assets located on property owned by the Company or the Subsidiary Guarantors, including the Collateral, such third parties may exercise rights and remedies with respect to the property subject to such Liens that could adversely affect the value of the Collateral and the ability of the Notes Collateral Agent, the Trustee or the Holders of the Notes to realize or foreclose on Collateral.

The Intercreditor Agreement provides that, as between collateral agents in whose favor equal priority Liens have been granted on the applicable Collateral for the benefit of holders of different series of Indebtedness (e.g., the Notes Collateral Agent and the collateral agent for any Other Pari Passu Lien Obligations as to their respective Liens on the Notes Collateral), the "Applicable Authorized Representative" has the right to direct foreclosures and take other actions with respect to the applicable Collateral and the other collateral agent has no right to take actions with respect to such Collateral. The Applicable Authorized Representative shall be the collateral agent representing the series of Indebtedness with the greatest outstanding aggregate principal amount.

No Duties of First Priority Collateral Agent

The Intercreditor Agreement provides that no first priority secured party will generally have any duties or other obligations to any noteholder secured party with respect to the First Priority Collateral, other than, with respect to a First Priority Collateral Agent, serving as gratuitous bailee for the benefit of the Notes Collateral Agent with respect to certain First Priority Collateral to the extent that possession or control thereof is taken to perfect a Lien thereon. The duties or responsibilities of First Priority Collateral Agents shall be limited solely to holding such Collateral as bailee and delivering such Collateral to the Notes Collateral Agent upon a

Discharge of First Priority Obligations. No First Priority Collateral Agent shall, by reason of so acting, have a fiduciary relationship in respect of the Notes Collateral Agent or any other noteholder secured party. In addition, the Intercreditor Agreement further provides that, until the Discharge of First Priority Obligations with respect to any First Priority Collateral, the applicable First Priority Collateral Agent is entitled, for the benefit of the applicable First Priority Secured Parties, to sell, transfer or otherwise dispose of or deal with such First Priority Collateral without regard to any security interest that are junior relative to those of the applicable First Priority Secured Parties therein or any rights to which any noteholder secured party would otherwise be entitled as a result of such junior-priority security interest. Without limiting the foregoing, the Notes Collateral Agent has agreed in the Intercreditor Agreement that no first priority secured party will have any duty or obligation first to marshal or realize upon the First Priority Collateral, or to sell, dispose of or otherwise liquidate all or any portion of the First Priority Collateral, in any manner that would maximize the return to the Noteholder Secured Parties, notwithstanding that the order and timing of any such realization, sale, disposition or liquidation may affect the amount of proceeds actually received by the Noteholder Secured Parties from such realization, sale, disposition or liquidation.

The Notes Collateral Agent has agreed in the Intercreditor Agreement for the Noteholder Secured Parties, that the Noteholder Secured Parties will waive any claim that may be had against any first priority secured party arising out of (i) any actions which any first priority secured party takes or omits to take (including, actions with respect to the creation, perfection or continuation of Liens on any First Priority Collateral, actions with respect to the foreclosure upon, sale, release or depreciation of, or failure to realize upon, any of the First Priority Collateral and actions with respect to the collection of any claim for all or any part of the First Priority Obligations from any account debtor, guarantor or any other party) or the valuation, use, protection or release of any security for such First Priority Obligations, (ii) any election by any first priority secured party, in any proceeding instituted under Title 11 of the United States Code (the "Bankruptcy Code") of the application of Section 1111(b) of the Bankruptcy Code or (iii) any borrowing of, or grant of a security interest or administrative expense priority under Sections 363 and 364 of the Bankruptcy Code to the Company or any of its Subsidiaries as debtors-in-possession.

No Interference; Payment Over; Reinstatement

The Notes Collateral Agent has agreed in the Intercreditor Agreement for the Noteholder Secured Parties, that prior to the Discharge of First Priority Obligations with respect to any First Priority Collateral:

- it will not challenge or question in any proceeding the validity or enforceability of any first priority security interest in such First Priority Collateral, the validity, attachment, perfection or priority of any Lien held by any applicable first priority secured party, or the validity or enforceability of the priorities, rights or duties established by or other provisions of the Intercreditor Agreement;
- it will not take or cause to be taken any action the purpose or intent of which is, or could be, to interfere, hinder or delay, in any manner, whether by judicial proceedings or otherwise, any sale, transfer or other disposition of such First Priority Collateral by any applicable first priority secured party;
- it will have no right to (A) direct any first priority secured party to exercise any right, remedy or power with respect to such First Priority Collateral or (B) consent to the exercise by any first priority secured party of any right, remedy or power with respect to such First Priority Collateral;
- it will not institute any suit or assert in any suit, bankruptcy, insolvency or other proceeding any claim against any first priority secured party seeking damages from or other relief by way of specific performance, instructions or otherwise with respect to, and no first priority secured party will be liable for, any action taken or omitted to be taken by any first priority secured party with respect to such First Priority Collateral in accordance with the terms of the Intercreditor Agreement;
- it will not object to any waiver or forbearance by the applicable First Priority Collateral Agent from or in respect of bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to such First Priority Collateral;

- it will not seek, and will waive any right, to have such First Priority Collateral or any part thereof marshaled upon any foreclosure or other disposition of such First Priority Collateral; and
- it will not attempt, directly or indirectly, whether by judicial proceedings or otherwise, to challenge the enforceability of any provision of the Intercreditor Agreement;

provided, that nothing in the Intercreditor Agreement shall be deemed to waive any rights granted under applicable law that the Notes Collateral Agent may have on behalf of the holders of the Notes to a commercially reasonable disposition of the Collateral.

If any first priority secured party is required in any insolvency or liquidation proceeding or otherwise to turn over or otherwise pay to the estate of the Company or any Subsidiary Guarantor (or any trustee, receiver or similar person therefor), because the payment of such amount was declared to be fraudulent or preferential in any respect or for any other reason (any such amount, a "Recovery"), whether received as proceeds of security, enforcement of any right of setoff or otherwise, then as among the parties to the Intercreditor Agreement, the applicable First Priority Obligations shall be deemed to be reinstated to the extent of such Recovery and to be outstanding as if such payment had not occurred and such holder of First Priority Obligations shall be entitled to a reinstatement of First Priority Obligations with respect to all such recovered amounts and shall have all rights under the Intercreditor Agreement. If the Intercreditor Agreement was terminated (in whole or in part) prior to such Recovery, the Intercreditor Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties thereto. Any First Priority Collateral received by a noteholder secured party prior to the time of such Recovery shall be deemed to have been received prior to the Discharge of First Priority Obligations with respect to such First Priority Collateral and subject to the provisions of the immediately following paragraph.

The Notes Collateral Agent has agreed in the Intercreditor Agreement for the Noteholder Secured Parties that if any noteholder secured party obtains possession of the First Priority Collateral or realizes any proceeds or payment in respect of the First Priority Collateral, pursuant to any Security Document or by the exercise of any rights available to it under applicable law or in any bankruptcy, insolvency or similar proceeding or through any other exercise of remedies, at any time prior to the Discharge of First Priority Obligations with respect to such First Priority Collateral, then it will hold such First Priority Collateral, proceeds or payment in trust for the applicable First Priority Secured Parties and transfer such First Priority Collateral, proceeds or payment, as the case may be, to the applicable First Priority Collateral Agent. The Notes Collateral Agent has further agreed in the Intercreditor Agreement for the Noteholder Secured Parties that if, at any time, all or part of any payment with respect to any First Priority Obligations secured by any First Priority Collateral previously made shall be Recovered from a first priority secured party, then the Notes Collateral Agent will promptly pay over to the applicable First Priority Collateral Agent any payment received by it (and not otherwise Recovered from it) in respect of any such First Priority Collateral and shall promptly turn any such First Priority Collateral then held by it over to the applicable First Priority Collateral Agent, and the provisions set forth in the Intercreditor Agreement will be reinstated as if such payment had not been made, until the Discharge of First Priority Obligations with respect to such First Priority Collateral; *provided*, that in order to exercise its rights under this provision, the First Priority Collateral Agent shall have first defended itself and the holders of the First Priority Obligations against any such Recovery actions.

Agreements With Respect to Bankruptcy or Insolvency Proceedings

If any First Priority Collateral Agent consents to financing ("DIP Financing") to be provided by one or more lenders (the "DIP Lenders") under Section 364 of the Bankruptcy Code which is to be secured by any First Priority Collateral or the use of cash collateral representing proceeds of First Priority Collateral under Section 363 of the Bankruptcy Code, the Notes Collateral Agent has agreed in the Intercreditor Agreement for the Noteholder Secured Parties, that it will raise no objection to any such financing or to the Liens on such First Priority Collateral securing the same ("DIP Financing Liens") or to any use of cash collateral that

constitutes First Priority Collateral, unless such DIP Financing, DIP Financing Liens or use of cash collateral is not permitted under the applicable First Priority Documents so long as:

(i) either (x) all DIP Financing Liens are senior to, or rank *pari passu* with, the Liens of the applicable First Priority Secured Parties in such First Priority Collateral (in which case, the Notes Collateral Agent will agree for the Noteholder Secured Parties, to subordinate the Liens of the Noteholder Secured Parties in such First Priority Collateral to the First Priority Liens in such First Priority Collateral and the DIP Financing Liens) or (y) the Liens of the Notes Collateral Agent are not subordinated to such DIP Financing Liens;

(ii) the Noteholder Secured Parties retain liens on all such First Priority Collateral, including proceeds thereof arising after the commencement of such proceeding, with the same priority as existed prior to the commencement of the case under the Bankruptcy Code, subject to any super-priority ranking of liens in favor of the DIP Lenders as provided above and any "carve out" for administrative expenses agreed to by the applicable First Priority Collateral Agent;

(iii) the terms of such DIP Financing or use of cash collateral do not require the Company or any Subsidiary Guarantor to seek approval for any plan of reorganization that is a Non-Conforming Plan of Reorganization; and

(iv) the terms of such DIP Financing do not require any Noteholder Secured Parties to extend additional credit or incur any monetary obligations in connection with such DIP Financing without the consent of such Noteholder Secured Parties.

Nothing in the Indenture or the Intercreditor Agreement is deemed to preclude the Noteholder Secured Parties (or any of them) from offering competing DIP Financing secured by Liens subordinate to the First Priority Liens.

The Notes Collateral Agent has agreed in the Intercreditor Agreement for each of the Noteholder Secured Parties that they will:

(i) not object to or oppose a sale or other disposition of any First Priority Collateral (or any portion thereof) under Section 363 of the Bankruptcy Code if the applicable First Priority Secured Parties shall have consented to such sale or disposition of such First Priority Collateral and the proceeds of such sale or disposition are applied in accordance with the Intercreditor Agreement. Notwithstanding the foregoing, the Intercreditor Agreement shall not be construed to prohibit the Noteholder Secured Parties from exercising a credit bid under Section 363(k) of the Bankruptcy Code in a sale or other disposition of any First Priority Collateral under Section 363 of the Bankruptcy Code; *provided* that in connection with and immediately after giving effect to any such sale pursuant to such credit bid under Section 363(k) of the Bankruptcy Code there occurs a Discharge of First Priority Obligations with respect to such First Priority Collateral;

(ii) not object to or otherwise contest (or support any other Person contesting), any motion for relief from the automatic stay or from any injunction against foreclosure or enforcement in respect of any First Priority Collateral made by the applicable First Priority Secured Parties;

(iii) until the Discharge of First Priority Obligations with respect to any First Priority Collateral, not seek (or support any other Person seeking) relief from the automatic stay or any other stay in any insolvency or liquidation proceeding in respect of such First Priority Collateral, without the prior written consent of the applicable First Priority Collateral Agent;

(iv) not object to, or otherwise contest (or support any Person contesting), (a) any request by any of the First Priority Secured Parties for adequate protection on account of any applicable First Priority Collateral or (b) any objection by any of the First Priority Secured Parties to any motion, relief, action or proceeding based on the applicable First Priority Collateral Agent's or such holder of First Priority Obligations' claiming a lack of adequate protection with respect to such First Priority Collateral;

(v) until the Discharge of First Priority Obligations with respect to any First Priority Collateral, not assert or enforce (or support any Person asserting or enforcing) any claim under Section 506(c) of the Bankruptcy Code senior to or *pari passu* with the Liens on such First Priority Collateral securing the applicable First Priority Obligations for costs or expenses of preserving or disposing any such First Priority Collateral; and

(vi) not oppose or otherwise contest (or support any other Person contesting) any lawful exercise by the First Priority Secured Parties of the right to credit bid under Section 363(k) of the Bankruptcy Code at any sale of First Priority Collateral.

In addition, no noteholder secured party will file or prosecute in any insolvency or liquidation proceeding any motion for adequate protection (or any comparable request for relief) based upon its respective security interests in any First Priority Collateral, except that:

(i) any of them may freely seek and obtain adequate protection of their interests that is junior to the protection provided to the First Priority Obligations, including relief granting a junior Lien co-extensive in all respects with, but subordinated to, all Liens granted in the insolvency or liquidation proceeding to, or for the benefit of, the holders of the applicable First Priority Obligations on the same basis as Second Priority Liens under the Intercreditor Agreement (and the Intercreditor Agreement provides that the applicable First Priority Secured Parties will not object to the granting of such junior Lien); and

(ii) any of them may freely seek and obtain any relief upon a motion for adequate protection (or any comparable relief), without any condition or restriction whatsoever, at any time after the Discharge of First Priority Obligations with respect to such First Priority Collateral.

Without limiting the generality of any provisions of the Intercreditor Agreement, any vote to accept, and any other act to support the confirmation or approval of any Non-Conforming Plan of Reorganization shall be inconsistent with and, accordingly, a violation of the terms of the Intercreditor Agreement.

The Notes Collateral Agent has agreed in the Intercreditor Agreement for the Noteholder Secured Parties that (a) the Noteholder Secured Parties' claims against the Company and the Subsidiary Guarantors in respect of the First Priority Collateral constitute junior secured claims separate and apart (and of a different class) from the senior secured claims of the holders of First Priority Obligations against the Company and the Subsidiary Guarantors in respect of the First Priority Collateral, (b) the First Priority Obligations include all interest that accrues after the commencement of any insolvency or liquidation proceeding of the Company or any Subsidiary Guarantor at the rate provided for in the applicable First Priority Documents, regardless of whether a claim for post-petition interest is allowed or allowable in any such insolvency or liquidation proceeding and (c) the Intercreditor Agreement constitutes a "subordination agreement" under Section 510 of the Bankruptcy Code.

Insurance

Until written notice by the applicable First Priority Collateral Agent to the Trustee that the Discharge of First Priority Obligations with respect to any First Priority Collateral has occurred, as between such First Priority Collateral Agent, on the one hand, and the Noteholder Secured Parties, on the other hand, only such First Priority Collateral Agent has the right (subject to the rights of the Company and the Subsidiary Guarantors under the applicable First Priority Documents) to adjust or settle any insurance policy or claim covering or constituting such First Priority Collateral in the event of any covered loss thereunder and to approve any award granted in any condemnation or similar proceeding affecting such First Priority Collateral. To the extent that an insured loss covers or constitutes both First Priority Collateral and Notes Collateral, then the applicable First Priority Collateral Agents and the Notes Collateral Agent will work jointly and in good faith to collect, adjust or settle (subject to the rights of the Company and the Subsidiary Guarantors under the applicable First Priority Documents and the Notes) under the relevant insurance policy.

Refinancings of the First Priority Obligations and the Notes

The First Priority Obligations and the obligations under the Indenture and the Notes may be refinanced or replaced, in whole or in part, in each case, without notice to, or the consent (except to the extent a consent is otherwise required to permit the refinancing transaction under the applicable First Priority Documents, the Indenture or the Security Documents) of any first priority secured party or any noteholder secured party, all without affecting the Lien priorities provided for in the Intercreditor Agreement; *provided, however*, that the holders of any such refinancing or replacement Indebtedness (or an authorized agent or trustee on their behalf) bind themselves in writing to the terms of the Intercreditor Agreement pursuant to such documents or agreements (including amendments or supplements to the Intercreditor Agreement) as any First Priority Collateral Agent or Notes Collateral Agent, as the case may be, shall reasonably request and in form and substance reasonably acceptable to such First Priority Collateral Agent or Notes Collateral Agent, as the case may be.

In addition, if at any time in connection with or after the Discharge of First Priority Obligations with respect to any First Priority Collateral, the Company enters into any refinancing of the First Priority Obligations secured by such First Priority Collateral on a first-priority basis which qualifies as Permitted Liens under clause (xi) of the definition thereof, then such Discharge of First Priority Obligations shall automatically be deemed not to have occurred for all purposes of the Intercreditor Agreement and the Indenture, and the obligations under such refinancing shall automatically be treated as First Priority Obligations for all purposes of the Intercreditor Agreement, including for purposes of the Lien priorities and rights in respect of such First Priority Collateral set forth therein.

In connection with any refinancing or replacement contemplated by the foregoing, the Intercreditor Agreement may be amended at the request and sole expense of the Company, and without the consent of any Holder of Notes, (a) to add parties (or any authorized agent or trustee therefor) providing any such refinancing or replacement Indebtedness in compliance with the applicable First Priority Documents and the Indenture, (b) to establish that Liens on any Notes Collateral securing such refinancing or replacement Indebtedness shall have the same priority (or junior priority) as the Liens on any Notes Collateral securing the Indebtedness being refinanced or replaced and (c) to establish that the Liens on any First Priority Collateral securing such refinancing or replacement indebtedness shall have the same priority (or junior priority) as the Liens on any First Priority Collateral securing the Indebtedness being refinanced or replaced, all on the terms provided for herein immediately prior to such refinancing or replacement.

Subject to the terms of the Security Documents, the Company and the Subsidiary Guarantors have the right to remain in possession and retain exclusive control of the Collateral, to freely operate the Collateral and to collect, invest and dispose of any income therefrom. See “Risk Factors — Risks Related to the Notes and the Offering — We have control over most of the collateral, and the sale of particular assets by us could reduce the pool of assets securing the notes and the guarantees.”

Release of Collateral

The Company and the Subsidiary Guarantors are entitled to the releases of property and other assets included in the Collateral from the Liens securing the Notes under any one or more of the following circumstances:

- to enable the disposition of such property or assets to the extent not prohibited under the covenant described under “Description of the Notes — Certain Covenants — Limitation on Asset Sales;”
- in the case of a Subsidiary Guarantor that is released from its Subsidiary Guarantee, the release of the property and assets of such Subsidiary Guarantor; or
- as described under “Description of the Notes — Amendment, Supplement and Waiver” below.

In addition, with respect to any First Priority Collateral, and notwithstanding the existence of any Event of Default but subject to the Intercreditor Agreement, the second priority lien on such First Priority Collateral securing the Notes shall also terminate and be released automatically to the extent the First Priority Liens on

such First Priority Collateral are released by the applicable First Priority Collateral Agent in connection with the foreclosure of, or other disposition in connection with the exercise of remedies with respect to, such First Priority Collateral by such First Priority Collateral Agent (except with respect to any proceeds of such sale, transfer or disposition that remain after satisfaction in full of the applicable First Priority Obligations). The Notes Collateral Agent shall, at no cost to the Notes Collateral Agent, promptly execute and deliver such release documents and instruments and shall take such further actions as any First Priority Collateral Agent shall reasonably request to evidence any release of the second priority lien as described above.

The security interests in all Collateral securing the Notes and Subsidiary Guarantees also will be released upon (i) payment in full of the principal of, together with accrued and unpaid interest on, the Notes and all other Obligations under the Indenture, the Subsidiary Guarantees and the Security Documents that are due and payable at or prior to the time such principal, together with accrued and unpaid interest, are paid or (ii) a legal defeasance or covenant defeasance under the Indenture or a discharge of the Indenture, in each case as described under "Description of the Notes — Discharge and Defeasance of Indenture."

Compliance with Trust Indenture Act

The Indenture provides that the Company will comply with the provisions of the Trust Indenture Act (the "TIA") § 314 to the extent applicable. To the extent applicable, the Company will cause TIA § 313(b), relating to reports, TIA § 314(b), relating to opinions, and TIA § 314(d), relating to the release of property or securities subject to the Lien of the Security Documents, to be complied with. Any certificate or opinion required by TIA § 314(d) shall be made by an officer or legal counsel, as applicable, of the Company except in cases where TIA § 314(d) requires that such certificate or opinion be made by an independent Person, which Person will be an independent engineer, appraiser or other expert selected by or reasonably satisfactory to the Trustee. Notwithstanding anything to the contrary in this paragraph, the Company will not be required to comply with all or any portion of TIA § 314(d) if it reasonably determines that under the terms of TIA § 314(d) or any interpretation or guidance as to the meaning thereof of the SEC and its staff, including "no action" letters or exemptive orders, all or any portion of TIA § 314(d) is inapplicable to any release or series of releases of Collateral.

Without limiting the generality of the foregoing, certain no action letters issued by the SEC have permitted an indenture qualified under the TIA to contain provisions permitting the release of collateral from Liens under such indenture in the ordinary course of the issuer's business without requiring the issuer to provide certificates and other documents under Section 314(d) of the TIA. The Company and the Subsidiary Guarantors may, subject to the provisions of the Indenture, among other things, without any release or consent by the Noteholder Secured Parties, conduct ordinary course activities with respect to the Collateral, including, without limitation:

- selling or otherwise disposing of, in any transaction or series of related transactions, any property subject to the Lien of the Security Documents that has become worn out, defective, obsolete or not used or useful in the business;
- abandoning, terminating, canceling, releasing or making alterations in or substitutions of any leases or contracts subject to the Lien or the Indenture or any of the Security Documents;
- surrendering or modifying any franchise, license or permit subject to the Lien of the Security Documents that it may own or under which it may be operating;
- altering, repairing, replacing, changing the location or position of and adding to its structures, machinery, systems, equipment, fixtures and appurtenances;
- granting a license of any intellectual property;
- selling, transferring or otherwise disposing of inventory in the ordinary course of business;
- collecting accounts receivable in the ordinary course of business as permitted by the covenant described under "Description of the Notes — Certain Covenants — Limitations on Asset Sales;"

- making cash payments (including for the repayment of Indebtedness or interest) from cash that is at any time part of the Collateral in the ordinary course of business that are not otherwise prohibited by the Indenture and the Security Documents; and
- abandoning any intellectual property that is no longer used or useful in the Company's business.

No Impairment of the Security Interests

Neither the Company nor any of the Subsidiary Guarantors are permitted to take any action, or knowingly or negligently omit to take any action, which action or omission might or would have the result of materially impairing the security interest with respect to the Collateral for the benefit of the Notes Collateral Agent, the Trustee and the Holders of the Notes.

The Indenture provides that any release of Collateral in accordance with the provisions of the Indenture and the Security Documents will not be deemed to impair the security under the Indenture, and that any engineer, appraiser or other expert may rely on such provision in delivering a certificate requesting release so long as all other provisions of the Indenture with respect to such release have been complied with.

Optional Redemption

The Company may redeem all or any portion of the Notes at any time and from time to time on or after October 15, 2012 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 October 15 of each year indicated below:

Year	Percentage
2012	106.000%
2013	104.000%
2014	102.000%
2015 and thereafter	100.000%

In addition, on or prior to October 15, 2012, the Company may, at its option, redeem up to 35% of the aggregate principal amount of Notes issued under the Indenture with the net proceeds of an Equity Offering at 112% of the principal amount thereof plus accrued and unpaid interest, if any, to the date fixed for redemption; *provided*, that at least 65% of the aggregate principal amount of the Notes originally issued under the Indenture remain outstanding after such redemption. Notice of any such redemption must be given within 60 days after the date of the closing of the relevant Equity Offering.

Prior to October 15, 2012, we may at our option redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus the Applicable Premium as of, and accrued and unpaid interest to, the redemption date (subject to the right of Holders on the relevant record date to receive interest due on the relevant interest payment date). Notice of such redemption must be mailed by first-class mail to each Holder's registered address, not less than 30 nor more than 60 days prior to the redemption date.

"Applicable Premium" means, with respect to a Note at any redemption date, the greater of (i) 1.00% of the principal amount of such Note and (ii) the excess of (A) the present value at such redemption date of (1) the redemption price of such Note on October 15, 2012 (such redemption price being described in the second paragraph of this "Description of the Notes — Optional Redemption" section exclusive of any accrued interest) plus (2) all required remaining scheduled interest payments due on such Note through October 15, 2012 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate plus 0.50% per annum, over (B) the principal amount of such Note on such redemption date.

"Treasury Rate" means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H. 15 (519) that has become publicly available at least two Business Days

prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to October 15, 2012; *provided, however*, that if the period from the redemption date to October 15, 2012 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

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; or

(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.

See "Description of the Notes — Certain Covenants — Change of Control" and "Description of the Notes — Certain Covenants — Limitations on Asset Sales."

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 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 (so long as it remains a Subsidiary of the Company) unconditionally guarantees 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 are senior secured obligations of the applicable Subsidiary Guarantor. The obligations of each Subsidiary Guarantor are limited to the maximum amount which, after giving effect to all other contingent and fixed liabilities of such Subsidiary Guarantor and after giving effect to any collections from or payments made by or on behalf of any other Subsidiary Guarantor in respect of the obligations of such other Subsidiary Guarantor under its Subsidiary Guarantee or pursuant to its contribution obligations under the Indenture, will result in the obligations of such Subsidiary Guarantor under its Subsidiary Guarantee not constituting a fraudulent conveyance or fraudulent transfer under federal or state law. Each Subsidiary Guarantor that makes a payment or distribution under a Subsidiary Guarantee shall be entitled to a contribution from each other Subsidiary Guarantor in an amount *pro rata*, based on the net assets of each Subsidiary Guarantor, determined

in accordance with GAAP. Except as provided in "Description of the Notes — Certain Covenants" below, the Company is not restricted from selling or otherwise disposing of any of the Subsidiary Guarantors.

The Indenture provides that each existing and future Restricted Subsidiary (other than, in the Company's discretion, any Restricted Subsidiary the assets of which have a Book Value of not more than $5.0 million) be 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 (or a portion sufficient to cause such Subsidiary Guarantor to no longer be a Subsidiary of the Company) of the Capital Stock of any Subsidiary Guarantor is sold (including by consolidation, merger, issuance or otherwise) or disposed of (including by liquidation, dissolution or otherwise) by the Company or any of its Subsidiaries, or, unless the Company elects otherwise, if any Subsidiary Guarantor is designated an Unrestricted Subsidiary in accordance with the terms of the Indenture, then such Subsidiary Guarantor (in the event of a sale or other disposition of all of the Capital Stock of such Subsidiary Guarantor or a designation as an Unrestricted Subsidiary) or the Person 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 any of its obligations under the Indenture without any further action on the part of the Trustee or any Holder of the Notes, subject in each case to compliance with the covenants sets forth below under "Description of the Notes — Certain Covenants — Limitations on Asset Sales" and "Description of the Notes — Certain Covenants — Limitations on Mergers and Consolidations," as applicable.

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.

"Acquired 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, transfer, 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 $5.0 million or more as to each such transaction or series of related transactions; *provided, however*, that none of the following shall constitute an Asset Sale:

(i) a transaction or series of related transactions that results in a Change of Control;

(ii) sales of homes or land in the ordinary course of business;

(iii) sales, leases, conveyances or other dispositions, including, without limitation, exchanges or swaps, of real estate or other assets, in each case in the ordinary course of business, for development or disposition of the Company's or any of its Subsidiaries' projects;

(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;

(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;

(vi) any disposition of Cash Equivalents or obsolete or worn out equipment, in each case, in the ordinary course of business;

(vii) the sale or other disposition of assets no longer used or useful in the conduct of business of the Company or any of its Restricted Subsidiaries; and

(viii) the making of any Restricted Payment or Permitted Investment that is permitted to be made, and is made, under the covenant described under the heading "Description of the Notes — Certain Covenants — Limitations on Restricted Payments."

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

"Book Value" means, with respect to any asset of the Company or any of its Subsidiaries, the book value thereof as reflected in the most recent consolidated financial statements of the Company filed with SEC (or if such asset has been acquired after the date of such financial statements, the then-current book value thereof as reasonably determined by the Company consistent with recent practices).

"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.

"Cash Equivalents" means any of the following:

(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 one year of the date of acquisition thereof;

(ii) certificates of deposit, time deposits, bankers acceptances and other obligations placed with commercial banks organized under the laws of the United States of America or any state thereof, or branches or agencies of foreign banks licensed under the laws of the United States of America or any state thereof, having a short-term rating of not less than A− by each of Moody's and S&P at the time of acquisition, and having a maturity of not more than one year;

(iii) commercial paper rated at least P-1, A-1 or the equivalent thereof by Moody's or S&P, respectively, and in each case and maturing not more than one year from the date of the acquisition thereof;

(iv) repurchase agreements or money-market accounts which are fully secured by direct obligations of the United States or any agency thereof; and

(v) investments in money market funds (x) substantially all of the assets of which consist of investments described in the foregoing clauses (i) through (iv) or (y) which (A) have total net assets of at least $2 billion, (B) have investment objectives and policies that substantially conform with the Company's investment policy as in effect from time to time, (C) purchase only first-tier or U.S. government obligations as defined by Rule 2a-7 of the SEC promulgated under the Investment Company Act of 1940 and (D) otherwise comply with such Rule 2a-7.

"Change of Control" means any of the following:

(i) the sale, transfer, lease, conveyance or other disposition (in one transaction or a series of transactions) 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); *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% 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% 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% 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% or more of the aggregate voting power of all classes of Common Equity of the Company or (b) less than 50% (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;

(v) a majority of the Board of Directors of the Company not being comprised of Continuing Directors; or

(vi) a change of control shall occur as defined in the instrument governing any publicly traded debt securities of the Company which requires the Company to repay or repurchase such debt securities.

"Collateral" means all the assets and properties subject to the Liens created by the Security Documents.

"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, 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 non-cash items reducing Consolidated Net Income during such period,

minus all other non-cash 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 Acquired 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 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 Issue Date; 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.

"Covenant Trigger Date" means the first date that the Company's Consolidated Fixed Charge Coverage Ratio is at least 2.0 to 1.0 for any four consecutive fiscal quarters ended on or after the Issue Date.

"Credit Facilities" means, with respect to the Company or any of its Restricted Subsidiaries, one or more debt facilities or other financing arrangements (including, without limitation, commercial paper or letter of credit facilities or indentures) providing for revolving credit loans, term loans, letters of credit or other Indebtedness (including the Revolving Credit Facility), including any notes, mortgages, guarantees, collateral documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof and any indentures, credit facilities, letter of credit facilities or commercial paper facilities that replace, refund or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or refinancing facility or indenture that increases the amount permitted to be borrowed thereunder or alters the maturity thereof (*provided* that such increase in borrowings is permitted by the covenant described under "Description of the Notes — Certain Covenants — Limitation on Additional Indebtedness") or adds Restricted Subsidiaries as additional borrowers or guarantors thereunder and whether by the same or any other agent, lender or group of lenders.

"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.

"Discharge of First Priority Obligations" means, with respect to any First Priority Collateral, the date on which the First Priority Obligations secured thereby have been paid in full, in cash, all commitments to extend credit thereunder shall have been terminated and such First Priority Obligations are no longer secured by such First Priority Collateral (except that, with respect to any obligations under letters of credit, such obligations may be satisfied by cash collateralization (in an amount not in excess of 105% of the face value thereof) of such letters of credit or provision of back-stop letters of credit); *provided* that the Discharge of First Priority Obligations shall not be deemed to have occurred in connection with a refinancing of such First Priority Obligations with Indebtedness secured by such First Priority Collateral on a first-priority basis under an agreement that has been designated in writing by the agent, trustee or other representative under the agreement so refinancing such First Priority Obligations and the Notes Collateral Agent in accordance with the terms of the Intercreditor Agreement.

"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 or sale after the Issue Date by the Company for cash of Capital Stock, other than an offering or sale of Disqualified Stock.

"Event of Default" has the meaning set forth in "Description of the Notes — Events of Default."

"Excluded Property" means:

(i) Capital Stock in any Subsidiary or Affiliate;

(ii) up to $25.0 million of assets received in connection with sales of assets as permitted by clause (ii) of the definition of Permitted Investments;

(iii) real or personal property where the cost of obtaining a security interest or perfection thereof exceeds its benefits, as determined by the Company in good faith in an officer's certificate delivered to the Notes Collateral Agent;

(iv) real property subject to a Lien (a) permitted by clause (xxvii) of the definition of Permitted Liens or (b) securing Indebtedness incurred for the purpose of financing the acquisition thereof;

(v) real property located outside the United States;

(vi) unentitled land;

(vii) real property that is leased or held for the purpose of leasing to unaffiliated third parties;

(viii) any real property in a community under development with a dollar amount of investment as of the most recent month-end (as determined in accordance with GAAP) of less than $2.0 million or with less than 10 lots remaining); and

(ix) assets, with respect to which any applicable law or contract prohibits the creation or perfection of security interests therein (other than any contract entered into for the purpose of causing any real property to constitute Excluded Property under this clause (ix)).

"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.

"First Priority Collateral" means all of the Collateral subject to Liens securing any or all of the First Priority Obligations.

"First Priority Collateral Agent" means any Person acting as collateral agent or in any similar representative capacity for the benefit of any of the holders of First Priority Obligations.

"First Priority Documents" means all operative agreements evidencing or governing the First Priority Obligations and the Liens securing such First Priority Obligations.

"First Priority Obligations" has the meaning set forth in clause (xi)(b) of the definition of Permitted Liens.

"First Priority Liens" means the Liens on any or all of the First Priority Collateral that secure any or all of the First Priority Obligations.

"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 from time to time. At any time after the Issue Date, the Company may elect to apply International Financial

Reporting Standards **("IFRS")** accounting principles in lieu of GAAP and, upon any such election, references herein to GAAP shall thereafter be construed to mean IFRS (except as otherwise provided in the Indenture); *provided* that any such election, once made, shall be irrevocable; *provided, further*, any calculation or determination in the Indenture that requires the application of GAAP for periods that include fiscal quarters ended prior to the Company's election to apply IFRS shall remain as previously calculated or determined in accordance with GAAP. The Company shall give notice of any such election made in accordance with this definition to the Trustee and the Holders of Notes.

"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" (and derivatives thereof) 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 (including a purchase money obligation) given in connection with the acquisition of any businesses, properties or assets of any kind or with services incurred in connection with capital expenditures (other than any obligation to pay a contingent purchase price which, as of the date of incurrence thereof, is not required to be recorded as a liability in accordance with GAAP);

(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 or similar instruments issued for the benefit of, or surety, performance, completion or payment bonds, earnest money notes or similar purpose undertakings or indemnifications 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 Capitalized Lease Obligations of such Person;

(vi) all Indebtedness of others secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person;

(vii) all Indebtedness of others guaranteed by, or otherwise the liability of, such Person to the extent of such guarantee or liability; and

(viii) 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);

provided, that Indebtedness shall not include accrued expenses, trade payables, liabilities related to inventory not owned, customer deposits or deferred income taxes arising in the ordinary course of business. 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 (vii) above; and

(c) in the case of clause (vi) (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.

"Intercreditor Agreement" means the Intercreditor Agreement, dated as of the Issue Date, among Citibank, N.A., as a First Priority Collateral Agent, the Notes Collateral Agent, the Company and each Subsidiary Guarantor, as such agreement may be amended, restated, supplemented or otherwise modified from time to time.

"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 non-cash 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. For all purposes of the Indenture, the amount of any such Investment shall be the fair market value thereof (with the fair market value

of each Investment being measured at the time made and without giving effect to subsequent changes in value). The making of any payment in accordance with the terms of a guarantee or other contingent obligation permitted under the Indenture shall not be considered an Investment.

"Issue Date" means September 11, 2009.

"Legal Holiday" means Saturday, Sunday or a day on which banking institutions in New York, New York, Atlanta, Georgia 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).

"Marketable Securities" means (a) equity securities that are listed on the New York Stock Exchange, the American Stock Exchange or The Nasdaq Stock Market and (b) debt securities that are rated by a nationally recognized rating agency, listed on the New York Stock Exchange or the American Stock Exchange or covered by at least two reputable market makers.

"Material Subsidiary" means any Subsidiary of the Company which accounted for 5% 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.

"Moody's" means Moody's Investors Service, Inc. or any successor to its debt rating business.

"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 (other than Indebtedness secured by Liens on the Collateral) 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 non-cash 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-Conforming Plan of Reorganization" means any plan of reorganization that grants any noteholder secured party any right or benefit, directly or indirectly, which right or benefit is prohibited at such time by the provisions of the Intercreditor Agreement.

"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 (directly or indirectly, including through the purchase of Capital Stock of the Person owning such property) with the proceeds of such Indebtedness or such Indebtedness was Incurred within 90 days after the acquisition (directly or indirectly, including through the purchase of Capital Stock of the Person owning such property) of such property and (ii) no other assets of such Person may be realized upon in collection of principal or interest on such Indebtedness. Indebtedness which is otherwise Non-Recourse Indebtedness will not lose its character as Non-Recourse Indebtedness because there is recourse to the borrower, any guarantor or any other Person for (a) environmental warranties and indemnities, (b) indemnities for and liabilities arising from fraud, misrepresentation, misapplication or non-payment of rents, profits, insurance and condemnation proceeds and other sums actually received by the borrower from secured assets to be paid to the lender, waste and mechanics' liens or (c) in the case of the borrower thereof only, other obligations in respect of such Indebtedness that are payable solely as a result of a voluntary bankruptcy filing (or similar filing or action) by such borrower.

"Notes Collateral" means all of the Collateral other than the First Priority Collateral.

"Obligations" means, with respect to any Indebtedness, all obligations (whether in existence on the Issue Date or arising afterwards, absolute or contingent, direct or indirect) for or in respect of principal (when due, upon acceleration, upon redemption, upon mandatory repayment or repurchase pursuant to a mandatory offer to purchase, or otherwise), premium, interest, penalties, fees, indemnification, reimbursement and other amounts payable and liabilities with respect to such Indebtedness, including all interest accrued or accruing after the commencement of any bankruptcy, insolvency or reorganization or similar case or proceeding at the contract rate (including, without limitation, any contract rate applicable upon default) specified in the relevant documentation, whether or not the claim for such interest is allowed as a claim in such case or proceeding.

"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.

"Other Pari Passu Lien Obligations" has the meaning set forth in clause (xi)(c) of the definition of Permitted Liens.

"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) Cash Equivalents;

(ii) in the case of the Company and its Subsidiaries, any receivables, loans or other consideration taken by the Company or a Subsidiary in connection with the sale of any asset otherwise permitted by the Indenture; *provided* that non-cash consideration received in an Asset Sale or an exchange or swap of assets shall be pledged as Collateral under the Security Documents to the extent the assets subject to such Asset Sale or exchange or swap of assets constituted Collateral, with the Lien on such Collateral being of the same priority with respect to the Notes as the Lien on the assets disposed of; *provided further* that notwithstanding the foregoing clause, up to an aggregate of $25.0 million of (x) non-cash consideration and consideration received as referred to in clause (ii) of the second paragraph under "Description of the Notes — Certain Covenants — Limitations on Asset Sales," (y) assets invested in pursuant to the third paragraph under "Description of the Notes — Certain Covenants — Limitations on Asset Sales" and

(z) assets received pursuant to clause (iv) of the proviso set forth in the definition of "Asset Sale" may be designated by the Company as Excluded Property not required to be pledged as Collateral;

(iii) Investments in joint ventures or Unrestricted Subsidiaries having an aggregate fair market value (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), taken together with all other Investments made pursuant to this clause (iii) that are at the time outstanding, net of any amounts paid to the Company or any Restricted Subsidiary as a return of, or on, such Investments not to exceed the greater of (x) $50.0 million and (y) if the Covenant Trigger Date has occurred, 3.0% of Consolidated Tangible Assets; and

(iv) other Investments having an aggregate fair market value (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), taken together with all other Investments made pursuant to this clause (iv) that are at the time outstanding, net of any amounts paid to the Company or any Restricted Subsidiary as a return of, or on, such Investments not to exceed $10.0 million.

"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, utility services, developer's or other obligations to make on-site or off-site improvements and other obligations of like nature (exclusive of obligations for the payment of borrowed money but including the items referred to in the parenthetical in clause (iii) of the definition of "Indebtedness"), in each case incurred in the ordinary course of business of the Company and the Restricted 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:

(a) the Notes (including any Additional Notes), the Subsidiary Guarantees thereof and other Obligations under the Indenture and the Security Documents and in respect thereof and any obligations owing to the Trustee or the Notes Collateral Agent under the Indenture or the Security Documents;

(b) up to aggregate amount of Indebtedness or other obligations of the Company and the Restricted Subsidiaries equal to the greatest of (i) $150.0 million, (ii) 7.5% of Consolidated Tangible Assets (but not in excess of $200.0 million) and (iii) following the Covenant Trigger Date, 15% of Consolidated Tangible Assets, in each case otherwise permitted to be incurred under the Indenture (and all obligations, including letters of credit and similar instruments, incurred, issued or arising thereunder) and Liens securing Refinancing Indebtedness in respect thereof, which Liens incurred under this clause (b) may be on a first-lien priority basis compared to the Notes on terms as set forth in the Intercreditor Agreement (collectively, **"First Priority Obligations"**); *provided* that the proceeds of any such Indebtedness constituting First Priority Obligations shall not be used to repay or repurchase (and such Indebtedness shall not be issued in exchange for) any other Indebtedness of the Company or any of its Subsidiaries that is unsecured or secured by Liens on all or any portion of the Collateral that are *pari passu* with or junior to the Liens securing the Notes; and

(c) up to aggregate amount of Indebtedness or other obligations of the Company and the Restricted Subsidiaries equal to the greater of (i) $700.0 million (but not to exceed, prior to the date that mortgages with respect to real properties have been granted to the Notes Collateral Agent covering an aggregate Book Value of real properties equal to at least $700.0 million, an amount equal to the aggregate Book Value of real properties covered by mortgages granted to the Notes Collateral Agent since the Issue Date) and (ii) following the Covenant Trigger Date, 40% of Consolidated Tangible Assets, in each case less the amount of Indebtedness secured under clauses (a) and (b) above and clause (xxvii) below, otherwise permitted to be incurred under the Indenture (and all obligations, including letters of credit and similar instruments, incurred, issued or arising thereunder) and Liens securing Refinancing Indebtedness in respect thereof, which Liens incurred under this clause (c) shall, to the extent on Collateral, either (x) be on a pari passu lien priority basis compared to the Notes on terms as set forth in the Intercreditor Agreement (collectively, **"Other Pari Passu Lien Obligations"**) or (y) be on a junior lien priority basis compared to the Notes on a basis substantially the same as the basis on which the Liens securing the Notes are treated under the Intercreditor Agreement with respect to the First Priority Liens, pursuant to an intercreditor agreement, in form and substance similar to the Intercreditor Agreement or as otherwise reasonably satisfactory to the First Priority Collateral Agents and the Notes Collateral Agent (collectively, **"Junior Lien Obligations"**);

provided that in the case of (b) and (c) (other than in the case of Junior Lien Obligations) the holders of such secured Obligations (or a representative thereof) become party to the Intercreditor Agreement;

(xii) any interest in or title of a lessor or sublessor to property subject to any (x) Capitalized Lease Obligations incurred in compliance with the provisions of the Indenture or (y) any lease or sublease;

(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;

(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;

(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;

(xxiii) Liens on property acquired by the Company or a Restricted Subsidiary and Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or any Restricted Subsidiary or becomes a Restricted Subsidiary; *provided* that in each case such Liens (A) were in existence prior to the contemplation of such acquisition, merger or consolidation and (B) do not extend to any asset other than those of the Person merged with or into or consolidated with the Company or the Restricted Subsidiary or the property acquired by the Company or the Restricted Subsidiary;

(xxiv) Liens replacing any of the Liens described in clauses (xiii) and (xxiii) above; *provided* that (A) the principal amount of the Indebtedness secured by such Liens shall not be increased (except to the extent of reasonable premiums or other payments required to be paid in connection with the repayment of the previously secured Indebtedness or Incurrence of related Refinancing Indebtedness and expenses Incurred in connection therewith) and (B) the new Liens shall be limited to the property or part thereof which secured the Lien so replaced or property substituted therefor as a result of the destruction, condemnation or damage of such property;

(xxv) Liens arising from UCC financing statement filings regarding operating leases entered into by the Company and its Restricted Subsidiaries in the ordinary course of business;

(xxvi) Liens securing Indebtedness incurred pursuant to clause (ix) of the second paragraph under the "Description of the Notes — Certain Covenants — Limitations on Additional Indebtedness;" and

(xxvii) Liens securing Indebtedness incurred pursuant to clause (x) of the second paragraph under the "Description of the Notes — Certain Covenants — Limitations on Additional Indebtedness;" *provided* that such Liens extend only to the land or lots to which such Indebtedness relates.

"Person" means any individual, corporation, partnership, limited liability company, 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.

"Real Estate Business" means homebuilding, housing construction, real estate development or construction and the sale of homes and related real estate activities, including the provision of mortgage financing or title insurance.

"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 in right of payment 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 (including accrued interest) under the Indebtedness being refunded, refinanced or extended plus an amount necessary to pay any reasonable fees and expenses, including premiums and defeasance costs, related to such refinancing;

(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 before or 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. Notwithstanding the above, a Subsidiary Guarantee shall not be deemed a Restricted Investment.

"Restricted Payment" means any of the following:

(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 the Capital Stock of the Company or any Restricted Subsidiary (other than (a) dividends, payments or distributions payable solely in Capital Stock (other than Disqualified Stock) of the Company or a Restricted Subsidiary and (b) in the case of a Restricted Subsidiary, dividends, payments or distributions payable to the Company or to another Restricted Subsidiary and *pro rata* dividends, payments or distributions payable to minority stockholders of such Restricted Subsidiary);

(ii) the purchase, redemption, retirement or other acquisition for value of any Capital Stock of the Company or any Restricted Subsidiary (other than Capital Stock held by the Company or a Restricted Subsidiary);

(iii) any Restricted Investment; and

(iv) any principal payment, redemption, repurchase, defeasance or other acquisition or retirement of any Subordinated Indebtedness (other than (a) Indebtedness pursuant to under clause (vii) of the second paragraph under "Description of the Notes — Certain Covenants — Limitations on Additional Indebtedness" or (b) the payment, redemption, repurchase, defeasance or other acquisition or retirement of such Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such payment, redemption, repurchase, defeasance or other acquisition or retirement);

provided, however, that Restricted Payments will not include any purchase, redemption, retirement or other acquisition for value of Indebtedness or Capital Stock of the Company or a Restricted Subsidiary if the consideration therefor consists solely of Capital Stock (other than Disqualified Stock) of the Company or a Restricted Subsidiary.

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

"Revolving Credit Facility" means the Amended and Restated Credit Agreement, dated as of August 5, 2009, among the Company, the lenders and letter of credit issuers party thereto, and Citibank, N.A., as agent and swingline lender, as such facility may be amended, restated, supplemented or otherwise modified from time to time.

"S&P" means Standard and Poor's Ratings Service, a division of McGraw Hill, Inc., a New York corporation, or any successor to its debt rating business.

"SEC" means the Securities and Exchange Commission.

"Second Priority Liens" means the Liens on any or all of the First Priority Collateral that secure any or all of the Obligations with respect to the Notes.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Security Documents" means the security agreements, pledge agreements, mortgages, collateral assignments, UCC financing statements and related agreements, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified from time to time, creating the security interests in the Collateral as contemplated by the Indenture.

"Security Register" is a register of the Notes and of their transfer and exchange kept by the Registrar.

"Subordinated Indebtedness" means any Indebtedness which is subordinated in right of payment to the Notes or the Subsidiary Guarantees, as the case may be.

"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; *provided* that in each of case (i) and (ii), such Person is required to consolidate such entity in accordance with GAAP.

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

"Subsidiary Guarantors" means (i) each of the Company's Restricted Subsidiaries in existence on the Issue Date, other than The Ridings Development LLC and (ii) each of the Company's Subsidiaries that becomes a guarantor of the Notes pursuant to the provisions of the Indenture.

"Trust Indenture Act" or *"TIA"* means the Trust Indenture Act of 1939, as amended.

"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 Corporation, a Vermont corporation, Security Title Insurance Company, Inc., a Vermont corporation, and, to the extent considered a Subsidiary of the Company, Beazer Homes Capital Trust I, and each of the Subsidiaries of the Company (including any newly formed or acquired Subsidiary) 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 on the property and assets of such Unrestricted Subsidiary could then be incurred in accordance with the "Limitations 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, either (x) 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 or (y) the Consolidated Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries would be greater than such ratio immediately prior to such designation, in each case on a pro forma basis taking into account such designation; 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.

"U.S. Government Obligations" means securities which are (i) direct obligations of the United States of America, for the payment of which its full faith and credit is pledged or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository

receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

"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% 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.

Certain Covenants

The following is a summary of certain covenants that are contained in the Indenture. Such covenants are applicable (unless waived or amended as permitted by the Indenture) so long as any of the Notes are outstanding or until the Notes are defeased pursuant to provisions described under "Description of the Notes — Discharge and Defeasance of Indenture."

Limitations on Asset Sales.

The Indenture provides that the Company will not, and will not cause or permit any Restricted Subsidiary to, make any Asset Sale unless:

(a) the Company (or such Restricted Subsidiary, as the case may be) receives consideration at the time of such Asset Sale at least equal to the Fair Market Value thereof; and

(b) not less than 70% of the consideration received by the Company (or such Restricted Subsidiary, as the case may be) is in the form of cash, Cash Equivalents and Marketable Securities (excluding Marketable Securities of the Company).

The amount of (i) any Indebtedness (other than any Subordinated Indebtedness) of the Company or any Restricted Subsidiary that is actually assumed by the transferee in such Asset Sale and (ii) the Fair Market Value of any property or assets (including Capital Stock of any Person that will be a Restricted Subsidiary following receipt thereof) received that are used or useful in a Real Estate Business (*provided* that (except as permitted by clause (ii) under the definition of "Permitted Investment") to the extent that the assets disposed of in such Asset Sale were Collateral, such property or assets are pledged as Collateral under the Security Documents substantially simultaneously with such sale, with the Lien on such Collateral securing the Notes being of the same priority with respect to the Notes as the Lien on the assets disposed of), shall be deemed to be consideration required by clause (b) above for purposes of determining the percentage of such consideration received by the Company or the Restricted Subsidiaries. Any Marketable Securities received as consideration in connection with an Asset Sale shall be converted into cash or Cash Equivalents within 180 days of receipt of such Marketable Securities.

The Net Proceeds of an Asset Sale shall, within one year, at the Company's election:

(i) be used by the Company or a Restricted Subsidiary to invest in assets (including Capital Stock of any Person that is or will be a Restricted Subsidiary following investment therein) used or useful in the business of the Company and the Restricted Subsidiaries; *provided* that (except as permitted by clause (ii) under the definition of "Permitted Investment") to the extent that the assets disposed of in such Asset Sale were Collateral, such assets are pledged as Collateral under the Security Documents with the Lien

on such Collateral securing the Notes being of the same priority with respect to the Notes as the Lien on the assets disposed of;

(ii) be used to permanently prepay or permanently repay any (1) Indebtedness (or cash collateralize letters of credit) constituting First Priority Obligations (and, in the case of revolving obligations, to permanently reduce commitments with respect thereto) to the extent the assets sold were First Priority Collateral or (2) Indebtedness which had been secured by the assets sold in the relevant Asset Sale or other Indebtedness that is not subordinated in right of payment to the Notes or Subsidiary Guarantees, to the extent the assets sold were not Collateral (and, in the case of revolving obligations, to permanently reduce commitments with respect thereto); or

(iii) be applied to make an offer to purchase (in accordance with the terms set forth in the Indenture) Notes and, if the Company or a Restricted Subsidiary elects or is required to do so, offer to purchase, repay or redeem Other Pari Passu Lien Obligations (to the extent the assets sold were Collateral) on a *pro rata* basis if the amount available for such purchase, repayment or redemption is less than the aggregate amount of (i) the principal amount of the Notes tendered in such offer to purchase and (ii) the lesser of the principal amount, or accreted value, of such other Other Pari Passu Lien Obligations or other Indebtedness, as applicable, plus, in each case accrued interest to the date of repayment, purchase or redemption at 100% of the principal amount or accreted value thereof, as the case may be, plus accrued and unpaid interest, if any, to the date of repurchase or repayment.

The amount of such Net Proceeds neither used to repay the Indebtedness described above nor used or invested as set forth in the preceding paragraph 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 "Limitations on Asset Sales" covenant set forth in the Indenture.

The Indenture provides that, when the aggregate amount of Excess Proceeds equals $25,000,000 or more, the Company will so notify the Trustee in writing by delivery of an Officer's Certificate and will offer to purchase from all Holders (and, if the Company or a Restricted Subsidiary is required to do so, offer to purchase, repay or redeem Other Pari Passu Lien Obligations (to the extent the assets sold were Collateral) (an "Excess Proceeds Offer"), and will purchase from Holders and holders of any such Other Pari Passu Lien Obligations on a pro rata basis, 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 (in $2,000 minimum denominations or in integral multiples of $1,000 in excess thereof) of Notes (and such Other Pari Passu Lien Obligations) 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% of the principal amount thereof (or, if less, the accreted value) plus accrued and unpaid interest, if any, to the Asset Sale Offer Date, in accordance with the procedures set forth in the Indenture. To the extent that the aggregate amount of Notes (and such Other Pari Passu Lien Obligations) 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.

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 this covenant 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 this covenant (within the time periods set forth in this covenant as if the date of such receipt was the date of an Asset Sale) 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.

Pending any such application under this covenant, Net Proceeds may be used to temporarily reduce Indebtedness or otherwise be invested in any manner not prohibited by the Indenture.

The Company will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to an Excess Proceeds Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of the Indenture, the Company will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof.

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 (excluding Restricted Payments permitted by clauses (ii), (iii), (iv), (vi) and (vii) of the next succeeding paragraph) declared or made after the Covenant Trigger Date exceeds the sum of:

(1) $40.0 million, plus

(2) 50% of the Company's Consolidated Net Income accrued during the period (taken as a single period) commencing on the first day of the fiscal quarter in which the Covenant Trigger Date occurs 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% 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 (or any capital contribution to the Company or a Restricted Subsidiary) that is not Disqualified Stock (other than a sale to, or a contribution by, a Subsidiary of the Company) after the Covenant Trigger Date, plus

(4) 100% 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 Covenant Trigger Date that is converted into or exchanged for Capital Stock of the Company that is not Disqualified Stock, plus

(5) 100% 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% 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 Covenant Trigger Date, but only to the extent that such guarantee constituted a permitted Restricted Payment, plus

(7) with respect to any Unrestricted Subsidiary that is redesignated as a Restricted Subsidiary in accordance with the definition of "Unrestricted Subsidiary" (so long as the designation of such Subsidiary as an Unrestricted Subsidiary was treated as a Restricted Payment made after the IssueDate, and only to the extent not included in clause (2) above), an amount equal to the lesser of (x) the proportionate interest of the Company or a Restricted Subsidiary in an amount equal to the excess of (I) the total assets of such Subsidiary, valued on an aggregate basis at the lesser of Book Value and Fair Market Value thereof, over (II) the total liabilities of such Subsidiary, determined in

accordance with GAAP, and (y) the amount of the Restricted Payment deemed to be made upon such Subsidiary's designation as an Unrestricted Subsidiary; 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; or

(iv) the Covenant Trigger Date has not occurred.

Notwithstanding the foregoing, the provisions of the "Limitation on Restricted Payments" covenant set forth in the Indenture do 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;

(ii) the purchase, repayment, redemption, repurchase, defeasance or other acquisition or retirement of shares of the Company's Capital Stock or the Company's or a Restricted Subsidiary'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 purchase, repayment, redemption, repurchase, defeasance or other acquisition 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;

(v) any purchase, redemption, retirement or other acquisition for value of Capital Stock of the Company or any Subsidiary held by officers or employees or former officers or employees of the Company or any Subsidiary (or their estates or beneficiaries under their estates) not to exceed $500,000 in any calendar year and $5.0 million in the aggregate since the Issue Date;

(vi) repurchases of Capital Stock deemed to occur upon the exercise of stock options, warrants or similar instruments if such Capital Stock represents a portion of the exercise price of such options, warrants or similar instruments;

(vii) the payment by the Company of cash in lieu of the issuance of fractional shares upon the exercise of options, warrants or similar instruments or upon the conversion or exchange of Capital Stock of the Company;

(viii) the payment of dividends on Preferred Stock and Disqualified Stock up to an aggregate amount of $10.0 million in any fiscal year; *provided* that immediately after giving effect to any declaration of such dividend, the Company could incur at least $1.00 of Indebtedness under the Consolidated Fixed Charge Coverage Ratio contained in the "Limitations on Additional Indebtedness" covenant set forth in the Indenture;

(ix) payments not to exceed $40.0 million in the aggregate for the purchase, repayment, redemption, repurchase, defeasance or other acquisition or retirement for value of the Company's junior subordinated notes due July 30, 2036 (or the related trust preferred securities issued by Beazer Homes Capital Trust I), as such securities may be amended or modified from time to time; or

(x) other Restricted Payments made after the Issue Date in an amount not to exceed $20.0 million in the aggregate.

Limitations on Additional Indebtedness.

The Indenture provides that the Company will not, and will not cause or permit any of its Restricted Subsidiaries, directly or indirectly, to, Incur any Indebtedness including Acquired Indebtedness; *provided* that the Company and the Subsidiary Guarantors may Incur Indebtedness, including Acquired Indebtedness, if, 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 do not prevent:

(i) the Company or any Restricted Subsidiary from Incurring (A) Refinancing Indebtedness or (B) Non-Recourse Indebtedness;

(ii) the Company from Incurring Indebtedness evidenced by the Notes;

(iii) the Company or any Subsidiary Guarantor from Incurring Indebtedness under Credit Facilities not to exceed the greater of $150.0 million and 7.5% of Consolidated Tangible Assets;

(iv) any Subsidiary Guarantee of Indebtedness of the Company under the Notes;

(v) 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);

(vi) any Subsidiary Guarantor from guaranteeing Indebtedness of the Company or any other Subsidiary Guarantor, or the Company from guaranteeing Indebtedness of any Subsidiary Guarantor, in each case permitted to be Incurred under the Indenture (other than Non-Recourse Indebtedness);

(vii) (a) any Restricted Subsidiary from Incurring Indebtedness owing to the Company or any Subsidiary Guarantor that is both a Wholly Owned Subsidiary and a Restricted Subsidiary; *provided* that

(I) such Indebtedness is subordinated to any Subsidiary Guarantee of such Restricted Subsidiary, if any, and

(II) such Indebtedness shall only be permitted pursuant to this clause (vii)(a) for so long as the Person to whom such Indebtedness is owing is the Company or a Subsidiary Guarantor that is both a Wholly Owned Subsidiary and a Restricted Subsidiary, and

(b) the Company from Incurring Indebtedness owing to any Subsidiary Guarantor that is both a Wholly Owned Subsidiary and a Restricted Subsidiary; *provided* that

(I) such Indebtedness is subordinated to the Company's obligations under the Notes and the Indenture, and

(II) such Indebtedness shall only be permitted pursuant to this clause (vii)(b) for so long as the Person to whom such Indebtedness is owing is a Subsidiary Guarantor that is both a Wholly Owned Subsidiary and a Restricted Subsidiary;

(viii) the Company and any Restricted Subsidiary from Incurring Indebtedness under Capitalized Lease Obligations or purchase money obligations, in each case Incurred for the purpose of acquiring or financing all or any part of the purchase price or cost of construction or improvement of property or equipment used in the business of the Company or such Restricted Subsidiary, as the case may be, in an aggregate amount not to exceed $20.0 million;

(ix) the Company or any Restricted Subsidiary from Incurring obligations for, pledge of assets in respect of, and guaranties of, bond financings of political subdivisions or enterprises thereof in the ordinary course of business;

(x) Company or any Restricted Subsidiary from incurring Indebtedness owed to a seller of entitled land, lots under development or finished lots under the terms of which the Company or such Restricted Subsidiary, as obligor, is required to make a payment upon the future sale of such land or lots; and

(xi) the Company or any Restricted Subsidiary from Incurring Indebtedness in an aggregate principal amount at any time outstanding not to exceed $20.0 million.

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 in any manner that complies with this covenant and may from time to time reclassify such item of Indebtedness in any manner in which such item could be Incurred at the time of such reclassification.

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% 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. Such notice shall specify, among other items, the Change of Control Payment Date, which shall be no earlier than 45 days nor later than 60 days from the date such notice is mailed.

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 minimum denominations of $2,000 and integral multiples of $1,000 in excess 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. In addition, in a recent decision, the Chancery Court of Delaware raised the possibility that a change of control as a result of a failure to have "continuing directors" comprising a majority of the Board of Directors may be unenforceable on public policy grounds.

Limitations on Transactions with 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% 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 $5.0 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 $20.0 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; or

(iv) any transaction between the Company and a Restricted Subsidiary or a Restricted Subsidiary and another Restricted Subsidiary.

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, except, in the case of any asset or property not part of the Collateral, any Lien if the Notes are equally and ratably secured with (or on a senior basis to, if such Lien secures subordinated Indebtedness) the obligations secured by such Lien.

Any Lien created for the benefit of the Holders of the Notes pursuant to the preceding paragraph shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Lien securing such other obligations, which release and discharge in the case of any sale of any such asset or property shall not affect any Lien that the Notes Collateral Agent may have on the proceeds of such sale.

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 Acquired Indebtedness; *provided* that such encumbrance or restriction applies only to the obligor on such Indebtedness and its Subsidiaries and that such Acquired 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 materially more restrictive than those under the agreement creating or evidencing the Indebtedness being refunded, refinanced, replaced or extended;

(e) any Permitted Lien, or any other 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 prior to default thereunder;

(f) reasonable and customary borrowing base covenants set forth in agreements evidencing Indebtedness otherwise permitted by the Indenture;

(g) customary non-assignment provisions in leases, licenses, encumbrances, contracts or similar assets entered into or acquired in the ordinary course of business;

(h) any restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of all or substantially all of the Capital Stock or assets of such Restricted Subsidiary pending the closing of such sale or disposition;

(i) encumbrances or restrictions existing under or by reason of the Indenture, the Notes, the Subsidiary Guarantees or the Security Documents;

(j) purchase money obligations that impose restrictions on the property so acquired of the nature described in clause (iii) of this covenant;

(k) Liens permitted under the Indenture securing Indebtedness that limit the right of the debtor to dispose of the assets subject to such Lien;

(l) provisions with respect to the disposition or distribution of assets or property in joint venture agreements, assets sale agreements, stock sale agreements and other similar agreements;

(m) customary provisions of any franchise, distribution or similar agreements;

(n) restrictions on cash or other deposits or net worth imposed by contracts entered into in the ordinary course of business; and

(o) any encumbrance or restrictions of the type referred to in clauses (i), (ii) or (iii) of this covenant imposed by any amendments, modifications, restatements, renewals, supplements, refinancings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (a) through (n) of this paragraph, *provided*, that such amendments, modifications, restatements, renewals, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Company's Board of Directors, no more restrictive with respect to such dividend and other payment restrictions than those contained in the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, supplement, refunding, replacement or refinancing.

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 (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; and

(iii) 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 either (x) 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 or (y) greater than the Consolidated Fixed Charge Coverage Ratio of the Company immediately prior to such transaction.

The foregoing provisions do 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 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, the Indenture or any of the Security Documents 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 $25.0 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 $25.0 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); *provided*, that if such failure to pay shall be remedied, waived or extended, then the Event of Default hereunder shall be deemed likewise to be remedied, waived or extended without further action by the Company;

(vi) a final judgment or judgments that exceed $25.0 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) 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;

(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); or

(x) the Liens created by the Security Documents shall at any time not constitute a valid and perfected Lien on any material portion of the Collateral intended to be covered thereby (to the extent perfection by filing, registration, recordation or possession is required by the Indenture or the Security Documents) other than in accordance with the terms of the relevant Security Document and the Indenture and other than the satisfaction in full of all Obligations under the Indenture or the release or amendment of any such Lien in accordance with the terms of the Indenture or the Security Documents, or, except for expiration in accordance with its terms or amendment, modification, waiver, termination or release in accordance with the terms of the Indenture and the relevant Security Document, any of the Security Documents shall for whatever reason be terminated or cease to be in full force and effect, if in either case, such default continues for 30 days after notice, or the enforceability thereof shall be contested by the Company or any Subsidiary Guarantor.

A Default as described in sub-clause (iii) above is not deemed an Event of Default until the Trustee notifies the Company, or the Holders of at least 25% 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% 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 SEC 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 SEC 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 SEC 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 SEC 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 continue to comply with the other provisions of Section 314(a) of the Trust Indenture Act. For the avoidance of doubt, this covenant does not require the Company to file any such reports, information or documents with the SEC within any specified time period and the obligation to deliver such reports, information or documents to the Trustee and Holders shall only arise after (and only to the extent) such reports, information or documents are filed with the SEC.

Discharge and Defeasance of Indenture

The Company and the Subsidiary Guarantors may discharge their obligations under the Notes, the Subsidiary Guarantees, the Indenture and the Security Documents and cause the release of all Liens on the Collateral granted under the Security Documents by irrevocably depositing in trust with the Trustee money or U.S. Government Obligations sufficient to pay principal of, premium and interest on the Notes to maturity or redemption and the Notes mature or are to be called for redemption within one year, subject to meeting certain other conditions.

The Indenture permits the Company and the Subsidiary Guarantors to terminate all of their respective obligations under the Indenture with respect to the Notes and the Subsidiary Guarantees and under the Security Documents and cause the release of all Liens on the Collateral granted under the Security Documents, other than the obligation to pay interest on and the principal of the Notes and certain other obligations **("legal defeasance")**, at any time by:

(1) depositing in trust with the Trustee, under an irrevocable trust agreement, cash or U.S. Government Obligations in an amount sufficient to pay principal of and premium and interest on the Notes to their maturity or redemption, as the case may be, and

(2) complying with certain other conditions, including delivery to the Trustee of an opinion of counsel or a ruling received from the Internal Revenue Service, 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, which opinion of counsel is based upon a change in the applicable federal tax law since the Issue Date.

In addition, the Indenture permits the Company and the Subsidiary Guarantors to terminate all of their obligations under the Indenture with respect to certain covenants and Events of Default specified in the Indenture, and the Subsidiary Guarantees and the Liens on the Collateral granted under the Security Documents will be released **("covenant defeasance")**, at any time by:

(1) depositing in trust with the Trustee, under an irrevocable trust agreement, cash or U.S. government obligations in an amount sufficient to pay principal of, premium and interest on the Notes to their maturity or redemption, as the case may be, and

(2) complying with certain other conditions, including delivery to the Trustee of an opinion of counsel or a ruling received from the Internal Revenue Service, 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.

Notwithstanding the foregoing, no discharge, legal defeasance or covenant defeasance described above will affect the following obligations to, or rights of, the Holders of the Notes:

- rights of registration of transfer and exchange of Notes;
- rights of substitution of mutilated, defaced, destroyed, lost or stolen Notes;
- rights of Holders of the Notes to receive payments of principal thereof, premium, if any, and interest thereon, upon the original due dates therefor, but not upon acceleration;
- rights, obligations, duties and immunities of the Trustee;
- rights of Holders of Notes that are beneficiaries with respect to property so deposited with the Trustee payable to all or any of them; and
- obligations of the Company to maintain an office or agency in respect of the Notes.

The Company or the Subsidiary Guarantors may exercise the legal defeasance option with respect to the Notes notwithstanding the prior exercise of the covenant defeasance option with respect to the Notes. If the Company or the Subsidiary Guarantors exercise the legal defeasance option with respect to the Notes, payment of the Notes may not be accelerated due to an Event of Default with respect to the Notes. If the Company or the Subsidiary Guarantors exercise the covenant defeasance option with respect to the Notes, payment of the Notes may not be accelerated due to an Event of Default with respect to the covenants to which such covenant defeasance is applicable. However, if acceleration were to occur by reason of another Event of Default, the realizable value at the acceleration date of the cash and U.S. Government Obligations in the defeasance trust could be less than the principal of, premium, if any, and interest then due on the Notes, in that the required deposit in the defeasance trust is based upon scheduled cash flow rather than market value, which will vary depending upon interest rates and other factors.

Transfer and Exchange

A Holder is 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, the Notes or the Security Documents 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 or any Security Document 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, the Notes or the Security Documents or waive any provision thereof 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 or in place of certificated Notes; to provide for any Subsidiary Guarantee of the Notes; to add security to or for the benefit of the Notes and, in the case of the Security Documents, to or for the benefit of the other secured parties named therein or holders of Other Pari Passu Lien Obligations or to confirm and evidence the release, termination or discharge of any Subsidiary Guarantee of or Lien securing the Notes when such release, termination or discharge is permitted by the Indenture and the Security Documents; to add covenants or new events of default for the protection of the Holders of the Notes; to make any change that does not adversely affect the legal rights under the Indenture of any Holder; or to comply with or qualify the Indenture under the Trust Indenture Act.

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;

(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) modify any of the provisions with respect to mandatory offers to repurchase Notes pursuant to the "Limitations on Asset Sales" or "Change of Control" covenants set forth in the Indenture after the obligation to make such mandatory offer to repurchase has arisen;

(viii) 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;

(ix) waive a continuing Default or Event of Default in the payment of principal of or interest on the Notes; or

(x) effect a release of all or substantially all of the Collateral other than pursuant to the terms of the Security Documents or as otherwise permitted by the Indenture.

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.

The Intercreditor Agreement may be amended from time to time with the consent of certain parties thereto. In addition, the Intercreditor Agreement and Security Documents may be amended from time to time at the sole request and expense of the Company, and without the consent of any First Priority Collateral Agent or the Notes Collateral Agent (A) to add other parties (or any authorized agent thereof or trustee therefor) holding First Priority Obligations or Other Pari Passu Lien Obligations that are incurred in compliance with the First Priority Documents, the Indenture and the Security Documents, (B) to establish that the Liens on any First Priority Collateral securing any such First Priority Obligations shall be senior under the Intercreditor Agreement to the Liens on such First Priority Collateral securing the Obligations under the Indenture, the Notes and the Subsidiary Guarantees on the terms provided for in the Intercreditor Agreement in effect immediately prior to such amendment and (C) to establish that the Liens on any Notes Collateral securing any such Other Pari Passu Lien Obligations shall be pari passu under the Intercreditor Agreement with the Liens on such Notes Collateral securing the Obligations under the Indenture, the Notes and the Subsidiary Guarantees on the terms provided for in the Intercreditor Agreement in effect immediately prior to such amendment.

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 is 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.

Subject to the provisions of the Intercreditor Agreement and the Security Documents, the Holders of a majority in principal amount of the then outstanding Notes 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 is 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 is 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.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general discussion of certain material United States federal income tax considerations relating to the exchange of original notes for new notes and the ownership and disposition of the new notes by an initial beneficial owner of the original notes. This summary is limited to holders who will hold the notes as “capital assets” within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”). This summary does not deal with the United States federal income tax considerations that may be relevant to holders subject to special treatment under the United States federal income tax laws, such as dealers in securities or foreign currency, tax exempt entities, banks, thrifts, insurance companies, retirement

plans, regulated investment companies, traders in securities that elect to apply a mark-to-market method of accounting, persons that hold the notes as part of a "straddle," a "hedge" against currency risk, a "conversion transaction" or other integrated transaction, holders subject to the alternative minimum tax, partnerships or other pass-through entities (or investors in such entities), certain financial institutions, expatriates and former citizens or long-term residents of the United States and United States Holders that have a "functional currency" other than the U.S. dollar, all within the meaning of the Code. In addition, this discussion does not describe United States federal gift or estate tax consequences or any tax consequences arising out of the tax laws of any state, local or foreign jurisdiction.

The federal income tax considerations set forth below are based upon the Code, existing and proposed regulations thereunder, and current administrative rulings and court decisions, all of which are subject to change. Holders should particularly note that any such change could have retroactive application so as to result in federal income tax consequences different from those discussed below. We have not and will not seek any rulings from the Internal Revenue Service ("IRS") regarding the matters discussed below. There can be no assurance that the IRS will not take positions concerning the tax consequences of the exchange of the old notes and the purchase, ownership or disposition of the new notes that are different from those discussed below.

As used herein, "United States Holders" are beneficial owners of the notes, that are, for United States federal income tax purposes:

- individuals who are citizens or residents of the United States;
- corporations or other entities taxable as corporations created or organized in, or under the laws of, the United States, any state thereof or the District of Columbia;
- estates, the income of which is subject to United States federal income taxation regardless of its source; or
- trusts if (i) (A) a court within the United States is able to exercise primary supervision over the administration of the trust and (B) one or more U.S. persons have the authority to control all substantial decisions of the trust, or (ii) the trust was in existence on August 20, 1996, was treated as a U.S. person prior to such date, and validly elected to continue to be so treated.

As used herein, a "non-United States Holder" is a beneficial owner of the notes that is an individual, corporation, estate or trust for United States federal income tax purposes and is not a United States Holder.

If any entity taxable as a partnership holds notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding the notes, you should consult your tax advisor regarding the tax consequences of the purchase, ownership and disposition of the notes.

Persons considering participating in the exchange offer, or considering the purchase, ownership or disposition of the notes should consult their own tax advisors concerning the United States federal income tax consequences in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction.

Exchange Offer

The exchange of the original notes for the new notes should not constitute a taxable event to a holder and a holder should not recognize any taxable gain or loss or any interest income as a result of such exchange. The holding period for the new note received in the exchange should include the holding period for the original note exchange therefore, and a holder's adjusted tax basis in the new note should be the same as the adjusted tax basis of the original notes exchange therefor.

Additional Interest

In certain circumstances, we may be obligated to pay amounts in excess of stated interest or principal on the new notes. Our obligation to pay such excess amounts may implicate the provisions of the Treasury

regulations relating to "contingent payment debt instruments." Under these regulations, however, one or more contingencies will not cause a debt instrument to be treated as a contingent payment debt instrument if, as of the issue date, each such contingency is "remote" or is considered to be "incidental." We believe and intend to take the position that the foregoing contingencies should be treated as remote and/or incidental. Our position is binding on a holder, unless the holder discloses in the proper manner to the IRS that it is taking a different position. However, this determination is inherently factual and we can give you no assurance that our position would be sustained if challenged by the IRS. A successful challenge of this position by the IRS could affect the timing and amount of a holder's income and could cause the gain from the sale or other disposition of a note to be treated as ordinary income, rather than capital gain. This disclosure assumes that the new notes will not be considered contingent payment debt instruments. Holders are urged to consult their own tax advisors regarding the potential application to the notes of the contingent payment debt regulations and the consequences thereof.

Taxation of United States Holders

Taxation of Stated Interest

Stated interest on the new notes will be treated as "qualified stated interest" (i.e., stated interest that is unconditionally payable at least annually at a single fixed rate over the entire term of the note) and will be taxable to United States Holders as ordinary interest income as the interest accrues or is paid, in accordance with the holder's regular method of tax accounting.

Taxation of Original Issue Discount

The original notes were treated as issued OID for United States federal income tax purposes because their "issue price" was less than their stated principal amount by more than a *de minimis* amount. (The issue price of a note equals the first price at which a substantial amount of the notes are sold for cash to investors (not including bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers).) This treatment will carry over to the new notes issued in exchange for the original notes.

A United States Holder (whether a cash or accrual method taxpayer) will be required to include in gross income (as ordinary income) any OID as it accrues on a constant yield to maturity basis, before the receipt of cash payments attributable to this income. The amount of OID includible in gross income for a taxable year will be the sum of the daily portions of OID with respect to the note for each day during that taxable year on which the United States Holder holds the note. The daily portion is determined by allocating to each day in an "accrual period" a pro rata portion of the OID allocable to that accrual period. The OID allocable to any accrual period will equal (a) the product of the "adjusted issue price" of the note as of the beginning of such period and the note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the qualified stated interest allocable to the accrual period. The "adjusted issue price" of a note as of the beginning of any accrual period will equal its issue price, increased by previously accrued OID.

A United States Holder will not be required to recognize any additional income upon the receipt of any payment on the notes that is attributable to previously accrued OID.

Sale, Exchange, Retirement or Redemption of the Notes

Upon the disposition of a note by sale, exchange, retirement or redemption, a United States Holder will generally recognize gain or loss equal to the difference between (1) the amount realized on the disposition of the note (other than amounts attributable to accrued and unpaid stated interest on the note, which will be treated as ordinary interest income for federal income tax purposes if not previously included in income) and (2) the United States Holder's adjusted tax basis in the note. A United States Holder's adjusted tax basis in a note generally will equal the cost of the note to such United States Holder, increased by any OID previously includible in income by the United States Holder.

Gain or loss from the taxable disposition of a note generally will be capital gain or loss and will be long-term capital gain or loss if the note was held by the United States Holder for more than one year at the time of the disposition. For non-corporate holders, certain preferential tax rates may apply to gain recognized as long-term capital gain. The deductibility of capital losses is subject to certain limitations.

Backup Withholding and Information Reporting

Where required, information will be reported to both United States Holders and the IRS regarding the amount of interest (including OID) on, and the proceeds from the disposition (including a retirement or redemption) of, the notes in each calendar year as well as the corresponding amount of tax withheld, if any exists.

Under the backup withholding provisions of the Code and the applicable Treasury regulations, a United States Holder of notes may be subject to backup withholding at a rate currently equal to 28% with respect to interest (including OID) on, and/or the proceeds from dispositions (including a retirement or redemption) of, the notes. Certain holders (including corporations) are generally not subject to backup withholding. United States Holders will be subject to this backup withholding tax if such holder is not otherwise exempt and any of the following conditions exist: (1) such holder fails to furnish its taxpayer identification number, or TIN, which, for an individual, is ordinarily his or her social security number; (2) the IRS notifies the payor that such holder furnished an incorrect TIN; (3) the payor is notified by the IRS that such holder is subject to backup withholding because the holder has previously failed to properly report payments of interest or dividends; or (4) such holder fails to certify, under penalties of perjury, that it has furnished a correct TIN and that the IRS has not notified the holder that it is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a United States Holder will be allowed as a credit against such holder's United States federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

Taxation of Non-United States Holders

For purposes of the following discussion, interest (including OID) and gain on the sale, exchange or other disposition (including a retirement or redemption) of a note will be considered "U.S. trade or business income" if the income or gain is effectively connected with the conduct of a U.S. trade or business.

All references to interest in this discussion also refer to any OID.

Taxation of Interest

Interest income will qualify for the "portfolio interest" exception, and therefore will not be subject to United States withholding tax, if:

- the interest income is not "U.S. trade or business income" of the non-United States Holder;
- the non-United States Holder does not actually or constructively own 10% or more of the total combined voting power of the Company's stock entitled to vote;
- the non-United States Holder is not, for United States federal income tax purposes, a controlled foreign corporation that is related to the Company;
- the non-United States Holder is not a bank which acquired the note in consideration for an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business; and
- either (A) the non-United States Holder certifies, under penalty of perjury, to the Company or the Company's agent that it is not a U.S. person and such non-United States Holder provides its name, address and certain other information on a properly executed Form W-8BEN (or an applicable substitute form), or (B) a securities clearing organization, bank or other financial institution that holds customers'

securities in the ordinary course of its trade or business holds the note on behalf of the beneficial owner and provides a statement to the Company or the Company's agent signed under the penalties of perjury in which the organization, bank or financial institution certifies that Form W-8BEN or a suitable substitute has been received by it from the non-United States Holder or from another financial institution entity on behalf of the non-United States Holder and furnishes the Company or the Company's agent with a copy.

If a non-United States Holder cannot satisfy the requirements for the portfolio interest exception as described above, the gross amount of payments of interest to such non-United States Holder that is not "U.S. trade or business income" will be subject to United States federal withholding tax at the rate of 30%, unless a U.S. income tax treaty applies to reduce or eliminate withholding. U.S. trade or business income will not be subject to United States federal withholding tax but will be taxed on a net income basis in generally the same manner as a United States Holder (unless an applicable income tax treaty provides otherwise), and if the non-United States Holder is a foreign corporation, such U.S. trade or business income may be subject to the branch profits tax equal to 30% of its effectively connected earnings and profits attributable to such interest, or a lower rate provided by an applicable treaty. In order to claim the benefit provided by a tax treaty or to claim exemption from withholding because the income is U.S. trade or business income, a non-United States Holder must provide either:

- a properly executed Form W-8BEN (or suitable substitute form) claiming an exemption from or reduction in withholding under the benefit of an applicable tax treaty; or
- a properly executed Form W-8ECI (or suitable substitute form) stating that interest paid on the note is not subject to withholding tax because it is "U.S. trade or business income."

Sale, Exchange, Retirement or Redemption of Notes

Subject to the discussion of backup withholding below, generally, a non-United States Holder will not be subject to United States federal income tax or withholding tax on any gain realized on the sale, exchange, retirement or redemption of a note unless:

- the gain is "U.S. trade or business income;" or
- the non-United States Holder is an individual who is present in the United States for 183 days or more during the taxable year in which the disposition of the note is made and certain other requirements are met.

A holder described in the first bullet point above will be required to pay United States federal income tax on the net gain derived from the sale in the same manner as a United States Holder, except as otherwise required by an applicable tax treaty, and if such holder is a foreign corporation, it may also be required to pay a branch profits tax equal to 30% of its effectively connected earnings and profits attributable to such gain, or a lower rate provided by an applicable income tax treaty. A holder described in the second bullet point above will be subject to a 30% United States federal income tax on the gain derived from the sale, which may be offset by certain U.S. source capital losses.

Information Reporting and Backup Withholding

Where required, information will be reported annually to each non-United States Holder as well as the IRS regarding any interest (including OID) that is either subject to withholding or exempt from United States withholding tax pursuant to a tax treaty or to the portfolio interest exception. Copies of these information returns may also be made available to the tax authorities of the country in which the non-United States Holder resides under the provisions of a specific treaty or agreement.

Under the backup withholding provisions of the Code and the applicable Treasury regulations, a non-United States Holder of notes may be subject to backup withholding at a rate currently equal to 28% with respect to interest (including OID) paid on the notes. However, the regulations provide that payments of interest to a non-United States Holder will not be subject to backup withholding and related information

reporting if the non-United States Holder certifies its non-U.S. status under penalties of perjury or satisfies the requirements of an otherwise established exemption.

The payment of the proceeds from the disposition (including a retirement or redemption) of notes to or through the U.S. office of any broker, United States or foreign, will be subject to information reporting and possible backup withholding unless the non-United States Holder certifies its non-U.S. status under penalty of perjury or satisfies the requirements of an otherwise established exemption.

The payment of the proceeds from the disposition of a note to or through a non-U.S. office of a non-U.S. broker that does not have certain enumerated relationships with the United States will not be subject to information reporting or backup withholding. When a non-United States Holder receives a payment of proceeds from the disposition of notes either to or through a non-U.S. office of a broker that is either a U.S. person or a person who has certain enumerated relationships with the United States, the regulations require information reporting (but not backup withholding) on the payment, unless the broker has documentary evidence in its files that the non-United States Holder is not a U.S. person.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a holder will be allowed as a credit against such holder's United States federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

PLAN OF DISTRIBUTION

If you wish to exchange your original notes in the exchange offer, you will be required to make representations to us as described in "The Exchange Offer — Exchange Offer Procedures" in this prospectus and in the letter of transmittal. In addition, each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new 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 new notes received in exchange for original notes where such original notes were acquired as a result of market-making activities or other trading activities. We have agreed to use our reasonable best efforts to make this prospectus, as amended or supplemented, available to any broker-dealer for a period of 210 days after the date of this prospectus for use in connection with any such resale.

We will not receive any proceeds from any sale of new notes by broker-dealers. New 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 new 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 or the purchasers of any such new notes. Any broker-dealer that resells new 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 new notes may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of new notes and any commission or concessions received by any such persons may be deemed to be underwriting 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.

A broker-dealer that acquired original notes directly from us cannot exchange the original notes in the exchange offer. Any holder who tenders in the exchange offer for the purpose of participating in a distribution of the new notes cannot rely on the no-action letters of the staff of the SEC and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

For a period of 180 days after the date of this prospectus, we 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. We have agreed to pay all expenses incident to the exchange offer, including the expenses of one counsel for the holders of the original notes, other than commissions or concessions of any brokers or dealers, and will indemnify the holders of the original notes, including any broker-dealers, against certain liabilities, including liabilities under the Securities Act.

LEGAL MATTERS

The enforceability of the new notes and the guarantees offered in this prospectus, the binding obligations of Beazer Homes and the Subsidiary Guarantors pertaining to such notes and guarantees and other matters will be passed upon for us by Troutman Sanders LLP, Atlanta, Georgia. Certain legal matters as to the guarantees given by the Subsidiary Guarantors will be passed upon by Tune, Entrekin & White, P.C., Nashville, Tennessee; Barnes & Thornburg LLP, Indianapolis, Indiana; Gardere Wynne Sewell LLP, Dallas, Texas; Holland & Knight LLP, Orlando, Florida; Hogan & Hartson L.L.P., Denver, Colorado; Greenbaum, Rowe, Smith & Davis LLP, Woodbridge, New Jersey; and Walsh, Colucci, Lubeley, Emrich & Walsh PC, Prince William, Virginia.

EXPERTS

The consolidated financial statements, incorporated in this prospectus by reference from our Annual Report on Form 10-K for the year ended September 30, 2009, and the effectiveness of our internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports (which report on the consolidated financial statements expresses an unqualified opinion and includes an explanatory paragraph relating to the adoption of new accounting guidance on the accounting for uncertainty in income taxes on October 1, 2007), which are incorporated herein by reference. Such financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. We also filed a registration statement on Form S-4, including exhibits, under the Securities Act with respect to the securities offered by this prospectus. This prospectus is a part of the registration statement, but does not contain all of the information included in the registration statement or the exhibits. You may read and copy the registration statement and any other document that we file at the SEC's public reference room at 100 F Street, N.E., Washington D.C. 20549. You can call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. You can also find our public filings with the SEC on the internet at a web site maintained by the SEC located at http://www.sec.gov. We also make available on our Internet website our annual, quarterly and current reports and amendments as soon as reasonably practicable after such documents are electronically filed with, or furnished to, the SEC. Our Internet address is http://www.beazer.com. The information on our website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

This prospectus is part of a registration statement filed with the SEC. The SEC allows us to "incorporate by reference" selected documents we file with it, which means that we can disclose important information to you by referring you to those documents. The information in the documents incorporated by reference is considered to be part of this prospectus, and information in documents that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below filed by us under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act.

- our Annual Report on Form 10-K for the fiscal year ended September 30, 2009, Registration File No. 001-12822, filed on November 10, 2009, as amended December 7, 2009;
- our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2009, Registration File No. 001-12822, filed on February 5, 2010; and
- our Current Reports on Form 8-K filed on November 16, 2009, November 23, 2009, December 17, 2009, December 22, 2009, January 12, 2010, January 19, 2010, and January 21, 2010;

All documents filed by us 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 offering made by this prospectus are to be incorporated herein by reference. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is incorporated or deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

No dealer, salesperson or other person has been authorized to give any information or to make any representation 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 of the company since the date hereof.

PRELIMINARY PROSPECTUS

Beazer Homes USA, Inc.

Offer to Exchange

12% Senior Secured Notes due 2017,

which have been registered under the Securities Act of 1933,

for any and all outstanding

12% Senior Notes due 2017,

which have not been registered under the Securities Act of 1933

Until , 2010 (90 days after the date of this prospectus), all dealers that effect transactions in the new notes, whether or not participating in this distribution, may be required to deliver a prospectus. This is in addition to dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

, 2010

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. ***Indemnification of Directors and Officers.***

Indemnification of the Officers and Directors of Beazer Homes USA, Inc., Beazer Homes Holdings Corp., Beazer Homes Sales, Inc. and Beazer Homes Texas Holdings, Inc. under Delaware Law.

Beazer Homes USA, Inc., Beazer Homes Holdings Corp., Beazer Homes Sales, Inc. and Beazer Homes Texas Holdings, Inc. are corporations organized under the laws of the State of Delaware.

Section 102(b)(7) of the Delaware General Corporation Law, the DGCL, enables a corporation incorporated in the State of Delaware to eliminate or limit, through provisions in its original or amended certificate of incorporation, the personal liability of a director for violations of the director's fiduciary duties, except (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) any liability imposed pursuant to Section 174 of the DGCL (providing for liability of directors for unlawful payment of dividends or unlawful stock purchases or redemptions) or (iv) for any transaction from which a director derived an improper personal benefit.

Section 145 of the DGCL provides that a corporation incorporated in the State of Delaware may indemnify any person or persons, including officers and directors, who are, or are threatened to be made, parties to any threatened, pending or completed legal action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person is or was an officer, director, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such officer, director, employee, or agent acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests and, for criminal proceedings, had no reasonable cause to believe that the challenged conduct was unlawful. A corporation incorporated in the State of Delaware may indemnify officers and directors in an action by or in the right of the corporation under the same conditions, except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must provide indemnification against the expenses that such officer or director actually and reasonably incurred.

Section 145(g) of the DGCL authorizes a corporation incorporated in the State of Delaware to provide liability insurance for directors and officers for certain losses arising from claims or charges made against them while acting in their capacities as directors or officers of the corporation.

The certificates of incorporation of Beazer Homes USA, Inc., Beazer Homes Holdings Corp., Beazer Homes Sales, Inc. and Beazer Homes Texas Holdings, Inc. provide that no director shall be personally liable to the corporation or its stockholders for violations of the director's fiduciary duties, except to the extent that a director's liability may not be limited as described above in the discussion of Section 102(b)(7) of the DGCL.

Indemnification of the Officers and Directors of Beazer Homes USA, Inc.

The bylaws of Beazer Homes USA, Inc., provide that the corporation shall indemnify and hold harmless to the fullest extent authorized by Delaware law or by other applicable law as then in effect, any person who was or is a party to or is threatened to be made a party to or is involved in (including, without limitation, as a witness) any proceeding, by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director, officer, or employee of the corporation or, while a director, officer, or employee of the corporation, is or was serving at the request of the corporation as a director, officer, employee, agent or manager of another corporation, partnership, limited liability company, joint venture, trust or other enterprise or nonprofit entity, including service with respect to an employee benefit plan (hereinafter,

an "Indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, agent or manager or in any other capacity while serving as a director, officer, employee, agent or manager, against all expense, liability and loss (including attorneys' and other professionals' fees, judgments, fines, ERISA taxes or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith.

Furthermore, the bylaws of Beazer Homes USA, Inc., provide that the corporation shall, to the fullest extent authorized by Delaware law, advance (or if previously paid by any Indemnitee who serves or served as a director or executive officer of the corporation on or after June 30, 2008 (each a "Class 1 Indemnitee"), reimburse) to any Class 1 Indemnitee funds sufficient for the payment of all expenses (including attorneys' and other professionals' fees and disbursements and court costs) actually and reasonably incurred by such Class 1 Indemnitee in connection with the investigation of, response to, defense (including any appeal) of or settlement of any proceeding, in the case of each such proceeding upon receipt of an undertaking by or on behalf of such Class 1 Indemnitee to repay such amount if it shall ultimately be determined that such Class 1 Indemnitee is not entitled to be indemnified by the corporation against such expenses. No collateral securing or other assurance of performance of such undertaking shall be required of such Class 1 Indemnitee by the corporation.

The bylaws of Beazer Homes USA, Inc., also provide that the corporation may, by action of its Board of Directors, grant rights to advancement of expenses to any Indemnitee who is not a Class 1 Indemnitee and rights to indemnification and advancement of expenses to any agents of the corporation with the same scope and effect as the provisions with respect to the indemnification of and advancement of expenses to Class 1 Indemnitees. By resolution adopted by affirmative vote of a majority of the Board of Directors, the Board of Directors may delegate to the appropriate officers of the corporation the decision to grant from time to time rights to advancement of expenses to any Indemnitee who is not a Class 1 Indemnitee and rights to indemnification and advancement of expenses to any agents of the corporation.

Under the bylaws of Beazer Homes USA, Inc., no Indemnitee shall be entitled to any advance or reimbursement by the corporation of expenses, or to indemnification from or to be held harmless by the corporation against expenses, incurred by him or her in asserting any claim or commencing or prosecuting any suit, action or proceeding (or part thereof) against the corporation (except as provided below) or any subsidiary of the corporation or any current or former director, officer, employee or agent of the corporation or of any subsidiary of the corporation, but such advancement (or reimbursement) and indemnification and hold harmless rights may be provided by the corporation in any specific instance as permitted by the Bylaws, or in any specific instance in which the Board shall first authorize the commencement or prosecution of such a suit, action or proceeding (or part thereof) or the assertion of such a claim.

Notwithstanding the above, if a claim is not timely paid in full by Beazer Homes USA, Inc. after a written claim has been received by the corporation, an Indemnitee or Class 1 Indemnitee (as appropriate) may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the Indemnitee or Class 1 Indemnitee (as appropriate) shall be entitled to be paid also the expense of prosecuting such suit. The Indemnitee or Class 1 Indemnitee (as appropriate) shall be presumed to be entitled to indemnification and advancement of expenses under upon submission of a written claim (and, in an action brought to enforce a claim for an advancement of expenses where the required undertaking, if any is required, has been tendered to the corporation), and thereafter the corporation shall have the burden of proof to overcome the presumption that the Indemnitee or Class 1 Indemnitee (as appropriate) is not so entitled. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the Indemnitee is proper in the circumstances nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its stockholders) that the Indemnitee is not entitled to indemnification shall be a defense to the suit or create a presumption that the Indemnitee is not so entitled. These rights to indemnification and advancement (or reimbursement) of expenses shall be enforceable by any person entitled to such indemnification or advancement (or reimbursement) of expenses in any court of competent jurisdiction. Notice of any application to a court by an Indemnitee shall be given to the corporation promptly upon the filing of such application; provided, however, that such notice shall

not be a requirement for an award of or a determination of entitlement to indemnification or advancement (or reimbursement) of expenses.

The indemnification and advancement of expenses provided in the Beazer Homes USA, Inc. bylaws shall be deemed independent of, and shall not be deemed exclusive of or a limitation on, any other rights to which any person seeking indemnification or advancement of expenses may be entitled or acquired under any statute, provision of the certificate of incorporation, bylaw, agreement, vote of stockholders or of disinterested directors or otherwise, both as to such person's official capacity and as to action in another capacity while holding such office.

In addition, the bylaws of Beazer Homes USA, Inc., provide that the corporation may purchase and maintain liability insurance for directors and officers for certain losses arising from claims or charges made against them while acting in their capacities as directors or officers of the corporation.

Beazer Homes USA, Inc. has also entered into indemnification agreements with each of its executive officers and directors providing such officers and directors indemnification and expense advancement and for the continued coverage of such person under its directors' and officers' insurance programs.

Indemnification of the Officers and Directors of Beazer Homes Holdings Corp., Beazer Homes Sales, Inc., Beazer Mortgage Corporation and Beazer Homes Texas Holdings, Inc.

The bylaws of Beazer Homes Holdings Corp., Beazer Homes Sales, Inc., Beazer Mortgage Corporation and Beazer Homes Texas Holdings, Inc. provide that the corporation shall indemnify each person who is or was 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 (an "Indemnitee"), against expenses (including attorneys' and other professionals' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Indemnitee in connection with such action, suit or proceeding, if the Indemnitee 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 corporation shall indemnify an Indemnitee in an action by or in the right of the corporation under the same conditions, except that no indemnification shall be made in respect of any claim, issue or matter as to which the Indemnitee shall have been adjudged 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, the Indemnitee is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

The bylaws of Beazer Homes Holdings Corp., Beazer Homes Sales, Inc., Beazer Mortgage Corporation and Beazer Homes Texas Holdings, Inc. provide that any indemnification pursuant to the bylaws (except indemnification ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination the indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct described above. However, to the extent that an Indemnitee is successful on the merits or otherwise in the defense of any action, suit or proceeding described above, or in the defense of any claim, issue or matter therein, the Indemnitee shall be indemnified against reasonable expenses (including attorneys' and other professionals' fees) actually and reasonably incurred by the Indemnitee in connection therewith, without the necessity of authorization in the specific case.

Furthermore, the bylaws of Beazer Homes Holdings Corp., Beazer Homes Sales, Inc., Beazer Mortgage Corporation and Beazer Homes Texas Holdings, Inc. provide that the expenses (including attorney's 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 the suit, action or proceeding upon receipt of an undertaking

by or on behalf of such officer or director to repay such amount if it shall ultimately be determined that such person is not entitled to indemnification by the corporation pursuant to the bylaws.

The bylaws of Beazer Homes Holdings Corp., Beazer Homes Sales, Inc., Beazer Mortgage Corporation and Beazer Homes Texas Holdings, Inc. also provide that the indemnification and advancement of expenses provided in the bylaws shall not be deemed to be exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any other provision of the bylaws, agreement or contract, by vote of the stockholders or of the disinterested directors or pursuant to the direction of any court of competent jurisdiction.

In addition, the bylaws of Beazer Homes Holdings Corp., Beazer Homes Sales, Inc., Beazer Mortgage Corporation and Beazer Homes Texas Holdings, Inc. provide that the corporation may purchase and maintain liability insurance for directors and officers for certain losses arising from claims or charges made against them while acting in their capacities as directors or officers of the corporation.

Indemnification of the Officers and Directors of Beazer Allied Companies Holdings, Inc., Beazer Homes Indiana Holdings Corp., Beazer General Services, Inc., Beazer Realty Los Angeles, Inc. and Beazer Realty Sacramento, Inc.

Beazer Allied Companies Holdings, Inc., Beazer Homes Indiana Holdings Corp., Beazer General Services, Inc., Beazer Realty Los Angeles, Inc. and Beazer Realty Sacramento, Inc. are corporations organized under the laws of the State of Delaware. For a description of the provisions of the DGCL addressing the indemnification of directors and officers see the discussion in "Indemnification of Officers and Directors of Beazer Homes USA, Inc., Beazer Homes Holdings Corp., Beazer Homes Sales, Inc., Beazer Mortgage Corporation and Beazer Homes Texas Holdings, Inc." above.

The certificates of incorporation of Beazer Allied Companies Holdings, Inc., Beazer Homes Indiana Holdings Corp., Beazer General Services, Inc., Beazer Realty Los Angeles, Inc. and Beazer Realty Sacramento, Inc. provide that no director shall be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability thereof is not permitted under the DGCL. The bylaws of these entities provide that the corporation shall indemnify members of the board of directors to the fullest extent permitted by the DGCL and that the corporation may, if authorized by the board of directors, indemnify its officers, employees, agents and any and all other persons who may be indemnified by the corporation against any and all expenses and liabilities.

Indemnification of the Officers and Directors of Homebuilders Title Services, Inc.

Homebuilders Title Services, Inc. is a corporation organized under the laws of the State of Delaware. For a description of the provisions of the DGCL addressing the indemnification of directors and officers see the discussion in "Indemnification of Officers and Director of Beazer Homes USA, Inc., Beazer Homes Holdings Corp., Beazer Homes Sales, Inc., Beazer Mortgage Corporation and Beazer Homes Texas Holdings, Inc." above.

The certificate of incorporation of Homebuilders Title Services, Inc. provides that that no director shall be personally liable to the corporation or its stockholders for violations of the director's fiduciary duties to the fullest extent permitted by the DGCL.

The bylaws of Homebuilders Title Services, Inc. provide that the corporation shall indemnify any director or officer who is or was 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 or officer of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding and/or 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, and with respect to any criminal action or proceeding, had no reasonable cause to believe the

conduct was unlawful. The corporation shall indemnify officers and directors in an action by or in the right of the corporation under the same conditions, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged liable to the corporation unless and only to the extent that a court in which such action or suit is brought determines that such person is fairly and reasonably entitled to indemnity.

Furthermore, the bylaws of Homebuilders Title Services, Inc. provide that the expenses incurred by a director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding shall 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 is ultimately determined that such director or officer is not entitled to be indemnified by the corporation. The indemnification and advancement of expenses provided in the bylaws is not be deemed to be exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any other provision of the bylaws, agreement, contract or by vote of the stockholders or of the disinterested directors.

Indemnification of the General Partners of Beazer Homes Texas, L.P. and BH Building Products, LP

Beazer Homes Texas, L.P. and BH Building Products, LP are limited partnerships organized under the laws of the State of Delaware. Pursuant to Section 17-108 of the Delaware Revised Uniform Limited Partnership Act (the "Act"), a limited partnership may, subject to the standards set forth in the partnership agreement, indemnify and hold harmless any partner or other person from and against any and all claims and demands.

Pursuant to the agreements of limited partnership of Beazer Homes Texas, L.P. and BH Building Products, LP, neither their respective general partners nor any affiliate of the general partners shall have any liability to the limited partnership or any partner for any loss suffered by the applicable limited partnership which arises out of any action or inaction of the applicable general partner, so long as such general partner or its affiliates in good faith has determined that such action or inaction did not constitute fraud or misconduct. Further, pursuant to such agreements of limited partnership, each general partner and its affiliates shall be indemnified by the limited partnership to the fullest extent permitted by law against any losses, judgments, liabilities, damages, expenses and amounts paid in settlement of any claims sustained in connection with acts performed or omissions that are within the scope of the applicable limited partnership agreement, provided that such claims are not the result of fraud or willful misconduct. The limited partnerships may advance to their respective general partners or their affiliates any amounts required to defend any claim for which they may be entitled to indemnification. If it is ultimately determined that their respective general partners or their affiliates are not entitled to indemnification, then such person must repay any amounts advanced by the limited partnership.

Indemnification of the Officers and Directors of April Corporation

April Corporation is a corporation organized under the laws of the State of Colorado. Sections 7-109-101 through 7-109-110 of the Colorado Business Corporation Act ("CBCA") provide for the indemnification of officers and directors by the corporation under certain circumstances against expenses and liabilities incurred in legal proceedings involving such persons because of their being or having been an officer or director of the corporation. Under the CBCA, a corporation may purchase insurance on behalf of an officer or director of the corporation against any liability incurred in his or her capacity as an officer or director regardless of whether the person could be indemnified under the CBCA.

The articles of incorporation of April Corporation provide that the corporation may indemnify each person who is or was 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, fiduciary or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, fiduciary or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' 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 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 corporation shall indemnify directors, officers, employees, fiduciaries and agents of the corporation in an action by or in the right of the corporation under the same conditions, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged liable for negligence or misconduct in the performance of the persons duty to the corporation unless and only to the extent that 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 those expenses which the court deems proper.

The articles of April Corporation provide that any indemnification pursuant to the articles (except indemnification ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination the indemnification of the director, employee, fiduciary or agent is proper in the circumstances because that person has met the applicable standard of conduct described above. However, to the extent that a director, employee, fiduciary or agent is successful on the merits or otherwise in the defense of any action, suit or proceeding described above, or in the defense of any claim, issue or matter therein, that person shall be indemnified against reasonable expenses (including attorneys' and other professionals' fees) actually and reasonably incurred by in connection therewith, without the necessity of authorization in the specific case.

Furthermore, the articles of April Corporation provide that the expenses (including attorney's 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 the suit, action or proceeding upon receipt of an undertaking by or on behalf of such officer or director to repay such amount if it shall ultimately be determined that such person is not entitled to indemnification by the corporation pursuant to the bylaws.

The articles of April Corporation also provide that the indemnification and advancement of expenses shall not be deemed to be exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any other provision of the bylaws, agreement or contract, by vote of the stockholders or of the disinterested directors.

In addition, the articles of April Corporation provide that the corporation may purchase and maintain liability insurance for directors and officers for certain losses arising from claims or charges made against them while acting in their capacities as directors or officers of the corporation.

Indemnification of the Officers and Directors of Beazer Realty Corp.

Beazer Realty Corp. is a corporation organized under the laws of the State of Georgia. Sections 14-2-850 through 14-2-859 of the Georgia Business Corporation Code ("GBCC") provides for the indemnification of officers and directors by the corporation under certain circumstances against expenses and liabilities incurred in legal proceedings involving such persons because of their being or having been an officer or director of the corporation. Under the GBCC, a corporation may purchase insurance on behalf of an officer or director of the corporation incurred in his or her capacity as an officer or director regardless of whether the person could be indemnified under the GBCC. The bylaws of Beazer Realty Corp. ("Realty") provide that Realty shall indemnify each officer and director to the fullest extent allowed by Georgia law and that Realty may obtain insurance on behalf of such officers and directors against any liabilities asserted against such persons whether or not Realty would have the power to indemnify them.

Indemnification of the Managers and Members of Beazer SPE, LLC

Beazer SPE, LLC is a limited liability company organized under the laws of the State of Georgia. Section 14-11-306 of the Georgia Limited Liability Company Act provides that subject to the standards and restrictions, if any, set forth in the article of organization or written operating agreement, a limited liability company may indemnify and hold harmless any member or manager or other person from and against any and

all claims and demands whatsoever arising in connection with the limited liability company; provided that a limited liability company shall not have the power to indemnify any member or manager for (i) for his or her intentional misconduct or knowing violation of the law or (ii) for any transaction for which the person received a personal benefit in violation of any provision of a written operating agreement. The operating agreement of Beazer SPE, LLC provides that members, employees and agents shall be entitled to indemnification to the fullest extent permitted by law.

Indemnification of the Partners of Beazer Homes Indiana LLP

Beazer Homes Indiana LLP is a limited liability partnership under the laws of the State of Indiana. Section 23-4-1-18 of the Indiana Uniform Partnership Act provides that a partnership must indemnify every partner in respect of payments made and personal liabilities reasonably incurred by him or her in the ordinary and proper conduct of its business, or for the preservation of its business or property. The partnership agreement of Beazer Homes Indiana LLP provides that it shall indemnify the managing partner and hold it harmless against liability to third parties for acts or omissions within the scope of authority of the managing partner.

Indemnification of the Members and Managers of Paragon Title, LLC and Trinity Homes, LLC

Paragon Title, LLC and Trinity Homes, LLC are limited liability companies organized under the laws of the State of Indiana. Section 23-18-4-4 of the Indiana Limited Liability Company Act provides that the operating agreement of a limited liability company may provide for the indemnification of a member or manager for judgments, settlements, penalties, fines, or expenses incurred in a proceeding to which a person is a party because such person is or was a member or manager.

The articles of organization of Paragon Title, LLC and Trinity Homes, LLC each provide that the company shall indemnify any member or manager (and the responsible officers and directors of such member or manager), to the greatest extent not inconsistent with the laws and public policies of the State of Indiana, who is made a party to any proceeding because such person was or is a member or manager (or the responsible officers and directors of such member or manager), as a matter of right against all liability incurred by such person in connection with such proceeding, provided that (i) the members determine that the person has met the standard required for indemnification or (ii) the person is wholly successful on the merits or otherwise in the defense of such proceeding. A person will meet the standard required for indemnification if (i) the person conducted himself or herself in good faith, (ii) such person reasonably believed that his or her conduct was in or at least not opposed to the company, (iii) in the case of any criminal proceeding, such person had no reasonable cause to believe his or her conduct was unlawful, and (iv) such person's liability was not the result of the person's willful misconduct, recklessness, violation of the company's operating agreement or any improperly obtained financial or other benefit to which the person was not legally entitled.

The articles of organization of Paragon Title, LLC and Trinity Homes, LLC also provide that each company shall reimburse or pay the expenses of any member or manager (and the responsible officers and directors of such member or manager) in advance of the final disposition of the proceeding, provided that (i) the members make a determination that such person met the applicable standard of conduct, (ii) the person provides a written undertaking to repay any advancements if it is ultimately determined that such person is not entitled to them, and (iii) the person provides the company with an affirmation that he or she has met the applicable standard of conduct. The company may purchase insurance for the benefit of any person entitled to indemnification under the articles of organization.

Indemnification of the Members and Managers of Beazer Clarksburg, LLC, Clarksburg Arora LLC and Clarksburg Skylark, LLC

Beazer Clarksburg, LLC, Clarksburg Arora LLC and Clarksburg Skylark, LLC are limited liability companies organized under the laws of the State of Maryland. Section 4A-203 permits a limited liability company to indemnify and hold harmless any member, agent or employee from and against all claims and demands, except in the case of action or failure to act by the member, agent or employee which constitutes

willful misconduct or recklessness, and subject to the standards and restrictions, if any set forth in the articles of organization or operating agreement.

The operating agreement of Beazer Clarksburg, LLC provides that no member or manager shall be liable, responsible or accountable in damages or otherwise to any other member or to the company for any act or omission performed or omitted by such person except for acts of gross negligence or intentional wrongdoing. The operating agreement also provides that the company shall endeavor to obtain liability or other insurance payable to the company (or as otherwise agreed by the members) to protect the company and the members from the acts or omissions of each of the members.

The operating agreements of Clarksburg Arora LLC and Clarksburg Skylark, LLC provide that each company will indemnify its member and its manager for all costs, expenses (including attorney's fees and disbursements), losses, liabilities and damages in connection with any act or omission performed by such person in good faith on behalf of the company. In addition, to the extent not prohibited by applicable law and upon approval by the member, expenses incurred by the member or the manager in defending any claim, demand, action, suit or proceeding may be advanced by the company prior to a final disposition of such a claim, demand, action, suit or proceeding, subject to recapture if it is later determined that the member or the manager was not entitled to indemnification. The operating agreement of Clarksburg Arora LLC also extends the described indemnification terms to each officer of the company.

Indemnification of the Officers and Directors of Beazer/Squires Realty, Inc.

Beazer/Squires Realty, Inc. is a corporation organized under the laws of the State of North Carolina. Sections 55-8-50 through 55-8-58 of the North Carolina Business Corporation Act ("NCBA") provide for the indemnification of officers and directors by the corporation under certain circumstances against expenses and liabilities incurred in legal proceedings involving such persons because of their being or having been an officer or director of the corporation. Under the NCBA, a corporation may purchase insurance on behalf of an officer or director of the corporation for amounts incurred in his or her capacity as an officer or director regardless of whether the person could be indemnified under the NCBA.

The bylaws of Beazer/Squires Realty, Inc. provide that any person who serves or has served as a director or who while serving as a director serves or has served, at the request of the corporation as a director, officer, partner, trustee, employee or agent of another entity or trustee or administrator under an employee benefit plan, shall have the right to be indemnified by the corporation to the fullest extent of the law for reasonable expenses, including attorneys' fees, and reasonable payments for judgments, decrees, fines, penalties or settlements of proceedings seeking to hold him or her liable as a result of his or her service to the corporation.

Indemnification of the Officers and Directors of Beazer Realty, Inc.

Beazer Realty, Inc. ("Beazer Realty") is a corporation organized under the laws of the State of New Jersey. Section 14A:3-5 of the New Jersey Business Corporation Act ("NJBA") provides for the indemnification of officers and directors by the corporation under certain circumstances against expenses and liabilities incurred in legal proceedings involving such persons because of their being or having been an officer or director of the corporation. Under the NJBA, a corporation may purchase insurance on behalf of an officer or director of the corporation against incurred in his or her capacity as an officer or director regardless of whether the person could be indemnified under the NJBA. The certificate of incorporation and the bylaws of Beazer Realty provide that Beazer Realty shall indemnify its officers and directors to the fullest extent allowed by law.

Indemnification of the Officers and Directors of the Beazer Homes Corp.

Beazer Homes Corp. is a corporation organized under the laws of the State of Tennessee. Sections 48-18-501 through 48-18-509 of the Tennessee Business Corporation Act ("TBCA") provide for the indemnification of officers and directors by the corporation under certain circumstances against expenses and liabilities incurred in legal proceedings involving such persons because of their being or having been an officer or director of the corporation. Under the TBCA, a corporation may purchase insurance on behalf of an officer or director of the corporation against incurred in his or her capacity as an officer or director regardless of whether the person could

be indemnified under the TBCA. The charter and bylaws of Beazer Homes Corp. do not address the indemnification of officers and directors.

Indemnification of General Partner and Employees of Texas Lone Star Title, L.P.

Texas Lone Star Title, L.P. is a limited partnership organized under the laws of the State of Texas. Article 11 of the Texas Revised Limited Partnership Act ("TRLPA") provides for the indemnification of a general partner, limited partner, employee or agent by the limited partnership under certain circumstances against expenses and liabilities incurred in legal proceedings involving such persons because of their being or having been a general partner, limited partner, employee or agent of the limited partnership. Under the TRLPA, a limited partnership may purchase insurance on behalf of a general partner, limited partner, employee or agent of the limited partnership against any liability incurred regardless of whether the person could be indemnified under the TRLPA.

The limited partnership agreement of Texas Lone Star Title, L.P. provides that in any threatened, pending or completed proceeding to which the general partner was or is a party or is threatened to be made a party by reason of the fact that the general partner was or is acting in such capacity (other than an action by or in the right of the limited partnership), the limited partnership shall indemnify the general partner against expenses, including attorney's fees, judgments and amounts paid in settlement actually and reasonably incurred by such general partner in connection with such action, suit or proceeding if the general partner acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the limited partnership, and provided that the conduct does not constitute fraud, gross negligence or gross misconduct.

Indemnification of the Officers and Directors of Homebuilders Title Services of Virginia Inc.

Homebuilders Title Services of Virginia Inc. is a corporation organized under the laws of the State of Virginia. Sections 13.1-697 through 13.1-704 of the Virginia Stock Corporation Act ("VSCA") provide for the indemnification of officers and directors by the corporation under certain circumstances against expenses and liabilities incurred in legal proceedings involving such persons because of their being or having been an officer or director of the corporation. Under the VSCA, a corporation may purchase insurance on behalf of an officer or director of the corporation against any liability incurred in an official capacity regardless of whether the person could be indemnified under the VSCA. The bylaws of Homebuilders Title Services of Virginia Inc. provide that the corporation shall indemnify officers and directors to the fullest extent allowed by law.

Indemnification of the Members and Managers of Beazer Commercial Holdings, LLC, Beazer Homes Investments, LLC, Beazer Realty Services, LLC, Beazer Homes Michigan, LLC, Dove Barrington Development LLC and BH Procurement Services, LLC

Beazer Commercial Holdings, LLC, Beazer Homes Investments, LLC, Beazer Realty Services, LLC, Beazer Homes Michigan, LLC, Dove Barrington Development LLC and BH Procurement Services, LLC are limited liability companies organized under the laws of the State of Delaware. Section 18-108 of the Delaware Limited Liability Company Act provides that, subject to such standards and restrictions, if any, as are set forth in its limited liability company agreement, a limited liability company may, and shall have the power to, indemnify and hold harmless any member or manager or other person from and against any and all claims and demands whatsoever. Neither the certificate of formation nor the operating agreement of any of Beazer Commercial Holdings, LLC, Beazer Homes Investments, LLC, Beazer Realty Services, LLC or BH Procurement Services, LLC address indemnification of members or managers.

The operating agreement of Dove Barrington Development LLC provides that the company will indemnify, defend and hold harmless members and their partners, officers, directors, shareholders, members, managers, employees and agents from and against any and all claims, demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties liabilities, costs and expenses (including, without limitation, attorneys' fees, court costs and other professional fees and costs incurred as a result of such claims) arising out of a good faith act or omission by such indemnified person.

Indemnification of the Members and Managers of Elysian Heights Potomia, LLC

Elysian Heights Potomia, LLC is a limited liability company organized under the laws of the State of Virginia. Section 13.1-1025 of the Virginia Limited Liability Company Act ("VLLCA") provides for a limitation on the amount of damages that can be assessed against a member of manager to the lesser of (i) the monetary amount provided for in the articles of organization or operating agreement or (ii) or the greater of $100,000 or the amount of compensation provided to the member or manager by the limited liability company in the preceding twelve months. However, under the VLLCA, the liability of a manager or member will not be limited if the manager or member engaged in willful misconduct or a knowing violation of criminal law.

The operating agreement for Elysian Heights Potomia, LLC provides that the company will indemnify the sole member, the manager and any officers appointed by the manager for any acts performed within the scope of the operating agreement and taken in good faith. However, the company will not indemnify any act determined by a court of law to be grossly negligent or unlawful, unless the court determines the act was one that is entitled to be indemnified, despite being grossly negligent or unlawful act.

Indemnification of the Members and Managers of Arden Park Ventures, LLC

Arden Park Ventures, LLC is a limited liability company organized under the laws of the State of Florida. Section 608.4229 of the Florida Limited Liability Company Act (the "FLLCA") provides that, subject to such standards and restrictions, if any, as are set forth in its articles of organization or operating agreement, a limited liability company shall have the power to indemnify and hold harmless any member or manager or other person from and against any and all claims and demands whatsoever. Notwithstanding the foregoing, indemnification or advancement of expenses shall not be made to or on behalf of any member, manager, managing member, officer, employee, or agent if a judgment or other final adjudication establishes that the actions, or omissions to the act, of such person were material to the cause of action so adjudicated and certain additional requirements are met. The articles of organization of Arden Park Ventures, LLC does not address indemnification of members or managers. Arden Park Ventures, LLC does not currently have an operating agreement in place.

Item 21. ***Exhibits and Financial Statement Schedules.***

(a) The following exhibits are filed as a part of this registration statement.

Exhibit Number	Description
3.1(a)	Amended and Restated Certificate of Incorporation of Beazer Homes USA, Inc.(1)
3.1(b)	Articles of Incorporation of April Corporation(2)
3.1(c)	Certificate of Incorporation of Beazer Allied Companies Holdings, Inc.(2)
3.1(d)	Articles of Organization of Beazer Clarksburg, LLC(2)
3.1(e)	Charter of Beazer Homes Corp.(2)
3.1(f)	Certificate of Incorporation of Beazer Homes Holdings Corp.(2)
3.1(g)	Certificate of Formation of Beazer Homes Investments, LLC(3)
3.1(h)	Certificate of Incorporation of Beazer Homes Sales, Inc.(2)
3.1(i)	Certificate of Incorporation of Beazer Homes Texas Holdings, Inc.(2)
3.1(j)	Certificate of Limited Partnership of Beazer Homes Texas, L.P.(2)
3.1(k)	Articles of Incorporation of Beazer Realty Corp.(2)
3.1(l)	Certificate of Incorporation of Beazer Realty, Inc.(2)
3.1(m)	Certificate of Formation of Beazer Realty Services, LLC(3)
3.1(n)	Articles of Organization of Beazer SPE, LLC(2)
3.1(o)	Articles of Incorporation of Beazer/Squires Realty, Inc.(2)
3.1(p)	Registration to qualify as a limited liability partnership for Beazer Homes Indiana LLP(3)
3.1(q)	Certificate of Formation of Beazer Commercial Holdings, LLC(3)
3.1(r)	Certificate of Incorporation Beazer General Services, Inc.(3)

Exhibit Number	Description
3.1(s)	Certificate of Incorporation of Beazer Homes Indiana Holdings Corp.(3)
3.1(t)	Certificate of Incorporation of Beazer Realty Los Angeles, Inc.(3)
3.1(u)	Certificate of Incorporation of Beazer Realty Sacramento, Inc.(3)
3.1(v)	Certificate of Limited Partnership of BH Building Products, LP(3)
3.1(w)	Certificate of Incorporation of Homebuilders Title Services of Virginia, Inc.(2)
3.1(x)	Articles of Incorporation of Homebuilders Title Services, Inc.(2)
3.1(y)	Articles of Organization of Paragon Title, LLC(2)
3.1(z)	Certificate of Formation of BH Procurement Services, LLC(3)
3.1(aa)	Certificate of Limited Partnership of Texas Lone Star Title, L.P.(2)
3.1(ab)	Articles of Organization of Trinity Homes LLC(2)
3.1(ac)	Articles of Organization of Arden Park Ventures, LLC(4)
3.1(ad)	Certificate of Incorporation of Beazer Mortgage Corporation(2)
3.1(ae)	Certificate of Formation of Dove Barrington Development LLC(7)
3.1(af)	Certificate of Formation of Beazer Homes Michigan, LLC(7)
3.1(ag)	Articles of Organization of Elysian Heights Potomia, LLC(7)
3.1(ah)	Articles of Organization of Clarksburg Arora LLC(7)
3.1(ai)	Articles of Organization of Clarksburg Skylark, LLC(7)
3.2(a)	Third Amended and Restated By-laws of Beazer Homes USA, Inc.(5)
3.2(b)	By-Laws of April Corporation(2)
3.2(c)	By-Laws of Beazer Allied Companies Holdings, Inc.(2)
3.2(d)	Operating Agreement of Beazer Clarksburg, LLC(2)
3.2(e)	By-Laws of Beazer Homes Corp.(2)
3.2(f)	By-Laws of Beazer Homes Holdings Corp.(2)
3.2(g)	Operating Agreement of Beazer Homes Investments, LLC(3)
3.2(h)	By-Laws of Beazer Homes Sales, Inc.(2)
3.2(i)	By-Laws of Beazer Homes Texas Holdings, Inc.(2)
3.2(j)	Agreement of Limited Partnership of Beazer Homes Texas, L.P.(2)
3.2(k)	By-Laws of Beazer Realty Corp.(2)
3.2(l)	By-Laws of Beazer Realty, Inc.(2)
3.2(m)	Operating Agreement of Beazer Realty Services, LLC(3)
3.2(n)	Operating Agreement of Beazer SPE, LLC(2)
3.2(o)	By-Laws of Beazer/Squires Realty, Inc.(2)
3.2(p)	Partnership Agreement of Beazer Homes Indiana LLP(13)
3.2(q)	Operating Agreement of Beazer Commercial Holdings, LLC(3)
3.2(r)	By-Laws of Beazer Homes Indiana Holdings Corp.(3)
3.2(s)	By-Laws of Beazer Realty Los Angeles, Inc.(3)
3.2(t)	By-Laws of Beazer Realty Sacramento, Inc.(3)
3.2(u)	Limited Partnership Agreement of BH Building Products, LP(3)
3.2(v)	Operating Agreement of BH Procurement Services, LLC(3)
3.2(w)	By-Laws of Homebuilders Title Services of Virginia, Inc.(2)
3.2(x)	By-Laws of Homebuilders Title Services, Inc.(2)
3.2(y)	Amended and Restated Operating Agreement of Paragon Title, LLC(2)
3.2(aa)	Limited Partnership Agreement of Texas Lone Star Title, L.P.(2)
3.2(ab)	Second Amended and Restated Operating Agreement of Trinity Homes LLC(2)

Exhibit Number	Description
3.2(ac)	By-Laws of Beazer General Services, Inc.(3)
3.2(ae)	By-Laws of Beazer Mortgage Corporation(2)
3.2(af)	Limited Liability Company Agreement of Dove Barrington Development LLC(7)
3.2(ag)	Operating Agreement of Beazer Homes Michigan, LLC(7)
3.2(ah)***	Second Amended and Restated Operating Agreement of Elysian Heights Potomia, LLC
3.2(ai)***	Amended and Restated Operating Agreement of Clarksburg Arora LLC
3.2(aj)***	Amended and Restated Operating Agreement of Clarksburg Skylark, LLC
4.1	Indenture, dated as of September 11, 2009, among Beazer, the Guarantors party thereto and U.S. Bank Trust National Association, as trustee, and Wilmington Trust FSB, as notes collateral agent(6)
4.2	Form of Senior Secured Note due 2017 (included in Exhibit 4.1 hereto)
4.3	Registration Rights Agreement, dated September 11, 2009, by and among Beazer Homes USA, Inc., the guarantors party thereto, Citigroup Global Markets Inc. and Moelis & Company LLC(6)
5.1***	Opinion of Troutman Sanders LLP
5.2***	Opinion of Tune, Entrekin & White, P.C.
5.3***	Opinion of Barnes & Thornburg LLP
5.4***	Opinion of Gardere Wynne Sewell LLP
5.5***	Opinion of Holland & Knight LLP
5.6**	Opinion of Hogan & Hartson L.L.P.
5.7**	Opinion of Greenbaum, Rowe, Smith & Davis LLP
5.8**	Opinion of Walsh, Colucci, Lubeley, Emrich & Walsh PC
10.1	Amended and Restated 1994 Stock Incentive Plan — incorporated herein by reference to Exhibit 10.1 of Beazer's Form 10-K for the year ended September 30, 2005 (File No. 001-12822).
10.2	Non-Employee Director Stock Option Plan — incorporated herein by reference to Exhibit 10.2 of the Company's Form 10-K for the year ended September 30, 2001 (File No. 001-12822).
10.3	Amended and Restated 1999 Stock Incentive Plan — incorporated herein by reference to Exhibit 10.2 of the Company's Form 8-K filed on August 8, 2008 (File No. 001-12822).
10.4	2005 Value Created Incentive Plan — incorporated herein by reference to Exhibit 10.4 of the Company's Form 10-K for the year ended September 30, 2004 (File No. 001-12822).
10.5	Second Amended and Restated Corporate Management Stock Purchase Program — incorporated herein by reference to Exhibit 10.5 of the Company's Form 10-K for the year ended September 30, 2007 (File No. 001-12822).
10.6	Customer Survey Incentive Plan — incorporated herein by reference to Exhibit 10.6 of the Company's Form 10-K for the year ended September 30, 2004 (File No. 001-12822).
10.7	Director Stock Purchase Program — incorporated herein by reference to Exhibit 10.7 of the Company's Form 10-K for the year ended September 30, 2004 (File No. 001-12822).
10.8	Form of Stock Option and Restricted Stock Award Agreement — incorporated herein by reference to Exhibit 10.8 of the Company's Form 10-K for the year ended September 30, 2004 (File No. 001-12822).
10.9	Form of Stock Option Award Agreement — incorporated herein by reference to Exhibit 10.9 of the Company's Form 10-K for the year ended September 30, 2004 (File No. 001-12822).
10.10	Amended and Restated Employment Agreement of Ian J. McCarthy dated as of September 1, 2004 — incorporated herein by reference to Exhibit 10.01 of the Company's Form 8-K filed on September 1, 2004 (File No. 001-12822).
10.11	First Amendment to Amended and Restated Employment Agreement of Ian J. McCarthy dated as of February 3, 2006 — incorporated herein by reference to Exhibit 10.11 of the Company's Form 10-Q for the quarter ended March 31, 2006 (File No. 001-12822).

Exhibit Number	Description
10.12	Second Amendment to Amended and Restated Employment Agreement of Ian J. McCarthy dated as of December 31, 2008 — incorporated herein by reference to Exhibit 10.31 of the Company's Form 10-Q for the quarter ended December 31, 2008 (File No. 001-12822).
10.13	Amended and Restated Employment Agreement of Michael H. Furlow dated as of August 6, 2009 — incorporated herein by reference to Exhibit 10.3 of the Company's Form 10-Q for the quarter ended June 30, 2009 (File No. 001-12822).
10.14	Employment Agreement effective May 1, 2007 for Allan P. Merrill — incorporated herein by reference to Exhibit 10.01 of the Company's Form 8-K filed on April 24, 2007 (File No. 001-12822).
10.15	First Amendment to Employment Agreement effective December 31, 2008 for Allan P. Merrill — incorporated herein by reference to Exhibit 10.5 of the Company's Form 10-Q for the quarter ended December 31, 2008 (File No. 001-12822).
10.16	Amended and Restated Supplemental Employment Agreement of Ian J. McCarthy dated as of February 3, 2006 — incorporated herein by reference to Exhibit 10.1 of the Company's Form 10-Q for the quarter ended March 31, 2006 (File No. 001-12822).
10.17	First Amendment to Amended and Restated Supplemental Employment Agreement of Ian J. McCarthy effective December 31, 2008 — incorporated herein by reference to Exhibit 10.6 of the Company's Form 10-Q for the quarter ended December 31, 2008 (File No. 001-12822).
10.18	Amended and Restated Supplemental Employment Agreement of Michael H. Furlow dated as of August 6, 2009 — incorporated herein by reference to Exhibit 10.4 of the Company's Form 10-Q for the quarter ended June 30, 2009 (File No. 001-12822).
10.19	Change of Control Employment Agreement effective May 1, 2007 for Allan P. Merrill — incorporated herein by reference to Exhibit 10.02 of the Company's Form 8-K filed on April 24, 2007 (File No. 001-12822).
10.20	Change of Control Employment Agreement effective May 1, 2007 for Allan P. Merrill — incorporated herein by reference to Exhibit 10.02 of the Company's Form 8-K filed on April 24, 2007 (File No. 001-12822).
10.21	Employment Letter for Kenneth F. Khoury effective January 5, 2009 — incorporated herein by reference to Exhibit 10.1 of the Company's Form 10-Q for the quarter ended December 31, 2008 (File No. 001-12822).
10.22	Change of Control Agreement for Kenneth F. Khoury effective December 5, 2008 — incorporated herein by reference to Exhibit 10.2 of the Company's Form 10-Q for the quarter ended December 31, 2008 (File No. 001-12822).
10.23	Form of Performance Shares Award Agreement dated as of February 2, 2006 — incorporated herein by reference to Exhibit 10.18 of the Company's Form 10-Q for the quarter ended March 31, 2006 (File No. 001-12822).
10.24	Form of Award Agreement dated as of February 2, 2006 — incorporated herein by reference to Exhibit 10.19 of the Company's Form 10-Q for the quarter ended March 31, 2006 (File No. 001-12822).
10.25	2005 Executive Value Created Incentive Plan — incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on February 9, 2005 (File No. 001-12822).
10.26	Form of Indemnification Agreement — incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on July 1, 2008 (File No. 001-12822).
10.27	Credit Agreement dated as of July 25, 2007 between the Company, the lenders thereto, and Wachovia Bank, National Association, as Agent, BNP Paribas, The Royal Bank of Scotland, and Guaranty Bank, as Documentation Agents, Regions Bank, as Senior Managing Agent, and JPMorgan Chase Bank, as Managing Agent — incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on July 26, 2007 (File No. 001-12822).

Exhibit Number	Description
10.28	Waiver and First Amendment, dated as of October 10, 2007, to and under the Credit Agreement, dated as of July 25, 2007, among the Company, the lenders thereto and Wachovia Bank, National Association, as Agent — incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on October 11, 2007 (File No. 001-12822).
10.29	Second Amendment, dated October 26, 2007, to and under the Credit Agreement, dated as of July 25, 2007, among the Company, the lenders thereto and Wachovia Bank, National Association, as Agent — incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on October 30, 2007 (File No. 001-12822).
10.30	Third Amendment, dated as of August 7, 2008, to and under the Credit Agreement, dated as of July 25, 2007, among the Company, the lenders thereto and Wachovia Bank, National Association, as Agent — incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on August 8, 2008 (File No. 001-12822).
10.31	Fourth Amendment, dated as of July 31, 2009, to and under the Credit Agreement, dated as of July 25, 2007, among the Company, the lenders thereto and Wachovia Bank, National Association, as Agent — incorporated herein by reference to Exhibit 10.1 of the Company's Form 10-Q for the quarter ended June 30, 2009 (File No. 001-12822).
10.32**	Amended and Restated Credit Agreement, dated August 5, 2009, between the Company, the lenders and issuers thereto and CITIBANK, N.A., as Swing Line Lender and Agent.
10.33	2008 Beazer Homes USA, Inc. Deferred Compensation Plan, adopted effective January 1, 2008 — incorporated herein by reference to Exhibit 10.27 of the Company's Form 10-K for the fiscal year ended September 30, 2007 (File No. 001-12822).
10.34	Discretionary Employee Bonus Plan — incorporated herein by reference to Exhibit 10.28 of the Company's Form 10-K for the fiscal year ended September 30, 2007 (File No. 001-12822).
12.1***	Statement of Computation of Ratio of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Dividends.
21.1***	Subsidiaries of Beazer Homes USA, Inc.
23.1**	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm
23.2***	Consent of Troutman Sanders LLP (included in Exhibit 5.1 hereto)
23.3***	Consent of Tune, Entrekin & White, P.C. (included in Exhibit 5.2 hereto)
23.4***	Consent of Barnes & Thornburg LLP (included in Exhibit 5.3 hereto)
23.5***	Consent of Gardere Wynne Sewell LLP (included in Exhibit 5.4 hereto)
23.6***	Consent of Holland & Knight LLP (included in Exhibit 5.5 hereto)
23.7**	Consent of Hogan & Hartson L.L.P. (included in Exhibit 5.6 hereto)
23.8**	Consent of Greenbaum, Rowe, Smith & Davis LLP (included in Exhibit 5.7 hereto)
23.9**	Consent of Walsh, Colucci, Lubeley, Emrich & Walsh PC (included in Exhibit 5.8 hereto)
24.1***	Powers of Attorney (included in Part II of the registration statement)
25.1***	Form T-1 Statement of Eligibility and Qualification of the Trustee under the Indenture with respect to the Senior Secured Notes due 2017
99.1**	Form of Letter of Transmittal
99.2**	Form of Letter to Clients
99.3**	Form of Letter to Registered Holders
99.4**	Form of Notice of Guaranteed Delivery

* To be filed by amendment or as an exhibit to a current report on Form 8-K of the registrant in connection with the issuance of securities.

** Filed herewith.

*** Previously filed.

(1) Incorporated by reference to the exhibits to Beazer's Annual Report on Form 10-K filed on December 2, 2008.

(2) Incorporated herein by reference to the exhibits to Beazer's Registration Statement on Form S-4 (Registration No. 333-112147) filed on January 23, 2004.

(3) Incorporated by reference to the exhibits to Beazer's Registration Statement on Form S-4 (Registration No. 333-127165) filed on August 3, 2005.

(4) Incorporated by reference to the exhibits to Beazer's Registration Statement on Form S-4 filed on August 15, 2006.

(5) Incorporated by reference to the exhibits to Beazer's Form 8-K filed on July 1, 2008.

(6) Incorporated by reference to the exhibits to Beazer's Form 8-K filed on September 16, 2009.

(7) Incorporated by reference to the exhibits to Beazer's Form S-3 filed on November 13, 2009.

Item 22. ***Undertakings.***

The undersigned registrant hereby undertakes:

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

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

(ii) 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 end 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 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) 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.

Provided, however, that paragraphs (i), (ii) and (iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

2. That, for the purpose of determining any liability under the Securities Act, 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.

3. 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.

4. That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

5. That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser: (i) any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424; (ii) any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant; (iii) the portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and (iv) any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement 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.

The undersigned registrant, hereby undertakes to file an application for the purpose of determining the 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 Commission under Section 305(b)(2) of the Act.

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 of 1933 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 of 1933, and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933:

(i) The information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective; and

(ii) Each post-effective amendment that contains a form of prospectus 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.

The undersigned registrant hereby undertakes 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.

The undersigned registrant hereby undertakes to supply by means of a 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.

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 February 23, 2010.

BEAZER HOMES USA, INC.

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

Pursuant to the requirements of the Securities Act of 1933, as amended, this 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**	President, Chief Executive Officer and Director (Principal Executive Officer)	February 23, 2010
/s/ Allan P. Merrill **Allan P. Merrill**	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 23, 2010
/s/ Robert Salomon **Robert Salomon**	Senior Vice President, Chief Accounting Officer and Controller (Principal Accounting Officer)	February 23, 2010
* **Brian C. Beazer**	Non-Executive Chairman, Director	February 23, 2010
* **Laurent Alpert**	Director	February 23, 2010
* **Peter G. Leemputte**	Director	February 23, 2010
* **Norma A. Provencio**	Director	February 23, 2010
* **Larry T. Solari**	Director	February 23, 2010
* **Stephen P. Zelnak, Jr.**	Director	February 23, 2010

* By: /s/ Allan P. Merrill
Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, each of the following registrants 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 February 23, 2010.

APRIL CORPORATION
BEAZER ALLIED COMPANIES HOLDINGS, INC.
BEAZER GENERAL SERVICES, INC.
BEAZER HOMES CORP.
BEAZER HOMES HOLDINGS CORP.
BEAZER HOMES INDIANA HOLDINGS CORP.
BEAZER HOMES SALES, INC.
BEAZER HOMES TEXAS HOLDINGS, INC.
BEAZER REALTY CORP.
BEAZER REALTY, INC.
BEAZER REALTY LOS ANGELES, INC.
BEAZER REALTY SACRAMENTO, INC.
BEAZER/SQUIRES REALTY, INC.
HOMEBUILDERS TITLE SERVICES OF VIRGINIA, INC.
HOMEBUILDERS TITLE SERVICES, INC.

By: /s/ Allan P. Merrill
Allan P. Merrill
Executive Vice President

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

Signature	Title	Date
*	Director and President (Principal Executive Officer)	February 23, 2010
Ian J. McCarthy		
/s/ Allan P. Merrill	Executive Vice President (Principal Financial Officer)	February 23, 2010
Allan P. Merrill		
*	Senior Vice President (Principal Accounting Officer)	February 23, 2010
Robert Salomon		
*	Director	February 23, 2010
Brian C. Beazer		

* By: /s/ Allan P. Merrill
Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, each of the following registrants 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 February 23, 2010.

BEAZER MORTGAGE CORPORATION

By: /s/ Kenneth F. Khoury
Kenneth F. Khoury
Executive Vice President and Assistant Secretary

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

Signature	Title	Date
/s/ Allan P. Merrill **Allan P. Merrill**	Director and President (Principal Executive Officer and Principal Financial Officer)	February 23, 2010
/s/ Kenneth F. Khoury **Kenneth F. Khoury**	Executive Vice President and Assistant Secretary	February 23, 2010
* **Robert Salomon**	Senior Vice President (Principal Accounting Officer)	February 23, 2010
* **Jeffrey Hoza**	Vice President and Treasurer	February 23, 2010

* By: /s/ Kenneth F. Khoury
Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, 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 February 23, 2010.

BEAZER HOMES INDIANA LLP

By: BEAZER HOMES INVESTMENTS, LLC,
its Managing Partner

By: BEAZER HOMES CORP.,
its Sole Member

By: /s/ Allan P. Merrill
Allan P. Merrill
Executive Vice President

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

Signature	Title	Date
*	Director and President	February 23, 2010
Ian J. McCarthy	(Principal Executive Officer)	
/s/ Allan P. Merrill	Executive Vice President	February 23, 2010
Allan P. Merrill	(Principal Financial Officer)	
*	Senior Vice President	February 23, 2010
Robert Salomon	(Principal Accounting Officer)	
*	Director	February 23, 2010
Brian C. Beazer		

* By: /s/ Allan P. Merrill
Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, 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 February 23, 2010.

ARDEN PARK VENTURES, LLC
BEAZER CLARKSBURG, LLC
BEAZER COMMERCIAL HOLDINGS, LLC
DOVE BARRINGTON DEVELOPMENT LLC
BEAZER HOMES INVESTMENTS, LLC
BEAZER HOMES MICHIGAN, LLC
ELYSIAN HEIGHTS POTOMIA, LLC

By: BEAZER HOMES CORP.,
its Sole Member

By: /s/ Allan P. Merrill
Allan P. Merrill
Executive Vice President

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

Signature	Title	Date
*	Director and President (Principal Executive Officer)	February 23, 2010
Ian J. McCarthy		
/s/ Allan P. Merrill	Executive Vice President (Principal Financial Officer)	February 23, 2010
Allan P. Merrill		
*	Senior Vice President (Principal Accounting Officer)	February 23, 2010
Robert Salomon		
*	Director	February 23, 2010
Brian C. Beazer		

* By: /s/ Allan P. Merrill
Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, 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 February 23, 2010.

BEAZER HOMES TEXAS, L.P.
TEXAS LONE STAR TITLE, L.P.

By: BEAZER HOMES TEXAS HOLDINGS, INC.,
its General Partner

By: /s/ Allan P. Merrill
Allan P. Merrill
Executive Vice President

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

Signature	Title	Date
* **Ian J. McCarthy**	Director and President (Principal Executive Officer)	February 23, 2010
/s/ Allan P. Merrill **Allan P. Merrill**	Executive Vice President (Principal Financial Officer)	February 23, 2010
* **Robert Salomon**	Senior Vice President (Principal Accounting Officer)	February 23, 2010
* **Brian C. Beazer**	Director	February 23, 2010

* By: /s/ Allan P. Merrill
Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, 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 February 23, 2010.

BEAZER REALTY SERVICES, LLC

By: BEAZER HOMES INVESTMENTS, LLC,
its Sole Member

By: BEAZER HOMES CORP.,
its Sole Member

By: /s/ Allan P. Merrill
Allan P. Merrill
Executive Vice President

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

Signature	Title	Date
*	Director and President (Principal Executive Officer)	February 23, 2010
Ian J. McCarthy		
/s/ Allan P. Merrill	Executive Vice President (Principal Financial Officer)	February 23, 2010
Allan P. Merrill		
*	Senior Vice President (Principal Accounting Officer)	February 23, 2010
Robert Salomon		
*	Director	February 23, 2010
Brian C. Beazer		

* By: /s/ Allan P. Merrill
Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, 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 February 23, 2010.

BEAZER SPE, LLC

By: BEAZER HOMES HOLDINGS CORP.,
its Sole Member

By: /s/ Allan P. Merrill
Allan P. Merrill
Executive Vice President

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

Signature	Title	Date
* **Ian J. McCarthy**	Director and President (Principal Executive Officer)	February 23, 2010
/s/ Allan P. Merrill **Allan P. Merrill**	Executive Vice President (Principal Financial Officer)	February 23, 2010
* **Robert Salomon**	Senior Vice President (Principal Accounting Officer)	February 23, 2010
* **Brian C. Beazer**	Director	February 23, 2010

* By: /s/ Allan P. Merrill
Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, 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 February 23, 2010.

BH BUILDING PRODUCTS, LP

By: BH PROCUREMENT SERVICES, LLC,
its General Partner

By: BEAZER HOMES TEXAS, L.P.,
its Sole Member

By: BEAZER HOMES TEXAS HOLDINGS, INC.,
its General Partner

By: /s/ Allan P. Merrill
Allan P. Merrill
Executive Vice President

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

Signature	Title	Date
* **Ian J. McCarthy**	Director and President (Principal Executive Officer)	February 23, 2010
/s/ Allan P. Merrill **Allan P. Merrill**	Executive Vice President (Principal Financial Officer)	February 23, 2010
* **Robert Salomon**	Senior Vice President (Principal Accounting Officer)	February 23, 2010
* **Brian C. Beazer**	Director	February 23, 2010

* By: /s/ Allan P. Merrill
Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, 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 February 23, 2010.

BH PROCUREMENT SERVICES, LLC

By: BEAZER HOMES TEXAS, L.P.,
its Sole Member

By: BEAZER HOMES TEXAS HOLDINGS, INC.,
its General Partner

By: /s/ Allan P. Merrill
Allan P. Merrill
Executive Vice President

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

Signature	Title	Date
* **Ian J. McCarthy**	Director and President (Principal Executive Officer)	February 23, 2010
/s/ Allan P. Merrill **Allan P. Merrill**	Executive Vice President (Principal Financial Officer)	February 23, 2010
* **Robert Salomon**	Senior Vice President (Principal Accounting Officer)	February 23, 2010
* **Brian C. Beazer**	Director	February 23, 2010

* By: /s/ Allan P. Merrill
Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, 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 February 23, 2010.

PARAGON TITLE, LLC

By: BEAZER HOMES INVESTMENTS, LLC,
its Sole Member and Manager

By: BEAZER HOMES CORP.,
its Sole Member

By: /s/ Allan P. Merrill
Allan P. Merrill
Executive Vice President

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

Signature	Title	Date
* **Ian J. McCarthy**	Director and President (Principal Executive Officer)	February 23, 2010
/s/ Allan P. Merrill **Allan P. Merrill**	Executive Vice President (Principal Financial Officer)	February 23, 2010
* **Robert Salomon**	Senior Vice President (Principal Accounting Officer)	February 23, 2010
* **Brian C. Beazer**	Director	February 23, 2010

* By: /s/ Allan P. Merrill
Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, 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 February 23, 2010.

TRINITY HOMES, LLC

By: BEAZER HOMES INVESTMENTS, LLC,
its Member

By: BEAZER HOMES CORP.,
its Sole Member

By: /s/ Allan P. Merrill
Allan P. Merrill
Executive Vice President

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

Signature	Title	Date
* **Ian J. McCarthy**	Director and President (Principal Executive Officer)	February 23, 2010
/s/ Allan P. Merrill **Allan P. Merrill**	Executive Vice President (Principal Financial Officer)	February 23, 2010
* **Robert Salomon**	Senior Vice President (Principal Accounting Officer)	February 23, 2010
* **Brian C. Beazer**	Director	February 23, 2010

* By: /s/ Allan P. Merrill
Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, 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 February 23, 2010.

CLARKSBURG ARORA LLC

By: BEAZER CLARKSBURG, LLC,
its Sole Member

By: BEAZER HOMES CORP.,
its Sole Member

By: /s/ Allan P. Merrill
Allan P. Merrill
Executive Vice President

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

Signature	Title	Date
* **Ian J. McCarthy**	Director and President (Principal Executive Officer)	February 23, 2010
/s/ Allan P. Merrill **Allan P. Merrill**	Executive Vice President (Principal Financial Officer)	February 23, 2010
* **Robert Salomon**	Senior Vice President (Principal Accounting Officer)	February 23, 2010
* **Brian C. Beazer**	Director	February 23, 2010

* By: /s/ Allan P. Merrill
Attorney-in-Fact

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, 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 February 23, 2010.

CLARKSBURG SKYLARK, LLC

By: CLARKSBURG ARORA LLC,
its Sole Member

By: BEAZER CLARKSBURG, LLC,
its Sole Member

By: BEAZER HOMES CORP.,
its Sole Member

By: /s/ Allan P. Merrill
Allan P. Merrill
Executive Vice President

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

Signature	Title	Date
*	Director and President (Principal Executive Officer)	February 23, 2010
Ian J. McCarthy		
/s/ Allan P. Merrill	Executive Vice President (Principal Financial Officer)	February 23, 2010
Allan P. Merrill		
*	Senior Vice President (Principal Accounting Officer)	February 23, 2010
Robert Salomon		
*	Director	February 23, 2010
Brian C. Beazer		

* By: /s/ Allan P. Merrill
Attorney-in-Fact

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3.1(c)	Certificate of Incorporation of Beazer Allied Companies Holdings, Inc.(2)
3.1(d)	Articles of Organization of Beazer Clarksburg, LLC(2)
3.1(e)	Charter of Beazer Homes Corp.(2)
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3.1(r)	Certificate of Incorporation Beazer General Services, Inc.(3)
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3.1(w)	Certificate of Incorporation of Homebuilders Title Services of Virginia, Inc.(2)
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3.1(ab)	Articles of Organization of Trinity Homes LLC(2)
3.1(ac)	Articles of Organization of Arden Park Ventures, LLC(4)
3.1(ad)	Certificate of Incorporation of Beazer Mortgage Corporation(2)
3.1(ae)	Certificate of Formation of Dove Barrington Development LLC(7)
3.1(af)	Certificate of Formation of Beazer Homes Michigan, LLC(7)
3.1(ag)	Articles of Organization of Elysian Heights Potomia, LLC(7)
3.1(ah)	Articles of Organization of Clarksburg Arora LLC(7)
3.1(ai)	Articles of Organization of Clarksburg Skylark, LLC(7)
3.2(a)	Third Amended and Restated By-laws of Beazer Homes USA, Inc.(5)
3.2(b)	By-Laws of April Corporation(2)
3.2(c)	By-Laws of Beazer Allied Companies Holdings, Inc.(2)
3.2(d)	Operating Agreement of Beazer Clarksburg, LLC(2)
3.2(e)	By-Laws of Beazer Homes Corp.(2)
3.2(f)	By-Laws of Beazer Homes Holdings Corp.(2)
3.2(g)	Operating Agreement of Beazer Homes Investments, LLC(3)
3.2(h)	By-Laws of Beazer Homes Sales, Inc.(2)
3.2(i)	By-Laws of Beazer Homes Texas Holdings, Inc.(2)

Exhibit Number	Description
3.2(j)	Agreement of Limited Partnership of Beazer Homes Texas, L.P.(2)
3.2(k)	By-Laws of Beazer Realty Corp.(2)
3.2(l)	By-Laws of Beazer Realty, Inc.(2)
3.2(m)	Operating Agreement of Beazer Realty Services, LLC(3)
3.2(n)	Operating Agreement of Beazer SPE, LLC(2)
3.2(o)	By-Laws of Beazer/Squires Realty, Inc.(2)
3.2(p)	Partnership Agreement of Beazer Homes Indiana LLP(13)
3.2(q)	Operating Agreement of Beazer Commercial Holdings, LLC(3)
3.2(r)	By-Laws of Beazer Homes Indiana Holdings Corp.(3)
3.2(s)	By-Laws of Beazer Realty Los Angeles, Inc.(3)
3.2(t)	By-Laws of Beazer Realty Sacramento, Inc.(3)
3.2(u)	Limited Partnership Agreement of BH Building Products, LP(3)
3.2(v)	Operating Agreement of BH Procurement Services, LLC(3)
3.2(w)	By-Laws of Homebuilders Title Services of Virginia, Inc.(2)
3.2(x)	By-Laws of Homebuilders Title Services, Inc.(2)
3.2(y)	Amended and Restated Operating Agreement of Paragon Title, LLC(2)
3.2(aa)	Limited Partnership Agreement of Texas Lone Star Title, L.P.(2)
3.2(ab)	Second Amended and Restated Operating Agreement of Trinity Homes LLC(2)
3.2(ac)	By-Laws of Beazer General Services, Inc.(3)
3.2(ae)	By-Laws of Beazer Mortgage Corporation(2)
3.2(af)	Limited Liability Company Agreement of Dove Barrington Development LLC(7)
3.2(ag)	Operating Agreement of Beazer Homes Michigan, LLC(7)
3.2(ah)***	Second Amended and Restated Operating Agreement of Elysian Heights Potomia, LLC
3.2(ai)***	Amended and Restated Operating Agreement of Clarksburg Arora LLC
3.2(aj)***	Amended and Restated Operating Agreement of Clarksburg Skylark, LLC
4.1	Indenture, dated as of September 11, 2009, among Beazer, the Guarantors party thereto and U.S. Bank Trust National Association, as trustee, and Wilmington Trust FSB, as notes collateral agent(6)
4.2	Form of Senior Secured Note due 2017 (included in Exhibit 4.1 hereto)
4.3	Registration Rights Agreement, dated September 11, 2009, by and among Beazer Homes USA, Inc., the guarantors party thereto, Citigroup Global Markets Inc. and Moelis & Company LLC(6)
5.1***	Opinion of Troutman Sanders LLP
5.2***	Opinion of Tune, Entrekin & White, P.C.
5.3***	Opinion of Barnes & Thornburg LLP
5.4***	Opinion of Gardere Wynne Sewell LLP
5.5***	Opinion of Holland & Knight LLP
5.6**	Opinion of Hogan & Hartson L.L.P.
5.7**	Opinion of Greenbaum, Rowe, Smith & Davis LLP
5.8**	Opinion of Walsh, Colucci, Lubeley, Emrich & Walsh PC
10.1	Amended and Restated 1994 Stock Incentive Plan — incorporated herein by reference to Exhibit 10.1 of Beazer's Form 10-K for the year ended September 30, 2005 (File No. 001-12822).
10.2	Non-Employee Director Stock Option Plan — incorporated herein by reference to Exhibit 10.2 of the Company's Form 10-K for the year ended September 30, 2001 (File No. 001-12822).
10.3	Amended and Restated 1999 Stock Incentive Plan — incorporated herein by reference to Exhibit 10.2 of the Company's Form 8-K filed on August 8, 2008 (File No. 001-12822).

Exhibit Number	Description
10.4	2005 Value Created Incentive Plan — incorporated herein by reference to Exhibit 10.4 of the Company's Form 10-K for the year ended September 30, 2004 (File No. 001-12822).
10.5	Second Amended and Restated Corporate Management Stock Purchase Program — incorporated herein by reference to Exhibit 10.5 of the Company's Form 10-K for the year ended September 30, 2007 (File No. 001-12822).
10.6	Customer Survey Incentive Plan — incorporated herein by reference to Exhibit 10.6 of the Company's Form 10-K for the year ended September 30, 2004 (File No. 001-12822).
10.7	Director Stock Purchase Program — incorporated herein by reference to Exhibit 10.7 of the Company's Form 10-K for the year ended September 30, 2004 (File No. 001-12822).
10.8	Form of Stock Option and Restricted Stock Award Agreement — incorporated herein by reference to Exhibit 10.8 of the Company's Form 10-K for the year ended September 30, 2004 (File No. 001-12822).
10.9	Form of Stock Option Award Agreement — incorporated herein by reference to Exhibit 10.9 of the Company's Form 10-K for the year ended September 30, 2004 (File No. 001-12822).
10.10	Amended and Restated Employment Agreement of Ian J. McCarthy dated as of September 1, 2004 — incorporated herein by reference to Exhibit 10.01 of the Company's Form 8-K filed on September 1, 2004 (File No. 001-12822).
10.11	First Amendment to Amended and Restated Employment Agreement of Ian J. McCarthy dated as of February 3, 2006 — incorporated herein by reference to Exhibit 10.11 of the Company's Form 10-Q for the quarter ended March 31, 2006 (File No. 001-12822).
10.12	Second Amendment to Amended and Restated Employment Agreement of Ian J. McCarthy dated as of December 31, 2008 — incorporated herein by reference to Exhibit 10.31 of the Company's Form 10-Q for the quarter ended December 31, 2008 (File No. 001-12822).
10.13	Amended and Restated Employment Agreement of Michael H. Furlow dated as of August 6, 2009 — incorporated herein by reference to Exhibit 10.3 of the Company's Form 10-Q for the quarter ended June 30, 2009 (File No. 001-12822).
10.14	Employment Agreement effective May 1, 2007 for Allan P. Merrill — incorporated herein by reference to Exhibit 10.01 of the Company's Form 8-K filed on April 24, 2007 (File No. 001-12822).
10.15	First Amendment to Employment Agreement effective December 31, 2008 for Allan P. Merrill — incorporated herein by reference to Exhibit 10.5 of the Company's Form 10-Q for the quarter ended December 31, 2008 (File No. 001-12822).
10.16	Amended and Restated Supplemental Employment Agreement of Ian J. McCarthy dated as of February 3, 2006 — incorporated herein by reference to Exhibit 10.1 of the Company's Form 10-Q for the quarter ended March 31, 2006 (File No. 001-12822).
10.17	First Amendment to Amended and Restated Supplemental Employment Agreement of Ian J. McCarthy effective December 31, 2008 — incorporated herein by reference to Exhibit 10.6 of the Company's Form 10-Q for the quarter ended December 31, 2008 (File No. 001-12822).
10.18	Amended and Restated Supplemental Employment Agreement of Michael H. Furlow dated as of August 6, 2009 — incorporated herein by reference to Exhibit 10.4 of the Company's Form 10-Q for the quarter ended June 30, 2009 (File No. 001-12822).
10.19	Change of Control Employment Agreement effective May 1, 2007 for Allan P. Merrill — incorporated herein by reference to Exhibit 10.02 of the Company's Form 8-K filed on April 24, 2007 (File No. 001-12822).
10.20	Change of Control Employment Agreement effective May 1, 2007 for Allan P. Merrill — incorporated herein by reference to Exhibit 10.02 of the Company's Form 8-K filed on April 24, 2007 (File No. 001-12822).
10.21	Employment Letter for Kenneth F. Khoury effective January 5, 2009 — incorporated herein by reference to Exhibit 10.1 of the Company's Form 10-Q for the quarter ended December 31, 2008 (File No. 001-12822).
10.22	Change of Control Agreement for Kenneth F. Khoury effective December 5, 2008 — incorporated herein by reference to Exhibit 10.2 of the Company's Form 10-Q for the quarter ended December 31, 2008 (File No. 001-12822).

Exhibit Number	Description
10.23	Form of Performance Shares Award Agreement dated as of February 2, 2006 — incorporated herein by reference to Exhibit 10.18 of the Company's Form 10-Q for the quarter ended March 31, 2006 (File No. 001-12822).
10.24	Form of Award Agreement dated as of February 2, 2006 — incorporated herein by reference to Exhibit 10.19 of the Company's Form 10-Q for the quarter ended March 31, 2006 (File No. 001-12822).
10.25	2005 Executive Value Created Incentive Plan — incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on February 9, 2005 (File No. 001-12822).
10.26	Form of Indemnification Agreement — incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on July 1, 2008 (File No. 001-12822).
10.27	Credit Agreement dated as of July 25, 2007 between the Company, the lenders thereto, and Wachovia Bank, National Association, as Agent, BNP Paribas, The Royal Bank of Scotland, and Guaranty Bank, as Documentation Agents, Regions Bank, as Senior Managing Agent, and JPMorgan Chase Bank, as Managing Agent — incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on July 26, 2007 (File No. 001-12822).
10.28	Waiver and First Amendment, dated as of October 10, 2007, to and under the Credit Agreement, dated as of July 25, 2007, among the Company, the lenders thereto and Wachovia Bank, National Association, as Agent — incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on October 11, 2007 (File No. 001-12822).
10.29	Second Amendment, dated October 26, 2007, to and under the Credit Agreement, dated as of July 25, 2007, among the Company, the lenders thereto and Wachovia Bank, National Association, as Agent — incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on October 30, 2007 (File No. 001-12822).
10.30	Third Amendment, dated as of August 7, 2008, to and under the Credit Agreement, dated as of July 25, 2007, among the Company, the lenders thereto and Wachovia Bank, National Association, as Agent — incorporated herein by reference to Exhibit 10.1 of the Company's Form 8-K filed on August 8, 2008 (File No. 001-12822).
10.31	Fourth Amendment, dated as of July 31, 2009, to and under the Credit Agreement, dated as of July 25, 2007, among the Company, the lenders thereto and Wachovia Bank, National Association, as Agent — incorporated herein by reference to Exhibit 10.1 of the Company's Form 10-Q for the quarter ended June 30, 2009 (File No. 001-12822).
10.32**	Amended and Restated Credit Agreement, dated August 5, 2009, between the Company, the lenders and issuers thereto and CITIBANK, N.A., as Swing Line Lender and Agent.
10.33	2008 Beazer Homes USA, Inc. Deferred Compensation Plan, adopted effective January 1, 2008 — incorporated herein by reference to Exhibit 10.27 of the Company's Form 10-K for the fiscal year ended September 30, 2007 (File No. 001-12822).
10.34	Discretionary Employee Bonus Plan — incorporated herein by reference to Exhibit 10.28 of the Company's Form 10-K for the fiscal year ended September 30, 2007 (File No. 001-12822).
12.1***	Statement of Computation of Ratio of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Dividends.
21.1***	Subsidiaries of Beazer Homes USA, Inc.
23.1**	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm
23.2***	Consent of Troutman Sanders LLP (included in Exhibit 5.1 hereto)
23.3***	Consent of Tune, Entrekin & White, P.C. (included in Exhibit 5.2 hereto)
23.4***	Consent of Barnes & Thornburg LLP (included in Exhibit 5.3 hereto)
23.5***	Consent of Gardere Wynne Sewell LLP (included in Exhibit 5.4 hereto)
23.6***	Consent of Holland & Knight LLP (included in Exhibit 5.5 hereto)
23.7**	Consent of Hogan & Hartson L.L.P. (included in Exhibit 5.6 hereto)
23.8**	Consent of Greenbaum, Rowe, Smith & Davis LLP (included in Exhibit 5.7 hereto)
23.9**	Consent of Walsh, Colucci, Lubeley, Emrich & Walsh PC (included in Exhibit 5.8 hereto)
24.1***	Powers of Attorney (included in Part II of the registration statement)

Exhibit Number	Description
25.1***	Form T-1 Statement of Eligibility and Qualification of the Trustee under the Indenture with respect to the Senior Secured Notes due 2017
99.1**	Form of Letter of Transmittal
99.2**	Form of Letter to Clients
99.3**	Form of Letter to Registered Holders
99.4**	Form of Notice of Guaranteed Delivery

* To be filed by amendment or as an exhibit to a current report on Form 8-K of the registrant in connection with the issuance of securities.

** Filed herewith.

*** Previously filed.

(1) Incorporated by reference to the exhibits to Beazer's Annual Report on Form 10-K filed on December 2, 2008.

(2) Incorporated herein by reference to the exhibits to Beazer's Registration Statement on Form S-4 (Registration No. 333-112147) filed on January 23, 2004.

(3) Incorporated by reference to the exhibits to Beazer's Registration Statement on Form S-4 (Registration No. 333-127165) filed on August 3, 2005.

(4) Incorporated by reference to the exhibits to Beazer's Registration Statement on Form S-4 filed on August 15, 2006.

(5) Incorporated by reference to the exhibits to Beazer's Form 8-K filed on July 1, 2008.

(6) Incorporated by reference to the exhibits to Beazer's Form 8-K filed on September 16, 2009.

(7) Incorporated by reference to the exhibits to Beazer's Form S-3 filed on November 13, 2009.

Exhibit 5.6

[Letterhead of Hogan & Hartson L.L.P.]

February 23, 2010

Beazer Homes USA, Inc.
100 Abernathy Road
Suite 1200
Atlanta, Georgia 30328

Re: Guaranty made as of the date hereof under that certain Indenture dated as of September 11, 2009, among Beazer Homes USA, Inc., the Subsidiary Guarantors named on Schedule I thereto, U.S. Bank National Association, as Trustee and Wilmington Trust FSB, as Notes Collateral Agent

Ladies and Gentlemen:

This firm has acted as special counsel, solely with respect to the matters addressed in this letter, to April Corporation, a Colorado corporation (the "Guarantor"), and a subsidiary of Beazer Homes USA, Inc., a Delaware corporation ("Beazer"), in connection with the Registration Statement on Form S-4 (the "Registration Statement") filed by Beazer and the subsidiaries of Beazer listed in the Registration Statement, including the Guarantor, with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"). The Registration Statement relates to the issuance by Beazer of up to $250,000,000 aggregate principal amount of its 12% Senior Secured Notes due 2017 (the "New Notes") and the issuance by the Guarantor and certain other subsidiaries listed in the Registration Statement of a guarantee as prescribed by the Indenture (as defined below) and in the form attached to the Indenture (the "New Guarantee") with respect to the New Notes. The New Notes will be offered by Beazer in exchange for $250,000,000 aggregate principal amount of its outstanding 12% Senior Secured Notes due 2017 which have not been registered under the Securities Act. All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Registration Statement.

The New Notes and the New Guarantee will be issued under an indenture, dated September 11, 2009 (the "Indenture") among Beazer, the Guarantor, certain other subsidiary guarantors listed in the Registration Statement, U.S. Bank National Association, as trustee and Wilmington Trust FSB, as Notes Collateral Agent.

For purposes of the opinions, which are set forth in paragraphs (a) through (c) below (the "Opinions"), and other statements made in this letter, we have examined copies of the documents listed on Schedule 1 attached hereto (the "Documents"). We believe the Documents provide an appropriate basis on which to render the opinions hereinafter expressed.

In our examination of the New Guarantee and the other Documents, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the accuracy and completeness of all of the Documents, the authenticity of all originals of the Documents and the conformity to authentic originals of all of the Documents submitted to us as copies (including

telecopies). As to all matters of fact relevant to the Opinions and other statements made herein, we have relied on the representations and statements of fact made in the Documents, we have not independently established the facts so relied on, and we have not made any investigation or inquiry other than our examination of the Documents.

For purposes of this opinion letter, we have assumed that (i) each party to the Indenture other than the Guarantor has all requisite power and authority under all applicable laws, regulations and governing documents to execute, deliver and perform its obligations under the Indenture, and each of such other parties has complied with all legal requirements pertaining to its status as such status relates to its rights to enforce the Indenture against the Company, (ii) each of such other parties has duly authorized, executed and delivered the Indenture to which it is a party, (iii) each party to the Indenture is validly existing and in good standing in all necessary jurisdictions (except for the Guarantor in the State of Colorado), (iv) the Indenture constitutes a valid and binding obligation, enforceable against each of such other parties in accordance with its terms, (v) there has been no mutual mistake of fact or misunderstanding, or fraud, duress or undue influence, in connection with the negotiation, execution or delivery of the Indenture, and the conduct of all parties to the Indenture has complied with any requirements of good faith, fair dealing and conscionability, and (vi) there are and have been no agreements or understandings among the parties, written or oral, and there is and has been no usage of trade or course of prior dealing among the parties, that would, in either case, define, supplement or qualify the terms of the Indenture. We have also assumed the validity and constitutionality of each relevant statute, rule, regulation and agency action covered by this opinion letter. The Opinions are given, and other statements are made, in the context of the foregoing.

For purposes of the opinions set forth in paragraph (c) below, we have made the following further assumptions: (i) that all agreements and contracts would be enforced as written; (ii) that the consideration or other benefits received by the Guarantor under the New Guaranty is adequate; (iii) that the Gurantor will not in the future take any discretionary action (including a decision not to act) permitted under the Indenture, the New Notes or the New Gurantee (the "Operative Agreements") that would result in a violation of law or constitute a breach or default under any order, judgment, decree, agreement or contract; (iv) that the Gurantor will obtain all permits, consents, and governmental approvals required in the future, and take all actions required, which are relevant to subsequent consummation of the transactions contemplated under the Operative Agreements or performance of the Operative Agreements; and (v) that all parties to the Operative Agreements will act in accordance with, and will refrain from taking any action that is forbidden by, the terms and conditions of the Operative Agreements.

The Opinions are based as to matters of law solely on applicable provisions of internal Colorado law, as currently in effect, subject to the exclusions and limitations set forth in this opinion letter ("Applicable State Law").

Based upon, subject to and limited by the assumptions, qualifications, exceptions, and limitations set forth in this opinion letter, we are of the opinion that:

(a) The Company is validly existing as a corporation and in good standing under the laws of the State of Colorado.

(b) The execution, delivery and performance by the Guarantor of the Indenture and the New Guarantee have been duly authorized by all necessary corporate action of the Guarantor.

(c) The execution, delivery and performance by the Guarantor of the Indenture did not, and the New Guarantee does not, (i) require any approval of the Guarantor's shareholders that has not been obtained, (ii) violate the Articles of Incorporation or Bylaws of the Guarantor, or (iii) violate Applicable State Law.

In addition to the assumptions, qualifications, exceptions and limitations elsewhere set forth in this opinion letter, our opinions expressed above are also subject to the effect of: (i) bankruptcy, insolvency, reorganization, receivership, moratorium and other laws affecting creditors' rights (including, without limitation, the effect of statutory and other law regarding fraudulent conveyances, fraudulent transfers and preferential transfers); and (ii) the exercise of judicial discretion and the application of principles of equity, good faith, fair dealing, reasonableness, conscionability and materiality (regardless of whether the applicable agreements are considered in a proceeding in equity or at law).

We express no opinion in this letter as to any other laws and regulations not specifically identified above as being covered hereby (and in particular, we express no opinion as to any effect that such other laws and regulations may have on the opinions expressed herein). We express no opinion in this letter as to federal or state securities laws or regulations, antitrust, unfair competition, banking, or tax laws or regulations, or laws or regulations of any political subdivision below the state level. The opinions set forth in paragraph (c) are based upon a review of only those laws and regulations (not otherwise excluded in this letter) that, in our experience, are generally recognized as applicable to transactions of the type contemplated in the Indenture and New Guarantee.

This opinion letter has been prepared for use in connection with the Registration Statement. This Opinion letter speaks as of the date hereof. We assume no obligation to advise you of any changes in the foregoing subsequent to the effective date of the Registration Statement.

We hereby consent to the reliance on this opinion letter by Troutman Sanders LLP; provided, that no such reliance will have any effect on the scope, phrasing or originally intended use of this opinion letter. We hereby consent to the filing of this opinion letter as an exhibit to the Registration Statement and to the reference to this firm under the caption "Legal Matters" in the prospectus constituting a part of the Registration Statement.

Nothing herein shall be construed to cause us to be considered “experts” within the meaning of Section 11 of the Securities Act of 1933, as amended.

Very truly yours,

/s/ HOGAN & HARTSON L.L.P.

HOGAN & HARTSON L.L.P.

Schedule 1

1. Executed copy of the Indenture.
2. Executed copy of the New Guarantee.
3. The Articles of Incorporation of the Guarantor, as certified by the Secretary of State of the State of Colorado on December 31, 2009, and as certified by the Secretary of the Guarantor on the date hereof as being complete, accurate, and in effect on September 11, 2009, and on the date hereof.
4. The Bylaws of the Guarantor, as certified by the Secretary of the Guarantor on the date hereof as being complete, accurate, and in effect on September 11, 2009, and on the date hereof.
5. A certificate of good standing of the Guarantor issued by the Secretary of State of the State of Colorado dated as of the date hereof.
6. Joint Resolution of the Board of Directors of the Guarantor adopted by unanimous written consent on August 5, 2009, as certified by the Secretary of the Guarantor on the date hereof as being complete, accurate, and in effect relating to, among other things, authorization of the Indenture and arrangements in connection therewith.
7. Joint Resolution of the Board of Directors of the Guarantor adopted by unanimous written consent on January 21, 2010, as certified by the Secretary of the Guarantor on the date hereof as being complete, accurate, and in effect relating to, among other things, authorization of the New Guarantee and arrangements in connection therewith.
8. Certificate of Secretary of the Guarantor dated February 23, 2010 as to certain facts relating to the Guarantor and the incumbency and signatures of certain officers of the Guarantor.
9. A certificate of certain officers of the Guarantor dated as of the date hereof as to certain facts relating to the Guarantor.

Exhibit 5.7

February 22, 2010

Beazer Homes USA, Inc.
1000 Abernathy Road, Suite 1200
Atlanta, Georgia 30328

Troutman Sanders LLP
600 Peachtree Street, N.E., Suite 5200
Atlanta, Georgia 30308-2216

Re: Form S-4 Registration Statement Under the Securities Act of 1933 filed by Beazer Homes USA, Inc. and Certain Subsidiary Guarantors, including, Beazer Realty, Inc.

Ladies and Gentlemen:

We have acted as counsel to Beazer Realty, Inc., a New Jersey corporation (the "**Guarantor**"), a subsidiary of Beazer Homes USA, Inc., a Delaware corporation (the "**Company**") in connection with that certain registration statement on Form S-4 (the "**Registration Statement**") to be filed by the Company and the subsidiary guarantors listed in the Registration Statement, including the Guarantor, with the Securities and Exchange Commission under the Securities Act of 1933, as amended. The Registration Statement relates to the issuance by the Company of up to $250,000,000 aggregate principal amount of its Senior Secured Notes due 2017 (the "**New Notes**") and the issuance by the subsidiary guarantors named in the Registration Statement, including the Guarantor, of guarantees (each, a "**Guaranty**" and collectively, the "**Guarantees**") with respect to the New Notes.

The New Notes and the Guarantees will be issued pursuant to that certain indenture dated as of September 11, 2009 (the "**Indenture**") by and among the Company, the Guarantor, the other subsidiary guarantors named therein, U.S. Bank National Association, as trustee and Wilmington Trust FSB, as Notes Collateral Agent (as defined in the Indenture). The New Notes and the Guarantees will be offered by the Company in exchange for $250,000,000 million aggregate principal amount of their outstanding 12% Senior Secured Notes due 2017 and the related guarantees of those notes.

In connection with our opinion, we have examined copies, certified or otherwise identified to our satisfaction, of the following documents: (i) the Indenture; (ii) the Guaranty; (iii) the Certificate of Good Standing of the Guarantor dated January 7, 2010; (iv) the corporate resolutions of the board of directors of the Guarantor, authorizing and approving (a) the Guarantor's execution, delivery and performance of the Indenture and its Guaranty, and (b) the filing of the Registration Statement with the Securities and Exchange Commission under the Securities Act of 1933, as amended; (v) the Certificate of Incorporation of the Guarantor (the "**Certificate of Incorporation**"); and (vi) the Amended and Restated By-laws of the Guarantor (the "**By-Laws**"). We have also examined that certain draft of the Registration Statement to be filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended.

In our examination, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the authenticity of all documents submitted to us as originals, the conformity to original documents submitted to us as certified, photostatic or facsimile copies and the authenticity of the originals of such documents. As to any facts relevant to the opinions expressed below that we did not independently establish or verify, we have relied upon statements and representations of the Guarantor or others, including the representations of the Guarantor in the documents referenced above and the representations set forth in that certain Officer's Certificate of the Guarantor dated January 21, 2010.

Based upon the foregoing, and subject to the limitations and qualifications set forth below, we are of the opinion that:

1. The Guarantor is validly existing as a corporation and in good standing under the laws of the State of New Jersey, and the Guarantor has the corporate power to execute, deliver and perform its obligations under the Guaranty.

2. The execution, delivery and performance of the Indenture and the Guaranty by the Guarantor has been duly authorized by all necessary corporate action on the part of the Guarantor.

3. The execution and delivery by the Guarantor of the Indenture and the Guaranty and the performance of its obligations thereunder do not and will not (i) require any consent or approval of Guarantor's stockholders, or (ii) violate any provision of any law, rule, or regulation of the State of New Jersey or, to our knowledge, any order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to the Guarantor, which violation would impair its ability to perform its obligations under the Guaranty, or (iii) violate either the Certificate of Incorporation or the By-laws.

We are members of the Bar of the State of New Jersey, and we express no opinion to the laws of any jurisdiction except the laws of the State of New Jersey and the United States of America. We note that the documents referenced in this opinion provide that that they are to be governed by New York law, with certain qualifications and exceptions. We express no opinion as to the interpretation of the choice of law provisions in the documents referenced herein, including, without limitation, which provisions of such documents a court would deem subject to New Jersey rather than New York law.

The opinions expressed herein represent the judgment of this law firm as to certain legal matters, but such opinions are not guarantees or warranties and should not in any respect be construed as such.

This opinion has been prepared for your use in connection with the Registration Statement and may be relied upon by Troutman Sanders LLP for purposes of its opinion to be filed as Exhibit 5.1 of the Registration Statement. We consent to the inclusion of this opinion as an exhibit to the Registration Statement and to the reference to this firm under the caption "Legal Matters" in the prospectus constituting a part of the Registration Statement.

This opinion speaks as of the date hereof. We assume no obligation to advise you of any change in the foregoing subsequent to the effectiveness of the Registration Statement even though the change may affect the legal analysis or a legal conclusion or other matters in this opinion letter.

Very truly yours,

/s/ Greenbaum, Rowe, Smith & Davis LLP

Exhibit 5.8

[Letterhead of Walsh, Colucci, Lubeley, Emrich & Walsh. P.C.]

January 21, 2010

Beazer Homes USA, Inc.
1000 Abernathy Road
Suite 1200
Atlanta, Georgia 30328

Re: Beazer Homes USA, Inc.
Registration Statement on Form S-4

Ladies and Gentlemen:

We have acted as special Maryland counsel to Beazer Clarksburg, LLC, a Maryland limited liability company, Clarksburg Arora, LLC, a Maryland limited liability company , and Clarksburg Skylark, LLC, a Maryland limited liability company (each a "Guarantor" and, collectively, the "Guarantors"), each a subsidiary of Beazer Homes USA, Inc. ("Beazer"), in connection with the Registration Statement on Form S-4 (the "Registration Statement") filed by Beazer and the subsidiaries of Beazer listed in the Registration Statement, including the Guarantors, with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"). The Registration Statement relates to the issuance by Beazer of up to $250,000,000 aggregate principal amount of its 12% Senior Notes due 2017 (the "New Notes") and the issuance by each of the Guarantors and certain other subsidiaries listed in the Registration Statement of guarantees (individually, a "New Guarantee" and, collectively, the "New Guarantees") with respect to the New Notes. The New Notes will be offered by Beazer in exchange for its outstanding 12 % Senior Notes due 2017 which have not been registered under the Securities Act. All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Registration Statement.

It is our understanding that the New Notes and the New Guarantees will be issued under an indenture, dated September 11, 2009 (the "Indenture") among Beazer, the Guarantors, certain other subsidiary guarantors listed in the Registration Statement and U.S. Bank National Association, as trustee (the "Trustee").

In rendering our opinions expressed below, we have examined such documents and have reviewed such questions of law as we have considered necessary and appropriate for the purposes of our opinions set forth below.

In connection with this opinion, we have examined copies or originals of such documents, resolutions, certificates and instruments of each of the Guarantors as we have deemed necessary to form a basis for the opinions 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, (ii) the legal capacity of natural persons, (iii) the authenticity of all documents submitted to us as originals, (iv) the conformity to original documents of all documents

submitted to us as duplicates or certified or conformed copies, and (v) the authenticity of the originals of such latter documents. With regard to certain factual matters, we have relied, without independent investigation or verification, upon statements and representations of representatives of each of the Guarantors.

Based on the foregoing, we are of the opinion that:

1. Each of the Guarantors is validly existing as a limited liability company, and in good standing under the laws of the jurisdiction of its formation and has all requisite power and authority, limited liability company or otherwise, to conduct its business, to own its properties, and to execute, deliver and perform all of its obligations under its respective New Guarantee.

2. Each of the Guarantors has duly authorized, executed and delivered the Indenture.

3. The execution and delivery by each of the Guarantors of the Indenture and the New Guarantees and the performance of each Guarantor's respective obligations thereunder have been duly authorized by all necessary limited liability company or other action and do not and will not (i) require any additional consent or approval of its members, or (ii) violate any provision of any law, rule or regulation of the State of Maryland or, to our knowledge, any order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to each Guarantor which violation would impair its ability to perform its obligations under its respective New Guarantee or (iii) or violate any of its articles of organization or limited liability company operating agreement.

The opinions set forth above are subject to the following qualifications and exceptions:

1. Counsel is a member of the Bar of the State of Maryland. In rendering the foregoing opinions we express no opinion as to the effect (if any) of laws of any jurisdiction except those of the State of Maryland. The undersigned expresses no opinion as to any matter relating to any state or federal securities law or regulation. Our opinions are rendered only with respect to such laws, and the rules, regulations and orders thereunder, that are currently in effect, and we disclaim any obligation to advise you of any change in law or fact that occurs after the date hereof.

2. The opinions set forth herein are 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.

3. The undersigned expresses no opinion as to any matter other than as expressly set forth above, and no opinion is or may be implied or inferred herefrom, and specifically we express no opinion as to (a) the financial ability of each of the Guarantors to meet its obligations under the Indenture, the New Guarantees or any other document related thereto, (b) the truthfulness or accuracy of any applications, reports, plans, documents, financial statements or other matters furnished by or on behalf of each of the Guarantors in connection with the Indenture, the New Guarantees or any other document related thereto, or (c) the truthfulness or accuracy of any representation or warranty as to matters of fact made by each of the Guarantors in the New Guarantees or any other document.

We hereby consent to the references in the Registration Statement, 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, or the rules and regulations of the Commission thereunder.

The opinions expressed in this letter are limited to the matters set forth herein and no other opinion should be inferred beyond the matters expressed as stated. This opinion letter has been prepared for your use in connection with the Registration Statement and may not be relied upon for any other purpose. This opinion speaks as of the date hereof. We assume no obligation to advise you of any changes in the foregoing subsequent to the effectiveness of the Registration Statement. Troutman Sanders LLP may rely on this opinion in connection with the issuance of its opinion to be given in connection with the Registration Statement.

Very truly yours,

WALSH, COLUCCI, LUBELEY,
EMRICH & WALSH, P.C.

Exhibit 10.32

Execution Version

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of August 5, 2009

BEAZER HOMES USA, INC.,

THE LENDERS PARTY HERETO,

THE ISSUERS PARTY HERETO,

CITIBANK, N.A.,
as Swing Line Lender,

and

CITIBANK, N.A.,

as Agent

CITIGROUP GLOBAL MARKETS INC.
Lead Arranger and Bookrunner

$22,000,000 364-DAY REVOLVING CREDIT FACILITY

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LIST OF SCHEDULES AND EXHIBITS

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Schedule I	Commitments	2.01
Schedule II	[Intentionally Deleted]	
Schedule III	Guarantors	Definition
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Exhibit	Description	Reference
Exhibit A-1	Form of Amended and Restated Guaranty	Definition
Exhibit A-2	Form of Cash Collateral Agreement	
Exhibit A-3	Form of Amended and Restated Collateral Agreement	
Exhibit B	Form of Note	Definition
Exhibit C	Commitment and Acceptance	2.02.2(a)
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Exhibit	Description	Reference
Exhibit E	Opinion of Borrower's Counsel	3.01(5)
Exhibit F	Assignment Agreement	11.02(b)(ii)
Exhibit G	Form of Officer's Certification	Schedule IV

AMENDED AND RESTATED CREDIT AGREEMENT dated as of August 5, 2009 among BEAZER HOMES USA, INC., a Delaware corporation (the "Borrower"), the Lenders that are signatories hereto, the Issuers that are signatories hereto, CITIBANK, N.A., a national banking association, as Swing Line Lender, and CITIBANK, N.A., a Delaware corporation, as Agent (the "Agent") for the Lenders and the Issuers.

PRELIMINARY STATEMENTS

(1) The Borrower entered into that certain Credit Agreement dated as of July 25, 2007 (the "Original Credit Agreement"), among the Borrower, the several lenders party thereto as lenders and as issuers, and Wachovia Bank, National Association, as agent, as modified by (i) the First Amendment, (ii) that certain Second Limited Waiver dated as of June 30, 2009, (iii) the Second Amendment, (iv) the Third Amendment, (v) that certain Third Limited Waiver dated as of May 4, 2009, and (vi) the Fourth Amendment, each entered into among the Borrower, the several lenders party thereto as lenders and Wachovia Bank, National Association, as agent (the Original Credit Agreement, as so modified, and as heretofore otherwise amended, supplemented or otherwise modified, being hereinafter referred to as the "Existing Credit Agreement").

(2) Pursuant to that certain Successor Agency and Amendment Agreement dated as of the date hereof among Wachovia Bank, National Association, Citibank, N.A., the lenders and issuers under the Existing Credit Agreement, the Borrower and the Guarantors (as hereinafter defined), Wachovia Bank, National Association resigned as agent under the Existing Credit Agreement and Citibank, N.A. was appointed as successor agent.

(3) The Borrower, the Lenders, the Issuers and the Agent desire to amend and restate the Existing Credit Agreement in the manner hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

Section 1.01 Defined Terms. As used in this Agreement, the following terms have the following meanings (terms defined in the singular shall have the same meaning when used in the plural and vice versa):

"ABR Loan" means a Loan which bears interest at the Alternate Base Rate, other than a Swing Line Loan.

"Acceptable Appraisal" means an appraisal commissioned by and addressed to the Agent (reasonably acceptable to the Agent as to form, assumptions, substance, and appraisal

date), prepared by a qualified professional appraiser reasonably acceptable to the Agent, and complying in all material respects with the requirements of the Federal Financial Institutions Reform, Recovery and Enforcement Act of 1989.

"Acquisition" means any transaction, or any series of related transactions, consummated on or after the date of this Agreement by which the Borrower or any of its Subsidiaries (i) acquires any going concern or all or substantially all of the assets of any Person or division thereof, whether through purchase of assets, merger or otherwise or (ii) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes or by percentage of voting power) of the Common Equity of another Person.

"Adjusted Cash Flow from Operations" means, for any period of four consecutive fiscal quarters of the Borrower and its Subsidiaries (other than those Subsidiaries that are not Guarantors), the sum of (a) the cash generated by (or used in) operating activities, as calculated on the quarterly financial statements for the Borrower and its Subsidiaries, on a consolidated basis for such period, as determined in accordance with GAAP, such amount being reflected in the line item designated "Net Cash (used in) provided by operating activities" on the Borrower's quarterly financial statements, plus (b) Interest Incurred of the Borrower and its Subsidiaries, on a consolidated basis for such four consecutive fiscal quarters, as determined in accordance with GAAP.

"Adjusted LIBO Rate" means, with respect to any Eurodollar Loan for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Agent.

"Affected Lender" is defined in Section 2.20(a).

"Affiliate" means, with respect to any Person, any other Person (1) which directly or indirectly controls, or is controlled by, or is under common control with, such Person or a Subsidiary of such Person; (2) which directly or indirectly beneficially owns or holds five percent (5%) or more of any class of voting equity interests of such Person or any Subsidiary of such Person; or (3) five percent (5%) or more of the voting equity interests of which is directly or indirectly beneficially owned or held by such Person or a Subsidiary of such Person. The term "control" means the possession, directly or indirectly, of 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.

"Agent" has the meaning assigned to such term in the opening paragraph of this Agreement.

"Agent's Fee Letter" means that certain fee letter dated August 3, 2009 from the Agent and Arranger to the Borrower and accepted by the Borrower.

"Aggregate Commitment" means, at any time after the Effective Date, the aggregate Commitments of all the Lenders.

"Aggregate Outstanding Extensions of Credit" means, at any time, the sum of the aggregate principal amount of all Loans (including all Swing Line Loans) and the Facility Letter of Credit Obligations, in each case outstanding at such time.

"Agreement" means the Existing Credit Agreement, as amended and restated by this Amended and Restated Credit Agreement, as further amended, supplemented or otherwise modified from time to time; except that any reference to the date of this Agreement shall mean the date of this Amended and Restated Credit Agreement.

"Alternate Base Rate" means, for any day, the sum of (a) a rate per annum equal to the greater of (i) the Base Rate in effect on such day and (ii) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%, plus (b) the Applicable Margin. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"Amended and Restated Guaranty" means the Amended and Restated Guaranty dated as of the date hereof among each Guarantor identified on Schedule III and the Agent, substantially in the form attached as Exhibit A-1.

"Applicable Letter of Credit Rate" means, as at any date of determination, a rate per annum equal to the then effective Applicable Margin for Eurodollar Loans.

"Applicable Margin" means, as at any date of determination, the margin indicated below for the applicable type of Loan for each of the Cash Secured Option and the Secured Borrowing Base Option, as applicable:

Pricing Option	Eurodollar Loans	Base Rate Loans
Cash Secured Option	1.50%	0.50%
Secured Borrowing Base Option	6.00%	5.00%

"Appraised Value" means, with respect to any Real Property or any portion thereof, the appraised value of such Real Property or portion thereof set forth in the most-recent Acceptable Appraisal obtained by the Agent pursuant to the Loan Documents. The Appraised Value of (a) a Real Property shall be adjusted to take into account any portion that has been sold or otherwise transferred, and (b) a portion of a Real Property shall be calculated based upon the Acceptable Appraisal for such Real Property and allocated to such portion of such Real Property by the Borrower based upon a reasonable methodology approved by the Agent, including a methodology to reflect the value of ongoing or completed construction of Housing Units and improvements to Lots Under Development.

"Approved Electronic Communications" means each Communication that the Borrower or any Guarantor is obligated to, or otherwise chooses to, provide to the Agent pursuant to any Loan Document or the transactions contemplated therein, including any financial statement, financial and other report, notice, request, certificate and other information material; provided, however, that, solely with respect to delivery of any such Communication by the Borrower or any Guarantor to the Agent and without limiting or otherwise affecting either the Agent's right to effect delivery of such Communication by posting such Communication to the Approved Electronic Platform or the protections afforded hereby to the Agent in connection with any such posting, "Approved Electronic Communication" shall exclude (i) any notice of borrowing, letter of credit request, notice of conversion or continuation, and any other notice, demand, communication, information, document and other material relating to a request for a new, or a conversion of an existing, Borrowing, (ii) any notice of prepayment pursuant to Section 2.11 and any other notice relating to the payment of any principal or other amount due under any Loan Document prior to the scheduled date therefor, (iii) all notices of any Default or Event of Default and (iv) any notice, demand, communication, information, document and other material required to be delivered to satisfy any of the conditions set forth in Article III or any other condition to any Borrowing or other extension of credit hereunder or any condition precedent to the effectiveness of this Agreement.

"Approved Electronic Platform" is defined in Section 10.02(d).

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arranger" means Citigroup Global Markets Inc.

"Assignment and Assumption" is defined in Section 11.02(b)(ii).

"Base Indenture 2001" has the meaning set forth in the definition of the term "Senior Notes".

"Base Indenture 2002" has the meaning set forth in the definition of the term "Senior Notes".

"Base Indenture 2004" has the meaning set forth in the definition of the term "Senior Notes".

"Base Rate" means the fluctuating rate of interest announced publicly by Citibank, N.A. in New York, New York from time to time as its base rate.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America.

"BMC" means Beazer Mortgage Corporation, a Delaware corporation and Wholly-Owned Subsidiary of the Borrower.

"Borrowing" means a borrowing consisting of Loans of the same type made, renewed or converted on the same day.

"Business Day" means (i) with respect to any Borrowing, payment or rate selection of Eurodollar Loans, a day (other than a Saturday or Sunday) on which banks generally are open in New York City for the conduct of substantially all of their commercial lending activities and on which dealings in United States dollars are carried on in the London interbank market and (ii) for all other purposes, a day (other than a Saturday or Sunday) on which banks generally are open in New York City for the conduct of substantially all of their commercial lending activities.

"Capital Lease" means all leases which have been or should be capitalized on the books of the lessee in accordance with GAAP.

"Cash Collateral Account" means the Account (as such term is defined in the Cash Collateral Agreement) maintained under the Cash Collateral Agreement.

"Cash Collateral Agreement" means the Cash Collateral Agreement to be executed and delivered by the Borrower in accordance with Section 3.01, substantially in the form of Exhibit A-2.

"Cash Equivalents" means:

(a) certificates of deposit, time deposits, bankers acceptances, and other obligations placed with commercial banks organized under the laws of the United States of America or any state thereof, or branches or agencies of foreign banks licensed under the laws of the United States of America or any state thereof, having a short-term rating of not less than A- by each of Moody's and S&P at the time of acquisition, and having a maturities of not more than one year; provided that the aggregate principal Investment at any one time in any one such institution shall not exceed the Borrower's specified investment limit for such institution under the Borrower's investment policy as in effect from time to time;

(b) direct obligation of the United States or any agency thereof with maturities of one year or less from the date of acquisition;

(c) money market funds provided that such funds (A) have total net assets of at least $2 billion, (B) have investment objectives and policies that substantially conform with the Borrower's investment policy as in effect from time to time, (C) purchase only first-tier or U.S. government obligations as defined by Rule 2a-7 of the Securities and Exchange Commission promulgated under the Investment Company Act of 1940, and (D) otherwise comply with such Rule 2a-7; provided that the aggregate principal Investment at any one time in any one such money market fund shall not exceed $100,000,000, if the Investment is to be for more than three Business Days;

(d) investments in other short-term securities permitted as investments under the Borrower's investment policy in effect from time to time and consented to by Required Lenders.

"Cash Secured Option" means the option of the Borrower to designate pursuant to Section 2.03 that availability of the Facility will be conditioned upon Aggregate Outstanding Extensions of Credit at all times being fully secured by Unrestricted Cash Collateral under the Cash Collateral Agreement in an amount equal to or greater than 105% of the Aggregate Outstanding Extensions of Credit.

"Change of Control" means any of the following: (i) the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Borrower or (except for an Internal Reorganization) of a Significant Guarantor or Significant Subsidiary, 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; (ii) the acquisition by any Person or group of fifty percent (50%) or more of the aggregate voting power of all classes of Common Equity of the Borrower or (except for an Internal Reorganization) of a Significant Guarantor or Significant Subsidiary in one transaction or a series of related transactions; (iii) the liquidation or dissolution of the Borrower or (except for an Internal Reorganization) of a Significant Guarantor or Significant Subsidiary; (iv) any transaction or a series of related transactions (as a result of a

tender offer, merger, consolidation or otherwise but excluding an Internal Reorganization) that results in, or that is in connection with, (a) any Person or group acquiring "beneficial ownership" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of fifty percent (50%) or more of the aggregate voting power of all classes of Common Equity of the Borrower, a Significant Guarantor or a Significant Subsidiary, or of any Person or group that possesses "beneficial ownership" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of fifty percent (50%) or more of the aggregate voting power of all classes of Common Equity of the Borrower, a Significant Guarantor or a Significant Subsidiary, or (b) less than fifty percent (50%) (measured by the aggregate voting power of all classes) of the Common Equity of the Borrower being registered under Section 12(b) or 12(g) of the Exchange Act; (v) a majority of the Board of Directors of the Borrower, a Significant Guarantor or a Significant Subsidiary, not being comprised of persons who (a) were members of the Board of Directors of such Borrower, Significant Guarantor or Significant Subsidiary, as of the date of this Agreement ("Original Directors"), or (b) were nominated for election or elected to the Board of Directors of such Borrower, Significant Guarantor, or Significant Subsidiary, with the affirmative vote of at least a majority of the directors who themselves were Original Directors or who were similarly nominated for election or elected; or (vi) with respect to any Significant Guarantor or Significant Subsidiary which is not a corporation, any loss by the Borrower of the right or power directly, or indirectly through one or more intermediaries, to control the activities of any such Significant Guarantor or Significant Subsidiary. Nothing herein contained shall modify or otherwise affect the provisions of Section 6.06.

"Closing Date" is defined in Section 3.01.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations and published interpretations thereof.

"Collateral" means all property of the Loan Parties, now owned or hereafter acquired, upon which a Lien is purported to be created by any Security Document.

"Collateral Agreement" means the Amended and Restated Collateral Agreement dated as of the date hereof among the Borrower, each Guarantor identified on Schedule III and the Agent, substantially in the form of Exhibit A-3.

"Collateral Shortfall Amount" has the meaning assigned to that term in Section 8.01.

"Commitment" means, for each of the Lenders, the obligation of such Lender to make Loans and to purchase participations in Facility Letters of Credit in the aggregate not exceeding the amount set forth in Schedule I hereto as its "Commitment," as such amount may be decreased from time to time pursuant to the terms of Section 2.02.1 or increased pursuant to

Section 2.02.2; provided, however, that the Commitment of a Lender may not be increased without its prior written approval.

"Commitment and Acceptance" is defined in Section 2.02.2(a).

"Common Equity" 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) 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 convertible into, or exchangeable for, such equity) to the extent that the foregoing is 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 other persons that will control the management and policies of such Person.

"Commonly Controlled Entity" means an entity, whether or not incorporated, which is under common control with the Borrower within the meaning of Section 414(b) or 414(c) of the Code.

"Communications" means each notice, demand, communication, information, document and other material provided for under this Agreement or under any other Loan Document or otherwise transmitted between the parties hereto relating this Agreement, the other Loan Documents, the Borrower or any Guarantor or their respective Affiliates, or the transactions contemplated by this Agreement or the other Loan Documents including, without limitation, all Approved Electronic Communications.

"Consolidated Debt" means the Debt of the Borrower and its Subsidiaries determined on a consolidated basis (but shall not include Debt of any Subsidiary which is not a Guarantor, except to the extent that such Debt is guaranteed by the Borrower or a Guarantor).

"Consolidated Tangible Assets" of the Borrower means, as of any date, the total amount of assets of the Borrower and its Subsidiaries (less applicable reserves) on a consolidated basis at the end of the fiscal quarter immediately preceding such date (or on such date if such date is the last day of the fiscal quarter), 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 Subsidiaries, in the case of each of clauses (i) and (ii) above, as would be reflected on a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of the fiscal quarter immediately preceding such date (or on such date if such date is the last day of the fiscal quarter), prepared in accordance with GAAP.

"Consolidated Tangible Net Worth" of the Borrower means, at any date, the consolidated stockholders' equity of the Borrower determined in accordance with GAAP, less Intangible Assets, all determined as of the last day of the most recently ended fiscal quarter for

which financial statements have been delivered (or were required to have been delivered) pursuant to Section 5.08(1) or (2).

"Construction Inspector" means the architectural or engineering firm or such party which the Agent shall designate to perform various services on behalf of the Agent and the Lenders. The services to be performed by the Construction Inspector shall include inspections, review of the plans and all proposed changes to them, preparation of a "cost breakdown" construction analysis, periodic inspections of construction work for conformity with the plans, approval of draw requests and the issuance of reports and certifications solely for the benefit of the Agent and the Lenders and shall not impose upon the Agent or any Lender any obligation to make inspections, or to correct or require any other Person to correct any defects, or to notify any Person with respect to such defects.

"Debt" means, without duplication, with respect to any Person (1) indebtedness or liability for borrowed money, including, without limitation, subordinated indebtedness (other than trade accounts payable and accruals incurred in the ordinary course of business); (2) obligations evidenced by bonds, debentures, notes, or other similar instruments; (3) obligations for the deferred purchase price of property (including, without limitation, seller financing of any Inventory) or services, provided, however, that Debt shall not include (A) obligations with respect to options to purchase real property that have not been exercised, or (B) trade payables arising in the ordinary course of business that are no more than 90 days overdue; (4) obligations as lessee under Capital Leases to the extent that the same would, in accordance with GAAP, appear as liabilities in the Borrower's consolidated balance sheet; (5) current liabilities in respect of unfunded vested benefits under Plans and incurred withdrawal liability under any Multiemployer Plan; (6) reimbursement obligations under letters of credit (including contingent obligations with respect to letters of credit not yet drawn upon); (7) obligations under acceptance facilities; (8) all guaranties, endorsements (other than for collection or deposit in the ordinary course of business), and other contingent obligations to purchase, to provide funds for payment, to supply funds to invest in any other Person or entity, or otherwise to assure a creditor against loss, provided, however, that "Debt" shall not include guaranties of performance obligations; (9) obligations secured by any Liens on any property of such Person, whether or not the obligations have been assumed; and (10) net liabilities under interest rate swap, exchange or cap agreements (valued as the termination value thereof, computed in accordance with a method approved by the International Swaps and Derivatives Association and agreed to by such Person in the applicable agreement).

"Default" means any of the events specified in Section 8.01, whether or not any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Defaulting Lender" means any Lender that has (a) failed to fund any portion of its Loans or participations in Facility Letters of Credit within three (3) Business Days of the date

required to be funded by it hereunder, which failure has not been cured, (b) otherwise failed to pay to the Agent or any other Lender any other amount required to be paid by it hereunder within three (3) Business Days of the date when due, unless the subject of a good faith dispute, which failure has not been cured, or (c) (i) become insolvent or has a parent company that has become or is insolvent or (ii) become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment.

"Deferred Tax Valuation Allowance" means any valuation allowance applied to deferred tax assets as determined in accordance with GAAP and included in the financial statements of the Borrower.

"Disqualified Stock" means any equity interest which, 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, (a) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, in whole or in part, on or prior to the date which is six months after the Termination Date, (b) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any equity interests referred to in (a) above, in each case at any time on or prior to the date which is six months after the Termination Date, or (c) contains any repurchase obligation which may come into effect prior to payment in full of all Obligations and termination of all Commitments; provided, however, that any equity interests that would not constitute Disqualified Stock but for provisions thereof giving holders thereof (or the holders of any security into or for which such equity interests is convertible, exchangeable or exercisable) the right to require the issuer thereof to redeem such equity interests upon the occurrence of a change in control or an asset sale occurring prior to the Termination Date shall not constitute Disqualified Stock if such equity interests provide that the issuer thereof will not redeem any such equity interests pursuant to such provisions prior to the repayment in full of the Obligations and termination of all Commitments.

"Dollars" and the sign "$" mean lawful money of the United States of America.

"EBITDA" means, for any period, on a consolidated basis for the Borrower and its Subsidiaries (other than those Subsidiaries that are not Guarantors), the sum of the amounts for such period of (i) Net Income (but excluding from such Net Income for the applicable period any income derived from any Investment in a Joint Venture referred to in Section 6.07(10) to the extent that such income exceeds the cash distributions thereof received by the Borrower or its Subsidiaries (other than those Subsidiaries that are not Guarantors) in such period), plus (ii) charges against income for foreign, federal, state and local taxes, plus (iii) Interest Expense, plus

(iv) depreciation, plus (v) amortization expense, including, without limitation, amortization of goodwill and other intangible assets and amortization of deferred compensation expense, plus (vi) extraordinary losses (and all other non-cash items reducing Net Income, including but not limited to impairment charges for land and other long-lived assets and option deposit forfeitures), minus (vii) interest income, minus (viii) extraordinary gains (and any unusual gains and non-cash credits arising in or outside of the ordinary course of business not included in extraordinary gains that have been included in the determination of such Net Income), all determined in accordance with GAAP.

"Entitled Land" means all Lots that are neither Lots Under Development nor Finished Lots.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations and published interpretations thereof.

"Eurodollar Loan" means any Loan when and to the extent that the interest rate therefor is determined by reference to the Eurodollar Rate.

"Eurodollar Rate" means, with respect to a Eurodollar Loan for the relevant Interest Period, the sum of (a) the Adjusted LIBO Rate applicable to such Interest Period plus (b) the Applicable Margin.

"Event of Default" means any of the events specified in Section 8.01, provided that any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Extension Request" is defined in Section 2.19(a).

"Facility" means the revolving credit and letter of credit facilities described in Section 2.01, together with the Swing Line facility described in Section 2.21.

"Facility Increase" is defined in Section 2.02.2(a).

"Facility Letter of Credit" means any Letter of Credit issued by an Issuer for the account of the Borrower in accordance with Section 2.22.

"Facility Letter of Credit Collateral Account" is defined in Section 2.22.13.

"Facility Letter of Credit Fee" means a fee, payable with respect to each Facility Letter of Credit issued by an Issuer, in an amount per annum equal to the product of (i) the

Applicable Letter of Credit Rate (determined as of the date on which the quarterly installment of such fee is due) and (ii) the undrawn outstanding amount of such Facility Letter of Credit, which fee shall be calculated in the manner provided in Section 2.22.7.

"Facility Letter of Credit Obligations" means, at any date, the sum of (i) the aggregate undrawn face amount of all outstanding Facility Letters of Credit, and (ii) the aggregate amount paid by an Issuer on any Facility Letters of Credit to the extent (if any) not reimbursed by the Borrower or by the Lenders under Section 2.22.4.

"Facility Letter of Credit Sublimit" means an amount equal to the Aggregate Commitment.

"Federal Funds Effective Rate" means, for each day, a fluctuating interest rate per annum equal to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 11:00 A.M. New York City time on such day on such transactions received by the Agent from three Federal Funds brokers of recognized standing selected by the Agent in its sole discretion.

"Financial Letter of Credit" means any Letter of Credit of the Borrower or a Guarantor that is not a Performance Letter of Credit.

"Finished Lots" means Lots in respect of which a building permit, from the applicable local governmental authority, has been or could be obtained; provided, however, that the term "Finished Lots" shall not include any Land upon which the construction of a Housing Unit has commenced.

"First Amendment" means the Waiver and First Amendment, dated as of October 10, 2007, to and under the Original Credit Agreement.

"First Amendment Effective Date" means the date that the First Amendment becomes effective in accordance with its terms.

"Fourth Amendment" means the Fourth Amendment, dated as of the date hereof, to and under the Original Credit Agreement.

"GAAP" means generally accepted accounting principles in the United States in effect from time to time (subject to the provisions of Section 1.02).

"Guarantor" means (a) the Subsidiaries of Borrower identified on Schedule III hereto and (b) any Person that, pursuant to a Supplemental Guaranty, guarantees the Obligations.

"Guaranty" means (a) the Amended and Restated Guaranty or (b) a Supplemental Guaranty.

"Housing Unit" means a dwelling, including the Land on which such dwelling is located, whether such dwelling is a Single Family Housing Unit or a Multifamily Housing Unit (including condominiums but excluding mobile homes), which dwelling is either under construction or completed and is (or, upon completion of construction thereof, will be) available for sale.

"Housing Unit Under Contract" means a Housing Unit owned by the Borrower or a Subsidiary as to which the Borrower or such Subsidiary has a bona fide contract of sale, in a form customarily employed by the Borrower or such Subsidiary and reasonably satisfactory to the Agent with a Person who is not an Affiliate, under which contract no defaults then exist and not less than $1,000.00 toward the purchase price has been paid; provided, however, that in the case of any Housing Unit the purchase of which is to be financed in whole or in part by a loan insured by the Federal Housing Administration or guaranteed by the Veterans Administration, the required minimum down payment shall be the amount (if any) required under the rules of the relevant agency.

"Housing Unit Closing" means a closing of the sale of a Housing Unit by the Borrower or a Subsidiary (including any company or other entity acquired in an Acquisition by the Borrower or a Subsidiary) to a bona fide purchaser for value that is not an Affiliate.

"Incur" means to, directly or indirectly, create, incur, assume, guarantee, extend the maturity of or otherwise become liable with respect to any Debt; 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 Debt.

"Intangible Assets" means, at any time, the amount (to the extent reflected in determining consolidated stockholders equity of the Borrower and its Subsidiaries) of (i) Investments in any Subsidiaries that are not Guarantors and (ii) all unamortized debt discount and expense, unamortized deferred charges, good will, patents, trademarks, service marks, trade names, copyrights and all other items which would be treated as intangibles on a consolidated balance sheet of the Borrower and its Subsidiaries prepared in accordance with GAAP.

"Interest Coverage Ratio" means, for any period, the ratio of (a) EBITDA to (b) the sum (on a consolidated basis for the Borrower and its Subsidiaries (other than those Subsidiaries that are not Guarantors)) of all interest incurred (whether expensed or capitalized), less the amount of interest income for such period.

"Interest Deficit" is defined in Section 2.08(b).

"Interest Expense" means, for any period, the total interest expense of the Borrower and its Subsidiaries (other than those Subsidiaries that are not Guarantors), whether paid directly or amortized through cost of sales (including the interest component of Capital Leases). Notwithstanding that GAAP may otherwise provide, the Borrower shall not be required to include in Interest Expense the amount of any premium paid to prepay Debt.

"Interest Incurred" means, for any period, the sum (on a consolidated basis for the Borrower and its Subsidiaries (other than those Subsidiaries which are not Guarantors)) of all interest incurred (whether expensed or capitalized) of the Borrower and its Subsidiaries, less the amount of interest income for such period.

"Interest Period" means, with respect to any Eurodollar Loan, the period commencing on the date of such Eurodollar Loan and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as the Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Loan only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period pertaining to a Eurodollar Loan that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes, the date of a Eurodollar Loan initially shall be the date on which such Eurodollar Loan is made and thereafter shall be the effective date of the most recent conversion or continuation of such Eurodollar Loan.

"Internal Reorganization" means any reorganization between or among the Borrower and any Subsidiary or Subsidiaries or between or among any Subsidiary and one or more other Subsidiaries or any combination thereof by way of liquidations, mergers, consolidations, conveyances, assignments, sales, transfers and other dispositions of all or substantially all of the assets of a Subsidiary (whether in one transaction or in a series of transactions); provided that (a) the Borrower shall preserve and maintain its status as a validly existing corporation and (b) all assets, liabilities, obligations and guarantees of any Subsidiary party to such reorganization will continue to be held by such Subsidiary or be assumed by the Borrower or a Wholly-Owned Subsidiary of the Borrower.

"Inventory" means all Housing Units, Lots, goods, merchandise and other personal property wherever located to be used for or incorporated into any Housing Unit.

"Inventory Valuation Date" means the last day of the most recent calendar month of the Borrower with respect to which the Borrower is required to have delivered a Secured Borrowing Base Certificate pursuant to Section 5.08(6) and Section 2.01.2(b)(ix).

"Investment" has the meaning provided therefor in Section 6.07. The amount of any Investment shall include (a) in the case of any loan or advance, the outstanding amount of such loan or advance and (b) in the case of any equity Investment, the amount of the "net equity investment" as determined in accordance with GAAP.

"Issuance Date" means the date on which a Facility Letter of Credit is issued, amended or extended.

"Issuer" means, with respect to each Facility Letter of Credit Citibank, N.A. or such other Lender selected by the Borrower with the approval of the Agent to issue such Facility Letter of Credit, provided such other Lender consents to act in such capacity.

"Joint Venture" means any Person (other than a Subsidiary) in which the Borrower or a Subsidiary holds any stock, partnership interest, joint venture interest, limited liability company interest or other equity interest.

"Land" means land owned by the Borrower or a Subsidiary, which land is being developed or is held for future development or sale.

"Lenders" means each of the Persons listed on Schedule I and any other Person that shall have become a party hereto pursuant to a Commitment and Acceptance or pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"Lending Office" means, with respect to any Lender, the Lending Office of such Lender (or of an affiliate of such Bank) heretofore designated in writing by such Lender to the Agent or such other office or branch of such Lender (or of an affiliate of such Lender) as that Lender may from time to time specify to the Borrower and the Agent as the office or branch at which its Loans (or Loans of a type designated in such notice) are to be made and maintained.

"Letter of Credit" of a Person means a letter of credit or similar instrument which is issued by a financial institution upon the application of such Person or upon which such Person is an account party or for which such Person is in any way liable.

"Lender Party" means any Lender, any Issuer or the Swing Line Lender.

"Leverage Ratio" means, as of any date, the ratio of (a) an amount equal to (i) Consolidated Debt minus (ii) the excess (if any) of (A) the average of the month-end balances of Unrestricted Cash for the fiscal quarter then, or most recently, ended, over (B) $20,000,000 to (b) Consolidated Tangible Net Worth.

"LIBO Rate" means, with respect to any Eurodollar Loan for any Interest Period, the rate appearing on Reuters Screen LIBOR01 Page, or on any successor or substitute page of

such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market, at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the "LIBO Rate" with respect to such Eurodollar Loan for such Interest Period shall be the rate at which dollar deposits of $5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of Citibank, N.A. in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Lien" means any mortgage, deed of trust, pledge, security interest, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, priority, or other security agreement or preferential arrangement, charge, or encumbrance of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction to evidence any of the foregoing).

"Loan" means, with respect to a Lender, a Loan made by such Lender pursuant to Section 2.01.1 and any conversion or continuation thereof and, unless the context otherwise indicates, shall include Swing Line Loans made pursuant to Section 2.21.

"Loan Documents" means this Agreement, the Notes, the Guaranties, the Security Documents, the Reimbursement Agreements, and any and all documents delivered hereunder or pursuant hereto.

"Loan Party" means the Borrower and each Guarantor.

"Lots" means all Land owned by the Borrower and/or a Subsidiary which is zoned by the municipality in which such real property is located for residential building and use, and with respect to which the Borrower or such Subsidiary has obtained all necessary approvals for its subdivision for Housing Units; provided, however, that the term "Lots" shall not include any Land upon which the construction of a Housing Unit has commenced.

"Lots Under Development" means Lots with respect to which construction of streets or other subdivision improvements has commenced but which are not Finished Lots.

"Moody's" means Moody's Investors Service, Inc.

"Mortgaged Property" means the real estate of the Loan Parties, as to which the Agent for the benefit of the Lenders has been granted a Lien pursuant to a Mortgage.

"Mortgages" means each of the mortgages, deeds of trust and similar instruments (including any spreader, amendment, restatement or similar modification of any existing Mortgage) made by any Loan Party in favor of the Agent or for the benefit of the Agent, for the benefit of the Lenders, in form and substance reasonably satisfactory to the Agent and the Borrower.

"Multiemployer Plan" means a plan described in Section 4001(a)(3) of ERISA in respect of which the Borrower, a Subsidiary or a Commonly Controlled Entity is an "employer" as defined in Section 3(5) of ERISA.

"Multifamily Housing Unit" means any residential dwelling that has twenty (20) or more units or four (4) or more stories**.**

"Net Income" means, for any period, the net earnings (or loss) after taxes of the Borrower and its Subsidiaries on a consolidated basis for such period.

"New Lender" means a Lender or other entity (in each case approved by the Agent, which approval shall not be unreasonably withheld) that elects, upon request by Borrower, to issue a Commitment or, in the case of an existing Lender, to increase its existing Commitment, pursuant to Section 2.02.2.

"Note" means a promissory note in substantially the form of Exhibit B hereto, executed and delivered by the Borrower payable to the order of a Lender in the amount of its Commitment, including any amendment, modification, restatement, renewal or replacement of such promissory note.

"Obligations" means (a) the due and punctual payment of principal of and interest on the Loans and the Notes, (b) the due and punctual payment of the Facility Letter of Credit Obligations, and (c) the due and punctual payment of fees, expenses, reimbursements, indemnifications and other present and future monetary obligations of the Borrower and each Guarantor to the Lenders or to any Lender, the Agent, any Issuer or any indemnified party, in each case arising under the Loan Documents.

"Participant" is defined in Section 11.03.

"PBGC" means the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

"Performance Letter of Credit" means any Letter of Credit of the Borrower or a Guarantor that is issued for the benefit of a municipality, other governmental authority, utility,

water or sewer authority, or other similar entity for the purpose of assuring such beneficiary of the Letter of Credit of the proper and timely completion of construction work.

"Permitted Acquisition" means any Acquisition (other than by means of a hostile takeover, hostile tender offer or other similar hostile transaction) of a business or entity engaged primarily in the business of home building; provided that, immediately before and after giving effect to such Acquisition, no Default or Event of Default has occurred and is continuing.

"Permitted Secured Debt Conditions" means, with respect to any Secured Debt permitted to be incurred under Section 6.02, the collective reference to the following conditions: (i) no Default or Event of Default shall have occurred and be continuing, (ii) all representations and warranties shall be true and correct in all material respects immediately prior to, and immediately after giving effect to, the incurrence of such Secured Debt and (iii) all covenants in Article VII shall continue to be in compliance immediately after giving effect to the incurrence of such Secured Debt.

"Person" means an individual, partnership, corporation, business trust, joint stock company, trust, limited liability company, unincorporated association, joint venture, governmental authority, or other entity of whatever nature.

"Plan" means any pension plan which is covered by Title IV of ERISA and in respect of which (a) the Borrower or a Subsidiary or a Commonly Controlled Entity is an "employer" as defined in Section 3(5) of ERISA and (b) the Borrower or a Subsidiary has any material liability; provided, however, that the term "Plan" shall not include any Multiemployer Plan.

"Prohibited Transaction" means any transaction set forth in Section 406 of ERISA or Section 4975 of the Code that could subject the Borrower or any Subsidiary to any material liability.

"Pro Rata Share" means, at any time for any Lender, the ratio that such Lender's Commitment bears to the Aggregate Commitment; provided, however, that if the Aggregate Commitment has terminated or been terminated in full, the Pro Rata Share shall be the ratio that (x) the sum of such Lender's outstanding Loans and Facility Letter of Credit Obligations bears to (y) the sum of all outstanding Loans and Facility Letter of Credit Obligations; and provided, further, that this definition is subject to the provisions of Section 2.02.2(c) (if and when applicable).

"Quarterly Payment Date" means October 1, 2009 and the first day of each January, April, July and October thereafter.

"Real Property" means all of those plots, pieces or parcels of land now owned, leased or hereafter acquired or leased by a Loan Party (the "Land"), together with the right, title and interest of such Loan Party in and to the streets, the land lying in the bed of any streets, roads or avenues, opened or proposed, in front of, the air space and development rights pertaining to the Land and the right to use such air space and development rights, all rights of way, privileges, liberties, tenements, hereditaments and appurtenances belonging or in any way appertaining thereto, all fixtures, all easements now or hereafter benefiting the Land and all royalties and rights appertaining to the use and enjoyment of the Land necessary for the residential development of such Land, together with all of the buildings and other improvements now or hereafter erected on the Land, and any fixtures appurtenant thereto. It is understood that any calculation of the book value of Real Property shall be calculated as of the month end last reported in a Secured Borrowing Base Certificate.

"Receivables" means the net proceeds payable to, but not yet received by, the Borrower or a Subsidiary following a Housing Unit Closing.

"Refinancing Debt" means Debt that refunds, refinances or extends any applicable Debt ("Refinanced Debt") but only to the extent that (i) the Refinancing Debt is subordinated in right of payment to or pari passu in right of payment with the Obligations to the same extent as such Refinanced Debt, if at all, (ii) such Refinancing Debt is in an aggregate amount that is equal to or less than the sum of (A) the aggregate amount then outstanding under the Refinanced Debt, plus (B) accrued and unpaid interest on such Refinanced Debt, plus (C) reasonable fees and expenses incurred in obtaining such Refinancing Debt, it being understood that this clause (ii) shall not preclude the Refinancing Debt from being a part of a Debt financing that includes other or additional Debt otherwise permitted herein, (iii) such Refinancing Debt is Incurred by the same Person that initially Incurred such Refinanced Debt or by another Person of which the Person that initially Incurred such Refinanced Debt is a Subsidiary, and (iv) such Refinancing Debt is Incurred within 60 days after such Refinanced Debt is so refunded, refinanced or extended.

"Register" is defined in Section 10.17.

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor thereto or other regulation or official interpretation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by banks for the purpose of purchasing or carrying margin stocks applicable to member banks of the Federal Reserve System.

"Regulation X" means Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by foreign lenders for the purpose of purchasing or carrying margin stock (as defined therein).

"Reimbursement Agreement" means, with respect to a Facility Letter of Credit, such form of application therefor and form of reimbursement agreement therefor (whether in a single or several documents, taken together) as the applicable Issuer may employ in the ordinary course of business for its own account, with the modifications thereto as may be agreed upon by such Issuer and the Borrower and as are not materially adverse (in the reasonable judgment of such Issuer and the Agent) to the interests of the Lenders; provided, however, in the event of any conflict between the terms of any Reimbursement Agreement and this Agreement, the terms of this Agreement shall control.

"Rejecting Lender" is defined in Section 2.19(a).

"Rejecting Lender's Termination Date" is defined in Section 2.19(a).

"Related Parties" means, with respect to any Person, such Person's Affiliates and such Person's and such Person's Affiliates respective managers, administrators, trustees, partners, directors, officers, employees, agents, fund managers and advisors.

"Replacement Lender" is defined in Section 2.20.

"Reportable Event" means any of the events set forth in Section 4043 of ERISA with respect to a Plan (excluding any such event with respect to which the PBGC has waived the 30-day notice requirement).

"Required Lenders" means Lenders whose Pro Rata Shares are equal to or greater than 66-2/3%.

"S&P" means Standard & Poor's Rating Services.

"Second Amendment" means the Second Amendment, dated as of October 26, 2007, to and under the Original Credit Agreement.

"Secured Borrowing Base" means, with respect to any date of determination, an amount equal to the sum of (x) 100% of Unrestricted Cash then held in the Cash Collateral Account plus (y) 22.5% of all other Secured Borrowing Base Assets, valued at the lesser of book or Appraised Value; provided, however, that (i) if any Secured Borrowing Base Asset is subject to a Lien permitted under Section 6.01(7), the book and Appraised Value of such Secured Borrowing Base Asset shall be reduced by (A) the amount to be paid by the Borrower or any Subsidiary under any profit sharing, deferred consideration, marketing or similar agreement with

the seller of such Secured Borrowing Base Assets if the amount due under such agreement is a determined dollar amount or (B) if the amount to be paid by the Borrower or any Subsidiary under any profit sharing, deferred consideration, marketing or similar agreement with the seller of such Secured Borrowing Base Asset is a percentage of book value or gross sales price of such Secured Borrowing Base Asset, the agreed upon percentage multiplied by the book value of such Secured Borrowing Base Asset; (ii) if any Secured Borrowing Base Asset is subject to a Lien to secure a repurchase right permitted under Section 6.01(8), the book and Appraised Value of such Secured Borrowing Base Asset shall be reduced by the amount (if any) by which the value of such Secured Borrowing Base Asset in the Secured Borrowing Base exceeds the repurchase price; (iii) not more than 30% of the total aggregate Secured Borrowing Base shall be comprised of Finished Lots; and (iv) not more than 50% of the total aggregate Secured Borrowing Base shall be comprised of Speculative Housing Units.

"Secured Borrowing Base Assets" means those assets of the Loan Parties with respect to which the Secured Borrowing Base Conditions shall have been satisfied.

"Secured Borrowing Base Certificate" means a written certificate in a form acceptable to the Required Lenders setting forth the amount of the Secured Borrowing Base with respect to the calendar month most recently completed, certified as true and correct by the Chief Financial Officer or other officer of the Borrower.

"Secured Borrowing Base Conditions" means those conditions set forth on Schedule IV.

"Secured Borrowing Base Option" means the option of the Borrower to designate pursuant to Section 2.03 that availability of the Facility will be conditioned upon Aggregate Outstanding Extensions of Credit at all times being fully secured by Secured Borrowing Base Assets.

"Secured Debt" means all Debt of the Borrower or any of its Subsidiaries (excluding the Obligations and Debt owing to the Borrower or any of its Subsidiaries) that is secured by a Lien on assets of the Borrower or any of its Subsidiaries, including amounts owing under letter of credit reimbursement arrangements, purchase money indebtedness, secured project loans and junior Lien Debt.

"Security Documents" means the collective reference to the Cash Collateral Agreement, the Collateral Agreement, the Mortgages and all other security documents hereafter delivered to the Agent granting a Lien on any property of any Person to secure the Obligations of the Loan Parties under any Loan Document.

"Senior Debt" means the Senior Notes or, if the Senior Notes are refinanced, the Refinancing Debt with respect thereto.

"Senior Indentures" means the Base Indenture 2001, the Base Indenture 2002, the Base Indenture 2004, the Supplemental Indentures and any other Indenture hereafter entered into by the Borrower pursuant to which the Borrower Incurs any Refinancing Debt with respect to any of the Senior Notes.

"Senior Notes" means (i) the 8-3/8% Senior Notes due 2012 of the Borrower issued in the original principal amount of $350,000,000, pursuant to the Indenture dated April 17, 2002 (the "Base Indenture 2002") and First Supplemental Indenture dated April 17, 2002, (ii) the 8-5/8% Senior Notes due 2011 of the Borrower issued in the original principal amount of $200,000,000 pursuant to the Indenture dated May 21, 2001 (the "Base Indenture 2001") and First Supplemental Indenture dated May 21, 2001, (iii) the 6½% Senior Notes due 2013 of the Borrower issued in the original principal amount of $200,000,000 pursuant to the Base Indenture 2002 and Second Supplemental Indenture dated November 13, 2003, (iv) the 4-5/8% Convertible Senior Notes due 2024 of the Borrower issued in the original principal amount of $180,000,000 pursuant to the Indenture dated June 8, 2004 (the "Base Indenture 2004"), (v) the 6-7/8% Senior Notes due 2015 of the Borrower issued in the original principal amount of $350,000,000 pursuant to the Base Indenture 2002 and Fifth Supplemental Indenture dated June 8, 2005, and (vi) the 8.125% Senior Notes due 2016 of the Borrower issued in the original principal amount of $275,000,000 pursuant to the Base Indenture 2002 and the Eighth Supplemental Indenture dated June 6, 2006.

"Significant Guarantor" means, at any date of determination thereof, any Guarantor that (together with its Subsidiaries) accounts for ten percent (10%) or more of the Consolidated Tangible Assets as of the last day of the most recent fiscal quarter then ended and ten percent (10%) or more of the consolidated net revenues for the twelve-month period ending on the last day of the most recent fiscal quarter then ended, in each case of the Borrower and its Subsidiaries taken as a whole. Such percentage shall be determined on the basis of financial reports that shall be available not later than 25 days (or, in the case of the last fiscal quarter of the fiscal year, 35 days) following the end of such fiscal quarter.

"Significant Subsidiary" means, at any date of determination thereof, any Subsidiary that (together with its Subsidiaries) accounts for five percent (5%) or more of the Consolidated Tangible Assets as of the last day of the most recent fiscal quarter then ended and five percent (5%) or more of the consolidated net revenues for the twelve-month period ending on the last day of the most recent fiscal quarter then ended, in each case of the Borrower and its Subsidiaries taken as a whole. Such percentage shall be determined on the basis of financial reports that shall be available not later than 25 days (or, in the case of the last fiscal quarter of the fiscal year, 35 days) following the end of such fiscal quarter.

"Single Family Housing Unit" means any residential dwelling that is not a Multifamily Housing Unit.

"Speculative Housing Unit" means any Housing Unit owned by the Borrower or a Subsidiary that is not a Housing Unit Under Contract.

"Statutory Reserve Rate" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Agent is subject for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subsidiary" means, as to the Borrower or a Guarantor, in the case of a corporation, a corporation of which shares of stock having ordinary voting power (other than stock having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation are at the time owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by the Borrower or such Guarantor, as the case may be, or in the case of an entity which is not a corporation, the activities of which are controlled directly, or indirectly through one or more intermediaries, or both, by the Borrower or such Guarantor, as the case may be.

"Supplemental Guaranty" means a Supplemental Guaranty in the form provided for in, and attached to, the form of Amended and Restated Guaranty attached hereto as Exhibit A.

"Supplemental Indentures" means the Supplemental Indentures identified in the definition of the term "Senior Notes".

"Swing Line Commitment" means the commitment of the Swing Line Lender to make Swing Line Loans pursuant to Section 2.21(a). The Swing Line Commitment is in the amount of $5,000,000.

"Swing Line Lender" means Citibank, N.A. or any assignee to which Citibank, N.A. assigns the Swing Line Commitment in accordance with Section 11.02.

"Swing Line Loan" is defined in Section 2.21(a).

"Taxes" means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings, and any and all liabilities with respect to the foregoing, imposed by the United States. but excluding, in the case of each Lender or applicable Lending Office, the Issuer and the Agent, (a) taxes imposed on or measured by its overall net income, and franchise taxes imposed on it, by (i) the jurisdiction under the laws of which such Lender, the Issuer or the Agent is incorporated or organized or (ii) the jurisdiction in which the Agent's, Issuer's or such Lender's principal executive office or such Lender's applicable Lending Office is located and (b) taxes that are in effect and would apply at the time such Person becomes a Lender, Issuer or Agent hereunder.

"Termination Date" means August 4, 2010, subject, however, to earlier termination in whole of the Aggregate Commitment pursuant to the terms of this Agreement and to extension of such date as provided in Section 2.19.

"Third Amendment" means the Third Amendment, dated as of August 7, 2008, to and under the Original Credit Agreement.

"Title Companies" means Security Title Insurance Company, a Vermont corporation, and Beazer Title Agency, LLC, a Nevada limited liability company, each of which is a Wholly-Owned Subsidiary of Borrower.

"UHIC" means United Homes Insurance Corporation, a Vermont corporation and Wholly-Owned Subsidiary of the Borrower.

"Unrestricted Cash" of a Person means the cash and Cash Equivalents of such Person that would not be identified as "restricted" on a balance sheet of such Person prepared in accordance with GAAP, except to the extent such cash is identified as "restricted" as a result of the Liens pursuant to the Security Documents.

"Wholly-Owned Subsidiary" of any Person means (i) a Subsidiary, of which one hundred percent (100%) of the outstanding 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 outstanding Common Equity of such entity.

Section 1.02 Accounting Terms. (a) All accounting terms not specifically defined herein shall be construed in accordance with GAAP consistent with those applied in the preparation of the financial statements referred to in Section 4.04, and all financial data submitted pursuant to this Agreement shall be prepared in accordance with such principles.

(b) Notwithstanding anything to the contrary contained in this Agreement, in determining the Borrower's compliance with the provisions of Article VII hereof, GAAP shall not include modifications of generally accepted accounting principles that become effective after the date hereof.

Section 1.03 Rules of Construction. (a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined.

(b) Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

(c) The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

(d) The word "will" shall be construed to have the same meaning and effect as the word "shall".

(e) Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (ii) any reference herein to any person shall be construed to include such person's successors and assigns (subject to any restrictions on such assignments set forth herein), (iii) the words "herein", "hereof" and "hereunder", and words of similar import shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (iv) all references herein to Articles, Sections, Schedules and Exhibits shall be construed to refer to Articles and Sections of, and Schedules and Exhibits to, this Agreement, (v) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, and (vi) any reference to any law, rule or regulation shall be construed to mean that law, rule or regulation as amended and in effect from time to time.

(f) Each covenant in this Agreement shall be given independent effect, and the fact that any act or omission may be permitted by one covenant and prohibited or restricted by any other covenant (whether or not dealing with the same or similar events) shall not be construed as creating any ambiguity, conflict or other basis to consider any matter other than the express terms hereof in determining the meaning or construction of such covenants and the enforcement thereof in accordance with their respective terms.

(g) This Agreement is being entered into by and between competent and sophisticated parties who are experienced in business matters and represented by legal counsel and other advisors, and has been reviewed by the parties and their legal counsel and other

advisors. Therefore, any ambiguous language in this Agreement will not be construed against any particular party as the drafter of the language.

ARTICLE II
AMOUNTS AND TERMS OF THE LOANS

Section 2.01 The Facility.

Section 2.01.1 Revolving Credit Facility. (a) On and after the Closing Date and prior to the Termination Date, upon the terms and conditions set forth in this Agreement and in reliance upon the representations and warranties of the Borrower herein set forth, each Lender severally agrees to make Loans to the Borrower, provided that (i) in no event may the aggregate principal amount of all outstanding Loans (including, in the case of the Swing Line Lender, outstanding Swing Line Loans) and the Facility Letter of Credit Obligations of any Lender exceed its Commitment, and (ii) in no event may the sum of the aggregate principal amount of all outstanding Loans, (including all outstanding Swing Line Loans) and the Facility Letter of Credit Obligations exceed the Aggregate Commitment.

(b) On and after the Closing Date and prior to the Termination Date, each Lender severally agrees, on the terms and conditions set forth in this Agreement and in reliance upon the representations and warranties of Borrower herein set forth, to participate in Facility Letters of Credit issued pursuant to Section 2.22 for the account of the Borrower, provided that (i) in no event may the aggregate principal amount of all outstanding Loans and Facility Letter of Credit Obligations of any Lender exceed its Commitment and (ii) in no event may the aggregate amount of all Facility Letter of Credit Obligations exceed the lesser of (A) the Facility Letter of Credit Sublimit and (B) an amount equal to the Aggregate Commitment minus the sum of all outstanding Loans (including all outstanding Swing Line Loans).

(c) Loans hereunder (other than Swing Line Loans) shall be made ratably by the several Lenders in accordance with their respective Pro Rata Shares. Participations in Facility Letters of Credit hereunder shall be ratable among the several Lenders in accordance with their respective Pro Rata Shares.

(d) All Obligations shall be due and payable by the Borrower on the Termination Date unless such Obligations shall sooner become due and payable pursuant to Section 8.01 or as otherwise provided in this Agreement.

(e) Each Borrowing which shall not utilize the Aggregate Commitment in full shall be in an amount not less than Two Hundred Fifty Thousand Dollars ($250,000) in the case of a Borrowing consisting of Eurodollar Loans and One Hundred Thousand Dollars ($100,000) in the case of a Borrowing consisting of ABR Loans. Each Borrowing shall consist of a Loan made by each Lender in the proportion of its Pro Rata Share. Within the limits of the Aggregate

Commitment, the Borrower may borrow, repay pursuant to Section 2.11, and reborrow Loans under this Section 2.01. On such terms and conditions, the Loans may be outstanding as ABR Loans or Eurodollar Loans. Each type of Loan shall be made and maintained at the applicable Lender's Lending Office for such type of Loan. The failure of any Lender to make any requested Loan to be made by it on the date specified for such Loan shall not relieve any other Lender of its obligation (if any) to make such Loan on such date, but no Lender shall be responsible for the failure of any other Lender to make such Loan to be made by such other Lender. The provisions of this Section 2.01.1(e) shall not apply to Swing Line Loans.

(f) No Loan shall be made at any time that any Swing Line Loan is outstanding, except for Loans that are used, on the day on which made, to repay in full the outstanding principal balance of the Swing Line Loans.

Section 2.01.2 Facility Options.

(a) **Cash Secured Option.**

(i) On and after the date that the conditions set forth in Section 3.02 have been satisfied or waived by the Agent and the Lenders, the Cash Secured Option shall apply to the Facility and be in effect when elected by the Borrower pursuant to Section 2.01.2(c). During all times that the Cash Secured Option applies to the Facility, no Loan shall be made, and no Facility Letter of Credit shall be issued or amended, if after giving effect to the incurrence of such Loan or the issuance or amendment of such Facility Letter of Credit, the amount of Unrestricted Cash held in the Cash Collateral Account under the Cash Collateral Agreement would be less than 105% of the Aggregate Outstanding Extensions of Credit at such date; provided that, a Loan shall not be deemed to have increased the amount of the Aggregate Outstanding Extensions of Credit to the extent that the proceeds of such Loan are immediately used to repay a Swing Line Loan theretofore included in the calculation of Aggregate Outstanding Extensions of Credit.

(ii) Not more than once during each calendar month, the Borrower may request that the Agent release any amount of Unrestricted Cash held in the Cash Collateral Account under the Cash Collateral Agreement in excess of an amount equal to 105% of the then Aggregate Outstanding Extensions of Credit to the Borrower and the Agent shall promptly release such excess amount, subject to the terms of the Cash Collateral Agreement.

(b) **Secured Borrowing Base Option.**

(i) On and after the date that the conditions set forth in Section 3.03 have been satisfied or waived by the Agent and the Lenders, the Borrower may elect

pursuant to Section 2.01.2(c) to have the Secured Borrowing Base Option apply to the Facility. During all times that the Secured Borrowing Base Option applies to the Facility, (A) the Secured Borrowing Base must exceed the Aggregate Outstanding Extension of Credit as of the most recent date of determination, and (B) no Loan shall be made, and no Facility Letter of Credit shall be issued or amended, if after giving effect to the incurrence of such Loan or the issuance or amendment of such Facility Letter of Credit, the then effective Secured Borrowing Base does not exceed the Aggregate Outstanding Extensions of Credit as of the most recent date of determination; provided that, a Loan shall not be deemed to have increased the amount of the Aggregate Outstanding Extensions of Credit to the extent that the proceeds of such Loan are immediately used to repay a Swing Line Loan theretofore included in the calculation of Aggregate Outstanding Extensions of Credit.

(ii) The Borrower may, upon not less than seven days' prior notice, request in writing that the Agent release its Liens on Mortgaged Properties or any portion thereof that the Borrower or the applicable Loan Party has a Housing Unit under Contract to be sold in the ordinary course of business with a closing date that is within thirty days of the requested release. In the event that the Agent receives such request in accordance herewith, then the Agent shall release its Liens on such Mortgaged Property (or the portion thereof, including any related personal property) within five Business Days prior to the date of the Housing Unit Closing so long as no Default has occurred. Upon the release of the Agent's Liens on any portion of the Mortgaged Properties, such portion of the Mortgaged Properties shall no longer be included in the calculation of the Secured Borrowing Base as reflected in the next Secured Borrowing Base Certificate to be delivered by the Borrower. The Borrower shall be deemed to have represented and warranted to the Agent and the Lenders that as of the effective date of each release the Secured Borrowing Base, after giving effect to such release and all other releases of Mortgaged Property since the date of the most recent Secured Borrowing Base Certificate, exceeds the Aggregate Outstanding Extensions of Credit as of the effective date of such release. Notwithstanding the foregoing, if the Secured Borrowing Base value of a Housing Unit requested to be released under this Section 2.01.2(b)(ii) plus the aggregate Secured Borrowing Base value of all Housing Units previously released by the Agent under this Section 2.01.2(b)(ii) during any period between delivery of the Secured Borrowing Base Certificate then in effect and the next Secured Borrowing Base Certificate scheduled to be delivered by the Borrower exceeds 10% of the value of the aggregate Borrowing Base Assets (excluding Unrestricted Cash) used in the calculation of the Secured Borrowing Base, then the Agent shall have no obligation to deliver such requested release until the Borrower shall have provided to the Agent an updated Secured Borrowing Base Certificate demonstrating that the Secured

Borrowing Base, after giving effect to such additional requested release, would exceed the Aggregate Outstanding Extensions of Credit.

(iii) With respect to Unrestricted Cash or Mortgaged Property included in the calculation of the Secured Borrowing Base, from time to time, the Borrower may request in writing (which in the case of any release of Unrestricted Cash in exchange for the pledge of Mortgaged Property, shall include a certification that any such Unrestricted Cash released shall be paid in immediately available funds to the Loan Party which shall have pledged such Mortgaged Property substituting therefor), that the Agent release its Lien on (x) such Unrestricted Cash, (y) such Mortgaged Property (or any portion thereof, including any related personal property) in order to substitute one or more Mortgaged Properties in lieu thereof or (z) on Unrestricted Cash or Mortgaged Property (or any portion thereof, including any related personal property), or any combination thereof as the Borrower may determine in its sole discretion at any time that the Secured Borrowing Base exceeds the Aggregate Outstanding Extensions of Credit as of the most recent date of determination in an amount not to exceed such excess. In the event that the Agent receives such request in accordance herewith, then (A) so long as no Event of Default has occurred and is continuing or would result therefrom and (B) either (I) after giving effect to such release and any substitution of Mortgaged Properties (or any portion thereof) the Aggregate Outstanding Extensions of Credit does not exceed the Secured Borrowing Base, or (II) the Required Lenders approve such release, the Agent shall, within ten days of such request, release its Lien on such Unrestricted Cash or such Mortgaged Property (or any portion thereof, including any related personal property); provided that (X) if Unrestricted Cash is subject to the request for release, (Y) in the case of a release described in clause (z) above or (Z) if Mortgaged Property subject to the request for a release constitutes more than 10% of the book value of the aggregate Secured Borrowing Base Assets used in the calculation of the Secured Borrowing Base, then the Borrower shall provide to the Agent an updated Secured Borrowing Base Certificate evidencing compliance with the Secured Borrowing Base as described above. Any Unrestricted Cash released hereunder in exchange for Mortgaged Property shall be paid in immediately available funds to the Loan Party which shall have pledged such Mortgaged Property substituting therefor. Upon the release of the Agent's Liens on any Unrestricted Cash or Mortgaged Property, such Unrestricted Cash or Mortgaged Property shall no longer be included in the calculation of the Secured Borrowing Base.

(iv) A Loan Party may, without the consent of any Lender, the Agent or any other Person, (A) make immaterial dispositions (including, but not limited to, lot line adjustments) of portions of any Mortgaged Property for dedication or public use to, or permit the creation of Liens to secure the levy of special assessments in favor of, governmental authorities, community development districts and property owners'

associations, (B) make immaterial dispositions of portions of the Mortgaged Property to third parties for the purpose of resolving any encroachment issues, (C) grant easements, restrictions, covenants, reservations and rights-of-way for resolving minor encroachment issues or for access, water and sewer lines, telephone, cable and internet lines, electric lines or other utilities or for other similar purposes, and (D) consent to or join in any land use or other development approval documents (including subdivision plats, easements and the like) provided that such disposition, grant or consent is usual and customary in the normal course of the Borrower's development business and otherwise does not materially impair the value, utility or operation of the applicable Mortgaged Property. In connection with any disposition or creation of any Lien or any grant or consent permitted pursuant to this Section, the Agent shall execute and deliver or cause to be executed and delivered any instrument reasonably necessary or appropriate in the case of the dispositions referred to above to release the portion of the Mortgaged Property affected by such disposition from the Lien of the applicable Mortgage, or to subordinate the Lien of the applicable Mortgage, or acknowledge that the Lien of any Mortgage is subordinate, to such Liens, easements, restrictions, covenants, reservations and rights-of-way or other similar grants, or to evidence such consent or joinder, in each case upon receipt by the Agent of (x) five Business Days' prior written notice thereof; (y) a copy of the applicable instrument or instruments of disposition or subordination; and (z) a certificate from an officer of the Borrower stating that such disposition is usual and customary in the normal course of the Borrower's development business and otherwise does not materially impair the value, utility or operation of the applicable Mortgaged Property.

(v) The Agent and the Lenders hereby agree that (A) upon satisfaction of the Permitted Secured Debt Conditions, all of the security interests and Liens shall be deemed to be forever released, discharged and terminated on the applicable Collateral being pledged to the secured party providing the Secured Debt only to the extent such Secured Debt is permitted under Section 6.02 (it being understood that, in the case of this clause (A), no Liens shall be released, discharged or terminated on Collateral included in the Secured Borrowing Base and the proceeds thereof) and (B) upon the occurrence of the Termination Date and payment in full of the all outstanding Obligations (or, with respect to outstanding Facility Letters of Credit, cash collateralization or other arrangements reasonably satisfactory to Issuer thereof and the Agent) all of the security interests in, and Liens on, the Collateral, shall be deemed to be forever released, discharged and terminated. From and after the date that the Permitted Secured Debt Conditions shall have been satisfied or the Termination Date shall have occurred and all outstanding Obligations shall have been paid in full (or, with respect to outstanding Facility Letters of Credit, cash collateralized or provided for pursuant to other arrangements reasonably satisfactory

to Issuer thereof and the Agent), the Agent shall (x) execute (as applicable) and deliver Uniform Commercial Code termination statements (and to, the extent permitted under the Uniform Commercial Code in effect in any relevant jurisdiction, does hereby authorize the Loan Parties from and after the date that the Permitted Secured Debt Conditions shall have been satisfied to file, or cause to be filed, such termination statements), intellectual property release documents and such other instruments of release and discharge pertaining to the security interests and other Liens granted to the Agent pursuant to the Security Documents in any of the Collateral being so released as the Borrower may reasonably request to effectuate, or reflect of public record, the release and discharge of all such security interests and Liens and (y) deliver promptly all Collateral in its possession to the extent that the Liens on such Collateral are being released, discharged or terminated. All of the foregoing deliveries shall be at the expense of the Borrower, with no liability to the Agent or any Lender, and with no representation or warranty by or recourse to the Agent or any Lender.

(vi) The Agent will be entitled to obtain, and at the request of Required Lenders shall obtain, at Borrower's expense a new Acceptable Appraisal of each Real Property (or any portion thereof) included in the Secured Borrowing Base, but not more than once every twelve (12) months during the term of this Agreement; provided that, in addition to the foregoing, the Agent will be entitled to obtain, at the Borrower's expense, additional Acceptable Appraisals of any such Real Property (or any portion thereof) if (x) an Event of Default exists or (y) an appraisal is required under applicable Law.

(vii) The Secured Borrowing Base shall be administered by the Agent in accordance with such requirements as may be established by the Agent from time to time. Administration of the Secured Borrowing Base shall include, without limitation:

(A) Inspections. The Agent, Construction Inspector or their respective employees, agents or representatives shall be entitled to inspect the Collateral included in the Secured Borrowing Base from time to time, as follows: (I) at the Agent's option, but typically no more than once each quarter, the Construction Inspector may review the inventory status from the financial records of the Loan Parties, which will include sales reports, copies of contracts, paid invoices, etc.; (II) at the Agent's option, a portion of the vertical construction will be selected at random, but extensions will not be predicated upon satisfactory inspections prior to the extension of such credit; (III) at the Agent's option, at least once each quarter, the Construction Inspector may review up to 5% of the Housing

Units of two divisions of the Loan Parties included in the Secured Borrowing Base; (IV) land development work for Mortgaged Properties in which Loan proceeds are requested to be advanced will be inspected periodically by the Construction Inspector at the Agent's sole discretion; and (V) material negative variances will be discussed with the Borrower and, if not satisfactorily resolved, will be reflected in the current month's Secured Borrowing Base Certificate. All inspections made by the Agent, Construction Inspector or their respective employees, agents or representatives, shall be made solely and exclusively for the protection and benefit of the Lenders and neither the Borrower nor any other Person shall be entitled to claim any loss or damage against the Agent, the Construction Inspector, any Lender or any of their respective employees, agents or representatives for failure to properly discharge any alleged duties of the Agent.

(B) Work-in-Progress Documentation. The Agent shall be entitled to inspect not more than once each quarter the documentation with respect to all work-in-progress including, without limitation, sales contracts, end loan commitments, buyer deposits, lot purchase closing statements, certificates of occupancy, notices of commencement, etc. Further, the Agent may request such documentation monthly with respect to a random sample pool of such documentation.

(C) Budget. Upon request of the Agent from time to time, a budget setting forth the estimates of the total cost of construction for specific Housing Units included in the Secured Borrowing Base shall be provided by the Borrower to the Agent, at the Borrower's sole expense.

(D) Plan and Cost Review. Upon request of the Agent from time to time, plans and cost budgets with respect to land development work in respect of Mortgaged Properties included in the Secured Borrowing Base shall be provided by the Borrower to the Agent, at the Borrower's expense.

(E) Title Updates. The Agent may require, from time to time, such title updates (including without limitation, ownership and encumbrance reports) with respect to the Collateral in the Secured Borrowing Base to confirm the lien status of such Collateral (in particular, that the Security Documents continue to constitute a

first lien on and security interest in such Collateral subject only to Permitted Encumbrances), as the Agent deems reasonably prudent all at the Borrower's sole expense.

(viii) The Borrower shall pay all reasonable fees and expenses associated with any of the actions taken under this Section 2.01.2(b) including, without limitation, (A) all reasonable fees and charges with respect to any appraisal, re-appraisal, and survey costs, (B) title insurance charges and premiums, (C) title search or examination costs, including abstracts, abstractors' certificates and uniform commercial code searches, (D) judgment and tax lien searches for each Loan Party, (E) reasonable fees and costs of environmental investigations site assessments and remediations, (F) recordation taxes, documentary taxes, transfer taxes and mortgage taxes, and (G) filing and recording fees.

(ix) The Secured Borrowing Base shall be calculated at the times and in the manner set forth below in this Section:

(A) Within thirty-five (35) days after the end of each calendar month, beginning with the calendar month ending July 31, 2009, and at such other times as the Agent or the Required Lenders may reasonably require, the Borrower shall provide the Agent with a Secured Borrowing Base Certificate showing the Borrower's calculations of the components of the Secured Borrowing Base together with all documentation and other data supporting such calculations as the Agent may require. The Agent shall have a period of five Business Days following receipt of a Secured Borrowing Base Certificate to notify the Borrower of its disapproval thereof. Failure of the Agent to so notify the Borrower within such five Business Day period shall be deemed approval and such Secured Borrowing Base as set forth in such Secured Borrowing Base Certificate shall be effective as of the date approved (or deemed approved) by the Agent. The amount so approved (or deemed approved) shall constitute the Secured Borrowing Base until such time as a new Secured Borrowing Base Certificate is delivered and approved in accordance with this Section.

(B) In the event that the Agent timely notifies the Borrower of its disapproval of a Secured Borrowing Base Certificate, then the Agent shall notify the Borrower in writing of the amount of the Secured Borrowing Base as reasonably determined by the Agent and the basis of such determination, and the effective date thereof

(which shall be the date of the giving of such notice by the Agent), and such amount shall thereupon and thereafter constitute the Secured Borrowing Base which shall remain in effect until such time as a new Secured Borrowing Base Certificate is delivered and approved in accordance with this Section.

(C) Each determination of the Secured Borrowing Base in accordance with this Section shall be binding and conclusive upon the parties hereto, provided that the Lenders are not bound to rely on information and figures provided by the Borrower if the Agent reasonably determines in good faith that it would be inappropriate to do so. Nothing contained herein shall be deemed to restrict the Borrower from submitting additional Secured Borrowing Base Certificates to the Agent for its approval at times other than those required hereunder.

(c) **Designation of Facility Option**. Not more than once during each calendar month, the Borrower may by written notice the Agent elect to designate that the Secured Borrowing Base Option shall apply in substitution for the Cash Secured Option then in effect, or designate that the Cash Secured Option shall apply in substitution for the Secured Borrowing Base Option then in effect, as the case may be. Any such notice designating that the Secured Borrowing Base Option shall apply shall be accompanied by a Secured Borrowing Base Certificate dated as of the date of such notice. Any such designation shall apply to the Facility until a different designation is made by the Borrower pursuant to this Section 2.01.3. No such designation shall be required for the Cash Secured Option to apply to the Facility prior to the date that the conditions set forth in Section 3.03 have been satisfied or waived by the Agent and the Lenders.

Section 2.02 Reductions of and Increases in Aggregate Commitment.

Section 2.02.1 Reduction of Aggregate Commitment. The Borrower shall have the right, upon at least three (3) Business Days' prior notice to the Agent, to terminate in whole or reduce in part the unused portion of the Aggregate Commitment, provided that each partial reduction shall be in the amount of at least Two Million Dollars ($2,000,000), and provided further that no reduction shall be permitted if, after giving effect thereto, and to any prepayment made therewith, the sum of (i) the outstanding and unpaid principal amount of the Loans and (ii) the Facility Letter of Credit Obligations shall exceed the Aggregate Commitment. Each reduction in part of the unused portion of each Lender's Commitment shall be made in the proportion that such Commitment bears to the total amount of the Aggregate Commitment. Any Commitment, once reduced or terminated, may not be reinstated (except as otherwise provided in Section 8.01(v)) and may not be increased (except in accordance with Section 2.02.2).

Section 2.02.2 Increase in Aggregate Commitment.

(a) **Request for Facility Increase**. The Borrower may, at any time and from time to time, request, by notice to the Agent, the Agent's approval of an increase of the Aggregate Commitment (a "Facility Increase") within the limitations hereafter described, which request shall set forth the amount of each such requested Facility Increase. Within twenty (20) days of such request, the Agent shall advise the Borrower of its approval or disapproval of such request; failure to so advise the Borrower shall constitute disapproval. If the Agent approves any such Facility Increase, then the Aggregate Commitment may be increased (up to the amount of such approved Facility Increase, in the aggregate) by having one or more New Lenders increase the amount of their then existing Commitments or become Lenders, subject to and in accordance with this provisions of this Section 2.02.2. Any Facility Increase shall be subject to the following limitations and conditions: (i) any increase (in the aggregate) in the Aggregate Commitment, any increase in any Commitment and any new Commitment shall (unless otherwise agreed to by the Borrower and the Agent) not be less than $5,000,000 (and (unless otherwise agreed to by the Borrower and the Agent) shall be in integral multiples of $1,000,000 if in excess thereof); (ii) no Facility Increase pursuant to this Section 2.02.2 shall increase the Aggregate Commitment to an amount in excess of $700,000,000; (iii) the Borrower and each New Lender shall have executed and delivered a commitment and acceptance (the "Commitment and Acceptance") substantially in the form of Exhibit C hereto, and the Agent shall have accepted and executed the same; (iv) the Borrower shall have executed and delivered to the Agent such Note or Notes as the Agent shall require to reflect such Facility Increase; (v) the Borrower shall have delivered to the Agent opinions of counsel (substantially similar to the forms of opinions provided for in Section 3.01(6), modified to apply to the Facility Increase and each Note and Commitment and Acceptance executed and delivered in connection therewith); (vi) the Guarantors shall have consented in writing to the Facility Increase and shall have agreed that their Guaranties continue in full force and effect; and (vii) the Borrower and each New Lender shall otherwise have executed and delivered such other instruments and documents as the Agent shall have reasonably requested in connection with such Facility Increase. The form and substance of the documents required under clauses (iii) through (vii) above shall be fully acceptable to the Agent. The Agent shall provide written notice to all of the Lenders hereunder of any Facility Increase.

(b) **New Lenders' Loans and Participation in Facility Letters of Credit**. Upon the effective date of any increase in the Aggregate Commitment pursuant to the provisions hereof (the "Increase Date"), which Increase Date shall be mutually agreed upon by the Borrower, each New Lender and the Agent, (i) such New Lender shall be deemed to have irrevocably and unconditionally purchased and received, without recourse or warranty from the Lenders, an undivided interest and participation in any Facility Letter of Credit then outstanding, ratably, such that each Lender (including each New Lender) holds a participation interest in each such Facility Letter of Credit in the amount of its then Pro Rata Share thereof; (ii) on such Increase Date, the Borrower shall repay all outstanding ABR Loans and reborrow an ABR Loan

in a like amount from the Lenders (including the New Lender); (iii) such New Lender shall not participate in any then outstanding Loan that is a Eurodollar Loan; (iv) if the Borrower shall at any time on or after such Increase Date convert or continue any Loan that is a Eurodollar Loan that was outstanding on such Increase Date, the Borrower shall be deemed to repay such Loan on the date of the conversion or continuation thereof and then to re-borrow as a Loan a like amount on such date so that the New Lender shall make a Loan on such date in the amount of its Pro Rata Share of such Borrowing; and (v) such New Lender shall make its Pro Rata Share of all Loans made on or after such Increase Date (including those referred to in clauses (ii) and (iv) above) and shall otherwise have all of the rights and obligations of a Lender hereunder on and after such Increase Date. Notwithstanding the foregoing, upon the occurrence of a Default prior to the date on which such New Lender is holding its Pro Rata Share of all Loans hereunder, such New Lender shall, upon notice from the Agent given on or after the date on which the Obligations are accelerated or become due following such Default, pay to the Agent (for the account of the other Lenders, to which the Agent shall pay their ratable shares thereof upon receipt) a sum equal to such New Lender's Pro Rata Share of each Loan that is a Eurodollar Loan then outstanding with respect to which such New Lender does not then hold an interest; such payment by such New Lender shall constitute an ABR Loan hereunder.

(c) **Required Lenders**. Solely for purposes of the calculation of Pro Rata Shares as used in the definition of "Required Lenders," until such time as a New Lender holds its Pro Rata Share of all outstanding Loans (if any), the amount of such New Lender's new Commitment or the increased amount of its Commitment shall be excluded from the amount of the Commitments and Aggregate Commitment and there shall be included in lieu thereof at any time an amount equal to the sum of the outstanding Loans and the participation interests in Facility Letters of Credit held by such New Lender with respect to its new Commitment or the increased amount of its Commitment.

(d) **No Obligation to Increase Commitment**. Nothing contained herein shall constitute, or otherwise be deemed to be, a commitment or agreement on the part of the Borrower or the Agent to give or grant any Lender the right to increase its Commitment hereunder at any time or a commitment or agreement on the part of any Lender to increase its Commitment hereunder at any time, and no Commitment of a Lender shall be increased without its prior written approval.

Section 2.03 Notice and Manner of Borrowing. The Borrower shall give the Agent notice of any Loans under this Agreement, on the Business Day of each ABR Loan, and at least three (3) Business Days before each Eurodollar Loan, specifying: (1) the date of such Loan; (2) the amount of such Loan; (3) the type of Loan (whether an ABR Loan or a Eurodollar Loan); and (4) in the case of a Eurodollar Loan, the duration of the Interest Period applicable thereto, provided, however, that (a) no Interest Period may extend beyond the Termination Date and (b) not more than eight (8) Interest Periods for Eurodollar Loans may be outstanding at any one time. All notices given by the Borrower under this Section 2.03 shall be irrevocable and shall be

given not later than 11:00 A.M. New York City time on the day specified above for such notice. The Agent shall notify each Lender of each such notice not later than noon New York City time on the date it receives such notice from the Borrower if such notice is received by the Agent at or before 11:00 A.M. New York City time. In the event such notice from the Borrower is received after 11:00 A.M. New York City time, it shall be treated as if received on the next succeeding Business Day, and the Agent shall notify each Lender of such notice as soon as practicable but not later than noon New York City time on the next succeeding Business Day. Not later than 2:00 P.M. New York City time on the date of such Loans, each Lender will make available to the Agent in immediately available funds, such Lender's Pro Rata Share of such Loans. After the Agent's receipt of such funds, on the date of such Loans and upon fulfillment of the applicable conditions set forth in Article III, the Agent will make such Loans available to the Borrower in immediately available funds by crediting the amount thereof to the Borrower's account with the Agent. The provisions of this Section 2.03 shall not apply to Swing Line Loans.

Section 2.04 **Non-Receipt of Funds by Agent**. (a) Unless the Agent shall have received notice from a Lender prior to the date (in the case of a Eurodollar Loan), or by 1:00 P.M. New York City time on the date (in the case of an ABR Loan), on which such Lender is to provide funds to the Agent for a Loan to be made by such Lender that such Lender will not make available to the Agent such funds, the Agent may assume that such Lender has made such funds available to the Agent on the date of such Loan in accordance with Section 2.03 and the Agent in its sole discretion may, but shall not be obligated to, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent such Lender shall not have given the notice provided for above and shall not have made such funds available to the Agent, such Lender agrees to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Agent, at the Federal Funds Effective Rate for three (3) Business Days and thereafter at the Alternate Base Rate. If such Lender shall repay to the Agent such corresponding amount, such amount so repaid shall constitute such Lender's applicable Loan for purposes of this Agreement. If such Lender does not pay such corresponding amount forthwith upon Agent's demand therefor, the Agent shall promptly notify the Borrower, and the Borrower shall immediately pay such corresponding amount to the Agent with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Agent, at the rate of interest applicable at the time to such proposed Loan. Nothing set forth in this Section shall affect the rights of the Borrower with respect to any Lender that defaults in the performance of its obligation to make a Loan hereunder.

(b) Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Agent may assume that the Borrower has made such payment in full to the Agent on such date and the Agent in its sole discretion may, but shall not be obligated to, in reliance upon such assumption, cause to be distributed to each Lender on such due date an

amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to the Agent, each Lender shall repay to the Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Agent, at the Federal Funds Effective Rate for three Business Days and thereafter at the Alternate Base Rate.

(c) The provisions of this Section 2.04 shall not apply to Swing Line Loans.

Section 2.05 [Intentionally Deleted].

Section 2.06 Conversions and Renewals. The Borrower may elect from time to time to convert all or a part of one type of Loan into another type of Loan or to renew all or part of a Loan by giving the Agent notice at least one (1) Business Day before conversion into an ABR Loan, and at least three (3) Business Days before the conversion into or renewal of a Eurodollar Loan, specifying: (1) the renewal or conversion date; (2) the amount of the Loan to be converted or renewed; (3) in the case of conversions, the type of Loan to be converted into; and (4) in the case of renewals of or a conversion into a Eurodollar Loan, the duration of the Interest Period applicable thereto; provided that (a) the minimum principal amount of each Eurodollar Loan outstanding after a renewal or conversion shall be One Million Dollars ($1,000,000) and the minimum amount of each ABR Loan outstanding after a renewal or conversion shall be Two Hundred Fifty Thousand Dollars ($250,000) and in each case in integral multiples of $100,000 if in excess of such minimum amounts; (b) Eurodollar Loans may be converted on a Business Day that is not the last day of the Interest Period for such Loan only if the Borrower pays on the date of conversion all amounts due pursuant to Section 2.17; (c) the Borrower may not renew a Eurodollar Loan or convert an ABR Loan into a Eurodollar Loan at any time that a Default has occurred that is continuing; (d) no Interest Period may extend beyond the Termination Date; and (e) not more than eight (8) Interest Periods for Eurodollar Loans may be outstanding at any one time. At all times that Secured Borrowing Base Option applies to the Facility, each such notice shall be accompanied by a Secured Borrowing Base Certificate dated as of the date of such notice. All conversions and renewals shall be made in the proportion of the Lenders' respective Pro Rata Shares. All notices given by the Borrower under this Section 2.06 shall be irrevocable and shall be given not later than 11:00 A.M. New York City time on the day which is not less than the number of Business Days specified above for such notice. The Agent shall notify each Lender of each such notice not later than noon Charlotte, North Carolina time on the date it receives such notice from the Borrower if such notice is received by the Agent at or before 11:00 A.M. New York City time. In the event such notice from the Borrower is received after 11:00 A.M. New York City time, it shall be treated as if received on the next succeeding Business Day, and the Agent shall notify each Lender of such notice as soon as practicable but not later than noon New York time on the next succeeding Business Day. Notwithstanding the foregoing, if the Borrower shall fail to give the Agent the notice as specified above for the renewal or conversion of a Eurodollar Loan prior to the end of the Interest Period with respect thereto, such

Eurodollar Loan shall automatically be converted into an ABR Loan on the last day of the Interest Period for such Loan. The provisions of this Section 2.06 shall not apply to Swing Line Loans.

Section 2.07 Interest. (a) The Borrower shall pay interest to the Agent, for the account of the applicable Lender or Lenders on the outstanding and unpaid principal amount of the Loans at the following rates:

(i) If an ABR Loan or Swing Line Loan, then at a rate per annum equal to the Alternate Base Rate in effect from time to time as interest accrues; and

(ii) If a Eurodollar Loan, then at a rate per annum for the Interest Period applicable to such Eurodollar Loan equal to the Eurodollar Rate for such Interest Period.

(b) Any change in the interest rate based on the Alternate Base Rate resulting from a change in the Alternate Base Rate shall be effective (without notice) as of the opening of business on the day on which such change in the Alternate Base Rate becomes effective. Interest on each Eurodollar Loan shall be calculated on the basis of a year of 360 days for the actual number of days elapsed. Interest on each ABR Loan and Swing Line Loan calculated on the basis of the Base Rate shall be calculated on the basis of a year of 365 or 366 days (as appropriate) for the actual number of days elapsed and interest on each ABR Loan and Swing Line Loan calculated based on the Federal Funds Effective Rate shall be calculated on the basis of a year of 360 days for the actual number of days elapsed.

(c) Interest on the Loans shall be paid (in an amount set forth in a statement delivered by the Agent to the Borrower, provided, however, that the failure of the Agent to deliver such statement shall not limit or otherwise affect the obligations of the Borrower hereunder) in immediately available funds to the Agent at the office of Agent from time to time designated by it in writing for the account of the applicable Lending Office of each applicable Lender as follows:

(1) For each ABR Loan and Swing Line Loan on the first day of each calendar month commencing on the first such date after such Loan is made;

(2) For each Eurodollar Loan, on the last day of the Interest Period with respect thereto, except that, if such Interest Period is longer than three months, interest shall also be paid on the last day of the third month of such Interest Period; and

(3) If not sooner paid, then on the Termination Date or such earlier date as the Loans may be due or declared due hereunder.

(d) Any principal amount of any Loan not paid when due (at maturity, by acceleration, or otherwise) shall bear interest thereafter until paid in full, payable on demand, at a rate per annum equal to the Alternate Base Rate or the applicable Eurodollar Rate, as the case may be, for such Loan in effect from time to time as interest accrues, plus two percent (2%) per annum.

Section 2.08 Interest Rate Determination. (a) The Agent shall determine each Adjusted LIBO Rate. The Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Agent pursuant to the terms of this Agreement.

(b) If the provisions of this Agreement or any Note would at any time require payment by the Borrower to a Lender of any amount of interest in excess of the maximum amount then permitted by the law applicable to any Loan, the interest payments to such Lender shall be reduced to the extent necessary so that such Lender shall not receive interest in excess of such maximum amount. If, as a result of the foregoing a Lender shall receive interest payments hereunder or under a Note in an amount less than the amount otherwise provided hereunder, such deficit (hereinafter called "Interest Deficit") will cumulate and will be carried forward (without interest) until the termination of this Agreement. Interest otherwise payable to a Lender hereunder and under a Note for any subsequent period shall be increased by the maximum amount of the Interest Deficit that may be so added without causing such Lender to receive interest in excess of the maximum amount then permitted by the law on the applicable Loans. The amount of the Interest Deficit relating to the Loans shall be treated as a prepayment premium (to the extent permitted by law) and paid in full at the time of any optional prepayment by the Borrower to the applicable Lenders of all the applicable Loans at that time outstanding pursuant to Section 2.11. The amount of the Interest Deficit relating to the applicable Loans at the time of any complete payment of the Loans at that time outstanding (other than an optional prepayment thereof pursuant to Section 2.11) shall be canceled and not paid.

Section 2.09 Fees. (a) The Borrower shall pay to each Issuer of a Facility Letter of Credit the fee to paid by the Borrower to such Issuer on the date of the issuance of such Facility Letter of Credit pursuant to Section 2.22.7.

(b) The Borrower agrees to pay to the Agent for the account of each Lender the Facility Letter of Credit Fees pursuant to Section 2.22.7.

(c) The Borrower shall pay to the Agent such additional fees as are specified in the Agent's Fee Letter.

Section 2.10 Notes. All Loans made by each Lender under this Agreement shall be evidenced by, and repaid with interest in accordance with, a single Note of the Borrower in substantially the form of Exhibit B hereto, in each case duly completed, dated the date of this Agreement and payable to such Lender for the account of its applicable Lending Office, such

Note to represent the obligation of the Borrower to repay the Loans made by such Lender. Each Lender is hereby authorized by the Borrower, but no Lender shall be required, to endorse on the schedule attached to the Note or Notes held by it the amount and type of such applicable Loan and each renewal, conversion, and payment of principal amount received by such applicable Lender for the account of its applicable Lending Office on account of its applicable Loans, which endorsement shall, in the absence of manifest error, be conclusive as to the outstanding balance of such Loans made by such Lender; provided, however, that the failure to make such notation with respect to any Loan or renewal, conversion, or payment shall not limit or otherwise affect the obligations of the Borrower under this Agreement or the Note or Notes held by such Lender. All Loans shall be repaid on the Termination Date.

Section 2.11 Prepayments. (a) The Borrower may, upon notice to the Agent not later than noon New York City time on the date of prepayment in the case of ABR Loans and at least three (3) Business Days' prior notice to the Agent in the case of Eurodollar Loans, prepay (including, without limitation, all amounts payable pursuant to the terms of Section 2.17) the Loans in whole or in part with accrued interest to the date of such prepayment on the amount prepaid, provided that (1) each partial payment shall be in a principal amount of not less than One Million Dollars ($1,000,000) in the case of a Eurodollar Loan and Two Hundred Fifty Thousand Dollars ($250,000) in the case of an ABR Loan; and (2) Eurodollar Loans may be prepaid only on the last day of the Interest Period for such Loans; provided, however, that such prepayment of Eurodollar Loans may be made on any other Business Day if the Borrower pays at the time of such prepayment all amounts due pursuant to Section 2.17. Upon receipt of any such prepayments, the Agent will promptly thereafter cause to be distributed the Pro Rata Share of such prepayment to each Lender for the account of its applicable Lending Office, except that prepayments of Swing Line Loans shall be made solely to the Swing Line Lender.

(b) The Borrower shall immediately upon a Change in Control prepay the Notes in full and all accrued interest to the date of such prepayment, and in the case of Eurodollar Loans all amounts due pursuant to Section 2.17.

(c) If (i) (A) during any time that the Cash Secured Option applies to the Facility, the amount of Unrestricted Cash held in the Cash Collateral Account under the Cash Collateral Agreement at any time is less than 105% of the Aggregate Outstanding Extensions of Credit at such time, or (B) during any time that the Secured Borrowing Base Option applies to the Facility, the amount of the Secured Borrowing Base as determined by the most recent Secured Borrowing Base Certificate is less than the Aggregate Outstanding Extensions of Credit, or (ii) at any time, the Aggregate Outstanding Extensions of Credit exceeds the Available Commitments, then the Borrower shall within two (2) Business Days thereafter prepay Loans and/or cash collateralize the Facility Letter of Credit Obligations in an aggregate amount equal to any such shortfall.

Section 2.12 Method of Payment. The Borrower shall make each payment under this Agreement and under any of the Notes not later than noon New York city time on the date when

due in lawful money of the United States to the Agent for the account of the applicable Lending Office of each Lender (or, in the case of Swing Line Loans, for the account of the Swing Line Lender) in immediately available funds. The Agent will promptly thereafter cause to be distributed (1) the Pro Rata Share of such payments of principal and interest with respect to Loans (other than Swing Line Loans) in like funds to each Lender for the account of its applicable Lending Office, (2) such payments of principal and interest with respect to Swing Line Loans solely to the Swing Line Lender and (3) other fees payable to any Lender to be applied in accordance with the terms of this Agreement. If any such payment is not received by a Lender on the Business Day on which the Agent received such payment (or the following Business Day if the Agent's receipt thereof occurs after 3:00 P.M. New York City time, such Lender shall be entitled to receive from the Agent interest on such payment at the Federal Funds Effective Rate for three Business Days and thereafter at the Alternate Base Rate (which interest payment shall not be an obligation for the Borrower's account, including under Section 10.04 or Section 10.06). The Borrower hereby authorizes each Lender, if and to the extent payment is not made when due under this Agreement or under any of the Notes, to charge from time to time against any account of the Borrower with such Lender any amount as due. Whenever any payment to be made under this Agreement or under any of the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall be included in the computation of the payment of interest and the commitment fee, as the case may be, except, in the case of a Eurodollar Loan, if the result of such extension would be to extend such payment into another calendar month, such payment shall be made on the immediately preceding Business Day.

Section 2.13 Use of Proceeds. The proceeds of the Loans hereunder shall be used by the Borrower (a) for working capital and general corporate purposes of the Borrower and the Guarantors to the extent permitted in this Agreement and (b) to repay Swing Line Loans. The Borrower will not, directly or indirectly, use any part of such proceeds for the purpose of repaying the Senior Notes or for purchasing or carrying any margin stock within the meaning of Regulation U or to extend credit to any Person for the purpose of purchasing or carrying any such margin stock, or for any purpose which violates, or is inconsistent with, Regulation X.

Section 2.14 Yield Protection. If any law or any governmental or quasi-governmental rule, regulation, policy, guideline or directive (whether or not having the force of law), or any interpretation thereof, or the compliance of any Lender or Issuer therewith,

(i) subjects any Lender or Issuer or any applicable Lending Office to any tax, duty, charge or withholding on or from payments due from the Borrower (excluding federal taxation of the overall net income of any Lender or Issuer or applicable Lending Office), or changes the basis of taxation of payments to any Lender or Issuer in respect of its Loans or Facility Letters of Credit or other amounts due it hereunder, or

(ii) imposes or increases or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or Issuer or any applicable Lending Office (other than reserves and assessments taken into account in determining the interest rate applicable to Loans), or

(iii) imposes any other condition the result of which is to increase the cost to any Lender or Issuer or any applicable Lending Office of making, funding or maintaining loans or issuing or participating in letters of credit or reduces any amount receivable by any Lender or Issuer or any applicable Lending Office in connection with loans, or requires any Lender or Issuer or any applicable Lending Office to make any payment calculated by reference to the amount of loans held, letters of credit issued or interest received by it, by an amount deemed material by such Lender or Issuer,

then, within fifteen (15) days of demand by such Lender or Issuer, the Borrower shall pay such Lender or Issuer that portion of such increased expense incurred or reduction in an amount received which such Lender or Issuer reasonably determines is attributable to making, funding and maintaining its Loans and its Commitment and issuing or participating in Letters of Credit.

Section 2.15 Changes in Capital Adequacy Regulations. If a Lender or Issuer determines the amount of capital required or expected to be maintained by such Lender or Issuer, any Lending Office of such Lender or Issuer or any corporation controlling such Lender or Issuer is increased as a result of a Change, then, within 10 days of demand by such Lender or Issuer, the Borrower shall pay such Lender or Issuer the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which such Lender or Issuer determines is attributable to this Agreement, its Loans or its obligation to make Loans hereunder (after taking into account such Lender's or Issuer's policies as to capital adequacy); provided, however, that a Lender or Issuer shall impose such cost upon the Borrower only if such Lender or Issuer is generally imposing such cost on its other borrowers having similar credit arrangements. "Change" means (i) any change after the date of this Agreement in the Risk- Based Capital Guidelines or (ii) any adoption of or change in any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) after the date of this Agreement which affects the amount of capital required or expected to be maintained by any Lender or Issuer or any Lending Office or any corporation controlling any Lender or Issuer. "Risk-Based Capital Guidelines" means (i) the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States implementing the July 1988 report of the Basle Committee on Banking Regulation and Supervisory Practices Entitled "International Convergence of Capital Measurements and Capital Standards," including transition rules, and any amendments to such regulations adopted prior to the date of this Agreement.

Section 2.16 Availability of Eurodollar Loans. If any Lender determines that maintenance of its Eurodollar Loans at the Lending Office selected by the Lender would violate any applicable law, rule, regulation, or directive, whether or not having the force of law (and it is not reasonably possible for the Lender to designate an alternate Lending Office without being adversely affected thereby), or if the Required Lenders determine that (i) deposits of a type and maturity appropriate to match fund Eurodollar Loans are not available or (ii) the interest rate applicable to Eurodollar Loans does not accurately reflect the cost of making or maintaining such Eurodollar Loans, then the Agent shall suspend the availability of Eurodollar Loans and require any Eurodollar Loans to be repaid.

Section 2.17 Funding Indemnification. If any payment of a Eurodollar Loan occurs on a date which is not the last day of the applicable Interest Period, whether because of acceleration, prepayment or otherwise, or a Eurodollar Loan is not made on the date specified by the Borrower for any reason other than default by the Lenders, the Borrower will indemnify each Lender for any loss or cost incurred by it resulting therefrom, including, without limitation, any loss or cost in liquidating or employing deposits required to fund or maintain the Eurodollar Loan.

Section 2.18 Lender Statements; Survival of Indemnity. To the extent reasonably possible, each Lender shall designate an alternate Lending Office with respect to its Eurodollar Loans to reduce any liability of the Borrower to such Lender under Sections 2.14 and 2.15 or to avoid the unavailability of Eurodollar Loans. Each Lender shall deliver a written statement of such Lender as to the amount due, if any, under Sections 2.14, 2.15 or 2.17. Such written statement shall set forth in reasonable detail the calculations upon which such Lender determined such amount and shall be final, conclusive and binding on the Borrower in the absence of manifest error. Determination of amounts payable under such Sections in connection with a Eurodollar Loan shall be calculated as though each Lender funded its Eurodollar Loan through the purchase of a deposit of the type and maturity corresponding to the deposit used as a reference in determining the Eurodollar Rate applicable to such Loan, whether in fact that is the case or not. Unless otherwise provided herein, the amount specified in the written statement shall be payable on demand after receipt by the Borrower of the written statement. The obligations of the Borrower under Sections 2.14, 2.15 and 2.17 shall survive payment of the Obligations and termination of this Agreement.

Section 2.19 Extension of Termination Date. (a) Not more than once in any fiscal year of the Borrower, the Borrower may request an extension of the Termination Date to a date that is 364 days after the then scheduled Termination Date by submitting a request for an extension to the Agent not earlier than 45 days prior to the then scheduled Termination Date. At the time of or prior to the delivery of such request, the Borrower shall propose to the Agent the amount of the fees that the Borrower would agree to pay with respect to such extension if approved by the Lenders. Promptly upon (but not later than five Business Days after) the Agent's receipt and approval of the extension request and fee proposal (as so approved, the

"Extension Request"), the Agent shall deliver to each Lender a copy of; and shall request each Lender to approve, the Extension Request. Each Lender approving the Extension Request shall deliver its written approval no earlier than 30 days prior to the then scheduled Termination Date. If the written approval of the Extension Request by the Lenders whose Pro Rata Shares equal or exceed 66-2/3% in the aggregate is received by the then scheduled Termination Date, the Termination Date shall be extended to a date that is 364 days after the then scheduled Termination Date but only with respect to the Lenders that have given such written approval. Except to the extent that a Lender that did not give its written approval to such Extension Request ("Rejecting Lender") is replaced as provided in Section 2.20, prior to the Termination Date (as determined prior to such Extension Request), then on such date (the "Rejecting Lender's Termination Date") (i) the Commitment of each such Rejecting Lender shall terminate, (ii) the Aggregate Commitment shall be reduced by the aggregate amount of such terminated Commitments and (iii) all Loans and other Obligations to each such Rejecting Lender shall be paid in full by the Borrower. If the sum of the principal balance of all Loans outstanding and all Facility Letter of Credit Obligations following the payment provided for in clause (iii) above exceeds the Aggregate Commitment (as reduced as provided in clause (ii) above), the Borrower shall, on the Rejecting Lender's Termination Date, repay outstanding Loans or cause to be canceled, released and returned to the applicable Issuer outstanding Facility Letters of Credit in the amounts necessary to cause the sum of the principal balance of all Loans outstanding and all Facility Letter of Credit Obligations to equal but not exceed the Aggregate Commitment (as reduced).

(b) Within ten days of the Agent's notice to the Borrower that the Lenders whose Pro Rata Shares equal or exceed 66-2/3% in the aggregate have approved an Extension Request, the Borrower shall pay to the Agent for the account of each Lender that has approved the Extension Request the applicable extension fees specified in the Extension Request.

(c) If Lenders whose Pro Rata Shares equal or exceed 66-2/3% in the aggregate approve the Extension Request, the Borrower, upon notice to the Agent and any Rejecting Lender, may, subject to the provisions of the last sentence of Section 2.19(d), terminate the Commitment of such Rejecting Lender (or such portion of such Commitment as is not assigned to a Replacement Lender in accordance with Section 2.20), which termination shall occur as of a date set forth in such Borrower's notice but in no event more than thirty (30) days following such notice (subject to the provisions of Section 2.20(b)). The termination of a Rejecting Lender's Commitment shall be effected in accordance with Section 2.19(d).

(d) If the Borrower elects to terminate the Commitment of a Rejecting Lender pursuant to Section 2.19(c), the Borrower shall pay to the Rejecting Lender all Obligations due and owing to it hereunder or under any other Loan Document, including, without limitation, the aggregate outstanding principal amount of the Loans owed to such Rejecting Lender, together with accrued interest thereon through the date of such termination, amounts payable under Sections 2.14 and 2.15 and the fees payable to such Rejecting Lender under Section 2.09(b).

Upon request by the Borrower or the Agent, the Rejecting Lender will deliver to the Borrower and the Agent a letter setting forth the amounts payable to the Rejecting Lender as set forth above. Upon the termination of such Rejecting Lender's Commitment and payment of the amounts provided for in the immediately preceding sentence, the Borrower shall have no further obligations to such Rejecting Lender under this Agreement and such Rejecting Lender shall cease to be a Lender, provided, however, that such Rejecting Lender shall continue to be entitled to the benefits of Sections 2.14, 2.15, 2.17, 10.04 and 10.06, as well as to any fees accrued for its account hereunder not yet paid, and shall continue to be obligated under Section 9.05 with respect to obligations and liabilities accruing prior to the termination of such Rejecting Lender's Commitment. If, as a result of the termination of the Rejecting Lender's Commitment, any payment of a Eurodollar Loan occurs on a day which is not the last day of the applicable Interest Period, the Borrower shall pay to the Agent for the benefit of the Lenders (including any Rejecting Lender) any loss or cost incurred by the Lenders (including any Rejecting Lender) resulting therefrom in accordance with Section 2.17. Upon the effective date of the termination of the Rejecting Lender's Commitment, the Aggregate Commitment shall be reduced by the amount of the terminated Commitment of the Rejecting Lender, and each other Lender shall be deemed to have irrevocably and unconditionally purchased and received (subject to the provisions of the last sentence of this Section 2.19(d)), without recourse or warranty, from the Rejecting Lender, an undivided interest and participation in any Facility Letter of Credit then outstanding, ratably, such that each Lender (excluding the Rejecting Lender but including any Replacement Lender that acquires an interest in the Facility hereunder from such Rejecting Lender) holds a participation interest in each Facility Letter of Credit in proportion to the ratio that such Rejecting Lender's Commitment (upon the effective date of such termination of the Rejecting Lender's Commitment) bears to the Aggregate Commitment (as reduced by the termination of such Rejecting Lender's Commitment or a part thereof). Notwithstanding the foregoing, if, upon the termination of the Commitment of such Rejecting Lender under this Section 2.19(d), the sum of the outstanding principal balance of the Loans and the Facility Letter of Credit Obligations would exceed the Aggregate Commitment (as reduced), the Borrower may not terminate such Rejecting Lender's Commitment unless the Borrower, on or prior to the effective date of such termination, prepays, in accordance with the provisions of this Agreement, outstanding Loans or causes to be canceled, released and returned to the applicable Issuer outstanding Facility Letters of Credit in sufficient amounts such that, on the effective date of such termination, the sum of the outstanding principal balance of the Loans and the Facility Letter of Credit Obligations does not exceed the Aggregate Commitment (as reduced).

Section 2.20 Replacement of Certain Lenders. (a) In the event a Lender ("Affected Lender"): (i) shall have requested compensation from the Borrower under Sections 2.14 or 2.15 to recover additional costs incurred by such Lender that are not being incurred generally by the other Lenders, (ii) shall have delivered a notice pursuant to Section 2.16 claiming that such Lender is unable to extend Eurodollar Loans to the Borrower for reasons not generally applicable to the other Lenders, (iii) shall have invoked Section 10.13 or (iv) is a Rejecting Lender pursuant

to Section 2.19, then, in any such case, the Borrower or the Agent may effect the replacement of such Affected Lender in accordance with the provisions of this Section 2.20, provided, however, that if the replacement of such Affected Lender is by reason of clause (iv) above, the replacement of such Affected Lender shall be subject to the provisions of Section 2.20(b). The Borrower or the Agent may elect to replace an Affected Lender and make written demand on such Affected Lender (with a copy to the Agent in the case of a demand by the Borrower and a copy to the Borrower in the case of a demand by the Agent) for the Affected Lender to assign, and, if a Replacement Lender (as hereinafter defined) notifies the Affected Lender of its willingness to purchase the Affected Lender's interests in the Facility and the Agent and the Borrower consent thereto in writing, then such Affected Lender shall assign pursuant to one or more duly executed Assignment and Assumption in substantially and in all material respects in the form and substance of Exhibit F five (5) Business Days after the date of such demand, to one or more financial institutions that comply with the provisions of Section 11.02 that the Borrower or the Agent, as the case may be, shall have engaged for such purpose (each a "Replacement Lender"), all (or, to the extent required or permitted under Section 2.20(b), a part) of such Affected Lender's rights and obligations (from and after the date of such assignment) under this Agreement and the other Loan Documents in accordance with Section 11.02. The Agent agrees, upon the occurrence of such events with respect to an Affected Lender and upon the written request of the Borrower, to use its reasonable efforts to obtain commitments from one or more financial institutions to act as a Replacement Lender. As a condition to any such assignment, the Affected Lender shall have concurrently received, in cash, all amounts (except as otherwise provided in Section 2.20(b)) due and owing to the Affected Lender hereunder or under any other Loan Document, including, without limitation, the aggregate outstanding principal amount of the Loans owed to such Lender, together with accrued interest thereon through the date of such assignment, amounts payable under Sections 2.14 and 2.15 with respect to such Affected Lender and the fees payable to such Affected Lender under Section 2.09(b); provided that upon such Affected Lender's replacement, such Affected Lender shall (except as otherwise provided in Section 2.20(b)) cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.14, 2.15, 2.17, 10.04 and 10.06, as well as to any fees accrued for its account hereunder and not yet paid, and shall continue to be obligated under Section 9.05 with respect to obligations and liabilities accruing prior to the replacement of such Affected Lender.

(b) In the event that the Affected Lender is a Rejecting Lender, the Borrower may elect to have a part of the Rejecting Lender's rights and obligations under this Agreement and the other Loan Documents assigned pursuant to this Section 2.20, provided that the Borrower also elects, pursuant to Section 2.19(c), to terminate the entire amount of such Rejecting Lender's Commitment not so assigned, which termination shall be effective on the date on which such assignment of the Rejecting Lender's rights and obligations is consummated under this Section 2.20.

(c) Notwithstanding anything to the contrary contained in this Agreement, each Replacement Lender must be approved by the Agent in its sole discretion.

Section 2.21 Swing Line. (a) The Swing Line Lender agrees, on the terms and conditions hereinafter set forth, to make loans ("Swing Line Loans") to the Borrower from time to time during the period from the date of this Agreement, up to but not including the Termination Date, in an aggregate principal amount not to exceed at any time outstanding the lesser of (i) the Swing Line Commitment or (ii) the amount by which the Swing Line Lender's Commitment exceeds the sum of (A) the outstanding principal amount of the Loans made by the Swing Line Lender pursuant to Section 2.01.1 and (B) the Swing Line Lender's Pro Rata Share of the outstanding Facility Letter of Credit Obligations, subject in each case to the limitations set forth in Section 2.01.3.

(b) Each Swing Line Loan which shall not utilize the Swing Line Commitment in full shall be in an amount not less than One Million Dollars ($1,000,000) and, if in excess thereof, in integral multiples of One Million Dollars ($1,000,000). Within the limits of the Swing Line Commitment, the Borrower may borrow, repay and reborrow under this Section 2.21.

(c) The Borrower shall give the Swing Line Lender notice of any request for a Swing Line Loan not later than 3:00 p.m. New York City time on the Business Day of such Swing Line Loan, specifying the amount of such requested Swing Line Loan. Each such notice shall be accompanied by a Secured Borrowing Base Certificate dated as of the date of such notice (and by the notice provided for in Section 2.21(d)). All notices given by the Borrower under this Section 2.21(c) shall be irrevocable. Upon fulfillment of the applicable conditions set forth in Article III, the Swing Line Lender will make the Swing Line Loan available to the Borrower in immediately available funds by crediting the amount thereof to the Borrower's account with the Swing Line Lender.

(d) On the fifth Business Day following the making of a Swing Line Loan, such Swing Line Loan shall be paid in full from the proceeds of a Loan made pursuant to Section 2.01.1. Each notice given by the Borrower under Section 2.21(c) shall include, or, if it does not include, shall be deemed to include, an irrevocable notice under Section 2.03 requesting the Lenders to make an ABR Loan on the fifth succeeding Business Day in the full amount of such Swing Line Loan.

Section 2.22 Facility Letters of Credit.

Section 2.22.1 Issuance of Facility Letters of Credit. (a) Each Issuer agrees, on the terms and conditions set forth in this Agreement, to issue from time to time for the account of the Borrower, through such offices or branches as it and the Borrower may jointly agree, one or more Facility Letters of Credit in accordance with this Section 2.22, during the period commencing on the date hereof and ending on the thirtieth (30th) day prior to the Termination Date.

(b) The Borrower shall not request, and no Issuer shall issue, a Facility Letter of Credit for any purpose other than for purposes for which Loan proceeds may by used, provided that, the Borrower shall not request Facility Letters of Credit for any purposes other than for such purposes which are permitted to be secured by a "Permitted Lien" under, and as defined in, the Base Indenture 2002 as modified by the Ninth Supplemental Indenture dated October 26, 2007 (without regard to the provisions of clause (xi) thereunder), or any comparable provision of any other Senior Indenture.

Section 2.22.2 Limitations. An Issuer shall not issue, amend or extend, at any time, any Facility Letter of Credit:

(i) if the aggregate maximum amount then available for drawing under Letters of Credit issued by such Issuer, after giving effect to the Facility Letter of Credit or amendment or extension thereof requested hereunder, shall exceed any limit imposed by law or regulation upon such Issuer;

(ii) if, after giving effect to the issuance, amendment or extension of the Facility Letter of Credit requested hereunder, the aggregate principal amount of the Facility Letter of Credit Obligations would exceed the Facility Letter of Credit Sublimit;

(iii) if, after giving effect to the issuance, amendment or extension of the Facility Letter of Credit requested hereunder, (A) during any time the Cash Secured Option applies to the Facility, the amount of Unrestricted Cash held in the Cash Collateral Account under the Cash Collateral Agreement would be less than 105% of the then Aggregate Outstanding Extensions of Credit, and (B) during any time the Secured Borrowing Base Option applies to the Facility, the then Aggregate Outstanding Extensions of Credit would exceed the Secured Borrowing Base as of the most recent Inventory Valuation Date;

(iv) if, after giving effect to the issuance, amendment or extension of the Facility Letter of Credit requested hereunder, the Aggregate Outstanding Extensions of Credit would exceed the Aggregate Commitment;

(v) unless such Issuer receives written notice from the Agent on or before the proposed Issuance Date of such Facility Letter of Credit that the issuance, amendment or extension of such Facility Letter of Credit is within the limitations specified in clauses (ii), (iii) and (iv) of this Section 2.22.2;

(vi) that has an expiration date (taking into account any automatic renewal provisions thereof) later than one year after the date that is thirty (30) days prior to the scheduled Termination Date; or

(vii) that is in a currency other than U.S. Dollars or that provides for drawings other than by sight draft.

Section 2.22.3 Conditions. The issuance, amendment or extension of any Facility Letter of Credit is subject to the satisfaction in full of the following conditions on the Issuance Date:

(i) the Borrower shall have delivered to the Issuer at such times and in such manner as the Issuer may reasonably prescribe a Reimbursement Agreement and such other documents and materials as may be reasonably required pursuant to the terms thereof, and the proposed Facility Letter of Credit shall be reasonably satisfactory to such Issuer in form and content, provided, however, in the event of any conflict between the terms of this Agreement and the terms of the Reimbursement Agreement, the terms of this Agreement shall control;

(ii) as of the Issuance Date no order, judgment or decree of any court, arbitrator or governmental authority shall enjoin or restrain such Issuer from issuing the Facility Letter of Credit and no law, rule or regulation applicable to the Issuer and no directive from any governmental authority with jurisdiction over the Issuer shall prohibit such Issuer from issuing Letters of Credit generally or from issuing that Facility Letter of Credit;

(iii) the following statements shall be true, and the Agent and such Issuer shall have received a certificate, substantially in the form of the certificate attached hereto as Exhibit D, signed by a duly authorized officer of the Borrower dated the Issuance Date stating that:

(a) the representations and warranties contained in Article IV of this Agreement are correct in all material respects on and as of such Issuance Date as though made on and as of such Issuance Date except to the extent that any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty is correct in all material respects as of such earlier date; and

(b) No Default or Event of Default has occurred and is continuing or would result from the issuance, amendment or extension of such Facility Letter of Credit;

(iv) the Issuer and the Agent shall have received such other approvals, opinions, or documents as either may reasonably request.

Section 2.22.4 Procedure for Issuance of Facility Letters of Credit. (a) The Borrower shall give the applicable Issuer and the Agent not less than two (2) Business Days'

prior written notice of any requested issuance of a Facility Letter of Credit under this Agreement (except that, in lieu of such written notice, the Borrower may give the Issuer and the Agent telephonic notice of such request if confirmed in writing by delivery to such Issuer and the Agent (i) immediately (A) of a telecopy of the written notice required hereunder which has been signed by an authorized officer of the Borrower or (B) of an e-mail containing all information required to be contained in such written notice and (ii) promptly (but in no event later than the requested Issuance Date) of the written notice required hereunder containing the original signature of an authorized officer of the Borrower). Such notice shall specify (i) the stated amount of the Facility Letter of Credit requested, which amount shall be in compliance with the requirements of Section 2.22.2, (ii) the requested Issuance Date, which shall be a Business Day, (iii) the date on which such requested Facility Letter of Credit is to expire, which date shall be in compliance with the requirements of Section 2.22.2(vi), (iv) the purpose for which such Facility Letter of Credit is to be issued, which purpose shall be in compliance with the requirements of Section 2.22.1(b), and (v) the Person for whose benefit the requested Facility Letter of Credit is to be issued. At the time such request is made, the Borrower shall also provide the Agent with a copy of the form of the Facility Letter of Credit it is requesting be issued. Such notice, to be effective, must be received by the Issuer and the Agent not later than 3:00 p.m. New York City time on the last Business Day on which notice can be given under this Section 2.22.4. Promptly after receipt of such notice, the Issuer shall confirm with the Agent (by telephone or in writing) that the Agent has received a copy of such notice from the Borrower and, if not, the Issuer shall promptly provide the Agent with a copy thereof

(b) Promptly following receipt of a request for issuance of a Facility Letter of Credit in accordance with Section 2.22.4(a), such Issuer shall approve or disapprove, in its reasonable discretion, the issuance of such requested Facility Letter of Credit, but the issuance of such approved Facility Letter of Credit shall continue to be subject to the provisions of this Section 2.22.

(c) Subject to the terms and conditions of this Section 2.22 (including, without limitation, Sections 2.22.2 and 2.22.3), the applicable Issuer shall, on the Issuance Date, issue the requested Facility Letter of Credit in accordance with such Issuer's usual and customary business practices unless such Issuer has actually received written or telephonic notice from the Borrower specifically revoking the request to issue such Facility Letter of Credit. The Issuer shall promptly give the Agent written notice, or telephonic notice confirmed promptly thereafter in writing, of the issuance, amendment, extension or cancellation of a Facility Letter of Credit, and the Agent shall promptly thereafter so notify all Lenders.

(d) No Issuer shall extend or amend any Facility Letter of Credit unless the requirements of this Section 2.22.4 are met as though a new Facility Letter of Credit were being requested and issued.

(e) Any Lender may, but shall not be obligated to, issue to the Borrower or any of its Subsidiaries Letters of Credit (that are not Facility Letters of Credit) for its own account, and at its own risk. None of the provisions of this Section 2.22 shall apply to any Letter of Credit that is not a Facility Letter of Credit.

Section 2.22.5 Duties of Issuer. Any action taken or omitted to be taken by an Issuer under or in connection with any Facility Letter of Credit, if taken or omitted in the absence of willful misconduct or gross negligence, shall not put such Issuer under any resulting liability to any Lender or, assuming that such Issuer has complied in all material respects with the procedures specified in Section 2.22.4, relieve any Lender of its obligations hereunder to such Issuer. In determining whether to pay under any Facility Letter of Credit, such Issuer shall have no obligation to the Lenders other than to confirm that any documents required to be delivered under such Facility Letter of Credit appear to have been delivered in compliance and that they appear to comply on their face with the requirements of such Facility Letter of Credit.

Section 2.22.6 Participation. (a) Immediately upon the issuance by an Issuer of any Facility Letter of Credit in accordance with Section 2.22.4, each Lender shall be deemed to have irrevocably and unconditionally purchased and received from such Issuer, without recourse or warranty, an undivided interest and participation ratably (in the proportion of such Lender's Pro Rata Share) in such Facility Letter of Credit (including, without limitation, all obligations of the Borrower with respect thereto other than amounts owing to such Issuer under Section 2.15).

(b) In the event that an Issuer makes any payment under any Facility Letter of Credit and the Borrower shall not have repaid such amount to such Issuer on or before the date of such payment by such Issuer, such Issuer shall promptly so notify the Agent, which shall promptly so notify each Lender. Upon receipt of such notice, each Lender shall promptly and unconditionally pay to the Agent for the account of such Issuer the amount of such Lender's Pro Rata Share of such payment in same day funds, and the Agent shall promptly pay such amount, and any other amounts received by the Agent for such Issuer's account pursuant to this Section 2.22.6, to such Issuer. If the Agent so notifies such Lender prior to noon New York City time on any Business Day, such Lender shall make available to the Agent for the account of such Issuer such Lender's ratable share of the amount of such payment on such Business Day in same day funds. If and to the extent such Lender shall not have so made its ratable share of the amount of such payment available to the Agent for the account of the Issuer, such Lender agrees to pay to the Agent for the account of the Issuer forthwith on demand such amount, together with interest thereon, for each day from the date such payment was first due until the date such amount is paid to the Agent for the account of the Issuer, at the Federal Funds Effective Rate. The failure of any Lender to make available to the Agent for the account of an Issuer such Lender's ratable share of any such payment shall not relieve any other Lender of its obligation hereunder to make available to the Agent for the account of such Issuer its ratable share of any payment on the date such payment is to be made.

(c) If any draft is paid under any Facility Letter of Credit, the Borrower shall reimburse the Issuing Lender for the amount of (a) the draft so paid and (b) any taxes, fees, charges or other costs or expenses incurred by the Issuing Lender in connection with such payment, not later than 12:00 Noon, Charlotte, North Carolina time, on (i) the Business Day immediately following the day that the Borrower receives notice of such draft, if such notice is received on such day prior to 10:00 A.M. New York City time, or (ii) if clause (i) above does not apply, the second Business Day following the day that the Borrower receives such notice. Each such payment shall be made to the Issuing Lender at its address for notices referred to herein in Dollars and in immediately available funds. Interest shall be payable on any such amounts from the date on which the relevant draft is paid until payment in full at the rate set forth in (x) until the Business Day next succeeding the date when such payment is required as set forth above, Section 2.07(a) and (y) thereafter, Section 2.07(d).

(d) Upon the request of the Agent or any Lender, each Issuer shall furnish to the requesting Agent or Lender copies of any Facility Letter of Credit or Reimbursement Agreement to which such Issuer is party.

(e) The obligations of the Lenders to make payments to the Agent for the account of an Issuer with respect to a Facility Letter of Credit shall be irrevocable, not subject to any qualification or exception whatsoever and shall be made in accordance with the terms and conditions of this Agreement under all circumstances, including, without limitation, the following:

(i) any lack of validity or enforceability of this Agreement or any of the other Loan Documents;

(ii) the existence of any claim, setoff, defense or other right which the Borrower may have at any time against a beneficiary named in a Facility Letter of Credit or any transferee of any Facility Letter of Credit (or any Person for whom any such transferee may be acting), the Issuer, the Agent, any Lender, or any other Person, whether in connection with this Agreement, any Facility Letter of Credit, the transactions contemplated herein or any unrelated transactions (including any underlying transactions between the Borrower or any Subsidiary and the beneficiary named in any Facility Letter of Credit);

(iii) any draft, certificate or any other document presented under the Facility Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;

(iv) the surrender or impairment of any security for the performance or observance of any of the terms of any of the Loan Documents;

(v) any failure by the Agent or an Issuer to make any reports required pursuant to Section 2.22.8; or

(vi) the occurrence of any Default or Event of Default.

(f) For purposes of determining the unused portion of the Aggregate Commitment and the unused portion of a Lender's Commitment under Sections 2.02.1 and 2.09(b), the Aggregate Commitment shall be deemed used to the extent of the aggregate undrawn face amount of the outstanding Facility Letters of Credit and the Lender's Commitment shall be deemed used to the extent of such Lender's Pro Rata Share of the aggregate undrawn face amount of the outstanding Facility Letters of Credit.

Section 2.22.7 Compensation for Facility Letters of Credit. (a) The Borrower agrees to pay to the Agent, in the case of each Facility Letter of Credit, the Facility Letter of Credit Fee therefor, payable quarterly in arrears not later than five (5) Business Days following Agent's delivery to Borrower of the quarterly statement specifying the amount of the Facility Letter of Credit Fees properly due and payable hereunder with respect to the preceding calendar quarter (which payment shall be a pro rata portion of the annual Facility Letter of Credit Fee for such preceding calendar quarter) and on the Termination Date (which payment shall be in the amount of all accrued and unpaid Facility Letter of Credit Fees). Facility Letter of Credit Fees shall be calculated, on a pro rata basis for the period to which such payment applies, for actual days on which such Facility Letter of Credit was outstanding during such period, on the basis of a 360-day year. The Agent shall, with reasonable promptness following receipt from all Issuers of the reports provided for in Section 2.22.8 for the months of March, June, September and December, respectively, deliver to the Borrower a quarterly statement of the Facility Letter of Credit Fees then due and payable. The Agent shall promptly remit such Facility Letter of Credit Fees, when received by the Agent, ratably to all Lenders.

(b) The Borrower agrees to pay the applicable Issuer of each Facility Letter of Credit an issuance fee of 0.125% of the stated amount of such Facility Letter of Credit, payable prior to the issuance of such Letter of Credit.

(c) An Issuer shall also have the right to receive, solely for its own account, its out-of-pocket costs of issuing and servicing Facility Letters of Credit, as the Borrower may agree in writing.

Section 2.22.8 Issuer Reporting Requirements. Each Issuer shall, no later than the third (3rd) Business Day following the last day of each month, provide to the Agent a schedule of the Facility Letters of Credit issued by it showing the Issuance Date, account party, original face amount, amount (if any) paid thereunder, expiration date and the reference number of each Facility Letter of Credit outstanding at any time during such month (and indicating, with respect to each Facility Letter of Credit, whether it is a Financial Letter of Credit or Performance

Letter of Credit) and the aggregate amount (if any) payable by the Borrower to such Issuer during the month pursuant to Section 2.15. Copies of such reports shall be provided promptly to each Lender by the Agent. The reporting requirements hereunder are in addition to those set forth in Section 2.22.4.

Section 2.22.9 Indemnification; Nature of Issuer's Duties. (a) In addition to amounts payable as elsewhere provided in this Section 2.22, the Borrower hereby agrees to protect, indemnify, pay and save the Agent, each Issuer and each Lender harmless from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including reasonable attorneys' fees) arising from the claims of third parties against the Agent, any Issuer or any Lender as a consequence, direct or indirect, of (i) the issuance of any Facility Letter of Credit other than, in the case of an Issuer, as a result of its willful misconduct or gross negligence, or (ii) the failure of an Issuer to honor a drawing under a Facility Letter of Credit as a result of any act or omission, whether rightful or wrongful, of any government, court or other governmental agency or authority.

(b) As among the Borrower, the Lenders, the Agent and each Issuer, the Borrower assumes all risks of the acts and omissions of or misuse of Facility Letters of Credit by, the respective beneficiaries of such Facility Letters of Credit. In furtherance and not in limitation of the foregoing, neither an Issuer nor the Agent nor any Lender shall be responsible: (i) for the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of the Facility Letters of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged; (ii) for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Facility Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason; (iii) for failure of the beneficiary of a Facility Letter of Credit to comply fully with conditions required in order to draw upon such Facility Letter of Credit; (iv) for errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex, facsimile transmission or otherwise; (v) for errors in interpretation of technical terms; (vi) for any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Facility Letter of Credit or of the proceeds thereof; (vii) for the misapplication by the beneficiary of a Facility Letter of Credit of the proceeds of any drawing under such Facility Letter of Credit; or (viii) for any consequences arising from causes beyond the control of the Agent, such Issuer and the Lenders including, without limitation, any act or omission, whether rightful or wrongful, of any government, court or other governmental agency or authority. None of the above shall affect, impair, or prevent the vesting of any of such Issuer's rights or powers under this Section 2.22.9.

(c) In furtherance and extension and not in limitation of the specific provisions hereinabove set forth, any action taken or omitted by an Issuer under or in connection with the Facility Letters of Credit or any related certificates, if taken or omitted in good faith, shall not

put such Issuer, the Agent or any Lender under any resulting liability to the Borrower or relieve the Borrower of any of its obligations hereunder to any such Person, but the foregoing shall not relieve such Issuer of its obligation to confirm that any documents required to be delivered under a Facility Letter of Credit appear to have been delivered in compliance and that they appear to comply on their face with the requirements of such Facility Letter of Credit.

(d) Notwithstanding anything to the contrary contained in this Section 2.22.9, the Borrower shall have no obligation to indemnify an Issuer under this Section 2.22.9 in respect of any liability incurred by an Issuer arising primarily out of the willful misconduct or gross negligence of such Issuer, as determined by a court of competent jurisdiction, or out of the wrongful dishonor by such Issuer of a proper demand for payment made under the Facility Letters of Credit issued by such Issuer, unless such dishonor was made at the request of the Borrower.

Section 2.22.10 Designation or Resignation of Issuer. (a) Upon request by the Borrower and approval by the Agent, a Lender may at any time agree to be designated as an Issuer hereunder, which designation shall be set forth in a written instrument or instruments delivered by the Borrower, the Agent and such Lender. The Agent shall promptly deliver to the other Lenders a copy of such instrument or instruments. From and after such designation and unless and until such Lender resigns as an Issuer in accordance with Section 2.22.10(b), such Lender shall have all of the rights and obligations of an Issuer hereunder,

(b) An Issuer shall continue to be the Issuer unless and until (i) it shall have given the Borrower and the Agent notice that it has elected to resign as Issuer and (ii) unless there is, at the time of such notice, at least one other Issuer, another Lender shall have agreed to be the replacement Issuer and shall have been approved in writing by the Agent and the Borrower. A resigning Issuer shall continue to have the rights and obligations of the Issuer hereunder solely with respect to Facility Letters of Credit theretofore issued by it notwithstanding the designation of a replacement Issuer hereunder, but upon its notice of resignation (or, if at the time of such notice, there is not at least one other Issuer, then upon such designation of a replacement Issuer), the resigning Issuer shall not thereafter issue any Facility Letters of Credit (unless it shall again thereafter be designated as an Issuer in accordance with the provisions of this Section 2.22.10). The assignment of, or grant of a participation interest in, or termination pursuant to Section 2.19 of, all or any part of its Commitment or Loans by a Lender that is also the Issuer shall not constitute an assignment or transfer of any of its rights or obligations as an Issuer.

Section 2.22.11 Termination of Issuer's Obligation. In the event that the Lenders' obligations to make Loans terminate or are terminated as provided in Section 8.01, each Issuer's obligation to issue Facility Letters of Credit shall also terminate.

Section 2.22.12 Obligations of Issuer and Other Lenders. Except to the extent that a Lender shall have agreed to be designated as an Issuer, no Lender shall have any obligation

to accept or approve any request for, or to issue, amend or extend, any Letter of Credit, and the obligations of an Issuer to issue, amend or extend any Facility Letter of Credit are expressly limited by and subject to the provisions of this Section 2.22.

Section 2.22.13 Facility Letter of Credit Collateral Account. The Borrower agrees that it will, during any time the Secured Borrowing Base Option applies to the Facility, upon the request of the Agent or the Required Lenders and until the final expiration date of any Facility Letter of Credit and thereafter as long as any amount is payable to the Issuer or the Lenders in respect of any Facility Letter of Credit, maintain a special collateral account pursuant to arrangements satisfactory to the Agent (the "Facility Letter of Credit Collateral Account") at the Agent's office at the address specified pursuant to Section 10.02, in the name of the Borrower but under the sole dominion and control of the Agent, for the benefit of the Lenders and in which such Borrower shall have no interest other than as set forth in Section 8.01. The Borrower hereby pledges, assigns and grants to the Agent, on behalf of and for the ratable benefit of the Lenders and the Issuer, a security interest in all of the Borrower's right, title and interest in and to all funds which may from time to time be on deposit in the Facility Letter of Credit Collateral Account to secure the prompt and complete payment and performance of (a) the obligations of the Borrower to reimburse the Issuer and (if applicable) the Lenders for amounts (if any) from time to time drawn on Facility Letters of Credit and interest thereon and other sums from time to time payable under Reimbursement Agreements, and (b) if and when all such obligations of the Borrower have been paid in full and no Facility Letters of Credit remain outstanding, all other Obligations. The Agent will invest any funds on deposit from time to time in the Facility Letter of Credit Collateral Account in Cash Equivalents reasonably acceptable the agent having a maturity not exceeding 30 days. Nothing in this Section 2.22.13 shall either obligate the Agent to require the Borrower to deposit any funds in the Facility Letter of Credit Collateral Account or limit the right of the Agent to release any funds held in the Facility Letter of Credit Collateral Account in each case other than as required by Section 22.15.

Section 2.22.14 Issuer's Rights. All of the representations, warranties, covenants and agreements of the Borrower to the Lenders under this Agreement and of the Borrower under any other Loan Document shall inure to the benefit of each Issuer (unless the context otherwise indicates).

Section 2.22.15 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if during the any time the Secured Borrowing Base Option applies to the Facility any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) Subject to the provisions of Section 2.22.15(c), if any Facility Letter of Credit Obligations are outstanding at the time a Lender is a Defaulting Lender, the Borrower shall within three (3) Business Days following notice by the Agent cash collateralize such Defaulting Lender's Facility Letter of Credit Obligations by paying to the Agent an amount in immediately

available funds equal to such Defaulting Lender's Facility Letter of Credit Obligations, which funds shall be held in the Facility Letter of Credit Collateral Account in accordance with Section 2.22.13 for so long as such Facility Letter of Credit Obligations are outstanding and such Lender is a Defaulting Lender;

(b) Subject to the provisions of Section 2.22.15(c), no Issuer shall be required to issue, amend (other than to reduce) or increase any Facility Letter of Credit unless cash collateral has been provided by the Borrower in accordance with Section 2.22.15(a); and

(c) Notwithstanding the provisions of Sections 2.22.15(a) and (b), if within three (3) Business Days following the Agent's notice under Section 2.22.15(a) the Borrower shall by notice to the Agent advise the Agent that the Borrower intends to effect the assignment by such Defaulting Lender of all of its right, title and interest under this Agreement to a Person that is not a Defaulting Lender (subject to and in accordance with the provisions of Section 11.02), the date by which the Borrower shall be required to comply with the provisions of Section 2.22.15(a) shall be extended to the 14th day after the date of the Agent's notice; provided, however, that such extension shall not extend the date by which the Borrower is obligated to cash collateralize Facility Letters of Credit pursuant to any other provisions of this Agreement. A Defaulting Lender shall not be obligated to assign its interest under this Agreement except to the extent that the provisions of Section 2.20 require an assignment.

Section 2.22.16 End of Term Cash Collateralization. On the date that is 30 days prior to the scheduled Termination Date, if the Secured Borrowing Base Option is then in effect, the Borrower shall deposit in the Cash Collateral Account an amount not less than 105% of the Facility Letter of Credit Obligations as of such date. Not more than once during each calendar month following the Termination Date, provided that no Event of Default has occurred and is then continuing, the Borrower may request that the Agent release any amount of Unrestricted Cash held in the Cash Collateral Account under the Cash Collateral Agreement in excess of an amount equal to 105% of the then Facility Letter of Credit Obligations to the Borrower, and the Agent shall promptly release such excess amount, subject to the terms of the Cash Collateral Agreement.

ARTICLE III
CONDITIONS PRECEDENT

Section 3.01 Conditions Precedent to Closing Date. This Agreement and the Commitments of each Lender shall be effective on the date (the "Closing Date") on which each of the following conditions precedent shall have been satisfied or waived by the Agent and each Lender:

(1) **Fourth Amendment and Successor Agency and Amendment Agreement**. The "Fourth Amendment Effective Date" shall have occurred under the Fourth Amendment and

the "Effective Date" shall have occurred under the Successor Agency and Amendment Agreement in accordance with their respective terms.

(2) **Credit Agreement**. The Agent shall have received this Agreement duly executed by each of the parties hereto;

(3) **Replacement Note**. A Note payable to each Lender duly executed by the Borrower, and the original promissory note issued to such Lender under the Existing Credit Agreement to be delivered to the Borrower for cancellation upon the Closing Date;

(4) **Amended and Restated Guaranty**. The Agent shall have received the Amended and Restated Guaranty, duly executed by each Guarantor listed in Schedule III.

(5) **Amended and Restated Collateral Agreement**. The Agent shall have received the Amended and Restated Collateral Agreement, duly executed by each party thereto (provided that the Borrower may designate one or more schedules as to be updated as required pursuant to Section 3.02) ;

(6) **No Default or Event of Default**. After giving effect to this Agreement, no Default or Event of Default shall have occurred and be continuing;

(7) **Closing Fee**. The Borrower shall have paid a cash fee to the Agent in accordance with the terms of the Agent's Fee Letter; and

(8) **Other Documents**. The Agent shall have received such other documents as the Agent, its counsel or any Lender may reasonably request.

Section 3.02 Conditions Precedent to Cash Secured Option. The Lenders shall not be required to make Loans or participate in any Facility Letters of Credit under the Cash Secured Option, and the Issuers shall not be required to issue any Facility Letters of Credit under the Cash Secured Option, unless and until the Closing Date has occurred and the Agent shall have received each of the following, in form and substance satisfactory to the Agent:

(1) **Secretary's Certificate of the Borrower**. A certificate of the Secretary or an Assistant Secretary of the Borrower certifying (A) the names and true signatures of each officer of the Borrower who has been authorized to execute and deliver this Agreement and any other Loan Document or other document required to be executed and delivered by or on behalf of the Borrower under this Agreement, (B) that the attached copies of the certificate of incorporation and by-laws of the Borrower have not been amended except as set forth therein and remain in full force and effect and (C) the attached copy of resolutions of the Board of Directors of the Borrower approving and authorizing the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party;

(2) **Good Standing Certificate of the Borrower**. A currently dated certificate of good standing for the Borrower issued by the Secretary of State of the State of Delaware;

(3) **Secretary's Certificates of the Guarantors**. A certificate of the Secretary or an Assistant Secretary of each corporate Guarantor or the general partner of each limited partnership Guarantor or managing member of each limited liability company Guarantor certifying (A) the names and true signatures of each officer, partner, member or other representative of such Guarantor who has been authorized to execute and deliver the Amended and Restated Guaranty and any other Loan Document or other document required to be executed and delivered by or on behalf of such Guarantor under this Agreement, (B) that the attached copies of the certificate of incorporation and by-laws of such corporate Guarantor, or certificate of limited partnership and limited partnership agreement of such limited partnership Guarantor, or certificate of formation and limited liability company or operating agreement of each limited liability company guarantor, or equivalent applicable constituent documents of such Guarantor, have not been amended except as set forth therein and remain in full force and effect and (C) the attached copy of resolutions of the Board of Directors of such corporate Guarantor, or the consents of such limited partnership or limited liability company Guarantor, approving and authorizing the execution, delivery and performance of the Amended and Restated Guaranty and the other Loan Documents to which it is a party;

(4) **Good Standing Certificate of the Borrower**. A currently dated certificate of good standing for each Guarantor issued by the secretary of state or other appropriate governmental officer in its jurisdiction of incorporation or formation;

(5) **Updated Schedules to Amended and Restated Collateral Agreement**. The Borrower shall have delivered updated schedules to the Amended and Restated Collateral Agreement if so noted as referred to in clause (6) of Section 3.01;

(6) **Cash Collateral Agreement**. The Agent shall have received the Cash Collateral Agreement duly executed by each of the Borrower and the Agent;

(7) **Opinions of Counsel**. A favorable opinion of (A) Troutman Sanders LLP, counsel for the Borrower and for certain of the Guarantors, in substantially the form of Exhibit E and (B) counsel to each other Guarantor that is formed or organized to do business in the State of Indiana or in the State of Tennessee (as approved by the Agent), in form similar to that furnished pursuant to clause (A) and reasonably satisfactory to the Agent;

(8) **Costs and Expenses**. The Borrower shall have paid all costs and invoiced out-of-pocket expenses of the Agent in connection with the execution and delivery of the documents and instruments described in Section 3.01 and clauses (1) through (6) of this Section 3.02, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Agent; and

(9) **Other Documents**. Such other and further documents as any Lender or the Agent or its counsel may have reasonably requested.

Section 3.03 Conditions Precedent to Secured Borrowing Base Option. The Lenders shall not be required to make Loans or participate in any Facility Letters of Credit under the Secured Borrowing Base Option, and the Issuers shall not be required to issue any Facility Letters of Credit under the Secured Borrowing Base Option, unless and until the Closing Date has occurred, the condition precedent set forth in Section 3.02 have been satisfied or waived by the Agent and the Lenders, and the Agent shall have received each of the following, in form and substance satisfactory to the Agent:

(1) **Assignments of Financing Statements**. Recorded or file-stamped copies of assignments from Wachovia Bank, National Association, as original secured party, to the Agent of each financing statement filed or recorded with respect to any Security Document;

(2) **Assignments of Mortgages**. Recorded copies of assignments by Wachovia Bank, National Association, to the Agent of all Mortgages delivered under the Existing Credit Agreement;

(3) **Endorsements to Title Insurance Policies**. Endorsements to all title insurance policies referred to in subclause (c) of item (4) of the Secured Borrowing Base Conditions previously issued by the Title Insurance Company, reflecting Agent as the holder of the Mortgage insured under such title insurance policy;

(4) **Other Secured Borrowing Base Conditions**. With respect to all Mortgaged Property covered by the Mortgages referred to in clause (2) above, evidence satisfactory to the Agent that all other Secured Borrowing Base Conditions have been satisfied with respect to such Mortgaged Property; and

(5) **Costs and Expenses**. The Borrower shall have paid all costs and invoiced out-of-pocket expenses of the Agent in connection with the execution and delivery of the documents and instruments described in clauses (1) through (4) of this Section 3.03, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Agent; and

(6) **Other Documents**. Such other and further documents as any Lender or the Agent or its counsel may have reasonably requested.

Section 3.04 Conditions Precedent to All Loans. The obligation of each Lender to make each Loan (including, in the case of the Swing Line Lender, any Swing Line Loan) shall be subject to the further conditions precedent that (except as hereinafter provided) on the date of such Loan:

(1) The following statements shall be true and the Agent shall have received a certificate, substantially in the form of the certificate attached hereto as Exhibit D, signed by a duly authorized officer of the Borrower dated the date of such Loan, stating that:

(a) The representations and warranties contained in Article IV of this Agreement are correct in all material respects on and as of the date of such Loan as though made on and as of such date except to the extent that any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty is correct in all material respects as of such earlier date; and

(b) No Default or Event of Default has occurred and is continuing, or would result from such Loan.

(2) The Agent shall have received such other approvals, opinions, or documents as any Lender through the Agent may reasonably request.

Notwithstanding the foregoing, in the case of a Loan (provided for in Section 2.21(d)) made to repay a Swing Line Loan, the satisfaction of the foregoing conditions with respect to such Swing Line Loan shall constitute satisfaction of such conditions with respect to the Loan made pursuant to Section 2.21(d) to repay such Swing Line Loan.

Section 3.05 Conditions Precedent to Facility Letters of Credit. The obligations of each Issuer to issue, amend or extend any Facility Letter of Credit shall be subject to the conditions precedent set forth in Section 2.22.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that:

Section 4.01 Incorporation, Formation, Good Standing, and Due Qualification. The Borrower, each Subsidiary, and each of the Guarantors is (in the case of a corporation) a corporation duly incorporated or (in the case of a limited partnership) a limited partnership duly formed or (in the case of a limited liability company) a limited liability company duly formed, validly existing, and in good standing under the laws of the jurisdiction of its incorporation or formation; has the power and authority to own its assets and to transact the business in which it is now engaged or proposed to be engaged; and is duly qualified and in good standing under the laws of each other jurisdiction in which such qualification is required, except where the failure to be so qualified could not reasonably be expected to result in a Material Adverse Effect.

Section 4.02 Power and Authority. The execution, delivery and performance by the Borrower and the Guarantors of the Loan Documents to which each is a party have been duly authorized by all necessary corporate, partnership or limited liability company action, as the case may be, and do not and will not (1) require any consent or approval of the stockholders of such corporation, partners of such partnership or members of such limited liability company (except such consents as have been obtained as of the date hereof); (2) contravene such corporation's charter or bylaws, such partnership's partnership agreement or such limited liability company's articles or certificate of formation or operating agreement; (3) violate, in any material respect, any provision of any law, rule, regulation (including, without limitation, Regulations U and X of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination, or award presently in effect having applicability to such corporation, partnership or limited liability company; (4) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other material agreement, lease, or instrument to which such corporation, partnership or limited liability company is a party or by which it or its properties may be bound or affected; (5) result in, or require, the creation or imposition of any Lien, upon or with respect to any of the properties now owned or hereafter acquired by such corporation, partnership or limited liability company, other than Liens securing the Obligations; and (6) cause such corporation, partnership or limited liability company to be in default, in any material respect, under any such law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award or any such indenture, agreement, lease or instrument.

Section 4.03 Legally Enforceable Agreement. This Agreement is, and each of the other Loan Documents when delivered under this Agreement will be legal, valid, and binding obligations of the Borrower or each Guarantor, as the case may be, enforceable against the Borrower or each Guarantor, as the case may be, in accordance with their respective terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, and other similar laws affecting creditors' rights generally.

Section 4.04 Financial Statements. The consolidated balance sheet of the Borrower and its Subsidiaries as at March 31, 2009, and the consolidated statements of operations, cash flow and changes to stockholders' equity of the Borrower and its Subsidiaries for the period of two fiscal quarters ended March 31, 2009, are complete and correct and fairly present as at such date the financial condition of the Borrower and its Subsidiaries and the results of their operations for the periods covered by such statements, all in accordance with GAAP consistently applied (subject to the absence of footnotes and year-end adjustments), and since March 31, 2009, there has been no material adverse change in the condition (financial or otherwise), business, or operations of the Borrower and its Subsidiaries. There are no liabilities of the Borrower or any Subsidiary, fixed or contingent, which are material but are not reflected in the financial statements or in the notes thereto, other than liabilities arising in the ordinary course of business since March 31, 2009. No information, exhibit, or report furnished by the Borrower to any Lender in connection with the negotiation of this Agreement, taken together, contained any

material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained therein not materially misleading.

Section 4.05 Labor Disputes and Acts of God. Neither the business nor the properties of the Borrower or any Subsidiary or any Guarantor are affected by any fire, explosion, accident, strike, lockout, or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy, or other casualty (whether or not covered by insurance), materially and adversely affecting such business or properties or the operation of the Borrower or such Subsidiary or such Guarantor.

Section 4.06 Other Agreements. Neither the Borrower nor any Significant Subsidiary nor any Significant Guarantor is a party to any indenture, loan, or credit agreement, or to any lease or other agreement or instrument or subject to any charter, corporate or other restriction which could reasonably be expected to have a material adverse effect on the business, properties, assets, operations, or conditions, financial or otherwise, of the Borrower or any Significant Subsidiary or any Significant Guarantor, or the ability of the Borrower or any Significant Guarantor to carry out its obligations under the Loan Documents to which it is a party. Neither the Borrower nor any Significant Subsidiary nor any Significant Guarantor is in default in any material respect in the performance, observance, or fulfillment of any of the obligations, covenants, or conditions contained in any agreement or instrument material to its business to which it is a party.

Section 4.07 Litigation. Except as disclosed in Schedule 4.07 or Schedule 4.14, or reflected in or reserved for in the financial statements referred to in Section 4.04, there is no pending or, to the knowledge of the Borrower or any Guarantor, threatened action or proceeding against or affecting the Borrower or any Significant Subsidiary or any Significant Guarantor before any court, governmental agency, or arbitrator, which could reasonable be expected, in any one case or in the aggregate, to materially adversely affect the financial condition, operations, properties, or business of the Borrower or any Significant Subsidiary or any Significant Guarantor or the ability of the Borrower or any Significant Guarantor to perform its obligations under the Loan Documents to which it is a party.

Section 4.08 No Defaults on Outstanding Judgments or Orders. Except for judgments with respect to which the uninsured liability of the Borrower, each Significant Subsidiary and each Significant Guarantor does not exceed $10,000,000 in the aggregate for all such judgments, (a) the Borrower, each Significant Subsidiary and each Significant Guarantor have satisfied all judgments, and (b) neither the Borrower nor any Significant Subsidiary nor any Significant Guarantor is in default with respect to any judgment, writ, injunction, decree, ruling or order of any court, arbitrator, or federal, state, municipal, or other governmental authority, commission, board, bureau, agency, or instrumentality, domestic or foreign.

Section 4.09 Ownership and Liens. The Borrower and each Subsidiary and each Guarantor have title to, or valid leasehold interests in, all of their respective properties and assets, real and personal, including the properties and assets and leasehold interests reflected in the financial statements referred to in Section 4.04 (other than any properties or assets disposed of in the ordinary course of business), and none of the properties and assets owned by the Borrower or any Subsidiary or any Guarantor and none of their leasehold interests is subject to any Lien, except such as may be permitted pursuant to Section 6.01.

Section 4.10 Subsidiaries and Ownership of Stock. Set forth in Schedule 4.10 hereto is a complete and accurate list, as of the date hereof, of the Subsidiaries of the Borrower, showing the jurisdiction of incorporation or formation of each and showing the percentage of the Borrower's ownership of the outstanding stock or partnership interest or membership interest of each Subsidiary. All of the outstanding capital stock of each such corporate Subsidiary has been validly issued, is fully paid and nonassessable, and is owned by the Borrower free and clear of all Liens. The limited partnership agreement of each such limited partnership Subsidiary is in full force and effect and has not been amended or modified, except for such amendments or modifications as are delivered to the Agent under Section 3.02. Each of the Guarantors is a Wholly-Owned Subsidiary of the Borrower.

Section 4.11 ERISA. The Borrower and each Subsidiary and each Guarantor are in compliance in all material respects with all applicable provisions of ERISA. Neither a Reportable Event nor a Prohibited Transaction has occurred and is continuing with respect to any Plan; no notice of intent to terminate a Plan has been filed, nor has any Plan been terminated; no circumstances exist which constitute grounds entitling the PBGC to institute proceedings to terminate, or appoint a trustee to administer, a Plan, nor has the PBGC instituted any such proceedings; neither the Borrower nor any Commonly Controlled Entity has completely or partially withdrawn from a Multiemployer Plan under circumstances that could subject the Borrower or any Subsidiary to material withdrawal liability; the Borrower and each Commonly Controlled Entity have met their minimum funding requirements under ERISA with respect to all of their Plans and the present value of all vested benefits under each Plan does not materially exceed the fair market value of all Plan assets allocable to such benefits, as determined on the most recent valuation date of the Plan and in accordance with the provisions of ERISA; and neither the Borrower nor any Commonly Controlled Entity has incurred any material liability to the PBGC under ERISA.

Section 4.12 Operation of Business. The Borrower, each Subsidiary and each Guarantor possess all material licenses, permits, franchises, patents, copyrights, trademarks, and trade names, or rights thereto, to conduct their respective businesses substantially as now conducted and as presently proposed to be conducted and the Borrower and each of its Subsidiaries and each Guarantor are not in violation of any valid rights of others with respect to any of the foregoing where the failure to possess such licenses, permits, franchises, patents, copyrights, trademarks, trade names or rights thereto or the violation of the valid rights of others

with respect thereto could reasonably be expected to, in any one case or in the aggregate, adversely affect in any material respect the financial condition, operations, properties, or business of the Borrower or any Significant Subsidiary or any Significant Guarantor or the ability of the Borrower or any Significant Guarantor to perform its obligation under the Loan Documents to which it is a party.

Section 4.13 Taxes. All federal and state income tax liabilities or income tax obligations, and all other material income tax liabilities or material income tax obligations, of the Borrower, each Subsidiary and each Guarantor have been paid or have been accrued by or reserved for by the Borrower. The Borrower constitutes the parent of an affiliated group of corporations for purposes of filing a consolidated United States federal income tax return.

Section 4.14 Laws; Environment. Except as disclosed in Schedule 4.14 hereto, (a) the Borrower, each Subsidiary and each Guarantor have duly complied, and their businesses, operations, assets, equipment, property, leaseholds, or other facilities are in compliance, in all material respects, with the provisions of all federal, state, and local statutes, laws, codes, and ordinances and all rules and regulations promulgated thereunder (including without limitation those relating to the environment, health and safety), except where the failure to so comply could not reasonably be expected to, in any one case or in the aggregate, adversely affect in any material respect the financial condition, operations, properties or business of the Borrower or any Subsidiary or the ability of the Borrower or any Guarantor to perform its obligations under the Loan Documents to which it is a party; (b) the Borrower, each Subsidiary and each Guarantor have been issued and will maintain all required federal, state, and local permits, licenses, certificates, and approvals relating to (1) air emissions; (2) discharges to surface water or groundwater; (3) noise emissions; (4) solid or liquid waste disposal; (5) the use, generation, storage, transportation, or disposal of toxic or hazardous substances or hazardous wastes (intended hereby and hereafter to include any and all such materials listed in any federal, state, or local law, code, or ordinance and all rules and regulations promulgated thereunder as hazardous); or (6) other environmental, health or safety matters, to the extent for any of the foregoing that failure to maintain the same could reasonably be expected to, in any one case or in the aggregate, adversely affect in any material respect the financial condition, operations, properties, or business of the Borrower or any Significant Subsidiary or any Significant Guarantor or the ability of the Borrower or any Significant Guarantor to perform its obligations under the Loan Documents to which it is a party; (c) neither the Borrower nor any Subsidiary nor any Guarantor has received notice of, or has actual knowledge of any violations of any federal, state, or local environmental, health, or safety laws, codes or ordinances or any rules or regulations promulgated thereunder with respect to its businesses, operations, assets, equipment, property, leaseholds, or other facilities, which violation could reasonably be expected to, in any one case or in the aggregate, adversely affect in any material respect the financial condition, operations, properties, or business of the Borrower or any Significant Subsidiary or any Significant Guarantor or the ability of the Borrower or any Significant Guarantor to perform its obligations under the Loan Documents to which it is a party; (d) except in accordance with a valid

governmental permit, license, certificate or approval, there has been no material emission, spill, release, or discharge into or upon (1) the air; (2) soils, or any improvements located thereon; (3) surface water or groundwater; or (4) the sewer, septic system or waste treatment, storage or disposal system servicing the premises, of any toxic or hazardous substances or hazardous wastes at or from the premises, in each case related to the premises of the Borrower, each Subsidiary and each Guarantor; and accordingly the premises of the Borrower, each Subsidiary and each Guarantor have not been adversely affected, in any material respect, by any toxic or hazardous substances or wastes; (e) there has been no complaint, order, directive, claim, citation, or notice by any governmental authority or any person or entity with respect to material violations of law or material damages by reason of Borrower's or any Subsidiary's (1) air emissions; (2) spills, releases, or discharges to soils or improvements located thereon, surface water, groundwater or the sewer, septic system or waste treatment, storage or disposal systems servicing the premises; (3) noise emissions; (4) solid or liquid waste disposal; (5) use, generation, storage, transportation, or disposal of toxic or hazardous substances or hazardous waste; or (6) other environmental, health or safety matters affecting the Borrower, any Subsidiary or any Guarantor or its business, operations, assets, equipment, property, leaseholds, or other facilities; and (f) neither the Borrower nor any Subsidiary nor any Guarantor has any material indebtedness, obligation, or liability, absolute or contingent, matured or not matured, with respect to the storage, treatment, cleanup, or disposal of any solid wastes, hazardous wastes, or other toxic or hazardous substances (including without limitation any such indebtedness, obligation, or liability with respect to any current regulation, law, or statute regarding such storage, treatment, cleanup, or disposal).

Section 4.15 Investment Company Act. Neither the Borrower nor any Subsidiary thereof is an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended.

Section 4.16 OFAC. Neither Borrower nor any Guarantor is (or will be) a person with whom any Lender is restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury of the United States of America (including, those Persons named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order (including, the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and shall not engage in any dealings or transactions or otherwise be associated with such persons. In addition, Borrower hereby agrees to provide to any Lender with any additional information that such Lender deems necessary from time to time in order to ensure compliance with all applicable Laws concerning money laundering and similar activities.

Section 4.17 Accuracy of Information. The representations and warranties by the Borrower or any Guarantor contained herein or in any other Loan Document or made hereunder or in any other Loan Document and the certificates, schedules, exhibits, reports or other

documents provided or to be provided by the Borrower or any Guarantor in connection with the transactions contemplated hereby or thereby (including, without limitation, the negotiation of and compliance with the Loan Documents), when taken together as a whole, do not contain and will not contain a misstatement of a material fact or omit to state a material fact required to be stated therein in order to make the statements contained therein, in the light of the circumstances under which made, not materially misleading at the time such statements were made or are deemed made.

Section 4.18 Security Documents.

(a) Each of the Cash Collateral Agreement and the Collateral Agreement is effective until release thereof permitted under this Agreement to create in favor of the Agent, for the benefit of the Lenders, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of the Collateral described in the Collateral Agreement, the Collateral Agreement constitutes a fully perfected Lien on all right, title and interest of the Borrower and the Guarantors in such Collateral (other than such Collateral in which a security interest cannot be perfected by filing of a financing statement under the UCC as in effect at the relevant time in the relevant jurisdiction) and the proceeds thereof, as security for the Obligations (as defined in the Collateral Agreement), in each case prior and superior in right to any other Person except Liens permitted under Section 6.01(1) through (7). In the case of the Collateral described in the Cash Collateral Agreement, the Cash Collateral Agreement constitutes a fully perfected Lien on all right, title and interest of the Borrower and the Guarantors in such Collateral and the proceeds thereof, as security for the Obligations (as defined in the Cash Collateral Agreement), in each case prior and superior in right to any other Person.

(b) Upon execution and delivery thereof until release thereof permitted under this Agreement, each of the Mortgages is effective to create in favor of the Agent, for the benefit of the Lenders, a legal, valid and enforceable Lien on the Mortgaged Properties described therein and proceeds thereof, and when the Mortgages are filed in the appropriate recording offices, each such Mortgage shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of Borrower and the Guarantors in the Mortgaged Properties and the proceeds thereof, as security for the Obligations (as defined in the relevant Mortgage), in each case prior and superior in right to any other Person (other than those exceptions to title set forth in the applicable title insurance policy described in subclause (c) of item (4) of the Secured Borrowing Base Conditions and other than Liens permitted pursuant to clause (g) of the definition of Mortgage Conditions or Section 6.01(7)).

ARTICLE V
AFFIRMATIVE COVENANTS

So long as any Note shall remain unpaid or any Facility Letter of Credit Obligations shall remain outstanding or any Lender shall have any Commitment under this Agreement, the Borrower will (unless otherwise agreed to by the Required Lenders in writing):

Section 5.01 Maintenance of Existence. Preserve and maintain, and cause each Subsidiary to preserve and maintain (except for a Subsidiary that ceases to maintain its existence solely as a result of an Internal Reorganization), its corporate, limited partnership or limited liability company existence and good standing in the jurisdiction of its incorporation or formation and qualify and remain qualified to transact business in each jurisdiction in which such qualification is required except where the failure to so qualify to transact business could not reasonably be expected to affect in any material respect the financial condition, operations, properties or business of the Borrower or any Subsidiary.

Section 5.02 Maintenance of Records. Keep and cause each Subsidiary to keep, adequate records and books of account, in which complete entries will be made in accordance with GAAP consistently applied, reflecting all financial transactions of the Borrower and its Subsidiaries.

Section 5.03 Maintenance of Properties. Maintain, keep, and preserve, and cause each Subsidiary to maintain, keep, and preserve, all of its properties (tangible and intangible) necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted.

Section 5.04 Conduct of Business. Continue, and cause each Subsidiary to continue (except in the case of a Subsidiary that ceases to engage in business solely as a result of an Internal Reorganization), to engage in a business of the same general type and in the same manner as conducted by it on the date of this Agreement.

Section 5.05 Maintenance of Insurance. Maintain, and cause each Subsidiary to maintain, insurance with financially sound reputable insurance companies or associations (or, in the case of insurance for construction warranties and builder default protection for buyers of Housing Units from the Borrower or any of its Subsidiaries or UHIC) in such amounts and covering such risks as are usually carried by companies engaged in the same or a similar business and similarly situated, which insurance may provide for reasonable deductibility from coverage thereof. In addition, if any structure on any Mortgaged Property is located in an area identified by the Federal Emergency Management Agency as a special flood hazard area and in which flood insurance has been made available under the National Flood Insurance Act of 1968, then the Borrower shall maintain or cause its applicable Subsidiary to maintain, a policy of flood insurance as described in subclause (c) of item (4) of the Secured Borrowing Base Conditions.

Section 5.06 Compliance with Laws. Comply, and cause each Subsidiary to comply, in all material respects with all applicable laws, rules, regulations, and orders, the noncompliance with which could not reasonably be expected to, in any one case or in the aggregate, adversely affect in any material respect the financial condition, operations, properties or business of the Borrower or any Subsidiary or the ability of the Borrower or any Guarantor to perform its obligations under the Loan Documents to which it is a party, and such compliance to include, without limitation, paying before the same become delinquent all taxes, assessments and governmental charges imposed upon it or upon its property, other than any such taxes, assessments and charges being contested by the Borrower in good faith which will not have a material adverse effect on the financial condition of the Borrower; and with respect to the matters disclosed in Schedule 4.14, implement prudent measures to achieve compliance with all relevant laws and regulations within a reasonable time and in accordance with requirements negotiated with applicable regulatory agencies.

Section 5.07 Right of Inspection. At any reasonable time and from time to time, permit any Lender or any agent or representative thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any Subsidiary, and to discuss the affairs, finances, and accounts of the Borrower and any Subsidiary with any of their respective officers and directors and the Borrower's independent accountants.

Section 5.08 Reporting Requirements. Furnish to the Agent for delivery to each of the Lenders:

(1) **Quarterly financial statements**. As soon as available and in any event within fifty (50) days after the end of each of the first three quarters of each fiscal year of the Borrower, an unaudited condensed consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such quarter, unaudited condensed consolidated statements of operations and cash flow of the Borrower and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, and unaudited condensed consolidated statements of changes in stockholders' equity of the Borrower and its Subsidiaries for the portion of the fiscal year ended with the last day of such quarter, all in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the previous fiscal year and all prepared in accordance with GAAP consistently applied and certified by the chief financial officer of the Borrower (subject to year-end adjustments); the timely filing by the Borrower of the Borrower's quarterly 10-Q report with the Securities and Exchange Commission shall satisfy the foregoing requirements.

(2) **Annual financial statements**. As soon as available and in any event within ninety-five (95) days after the end of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such fiscal year, consolidated statements of operations and cash flow of the Borrower and its Subsidiaries for such fiscal year,

and consolidated statements of changes in stockholders' equity of the Borrower and its Subsidiaries for such fiscal year, all in reasonable detail and stating in comparative form the respective figures for the corresponding date and period in the prior fiscal year and all prepared in accordance with GAAP consistently applied and accompanied by an opinion thereon acceptable to the Agent by Deloitte & Touche or other independent accountants selected by the Borrower and acceptable to the Agent; the timely filing by the Borrower of the Borrower's annual 10-K report with the Securities and Exchange Commission shall satisfy the foregoing requirements.

(3) [Intentionally deleted.]

(4) [Intentionally deleted.]

(5) **Management letters**. Promptly upon receipt thereof, copies of any reports submitted to the Borrower or any Subsidiary by independent certified public accountants in connection with examination of the financial statements of the Borrower or any Subsidiary made by such accountants.

(6) [Intentionally deleted.]

(7) **Compliance certificate**. Within fifty (50) days after the end of each of the first three quarters, and within ninety-five (95) days after the end of each fourth quarter, of each fiscal year of the Borrower, a certificate of the President or chief financial officer of the Borrower certifying (a) the Borrower's compliance with all financial covenants including, without limitation, those set forth in Section 6.10 and Article VII hereof, which certificate shall set forth in reasonable detail the computation thereof and (b) certifying that to the best of his knowledge no Default or Event of Default has occurred and is continuing, or if a Default or Event of Default has occurred and is continuing, a statement as to the nature thereof and the action which is proposed to be taken with respect thereto.

(8) [Intentionally deleted.]

(9) [Intentionally deleted.]

(10) **Notice of litigation**. Promptly after the commencement thereof, notice of all actions, suits, and proceedings before any court or governmental department, commission, board, bureau, agency, or instrumentality, domestic or foreign, affecting the Borrower or any Subsidiary which, if determined adversely to the Borrower or such Subsidiary, would reasonably be expected to result in a judgment against the Borrower or such Subsidiary in excess of $10,000,000 (to the extent not covered by insurance) or would reasonably be expected to have a material adverse effect on the financial condition, properties, or operations of the Borrower or such Subsidiary.

(11) **Notice of Defaults and Events of Default**. As soon as possible and in any event within ten (10) days after the occurrence of each Default or Event of Default, a written notice setting forth the details of such Default or Event of Default and the action which is proposed to be taken by the Borrower with respect thereto.

(12) **ERISA reports**. As soon as possible, and in any event within thirty (30) days after the Borrower knows or has reason to know that any circumstances exist that constitute grounds entitling the PBGC to institute proceedings to terminate a Plan subject to ERISA with respect to the Borrower or any Commonly Controlled Entity, and promptly but in any event within two (2) Business Days of receipt by the Borrower or any Commonly Controlled Entity of notice that the PBGC intends to terminate a Plan or appoint a trustee to administer the same, and promptly but in any event within five (5) Business Days of the receipt of notice concerning the imposition of withdrawal liability in excess of $50,000 with respect to the Borrower or any Commonly Controlled Entity, the Borrower will deliver to each Lender a certificate of the chief financial officer of the Borrower setting forth all relevant details and the action which the Borrower proposes to take with respect thereto.

(13) [Intentionally deleted.]

(14) **Proxy statements, etc**. Promptly after the sending or filing thereof, copies of all proxy statements, financial statements, and reports which the Borrower or any Subsidiary sends to its stockholders, and copies of all regular, periodic, and special reports, and all registration statements which the Borrower or any Subsidiary files with the Securities and Exchange Commission or any governmental authority which may be substituted therefor, or with any national securities exchange.

(15) [Intentionally deleted].

(16) **General information**. Such other information respecting the condition or operations, financial or otherwise, of the Borrower or any Subsidiary as any Lender may from time to time reasonably request.

Section 5.09 [Intentionally Deleted].

Section 5.10 Environment. Be and remain, and cause each Subsidiary to be and remain, in compliance with the provisions of all federal, state, and local environmental, health, and safety laws, codes and ordinances, and all rules and regulations issued thereunder, except where the failure to so comply could not reasonably be expected to, in any one case or in the aggregate, adversely affect in any material respect the financial condition, operations, properties or business of the Borrower or any Subsidiary or the ability of the Borrower or any Guarantor to perform its obligations under the Loan Documents to which it is a party; with respect to matters disclosed in Schedule 4.14, implement prudent measures to achieve compliance with all relevant

laws and regulations within a reasonable time and in accordance with requirements negotiated with applicable regulatory agencies; notify the Agent promptly of any notice of a hazardous discharge or environmental complaint received from any governmental agency or any other party (and the Agent shall notify the Lenders promptly following its receipt of any such notice from the Borrower); notify the Agent promptly of any hazardous discharge from or affecting its premises if (i) the storage, treatment or cleanup of such hazardous discharge (all in accordance with applicable laws and regulations) or (ii) the diminution in the value of the assets affected by such hazardous discharge, is reasonably expected to exceed $10,000 (and the Agent shall notify the Lenders promptly following its receipt of any such notice from the Borrower); promptly contain and remove the same, in compliance with all applicable laws; promptly pay any fine or penalty assessed in connection therewith; permit any Lender to inspect the premises, to conduct tests thereon, and to inspect all books, correspondence, and records pertaining thereto; and at such Lender's request, and at the Borrower's expense, provide a report of a qualified environmental engineer, satisfactory in scope, form, and content to the Required Lenders, and such other and further assurances reasonably satisfactory to the Required Lenders that the condition has been corrected.

Section 5.11 Use of Proceeds. Use the proceeds of the Loans solely as provided in Section 2.13.

Section 5.12 Ranking of Obligations. Ensure that at all times its Obligations under the Loan Documents shall be and constitute unconditional general obligations of the Borrower ranking at least pari passu with all its other unsecured Debt.

Section 5.13 Taxes. Pay and cause each Subsidiary to pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits or property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside.

Section 5.14 [Intentionally Deleted].

Section 5.15 New Subsidiaries. Within fifty (50) days after the end of any fiscal quarter of the Borrower during which any Person shall have become a Subsidiary, cause such Subsidiary to (i) execute and deliver to the Agent, for the benefit of the Lenders, a Supplemental Guaranty, (ii) become a Grantor under the Collateral Agreement by executing and delivering an assumption agreement to the Collateral Agreement substantially in the form of Annex I thereto, and (iii) deliver or cause to be delivered an opinion of counsel, certified copies of resolutions, articles of incorporation or other formation documents, incumbency certificates and other documents with respect to such Subsidiary and its Guaranty substantially similar to the documents delivered pursuant to Section 3.02 with respect to the Guarantors, all of which shall be reasonably satisfactory to the Agent in form and substance; provided that if and so long as any such Subsidiary has total assets the book value of which is not more than $5,000,000, the

Borrower shall not be required to comply with this Section. None of the Title Companies nor UHIC nor BMC shall be required to deliver a Guaranty.

ARTICLE VI
NEGATIVE COVENANTS

Except during any period when the Cash Secured Option shall apply to the Facility, so long as any Note shall remain unpaid or any Facility Letter of Credit Obligations shall remain outstanding or any Lender shall have any Commitment under this Agreement, the Borrower and each Guarantor will not (unless otherwise agreed to by the Required Lenders in writing):

Section 6.01 Liens. Create, incur, assume, or suffer to exist, or permit any Subsidiary to create, incur, assume, or suffer to exist, any Lien, upon or with respect to any of its properties, now owned or hereafter acquired, except the following:

(1) Liens for taxes or assessments or other government charges or levies if not yet due and payable or, if due and payable, if they are being contested in good faith by appropriate proceedings and for which appropriate reserves are maintained;

(2) Liens imposed by law, such as mechanics', materialmen's, landlords', warehousemen's, and carriers' Liens, and other similar Liens, securing obligations incurred in the ordinary course of business which are not past due for more than ninety (90) days or which are being contested in good faith by appropriate proceedings and for which appropriate reserves have been established;

(3) Liens under workers' compensation, unemployment insurance, Social Security, or similar legislation (other than Liens imposed by ERISA);

(4) Liens, deposits, or pledges to secure the performance of bids, tenders, contracts (other than contracts for the payment of money), Capital Leases (permitted under the terms of this Agreement), public or statutory obligations, surety, stay, appeal, indemnity, performance, or other similar bonds, or other similar obligations arising in the ordinary course of business;

(5) Judgment and other similar Liens arising in connection with any court proceeding, provided the execution or other enforcement of such Liens is effectively stayed and the claims secured thereby are being actively contested in good faith and by appropriate proceedings;

(6) Easements, rights-of-way, restrictions (including zoning, building and land use restrictions), restrictive covenants (including, without limitation, any Lien rights granted pursuant to any recorded declaration of covenants, conditions and restrictions to any property owners' association or similar Person that has authority to impose and collect dues or

assessments), and other similar encumbrances which, in the aggregate, do not materially interfere with the occupation, use, and enjoyment by the Borrower or any Subsidiary of the property or assets encumbered thereby in the normal course of its business or materially impair the value of the property subject thereto;

(7) Liens in favor of a seller of Entitled Land, Lots Under Development or Finished Lots requiring the Borrower or any Subsidiary to make a payment upon the future sale of such Entitled Land, Lots Under Development or Finished Lots;

(8) Rights of repurchase and/or rights of first refusal in favor of sellers of property or assets;

(9) Liens securing Secured Debt (A) permitted under clause (1) of Section 6.02, but only to the extent such Liens are limited to (i) Real Property that is not a Secured Borrowing Base Asset, (ii) personal property rights arising solely from Real Property described in clause (A), and (iii) Cash Equivalents not constituting Collateral, and (B) permitted under clause (2) of Section 6.02, but only to the extent such Liens are subordinated in the manner required under clause (2) of Section 6.02; and

(10) Liens pursuant to the Security Documents.

Section 6.02 Secured Debt. Create, incur, assume or suffer to exist, or permit any Subsidiary to create, incur, assume or suffer to exist, any Secured Debt, except for:

(1) Secured Debt in an aggregate principal amount outstanding at any one time not exceeding (A) if no Secured Debt referred to in clause (2) of this Section 6.02 is then outstanding, a principal amount equal to $200,000,000 minus the Aggregate Commitments or (B) if Secured Debt referred to in clause (2) of this Section 6.02 is then outstanding, a principal amount equal to $700,000,000 minus the then outstanding principal amount of such Secured Debt referred to in clause (2) of this Section 6.02 minus the Aggregate Commitments, and such Secured Debt either:

(A) is (i) Secured Debt the proceeds of which are used by the Borrower and its Subsidiaries solely for working capital purposes and general corporate purposes and (ii) secured only by Liens permitted under clause (9)(A) of Section 6.; or

(B) is Secured Debt of an entity acquired by Borrower or any of its Subsidiaries after the Closing Date; provided that, (i) such Secured Debt was in existence prior to the date of such Acquisition and was not incurred in anticipation thereof and (ii) the Liens securing such Secured Debt do not

extend to any other assets other than those theretofore encumbered by such Liens; and

(2) Junior lien Secured Debt in an aggregate principal amount outstanding at any one time not exceeding $700,000,000 minus the aggregate then outstanding principal amount of Secured Debt described in clause (1) above; provided that (A) the Agent is granted first priority Liens on all assets of the Borrower and its Subsidiaries granted to the holders of such junior Lien Debt, other than assets encumbered by Liens described in clause (1) and clause (2) above, and (B) Liens securing such Secured Debt shall be fully subordinated silent junior Liens subordinated to all Liens securing the Obligations pursuant to an intercreditor agreement to be entered into between the Agent and the agent or indenture trustee for such junior lien Secured Debt, which shall be in form and substance satisfactory to the Agent and the Lenders in their respective sole and absolute discretion.

Section 6.03 Mergers, Etc. Wind up, liquidate or dissolve itself, reorganize, merge or consolidate with or into, or convey, sell, assign, transfer, lease, or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to any Person, or acquire all or substantially all the assets or the business of any Person, or permit any Subsidiary to do so, except (1) for any Permitted Acquisition, (2) that any Guarantor may merge into or transfer assets to the Borrower as a result of an Internal Reorganization or otherwise and (3) that any Guarantor may merge into or consolidate with or transfer assets to any other Guarantor as a result of an Internal Reorganization or otherwise.

Section 6.04 Leases. Create, incur, assume, or suffer to exist, or permit any Subsidiary to create, incur, assume, or suffer to exist, any obligation as lessee for the rental or hire of any real or personal property, except (1) Capital Leases not otherwise prohibited by the terms of this Agreement; (2) leases existing on the date of this Agreement and any extension or renewals thereof; (3) leases between the Borrower and any Subsidiary or between any Subsidiaries; (4) operating leases entered into in the ordinary course of business; and (5) any lease of property having a value of $500,000 or less.

Section 6.05 Sale and Leaseback. Sell, transfer or otherwise dispose of, or permit any Subsidiary to sell, transfer, or otherwise dispose of, any real or personal property to any Person and thereafter directly or indirectly lease back the same or similar property, except for the sale and leaseback of model homes.

Section 6.06 Sale of Assets. Sell, lease, assign, transfer, or otherwise dispose of, or permit any Subsidiary to sell, lease, assign, transfer, or otherwise dispose of, any of its now owned or hereafter acquired assets (including, without limitation, shares of stock and indebtedness of subsidiaries, receivables, and leasehold interests), except (a) for (1) Inventory disposed of in the ordinary course of business; (2) the sale or other disposition of assets no

longer used or useful in the conduct of its business, provided that the Borrower is in compliance with Section 2.01.2(b)(i) hereof and no Event of Default has occurred and is continuing; or (3) the sale and leaseback of model homes; (b) that any Guarantor may sell, lease, assign, or otherwise transfer its assets to the Borrower or any other Guarantor in connection with an Internal Reorganization or otherwise; and (c) that the provisions of this Section 6.06 shall not affect or limit the Borrower's obligations under Section 6.03.

Section 6.07 Investments. Make, or permit any Subsidiary to make, any loan or advance to any Person, or purchase or otherwise acquire, or permit any Subsidiary to purchase or otherwise acquire, any capital stock, assets (other than assets acquired in the ordinary course of business), obligation, or other securities of, make any capital contribution to, or otherwise invest in or acquire any interest in any Person including, without limitation, any hostile takeover, hostile tender offer or similar hostile transaction (collectively, "Investments"), except:

(1) Cash Equivalents;

(2) securities permitted as investments under the Borrower's investment policy in effect from time to time and consented to by Required Lenders;

(3) stock, obligation, or securities received in settlement of debts (created in the ordinary course of business) owing to the Borrower or any Subsidiary provided such issuance is approved by the board of directors of the issuer thereof;

(4) a loan or advance from the Borrower to a Subsidiary, or from a Subsidiary to a Subsidiary, or from a Subsidiary to the Borrower (subject, however, to the limitations set forth below in the case of Investments in Subsidiaries that are not Guarantors);

(5) any Permitted Acquisition;

(6) an Investment in a Wholly-Owned Subsidiary, which Investment is, or constitutes a part of, an Internal Reorganization (subject, however, to the limitations set forth below in the case of Investments in Subsidiaries that are not Guarantors);

(7) redemptions and repurchases of senior Debt; provided that in each instance the Borrower shall continue to be in compliance with the minimum liquidity covenant in Section 7.04 immediately after giving effect to such redemption or repurchase;

(8) redemption and repurchases in respect of any subordinated Debt of Borrower or any of its Wholly-Owned Subsidiaries; provided that in each instance the Borrower shall continue to be in compliance with the minimum liquidity covenant in Section 7.04 immediately after giving effect to such redemption or repurchase;

(9) any redemption, repurchase, exchange or refinancing of Debt (A) in exchange for, or out of the proceeds of the substantially concurrent issuance and sale of, equity interests (other than Disqualified Stock), or (B) in exchange for, or out of the proceeds of the substantially concurrent incurrence of, Refinancing Debt;

(10) Investments in Subsidiaries that are not Guarantors and Investments in Joint Ventures (including Guarantees of Debt and other obligations of Joint Ventures);

(11) any other Investment not identified in clauses (1) though (9) above (subject; however, to the limitations set forth below);

provided, that the aggregate amount of all Investments by the Borrower and its Subsidiaries permitted under clauses (10) and (11) above and the contingent obligations under guaranties permitted under clause (3) of Section 6.08 below does not at any time exceed $100,000,000.

Section 6.08 Guaranties, Etc. Assume, guarantee, endorse, or otherwise be or become directly or contingently responsible or liable, or permit any Subsidiary to assume, guarantee, endorse, or otherwise be or become directly or contingently responsible or liable (including, but not limited to, an agreement to purchase any obligation, stock, assets, goods, or services, or to supply or advance any funds, assets, goods, or services, or an agreement to maintain or cause such Person to maintain a minimum working capital or net worth or otherwise to assure the creditors of any Person against loss), for obligations of any Person, except: (1) guaranties by endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business; (2) guaranties of performance obligations in the ordinary course of business; (3) guaranties of the Debt or other obligations of any Joint Venture or any Subsidiary that is not a Guarantor, and (4) that the Borrower or any Subsidiary or any Guarantor may, whether as a result of an Internal Reorganization or otherwise, guarantee the Debt of any other Subsidiary (other than any Subsidiary that is not a Guarantor) or Guarantor or the Borrower permitted under this Agreement.

Section 6.09 Transactions with Affiliates. Enter into any transaction, including, without limitation, the purchase, sale, or exchange of property or the rendering of any service, with any Affiliate, or permit any Subsidiary to enter into any transaction, including, without limitation, the purchase, sale, or exchange of property or the rendering of any service, with any Affiliate, except in the ordinary course of and pursuant to the reasonable requirements of the Borrower's or such Guarantor's or any Subsidiary's business and upon fair and reasonable terms no less favorable to the Borrower or such Guarantor or any Subsidiary than would obtain in a comparable arm's-length transaction with a Person not an Affiliate (which exception shall include the payment of insurance premiums to UHIC for the purchase of construction warranties and builder default protection for buyers of Housing Units from the Borrower or any of its Subsidiaries and to the Title Companies for title insurance); provided, however, that, the following transactions shall not be prohibited by this Section 6.09: (i) transactions involving the

purchase, sale or exchange of property having a value of $500,000 or less; (ii) transactions otherwise permitted by this Agreement; (iii) the issuance of any equity interests (whether common or preferred), other than Disqualified Stock, to Affiliates that are not officers or directors of Borrower or any Guarantor; and (iv) the execution of customary agreements entered into with shareholders relating to (x) registration rights and, related to such registration rights, reasonable indemnification rights and reasonable cost reimbursements, (y) board observation rights and (z) other provisions reasonably acceptable to the Agent.

Section 6.10 [Intentionally Deleted].

Section 6.11 [Intentionally Deleted].

Section 6.12 Non-Guarantors. Permit UHIC to engage in any business other than the issuance of construction warranties and builder default protection for buyers of Housing Units from the Borrower or any of its Subsidiaries or permit any of the Title Companies to engage in any business other than title insurance.

Section 6.13 Negative Pledge. Directly or indirectly enter into any agreement with any Person that prohibits or restricts or limits the ability of the Borrower or any Guarantor to create, incur, pledge or suffer to exist any Lien upon any assets of the Borrower or any Guarantor in favor of or for the benefit of the Agent for the benefit of the Lenders and the Issuers, as contemplated by clause (2) of Section 6.02 or as required to satisfy any condition of the Cash Secured Option or with respect to any Facility Letter of Credit.

ARTICLE VII
FINANCIAL COVENANTS

So long as any Note shall remain unpaid or any Facility Letter of Credit shall remain outstanding or any Lender shall have any Commitment under this Agreement (unless otherwise agreed to by the Required Lenders in writing):

Section 7.01 Minimum Consolidated Tangible Net Worth. The Borrower will, as of the last day of each fiscal quarter, maintain a Consolidated Tangible Net Worth of not less than: (a) during any time that the Cash Secured Option applies to the Facility, $1, and (b) during any time that the Secured Borrowing Base Option applies to the Facility, $85,000,000.

Section 7.02 Leverage Ratio. The Borrower will not permit the Leverage Ratio to exceed at any time (a) during any time that the Cash Secured Option applies to the Facility, 100.0 to 1.0, and (b) during any time that the Secured Borrowing Base Option applies to the Facility, 8.0 to 1.0.

Section 7.03 Interest Coverage Ratio. The Borrower shall maintain an Interest Coverage Ratio of not less than (a) during any time that the Cash Secured Option applies to the Facility, -10.0 to 1.0, and (b) during any time that the Secured Borrowing Base Option applies to the Facility, -10.0 to 1.0.

Section 7.04 Minimum Liquidity. If, as of the last day of the fiscal quarter most recently ended, the Interest Coverage Ratio is less than 2.0 to 1.0, the Borrower shall maintain Unrestricted Cash not included in the Secured Borrowing Base in an amount of not less than $120,000,000.

ARTICLE VIII
EVENTS OF DEFAULT

Section 8.01 Events of Default. If any of the following events shall occur:

(1) The Borrower shall fail to pay (a) the principal of any Note, or any amount of a commitment or other fee, as and when due and payable or (b) interest on any Note within five (5) Business Days after the same is due and payable;

(2) Any representation or warranty made or deemed made by the Borrower or by any Guarantor in any Loan Document or which is contained in any certificate, document, opinion, or financial or other statement furnished at any time under or in connection with this Agreement shall prove to have been incorrect, incomplete, or misleading in any material respect on or as of the date made or deemed made;

(3) The Borrower or any Guarantor shall fail to perform or observe any term, covenant, or agreement contained in Articles V, VI or VII hereof, and such failure shall continue for a period of thirty (30) consecutive days after delivery of written notice thereof from the Agent to the Borrower or such Guarantor;

(4) The Borrower or any Significant Subsidiary or any Significant Guarantor shall (a) fail to pay (within the applicable cure period, if any) any amount in respect of indebtedness for borrowed money equal to or in excess of $25,000,000 in the aggregate (other than the Notes) of the Borrower or such Significant Subsidiary or such Significant Guarantor, as the case may be, or any interest or premium thereon, when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise); or (b) fail to perform or observe any term, covenant, or condition on its part to be performed or observed (within the applicable cure period, if any) under any agreement or instrument relating to any such indebtedness, when required to be performed or observed, if the effect of such failure to perform or observe is to accelerate the maturity of such indebtedness, or to permit the acceleration of the maturity of such indebtedness after the giving of notice or passage of time, or both, and after giving effect to any amendment or waiver; or (c) any such indebtedness shall be declared to be due and payable, or required to be

prepaid (other than by a regularly scheduled required prepayment), repurchased (or an offer to repurchase to be made) or redeemed prior to the stated maturity thereof (other than as otherwise permitted under the terms of this Agreement);

(5) The Borrower or any Significant Subsidiary or any Significant Guarantor (a) shall generally not pay, or shall be unable to pay, or shall admit in writing its inability to pay its debts as such debts become due; or (b) shall make an assignment for the benefit of creditors, or petition or apply to any tribunal for the appointment of a custodian, receiver, or trustee for it or a substantial part of its assets; or (c) shall commence any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; or (d) shall have had any such petition or application filed or any such proceeding commenced against it in which an order for relief is entered or an adjudication or appointment is made and which remains undismissed for a period of sixty (60) days or more; or (e) shall take any corporate partnership, limited liability company or similar organizational action indicating its consent to, approval of, or acquiescence in any such petition, application, proceeding, or order for relief or the appointment of a custodian, receiver, or trustee for all or any substantial part of its properties; or (f) shall suffer any such custodianship, receivership, or trusteeship to continue undischarged for a period of sixty (60) days or more. If the Borrower is required to provide an amount of cash collateral pursuant to Section 2.22.15, such amount shall be returned to the Borrower from the Facility Letter of Credit Collateral Account from time to time to the extent that no Event of Default is continuing and either the amount deposited shall exceed the Defaulting Lender's Facility Letter of Credit Obligations or if such Lender ceases to be a Defaulting Lender;

(6) One or more judgments, decrees, or orders for the payment of money in excess of $25,000,000 in the aggregate shall be rendered against the Borrower and/or any Subsidiary and/or any Guarantor, and such judgments, decrees, or orders shall continue unsatisfied and in effect for a period of twenty (20) consecutive days without being vacated, discharged, satisfied, or stayed or bonded pending appeal;

(7) Any Guaranty hereunder shall at any time after its execution and delivery and for any reason cease to be in full force and effect or shall be declared null and void, or the validity or enforceability thereof shall be contested by the Guarantor or the Guarantor shall deny it has any further liability or obligation under, or shall fail to perform its obligations under, the Guaranty (except to the extent that the foregoing occurs solely by reason of the liquidation or dissolution of a Guarantor as a result of an Internal Reorganization);

(8) Any Change of Control of the Borrower or any Subsidiary or any Guarantor shall occur;

(9) Any of the following events shall occur or exist with respect to the Borrower, any Subsidiary or any Commonly Controlled Entity under ERISA: any Reportable Event shall

occur; complete or partial withdrawal from any Multiemployer Plan shall take place; any Prohibited Transaction shall occur; a notice of intent to terminate a Plan shall be filed, or a Plan shall be terminated; or circumstances shall exist which constitute grounds entitling the PBGC to institute proceedings to terminate a Plan, or the PBGC shall institute such proceedings; and in each case above, such event or condition, together with all other events or conditions described in this Section 8.01(9), if any, could subject the Borrower or any Significant Guarantor or Significant Subsidiary to any tax, penalty, or other liability which in the aggregate may exceed $1,000,000;

(10) If any federal, state, or local agency asserts a material claim against the Borrower or any Significant Guarantor or Significant Subsidiary and/or its assets, equipment, property, leaseholds, or other facilities for damages or cleanup costs relating to a hazardous discharge or an environmental complaint; provided, however, that such claim shall not constitute a Default if, within fifteen (15) days of the occurrence giving rise to the claim, (a) the Borrower can prove to the reasonable satisfaction of the Required Lenders that the Borrower has commenced and is diligently pursuing either: (i) a cure or correction of the event which constitutes the basis for the claim, and continues diligently to pursue such cure or correction, it being hereby acknowledged by the Lenders that (with respect to the matters disclosed in Schedule 4.14) the Borrower's compliance with the covenants contained in Sections 5.06 and 5.10 shall satisfy the requirements of this clause (i), or (ii) proceedings for an injunction, a restraining order or other appropriate emergent relief preventing such agency or agencies from asserting such claim, which relief is granted within thirty (30) days of the occurrence giving rise to the claim and the injunction, order, or emergent relief is not thereafter resolved or reversed on appeal or (iii) the defense against the claim through action in a court or agency exercising jurisdiction over the claim; and (b) in any of the foregoing events (except for the matters disclosed in Schedule 4.14, as to which no security is required), the Borrower has posted a bond, letter of credit, or other security satisfactory in form, substance, and amount to the Required Lenders and the agency or entity asserting the claim to secure the correction of the event which constitutes the basis for the claim in accordance with applicable laws;

(11) Except with respect to releases of Liens permitted under this Agreement, any of the Security Documents shall cease, for any reason, to be in full force and effect, or any Loan Party or any Affiliate of any Loan Party shall so assert, or any Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby;

(12) Any Loan Party shall default in the observance or performance of any term, covenant or agreement contained in the Cash Collateral Agreement, the Collateral Agreement or any Mortgage, and such default shall continue unremedied for 30 consecutive days after the delivery of notice thereof from the Agent to such Loan Party.

then the following provisions shall apply:

(i) if any Event of Default described in Section 8.01(5) occurs with respect to the Borrower, the obligations of the Lenders to make Loans hereunder and the obligation and power of the Issuers to issue Facility Letters of Credit shall automatically terminate and the Obligations shall immediately become due and payable without any election or action on the part of the Agent, any Issuer or any Lender and, if at such time the Secured Borrowing Base Option is in effect, the Borrower will be and become thereby unconditionally obligated, without any further notice, act or demand, to pay to the Agent an amount in immediately available funds, which funds shall be held in the Cash Collateral Account, equal to the difference of (x) 105% of the amount of Facility Letter of Credit Obligations at such time, less (y) the amount on deposit in the Facility Letter of Credit Collateral Account at such time which is free and clear of all rights and claims of third parties and has not been applied against the Obligations (such difference, the "Collateral Shortfall Amount"). If any other Event of Default occurs, the Required Lenders (or the Agent with the consent of the Required Lenders) may (a) terminate or suspend the obligations of the Lenders to make Loans hereunder and the obligation and power of the Issuers to issue Facility Letters of Credit, or declare the Obligations to be due and payable, or both, whereupon the Obligations shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives, and (b) upon notice to the Borrower and in addition to the continuing right to demand payment of all amounts payable under this Agreement, make demand on the Borrower to pay, and the Borrower will, forthwith upon such demand and without any further notice or act, pay to the Agent the Collateral Shortfall Amount, which funds shall be deposited in the Cash Collateral Account.

(ii) If at any time while any Event of Default is continuing, the Agent determines that the Collateral Shortfall Amount at such time is greater than zero, the Agent may make demand on the Borrower to pay, and the Borrower will, forthwith upon such demand and without any further notice or act, pay to the Agent the Collateral Shortfall Amount, which funds shall be deposited in the Cash Collateral Account.

(iii) The Agent may, at any time or from time to time after funds are deposited in the Cash Collateral Account or the Facility Letter of Credit Collateral Account, apply such funds to the payment of the Obligations and any other amounts as shall from time to time have become due and payable by the Borrower to the Lenders or the Issuer under the Loan Documents.

(iv) At any time while any Event of Default is continuing, neither the Borrower nor any Person claiming on behalf of or through the Borrower shall have any right to withdraw any of the funds held in the Cash Collateral Account or the Facility Letter of Credit Collateral Account. After all of the Obligations have been indefeasibly paid in full and the Aggregate Commitment has been terminated, any funds remaining in the Cash Collateral Account or the Facility Letter of Credit Collateral Account shall be returned by the Agent to the Borrower or paid to whomever may be legally entitled thereto at such time.

(v) If within 30 days after acceleration of the maturity of the Obligations or termination of the obligations of the Lenders to make Loans and the obligation and power of the Issuer to issue Facility Letters of Credit hereunder as a result of any Event of Default (other than any Event of Default as described in Section 8.01(5) with respect to the Borrower) and before any judgment or decree for the payment of the Obligations due shall have been obtained or entered, the Required Lenders (in their sole discretion) shall so direct, the Agent shall, by notice to the Borrower, rescind and annul such acceleration and/or termination.

(vi) Upon the occurrence and during the continuance of any Event of Default, the Agent may exercise any and all remedies provided under any of the Security Documents or otherwise provided by law.

Section 8.02 **Set Off**. Upon the occurrence and during the continuance of any Event of Default, each Lender is hereby authorized at any time and from time to time, without notice to the Borrower (any such notice being expressly waived by the Borrower), to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any Note or Notes held by such Lender or any other Loan Document, irrespective of whether or not the Agent or such Lender shall have made any demand under this Agreement or any Note or Notes held by such Lender or such other Loan Document and although such obligations may be unmatured. Each Lender agrees promptly to notify the Borrower (with a copy to the Agent) after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender under this Section 8.02 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which each Lender may have.

ARTICLE IX
AGENCY PROVISIONS

Section 9.01 Authorization and Action. Each Lender hereby irrevocably appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. The duties of the Agent shall be mechanical and administrative in nature and the Agent shall not by reason of this Agreement or any other Loan Document be a trustee or fiduciary for any Lender or Issuer. The Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and the other Loan Documents. As to any matters not expressly provided for by this Agreement or any other Loan Document (including, without limitation, enforcement or collection of the Notes), the Agent shall not be required to act or to refrain from acting except upon the instructions of the Required Lenders or, to the extent required under Section 10.01, all Lenders (and shall be fully protected in so acting or so refraining from acting), and such instructions shall be binding upon all Lenders, all Issuers and all holders of Notes; provided, however, that the Agent shall not be required to take any action which exposes the Agent to personal liability or which is contrary to this Agreement or applicable law. The Agent shall administer the Loan in the same manner that it would administer a comparable loan held 100% for its own account. The Agent may perform any of its duties under this Agreement and any other Loan Document by and through its agents (which shall include any third party sub-agent or mortgage servicer).

Section 9.02 Liability of Agent. Neither the Agent nor any of its Affiliates or any of their respective directors, officers, agents, employees or advisors shall be liable for any action taken or omitted to be taken by it or them in good faith under or in connection with this Agreement or any other Loan Document in the absence of its or their own gross negligence or willful misconduct. Without limiting the generality of the foregoing, the Agent (1) may treat the payee of any Note as the holder thereof until the Agent receives written notice of the assignment or transfer thereof signed by such payee and in form satisfactory to the Agent; (2) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants, or experts; (3) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties, or representations made in or in connection with this Agreement; (4) shall not have any duty to ascertain or to inquire as to the performance or observance of any terms, covenants, or conditions of this Agreement on the part of the Borrower (other than the payment of principal, interest and fees due hereunder), or to inspect the property (including the books and records) of the Borrower; (5) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, perfection, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto or the value, sufficiency, creation, perfection or priority of any Lien in any collateral security; and (6) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be sent by any telecommunication device capable of creating a written

record (including electronic mail)) reasonably believed by it to be genuine and signed or sent by the proper party or parties.

Section 9.03 Rights of Agent Individually. (a) The Person serving as the Agent shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any of its Subsidiaries or other Affiliate thereof as if such Person were not the Agent and without any duty to account therefor to the Lenders.

(b) Each Lender and each Issuer understands that the Person serving as Agent, acting in its individual capacity, and its Affiliates (collectively, the "Agent's Group") are engaged in a wide range of financial services and businesses (including investment management, financing, securities trading, corporate and investment banking and research) (such services and businesses are collectively referred to in this Section 9.03 as "Activities") and may engage in the Activities with or on behalf of one or more of the Loan Parties or their respective Affiliates. Furthermore, the Agent's Group may, in undertaking the Activities, engage in trading in financial products or undertake other investment businesses for its own account or on behalf of others (including the Loan Parties and their Affiliates and including holding, for its own account or on behalf of others, equity, debt and similar positions in any of the Borrower, another Loan Party or their respective Affiliates), including trading in or holding long, short or derivative positions in securities, loans or other financial products of one or more of the Loan Parties or their Affiliates. Each Lender and each Issuer understands and agrees that in engaging in the Activities, the Agent's Group may receive or otherwise obtain information concerning the Loan Parties or their Affiliates (including information concerning the ability of the Loan Parties to perform their respective Obligations hereunder and under the other Loan Documents) which information may not be available to any of the Lenders that are not members of the Agent's Group. None of the Agent nor any member of the Agent's Group shall have any duty to disclose to any Lender or use on behalf of the Lenders, and shall not be liable for the failure to so disclose or use, any information whatsoever about or derived from the Activities or otherwise (including any information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Loan Party or any Affiliate of any Loan Party) or to account for any revenue or profits obtained in connection with the Activities, except that the Agent shall deliver or otherwise make available to each Lender such documents as are expressly required by any Loan Document to be transmitted by the Agent to the Lenders.

(c) Each Lender and each Issuer further understands that there may be situations where members of the Agent's Group or their respective customers (including the Loan Parties and their Affiliates) either now have or may in the future have interests or take actions that may

conflict with the interests of any one or more of the Lenders (including the interests of the Lenders hereunder and under the other Loan Documents). Each Lender and each Issuer agrees that no member of the Agent's Group is or shall be required to restrict its activities as a result of the Person serving as Agent being a member of the Agent's Group, and that each member of the Agent's Group may undertake any Activities without further consultation with or notification to any Lender or any Issuer. None of (i) this Agreement or any other Loan Document, (ii) the receipt by the Agent's Group of information concerning the Loan Parties or their Affiliates (including information concerning the ability of the Loan Parties to perform their respective Obligations hereunder and under the other Loan Documents) or (iii) any other matter shall give rise to any fiduciary, equitable or contractual duties (including without limitation any duty of trust or confidence) owing by the Agent or any member of the Agent's Group to any Lender including any such duty that would prevent or restrict the Agent's Group from acting on behalf of customers (including the Loan Parties or their Affiliates) or for its own account.

Section 9.04 Independent Credit Decisions. Each Lender and each Issuer acknowledges that it has, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and each Issuer also acknowledges that it will, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement. The Agent shall promptly provide the Lenders and Issuers with copies of all notices of default and other formal notices sent or received by the Agent in accordance with Section 10.02, any written notice relating to changes in the Borrower's debt ratings received by the Agent from the Borrower or a ratings agency, any documents received by the Agent pursuant to Section 5.08 (except to the extent that the Borrower has furnished the same directly to the Lenders) and any other documents or notices received by the Agent with respect to this Agreement and requested in writing by any Lender.

Section 9.05 Indemnification. The Lenders severally agree to indemnify the Agent and each of its Affiliates, and each of their respective directors, officers, employees, agents and advisors (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), in the proportion of their Pro Rata Shares, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent or any of its Affiliates, or any of their respective directors, officers, employees, agents and advisors, in any way relating to or arising out of this Agreement or the other Loan Documents or any action taken or omitted by the Agent under this Agreement or the other Loan Documents, provided that no Lender shall be liable for any portion of any of the foregoing (i) resulting from the gross negligence or willful misconduct of the Agent or such Affiliate, director, officer, employee, agent or advisor, (ii) on account of a strictly internal or regulatory matter relating to the Agent (such as relating to legal lending limit violation by the

Agent), or (iii) in connection with a breach of an agreement made by the Agent to a Lender under this Agreement. Without limitation of the foregoing, each Lender severally agrees to reimburse the Agent (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so) promptly upon demand for such Lender's Pro Rata Share of any reasonable out-of-pocket expenses (including fees) incurred by the Agent in connection with the preparation, administration, or enforcement of, or legal advice in respect of rights or responsibilities under, this Agreement or the other Loan Documents; provided, however, that no Lender shall be required to reimburse the Agent for any such expenses incurred (i) resulting from the Agent's gross negligence or willful misconduct, or (ii) in connection with a breach of an agreement made by the Agent to a Lender under this Agreement.

Section 9.06 Successor Agent. (a) The Agent may resign at any time by giving at least sixty (60) days' prior written notice thereof to the Lenders and the Borrower and may be removed at any time with or without cause by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint a successor Agent, subject to Section 9.06(b). If no successor Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within thirty (30) days after the retiring Agent's giving of notice of resignation or the Required Lenders' removal of the retiring Agent, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent, which shall be a commercial bank or federal savings bank organized under the laws of the United States of America or of any State thereof, subject to Section 9.06(b). Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Article IX shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

(b) The appointment of any successor Agent that is not a Lender shall, as long as no Event of Default shall have occurred and be continuing, be subject to the prior written approval of the Borrower, which approval shall not be unreasonably withheld or delayed.

Section 9.07 Sharing of Payments, Etc. If any Lender shall obtain any payments (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of any Note or Notes held by it in excess of its Pro Rata Share of payments on account of the Notes obtained by all Lenders, such Lender shall purchase from the other Lenders such participations in the Notes held by them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of the other Lenders, provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and each applicable Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery together with an amount equal to such Lender's ratable share (according to the proportion of (1) the amount of such

Lender's required repayment to (2) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 9.07 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

Section 9.08 Withholding Tax Matters. Each Lender which is a Non-United States Person agrees to execute and deliver to the Agent for delivery to the Borrower, before the first scheduled payment date in each year (and, in the case of a Lender that becomes a Lender hereunder by assignment, before the first scheduled payment date following such assignment), two duly completed copies of United States Internal Revenue Service Forms W-8BEN or W8ECI, or any successor forms, as appropriate, properly completed and certifying that such Lender is entitled to receive payments under this Agreement without withholding or deduction of United States federal taxes. Each Lender which is a Non-United States Person represents and warrants to the Borrower and to the Agent that, at the date of this Agreement, (i) its Lending Offices are entitled to receive payments of principal, interest, and fees hereunder without deduction or withholding for or on account of any taxes imposed by the United States or any political subdivision thereof and (ii) it is permitted to take the actions described in the preceding sentence under the laws and any applicable double taxation treaties of the jurisdictions specified in the preceding sentence. Each Lender which is a Non-United States Person further agrees that, to the extent any form claiming complete or partial exemption from withholding and deduction of United States federal taxes delivered under this Section 9.08 is found to be incomplete or incorrect in any material respect, such Lender shall execute and deliver to the Agent a complete and correct replacement form.

Section 9.09 Syndication Agents, Documentation Agents, Managing Agents or Co-Agents. None of the Lenders identified in this Agreement as a "Syndication Agent," "Documentation Agent," "Managing Agent" or "Co-Agent" shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgements with respect to such Lenders as it makes with respect to the Agent in Section 9.04.

ARTICLE X
MISCELLANEOUS

Section 10.01 Amendments, Etc. No amendment, modification, termination, or waiver of any provision of any Loan Document to which the Borrower is a party, nor consent to any departure by the Borrower from any Loan Document to which it is a party, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders and the

Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall (a) unless in writing and signed by the Borrower and all of the Lenders do, or have the effect of doing, any of the following: (1) increase the Commitments of the Lenders (except for increases in the Aggregate Commitment in accordance with Section 2.02.2; provided that no such increase shall result in the Aggregate Commitment exceeding $700,000,000) or subject the Lenders to any additional obligations; (2) reduce the principal of, or interest on, the Notes or any fees (other than the Agent's fees) hereunder; (3) postpone any date fixed for any payment of principal of or interest on, the Notes or any fees (other than the Agent's fees) hereunder; (4) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Notes or the number of Lenders which shall be required for the Lenders or any of them to take action hereunder (including, without limitation, any change in the percentage of Lenders required to extend the Termination Date under the provisions of Section 2.19; (5) release any Significant Guarantor or (except as otherwise provided in Section 8.01) release any sums held in the Facility Letter of Credit Collateral Account; or (6) amend, modify or waive any provision of the Guaranty, this Section 10.01 or clause (i) of Section 11.01; (b) unless in writing and signed by the Agent in addition to the Lenders required herein to take such action, affect the rights or duties of the Agent under any of the Loan Documents; (c) unless in writing and signed by the Swing Line Lender and the Required Lenders, affect any provisions of this Agreement that relate to the Swing Line Loans or otherwise affect the rights or duties of the Swing Line Lender; or (d) unless in writing and signed by the Issuers and the Required Lenders, affect any of the provisions of this Agreement that relate to the Facility Letters of Credit or otherwise affect the rights or duties of any Issuer.

Section 10.02 Notices, Etc. (a) All notices, demands, requests, consents and other communications provided for in this Agreement shall be given in writing, or by any telecommunication device capable of creating a written record (including electronic mail), and addressed to the party to be notified at its address for notices set forth on its signature page to this Agreement or in the case of any subsequent Lender, in its Administrative Questionnaire, or at such other address as shall be notified in writing (x) in the case of the Borrower and the Agent, to the other parties and (y) in the case of all other parties, to the Borrower and the Agent.

(b) All notices, demands, requests, consents and other communications described in Section 10.02(a) shall be effective (i) if delivered by hand, including any overnight courier service, upon personal delivery, (ii) if delivered by mail, when deposited in the mails, (iii) if delivered by posting to an Approved Electronic Platform, an Internet website or a similar telecommunication device requiring that a user have prior access to such Approved Electronic Platform, website or other device (to the extent permitted by Section 10.02(d) to be delivered thereunder), when such notice, demand, request, consent and other communication shall have been made generally available on such Approved Electronic Platform, Internet website or similar device to the class of Person being notified (regardless of whether any such Person must accomplish, and whether or not any such Person shall have accomplished, any action prior to

obtaining access to such items, including registration, disclosure of contact information, compliance with a standard user agreement or undertaking a duty of confidentiality) and such Person has been notified in respect of such posting that a communication has been posted to the Approved Electronic Platform, and (iv) if delivered by electronic mail or any other telecommunications device, when transmitted to an electronic mail address (or by another means of electronic delivery) as provided in Section 10.02(a); provided, however, that notices and communications to the Agent pursuant to Article II or Article IX shall not be effective until received by the Agent.

(c) Notwithstanding Sections 10.02(a) and (b) (unless the Agent requests that the provisions of Sections 10.02(a) and (b) be followed) and any other provision in this Agreement or any other Loan Document providing for the delivery of any Approved Electronic Communication by any other means, the Borrower shall deliver all Approved Electronic Communications to the Agent by properly transmitting such Approved Electronic Communications in an electronic/soft medium in a format acceptable to the Agent to oploanswebadmin@citigroup.com or such other electronic mail address (or similar means of electronic delivery) as the Agent may notify to the Borrower. Nothing in this clause (c) shall prejudice the right of the Agent or any Lender to deliver any Approved Electronic Communication to the Borrower in any manner authorized in this Agreement or to request that the Borrower effect delivery in such manner.

(d) Each Lender, each Issuer and the Borrower agree that the Agent may, but shall not be obligated to, make the Approved Electronic Communications available to the Lenders and the Issuers by posting such Approved Electronic Communications on IntraLinks™ or a substantially similar electronic platform chosen by the Agent to be its electronic transmission system (the "Approved Electronic Platform").

(e) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Agent from time to time (including, as of the Closing Date, a dual firewall and a User ID/Password Authorization System) and the Approved Electronic Platform is secured through a single-user-per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders, the Issuers and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution. In consideration for the convenience and other benefits afforded by such distribution and for the other consideration provided hereunder, the receipt and sufficiency of which is hereby acknowledged, each of the Lenders, the Issuers and the Borrower hereby approves distribution of the Approved Electronic Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(f) THE APPROVED ELECTRONIC PLATFORM AND THE APPROVED ELECTRONIC COMMUNICATIONS ARE PROVIDED "AS IS" AND "AS AVAILABLE". NONE OF THE AGENT NOR ANY OF ITS AFFILIATES WARRANT THE ACCURACY, ADEQUACY OR COMPLETENESS OF THE APPROVED ELECTRONIC COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM AND EACH EXPRESSLY DISCLAIMS ANY LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE AGENT IN CONNECTION WITH THE APPROVED ELECTRONIC COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM.

(g) Each of the Lenders, the Issuers and the Borrower agrees that the Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Approved Electronic Communications on the Approved Electronic Platform in accordance with the Agent's generally-applicable document retention procedures and policies.

Section 10.03 No Waiver. No failure or delay on the part of any Lender or the Agent or the Issuer in exercising any right, power, or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy hereunder. The making of a Loan or issuance, amendment or extension of a Facility Letter of Credit notwithstanding the existence of a Default or Event of Default shall not constitute any waiver or acquiescence of such Default or Event of Default, and the making of any Loan or issuance, amendment or extension of a Facility Letter of Credit notwithstanding any failure or inability to satisfy the conditions precedent to such Loan or issuance, amendment or extension of a Facility Letter of Credit shall not constitute any waiver or acquiescence with respect to such conditions precedent with respect to any subsequent Loans or subsequent issuance, amendment or extension of a Facility Letter of Credit. The rights and remedies provided herein are cumulative, and are not exclusive of any other rights, powers, privileges, or remedies, now or hereafter existing, at law, in equity or otherwise.

Section 10.04 Costs, Expenses, and Taxes. (a) The Borrower agrees to reimburse the Agent for any reasonable costs, internal charges and out-of-pocket expenses (including reasonable fees and time charges of attorneys for the Agent, which attorneys may be employees of the Agent) paid or incurred by the Agent in connection with the preparation, negotiation, execution, delivery, review, amendment, modification and administration of the Loan Documents. The Borrower also agrees to reimburse the Agent, the Lenders and the Issuers for any reasonable costs, internal charges and out-of-pocket expenses (including attorneys' fees and time charges of attorneys for the Agent, the Lenders and the Issuers which attorneys may be

employees of the Agent, the Lenders and the Issuers) paid or incurred by the Agent, the Arrangers, any Lender or Issuer in connection with the collection of the Obligations and enforcement of the Loan Documents, including during any workout or restructuring in respect of the Loan Documents.

(b) The Borrower shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, and recording of any of the Loan Documents and the other documents to be delivered under any such Loan Documents, and agrees to hold the Agent and each of the Lenders harmless from and against any and all liabilities with respect to or resulting from any delay in paying or failing to pay such taxes and fees.

(c) All payments by the Borrower to or for the account of any Lender, Issuer or the Agent hereunder or under any Note or Reimbursement Agreement shall be made free and clear of and without deduction for any and all Taxes. If the Borrower shall be required by law to deduct any Taxes from or in respect of any such payable hereunder to any Lender, Issuer or the Agent, upon notice from the Agent to the Borrower (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this paragraph) such Lender, Issuer or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, (iii) the Borrower shall pay the full amount deducted to the relevant authority in accordance with applicable law and (iv) the Borrower shall furnish to the Agent the original copy of a receipt evidencing payment thereof within 30 days after such payment is made.

(d) This Section 10.04 shall survive termination of this Agreement.

Section 10.05 Integration. This Agreement (including the Borrower's obligation to pay the fees as provided in Section 2.09(c) and the Fee Letter referred to therein) and the Loan Documents contain the entire agreement between the parties relating to the subject matter hereof and supersede all oral statements and prior writings with respect thereto.

Section 10.06 Indemnity. The Borrower hereby agrees to defend, indemnify, and hold the Agent and each Lender and each of their respective Affiliates, and each of their respective directors, officers, employees, agents and advisors (each an "Indemnified Party") harmless from and against all claims, damages, judgments, penalties, costs, and expenses (including reasonable attorney fees and court costs now or hereafter arising from the aforesaid enforcement of this clause) arising directly or indirectly from the activities of the Borrower and its Subsidiaries, its predecessors in interest, or third parties with whom it has a contractual relationship, or arising directly or indirectly from the violation of any environmental protection, health, or safety law, whether such claims are asserted by any governmental agency or any other person, other than claims, damages, judgments, penalties, costs and expenses arising as a result of any Indemnified

Party's willful misconduct or gross negligence as determined by a court of competent jurisdiction by a final and nonappealable judgment. This indemnity shall survive termination of this Agreement.

Section 10.07 CHOICE OF LAW. THE LOAN DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW (OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

Section 10.08 Severability of Provisions. Any provision of any Loan Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of such Loan Document or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 10.09 Counterparts. This Agreement may be executed in any number of counterparts and by the different 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. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic image shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 10.10 Headings. Article and Section headings in the Loan Documents are included in such Loan Documents for the convenience of reference only and shall not constitute a part of the applicable Loan Documents for any other purpose.

Section 10.11 CONSENT TO JURISDICTION. (a) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN THE CITY AND COUNTY OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, THE BORROWER HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, THAT ANY OF THEM MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH RESPECTIVE JURISDICTIONS.

(b) THE BORROWER IRREVOCABLY CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN SUCH ACTION OR PROCEEDING ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY LOAN DOCUMENT BY THE MAILING (BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID) OF COPIES OF SUCH PROCESS TO AN APPOINTED PROCESS AGENT OR THE BORROWER AT ITS ADDRESS SPECIFIED IN SECTION 10.02. THE BORROWER AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING CONTAINED IN THIS SECTION 10.11 SHALL AFFECT THE RIGHT OF THE AGENT OR ANY LENDER OR ISSUER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE BORROWER OR ANY OTHER LOAN PARTY IN ANY OTHER JURISDICTION.

Section 10.12 WAIVER OF JURY TRIAL. THE BORROWER, THE AGENT EACH ISSUER AND EACH LENDER HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL ACTION OR PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER.

Section 10.13 Governmental Regulation. Anything contained in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to the Borrower in violation of any limitation or prohibition provided by any applicable statute or regulation.

Section 10.14 No Fiduciary Duty. The relationship between the Borrower and the Issuers and the Lenders and the Agent shall be solely that of borrower and lender. Neither the Agent nor any Issuer or Lender shall have any fiduciary responsibilities to the Borrower. Neither the Agent nor any Issuer or Lender undertakes any responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the Borrower's business or operations.

Section 10.15 Confidentiality. (a) Each of the Agent and the Lender Parties agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its respective Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document, any action or proceeding relating to this Agreement or any other Loan Document, the

enforcement of rights hereunder or thereunder or any litigation or proceeding to which the Agent or any Lender Party or any of its respective Affiliates may be a party, (f) subject to an agreement containing provisions substantially the same as those of this Section 10.15, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, (ii) any actual or prospective party (or its managers, administrators, trustees, partners, directors, officers, employees, agents, advisors and other representatives) surety, reinsurer, guarantor or credit liquidity enhancer (or their advisors) to or in connection with any swap, derivative or other similar transaction under which payments are to be made by reference to the Obligations or to the Borrower and its obligations or to this Agreement or payments hereunder, (iii) to any rating agency when required by it, (iv) the CUSIP Service Bureau or any similar organization, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section 10.15 or (y) becomes available to the Agent, any Lender Party or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower or any of its Subsidiaries. For purposes of this Section 10.15, "Information" means all information received from the Borrower or any of its Subsidiaries relating to the Borrower or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Agent or any Lender Party on a nonconfidential basis prior to disclosure by the Borrower or any of its Subsidiaries, provided that, in the case of information received from the Borrower or any of its Subsidiaries after the date hereof, such information shall be deemed confidential unless it is clearly identified at the time of delivery as not being confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(b) Certain of the Lenders may enter into this Agreement and take or not take action hereunder or under the other Loan Documents on the basis of information that does not contain material non-public information with respect to the Borrower or any of its Subsidiaries or their securities ("Restricting Information"). Other Lenders may enter into this Agreement and take or not take action hereunder or under the other Loan Documents on the basis of information that may contain Restricting Information. Each Lender Party acknowledges that United States federal and state securities laws prohibit any person from purchasing or selling securities on the basis of material, non-public information concerning the issuer of such securities or, subject to certain limited exceptions, from communicating such information to any other Person. Neither the Agent nor any of its Related Parties shall, by making any Communications (including Restricting Information) available to a Lender Party, by participating in any conversations or other interactions with a Lender Party or otherwise, make or be deemed to make any statement with regard to or otherwise warrant that any such information or Communication does or does not contain Restricting Information nor shall the Agent or any of its Related Parties be responsible or liable in any way for any decision a Lender Party may make to limit or to not limit

its access to Restricting Information. In particular, none of the Agent nor any of its Related Parties (i) shall have, and the Agent, on behalf of itself and each of its Related Parties, hereby disclaims, any duty to ascertain or inquire as to whether or not a Lender Party has or has not limited its access to Restricting Information, such Lender Party's policies or procedures regarding the safeguarding of material, nonpublic information or such Lender Party's compliance with applicable laws related thereto or (ii) shall have, or incur, any liability to the Borrower or any of its Subsidiaries or any Lender Party or any of their respective Related Parties arising out of or relating to the Agent or any of its Related Parties providing or not providing Restricting Information to any Lender Party.

(c) The Borrower agrees that (i) all Communications it provides to the Agent intended for delivery to the Lender Parties whether by posting to the Approved Electronic Platform or otherwise shall be clearly and conspicuously marked "PUBLIC" if such Communications do not contain Restricting Information which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof, (ii) by marking Communications "PUBLIC," the Borrower shall be deemed to have authorized the Agent and the Lender Parties to treat such Communications as either publicly available information or not material information (although, in this latter case, such Communications may contain sensitive business information and, therefore, remain subject to the confidentiality undertakings of Section 10.15(a)) for purposes of United States Federal and state securities laws, (iii) all Communications marked "PUBLIC" may be delivered to all Lender Parties and may be made available through a portion of the Approved Electronic Platform designated "Public Side Information," and (iv) the Agent shall be entitled to treat any Communications that are not marked "PUBLIC" as Restricting Information and may post such Communications to a portion of the Approved Electronic Platform not designated "Public Side Information." Neither the Agent nor any of its Affiliates shall be responsible for any statement or other designation by the Borrower regarding whether a Communication contains or does not contain material non-public information with respect to the Borrower or any of its Subsidiaries or their securities nor shall the Agent or any of its Affiliates incur any liability to the Borrower or any of its Subsidiaries, any Lender Party or any other Person for any action taken by the Agent or any of its Affiliates based upon such statement or designation, including any action as a result of which Restricting Information is provided to a Lender Party that may decide not to take access to Restricting Information. Nothing in Section 10.15(b) or this Section 10.15(c) shall modify or limit a Lender Party's obligations under Section 10.15(a) with regard to Communications and the maintenance of the confidentiality of or other treatment of Information.

(d) Each Lender Party acknowledges that circumstances may arise that require it to refer to Communications that might contain Restricting Information. Accordingly, each Lender Party agrees that it will nominate at least one designee to receive Communications (including Restricting Information) on its behalf and identify such designee (including such designee's contact information) on such Lender Party's Administrative Questionnaire. Each Lender Party agrees to notify the Agent from time to time of such Lender Party's designee's

e-mail address to which notice of the availability of Restricting Information may be sent by electronic transmission.

(e) Each Lender Party acknowledges that Communications delivered under this Agreement and under the other Loan Documents may contain Restricting Information and that such Communications are available to all Lender Parties generally. Each Lender Party that elects not to take access to Restricting Information does so voluntarily and, by such election, acknowledges and agrees that the Agent and other Lender Parties may have access to Restricting Information that is not available to such electing Lender Party. None of the Agent nor any Lender Party with access to Restricting Information shall have any duty to disclose such Restricting Information to such electing Lender Party or to use such Restricting Information on behalf of such electing Lender Party, and shall not be liable for the failure to so disclose or use, such Restricting Information.

(f) The provisions of this Section 10.15 are designed to assist the Agent, the Lender Parties, the Borrower and its Subsidiaries in complying with their respective contractual obligations and applicable law in circumstances where certain Lender Parties express a desire not to receive Restricting Information notwithstanding that certain Communications under this Agreement or under the other Loan Documents or other information provided to the Lender Parties under this Agreement or the other Loan Documents may contain Restricting Information. Neither the Agent nor any of its Related Parties warrants or makes any other statement with respect to the adequacy of such provisions to achieve such purpose nor does the Agent or any of its Related Parties warrant or make any other statement to the effect that adherence to such provisions by the Borrower and its Subsidiaries or by the Lender Parties will be sufficient to ensure compliance by the Borrower or such Subsidiary or Lender Party with its contractual obligations or its duties under applicable law in respect of Restricting Information and each Lender Party assumes the risks associated therewith.

Section 10.16 USA Patriot Act Notification. Each Lender that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act") hereby notifies the Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

Section 10.17 Register. The Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and Facility Letter of Credit Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Agent, the Issuers and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms

hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Issuers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

Section 10.18 Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, the no party hereto shall assert, and each such party hereby waives, any claim against all other parties hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof and any Facility Letter of Credit and the use thereof.

ARTICLE XI
BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

Section 11.01 Successors and Assigns. The provisions of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of an Issuer that issues any Facility Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder or under the other Loan Documents without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder or under the other Loan Documents except in accordance with this Article XI. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of an Issuer that issues any Facility Letter of Credit) and Participants (to the extent provided in Section 11.03)) any legal or equitable right, remedy or claim under or by reason.

Section 11.02 Assignments.

(a) Subject to the conditions set forth in Section 11.02(b), any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitment and the Loans at the time owing to it); provided that the written consents (which consents shall not be unreasonably withheld or delayed) of the Agent and (unless an Event of Default has occurred and is continuing) the Borrower shall be required prior to an assignment becoming effective with respect to an assignee which, prior to such assignment, is not a Lender, an Affiliate of a Lender or an Approved Fund.

(b) Assignments shall be subject to the following additional conditions:

(i) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement,

(ii) the parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption ("Assignment and Assumption") in substantially the form of Exhibit F hereto, together with a processing and recordation fee of $3,500; and

(iii) the assignee, if it shall not be a Lender, shall deliver to the Agent an Administrative Questionnaire.

(c) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in Section 11.02(b)(ii) and any written consent to such assignment required by Section 11.02(a), the Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.04(a), 2.21(d), 2.22.6(b) or 9.05, the Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

Section 11.03 Participations. Any Lender may, without the consent of the Borrower, the Agent, the Issuer or the Swing Line Lender, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitment and the Loans owing to it); provided that (i) such Lender's obligations under this Agreement and the other Loan Documents shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any such Note for all purposes under the Loan Documents, (iv) all amounts payable by the Borrower under this Agreement shall be determined as if such Lender had not sold participating interests and (v) the Borrower, the Agent, the Issuer and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (i) forgives principal, interest or fees (other than Agent's fees) or reduces the interest rate (other

than Agent's fees), (ii) postpones any date fixed for any regularly scheduled payment of principal of, or interest or fees (other than Agent's fees) or (iii) releases any Significant Guarantor.

Section 11.04 Pledge to Federal Reserve Bank. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender to a Federal Reserve Bank, and this Article shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first written.

BEAZER HOMES USA, INC.

By: _____
Name:
Title:

Address for Notices

1000 Abernathy Road
Suite 1200
Atlanta, Georgia 30328
Attention: President
Tel: (770) 829-3700
Fax: (770) 481-0431

CITIBANK, N.A., as the Agent and as a Lender,
the Swing Line Lender and an Issuer

By: _____
Name:
Title:

Address for Notices of Borrowings

Citi Origination Operations
Global Loans Delaware
1615 Brett Road, Ops III
New Castle, DE 19720
Attn: Kisha Bailey
Tel: (302) 894-6004
Fax:
Email: kisha.bailey@citi.com

Address for all other Notices

Citibank, N.A.
Citi Markets and Banking
North America Investment Banking — North America Homebuilding
388 Greenwich Street
New York, NY 10013
Attn: Marni McManus
Tel: (212) 816-7461
Fax: (646) 291-1193
Email: marni.mcmanus@citi.com

Schedule I

COMMITMENT SCHEDULE

Lenders	Commitment Percentage	Commitment
Citibank, N.A.	100%	$22,000,000
TOTAL	100%	$22,000,000

Schedule III

GUARANTORS

The Guarantors are all of the Borrower's Subsidiaries listed on Schedule 4.10, except the following:

— Security Title Insurance Company

— United Home Insurance Company, A Risk Retention Group

— Ridings Development LLC

— Beazer Homes Capital Trust I

Schedule IV

SECURED BORROWING BASE CONDITIONS

With respect to assets to be included in the Secured Borrowing Base, satisfaction of the following:

(1) the applicable Borrower and Guarantors which are Wholly Owned Subsidiaries of Borrower shall have granted to the Agent, for the ratable benefit of the Lenders, a first priority perfected security interest, and Lien, on any asset to be included in the calculation of the Secured Borrowing Base, subject to Liens permitted by Section 6.01(1) through (8) and Section 9(B) and the Liens that are exceptions to coverage in the applicable title insurance policy described in subclause (c) of clause (4) below; provided that, with respect to any Lien permitted under Section 6.01(7), such Lien shall be in an amount less than ten percent (10%) of the gross sales price of the applicable Mortgaged Property and in the case of profit sharing, deferred consideration or similar agreement, or in the case of marketing agreements an amount that is reasonable and customary in the industry and market;

(2) the Borrower shall have executed and delivered, or caused to be executed and delivered, at the Borrower's sole cost and expense, any financing or continuation statements and such other agreements, amendments, documents, assignments, statements or instruments, in each case in form and substance satisfactory to the Agent, as may be reasonably necessary to evidence, perfect or otherwise implement the Lien created by the Security Documents as collateral for the performance and repayment of the Obligations;

(3) the Agent shall have received Officer's Certificates setting forth the calculations set forth in Exhibit G;

(4) in the case of any Mortgaged Property to be included in the Secured Borrowing Base, the following conditions shall have been satisfied:

(a) the Agent shall have received a Mortgage with respect to each Mortgaged Property encumbered by such Mortgage, executed and delivered by a duly authorized officer of each party thereto;

(b) if requested by the Agent, the Agent shall have received, and the title insurance company issuing the policy referred to in subclause (c) of this clause (4) (the "Title Insurance Company") shall have received, maps or plats or an as-built survey of the sites of the Mortgaged Properties either certified to the Agent and the Title Insurance Company in a manner satisfactory to them, dated a date reasonably satisfactory to the Agent and the Title Insurance Company by an independent professional licensed land surveyor reasonably satisfactory to the Agent and the Title Insurance Company or otherwise acceptable to the Title Insurance Company to induce the Title Insurance Company to remove any survey exception from the policy referred to in subclause (c) of

this clause (4) or limit any such survey exception to reasonably acceptable matters shown thereon and issue customary survey-dependent endorsements;

(c) the Agent shall have received in respect of each Mortgaged Property a mortgagee's title insurance policy (or policies) or marked up unconditional binder for such insurance, in each case in form and substance reasonably satisfactory to the Agent; provided that no "aggregation" or "tie-in" endorsement shall be required with respect to any such policy insuring a Mortgage dated after the date of this Agreement;

(d) the Agent shall have received evidence satisfactory to it that all premiums in respect of each such policy referred to in subclause (c) of this clause (4), all charges for mortgage recording tax, and all related expenses, if any, have been paid:

(e) the Agent shall have received a flood hazard determination certification from a third party vendor acceptable to the Agent, which shall be in the form of the Federal Emergency Management Agency "Standard Flood Hazard Determination Form" and shall provide that such vendor is obligated to inform the Agent if at any time prior to the Termination Date there is a change in the applicable National Flood Insurance Program map covering the location of such Mortgaged Property, and if any structure on such Mortgaged Property is located in a Special Flood Hazard Area and in which flood insurance has been made available under the National Flood Insurance Act of 1968, the Agent shall have received (A) a policy of flood insurance with a financially sound and reputable insurance company that (1) covers such Mortgaged Property that is encumbered by any Mortgage and (2) provides coverage in an amount not less than the outstanding principal amount of the indebtedness secured by such Mortgage that is reasonably allocable to such Mortgaged Property or the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, whichever is less, and (B) confirmation that the Borrower has received the notice required pursuant to Section 208(e)(3) of Regulation H of the Board;

(f) the Agent shall have received a copy of all recorded documents referred to, or listed as exceptions to title in, the policy or policies referred to in subclause (c) of this clause (4) and a copy of all other material documents affecting the Mortgaged Property;

(g) the Agent shall have received evidence that counterparts of the Mortgage referred to in subclause (a) of this clause (4) has been filed in the offices that the Agent may reasonably deem necessary or desirable in order to create a valid Lien on the property described therein in favor of the Agent and evidence that all other actions that the Agent may reasonably deem necessary or desirable in order to create valid and perfected first priority Liens on such Mortgaged Property has been taken, subject to Liens permitted by Section 6.01(1) through (9) to the extent such Liens are senior in priority to the Lien created by such Mortgage by operation of law and Liens that are exceptions to coverage in the title policies referred to in subclause (c) of this clause (4);

(h) the Agent shall have received a letter of opinion of local counsel addressed to the Agent and the Lenders in states in which the Mortgaged Property is located with respect to the enforceability and validity of the Mortgages and any related fixture filings in form and substance reasonably satisfactory to the Administrative Agent;

(i) the Agent shall have received an Acceptable Appraisal (the fees and expenses associated with such Acceptable Appraisal to be paid by the Borrower in accordance with the terms of this Agreement); and

(j) the Agent shall have received an environmental assessment report, in form and substance reasonably satisfactory to the Agent from an environmental consulting firm reasonably satisfactory to the Agent (it being understood that in satisfaction of this subclause (j), the Agent shall accept Phase I environmental reports which have been prepared no more than two years prior to the date of delivery thereof or if any such report was prepared more than two years prior to the date of delivery thereof, an environmental database update with respect thereto, so long as each such report and update is in form and substance reasonably satisfactory to the Agent).

(5) in the case of any cash or Cash Equivalents to be included in the Secured Borrowing Base, such cash and Cash Equivalents shall be held in the Cash Collateral Account.

Schedule V

METROPOLITAN STATISTICAL AREAS

REGION/STATE	MARKETS
West Region	
Arizona	Phoenix
California	Los Angeles County, Orange County, Riverside and San Bernardino Counties, San Diego County, Ventura County, Sacramento, Kern County, Fresno
Nevada	Las Vegas
New Mexico	Albuquerque
Mid-Atlantic Region:	
Maryland	Baltimore, Metro-Washington, DC
Delaware	Delaware
NJ/NY/PA	Central and Southern New Jersey, Bucks County, PA, Orange County, NY
Virginia/West Virginia	Fairfax County, Loudoun County, Prince William County, West Virginia
Florida Region:	
Florida	Jacksonville, Fort Myers /Naples, Tampa/St. Petersburg, Orlando, Sarasota, Tallahassee
Southeast Region:	
Georgia	Atlanta, Savannah
North Carolina	Charlotte, Raleigh/Durham, Greensboro

REGION/STATE	MARKETS
South Carolina	Charleston, Columbia, Myrtle Beach
Nashville, TN	Nashville
Other Homebuilding Markets:	
Colorado	Denver, Colorado Springs
Indiana	Indianapolis, Ft. Wayne
Kentucky	Lexington
Ohio	Columbus, Cincinnati/Dayton
Memphis, TN	Memphis
Texas	Dallas/Ft. Worth, Houston

Schedule 4.07

CLAIMS

Investigations

Securities and Exchange Commission Investigation. On May 1, 2007, the Borrower received notice that the U.S. Securities and Exchange Commission (the "SEC") was conducting an informal inquiry to determine whether any person or entity related to the Borrower has violated federal securities laws. On July 23, 2007, the Borrower received a formal order of private investigation issued by the SEC in this matter. In September 2008, the Borrower reached a settlement with the SEC concerning the SEC's investigation into matters that were the subject of the previous independent investigation by the Borrower's Audit Committee, as more fully described in the Borrower's 2007 Form 10-K and other periodic filings.

Under the settlement, the Borrower consented, without admitting or denying any wrongdoing, to a cease and desist order requiring future compliance with certain provisions of the federal securities laws and regulations. The settlement did not require the Borrower to pay a monetary penalty and concluded the SEC's investigation into these matters with respect to the Borrower. In the order, the SEC stated that in determining to accept the settlement, it considered both remediation efforts undertaken by and cooperation from the Borrower.

Resolutions of other Governmental Investigations

On July 1, 2009, the Borrower announced that it has resolved several previously-disclosed governmental investigations. The Borrower has entered into a deferred prosecution agreement ("DPA") with the U.S. Attorney's Office for the Western District of North Carolina ("the U.S. Attorney") and a settlement agreement with the U.S. Department of Housing and Urban Development ("HUD") and the civil division of the Department of Justice. In addition, certain of the Borrower's subsidiaries have entered into a settlement agreement with the North Carolina Real Estate Commission ("NCREC"). Also, as previously disclosed, the Borrower announced that its subsidiary, Beazer Mortgage Corporation ("Beazer Mortgage"), has entered into a settlement agreement with the North Carolina Office of the Commissioner of Banks ("OCOB"), under which Beazer Mortgage consented, without admitting the alleged violations, to the entry of a consent order which provides that Beazer Mortgage will provide approximately $2.5 million in restitution to certain borrowers in respect of the alleged violations. The settlement agreement concludes the OCOB's investigation into these matters with respect to Beazer Mortgage.

Deferred Prosecution Agreement with the U.S. Attorney

Under the DPA, the U.S. Attorney has agreed not to prosecute the Borrower in connection with the matters that were the subject of the Audit Committee investigation and are set forth in a Bill of Information filed with the United States District Court for the Western District of North

Carolina, provided that the Borrower satisfies its obligations under the DPA over the next 60 months. The term of the DPA may be less than 60 months in the event certain conditions, as described more fully in the DPA, are met. The DPA recognizes the cooperation of the Borrower, its voluntary disclosure and its adoption of remedial measures.

Under the terms of the DPA, in fiscal year 2009, the Borrower contributed $7.5 million to a restitution fund established to compensate those Beazer customers who can demonstrate that they were injured by certain of the practices identified in the Bill of Information. For fiscal year 2010 the Borrower will contribute to the restitution fund the greater of $1.0 million or an amount equal to 4% of the Borrower's fiscal 2010 adjusted EBITDA as defined in the DPA. The Borrower's liability in each of the fiscal years after 2010 will also be equal to 4% of the Borrower's adjusted EBITDA through a portion of fiscal year 2014, unless extended as described below. Under the terms of the DPA, the Borrower's total contributions to the restitution fund will not exceed $50.0 million.

Settlement Agreement with HUD

Under the terms of the settlement agreement with HUD and the civil division of the Department of Justice, the Borrower made a payment in fiscal year 2009 of $4.0 million to HUD to resolve civil and administrative investigations. In addition, on the first anniversary of the agreement, the Borrower will make a $1.0 million payment to HUD.

If the amounts paid into the restitution fund with the U.S. Attorney do not reach $48.0 million at the end of 60 months, the restitution fund term will be extended using the adjusted EBITDA formula until the earlier of an additional 24 months or the time the Borrower's contribution reaches $48.0 million.

The amounts paid to the U.S. Attorney for contribution into the restitution fund and payments to HUD do not include the $2.5 million contributed to resolve the investigation by the North Carolina Office of the Commissioner of Banks ("OCOB") which was previously announced by the Borrower in May 2009, although this amount will be counted as part of the Borrower's maximum obligation to the restitution fund.

Agreement with NCREC

With respect to the NCREC, Beazer/Squires Realty, Inc. ("Beazer/Squires") and Beazer Homes Corp. each has agreed to the entry of a consent order regarding violations of certain North Carolina statutes. Under the respective consent orders, the NCREC agreed that a reprimand of these entities would not be issued as long as such entities completed certain remedial measures and that the broker license held by Beazer/Squires is revoked. The broker license held by Beazer/Squires has been on inactive status since October 2007. There is no monetary payment by the Borrower or its subsidiaries under either of the consent orders. The consent orders conclude the investigation by the NCREC into these matters with respect to the Borrower.

Litigation

Securities Class Action

The Borrower and certain of its current and former officers (the "Individual Defendants"), as well as its Independent Registered Accounting Firm, are named as defendants in putative class action securities litigation pending in the United States District Court for the Northern District of Georgia. Three separate complaints were initially filed between March 29 and May 21, 2007. The cases were subsequently consolidated by the court and the court appointed Glickenhaus & Co. and Carpenters Pension Trust Fund for Northern California as lead plaintiffs. On June 27, 2008, lead plaintiffs filed an Amended and Consolidated Class Action Complaint for Violation of the Federal Securities Laws ("Consolidated Complaint"), which purports to assert claims on behalf of a class of persons and entities that purchased or acquired the securities of the Borrower during the period January 27, 2005 through May 12, 2008. The Consolidated Complaint asserts a claim against the defendants under Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 promulgated thereunder for allegedly making materially false and misleading statements regarding its business and prospects, including, among other things, alleged misrepresentations and omissions related to alleged improper lending practices in its mortgage origination business, alleged misrepresentations and omissions related to improper revenue recognition and other accounting improprieties and alleged misrepresentations and omissions concerning its land investments and inventory. The Consolidated Complaint also asserts claims against the Individual Defendants under Sections 20(a) and 20A of the Exchange Act. Lead plaintiffs seek a determination that the action is properly maintained as a class action, an unspecified amount of compensatory damages and costs and expenses, including attorneys' fees. On November 3, 2008, the Borrower and the other defendants filed motions to dismiss the Consolidated Complaint. Briefing of the motion was completed in March 2009. The Borrower reached an agreement with lead plaintiffs to settle the lawsuit. Under the terms of the proposed settlement, the lawsuit will be dismissed with prejudice, and the Borrower and all other defendants do not admit any liability and will receive a full and complete release of all claims asserted against them in the litigation, in exchange for the payment of an aggregate of $30.5 million. The monetary payment to be made on behalf of the Borrower and the individual defendants will be funded from insurance proceeds. As a result, there will be no financial contribution by the Borrower. The agreement is subject to court approval.

Derivative Shareholder Actions

Certain of the Borrower's current and former officers and directors were named as defendants in a derivative shareholder suit filed on April 16, 2007 in the United States District Court for the Northern District of Georgia. The complaint also names the Borrower as a nominal defendant. The complaint, purportedly on behalf of the Borrower, alleges that the defendants (i) violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder; (ii) breached their fiduciary duties and misappropriated information; (iii) abused their control; (iv) wasted corporate assets; and (v) were unjustly enriched. Plaintiffs seek an unspecified amount of compensatory damages against the individual defendants and in favor of the Borrower. An additional lawsuit was filed subsequently on August 29, 2007 in the United States District Court for the Northern

District of Georgia asserting similar factual allegations. The two Georgia derivative actions have been consolidated, and the plaintiffs have filed an amended, consolidated complaint. On November 21, 2008, the Borrower and the other defendants filed motions to dismiss the amended consolidated complaint. Briefing of the motion was completed in February 2009. The defendants intend to vigorously defend against these actions.

ERISA Class Actions

On April 30, 2007, a putative class action complaint was filed on behalf of a purported class consisting of present and former participants and beneficiaries of the Beazer Homes USA, Inc. 401(k) Plan. The complaint was filed in the United States District Court for the Northern District of Georgia. The complaint alleges breach of fiduciary duties, including those set forth in the Employee Retirement Income Security Act ("ERISA"), as a result of the investment of retirement monies held by the 401(k) Plan in common stock of the Borrower at a time when participants were allegedly not provided timely, accurate and complete information concerning the Borrower. Four additional lawsuits were filed subsequently on May 11, 2007, May 14, 2007, June 15, 2007 and July 27, 2007 in the United States District Court for the Northern District of Georgia making similar allegations. The court consolidated these five lawsuits, and on June 27, 2008, the plaintiffs filed a consolidated amended complaint. The consolidated amended complaint names as defendants the Borrower, its chief executive officer, certain current and former directors of the Borrower, including the members of the Compensation Committee of the Board of Directors, and certain employees of the Borrower who acted as members of the Borrower's 401(k) Committee. On October 10, 2008, the Borrower and the other defendants filed a motion to dismiss the consolidated amended complaint. Briefing of the motion was completed in January 2009. The Borrower intends to vigorously defend against these actions.

Homeowners Class Action Lawsuits and Multi-Plaintiff Lawsuit

A putative class action was filed on April 8, 2008 in the United States District Court for the Middle District of North Carolina, Salisbury Division, against the Borrower, Beazer Homes Corp. and Beazer Mortgage Corporation. The Complaint alleges that Beazer violated the Real Estate Settlement Practices Act ("RESPA") and North Carolina Gen. Stat. § 75-1.1 by (1) improperly requiring homebuyers to use Beazer-owned mortgage and settlement services as part of a down payment assistance program, and (2) illegally increasing the cost of homes and settlement services sold by Beazer Homes Corp. The purported class consists of all residents of North Carolina who purchased a home from Beazer, using mortgage financing provided by and through Beazer that included seller-funded down payment assistance, between January 1, 2000 and October 11, 2007. The Complaint demands an unspecified amount of damages, equitable relief, treble damages, attorneys' fees and litigation expenses. The defendants moved to dismiss the Complaint on June 4, 2008. On July 25, 2008, in lieu of a response to the motion to dismiss, plaintiff filed an amended complaint. The Borrower has moved to dismiss the amended complaint and intends to vigorously defend against this action.

Beazer Homes Corp. and Beazer Mortgage Corporation are also named defendants in a lawsuit filed on July 3, 2007, in the General Court of Justice, Superior Court Division, County of

Mecklenburg, North Carolina. The case was removed to the U.S. District Court for the Western District of North Carolina, Charlotte Division, but remanded on April 23, 2008 to the General Court of Justice, Superior Court Division, County of Mecklenburg, North Carolina. The complaint was filed on behalf of ten individual homeowners who purchased homes from certain subsidiaries of the Borrower in Mecklenburg County. The complaint alleges certain deceptive conduct by the defendants and brings various claims under North Carolina statutory and common law, including a claim for punitive damages. On June 27, 2008 a second amended complaint, which added two plaintiffs to the lawsuit, was filed. The case has been designated as "exceptional" pursuant to Rule 2.1 of the General Rules of Practice of the North Carolina Superior and District Courts and has been assigned to the docket of the North Carolina Business Court. The Borrower filed a motion to dismiss on July 30, 2008. On November 18, 2008, the plaintiffs filed a third amended complaint. The Borrower filed a motion to dismiss the third amended complaint on December 29, 2008. The Borrower intends to vigorously defend against this action.

Two of the Borrower's subsidiaries, Beazer Homes Holdings Corp. and Beazer Mortgage Corporation, were named as defendants in a putative class action lawsuit originally filed on March 12, 2008, in the Superior Court of the State of California, County of Placer. The lawsuit was amended on June 2, 2008 and named as defendants Beazer Homes Holdings Corp., the Borrower, and Security Title Insurance Company. The purported class is defined as all persons who purchased a home from the defendants or their affiliates, with the assistance of a federally related mortgage loan, from March 25, 1999 to the present where Security Title Insurance Company received any money as a reinsurer of the transaction. The complaint alleges that the defendants violated RESPA and asserts claims under a number of state statutes alleging that defendants engaged in a uniform and systematic practice of giving and/or accepting fees and kickbacks to affiliated businesses including affiliated and/or recommended title insurance companies. The complaint also alleges a number of common law claims. Plaintiffs seek an unspecified amount of damages under RESPA, unspecified statutory, compensatory and punitive damages and injunctive and declaratory relief, as well as attorneys' fees and costs. Defendants removed the action to federal court. On November 26, 2008, plaintiffs filed a Second Amended Complaint which substituted new named-plaintiffs. The Borrower filed a motion to dismiss the Second Amended Complaint. The federal court granted the Borrower's motion to dismiss the Second Amended Complaint. The federal court dismissed the sole federal claim, declined to rule on the state law claims, and remanded the case to the Superior Court of California, Placer County, where the Borrower's motion to dismiss the state law claims is now pending. The Borrower intends to continue to vigorously defend against the action.

Trinity Claims

The Borrower and certain of its subsidiaries have been and continue to be named as defendants in various construction defect claims, complaints and other legal actions that include claims related to moisture intrusion. The Borrower has experienced a significant number of such claims in its East region and particularly with respect to homes built by Trinity, a subsidiary which was acquired in the Crossmann acquisition in 2002.

As of June 30, 2009, there were four (one of which settled in July) pending lawsuits related to such complaints received by Trinity, including a class action. Each of these suits are by individual homeowners, and the cost to resolve these matters is not expected to be material, either individually or in the aggregate. The class action suit was filed in the State of Indiana in August 2003 against Trinity Homes LLC. The parties in the class action reached a settlement agreement which was approved by the court on October 20, 2004. As of June 30, 2009, we have completed remediation of 1,877 homes related to 1,882 total Trinity claims. Our warranty reserves at June 30, 2009 and September 30, 2008 include accruals of $0.6 million and $2.8 million, respectively, for our estimated costs to assess and remediate all homes for which Trinity had received complaints related to moisture intrusion.

Chinese Drywall

On June 3, 2009, a purported class action complaint was filed by the owners of one of the Borrower's homes in a community know as Magnolia Lakes. The complaint names the Borrower and certain suppliers of drywall and was filed in the Circuit Court for Lee County, Florida on behalf of the named plaintiffs and other similarly situated owners and residents of homes in Magnolia Lakes or alternatively in the State of Florida, against the Borrower and certain other identified and unidentified manufacturers, builders, and suppliers of drywall. The plaintiffs allege that the Borrower built their homes with defective drywall, manufactured in China, that contains sulfur or other organic compounds that allegedly corrode certain metals and that are capable of harming the health of individuals. Plaintiffs allege physical and economic damages and seek legal and equitable relief, medical monitoring and attorney's fees. On July 1, 2009, the Borrower filed a request to have this complaint removed to the United States District Court for the Middle District of Florida and on July 2, 2009 filed a motion to have the case transferred to the Eastern District of Louisiana pursuant to an order from the United States Judicial Panel on Multidistrict Litigation. The Borrower believes that the claims asserted in this complaint are governed by its home warranty or are without merit. Accordingly, the Borrower intends to vigorously defend against this litigation.

During the quarter ended June 30, 2009, the Borrower accrued $2.4 million in our warranty reserves for the repair of certain homes in Florida where certain of its subcontractors provided defective Chinese drywall. The defective Chinese drywall was installed during the 2006 and 2007 fiscal years. The Borrower is currently engaged in the process of inspecting additional homes in order to determine whether they also contain defective Chinese drywall. The outcome of these inspections may require the Borrower to increase its warranty reserve in the future.

Joint Venture Lawsuit

Recently, the lender of one of the Borrower's unconsolidated joint ventures filed individual lawsuits against some of the joint venture partners and certain of those partners' parent companies (including the Borrower), seeking to recover damages under completion guarantees, among other claims. The Borrower intends to vigorously defend against this legal action. The Borrower (directly or indirectly) is a 2.58% partner in this joint venture. In addition, an estimate of possible loss or range of loss if any, cannot presently be made with respect to the above matter. Given the inherent uncertainties in this litigation, as of June 30, 2009, no accrual has

been recorded, as losses, if any, related to this matter are not both probable and reasonably estimable.

Environmental

In November 2003, the Borrower received a request for information from the EPA pursuant to Section 308 of the Clean Water Act seeking information concerning the nature and extent of storm water discharge practices relating to certain projects completed or under construction. The EPA has since requested information on additional projects and has conducted site inspections at a number of locations. In certain instances, the EPA or the equivalent state agency has issued Administrative Orders identifying alleged instances of noncompliance and requiring corrective action to address the alleged deficiencies in storm water management practices. As of March 31, 2009, no monetary penalties had been imposed in connection with such Administrative Orders. The EPA has reserved the right to impose monetary penalties at a later date, the amount of which, if any, cannot currently be estimated. The Borrower has taken action to comply with the requirements of each of the Administrative Orders and is working to otherwise maintain compliance with the requirements of the Clean Water Act.

In 2006, the Borrower received two Administrative Orders issued by the New Jersey Department of Environmental Protection. The Orders allege certain violations of wetlands disturbance permits. The two Orders assess proposed fines of $630,000 and $678,000, respectively. The Borrower has met with the Department to discuss its concerns on the two affected projects and has requested hearings on both matters. The Borrower believes that it has significant defenses to the alleged violations and intends to contest the agency's findings and the proposed fines. The Borrower is currently pursuing settlement discussions with the Department. A hearing before the judge has been postponed pending settlement discussions.

Governmental obligations

The Borrower had performance bonds and total outstanding letters of credit of approximately $276.7 million and $46.5 million, respectively, at June 30, 2009 related principally to our obligations to local governments to construct roads and other improvements in various developments. Total outstanding letters of credit includes approximately $6.2 million related to our land option contracts.

Schedule 4.10

SUBSIDIARIES OF BORROWER

Wholly-Owned Subsidiaries

Subsidiary	State of Incorporation/Formation
Subsidiaries of Beazer Homes USA, Inc.	
Beazer Homes Holdings Corp.	Delaware
Beazer Mortgage Corporation	Delaware
Homebuilders Title Services, Inc.	Delaware
Homebuilders Title Services of Virginia, Inc.	Virginia
Security Title Insurance Company	Vermont
Beazer Homes Capital Trust I*	Delaware
Subsidiaries of Beazer Homes Holdings Corp.	
April Corporation	Colorado
Beazer Allied Companies Holdings, Inc.	Delaware
Beazer General Services, Inc.	Delaware
Beazer Homes Corp.	Tennessee
Beazer Homes Sales, Inc.	Delaware
Beazer Homes Texas Holdings, Inc.	Delaware

* Beazer Homes Capital Trust I is a statutory trust that the Borrower is the beneficiary of but does not exercise control over.

Subsidiary	State of Incorporation/Formation
Beazer Realty Los Angeles, Inc.	Delaware
Beazer Realty Sacramento, Inc	Delaware
Beazer SPE, LLC	Georgia
Subsidiaries of Beazer Homes Corp.	
Arden Park Ventures, LLC	Florida
Beazer Clarksburg, LLC	Maryland
Beazer Commercial Holdings, LLC	Delaware
Beazer Homes Investments, LLC	Delaware
Beazer Homes Michigan, LLC	Delaware
Beazer Realty Corp.	Georgia
Beazer Realty, Inc	New Jersey
Beazer/Squires Realty, Inc.	North Carolina
Dove Barrington Development LLC	Delaware
Subsidiaries of Beazer Homes Investments, LLC	
Beazer Homes Indiana Holdings Corp.	Delaware
Beazer Realty Services, LLC	Delaware
Paragon Title, LLC	Indiana
Subsidiaries of Beazer Homes Texas, L.P.	
BH Procurement Services, LLC	Delaware

Indirect Wholly-Owned Subsidiaries

Subsidiary	State of Incorporation/ Formation	% Ownership
Beazer Homes Indiana, LLP	Indiana	Beazer Homes Investments, LLC –98% Beazer Homes Indiana Holdings Corp. – 1% Beazer Homes Corp. — 1%
Beazer Homes Texas, L.P.	Delaware	Beazer Homes Texas Holdings, Inc. – 1% Beazer Homes Holdings Corp. – 99%
BH Building Products, LP	Delaware	Beazer Homes Texas, L.P. – 99% BH Procurement Services, LLC – 1%
Texas Lone Star Title, L.P.	Texas	Beazer Homes Sales, Inc. – 99% Beazer Homes Texas Holdings, Inc. – 1%
Trinity Homes, LLC	Indiana	Beazer Homes Investments, LLC – 50% Beazer Homes Indiana LLP – 50%
United Home Insurance Company, A Risk Retention Group	Vermont	Beazer Homes Holdings Corp. — 26.50% Beazer Homes Texas Holdings, Inc. – 27.29% Beazer Homes Corp. – 46.22%

Partially Owned Subsidiaries

Subsidiary	State of Incorporation/ Formation	% Ownership
Ridings Development LLC	Delaware	Beazer Homes Corp. – 99%

Schedule 4.14

ENVIRONMENTAL MATTERS

See Environmental on Schedule 4.07.

FORM OF AMENDED AND RESTATED GUARANTY

THIS AMENDED AND RESTATED GUARANTY (this "Guaranty") is made as of August 5, 2009 by and between the undersigned parties hereto (collectively, the "Guarantors") and the Agent, in favor of the Agent, for the benefit of the Lenders under the Credit Agreement referred to below.

WITNESSETH:

WHEREAS, Beazer Homes USA, Inc., a Delaware corporation (the "Borrower") and Citibank, N.A., as Agent (together with its permitted successors and assigns in such capacity, the "Agent"), and certain Lenders and Issuers from time to time party thereto have entered into a certain Amended and Restated Credit Agreement dated as of August 5, 2009 (the "Credit Agreement"), providing, subject to the terms and conditions thereof, for extensions of credit to be made by the Lenders to the Borrower;

WHEREAS, pursuant to the Existing Credit Agreement, the Guarantors entered into that certain Guaranty dated as of June 25, 2007 (the "Original Guaranty"), entered into a supplemental guaranty in the form attached to the Original Guaranty or are becoming a Guarantor by virtue of their execution of this Guaranty;

WHEREAS, it is a condition precedent to the execution of the Credit Agreement by the Agent, the Lenders and the Issuers that each of the Guarantors execute and deliver this Guaranty whereby the terms and provisions of the Original Guaranty are amended and restated as hereinafter set forth in this Guaranty, and pursuant to which each of the Guarantors shall guarantee the payment when due, subject to Section 9, of all Guaranteed Obligations, as defined below; and

WHEREAS, in consideration of the financial and other support that the Borrower has provided, and in consideration of such financial and other support as the Borrower may in the future provide, to the Guarantors, and in order to induce the Lenders, the Issuers and the Agent to enter into the Credit Agreement, and because each Guarantor has determined that executing this Guaranty is in its interest and to its financial benefit, each of the Guarantors is willing to guarantee the obligations of the Borrower under the Credit Agreement, any Note and any other Loan Documents;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION 1. Defined Terms and Rules of Construction. (a) "Guaranteed Obligations" is defined in Section 3.

(b) Other capitalized terms used herein but not defined herein shall have the meaning set forth in the Credit Agreement.

(c) The rules of construction set forth in Section 1.03 of the Credit Agreement shall apply to this Guaranty and are hereby incorporated by reference as if set forth fully in this Guaranty.

SECTION 2. Representations and Warranties. Each of the Guarantors represents and warrants (which representations and warranties shall be deemed to have been renewed upon each advance of a Loan and on each Issuance Date under the Credit Agreement) that:

(a) It is (in the case of a corporation) a corporation duly incorporated or (in the case of a limited partnership) a limited partnership duly formed or (in the case of a limited liability company) a limited liability company duly formed, validly existing, and in good standing under the laws of the jurisdiction of its incorporation or formation; has the power and authority to own its assets and to transact the business in which it is now engaged or proposed to be engaged in; and is duly qualified and in good standing under the laws of each other jurisdiction in which such qualification is required.

(b) The execution, delivery and performance by it of this Guaranty have been duly authorized by all necessary corporate, partnership or limited liability company action, as the case may be, and do not and will not (1) require any consent or approval of its stockholders, partners or members (as applicable) (except such consents as have been obtained as of the date hereof); (2) contravene its charter or bylaws, partnership agreement or articles or certificate of formation or operating agreement (as applicable); (3) violate, in any material respect, any provision of any law, rule, regulation (including, without limitation, Regulations U and X of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination, or award presently in effect having applicability to it; (4) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other material agreement, lease, or instrument to which it is a party or by which it or its properties may be bound or affected; (5) result in, or require, the creation or imposition of any Lien, upon or with respect to any of the properties now owned or hereafter acquired by it; and (6) cause it to be in default, in any material respect, under any such law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award or any such indenture, agreement, lease or instrument.

(c) This Guaranty is its legal, valid, and binding obligation, enforceable against it, in accordance with its respective terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, and other similar laws affecting creditors' rights generally.

SECTION 3. The Guaranty. Subject to Section 9, each of the Guarantors hereby absolutely and unconditionally guarantees, as primary obligor and not as surety, the full and punctual payment (whether at stated maturity, upon acceleration or early termination or otherwise, and at all times thereafter, at the time and in the manner and otherwise in accordance with the terms of the Credit Agreement) and performance of the Obligations, including without limitation any such Obligations incurred or accrued during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, whether or not allowed or allowable in such proceeding (collectively, subject to the provisions of Section 9, being referred to collectively as the "Guaranteed Obligations"). Upon failure by the Borrower to pay punctually any such amount, each of the Guarantors agrees that it shall forthwith on demand pay to the Agent for the benefit of the Lenders and the Issuers, the amount not so paid at the place and in the manner

specified in the Credit Agreement, any Note or any other Loan Document, as the case may be. This Guaranty is a continuing guaranty of payment and not of collection. Each of the Guarantors waives any right to require the Agent, any Lender or any Issuer to sue the Borrower, any other guarantor, or any other Person obligated for all or any part of the Guaranteed Obligations, or otherwise to enforce its payment against any collateral securing all or any part of the Guaranteed Obligations.

SECTION 4. Guaranty Unconditional. Subject to Section 9, the obligations of each of the Guarantors hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

(i) any extension, renewal, settlement, compromise, amendment, waiver or release in respect of any of the Guaranteed Obligations, by operation of law or otherwise, or any obligation of any other guarantor of any of the Guaranteed Obligations, or any default, failure or delay, willful or otherwise, in the payment or performance of the Guaranteed Obligations;

(ii) any modification or amendment of or supplement to the Credit Agreement, any Note, any other Loan Document or any Guaranteed Obligation;

(iii) any release, nonperfection or invalidity of any direct or indirect security for any obligation of the Borrower under the Credit Agreement, any Note, any other Loan Document or any obligations of any other guarantor of any of the Guaranteed Obligations, or any action or failure to act by the Agent, any Lender or any Issuer or any Affiliate of any Lender or any Issuer with respect to any collateral securing all or any part of the Guaranteed Obligations;

(iv) any change in the corporate existence, structure or ownership of the Borrower or any other guarantor of any of the Guaranteed Obligations, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Borrower, or any other guarantor of the Guaranteed Obligations, or its assets or any resulting release or discharge of any obligation of the Borrower or any other guarantor of any of the Guaranteed Obligations;

(v) the existence of any claim, setoff or other rights which the Guarantors may have at any time against the Borrower, any other guarantor of any of the Guaranteed Obligations, the Agent, any Lender or any Issuer or any other Person, whether in connection herewith or any unrelated transactions;

(vi) any invalidity or unenforceability relating to or against the Borrower, or any other guarantor of any of the Guaranteed Obligations, for any reason related to the Credit Agreement, any Note, any other Loan Document or any provision of applicable law or regulation purporting to prohibit the payment by the Borrower, or any other guarantor of the Guaranteed Obligations, of the Borrower of or interest on any Note or any other amount payable by the Borrower under the Credit Agreement, any Note or any other Loan Document;

(vii) any law, regulation or order of any jurisdiction, or any other event, affecting any term of any Guaranteed Obligation or any rights of the Agent, any Lender or any Issuer with respect thereto; or

(viii) any other act or omission to act or delay of any kind by the Borrower, any other guarantor of the Guaranteed Obligations, the Agent, any Lender, any Issuer or any other Person or any other circumstance whatsoever which might, but for the provisions of this paragraph, constitute a legal or equitable discharge or defense of any Guarantor's obligations hereunder.

SECTION 5. Discharge Only Upon Payment In Full: Reinstatement In Certain Circumstances. Each of the Guarantor's obligations hereunder shall remain in full force and effect until all Guaranteed Obligations shall have been indefeasibly paid in full and the Commitments under the Credit Agreement shall have terminated or expired. If at any time any payment of the Borrower of or interest on any Note or any other amount payable by the Borrower or any other party under the Credit Agreement, any Note or any other Loan Document is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, each of the Guarantor's obligations hereunder with respect to such payment shall be reinstated as though such payment had been due but not made at such time.

SECTION 6. Waivers. Each of the Guarantors irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against the Borrower, any other guarantor of any of the Guaranteed Obligations, or any other Person. Except as may be prohibited by applicable law, each of the Guarantors also waives the benefits of any provision of law requiring that the Agent exhaust any right or remedy, or take any action, against the Borrower, any Guarantor, any other person and/or property, or otherwise.

SECTION 7. Subordination; Subrogation. Each of the Guarantors hereby subordinates to the Guaranteed Obligations all indebtedness or other liabilities of the Borrower or to any other Guarantor to such Guarantor. Each of the Guarantors hereby further agrees not to assert any right, claim or cause of action, including, without limitation, a claim for subrogation, reimbursement, indemnification or otherwise, against the Borrower arising out of or by reason of this Guaranty or the obligations hereunder, including, without limitation, the payment or securing or purchasing of any of the Guaranteed Obligations by any of the Guarantors unless and until the Guaranteed Obligations are indefeasibly paid in full and all Commitments have terminated or expired.

SECTION 8. Stay of Acceleration. If acceleration of the time for payment of any of the Guaranteed Obligations is stayed upon the insolvency, bankruptcy or reorganization of the Borrower, all such amounts otherwise subject to acceleration under the terms of the Credit Agreement, any Note or any other Loan Document shall nonetheless be payable by each of the Guarantors hereunder forthwith on demand by the Agent made at the request of the Required Lenders.

SECTION 9. Limitation on Obligations. (a) The provisions of this Guaranty are severable, and in any action or proceeding involving any state corporate law, or any state, federal

or foreign bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under this Guaranty would otherwise be held or determined to be avoidable, invalid or unenforceable on account of the amount of such Guarantor's liability under this Guaranty, then, notwithstanding any other provision of this Guaranty to the contrary, the amount of such liability shall, without any further action by the Guarantors, the Agent or any Lender or Issuer, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding (such highest amount determined hereunder being the relevant Guarantor's "Maximum Liability"). This Section 9(a) with respect to the Maximum Liability of the Guarantors is intended solely to preserve the rights of the Agent hereunder to the maximum extent not subject to avoidance under applicable law, and neither the Guarantor nor any other person or entity shall have any right or claim under this Section 9(a) with respect to the Maximum Liability, except to the extent necessary so that the obligations of the Guarantors hereunder shall not be rendered voidable under applicable law.

(b) Each of the Guarantors agrees that the Guaranteed Obligations may at any time and from time to time exceed the Maximum Liability of each Guarantor, and may exceed the aggregate Maximum Liability of all other Guarantors, without impairing this Guaranty or affecting the rights and remedies of the Agent hereunder. Nothing in this Section 9(b) shall be construed to increase any Guarantor's obligations hereunder beyond its Maximum Liability.

(c) In the event any Guarantor (a "Paying Guarantor") shall make any payment or payments under this Guaranty or shall suffer any loss as a result of any realization upon any collateral granted by it to secure its obligations under this Guaranty, each other Guarantor (each a "Non-Paying Guarantor") shall contribute to such Paying Guarantor an amount equal to such Non-Paying Guarantor's "Pro Rata Share" of such payment or payments made, or losses suffered, by such Paying Guarantor. For the purposes hereof, each Non-Paying Guarantor's "Pro Rata Share" with respect to any such payment or loss by a Paying Guarantor shall be determined as of the date on which such payment or loss was made by reference to the ratio of (i) such Non-Paying Guarantor's Maximum Liability as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder) or, if such Non-Paying Guarantor's Maximum Liability has not been determined, the aggregate amount of all monies received by such Non-Paying Guarantor from the Borrower after the date hereof (whether by loan, capital infusion or by other means) to (ii) the aggregate Maximum Liability of all Guarantors hereunder (including such Paying Guarantor) as of such date (without giving effect to any right to receive, or obligation to make, any contribution hereunder), or to the extent that a Maximum Liability has not been determined for any Guarantors, the aggregate amount of all monies received by such Guarantors from the Borrower after the date hereof (whether by loan, capital infusion or by other means). Nothing in this Section 9(c) shall affect any Guarantor's several liability for the entire amount of the Guaranteed Obligations (up to such Guarantor's Maximum Liability). Each of the Guarantors covenants and agrees that its right to receive any contribution under this Guaranty from a Non-Paying Guarantor shall be subordinate and junior in right of payment to all the Guaranteed Obligations. The provisions of this Section 9(c) are for the benefit of both the Agent and the Guarantors and may be enforced by any one, or more, or all of them in accordance with the terms hereof.

SECTION 10. Notices. All notices, demands, requests, consents and other communications to any party hereunder shall be given in writing, or by any telecommunication

device capable of creating a written record (including electronic email), and addressed to the party to be notified (a) in the case of a Guarantor, in care of the Borrower at the Borrower's address specified in Section 10.02(a) of the Credit Agreement and (b) in the case of the Agent, at its address specified in Section 10.02(a) of the Credit Agreement. All other notice provisions (and related defined terms) set forth in Section 10.02 of the Credit Agreement are hereby incorporated herein by reference, *mutatis mutandis*.

SECTION 11. No Waivers. No failure or delay by the Agent or any Lender or any Issuer in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in this Guaranty, the Credit Agreement, any Note or the other Loan Documents shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 12. No Duty to Advise. Each of the Guarantors assumes all responsibility for being and keeping itself informed of the Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks that each of the Guarantors assumes and incurs under this Guaranty, and agrees that neither the Agent nor any Lender or any Issuer has any duty to advise any of the Guarantors of information known to it regarding those circumstances or risks.

SECTION 13. Successors and Assigns. This Guaranty is for the benefit of the Agent, the Lenders and the Issuers and their respective successors and permitted assigns and in the event of an assignment of any amounts payable under the Credit Agreement, any Note or any other Loan Documents, the rights hereunder, to the extent applicable to the indebtedness so assigned, shall be transferred with such indebtedness. This Guaranty shall be binding upon each of the Guarantors and their respective successors and permitted assigns.

SECTION 14. Changes in Writing. Neither this Guaranty nor any provision hereof may be changed, waived, discharged or terminated orally, but only in writing signed by each of the Guarantors and the Agent with the consent of the Required Lenders.

SECTION 15. Costs of Enforcement. Each of the Guarantors agrees to pay all costs and expenses including, without limitation, all court costs and attorneys' fees and expenses paid or incurred by the Agent or any Lender or Issuer or any Affiliate of any Lender or Issuer in endeavoring to collect all or any part of the Guaranteed Obligations from, or in prosecuting any action against, the Borrower, the Guarantors or any other guarantor of all or any part of the Guaranteed Obligations.

SECTION 16. CHOICE OF LAW. THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW (OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

SECTION 17. CONSENT TO JURISDICTION. (a) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS GUARANTY MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN THE CITY AND COUNTY OF

NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS GUARANTY, EACH GUARANTOR HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, THAT ANY OF THEM MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH RESPECTIVE JURISDICTIONS.

(b) EACH GUARANTOR IRREVOCABLY CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN SUCH ACTION OR PROCEEDING ARISING OUT OF OR IN CONNECTION WITH THIS GUARANTY BY THE MAILING (BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID) OF COPIES OF SUCH PROCESS TO AN APPOINTED PROCESS AGENT OR SUCH GUARANTOR AT ITS ADDRESS SPECIFIED IN SECTION 10. EACH GUARNTOR AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING CONTAINED IN THIS SECTION 17 SHALL AFFECT THE RIGHT OF THE AGENT OR ANY LENDER OR ISSUER TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY GUARANTOR IN ANY OTHER JURISDICTION.

SECTION 18. WAIVER OF JURY TRIAL. EACH GUARANTOR AND THE AGENT HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL ACTION OR PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS GUARNTY OR THE RELATIONSHIP ESTABLISHED HEREUNDER.

SECTION 19. Severability of Provisions. Any provision of this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Guaranty or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 20. Counterparts. This Guaranty may be executed in any number of counterparts and by the different parties to this Guaranty 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. Delivery of an executed counterpart of a signature page to this Guaranty by facsimile or other electronic image shall be effective as delivery of a manually executed counterpart of this Guaranty.

SECTION 21. Taxes, etc. All payments required to be made by any of the Guarantors hereunder shall be made without setoff or counterclaim and free and clear of and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties or other charges of whatsoever nature imposed by any government or any political or taxing

authority thereof (excluding federal taxation of the overall income of any Lender), provided, however, that if any of the Guarantors is required by law to make such deduction or withholding, such Guarantor shall forthwith (i) pay to the Agent or any Lender or Issuer, as applicable, such additional amount as results in the net amount received by the Agent or any Lender or any Issuer, as applicable, equaling the full amount which would have been received by the Agent or any Lender or any Issuer, as applicable, had no such deduction or withholding been made, (ii) pay the full amount deducted to the relevant authority in accordance with applicable law, and (iii) furnish to the Agent or any Lender or Issuer, as applicable, certified copies of official receipts evidencing payment of such withholding taxes within thirty (30) days after such payment is made.

SECTION 22. Set Off. Upon the occurrence and during the continuance of any Event of Default, each Lender and each Issuer is hereby authorized at any time and from time to time, without notice to any Guarantor (any such notice being expressly waived by each Guarantor), to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender or Issuer to or for the credit or the account of any Guarantor against any and all of the obligations of such Guarantor now or hereafter existing under this Guaranty or any other Loan Document, irrespective of whether or not the Agent or such Lender or Issuer shall have made any demand under the Credit Agreement or such other Loan Document and although such obligations may be unmatured. Each Lender or Issuer, as applicable, agrees promptly to notify the applicable Guarantor (with a copy to the Agent) after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender and Issuer under this Section 22 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which each Lender and Issuer may have.

SECTION 23. Supplemental Guarantors. Pursuant to Section 5.15 of the Credit Agreement, additional Subsidiaries shall become obligated as Guarantors hereunder (each as fully as though an original signatory hereto) by executing and delivering to the Agent a supplemental guaranty in the form of Exhibit A attached hereto (with blanks appropriately filled in), together with such additional supporting documentation required pursuant to Section 5.15 of the Credit Agreement.

IN WITNESS WHEREOF, each of the parties hereto has caused this Guaranty to be duly executed, under seal where necessary, by its authorized officer as of the day and year first above written.

GUARANTORS:

APRIL CORPORATION
BEAZER ALLIED COMPANIES HOLDINGS, INC.
BEAZER GENERAL SERVICES, INC.
BEAZER HOMES CORP.
BEAZER HOMES HOLDINGS CORP.
BEAZER HOMES INDIANA HOLDINGS CORP.
BEAZER HOMES SALES, INC.
BEAZER HOMES TEXAS HOLDINGS, INC.
BEAZER REALTY, INC.
BEAZER REALTY CORP.
BEAZER REALTY LOS ANGELES, INC.
BEAZER REALTY SACRAMENTO, INC.
BEAZER/SQUIRES REALTY, INC.
HOMEBUILDERS TITLE SERVICES, INC.
HOMEBUILDERS TITLE SERVICES OF VIRGINIA, INC.

By: _____ (SEAL)
Name:
Title:

BEAZER MORTGAGE CORPORATION

By: _____ (SEAL)
Name: Peggy Caldwell
Title: Secretary

ARDEN PARK VENTURES, LLC
BEAZER CLARKSBURG, LLC
BEAZER COMMERCIAL HOLDINGS, LLC
BEAZER HOMES INVESTMENTS, LLC
BEAZER HOMES MICHIGAN, LLC
DOVE BARRINGTON DEVELOPMENT LLC

By: BEAZER HOMES CORP., its Sole Member

By: _____ (SEAL)
Name:
Title:

BEAZER SPE, LLC

By: BEAZER HOMES HOLDINGS CORP.,
its Sole Member

By: _____ (SEAL)
Name:
Title:

BEAZER HOMES INDIANA LLP

By: BEAZER HOMES INVESTMENTS, LLC,
its Managing Partner

By: BEAZER HOMES CORP.,
its Sole Member

By: _____ (SEAL)
Name:
Title:

BEAZER REALTY SERVICES, LLC

By: BEAZER HOMES INVESTMENTS, LLC,
its Sole Member

By: BEAZER HOMES CORP.,
its Sole Member

By: _____ (SEAL)
Name:
Title:

PARAGON TITLE, LLC
TRINITY HOMES, LLC

By: BEAZER HOMES INVESTMENTS, LLC,
a Member

By: BEAZER HOMES CORP.,
its Sole Member

By: _____ (SEAL)
Name:
Title:

BEAZER HOMES TEXAS, L.P.
TEXAS LONE STAR TITLE, L.P.

By: BEAZER HOMES TEXAS HOLDINGS, INC.,
its General Partner

By: _____ (SEAL)
Name:
Title:

BH BUILDING PRODUCTS, LP

By: BH PROCUREMENT SERVICES, LLC,
its General Partner

By: BEAZER HOMES TEXAS, L.P.,
its Sole Member

By: BEAZER HOMES TEXAS HOLDINGS, INC.,
its General Partner

By: _____ (SEAL)
Name:
Title:

BH PROCUREMENT SERVICES, LLC

By: BEAZER HOMES TEXAS, L.P.,
its Sole Member

By: BEAZER HOMES TEXAS HOLDINGS, INC.,
its General Partner

By: _____ (SEAL)
Name:
Title:

Address for Notices to all Guarantors

c/o Beazer Homes USA, Inc.
1000 Abernathy Road
Suite 1200
Atlanta, Georgia 30328
Attention: President
Tel: (770) 829-3700
Fax: (770) 481-0431

CITIBANK, N.A., as Agent

By: _____
Name:
Title:

EXHIBIT A TO AMENDED AND RESTATED GUARANTY

SUPPLEMENTAL GUARANTY

[Date]

Citibank, N.A., as Agent for the Lenders
and the Issuers

Ladies and Gentlemen:

Reference is hereby made to (i) that certain Amended and Restated Credit Agreement, dated as of August 5, 2009, among Beazer Homes USA, Inc., the lenders from time to time parties thereto (the "Lenders"), the letter of credit issuers from time to time parties thereto (the "Issuers"), and Citibank, N.A., as Agent (the "Agent") on behalf of itself and the other Lenders (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") and (ii) that certain Amended and Restated Guaranty, dated as of August 5, 2009, by and between the Guarantors parties thereto and the Agent, in favor of the Agent, for the benefit of the Lenders (as amended, restated, supplemented or otherwise modified from time to time, the "Guaranty"). Terms not defined herein which are defined in the Credit Agreement shall have for the purposes hereof the respective meanings provided therein.

In accordance with Section 5.15 of the Credit Agreement and Section 23 of the Guaranty, the undersigned, [GUARANTOR]_____, a corporation [limited partnership/limited liability company] organized under the laws of _____, hereby elects to be a "Guarantor" for all purposes of the Credit Agreement and the Guaranty, respectively, effective from the date hereof.

Without limiting the generality of the foregoing, the undersigned hereby agrees to perform all the obligations of a Guarantor under, and to be bound in all respects by the terms of, the Guaranty, to the same extent and with the same force and effect as if the undersigned were a direct signatory thereto.

This Supplemental Guaranty shall be construed in accordance with and governed by the internal laws of the State of New York (but otherwise without regard to the conflict of laws provisions, other than Section 5-1401 of the General Obligations Law of the State of New York).

IN WITNESS WHEREOF, this Supplemental Guaranty has been duly executed by the undersigned as of the ___ day of ___, 20___.

[GUARANTOR]

By: _____ (SEAL)
Name:
Title:

Exhibit A-3

Execution Version

AMENDED AND RESTATED COLLATERAL AGREEMENT

made by

BEAZER HOMES USA, INC.

and certain of its Subsidiaries

in favor of

CITIBANK, N.A.,

as Agent

Dated as of August 5, 2009

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AMENDED AND RESTATED COLLATERAL AGREEMENT

AMENDED AND RESTATED COLLATERAL AGREEMENT, dated as of August 5, 2009, made by Beazer Homes USA, Inc., a Delaware corporation (the "Borrower") and each subsidiary of the Borrower hereto (together with any other entity that may become a party hereto as provided herein, the "Grantors"), in favor of Citibank, N.A., as Agent (in such capacity and together with its successors and permitted assigns, the "Agent") for the Lenders and Issuers from time to time parties to the Amended and Restated Credit Agreement, dated as of August 5, 2009 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, the Lenders, Issuers and the Agent.

W I T N E S S E T H:

WHEREAS, pursuant to that certain Amended and Restated Credit Agreement (the "Existing Credit Agreement"), dated as of July 25, 2007, between the Borrower, the Lenders and Issuers party thereto, and Wachovia Bank, National Association, as agent (the "Original Agent"), the Lenders severally agreed to make extensions of credit to the Borrower and the Issuers agreed to issue Facility Letters of Credit for the account of the Borrower, in each case upon the terms and subject to the conditions set forth therein;

WHEREAS, pursuant to that certain Waiver and First Amendment, dated as of October 10, 2007, to and under the Existing Credit Agreement, the Borrower and the other Grantors party thereto entered into that certain Collateral Agreement (the "Existing Collateral Agreement"), dated as of October 18, 2007, or entered into assumption agreements in the form attached to the Existing Collateral Agreement, and granted a valid, binding, enforceable and perfected security interest in, and Lien on, certain of its assets, for the ratable benefit of the Secured Parties;

WHEREAS, pursuant to the Credit Agreement, the Existing Credit Agreement is being amended and restated in its entirety;

WHEREAS, it is a condition precedent to the effectiveness of the Credit Agreement that the Grantors enter into this Agreement, pursuant to which the Existing Collateral Agreement is being amended and restated in its entirety, it being the intent of the parties hereto that the security interests and the Liens granted under and pursuant to the Existing Collateral Agreement or the assumption agreements referred to above shall continue in full force and effect and that the Grantors not party to the Existing Collateral Agreement or the assumption agreements referred to above, by virtue of execution of this Agreement, are becoming Grantors and grant a valid, binding, enforceable and perfected

security interest in, and Liens on certain of their assets, for the ratable benefit of the Secured Parties;

WHEREAS, the Borrower is a member of an affiliated group of companies that includes each other Grantor;

WHEREAS, the proceeds of the extensions of credit under the Credit Agreement will be used in part to enable the Borrower to make valuable transfers to one or more of the other Grantors in connection with the operation of their respective businesses; and

WHEREAS, the Borrower and the other Grantors are engaged in related businesses, and each Grantor will derive substantial direct and indirect benefit from the making of the extensions of credit under the Credit Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Agent, the Issuers and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower and the Issuers to issue the Facility Letters of Credit under the Credit Agreement, each Grantor hereby agrees with the Agent, for the ratable benefit of the Secured Parties, as follows:

SECTION 1. DEFINED TERMS

1.1 Definitions. (a) Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement, and the following terms are used herein as defined in the New York UCC: Accounts, Chattel Paper, Documents, Equipment, Farm Products, Fixtures, General Intangibles, Instruments, Inventory, Letter-of-Credit Rights and Supporting Obligations.

(b) The following terms shall have the following meanings:

"Agreement": this Amended and Restated Collateral Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Borrower Obligations": "Obligations" as defined in the Credit Agreement and shall in any event include interest accruing at the then applicable rate provided in the Credit Agreement after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Credit Agreement, this Agreement, any Reimbursement Agreement, the other Loan Documents,

any Facility Letter of Credit, or any other document made, delivered or given in connection with any of the foregoing, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Agent or to the Lenders that are required to be paid by the Borrower pursuant to the terms of any of the foregoing agreements).

"Collateral": as defined in Section 2.

"Collateral Account": any collateral account established by the Agent as provided in Section 5.1 or 5.3.

"Copyright Licenses": any written agreement naming any Grantor as licensor or licensee, granting any right under any Copyright, including, without limitation, the grant of rights to manufacture, distribute, exploit and sell materials derived from any Copyright.

"Copyrights": (i) all copyrights arising under the laws of the United States, any other country or any political subdivision thereof, whether registered or unregistered and whether published or unpublished, all registrations and recordings thereof, and all applications in connection therewith, including, without limitation, all registrations, recordings and applications in the United States Copyright Office, and (ii) the right to obtain all renewals thereof.

"Guarantor Obligations": with respect to any Guarantor, all obligations and liabilities of such Guarantor which may arise under or in connection with the Guaranty or any other Loan Document, to which such Guarantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including, without limitation, all fees and disbursements of counsel to the Agent or to the Lenders that are required to be paid by such Guarantor pursuant to the terms of the Guaranty or any other Loan Document).

"Guarantors": the collective reference to each Grantor other than the Borrower.

"Intellectual Property": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, the Copyrights, the Copyright Licenses, the Patents, the Patent Licenses, the Trademarks and the Trademark Licenses, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Investment Property": the collective reference to all "investment property" as such term is defined in Section 9-102(a)(49) of the New York UCC.

"New York UCC": the Uniform Commercial Code as from time to time in effect in the State of New York.

"Obligations": (i) in the case of the Borrower, the Borrower Obligations, and (ii) in the case of each Guarantor, its Guarantor Obligations.

"Patent License": all agreements, whether written or oral, providing for the grant by or to any Grantor of any right to manufacture, use or sell any invention covered in whole or in part by a Patent.

"Patents": (i) all letters patent of the United States, any other country or any political subdivision thereof, all reissues and extensions thereof and all goodwill associated therewith, (ii) all applications for letters patent of the United States or any other country and all divisions, continuations and continuations-in-part thereof, and (iii) all rights to obtain any reissues or extensions of the foregoing.

"Proceeds": all "proceeds" as such term is defined in Section 9-102(a)(64) of the New York UCC and, in any event, shall include, without limitation, all dividends or other income from the Investment Property, collections thereon or distributions or payments with respect thereto.

"Receivable": any right to payment for goods sold or leased or for services rendered, whether or not such right is evidenced by an Instrument or Chattel Paper and whether or not it has been earned by performance (including, without limitation, any Account).

"Secured Parties": the collective reference to the Agent, the Issuers and the Lenders to which Borrower Obligations or Guarantor Obligations, as applicable, are owed.

"Securities Act": the Securities Act of 1933, as amended.

"Trademark License": any agreement, whether written or oral, providing for the grant by or to any Grantor of any right to use any Trademark.

"Trademarks": (i) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos and other source or business identifiers, and all goodwill associated therewith, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications in connection therewith, whether in the United States Patent and Trademark

Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, or otherwise, and all common-law rights related thereto, and (ii) the right to obtain all renewals thereof.

(c) Other Definitional Provisions. The rules of construction set forth in Section 1.03 of the Credit Agreement shall apply to this Agreement.

SECTION 2. GRANT OF SECURITY INTEREST

Each Grantor hereby grants to the Agent, for the ratable benefit of the Secured Parties, a security interest in, all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest (collectively, the "Collateral"), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of such Grantor's Obligations:

(a) all Accounts;

(b) all Chattel Paper;

(c) all Documents;

(d) all Equipment;

(e) all Fixtures;

(f) all General Intangibles;

(g) all Instruments;

(h) all Intellectual Property;

(i) all Inventory;

(j) all Investment Property;

(k) all Letter-of-Credit Rights;

(l) all other personal property not otherwise described above (except for any property specifically excluded from any clause in this section above, and any property specifically excluded from any defined term used in any clause of this section above);

(m) all books and records pertaining to the Collateral; and

(n) to the extent not otherwise included, all Proceeds, Supporting Obligations and products of any and all of the foregoing and all collateral security and guarantees given by any Person with respect to any of the foregoing;

provided, however, that notwithstanding any of the other provisions set forth in this Section 2, this Agreement shall not constitute a grant of a security interest in, and the term Collateral shall not include, (i) any property now owned or hereafter acquired by any Grantor to the extent that such grant of a security interest is prohibited by any requirements of law of a governmental authority, requires a consent not obtained of any governmental authority pursuant to such requirement of law or is prohibited by, or constitutes a breach or default under or results in the termination of or requires any consent not obtained under, any contract, license, agreement, instrument or other document to which such property or such Grantor is subject or evidencing or giving rise to such property or, in the case of any Investment Property, any applicable shareholder or similar agreement, except to the extent that such requirement of law or the term in such contract, license, agreement, instrument or other document (other than (1) any such contract, license, agreement instrument or document evidencing Indebtedness, guarantee obligations or similar financing arrangements of any Grantor or (2) any shareholder, joint-venture or similar agreement, in each case to the extent permitted under the Credit Agreement) providing for such prohibition, breach, default or termination or requiring such consent is ineffective under applicable law (ii) any intent-to-use trademark application to the extent and for so long as creation by a Grantor of a security interest therein would result in the loss by such Grantor of any material rights therein and (iii) any property now owned or hereafter acquired of any Grantor subject to a Lien or security interest in favor of any third party on the date hereof permitted under the Credit Agreement and any replacement Lien or security interest with respect to such property permitted under the Credit Agreement.

SECTION 3. REPRESENTATIONS AND WARRANTIES

To induce the Agent, the Issuers and the Lenders to enter into the Credit Agreement and to induce the Lenders to make their respective extensions of credit to the Borrower and the Issuer to issue the Facility Letters of Credit under the Credit Agreement, each Grantor hereby represents and warrants to the Agent, each Issuer and each Lender that:

3.1 Title; No Other Liens. Except for the security interest granted to the Agent for the ratable benefit of the Secured Parties pursuant to this Agreement and the other Liens permitted to exist on the Collateral by the Credit Agreement, such Grantor owns each item of the Collateral free and clear of any and all Liens or claims of others.

No financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Agent, for the ratable benefit of the Secured Parties, pursuant to the Original Collateral Agreement, this Agreement or as are permitted by the Credit Agreement.

3.2 Perfected First Priority Liens. The security interests granted pursuant to this Agreement (a) upon the completion of (i) the filing of the UCC-3 financing statements assigning to the Agent the interest of the Original Agent as secured party under UCC-1 Financing Statements previously filed with respect to the security interest granted under the Existing Collateral Agreement described on Schedule 2, and (ii) the other actions transferring the Collateral to the Agent from the Original Agent as secured party described on Schedule 2, in each case, will continue to constitute valid perfected (to the extent such security interest can be perfected by such filings or actions) security interests in all of the Collateral in favor of the Agent, for the ratable benefit of the Secured Parties as collateral security for such Grantor's Obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase any Collateral from such Grantor and (b) are prior to all other Liens on the Collateral in existence on the date hereof except for Liens permitted by the Credit Agreement.

3.3 Jurisdiction of Organization, Chief Executive Office. On the date hereof, such Grantor's jurisdiction of organization, identification number from the jurisdiction of organization (if any), and the location of such Grantor's chief executive office or sole place of business or principal residence, as the case may be, are specified on Schedule 3. Such Grantor has furnished to the Agent a certified charter, certificate of incorporation or other organization document and long-form good standing certificate as of a date which is recent to the date hereof.

3.4 Farm Products. None of the Collateral constitutes, or is the Proceeds of, Farm Products.

3.5 Investment Property. Such Grantor is the record and beneficial owner of, and has good and marketable title to, the Investment Property pledged by it hereunder, free of any and all Liens or options in favor of, or claims of, any other Person, except the security interest created by this Agreement and the Liens permitted by the Credit Agreement.

3.6 Intellectual Property. (a) On the date hereof, all Intellectual Property material to such Grantor's business is valid, subsisting, unexpired and enforceable, has not been abandoned and does not infringe the intellectual property rights of any other Person.

(b) No holding, decision or judgment has been rendered by any governmental authority which would limit, cancel or question the validity of, or such Grantor's rights in, any Intellectual Property in any respect that could reasonably be expected to have, in any one case or in the aggregate, a materially adversely affect on the financial condition, operations, properties, or business of the Borrower or any Guarantor or any Subsidiary of the Borrower or the ability of the Borrower or any Guarantor to perform its obligations under the Loan Documents to which it is a party.

(c) No action or proceeding is pending, or, to the knowledge of such Grantor, threatened, on the date hereof (i) seeking to limit, cancel or question the validity of any Intellectual Property material to such Grantor's business or such Grantor's ownership interest therein, or (ii) which, if adversely determined, would have a material adverse effect on the value of any Intellectual Property material to such Grantor's business.

SECTION 4. COVENANTS

Except during any period when theCash Secured Option shall apply to the Facility, each Grantor covenants and agrees with the Agent, the Issuers and the Lenders that, from and after the date of this Agreement until the earlier to occur of (i) the satisfaction of the conditions precedent to the release of all of the Collateral in accordance with the Credit Agreement or (ii) the Termination Date and the payment in full of all outstanding Obligations (or, with respect to outstanding Facility Letters of Credit, cash collateralization or other arrangements reasonably satisfactory to Issuers therefor and the Agent):

4.1 Maintenance of Insurance. (a) Such Grantor will maintain, with financially sound and reputable companies, insurance policies insuring the Inventory and Equipment against loss by fire, explosion, theft and such other casualties as required by the Credit Agreement.

(b) The Borrower shall deliver to the Agent and the Lenders evidence with respect to such insurance as the Agent may from time to time reasonably request in writing.

4.2 Payment of Obligations. Such Grantor will pay and discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of income or profits therefrom, as well as all claims of any kind (including, without limitation, claims for labor, materials and supplies) against or with respect to the Collateral, except that no such charge need be paid if the amount or validity thereof is currently being contested in good faith by appropriate proceedings, reserves in conformity with GAAP with respect thereto (to the extent required by GAAP) have been

provided on the books of such Grantor and such proceedings could not reasonably be expected to result in the sale, forfeiture or loss of any material portion of the Collateral or any interest therein.

4.3 Maintenance of Perfected Security Interest; Further Documentation. (a) Such Grantor shall maintain the security interest created by this Agreement as a perfected security interest to the extent required by this Agreement having at least the priority described in Section 3.2 and shall defend such security interest against the claims and demands of all Persons whomsoever other than any holder of Liens permitted by the Credit Agreement, subject to the rights of such Grantor under the Loan Documents to dispose of the Collateral.

(b) At any time and from time to time, upon the written request of the Agent, and at the sole expense of such Grantor, such Grantor will promptly and duly execute and deliver, and have recorded, such further instruments and documents and take such further actions as the Agent may reasonably request for the purpose of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted, including, without limitation, (i) filing any financing or continuation statements under the Uniform Commercial Code (or other similar laws) in effect in any jurisdiction with respect to the security interests created hereby and (ii) in the case of any other relevant Collateral, taking any actions necessary to enable the Agent to obtain "control" (within the meaning of the applicable Uniform Commercial Code) with respect thereto.

4.4 Changes in Name, etc. Such Grantor will not, except upon prior written notice to the Agent and delivery to the Agent of all additional executed financing statements and other documents reasonably requested by the Agent to maintain the validity, perfection and priority of the security interests provided for herein, (i) change its jurisdiction of organization or (ii) change its name.

4.5 Notices. Such Grantor will advise the Agent and the Lenders promptly, in reasonable detail, of

(a) any Lien (other than security interests created hereby or Liens permitted under the Credit Agreement) on any of the Collateral which would adversely affect the ability of the Agent to exercise any of its remedies hereunder; and

(b) of the occurrence of any other event which could reasonably be expected to have a material adverse effect on the aggregate value of the Collateral or on the security interests created hereby.

4.6 Receivables. Such Grantor will deliver to the Agent a copy of each material demand, notice or document received by it that questions or calls into doubt the

validity or enforceability of more than 20% of the aggregate amount of the then outstanding Receivables.

4.7 Intellectual Property. (a) Such Grantor (either itself or through licensees) will (i) continue to use each material Trademark on each and every trademark class of goods applicable to its current line as reflected in its current catalogs, brochures and price lists in order to maintain such Trademark in full force free from any claim of abandonment for non-use, (ii) maintain as in the past the quality of products and services offered under such Trademark, (iii) use such Trademark with the appropriate notice of registration and all other notices and legends required by applicable requirements of law, (iv) not adopt or use any mark which is confusingly similar or a colorable imitation of such Trademark unless the Agent, for the ratable benefit of the Secured Parties, shall obtain a perfected security interest in such mark pursuant to this Agreement, and (v) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby such Trademark may become invalidated or impaired in any way.

(b) Such Grantor (either itself or through licensees) will not do any act, or omit to do any act, whereby any material Patent may become forfeited, abandoned or dedicated to the public.

(c) Such Grantor (either itself or through licensees) (i) will employ each material Copyright and (ii) will not (and will not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any material portion of the Copyrights may become invalidated or otherwise impaired. Such Grantor will not (either itself or through licensees) do any act whereby any material portion of the Copyrights may fall into the public domain.

(d) Such Grantor (either itself or through licensees) will not do any act that knowingly uses any material Intellectual Property to infringe the intellectual property rights of any other Person.

(e) Such Grantor will take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the material Intellectual Property, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(f) In the event that any material Intellectual Property is infringed, misappropriated or diluted by a third party, such Grantor shall take such actions as such

Grantor shall reasonably deem appropriate under the circumstances to protect such Intellectual Property.

SECTION 5. REMEDIAL PROVISIONS

5.1 Certain Matters Relating to Receivables. (a) At any time during the continuance of an Event of Default, the Agent shall have the right to make test verifications of the Receivables in any manner and through any medium that it reasonably considers advisable, and each Grantor shall furnish all such assistance and information as the Agent may require in connection with such test verifications.

(b) The Agent hereby authorizes each Grantor to collect such Grantor's Receivables and the Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. If requested in writing by the Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Receivables, when collected by any Grantor, (i) shall be forthwith (and, in any event, within two Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Agent if required, in a Collateral Account maintained under the sole dominion and control (within the meaning of Article 9 of the New York UCC) of the Agent, subject to withdrawal by the Agent for the account of the Lenders only as provided in Section 5.4, and (ii) until so turned over, shall be held by such Grantor in trust for the Agent and the Lenders, segregated from other funds of such Grantor.

(c) At the Agent's written request at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall deliver to the Agent all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Receivables that are Collateral, including, without limitation, all original orders, invoices and shipping receipts.

5.2 Communications with Obligors; Grantors Remain Liable. (a) The Agent in its own name or in the name of others may after the occurrence and during the continuance of an Event of Default communicate with obligors under the Receivables that are Collateral to verify with them to the Agent's satisfaction the existence, amount and terms of any Receivables.

(b) Upon the written request of the Agent at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall notify obligors on the Receivables that are Collateral that such Receivables have been assigned to the Agent for the ratable benefit of the Secured Parties and that payments in respect thereof shall be made directly to the Agent.

(c) Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Receivables that are Collateral to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. None of the Agent, any Issuer or any Lender shall have any obligation or liability under any Receivable (or any agreement giving rise thereto) by reason of or arising out of this Agreement or the receipt by the Agent or any Lender of any payment relating thereto, nor shall the Agent or any Lender be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Receivable (or any agreement giving rise thereto), to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

5.3 Proceeds to be Turned Over To Agent. In addition to the rights of the Agent and the Lenders specified in Section 5.1 with respect to payments of Receivables, if an Event of Default shall occur and be continuing, upon written request from the Agent, all Proceeds received by any Grantor consisting of cash, checks and other near-cash items shall be held by such Grantor in trust for the Agent and the Lenders, segregated from other funds of such Grantor, and shall, forthwith upon receipt by such Grantor, be turned over to the Agent in the exact form received by such Grantor (duly indorsed by such Grantor to the Agent, if requested). All Proceeds received by the Agent hereunder shall be held by the Agent in a Collateral Account maintained under its sole dominion and control. All such Proceeds while held by the Agent in a Collateral Account (or by such Grantor in trust for the Agent and the Lenders) shall continue to be held as collateral security for all the Obligations and shall not constitute payment thereof until applied as provided in Section 5.4.

5.4 Application of Proceeds. At such intervals as may be agreed upon by the Borrower and the Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Agent's election, the Agent may apply all or any part of the Proceeds constituting Collateral, whether or not held in any Collateral Account, and any proceeds of the Guarantees, in payment of the Obligations in the following order:

First, to pay incurred and unpaid fees and expenses of the Agent under the Loan Documents;

Second, to the Agent, for application by it towards payment of amounts then due and owing and remaining unpaid in respect of the Obligations, pro rata among the Secured Parties according to the amounts of the Obligations then due and owing and remaining unpaid to the Secured Parties;

Third, to the Agent, for application by it towards prepayment of the Obligations, pro rata among the Secured Parties according to the amounts of the Obligations then held by the Secured Parties;

Fourth, to the Agent, for deposit in the Cash Collateral Account, an amount equal to 105% of the sum of all Facility Letter of Credit Obligations less any amounts held in the Cash Collateral Account at such time; and

Fifth, any balance remaining after the Obligations shall have been paid in full, no Facility Letters of Credit shall be outstanding (or all Facility Letter of Credit Obligations have been cash collateralized in accordance with clause Fourth above) and the Commitments shall have terminated shall be paid over to the Borrower or to whomsoever may be lawfully entitled to receive the same.

5.5 Code and Other Remedies. If an Event of Default shall occur and be continuing, the Agent, on behalf of the Lenders, may exercise, in addition to all other rights and remedies granted to them in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the New York UCC or any other applicable law. Without limiting the generality of the foregoing, the Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Agent or any Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Agent or any Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. Each Grantor further agrees, at the Agent's request, to assemble the Collateral and make it available to the Agent at places which the Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Agent shall apply the net proceeds of any action taken by it pursuant to this Section 5.5, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Agent and the Lenders hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in such order as the

Agent may elect, and only after such application and after the payment by the Agent of any other amount required by any provision of law, including, without limitation, Section 9-615(a)(3) of the New York UCC, need the Agent account for the surplus, if any, to any Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Agent or any Lender arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least ten (10) days before such sale or other disposition.

5.6 Subordination. Each Grantor hereby agrees that, upon the occurrence and during the continuance of an Event of Default, unless otherwise agreed by the Agent, all Debt owing by it to the Borrower or any Subsidiary of the Borrower shall be fully subordinated to the indefeasible payment in full in cash of such Grantor's Obligations.

5.7 Deficiency. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations and the fees and disbursements of any attorneys employed by the Agent or any Lender to collect such deficiency.

SECTION 6. THE AGENT

6.1 Agent's Appointment as Attorney-in-Fact, etc. (a) Each Grantor hereby irrevocably constitutes and appoints the Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Agent the power and right, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following:

(i) in the name of such Grantor or its own name, or otherwise, take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Receivable or with respect to any other Collateral and file any claim or take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Agent for the purpose of collecting any and all such moneys due under any Receivable or with respect to any other Collateral whenever payable;

(ii) in the case of any Intellectual Property, execute and deliver, and have recorded, any and all agreements, instruments, documents and papers as the Agent

may request to evidence the Agent's and the Lenders' security interest in such Intellectual Property and the goodwill and general intangibles of such Grantor relating thereto or represented thereby;

(iii) pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;

(iv) execute, in connection with any sale provided for in Section 5.5, any indorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and

(v) (1) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Agent or as the Agent shall direct; (2) ask or demand for, collect, and receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (3) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (4) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (5) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (6) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Agent may deem appropriate; (7) assign any Copyright, Patent or Trademark (along with the goodwill of the business to which any such Copyright, Patent or Trademark pertains), throughout the world for such term or terms, on such conditions, and in such manner, as the Agent shall in its sole discretion determine; and (8) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Agent were the absolute owner thereof for all purposes, and do, at the Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Agent deems necessary to protect, preserve or realize upon the Collateral and the Agent's and the Lenders' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this Section 6.1(a) to the contrary notwithstanding, the Agent agrees that it will not exercise any rights under the power of attorney provided for in this Section 6.1(a) unless an Event of Default shall have occurred and be continuing.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein, the Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The expenses of the Agent incurred in connection with actions undertaken as provided in this Section 6.1, together with interest thereon at a rate per annum equal to the highest rate per annum at which interest would then be payable on any category of past due ABR Loans under the Credit Agreement, from the date of payment by the Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

6.2 Duty of Agent. The Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the New York UCC or otherwise, shall be to deal with it in the same manner as the Agent deals with similar property for its own account. Neither the Agent, any Lender nor any of their respective Affiliates and their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Agent and the Lenders hereunder are solely to protect the Agent's and the Lenders' interests in the Collateral and shall not impose any duty upon the Agent or any Lender to exercise any such powers. The Agent and the Lenders shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their Affiliates and their respective officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

6.3 Execution of Financing Statements. Pursuant to any applicable law, each Grantor authorizes the Agent to file or record financing statements and other filing or recording documents or instruments with respect to the Collateral without the signature of such Grantor in such form and in such offices as the Agent determines appropriate to perfect the security interests of the Agent under this Agreement. Each Grantor authorizes the Agent to use the collateral description "all personal property" in any such financing statements. Each Grantor hereby ratifies and authorizes the filing by the Agent of any financing statement with respect to the Collateral made prior to the date hereof.

6.4 Authority of Agent. Each Grantor acknowledges that the rights and responsibilities of the Agent under this Agreement with respect to any action taken by the Agent or the exercise or non-exercise by the Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Agent and the Lenders, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Agent and the Grantors, the Agent shall be conclusively presumed to be acting as agent for the Lenders with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

SECTION 7. MISCELLANEOUS

7.1 Amendments in Writing. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 10.01 of the Credit Agreement.

7.2 Notices. All notices, requests and demands to or upon the Agent or any Grantor hereunder shall be effected in the manner provided for in Section 10.02 of the Credit Agreement; provided that any such notice, request or demand to or upon any Grantor other than the Borrower shall be addressed to such Grantor at its notice address set forth on Schedule 1.

7.3 No Waiver by Course of Conduct; Cumulative Remedies. Neither the Agent nor any Lender shall by any act (except by a written instrument pursuant to Section 7.1), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or Event of Default. No failure to exercise, nor any delay in exercising, on the part of the Agent or any Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Agent or any Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Agent or such Lender would otherwise have on any future occasion. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any other rights or remedies provided by law.

7.4 Enforcement Expenses; Indemnification. (a) Each Grantor agrees to pay or reimburse each Lender and the Agent for all its costs and expenses incurred in enforcing or preserving any rights under this Agreement and the other Loan Documents to which such Grantor is a party, including, without limitation, the fees and

disbursements of counsel (including the allocated fees and expenses of in-house counsel) to each Lender and of counsel to the Agent.

(b) Each Grantor agrees to pay, and to save the Agent and the Lenders harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(c) Each Grantor agrees to pay, and to save the Agent and the Lenders harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement to the extent the Borrower would be required to do so pursuant to Section 10.04 of the Credit Agreement except those resulting from the Agent's or any Lender's willful misconduct or gross negligence.

(d) The agreements in this Section 7.4 shall survive repayment of the Obligations and all other amounts payable under the Credit Agreement and the other Loan Documents.

7.5 Successors and Assigns. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Agent and the Lenders and their successors and assigns; provided that except as permitted by the Credit Agreement, no Grantor may assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Agent.

7.6 Counterparts. This Agreement may be executed in any number of counterparts and by the different 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. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic image shall be effective as delivery of a manually executed counterpart of this Agreement.

7.7 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

7.8 Section Headings. The Section headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

7.9 Integration. This Agreement and the other Loan Documents represent the agreement of the Grantors, the Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Agent or any Lender relative to subject matter hereof and thereof not expressly set forth or referred to herein or in the other Loan Documents.

7.10 **GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW (OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).**

7.11 CONSENT TO JURISDICTION; WAIVERS. (a) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN THE CITY AND COUNTY OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH GRANTOR HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, THAT ANY OF THEM MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH RESPECTIVE JURISDICTIONS.

(b) EACH GRANTOR IRREVOCABLY CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN SUCH ACTION OR PROCEEDING ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT BY THE MAILING (BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID) OF COPIES OF SUCH PROCESS TO AN APPOINTED PROCESS AGENT OR SUCH GRANTOR AT ITS ADDRESS SPECIFIED IN SECTION 7.2. EACH GRANTOR AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING CONTAINED IN THIS SECTION 7.11 SHALL AFFECT THE RIGHT OF THE AGENT OR ANY OTHER SECURED PARTY TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR COMMENCE LEGAL

PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY GRANTOR IN ANY OTHER JURISDICTION.

7.12 Acknowledgements. Each Grantor hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party;

(b) neither the Agent nor any Lender has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Grantors, on the one hand, and the Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Grantors and the Lenders.

7.13 Additional Grantors. Each Subsidiary of the Borrower that is required to become a Grantor pursuant to Section 5.15 of the Credit Agreement shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Subsidiary of an Assumption Agreement in the form of Annex 1 hereto.

7.14 Releases.

(a) Upon the earlier to occur of (i) the satisfaction of the conditions precedent to the release of all of the Collateral in accordance with the Credit Agreement and (ii) the Termination Date and payment in full of all outstanding Obligations (or, with respect to outstanding Facility Letters of Credit, cash collateralization or other arrangements reasonably satisfactory to Issuers therefor and the Agent), the Collateral shall be automatically released from the Liens created hereby, and this Agreement and all obligations (other than those expressly stated to survive such termination) of the Agent and each Grantor hereunder shall automatically terminate, all without delivery of any instrument or performance of any act by any party, and all rights to the Collateral shall revert to the Grantors. At the request and sole expense of any Grantor following any such termination, the Agent shall deliver to such Grantor any Collateral held by the Agent hereunder, and execute and deliver to such Grantor such documents as such Grantor shall reasonably request to evidence such termination.

(b) If any of the Collateral shall be sold or otherwise transferred pursuant to a transaction permitted by the Credit Agreement, the Liens created hereby on such Collateral shall automatically terminate. Upon the earlier to occur of (i) the satisfaction

of the conditions precedent to the release of all of the Collateral in accordance with the Credit Agreement or (ii) the Termination Date and payment in full of all outstanding Obligations (or, with respect to outstanding Facility Letters of Credit, cash collateralization or other arrangements reasonably satisfactory to Issuers therefor and the Agent), or if any of the Collateral shall be requested to be released by any Grantor pursuant to this Agreement and in accordance with the Credit Agreement, then the Agent, at the request and sole expense of such Grantor, shall execute and deliver to such Grantor all releases or other documents reasonably necessary or desirable for the release of the Liens created hereby on such Collateral.

7.15 **WAIVER OF JURY TRIAL. EACH GRANTOR HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL ACTION OR PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMET OR THE RELATIONSHIP ESTABLISHED THEREUNDER.**

7.16 Waiver of Consequential Damages. To the fullest extent permitted by applicable law, no party hereto shall assert, and each such party hereby waives, any claim against all other parties hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, or any agreement or instrument contemplated hereby or thereby and the transactions contemplated hereby or thereby.

7.17 Continuing Security Interest. The security interest created pursuant to the Original Collateral Agreement is and shall continue to be in full force and effect as amended and restated by this Agreement and is hereby ratified and confirmed in all respects.

[remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Collateral Agreement to be executed and delivered by their respective duly authorized officers as of the date first above written.

GRANTOR:

BEAZER HOMES USA, INC.,
a Delaware corporation

By: _____
Name:
Title:

CITIBANK, N.A., as Agent

By: _____
Name:
Title:

GUARANTORS:

APRIL CORPORATION
BEAZER ALLIED COMPANIES HOLDINGS, INC.
BEAZER GENERAL SERVICES, INC.
BEAZER HOMES CORP.
BEAZER HOMES HOLDINGS CORP.
BEAZER HOMES INDIANA HOLDINGS CORP.
BEAZER HOMES SALES, INC.
BEAZER HOMES TEXAS HOLDINGS, INC.
BEAZER REALTY, INC.
BEAZER REALTY CORP.
BEAZER REALTY LOS ANGELES, INC.
BEAZER REALTY SACRAMENTO, INC.
BEAZER/SQUIRES REALTY, INC.
HOMEBUILDERS TITLE SERVICES, INC.
HOMEBUILDERS TITLE SERVICES OF VIRGINIA, INC.

By: _____ (SEAL)
Name:
Title:

BEAZER MORTGAGE CORPORATION

By: _____ (SEAL)
Name: Peggy Caldwell
Title: Secretary

ARDEN PARK VENTURES, LLC
BEAZER CLARKSBURG, LLC
BEAZER COMMERCIAL HOLDINGS, LLC
BEAZER HOMES INVESTMENTS, LLC
BEAZER HOMES MICHIGAN, LLC
DOVE BARRINGTON DEVELOPMENT LLC

By: BEAZER HOMES CORP., its Sole Member

By: _____ (SEAL)
Name:
Title:

BEAZER SPE, LLC

By: BEAZER HOMES HOLDINGS CORP.,
its Sole Member

By: _____ (SEAL)
Name:
Title:

BEAZER HOMES INDIANA LLP

By: BEAZER HOMES INVESTMENTS, LLC,
its Managing Partner

By: BEAZER HOMES CORP.,
its Sole Member

By: _____ (SEAL)
Name:
Title:

BEAZER REALTY SERVICES, LLC

By: BEAZER HOMES INVESTMENTS, LLC,
its Sole Member

By: BEAZER HOMES CORP.,
its Sole Member

By: _____ (SEAL)
Name:
Title:

PARAGON TITLE, LLC
TRINITY HOMES, LLC

By: BEAZER HOMES INVESTMENTS, LLC,
a Member

By: BEAZER HOMES CORP.,
its Sole Member

By: _____ (SEAL)
Name:
Title:

BEAZER HOMES TEXAS, L.P.
TEXAS LONE STAR TITLE, L.P.

By: BEAZER HOMES TEXAS HOLDINGS, INC.,
its General Partner

By: _____ (SEAL)
Name:
Title:

BH BUILDING PRODUCTS, LP

By: BH PROCUREMENT SERVICES, LLC,
its General Partner

By: BEAZER HOMES TEXAS, L.P.,
its Sole Member

By: BEAZER HOMES TEXAS HOLDINGS, INC.,
its General Partner

By: _____ (SEAL)
Name:
Title:

BH PROCUREMENT SERVICES, LLC

By: BEAZER HOMES TEXAS, L.P.,
its Sole Member

By: BEAZER HOMES TEXAS HOLDINGS, INC.,
its General Partner

By: _____ (SEAL)
Name:
Title:

ASSUMPTION AGREEMENT, dated as of _____, 20___, made by _____ (the "Additional Grantor"), in favor of Citibank, N.A., as Agent (in such capacity, the "Agent") for the banks and other financial institutions or entities (the "Lenders") parties to the Credit Agreement referred to below. All capitalized terms not defined herein shall have the meaning ascribed to them in such Credit Agreement.

W I T N E S S E T H

WHEREAS, Beazer Homes USA, Inc. (the "Borrower"), the Lenders and the Agent have entered into an Amended and Restated Credit Agreement, dated as of August 5, 2009 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement");

WHEREAS, in connection with the Credit Agreement, the Borrower and certain of its Subsidiaries (other than the Additional Grantor) have entered into the Amended and Restated Collateral Agreement, dated as of August 5, 2009 (as amended, supplemented or otherwise modified from time to time, the "Collateral Agreement") in favor of the Agent for the ratable benefit of the Secured Parties;

WHEREAS, the Credit Agreement requires the Additional Grantor to become a party to the Collateral Agreement; and

WHEREAS, the Additional Grantor has agreed to execute and deliver this Assumption Agreement in order to become a party to the Collateral Agreement;

NOW, THEREFORE, IT IS AGREED:

1. Collateral Agreement. By executing and delivering this Assumption Agreement, the Additional Grantor, as provided in Section 7.13 of the Collateral Agreement, hereby becomes a party to the Collateral Agreement as a Grantor thereunder with the same force and effect as if originally named therein as a Grantor and, without limiting the generality of the foregoing, hereby expressly assumes all obligations and liabilities of a Grantor thereunder. The information set forth in Annex 1-A hereto is hereby added to the information set forth in the Schedules to the Collateral Agreement. The Additional Grantor hereby represents and warrants that each of the representations and warranties contained in Section 3 of the Collateral Agreement is true and correct on and as the date hereof (after giving effect to this Assumption Agreement) as if made on and as of such date.

2. **Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAW (OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).**

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed and delivered as of the date first above written.

[ADDITIONAL GRANTOR]

By: _____
Name:
Title:

Schedule 1

NOTICE ADDRESSES OF GRANTORS

1200 Abernathy Road
Suite 1200
Atlanta, GA 30328

Schedule 2

PERFECTION MATTERS

[To be updated]

Schedule 3

LOCATION OF JURISDICTION OF ORGANIZATION AND CHIEF EXECUTIVE OFFICE

Grantor	Jurisdiction of Organization	Location of Chief Executive Office
April Corporation	Colorado	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Arden Park Ventures, LLC	Florida	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer Allied Companies Holdings, Inc.	Delaware	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer Clarksburg, LLC	Maryland	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer Commercial Holdings, LLC	Delaware	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer General Services, Inc.	Delaware	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer Homes Corp.	Tennessee	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer Homes Holdings Corp.	Delaware	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer Homes Indiana Holdings Corp.	Delaware	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer Homes Indiana LLP	Indiana	1200 Abernathy Road Suite 1200 Atlanta, GA 30328

Grantor	Jurisdiction of Organization	Location of Chief Executive Office
Beazer Homes Investments, LLC	Delaware	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer Homes Michigan, LLC	Delaware	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer Homes Sales, Inc.	Delaware	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer Homes Texas Holdings, Inc.	Delaware	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer Homes Texas, L.P.	Delaware	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer Mortgage Corporation	Delaware	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer Realty Corp.	Georgia	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer Realty Los Angeles, Inc.	Delaware	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer Realty Sacramento, Inc.	Delaware	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer Realty Services, LLC	Delaware	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer Realty, Inc.	New Jersey	1200 Abernathy Road Suite 1200 Atlanta, GA 30328

Grantor	Jurisdiction of Organization	Location of Chief Executive Office
Beazer SPE, LLC	Georgia	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Beazer/Squires Realty, Inc.	North Carolina	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
BH Building Products, LP	Delaware	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
BH Procurement Services, LP	Delaware	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Dove Barrington Development LLC	Delaware	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Homebuilders Title Services, Inc.	Delaware	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Homebuilders Title Services of Virginia, Inc.	Virginia	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Paragon Title, LLC	Indiana	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Texas Lone Star Title, L.P.	Texas	1200 Abernathy Road Suite 1200 Atlanta, GA 30328
Trinity Homes, LLC	Indiana	1200 Abernathy Road Suite 1200 Atlanta, GA 30328

Exhibit B

FORM OF NOTE

$_____ August 5, 2009

FOR VALUE RECEIVED, the undersigned, BEAZER HOMES USA, INC., a Delaware corporation (the "Borrower") HEREBY PROMISES TO PAY to the order of _____ (the "Lender") to CITIBANK, N.A., as Agent, at the Agent's office located at 388 Greenwich Street, New York, NY 10013 (or at such other office as Agent may from time to time designate in writing), for the account of the applicable Lending Office of the Lender, in lawful money of the United States and in immediately available funds, the principal amount of _____ Dollars ($_____) or the aggregate unpaid principal amount of all Loans made to the Borrower by the Lender pursuant to the Credit Agreement and outstanding on the Termination Date, whichever is less, and to pay interest from the date of this Note, in like money, at said office for the account of the applicable Lending Office, at the time and at a rate per annum as provided in the Credit Agreement. The Lender is hereby authorized by the Borrower, but is not required, to endorse on the schedule attached to this Note held by it the amount and type of each Loan and each renewal, conversion, and payment of principal amount received by the Lender for the account of the applicable Lending Office on account of its Loans, which endorsement shall, in the absence of manifest error, be conclusive as to the outstanding balance of the Loans made by the Lender; provided, however, that the failure to make such notation with respect to any Loan or renewal, conversion, or payment shall not limit or otherwise affect the obligations of the Borrower hereunder.

This Note is one of the Notes referred to in, and is entitled to the benefits of, the Amended and Restated Credit Agreement, dated as of August 5, 2009, between the Borrower, the Agent, the Lender and certain other lenders party thereto (which, as it may be amended, modified, renewed or extended from time to time, is herein called the "Credit Agreement"). Terms used herein which are defined in the Credit Agreement shall have their defined meanings when used herein. The Credit Agreement, among other things, contains provisions for acceleration of the maturity of this Note upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity of this Note upon the terms and conditions specified in the Credit Agreement.

The Borrower hereby agrees to pay all reasonable costs and expenses (including reasonable attorney's fees and expenses) paid or incurred by the holder of this Note in the collection of any principal or interest payable under this Note or the enforcement of this Note or any other Loan Documents.

This Note shall be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflict of law (other than Section 5-1401 of the General Obligations Law of the State of New York).

BEAZER HOMES USA, INC.

By: _____ (SEAL)
Name:
Title:

SCHEDULE TO NOTE

Date Made or Paid	Type of Loan	Amount of Principal Paid	Unpaid Principal Balance of Note	Name of Person Making Notation

FORM OF COMMITMENT AND ACCEPTANCE

This Commitment and Acceptance (this "Commitment and Acceptance") dated as of _____, 20___, is entered into among the parties listed on the signature pages hereof. Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to them in the Credit Agreement (as defined below).

PRELIMINARY STATEMENTS

Reference is made to that certain Amended and Restated Credit Agreement dated as of August 5, 2009, by and among Beazer Homes USA, Inc., a Delaware corporation (the "Company"), Citibank, N.A., as Agent, and the Lenders and Issuers that are parties thereto (as the same may from time to time be amended, modified, supplemented or restated, in whole or in part and without limitation as to amount, terms, conditions or covenants, the "Credit Agreement").

Pursuant to Section 2.02.2 of the Credit Agreement, the Company has requested an increase in the Aggregate Commitment from $_____ to $_____. Such increase in the Aggregate Commitment is to become effective on _____ ___, ___ (the "Increase Date") [THIS DATE IS TO BE MUTUALLY AGREED UPON BY THE BORROWER, THE ACCEPTING LENDER AND AGENT IN ACCORDANCE WITH THE PROVISIONS OF SECTION 2.02.2 OF THE CREDIT AGREEMENT]. In connection with such requested increase in the Aggregate Commitment, the Borrower, Agent and _____ ("Accepting Lender") hereby agree as follows:

1. ACCEPTING LENDER'S COMMITMENT. Effective as of the Increase Date, [Accepting Lender shall become a party to the Credit Agreement as a Lender, shall have all of the rights and obligations of a Lender thereunder, shall agree to be bound by the terms and provisions thereof and shall thereupon have a Commitment under and for purposes of the Credit Agreement in an amount equal to the] [the Commitment of Accepting Lender under the Credit Agreement shall be increased from $_____ to the] amount set forth opposite Accepting Lender's name on the signature pages hereof.

[2. REPRESENTATIONS AND AGREEMENTS OF ACCEPTING LENDER. Accepting Lender (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Commitment and Acceptance and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to become a Lender, (iii) from and after the Increase Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and shall have the obligations of a Lender thereunder, (iv) it has

received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.08(1) and (2) thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Commitment and Acceptance on the basis of which it has made such analysis and decision independently and without reliance on the Agent or any other Lender, and (v) if it is a Non-United States Person, it has delivered any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Accepting Lender; and (b) agrees that (i) it will, independently and without reliance on the Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.]

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* Paragraph 2 is to be inserted only if Accepting Lender is not already a party to the Credit Agreement prior to the Increase Date.

3. REPRESENTATION OF THE BORROWER. The Borrower hereby represents and warrants that, as of the date hereof and as of the Increase Date, no event or condition shall have occurred and then be continuing which constitutes a Default or Event of Default.

4. GOVERNING LAW. This Commitment and Acceptance shall be governed by the internal law, and not the law of conflicts, of the State of New York.

5. NOTICES. For the purpose of notices to be given under the Credit Agreement, the address of Accepting Lender (until notice of a change is delivered) shall be the address set forth in its Administrative Questionnaire delivered to the Agent.

IN WITNESS WHEREOF, the parties hereto have executed this Commitment and Acceptance by their duly authorized officers as of the date first above written.

BORROWER:

BEAZER HOMES USA, INC.

By: _____ (SEAL)
Name:
Title:

AGENT:

CITIBANK, N.A., as Agent

By: _____
Name:
Title:

ACCEPTING LENDER:

COMMITMENT:

$_____

[NAME OF ACCEPTING LENDER]

By: _____
Name:
Title:

FORM OF CERTIFICATE

This Certificate is delivered pursuant to the Amended and Restated Credit Agreement dated as of August 5, 2009 among Beazer Homes USA, Inc., Citibank, N.A., as Agent, and the Lenders party thereto (as amended, supplemented, or modified from time to time, the "Credit Agreement"). Unless otherwise defined herein, capitalized terms are used herein as defined in the Credit Agreement. This certification is delivered in connection with [a notice requesting a Borrowing under Section 2.03 OR a notice requesting issuance, amendment or extension of a Facility Letter of Credit under Section 2.22.4]*.

The undersigned, in his/her capacity as [_____] of the Borrower, hereby certifies as follows:

1. The representations and warranties contained in Article IV of the Credit Agreement are correct in all material respects on and as of the [date of such Borrowing OR Issuance Date]* as though made on and as of such date except to the extent that any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty is correct in all material respects as of such earlier date.

2. No Default or Event of Default has occurred and is continuing and would result from [such Borrowing OR the issuance, amendment or extension of such Facility Letter of Credit]*.

3. Upon [such Borrowing OR the issuance, amendment or extension of such Facility Letter of Credit]*, [the Aggregate Outstanding Extensions of Credit shall not exceed the Secured Borrowing Base as set forth in the Secured Borrowing Base Certificate delivered by the Borrower to the Agent as of the most recent Inventory Valuation Date, which Secured Borrowing Base Certificate is true and correct as of such Inventory Valuation Date][1] [the product of the Aggregate Outstanding Extensions of Credit times 105% shall not exceed the aggregate amount of Unrestricted Cash Collateral deposited in the Cash Collateral Account] [2].

IN WITNESS WHEREOF, the undersigned has executed this Certificate as an officer of the Borrower, and not in the undersigned's individual capacity, as of the ___ day of _____, 20___.

By: _____
Name:
Title: [ ] of Beazer Homes USA, Inc.

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* Include appropriate portion of bracketed provision.

1. To be used if the Secured Borrowing Base Option is selected.

2. To be used if the Cash Secured Option is selected.

Exhibit E

LEGAL OPINION OF BORROWER'S AND GUARANTORS' COUNSEL

(to be issued upon conversion to borrowing base method)

FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit and guarantees included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____

[and is an Affiliate/Approved Fund of [*identify Lender*][1]]

3. Borrower(s): _____

4. Agent: Citibank, N.A., as the Agent under the Credit Agreement

5. Credit Agreement: The Amended and Restated Credit Agreement dated as of August 5, 2009 among Beazer Homes USA, Inc., the Lenders party thereto, the Issuers party thereto Citibank, N.A., as Agent, and the other agents parties thereto

6. Assigned Interest:

Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans[2]
$	$	%
$	$	%
$	$	%

Effective Date: _____ ___, 20___ [TO BE INSERTED BY AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

1 Select as applicable.

2 Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR

[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE

[NAME OF ASSIGNEE]

By: _____
Name:
Title:

[Consented to and][3] Accepted:

CITIBANK, N.A., as Agent

By: _____
Name:
Title:

[Consented to:][4]

[NAME OF RELEVANT PARTY]

By: _____
Name:
Title:

3 To be added only if the consent of the Agent is required by the terms of the Credit Agreement.

4 To be added only if the consent of the Borrower and/or other parties (e.g., Issuer) is required by the terms of the Credit Agreement.

BEAZER HOMES USA, INC. AMENDED AND RESTATED CREDIT AGREEMENT

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Sections 5.08(1) and (2) thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Agent or any other Lender, and (v) if it is a Non-United States Person, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the

Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

EXHIBIT G

FORM OF OFFICER'S CERTIFICATION
OFFICER'S CERTIFICATION

Reference is hereby made to the Amended and Restated Credit Agreement, dated as of August 5, 2009, among Beazer Homes USA, Inc., a Delaware corporation (the "Company"), the several lenders from time to time parties thereto, the several issuers of letters of credit from time to time parties thereto and Citibank, N.A., as agent (in such capacity and together with its permitted successors and assigns, the "Agent") (as amended and modified from time to time, the "Credit Agreement"). Terms used but not defined herein have the respective meanings assigned thereto in the Senior Indentures.

This certificate is being delivered pursuant to [Section 2.01.2(b) of the Credit Agreement][1] [Section [___] of the Credit Agreement][2]. The undersigned, in his/her capacity as [ ] of the Company, hereby certifies that:

(a) The aggregate amount of Indebtedness of the Company and the Restricted Subsidiaries at the date hereof that is secured by Liens (other than Non-Recourse Indebtedness secured by Liens) is $[ ]; and

(b) On a pro forma basis, after giving effect to the borrowing of all amounts available under the Credit Agreement, the aggregate amount of Indebtedness of the Company and the Restricted Subsidiaries at the date hereof that is secured by Liens (other than Non-Recourse Indebtedness secured by Liens) is $[ ].

IN WITNESS WHEREOF, the undersigned has executed this Officer's Certification as an officer of the Company, and not in the undersigned's individual capacity, as of the ___ day of _____, 2009.

By: _____
Name:
Title: [ ] of Beazer Homes USA, Inc.

1. To be used if the Secured Borrowing Base Option is selected.

2. To be used if the Cash Secured Option is selected.

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Pre-effective Amendment No. 2 to Registration Statement No. 333-164459 of Form S-4 of our reports dated November 10, 2009, relating to the consolidated financial statements of Beazer Homes USA, Inc. (which report expresses an unqualified opinion and includes an explanatory paragraph relating to the adoption of new accounting guidance on the accounting for uncertainty in income taxes on October 1, 2007), and the effectiveness of Beazer Homes USA, Inc.'s internal control over financial reporting, appearing in the Annual Report on Form 10-K of Beazer Homes USA, Inc. for the year ended September 30, 2009, and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

Deloitte & Touche LLP

Atlanta, Georgia
February 23, 2010

LETTER OF TRANSMITTAL
OFFER TO EXCHANGE
ANY AND ALL OUTSTANDING
12% SENIOR SECURED NOTES DUE 2017,
WHICH ARE NOT REGISTERED UNDER THE SECURITIES ACT OF 1933,
FOR ANY AND ALL OUTSTANDING
12% SENIOR SECURED NOTES DUE 2017,
WHICH HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933,
OF
BEAZER HOMES USA, INC.
PURSUANT TO THE PROSPECTUS DATED , 2010.

THE EXCHANGE OFFER WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON MARCH 9, 2010, UNLESS EXTENDED (THE "EXPIRATION DATE"). ORIGINAL NOTES TENDERED IN THE EXCHANGE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO 11:59 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

The Exchange Agent for the Exchange Offer is:

U.S. Bank National Association

By Mail, Overnight Courier or Hand Delivery:

U.S. Bank National Association
60 Livingston Avenue
EP-MN-WS2N
St. Paul, MN 55107
Attention: Specialized Finance Department
Reference: Beazer Homes USA, Inc. Exchange

By Facsimile:
(651) 495-8158
Attention: Specialized Finance Department
Confirm by Telephone:
(800) 934-6802Reference: Beazer Homes USA, Inc. Exchange

To confirm by telephone or for information:
(800) 934-6802
Reference: Beazer Homes USA, Inc. Exchange

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 OR OTHERWISE THAN AS PROVIDED ABOVE WILL NOT CONSTITUTE A VALID DELIVERY. THE INSTRUCTIONS CONTAINED HEREIN SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

This Letter of Transmittal is to be completed by holders of Original Notes (as defined below) either if Original Notes are to be forwarded herewith or if tenders of Original Notes are to be made by book-entry transfer to an account maintained by U.S. Bank National Association (the "Exchange Agent") at The Depository Trust Company ("DTC") pursuant to the procedures set forth in ***"The Exchange Offer — Exchange Offer Procedures"*** in the Prospectus.

Holders of Original Notes (i) whose certificates (the "Certificates") for such Original Notes are not immediately available or (ii) who cannot deliver their Original Notes, the Letter of Transmittal or any other required documents to the Exchange Agent

prior to 11:59 p.m., New York City time, on the Expiration Date or (iii) who cannot complete the procedures for delivery by book-entry transfer prior to 11:59 p.m., New York City time, on the Expiration Date, must tender their Original Notes according to the guaranteed delivery procedures set forth in ***"The Exchange Offer — Guaranteed Delivery Procedures"*** 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 ORIGINAL NOTES TENDERED			
If blank, please print Name and Address of Registered Holder	**Original Notes Tendered (Attach Additional List of Notes)**		
	Certificate Number(s)*	**Principal Amount of Original Notes**	**Principal Amount of Original Notes Tendered (If Less Than All)****
	Total Amount Tendered:		

* Need not be completed by book-entry holders.

** Original Notes may be tendered in whole or in part in denominations of $1,000 and integral multiples thereof. Unless otherwise indicated in this column, a holder will be deemed to have tendered ALL of the Original Notes held by such holder indicated in the corresponding column to the left of this column.

BOXES BELOW TO BE CHECKED BY ELIGIBLE INSTITUTIONS ONLY:

o **CHECK HERE IF TENDERED ORIGINAL 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 Number: Transaction Code No.:

o **CHECK HERE AND ENCLOSE A PHOTOCOPY OF THE NOTICE OF GUARANTEED DELIVERY IF TENDERED ORIGINAL 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 Number:

Transaction Code No.:

o **CHECK HERE IF TENDERED BY BOOK-ENTRY TRANSFER AND NON-EXCHANGED ORIGINAL NOTES ARE TO BE RETURNED BY CREDITING THE DTC ACCOUNT NUMBER SET FORTH ABOVE.**

o **CHECK HERE IF YOU ARE A BROKER-DEALER WHO ACQUIRED THE ORIGINAL 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 "Issuer"), the above described aggregate principal amount of the Issuer's 12% Senior Secured Notes due 2017, which are not registered under the Securities Act of 1933 (the "Original Notes"), in exchange for a like aggregate principal amount of the Issuer's 12% Senior Secured Notes due 2017, which have been registered under the Securities Act of 1933 (the "New Notes"), upon the terms and subject to the conditions set forth in the Prospectus, dated , 2010 (as the same may be amended or supplemented from time to time, the "Prospectus"), receipt of which is hereby 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 Original 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 tenders, exchanges, sells, assigns and transfers to or upon the order of the Issuer all right, title and interest in and to such Original 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 Issuer in connection with the Exchange Offer) with respect to the tendered Original 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 Original Notes to the Issuer together with all accompanying evidences of transfer and authenticity to, or upon the order of, the Issuer, upon receipt by the Exchange Agent, as the undersigned's agent, of the New Notes to be issued in exchange for such Original Notes, (ii) present Certificates for such Original Notes for transfer, and to transfer the Original Notes on the books of the Issuer and (iii) receive for the account of the Issuer all benefits and otherwise exercise all rights of beneficial ownership of such Original 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 ORIGINAL NOTES TENDERED HEREBY AND THAT, WHEN THE SAME ARE ACCEPTED FOR EXCHANGE, THE ISSUER WILL ACQUIRE GOOD, MARKETABLE AND UNENCUMBERED TITLE THERETO, FREE AND CLEAR OF ALL LIENS, RESTRICTIONS, CHARGES AND ENCUMBRANCES, AND THAT THE ORIGINAL 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 ISSUER OR THE EXCHANGE AGENT TO BE NECESSARY OR DESIRABLE TO COMPLETE THE EXCHANGE, ASSIGNMENT AND TRANSFER OF THE ORIGINAL NOTES TENDERED HEREBY, AND THE UNDERSIGNED WILL COMPLY WITH ITS OBLIGATIONS UNDER THE REGISTRATION RIGHTS AGREEMENT, DATED AS OF SEPTEMBER 11, 2009 (THE "REGISTRATION RIGHTS AGREEMENT"), AMONG THE ISSUER, THE GUARANTORS NAMED THEREIN AND THE INITIAL PURCHASERS NAMED THEREIN, FOR THE BENEFIT OF THE INITIAL PURCHASERS AND THE HOLDERS OF THE ORIGINAL NOTES. THE UNDERSIGNED AGREES TO ALL OF THE TERMS OF THE EXCHANGE OFFER.

The name(s) and address(es) of the registered holder(s) of the Original Notes tendered hereby should be printed above, if they are not already set forth above, as they appear on the Certificates representing such Original Notes or, in the case of book-entry securities, on the relevant securities position listing. The Certificate number(s) and the Original Notes that the undersigned wishes to tender should be indicated in the appropriate boxes above.

If any tendered Original Notes are not exchanged pursuant to the Exchange Offer for any reason, or if Certificates are submitted for more Original Notes than are tendered or accepted for exchange, Certificates for such nonexchanged or nontendered Original Notes will be returned (or, in the case of Original Notes tendered by book-entry transfer, such Original 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 Original Notes pursuant to any one of the procedures described in ***"The Exchange Offer — Exchange Offer Procedures"*** in the Prospectus and in the instructions hereto will, upon the Issuer's acceptance for exchange of such tendered Original Notes, constitute a binding agreement between the undersigned and the Issuer 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 Issuer may not be required to accept for exchange any of the Original Notes tendered hereby.

Unless otherwise indicated herein in the box entitled "Special Issuance Instructions" below, the undersigned hereby directs that the New Notes be issued in the name(s) of the undersigned or, in the case of a book-entry transfer of Original Notes, that such New Notes be credited to the account indicated above maintained at DTC. If applicable, substitute Certificates representing Original Notes not exchanged or not accepted for exchange will be issued to the undersigned or, in the case of a book-entry transfer of Original Notes, will be credited to the account indicated above maintained at DTC. Similarly, unless otherwise indicated under "Special Delivery Instructions," please deliver New Notes to the undersigned at the address shown below the undersigned's signature.

By tendering Original Notes and executing this Letter of Transmittal, the undersigned hereby represents and agrees that (i) any New Notes acquired pursuant to the Exchange Offer are being obtained in the ordinary course of its business, (ii) the undersigned has no arrangement or understanding with any person to participate in a distribution (within the meaning of the Securities Act of 1933) of New Notes to be received in the Exchange Offer in violation of the provisions of the Securities Act of 1933, (iii) the undersigned is not an "affiliate" (as defined in Rule 405 under the Securities Act of 1933) of the Issuer or any of its subsidiaries, or, if the undersigned is an affiliate, the undersigned will comply with the registration and prospectus delivery requirements of the Securities Act of 1933 to the extent applicable, (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 1933) of such New Notes and (v) if the undersigned is a broker-dealer that received New Notes for its own account in the Exchange Offer, where such Original Notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, such broker-dealer will deliver a Prospectus in connection with any resale of such New 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 of 1933). See ***"The Exchange Offer — Terms of the Exchange Offer — Purpose of the Exchange Offer," "The Exchange Offer — Exchange Offer Procedures"*** and ***"Plan of Distribution"*** in the Prospectus.

The Issuer 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 in connection with resales of New Notes received in exchange for Original Notes, where such Original 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 of the Prospectus (subject to extension under certain limited circumstances described in the Prospectus) or, if earlier, when all such New 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 New Notes received in exchange for Original Notes pursuant to the Exchange Offer must notify the Issuer, or cause the Issuer 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 Participating Broker-Dealer, by tendering such Original Notes and executing this Letter of Transmittal, agrees that, upon receipt of notice from the Issuer of the occurrence of (i) the request of the Securities and Exchange Commission for amendments or supplements to the Registration Statement or the Prospectus included therein, (ii) the issuance by the Securities and Exchange Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose, (iii) the receipt by the Issuer or its legal counsel of any notification with respect to the suspension of the qualification of the New Notes for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose or (iv) the happening of any event that requires the Issuer to make changes in the Registration Statement or the Prospectus in order that the Registration Statement or the Prospectus does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus, in light of the circumstances under which they were made), not misleading, such Participating Broker-Dealer shall suspend the use of such Prospectus, until the Issuer has promptly prepared and filed a post-effective amendment to the Registration Statement or a supplement to the related Prospectus and any other document required so that, 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 therein, in light of the circumstances under which they were made, not misleading and has furnished an amended or supplemented Prospectus to the Participating Broker-Dealer or the Issuer has given notice that the sale of the New Notes may be resumed, as the case may be.

If the Issuer gives such notice to suspend the sale of the New 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 New 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 Issuer shall have made available to Participating Broker-Dealers copies of the supplemented or amended Prospectus necessary to

resume resales of the New Notes or to and including the date on which the Issuer has given notice that the use of the applicable Prospectus may be resumed, as the case may be.

Holders of New Notes on the relevant record date for the first interest payment date following the consummation of the exchange offer will receive interest accruing from October 15, 2009. Such interest will be paid with the first interest payment on the New Notes on April 15, 2010.

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 1, 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 Original 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 Issuer or the Trustee for the Original Notes to comply with the restrictions on transfer applicable to the Original Notes). If the 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))

Signature(s): _____

Dated: ¸ 2010

Name(s):

(Please Print)

Address: _____

(Include Zip Code)

Area Code and Telephone Number: _____

_____

(Taxpayer Identification or Social Security No.)

GUARANTEE OF SIGNATURE(S)
(SEE INSTRUCTIONS 2 AND 5)

Authorized Signature: _____

Name:

(Please Print)

Date: _____

Capacity or 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 New Notes are to be issued in the name of someone other than the registered holder of the Original Notes whose name(s) appear(s) above:

Issue New 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 New Notes are to be delivered to someone other than the registered holder of the Original Notes whose name(s) appear(s) above, or to such registered holder(s) at an address other than that shown above.

Mail New 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 — Exchange Offer Procedures"*** in the Prospectus. Certificates, or timely confirmation of a book-entry transfer of such Original Notes into the Exchange Agent's account at DTC, as well as a Letter of Transmittal (or manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees, or an Agent's Message in the case of a book-entry delivery, 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 prior to 11:59 p.m., New York City time, on the Expiration Date. Original 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 Original Notes and (i) whose Certificate of such Original Notes are not immediately available or (ii) who cannot deliver their Original Notes, the Letter of Transmittal or any other required documents to the Exchange Agent prior to 11:59 p.m., New York City time, on the Expiration Date or (iii) who cannot complete the procedures for delivery by book-entry transfer prior to 11:59 p.m., New York City time, on the Expiration Date, must tender their Original Notes by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedures set forth in ***"The Exchange Offer — Guaranteed Delivery Procedures"*** in the Prospectus. Pursuant to such procedures: (i) such tender must be made by or through an Eligible Guarantor Institution (as defined below); (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by the Issuer, must be received by the Exchange Agent prior to 11:59 p.m., New York City time, on the Expiration Date; and (iii) the Certificates (or a book-entry confirmation (as defined in the Prospectus)) representing all tendered Original Notes, in proper form for transfer, together with a Letter of Transmittal (or manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees, or an Agent's Message in the case of a book-entry delivery, and any other documents required by this Letter of Transmittal, must be received by the Exchange Agent within three business days after the Expiration Date, all as provided in ***"The Exchange Offer — Guaranteed Delivery Procedures"*** in the Prospectus.

The Notice of Guaranteed Delivery may be delivered by hand, overnight courier or mail or transmitted by facsimile to the Exchange Agent, and must include a guarantee by an Eligible Guarantor Institution in the form set forth in such Notice. For Original Notes to be properly tendered pursuant to the guaranteed delivery procedure, the Exchange Agent must receive a Notice of Guaranteed Delivery prior to 11:59 p.m., New York City time, on the Expiration Date. As used herein and in the Prospectus, "Eligible Guarantor 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 OR HAND DELIVERY SERVICE IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

The Issuer will not accept any alternative, conditional or contingent tenders. Each tendering holder, by executing a Letter of Transmittal (or manually signed 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 the relevant security position listing as the owner of the Original Notes) of Original 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 Original Notes are tendered for the account of a firm that is an Eligible Guarantor Institution.

In all other cases, an Eligible Guarantor 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 Original Notes" is inadequate, the Certificate number(s) and/or the aggregate principal amount of Original 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 Original Notes will be accepted only in the principal amount of $1,000 and integral multiples thereof. If less than all the Original Notes evidenced by any Certificate submitted are to be tendered, fill in the principal amount of Original Notes which are to be tendered in the box entitled "Principal Amount of Original Notes Tendered (if less than all)." In such case, new Certificate(s) for the remainder of the Original Notes that were evidenced by your old Certificate(s) will only be sent to the holder of the Original Notes, or such other party as you identify in the box captioned "Special Delivery Instructions" promptly after the Expiration Date. All Original 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 Original Notes may be withdrawn at any time prior to 11:59 p.m., New York City time, on 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 prior to 11:59 p.m., New York City time, on the Expiration Date. Any such notice of withdrawal must specify the name of the person who tendered the Original Notes to be withdrawn, the aggregate principal amount of Original Notes to be withdrawn, and (if Certificates for Original Notes have been tendered) the name of the registered holder of the Original Notes as set forth on the Certificate for the Original Notes, if different from that of the person who tendered such Original Notes. If Certificates for the Original Notes have been delivered or otherwise identified to the Exchange Agent, then prior to the physical release of such Certificates for the Original Notes, the tendering holder must submit the serial numbers shown on the particular Certificates for the Original Notes to be withdrawn and the signature on the notice of withdrawal must be guaranteed by an Eligible Guarantor Institution, except in the case of Original Notes tendered for the account of an Eligible Guarantor Institution. If Original Notes have been tendered pursuant to the procedures for delivery by book-entry transfer set forth in ***"The Exchange Offer — Exchange Offer Procedures,"*** in the Prospectus, the notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawal of Original 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 Original Notes may not be rescinded. Original Notes properly withdrawn will not be deemed validly tendered for purposes of the Exchange Offer, but may be retendered at any subsequent time prior to 11:59 p.m., New York City time, on the Expiration Date by following any of the procedures described in the Prospectus under ***"The Exchange Offer — Exchange Offer Procedures."***

All questions as to the validity, form and eligibility (including time of receipt) of such withdrawal notices will be determined by the Issuer, in its sole discretion, whose determination shall be final and binding on all parties. Neither the Issuer, any affiliates or assigns of the Issuer, 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 Original 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 Original Notes tendered hereby, the signature(s) must correspond exactly with the name(s) as written on the face of the Certificate(s) or, in the case of book-entry securities, on the relevant security position listing, without alteration, enlargement or any change whatsoever.

If any of the Original 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 Original 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 manually signed 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 Issuer, 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 Original Notes listed and transmitted hereby, no endorsement(s) of Certificate(s) or separate bond power(s) are required unless New 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 Guarantor Institution.

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the Original 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 Issuer or the Trustee for the Original Notes may require in accordance with the restrictions on transfer applicable to the Original Notes. Signatures on such Certificates or bond powers must be guaranteed by an Eligible Guarantor Institution.

6. ***Special Issuance and Delivery Instructions.*** If New Notes are to be issued in the name of a person other than the signer of this Letter of Transmittal, or if New 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 Original 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 Issuer determines, 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 Original Notes, which determination shall be final and binding on all parties. The Issuer 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 Issuer, be unlawful. The Issuer 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 — Conditions"*** or any conditions or irregularity in any tender of Original Notes of any particular holder, and if the Issuer waives any conditions or irregularities with respect to a particular holder, the Issuer will waive such condition with respect to all holders. The Issuer'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 Original Notes will be deemed to have been validly made until all irregularities with respect to such tender have been cured or waived. Neither the Issuer, any affiliates or assigns of the Issuer, 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. ***28% Backup Withholding; Substitute Form W-9.*** Under U.S. Federal income tax law, a U.S. holder whose tendered Original Notes are accepted for exchange is required to provide the Exchange Agent with such U.S. 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 U.S. holder or other payee to a $50 penalty. In addition, payments to such U.S. holders or other payees with respect to Original Notes exchanged pursuant to the Exchange Offer may be subject to a 28% (in 2010) backup withholding.

The box in Part 2 of the Substitute Form W-9 may be checked if the tendering U.S. 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 U.S. 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 28% 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 U.S. 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 U.S. holder and no further amounts shall be retained or withheld from payments made to the U.S. holder thereafter. If, however, the U.S. 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, 28% of all payments made thereafter will be withheld and remitted to the IRS until a correct TIN is provided.

The U.S. 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 Original Notes or of the last transferee appearing on the transfers attached to, or endorsed on, the Original Notes. If the Original 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 U.S. holders (including, (1) an organization exempt from tax under Section 501(a), any IRA, or a custodial account under Section 403(b)(7) if the account satisfies the requirements of Section 401(f)(2); (2) the United States or any of its agencies or instrumentalities; (3) a state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities; (4) a foreign government or any of its political subdivisions, agencies or instrumentalities; (5) an international organization or any of its agencies or instrumentalities; (6) a corporation; (7) a foreign central bank of issue; (8) a dealer in securities or commodities required to register in the U.S., the District of Columbia or a possession of the U.S.; (9) a futures commission merchant registered with the Commodity Futures Trading Commission; (10) a REIT; (11) an entity registered at all times during the tax year under the Investment Company Act of 1940; (12) a common trust fund operated by a bank under Section 584(a); (13) a financial institution; (14) a middleman known in the investment community as a nominee or custodian; or (15) a trust exempt from tax under Section 664 or described in Section 4947) may not be subject to these backup withholding and reporting requirements. Such U.S. holders should nevertheless complete the attached Substitute Form W-9 below, and check the box "Exempt from backup withholding" provided on Substitute Form W-9, to avoid possible erroneous backup withholding. A foreign person may qualify as an exempt recipient by submitting a properly completed IRS Form W-8 BEN, signed under penalties of perjury, attesting to that U.S. holder's exempt status.

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 Original Notes has 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 Original Notes for exchange will not be obligated to pay any transfer taxes in connection therewith. If, however, New Notes are to be delivered to, or are to be issued in the name of, any person other than the registered holder of the Original Notes tendered, or if a transfer tax is imposed for any reason other than the exchange of Original 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 MANUALLY SIGNED FACSIMILE THEREOF) AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED BY THE EXCHANGE AGENT PRIOR TO 11:59 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

TO BE COMPLETED BY ALL TENDERING NOTEHOLDERS
(SEE INSTRUCTION 9)

PAYER'S NAME: U.S. Bank National Association

Name: _____

Business name, if different from above: _____

Check appropriate box: o Individual/sole proprietor o Corporation o Partnership o Other
o Exempt from backup withholding

Address (number, street and apt. or suite no.):

City, state and ZIP code:

List account number(s) here (optional): _____

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
	Certificate — under the penalties of perjury, I certify that: (1) the number 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) I am a U.S. person (including a U.S. resident alien).	
	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 , 2010	**Part 2 —** Awaiting TIN o

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY IN CERTAIN CIRCUMSTANCES RESULT IN BACKUP WITHHOLDING OF 28% (in 2010) 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.

NOTE: YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 2 OF SUBSTITUTE FORM W-9.

CERTIFICATION 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 Administrative 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, 28% of all payments made to me on account of the New 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 28% 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:, 2010

Offer to Exchange
12% Senior Secured Notes due 2017,
which are not registered under the Securities Act of 1933,
for any and all outstanding
12% Senior Secured Notes due 2017,
which have been registered under the Securities Act of 1933,
of
BEAZER HOMES USA, INC.

THE EXCHANGE OFFER WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON MARCH 9, 2010, UNLESS EXTENDED (THE "EXPIRATION DATE"). ORIGINAL NOTES TENDERED IN THE EXCHANGE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO 11:59 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

To Our Clients:

We are enclosing herewith a Prospectus, dated , 2010 (the "Prospectus"), of Beazer Homes USA, Inc., a Delaware corporation (the "Issuer"), and the related Letter of Transmittal (which, together with the Prospectus, constitute the "Exchange Offer") relating to the offer by the Issuer to exchange its 12% Senior Secured Notes due 2017, which have been registered under the Securities Act of 1933 (the "New Notes"), for a like principal amount of its issued and outstanding 12% Senior Secured Notes due 2017, which are not registered under the Securities Act of 1933 (the "Original Notes"), upon the terms and subject to the conditions set forth in the Exchange Offer.

The Exchange Offer is not conditioned upon any minimum number of Original Notes being tendered.

We are the holder of record of Original Notes held by us for your own account. A tender of such Original Notes can be made only by us as the record holder and pursuant to your instructions. The Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender Original Notes held by us for your account.

We request instructions as to whether you wish to tender any or all of the Original Notes held by us for your account pursuant to the terms and conditions of the Exchange Offer. We also request that you confirm that we may on your behalf make the representations contained in the Letter of Transmittal.

Pursuant to the Letter of Transmittal, each holder of Original Notes will represent to the Issuer that (i) any New Notes acquired pursuant to the Exchange Offer are being obtained in the ordinary course of its business, (ii) the holder has no arrangement or understanding with any person to participate in a distribution (within the meaning of the Securities Act of 1933) of New Notes to be received in the Exchange Offer in violation of the provisions of the Securities Act of 1933, (iii) the holder is not an "affiliate" (as defined in Rule 405 under the Securities Act of 1933) of the Issuer or any of its subsidiaries, or, if the holder is an affiliate, the holder will comply with the registration and prospectus delivery requirements of the Securities Act of 1933 to the extent applicable, (iv) if the holder is not a Broker-Dealer, the holder is not engaged in, and does not intend to engage in, a distribution (within the meaning of the Securities Act of 1933) of such New Notes and (v) if the holder is a Broker-Dealer that received New Notes for its own account in the Exchange Offer, where such Original Notes were acquired by such Broker-Dealer as a result of market-making activities or other trading activities, such Broker-Dealer will deliver a Prospectus in connection with any resale of such New Notes (by so acknowledging and delivering a prospectus meeting the requirements of the Securities Act of 1933 in connection with any resale of such New Notes, the holder is not deemed to admit that it is an "underwriter" within the meaning of the Securities Act of 1933).

Instructions with Respect to the Exchange Offer

The undersigned hereby acknowledges receipt of the Prospectus and the accompanying Letter of Transmittal relating to the exchange of the Issuer's 12% Senior Secured Notes due 2017, which have been registered under the Securities Act of 1933 (the "New Notes"), for a like principal amount of issued and outstanding 12% Senior Secured Notes due 2017 (the "Original Notes"), upon the terms and subject to the conditions set forth in the Exchange Offer.

This will instruct you, the registered holder and/or book-entry transfer facility participant, as to the action to be taken by you relating to the Exchange Offer with respect to the Original Notes held by you for the account of the undersigned.

The aggregate face amount of the Original Notes held by you for the account of the undersigned is **(fill in an amount)**:

$ of the 12% Senior Secured Notes due 2017

With respect to the Exchange Offer, the undersigned hereby instructs you **(check appropriate box)**:

o To tender the following Original Notes held by you for the account of the undersigned **(insert amount of Original Notes to be tendered (if any))**:

$ of the 12% Senior Secured Notes due 2017

o Not to tender any Original Notes held by you for the account of the undersigned.

If the undersigned instructs you to tender the Original Notes held by you for the account of the undersigned, it is understood that you are authorized to make, on behalf of the undersigned (and the undersigned, by its signature below, hereby makes to you), the representations and warranties contained in the Letter of Transmittal that are to be made with respect to the undersigned as a beneficial owner, including but not limited to the representations, that (i) any New Notes acquired pursuant to the Exchange Offer are being obtained in the ordinary course of its business, (ii) the undersigned has no arrangement or understanding with any person to participate in a distribution (within the meaning of the Securities Act of 1933) of New Notes to be received in the Exchange Offer in violation of the provisions of the Security Act of 1933, (iii) the undersigned is not an "affiliate" (as defined in Rule 405 under the Securities Act of 1933) of the Issuer or any of its subsidiaries, or, if the undersigned is an affiliate, the undersigned will comply with the registration and prospectus delivery requirements of the Securities Act of 1933 to the extent applicable, (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 1933) of such New Notes and (v) if the undersigned is a Broker-Dealer that received New Notes for its own account in the Exchange Offer, where such Original Notes were acquired by such Broker-Dealer as a result of market-making activities or other trading activities, such Broker-Dealer will deliver a Prospectus in connection with any resale of such New Notes (by so acknowledging and delivering a prospectus meeting the requirements of the Securities Act of 1933 in connection with any resale of such New Notes, the undersigned is not deemed to admit that it is an "underwriter" within the meaning of the Securities Act of 1933).

Name of beneficial owner(s): _____

Signature(s): _____

Name(s) (please print): _____

Address: _____

Telephone Number: _____

Taxpayer Identification or Social Security Number: _____

Date: _____

Offer to Exchange
12% Senior Secured Notes due 2017,
which are not registered under the Securities Act of 1933,
for any and all outstanding
12% Senior Secured Notes due 2017,
which have been registered under the Securities Act of 1933,
of
BEAZER HOMES USA, INC.

THE EXCHANGE OFFER WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON MARCH 9, 2010, UNLESS EXTENDED (THE "EXPIRATION DATE"). ORIGINAL NOTES TENDERED IN THE EXCHANGE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO 11:59 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

To Registered Holders and The Depository Trust Company Participants:

We are enclosing herewith the materials listed below relating to the offer by Beazer Homes USA, Inc., a Delaware corporation (the "Issuer"), to exchange its 12% Senior Secured Notes due 2017, which have been registered under the Securities Act of 1933 (the "New Notes"), for a like principal amount of its issued and outstanding 12% Senior Secured Notes due 2017, which are not registered under the Securities Act of 1933 (the "Original Notes"), upon the terms and subject to the conditions set forth in the Issuer's Prospectus, dated , 2010 (the "Prospectus") and the related Letter of Transmittal (which, together with the Prospectus constitute the "Exchange Offer").

Enclosed herewith are copies of the following documents:

1. Prospectus;

2. Letter of Transmittal;

3. Notice of Guaranteed Delivery; and

4. Letter which may be sent to your clients for whose account you hold Original Notes in your name or in the name of your nominee, with space provided for obtaining such client's instruction with regard to the Exchange Offer.

We urge you to contact your clients promptly. Please note that the Exchange Offer will expire at 11:59 p.m., New York City time, on the Expiration Date unless extended.

The Exchange Offer is not conditioned upon any minimum number of Original Notes being tendered.

The Issuer will not pay any fee or commissions to any broker or dealer or to any other persons (other than the Exchange Agent) in connection with the solicitation of tenders of Original Notes pursuant to the Exchange Offer. The Company will pay or cause to be paid any transfer taxes payable on the transfer of Original Notes to it, except as otherwise provided in Instruction 11 of the enclosed Letter of Transmittal.

Additional copies of the enclosed material may be obtained from the Exchange Agent.

NOTICE OF GUARANTEED DELIVERY

Offer to Exchange
12% Senior Secured Notes due 2017,
which are not registered under the Securities Act of 1933,
for any and all outstanding
12% Senior Secured Notes due 2017,
which have been registered under the Securities Act of 1933,
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 Issuer's (as defined below) 12% Senior Secured Notes due 2017 (the "Original Notes") are not immediately available, (ii) Original Notes, the Letter of Transmittal or any other required documents cannot be delivered to U.S. Bank National Association (the "Exchange Agent") prior to 11:59 p.m., New York City time, on the Expiration Date (as defined below) or (iii) the procedures for delivery by book-entry transfer cannot be completed prior to 11:59 p.m., New York City time, on the Expiration Date (as defined below). 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 — Guaranteed Delivery Procedures" in the Prospectus (as defined below).

THE EXCHANGE OFFER WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON MARCH 9, 2010 UNLESS EXTENDED (THE "EXPIRATION DATE"). ORIGINAL NOTES TENDERED IN THE EXCHANGE OFFER MAY BE WITHDRAWN AT ANY TIME PRIOR TO 11:59 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

The Exchange Agent for the Exchange Offer is

U.S. Bank National Association

By Mail, Overnight Courier or Hand Delivery:

U.S. Bank National Association
60 Livingston Avenue
EP-MN-WS2N
St. Paul, MN 55107
Attention: Specialized Finance Department
Reference: Beazer Homes USA, Inc. Exchange

By Facsimile:

(651) 495-8158
Attention: Specialized Finance Department
Confirm by Telephone:
(800) 934-6802
Reference: Beazer Homes USA, Inc. Exchange

To confirm by telephone or for information:

(800) 934-6802
Reference: Beazer Homes USA, Inc. Exchange

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 OR OTHERWISE THAN AS PROVIDED 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 GUARANTOR 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 NEXT PAGE MUST BE COMPLETED.

Ladies and Gentlemen:

The undersigned hereby tenders to Beazer Homes USA, Inc., a Delaware corporation (the "Issuer"), upon the terms and subject to the conditions set forth in the Prospectus, dated , 2010 (as the same may be amended or supplemented from time to time, the "Prospectus"), and the related Letter of Transmittal (which, together with the Prospectus, constitute the "Exchange Offer"), receipt of which is hereby acknowledged, the aggregate principal amount of Original Notes set forth below pursuant to the guaranteed delivery procedures set forth in the Prospectus under the caption ***"The Exchange Offer — Guaranteed Delivery Procedures."*** All authority herein conferred or agreed to be conferred by this Notice of Guaranteed Delivery shall survive the death or incapacity of the undersigned, and every obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned.

12% Senior Secured Notes due 2017

Aggregate Principal Amount Tendered:*

Certificate No.(s) (if available):

Name(s) of Registered Holder(s):

Address(es):

If Original Notes will be tendered by book-entry transfer, provide the following information:

DTC Account Number:

Area Code and Telephone Number:

Signatures:

* Original Notes may be tendered in whole or in part in denominations of $1,000 and integral multiples thereof. Unless otherwise indicated here, a holder will be deemed to have tendered ALL of the Original Notes held by such holder.

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 Guarantor Institution"), hereby guarantees to deliver to the Exchange Agent, at one of its addresses set forth above, either the Original Notes tendered hereby in proper form for transfer, or confirmation of the book-entry transfer of such Original 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 of Transmittal (or manually signed facsimile thereof), or an Agent's Message in the case of a book-entry delivery, 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 of Transmittal and the Original 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: _____

Area Code and Telephone Number: _____

_____
(Authorized Signature)

Title: _____

Name: _____
(Please type or print)

Date: _____

NOTE: DO NOT SEND ORIGINAL NOTES WITH THIS NOTICE OF GUARANTEED DELIVERY. ACTUAL SURRENDER OF ORIGINAL 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 11:59 p.m., New York City time, on 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 Original Notes, the signature must correspond with the name(s) written on the face of the Original 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 Original Notes, the signature must correspond with the name shown on the security position listing as the owner of the Original Notes.

If this Notice of Guaranteed Delivery is signed by a person other than the registered holder(s) of any Original 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 Original Notes or signed as the name of the participant shown on the Book-Entry Transfer Facility's security position listing.

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.

NOTE: DO NOT SEND ORIGINAL NOTES WITH THIS NOTICE OF GUARANTEED DELIVERY. ACTUAL SURRENDER OF ORIGINAL NOTES MUST BE MADE PURSUANT TO, AND BE ACCOMPANIED BY, A PROPERLY COMPLETED AND DULY EXECUTED LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS.