BEAZER HOMES USA INC
Form S-3
August 04, 2004

QuickLinks -- Click here to rapidly navigate through this document

As Filed with the Securities and Exchange Commission on August 4, 2004

Registration No. 333-

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

FORM S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

BEAZER HOMES USA, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	**58-2086934** (I.R.S. Employer Identification Number)

1000 Abernathy Road, Suite 1200
Atlanta, GA 30328
(770) 829-3700

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

SEE TABLE OF ADDITIONAL REGISTRANTS

JAMES O'LEARY
Executive Vice President and
Chief Financial Officer
1000 Abernathy Road, Suite 1200
Atlanta, GA 30328
(770) 829-3700

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:
WILLIAM F. SCHWITTER, ESQ.
MICHAEL K. CHERNICK, ESQ.
Paul, Hastings, Janofsky & Walker LLP
75 East 55th Street
New York, New York 10022
(212) 318-6000

Approximate date of commencement of proposed sale to the public:
From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. o

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. ý

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(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier registration statement for the same offering. o

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. o

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per Security(1)	Proposed maximum aggregate offering price	Amount of registration fee
4 5/8% Convertible Senior Notes due 2024	$180,000,000	100%	$180,000,000	$22,806
Guarantees(2)				
Common Stock(3)(4)	1,166,400			
Preferred Stock Purchase Rights(3)(5)	1,166,400			

(1) Determined pursuant to Rule 457(i) under the Securities Act solely for purposes of calculating the registration fee.

(2) The 4 5/8% Convertible Senior Notes due 2024 (the "Notes") are guaranteed by the Additional Registrants on a senior basis. No separate consideration will be paid in respect of the guarantees. Pursuant to Rule 457(n) under the Securities Act, no filing fee is required.

(3) This number represents the number of shares of common stock that are initially issuable upon conversion of the Notes registered hereby. For purposes of estimating the number of shares of common stock to be included in the registration statement upon the conversion of the Notes, we calculated the number of shares issuable upon conversion of the Notes based on a conversion rate of 6.48 shares per $1,000 principal amount of the Notes (the initial conversion rate of the Notes). In addition to the shares set forth in the table, pursuant to Rule 416 of the Securities Act of 1933, as amended, this registration statement also shall cover any additional shares of common stock which become issuable in connection with the shares registered for sale hereby by reason of any stock dividend, stock split, recapitalization or similar antidilution provisions contained in the Notes.

(4) No additional consideration will be received for the common stock, and therefore, no registration fee is required pursuant to Rule 457(i).

(5) Rights are attached to and trade with the common stock of the Registrant. No additional consideration will be received for the common stock, and therefore, no registration fee is required pursuant to Rule 457(i).

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date, as the Commission, acting pursuant to said Section 8(a), may determine.

BEAZER HOMES USA, INC.

TABLE OF ADDITIONAL REGISTRANTS

NAME	STATE OF INCORPORATION/ FORMATION	PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER	IRS EMPLOYER IDENTIFICATION NO.
Beazer Homes Corp.	TN	1531	62-0880780
Beazer/Squires Realty, Inc.	NC	1531	56-1807308
Beazer Homes Sales Arizona Inc.	DE	1531	86-0728694
Beazer Realty Corp.	GA	1531	58-1200012
Beazer Mortgage Corporation	DE	1531	58-2203537
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 Investment Corp.	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
Crossmann Communities of North Carolina, Inc.	NC	1531	35-2047531
Crossmann Communities of Ohio, Inc.	OH	1531	31-1390649
Crossmann Communities of Tennessee, LLC	TN	1531	62-1713158
Crossmann Communities Partnership	IN	1531	35-1901790
Crossmann Investments, Inc.	IN	1531	35-2021870
Crossmann Management Inc.	IN	1531	35-2021871
Crossmann Mortgage Corp.	IN	1531	35-1898927
Cutter Homes Ltd.	KY	1531	61-0915273
Deluxe Homes of Lafayette, Inc.	IN	1531	35-1683706
Deluxe Homes of Ohio, Inc.	OH	1531	35-2109586
Beazer Realty, Inc. (formerly Merit Realty, Inc.)	IN	1531	35-1679596
Paragon Title, LLC	IN	1531	35-2111763
Pinehurst Builders LLC	SC	1531	56-2097374
Trinity Homes LLC	IN	1531	35-2027321

The address, including zip code and telephone number, including area code, of the principal offices of the additional registrants listed above is: 1000 Abernathy Road, Suite 1200, Atlanta, GA 30328 and the telephone number at that address is (770) 829-3700.

(1) Does not have any employees.

The information in this prospectus is not complete and may be changed. The selling securityholders may not sell these securities or accept any offer to buy 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 jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, dated August 4, 2004

PROSPECTUS

$180,000,000
Beazer Homes USA, Inc.

$4^{5}/_{8}$% Convertible Senior Notes due 2024 and Common Stock Issuable Upon Conversion of the Notes

We issued the notes in a private placement in June 2004. Selling securityholders identified in this prospectus may use this prospectus to resell from time to time up to $180,000,000 aggregate principal amount of notes and the related guarantees and to resell shares of our common stock received by those selling securityholders upon conversion of the notes. The notes, the related guarantees and those shares of our common stock may be offered in negotiated transactions or otherwise, at market prices prevailing at the time of sale or at negotiated prices. The notes are not listed on any securities exchange. The common stock is listed on the New York Stock Exchange under the symbol "BZH." On August 3, 2004 the last reported sale price of the common stock on the New York Stock Exchange was $94.76 per share.

The notes bear interest at the rate of $4^{5}/_{8}$% per year. Interest on the notes is payable on June 15 and December 15 of each year, beginning on December 15, 2004. Beginning with the six-month interest period commencing on June 15, 2009, we will pay contingent interest during a six-month interest period if the average trading price of a note is above a specified level during a specified period prior to such six-month interest period as described in this prospectus.

The notes are convertible by holders into shares of our common stock at an initial conversion rate of 6.48 shares of our common stock per $1,000 principal amount of notes (subject to adjustment in certain events), which is equal to an initial conversion price of $154.32 per share, under the following circumstances: (1) during any calendar quarter, if the price of our common stock issuable upon conversion reaches specified thresholds during the previous calendar quarter as described in this prospectus, (2) subject to certain limitations, during the five business day period after any five consecutive trading day period in which the trading price per note for each day of that period was less than 98% of the product of the last reported sales price of our common stock and the conversion rate of the notes for each such day, (3) if we call the notes for redemption, (4) upon the occurrence of specified corporate transactions described in this prospectus or (5) during any period in which the credit ratings assigned to the notes are below the levels described in this prospectus.

The notes will mature on June 15, 2024. We may redeem some or all of the notes at any time on or after June 15, 2009 at the redemption prices described in this prospectus.

The notes are unsecured and rank equally with all of our existing and future unsecured indebtedness that is not, by its terms, expressly subordinated to the notes. The notes are guaranteed on an unsecured unsubordinated basis by each of our subsidiaries that guarantees our indebtedness under our credit facility and our outstanding senior notes. The guarantees rank equally with all of the subsidiary guarantors' existing and future unsecured indebtedness that is not, by its terms, expressly subordinated to the guarantees. Holders have the right to require us to purchase the notes at a purchase price equal to 100% of the principal amount of the notes plus accrued and unpaid interest, including contingent interest and additional amounts, if any, on June 15, 2011, June 15, 2014 and June 15, 2019 or upon a fundamental change as described in this prospectus.

Investing in the notes involves risks. See "Risk Factors" beginning on page 9.

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.

, 2004

TABLE OF CONTENTS

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

We have "incorporated by reference" into this prospectus information we file with the SEC, which means we are disclosing important information to you by referring you to those documents. The information we incorporate by reference is considered to be part of this prospectus, unless we update or supersede that information by the information contained in this prospectus or the information we file subsequently that is incorporated by reference into this prospectus. We are incorporating by reference the following documents that we have filed with the SEC:

- our Annual Report on Form 10-K for the fiscal year ended September 30, 2003;
- our Quarterly Reports on Form 10-Q for the quarters ended December 31, 2003, March 31, 2004 and June 30, 2004; and
- The description of Beazer Homes USA, Inc.'s capital stock contained in the its Registration Statements on Form 8-A under Section 12 of the Exchange Act, filed on January 28, 1994 and June 21, 1996, respectively, including any amendment or report filed for the purpose of updating those descriptions.

We also incorporate by reference any future filings made with the SEC (excluding those filings made under items 9 or 12 of Form 8-K) under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 before termination of this offering.

We will provide each person to whom a copy of this prospectus is delivered a copy of any or all of the information that has been incorporated by reference in this prospectus, but not delivered in this prospectus. We will provide this information by first class mail at no cost upon written or oral request addressed to Investor Relations, Beazer Homes USA, Inc., 1000 Abernathy Road, Suite 1200, Atlanta, GA 30328; telephone number (770) 829-3700.

PROSPECTUS SUMMARY

This summary highlights selected information from this prospectus. The following summary information is qualified in its entirety by the information contained elsewhere or incorporated by reference in this prospectus. This summary is not complete and may not contain all of the information that you should consider before investing in the notes, the guarantees or our common stock. You should read the entire prospectus carefully, including the "Risk Factors" section beginning on page 9 of this prospectus and the financial statements and notes to these statements contained or incorporated by reference in this prospectus. Unless the context requires otherwise, all references to "we," "us," "our" and "Beazer Homes" refer to Beazer Homes USA, Inc. and its subsidiaries.

Our Company

We design, sell and build single family homes in the Southeastern, Western, Central, Mid-Atlantic and Midwestern regions of the United States and are one of the ten largest builders of single family homes in the nation based on home closings. Our Southeastern region includes Florida, Georgia, Mississippi, North Carolina, South Carolina and Tennessee, our Western region includes Arizona, California, Colorado and Nevada, our Central region includes Texas, our Mid-Atlantic region includes Delaware, Maryland, New Jersey, Pennsylvania, Virginia and West Virginia and our Midwestern region includes Indiana, Kentucky and Ohio.

We design our homes to appeal primarily to entry-level and first time move-up homebuyers. Our objective is to provide our customers with homes that incorporate quality and value while seeking to maximize our return on invested capital. To achieve this objective, we have developed a business strategy which focuses on the following elements.

Geographic Diversity and Growth Markets

We compete in a large number of geographically diverse markets in an attempt to reduce our exposure to any particular regional economy. Most of the markets in which we operate have experienced significant population growth in recent years. Within these markets, we build homes in a variety of projects, typically with fewer than 150 homesites.

Quality Homes for Entry-Level and First Time Move-Up Homebuyers

We seek to maximize customer satisfaction by offering homes which incorporate quality materials, distinctive design features, convenient locations and competitive prices. We focus on entry-level and first time move-up homebuyers because we believe they represent the largest segment of the homebuilding market. During the fiscal quarter ended June 30, 2004, the average sales price of our homes sold was approximately $244,200.

Additional Products and Services for Homebuyers

In order to maximize our profitability and provide our homebuyers with the additional products and services that they desire, we have incorporated design centers and mortgage origination operations into our business. Recognizing that homebuyers want to choose certain components of their new home, we offer limited customization through the use of design centers in most of our markets. These design centers allow the homebuyer to select certain non-structural customizations for their homes such as cabinetry, flooring, fixtures, appliances and wallcoverings. Additionally, recognizing the homebuyer's desire to simplify the financing process, we originate mortgages on behalf of our customers through our subsidiaries Beazer Mortgage Corporation, or Beazer Mortgage, and Crossmann Mortgage Corp., or Crossmann Mortgage. Beazer Mortgage and Crossmann Mortgage originate, process and broker mortgages to third party investors. Beazer Mortgage and Crossmann Mortgage generally do not retain or service the mortgages that they broker. We also provide title services to our homebuyers in many of our markets.

Decentralized Operations with Experienced Management

We believe our in-depth knowledge of our local markets enables us to better serve our customers. Our local managers, who have significant experience in both the homebuilding industry and the markets they serve, are responsible for operating decisions regarding design, construction and marketing. We combine these decentralized operations with a centralized corporate-level management which controls decisions regarding overall strategy, land acquisitions and financial matters.

Conservative Land Policies

We seek to maximize our return on capital by limiting our investment in land and by focusing on inventory turnover. To implement this strategy and to reduce the risks associated with investments in land, we use options to control land whenever possible. In addition, we do not speculate in land which is not generally subject to entitlements providing basic development rights to the owner.

Value Created

We evaluate our financial performance and the financial performance of our operations using ***Value Created***, a variation of economic profit or economic value added. ***Value Created*** measures the extent to which we exceed our cost of capital. It is calculated as earnings before interest and taxes, or EBIT, less a charge for all of the capital employed multiplied by our estimate of our minimum weighted average cost of capital.

SUMMARY OF THE NOTES

For a more complete description of the terms of the notes and the common stock issuable upon conversion of the notes, see "Description of the Notes" and "Description of Capital Stock."

Issuer	Beazer Homes USA, Inc.
Notes Offered	$180.0 million aggregate principal amount of $4^5/_8$% Convertible Senior Notes due 2024.
Maturity	June 15, 2024.
Interest	$4^5/_8$% per year on the principal amount, payable semiannually in arrears on each June 15 and December 15, beginning on December 15, 2004. We will also pay contingent interest and additional amounts on the notes under the circumstances described in this prospectus.
Guarantees	The notes are guaranteed by all of our subsidiaries (other than certain of our title and warranty subsidiaries) that are significant. The guarantees are unsecured obligations of the subsidiary guarantors ranking equally in right of payment with all of their existing and future unsecured indebtedness that is not, by its terms, expressly subordinated in right of payment to the guarantees.
Ranking	The notes are unsecured and rank equally in right of payment with all of our existing and future unsecured indebtedness that is not, by its terms, expressly subordinated in right of payment to the notes.

	At June 30, 2004, we and the subsidiary guarantors had approximately $1,124.1 million of outstanding indebtedness, substantially all of which was unsecured unsubordinated indebtedness ranking equally in right of payment with the notes and related subsidiary guarantees, and approximately $317.8 million of available borrowings under our revolving credit facility.
Contingent Interest	We will make additional payments of interest, referred to in this prospectus as "contingent interest," during any six-month period from June 15 to December 14 or from December 15 to June 14 commencing on or after June 15, 2009 for which the average trading price of the notes for the applicable five trading day reference period equals or exceeds 120% of the principal amount of the notes as of the day immediately preceding the first day of the applicable six-month interest period. The amount of contingent interest payable per note in respect of any six-month interest period will be equal to 0.25% of the average trading price of a note for the applicable five trading day reference period. The five trading day reference period means the five trading days ending on the second trading day immediately preceding the relevant six-month interest period. For more information about contingent interest, see "Description of the Notes Contingent Interest."
Conversion Rights	Holders may convert their notes into shares of our common stock under any of the following circumstances:

(1) during any calendar quarter (and only during such calendar quarter) if the last reported sale price of our common stock for at least 20 trading days during the period of 30 consecutive trading days ending on the last trading day of the previous calendar quarter is greater than or equal to 120% of the conversion price on such last trading day, or

(2) subject to certain limitations, during the five consecutive trading days after any five consecutive trading days in which the trading price per $1,000 principal amount of notes for each day of that period is less than 98% of the product of the last reported sale price of our common stock and the conversion rate of the notes on each such day, provided that if the price of our common stock issuable upon conversion is between 100% and 120% of the conversion price, holders will be entitled to receive upon conversion only the value of the principal amount of the notes converted plus accrued and unpaid interest, including contingent interest and additional amounts owed, if any, or

(3) if the notes have been called for redemption, or

	(4) upon the occurrence of specified corporate transactions described under "Description of the Notes Conversion Rights Conversion upon Specified Corporate Transactions," or (5) during any period in which the credit rating assigned to the notes by either Moody's or S&P is lower than B1 or B+, respectively, or the notes are no longer rated by at least one of these rating services or their successors.
	For each $1,000 principal amount of notes surrendered for conversion, you will receive 6.48 shares of our common stock. This represents an initial conversion price of $154.32 per share of common stock. As described in this prospectus, the conversion rate may be adjusted for certain reasons, but it will not be adjusted for accrued and unpaid interest. Except as otherwise described in this prospectus, you will not receive any payment representing accrued and unpaid interest upon conversion of a note; however, we will continue to pay additional amounts, if any, on the notes and the common stock issued upon conversion thereof to the holder in accordance with the registration rights agreement. Notes called for redemption may be surrendered for conversion prior to the close of business on the second business day immediately preceding the redemption date.
Optional Redemption	Prior to June 15, 2009 the notes will not be redeemable. On or after June 15, 2009, we may redeem for cash all or part of the notes at any time, upon not less than 30 nor more than 60 days' notice before the redemption date by mail to the trustee under the indenture under which the notes will be issued, the paying agent and each holder of notes, at the redemption prices described in this prospectus, plus accrued and unpaid interest, including contingent interest and additional amounts owed, if any, to the redemption date. See "Description of the Notes Optional Redemption."
Purchase of Notes by Us at the Option of the Holders	Holders have the right to require us to purchase all or any portion of the 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 notes to be purchased plus any accrued and unpaid interest, including contingent interest, if any, and any additional amounts owed, if any, to such purchase date. See "Description of the Notes Purchase of Notes by Us at the Option of the Holder."

Fundamental Change	If we undergo a Fundamental Change (as defined under "Description of the Notes Fundamental Change Requires Purchase of Notes by Us at the Option of the Holder") at any time prior to the maturity of the notes, holders will have the right, at their option, to require us to purchase for cash all of their notes or any portion of the principal amount thereof that is equal to $1,000 or an integral multiple of $1,000. The cash price we are required to pay is equal to 100% of the principal amount of the notes to be purchased plus accrued and unpaid interest, including contingent interest, if any, and additional amounts owed, if any, to the Fundamental Change purchase date. See "Description of the Notes Fundamental Change Requires Purchase of Notes by Us at the Option of the Holder."
Limitations on Mergers and Consolidations	The notes were issued under an indenture that restricts our ability, with certain exceptions, to merge, consolidate or transfer substantially all of our assets. The indenture governing the notes does not contain any provisions that limit our ability to incur indebtedness, pay dividends, issue or repurchase any of our other securities, grant liens or otherwise restrict our and our subsidiaries' activities.
Registration Rights	We have filed with the SEC a shelf registration statement, of which this prospectus is a part, for the resale of the notes and the related guarantees and the resale of shares of our common stock received upon conversion of the notes. We have agreed to keep the shelf registration statement effective until such time as specified in "Registration Rights." Additional amounts are payable on the notes and our common stock, as the case may be, during any period in which we are not in compliance with our obligations as specified in "Registration Rights."
Use of Proceeds	We will not receive any proceeds from the resale of the notes or the shares of our common stock which are issuable upon conversion of the notes. We received net proceeds from the initial sale of the notes of approximately $174.1 million, after deducting the initial purchasers' discounts and commissions and estimated offering expenses payable by us. We will use the net proceeds from the initial sale of the notes for general corporate purposes, including land acquisition and share repurchases from time to time under our previously announced repurchase program.
Trustee, Paying Agent and Conversion Agent	SunTrust Bank.
Risk Factors	You should consider carefully all of the information set forth in this prospectus and, in particular, you should evaluate the specific factors set forth under "Risk Factors," beginning on page 9, before deciding whether to invest in the notes, the guarantees and the common stock.

U.S. Federal Income Tax Considerations	We and each initial purchaser agreed in the indenture to treat the notes as contingent payment debt instruments for U.S. federal income tax purposes. As a holder of notes, you will agree to accrue original issue discount on a constant yield to maturity basis at a rate comparable to the rate at which we would borrow in a noncontingent, nonconvertible borrowing, 7.32% compounded semiannually, even though the notes will have a significantly lower stated yield to maturity. You will recognize taxable income in each year significantly in excess of interest payments (whether fixed or contingent) actually received that year. Additionally, you will generally be required to recognize ordinary income on the gain, if any, realized on a sale, exchange, conversion or redemption of the notes. In the case of a conversion, this gain will be measured by the fair market value of the stock received. A summary of the United States federal income tax consequences of ownership of the notes and our common stock is described in this prospectus under the heading "Material United States Federal Income Tax Considerations." Holders should consult their tax advisors as to the United States federal, state, local or other tax consequences of acquiring, owning and disposing of the notes and our common stock.
Governing Law	The indenture, the notes and the guarantees are governed by, and construed in accordance with, the laws of the State of New York.
Book-Entry Form	The notes are issued in book-entry form and are represented by permanent global certificates deposited with, or on behalf of, The Depository Trust Company ("DTC") and registered in the name of a nominee of DTC. Beneficial interests in any of the notes are shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except in limited circumstances.
Trading	The notes are not listed on any securities exchange or included in any automated quotation system. It is possible that an active trading market for the notes may not develop which may adversely affect the market price and liquidity of the notes. Our common stock is listed on the New York Stock Exchange under the symbol "BZH."

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

Our summary historical consolidated financial data set forth below as of and for each of the three years ended September 30, 2001, 2002 and 2003 are derived from our audited consolidated financial statements. Our summary historical consolidated financial data set forth below as of and for the nine months ended June 30, 2003 and 2004 are derived from our unaudited consolidated financial statements. 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, 2003 and our quarterly reports on Form 10-Q for the quarters ended December 31, 2003, March 31, 2004 and June 30, 2004, as well as the sections of our annual report on Form 10-K and our quarterly reports on Form 10-Q incorporated herein by reference entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	Fiscal Year Ended September 30,			Nine Months Ended June 30,	
	2001	2002	2003	2003	2004
	($ in thousands)				
Statement of Operations Data:					
Total revenue	$ 1,805,177	$ 2,641,173	$ 3,177,408	$ 2,137,485	$ 2,695,968
Operating income	121,027	193,174	279,155	186,521	249,734
Net income	74,876	122,634	172,745	115,581	155,724
Operating Data:					
Number of new orders, net of cancellations(1)	10,039	13,610	16,316	12,454	13,205
Backlog at end of period(2)	3,977	6,519	7,426	8,578	9,278
Number of closings(3)	9,059	13,603	15,409	10,395	11,353
Average sales price per home closed	$ 195.3	$ 190.8	$ 201.3	$ 201.0	$ 232.1
Balance Sheet Data (end of period):					
Inventory	$ 844,737	$ 1,364,133	$ 1,723,483	$ 1,654,336	$ 2,352,869
Total assets	995,289	1,892,847	2,212,034	2,040,773	2,976,031
Total debt	395,238	739,100	741,365	741,104	1,124,067
Stockholders' equity	351,195	799,515	993,695	925,966	1,137,683
Supplemental Financial Data:					
Cash provided by (used in):					
Operating activities	$ (25,578)	$ 59,464	$ (41,049)	$ (98,413)	$ (215,839)
Investing activities	(72,835)	(314,633)	(6,552)	(4,252)	(9,745)
Financing activities	140,091	338,480	(4,016)	(6,968)	351,839
EBIT(4)	155,983	245,060	340,980	229,193	301,468
EBITDA(4)	165,236	254,513	354,200	238,790	313,568
Interest incurred(5)	35,825	51,171	65,295	49,618	54,872
EBIT/Interest incurred(4)(5)	4.35x	4.79x	5.22x	4.62x	5.49x
EBITDA/Interest incurred(4)(5)	4.61x	4.97x	5.42x	4.81x	5.71x
Ratio of earnings to fixed charges(6)	4.13x	4.56x	4.99x	4.41x	5.23x

(1) New orders do not include homes in backlog from acquired operations.

(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 recognized at the date of closing.

7

(4)

EBIT and EBITDA: EBIT (earnings before interest and taxes) equals net income before (a) previously capitalized interest amortized to costs and expense and (b) income taxes. EBITDA (earnings before interest, taxes, depreciation and amortization) is calculated by adding depreciation and amortization for the period to EBIT. EBIT and EBITDA are not generally accepted accounting principles (GAAP) financial measures. EBIT and EBITDA should not be considered alternatives to net income determined in accordance with GAAP as an indicator of operating performance, nor an alternative to cash flows from operating activities determined in accordance with GAAP as a measure of liquidity. Because some analysts and companies may not calculate EBIT and EBITDA in the same manner as Beazer Homes, the EBIT and EBITDA information presented above may not be comparable to similar presentations by others.

EBITDA is a measure commonly used in the homebuilding industry and is presented to assist in understanding the ability of our operations to generate cash in addition to the cash needed to service existing interest requirements and ongoing tax obligations. By providing a measure of available cash, management believes that this non-GAAP measure enables holders of our outstanding senior indebtedness to better understand our cash performance and our ability to service our debt obligations as they currently exist and as additional indebtedness is incurred in the future. The measure is useful in budgeting and determining capital expenditure levels because it enables management to evaluate the amount of cash that will be available for discretionary spending.

A reconciliation of EBITDA and EBIT to cash provided/(used) by operations, the most directly comparable GAAP measure, is provided below for each period presented (in thousands):

	Fiscal Year Ended September 30,			Nine Months Ended June 30,	
	2001	2002	2003	2003	2004
Net cash provided/(used) by operating activities	$ (25,578)	$ 59,464	$ (41,049)	$ (98,413)	$ (215,839)
Increase in inventory	153,668	152,990	328,893	266,903	442,822
Provision for income taxes	47,872	79,425	112,784	75,463	99,561
Interest amortized to cost of sales	33,235	43,001	55,451	38,149	46,183
(Increase)/decrease in accounts payable and other liabilities	(38,721)	(71,781)	(96,224)	3,849	(63,609)
Change in book overdraft	(20,095)				
Increase/(decrease) in accounts receivable and other assets	16,837	(2,010)	14,702	(30,157)	5,729
Loss on extinguishment of debt	(1,202)		(7,570)	(7,570)	
Tax benefit from stock transactions	(3,837)	(12,235)	(11,502)	(7,441)	
Other	3,057	5,659	(1,285)	(1,993)	(1,279)
EBITDA	165,236	254,513	354,200	238,790	313,568
Less depreciation and amortization	9,253	9,453	13,220	9,597	12,100
EBIT	$ 155,983	$ 245,060	$ 340,980	$ 229,193	$ 301,468

(5)

All interest incurred is capitalized to inventory and subsequently amortized to cost of sales as homes are closed.

(6)

Computed by dividing earnings by fixed charges. "Earnings" consist of (i) income from operations before income taxes, (ii) amortization of previously capitalized interest and (iii) fixed charges, exclusive of capitalized interest cost. "Fixed charges" consist of (i) interest incurred, (ii) amortization of deferred loan costs and (iii) that portion of operating lease rental expense (33%) deemed to be representative of interest.

RISK FACTORS

You should carefully consider the risk factors described below, as well as the other information included or incorporated by reference in this prospectus prior to making a decision to invest in the notes.

Risks Related to Our Business

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 and declines in employment levels.

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. A reduction in our revenues could in turn negatively affect the market price of our securities.

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

Virtually all purchasers of our homes finance their acquisitions through lenders providing mortgage financing. A 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. As a result, our margins, revenues and cash flows may also be adversely affected.

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, including the notes 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.

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. Although we believe that internally generated funds and available borrowings under our revolving credit facility will be available to fund our capital and other expenditures (including land purchases in connection with ordinary development activities), the amounts available from such sources may not be sufficient. If such sources 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 the indentures governing the notes and our other existing debt. See "Description of Other Existing Indebtedness." In addition, the availability of borrowed funds, especially for land acquisition and construction financing, may be greatly reduced nationally, and the lending community may require increased amounts of equity to be invested in a project by borrowers in connection with both new loans and the extension of existing loans. If 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.

Our substantial indebtedness could adversely affect our financial condition, limit our growth and make it more difficult for us to satisfy our debt obligations.

As of June 30, 2004, we had approximately $1,124.1 million of indebtedness outstanding net of unamortized discount of approximately $15.0 million. Our substantial indebtedness could have important consequences to us and the holders of the notes, including among other things,

- cause us to be unable to satisfy our obligations under our existing or new debt agreements;
- make us more vulnerable to adverse general economic and industry conditions;
- make it difficult to fund future working capital, land purchases, acquisitions, general corporate purposes or other purposes; and
- cause us to be limited in our flexibility in planning for, or reacting to, changes in our business.

In addition, subject to restrictions in our existing debt instruments, we may incur additional indebtedness. In particular, as of June 30, 2004, we had available borrowings of approximately $317.8 million under our revolving credit facility. If new debt is added to our current debt levels, the related risks that we now face could intensify. Our growth plans and our ability to make payments of principal or interest on, or to refinance our indebtedness, including the notes, will depend on our future operating performance and our ability to enter into additional debt and/or equity financings. If we are unable to generate sufficient cash flows in the future to service our debt, we may be required to refinance all or a portion of our existing debt, including the notes, to sell assets or to obtain additional financing. We may not be able to do any of the foregoing on terms acceptable to us, if at all.

Changes in government regulations could restrict our business activities, increase our operating expenses and cause our revenues to decline.

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 home projects or otherwise restrict our business activities resulting in reductions in our revenues. Any delay or refusal to grant us necessary licenses, permits and approvals from government agencies 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. In May 2004 the United States Environmental Protection Agency (the "EPA") announced that it intends to focus its storm water runoff compliance efforts on large national and residential builders, which may lead to the incurrence of additional costs to respond to EPA inquiries and the adoption of additional compliance programs to address any concerns raised by the EPA. We expect that increasingly stringent requirements will be imposed on homebuilders in the future. In addition, environmental regulations can have an adverse impact on the availability and price of certain raw materials such as lumber. Our projects 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 mold 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, complaints and other legal actions that include claims related to moisture intrusion and mold. Furthermore, plaintiffs in certain of these legal proceedings (including cases in our Midwestern and Western markets) are seeking 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 potential liability for us. We record reserves for such matters in accordance with accounting principles generally accepted in the United States of America. With the exception of the matters discussed below, we do not believe that material additional losses related to such matters are reasonably possible.

As of June 30, 2004, our subsidiary, Trinity Homes LLC, had received 901 construction defect and warranty complaints related to water intrusion. As of June 30, 2004, there were 10 pending lawsuits related to these complaints. One of these suits is a putative class action suit that was filed in Indiana in August 2003 against Trinity and Beazer Homes Investment Corp., another one of our subsidiaries and Trinity's parent. As part of that case, the plaintiffs are asserting that Trinity and Beazer Homes Investment Corp. violated applicable building codes. The complaint attempts to define the purported class to include all owners of a residential structure in Indiana constructed and marketed by Trinity and Beazer Homes Investment Corp. in which a one-inch gap with a vapor barrier does not exist between an exterior brick veneer wall and the surface of the underlying exterior wall. Excluded from the class are any residents who suffer personal injuries caused by mold infestation. No monetary amount was stated in this claim. No hearing on class certification has been held at this time and no hearing for such certification is currently scheduled. Either no or immaterial monetary amounts were stated in the other nine lawsuits pending at June 30, 2004.

The parties in the putative class action have engaged in a series of mediation conferences and have reached an agreement in principle for a settlement of the case. The parties are currently drafting detailed settlement documents. The agreement in principle contemplates a settlement that would establish an agreed protocol and process for assessment and remediation of the homes. The court has ordered the parties to present any definitive settlement documents to the court by August 6, 2004. Although an agreement in principle has been reached, the terms of the final settlement are subject to, among other things, review and approval by the court and the parties to the suit. It is anticipated that the process of review and approval of the settlement will not be completed for several months and thus it is possible that a final settlement will ultimately not be reached.

Although we have obtained insurance for construction defect claims, 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 uninsurable 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 claims involving construction defect and product liability claims, which could cause our net income to decline.

The costs of insuring against construction defect and product liability claims are high, and the amount and scope of coverage offered by insurance companies is currently limited. This coverage may be further restricted and may become more costly.

Increasingly in recent years, lawsuits (including class action lawsuits) have been filed against builders, asserting claims of personal injury and property damage caused by the presence of mold in residential dwellings. Our insurance may not cover all of the claims, including personal injury claims, arising from the presence of mold, 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.

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 co